

HAYS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2012

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FOR THE YEAR ENDED SEPTEMBER 30, 2012

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| FINANCIAL SECTION | |
| Independent Auditors' Report on Financial Statements..... | 5 |
| Management's Discussion and Analysis (Required Supplementary Information)..... | 7 |
| <u>Basic Financial Statements</u> | |
| Government-wide Financial Statements: | |
| Statement of Net Assets..... | 15 |
| Statement of Activities..... | 16 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds..... | 18 |
| Reconciliation of the Governmental Funds | |
| Balance Sheet to the Statement of Net Assets..... | 20 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds..... | 22 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 24 |
| Statement of Net Assets - Internal Service Fund..... | 25 |
| Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Fund..... | 26 |
| Statement of Cash Flows - Proprietary Funds..... | 27 |
| Statement of Fiduciary Net Assets - Fiduciary Funds..... | 28 |
| Notes to the Financial Statements | 29 |
| <u>Required Supplementary Information:</u> | |
| Budgetary Comparison Schedules: | |
| General Fund..... | 45 |
| Road and Bridge Fund..... | 46 |
| Notes to Required Supplemental Information | 47 |
| <u>Combining Statements as Supplementary Information:</u> | |
| Combining Balance Sheet - All Nonmajor Governmental Funds..... | 48 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Nonmajor Governmental Funds..... | 60 |
| Combining Balance Sheet - Agency Funds..... | 74 |
| Combining Statement of Net Assets Component Units..... | 76 |
| Combining Statement of Activities Component Units..... | 78 |

HAYS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| COMPLIANCE SECTION | |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards..... | 81 |
| Report on Compliance with Requirements Applicable To each Major Program and Internal Control over Compliance In Accordance With OMB Circular A-133..... | 83 |
| Schedule of Findings and Questioned Costs | 85 |
| Schedule of Expenditures of Federal Awards | 86 |
| Schedule of Expenditures of State Awards | 88 |
| Notes to the Schedule of Expenditures of Federal Awards..... | 89 |

Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Honorable Judge and Commissioners
of Hays County
San Marcos, Texas

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 13 and budgetary comparison information on pages 45 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hays County's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the combining statement of fiduciary assets and liabilities are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, the combining and individual nonmajor fund financial statements, the combining statement of fiduciary assets and liabilities are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Alonso, Bacarisse, Irvine & Palmer, P.C.

March 15, 2013

HAYS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Section of the Hays County's annual financial report presents an overview of the County's financial activities for the fiscal year ended September 30, 2012. The Management's Discussion and Analysis should be considered in conjunction with the accompanying financial statements and accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The County's total combined net assets were \$51.9 million at September 30, 2012. Of this amount, \$(18.5) million is unrestricted. Negative unrestricted net assets are the result of expenses financed by long-term debt proceeds for infrastructure improvements not owned by the County. Expenses from debt proceeds generally also increase county assets; however, Hays County voters approved lending County support to improving state and city-owned roads, highways, and parks.
- At the close of the fiscal year 2012, Hays County's governmental funds reported combined ending fund balances of \$132.4 million.
- The general fund reported a fund balance this year of \$33 million, of which \$29.9 million is unassigned, and \$2.7 million is committed. The fund balance represents 59% of General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements, which consist of three components:

- government-wide financial statements
- fund financial statements and
- notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements.

The **Government-Wide Financial Statements** are designed to provide readers with a broad overview of the County's finances, in a manner similar to private sector business. The government-wide financial statements consist of two financial statements, the *Statement of Net Assets* and *Statement of Activities*.

- The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Eventually, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the county is improving or deteriorating.
- The *Statement of Activities* presents information showing how net assets changed during the most recent fiscal year using full accrual basis of accounting. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of their costs through user fees and charges. The governmental activities of the County include general administration, judicial, law enforcement/corrections, community/public service, health and human services, general maintenance, streets and highways.

FUND FINANCIAL STATEMENTS

The fund financial statements are designed to report information by grouping related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into the following three categories: governmental, proprietary and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are included in governmental funds, which focus on (1) cash and other financial assets that can readily be converted to cash and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's functions.

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 in the government-wide statements. In addition to the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balance, separate statements are provided that reconcile between the government-wide and fund level statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund (a type of proprietary fund) is used to report activities that provide supplies and services for other programs and activities-such as the County's Medical and Dental Insurance fund. Because this service predominantly benefits government rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The County's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets-Fiduciary Funds. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Net Assets:

The County's combined net assets were \$51,882,451 at September 30, 2012 as detailed below:

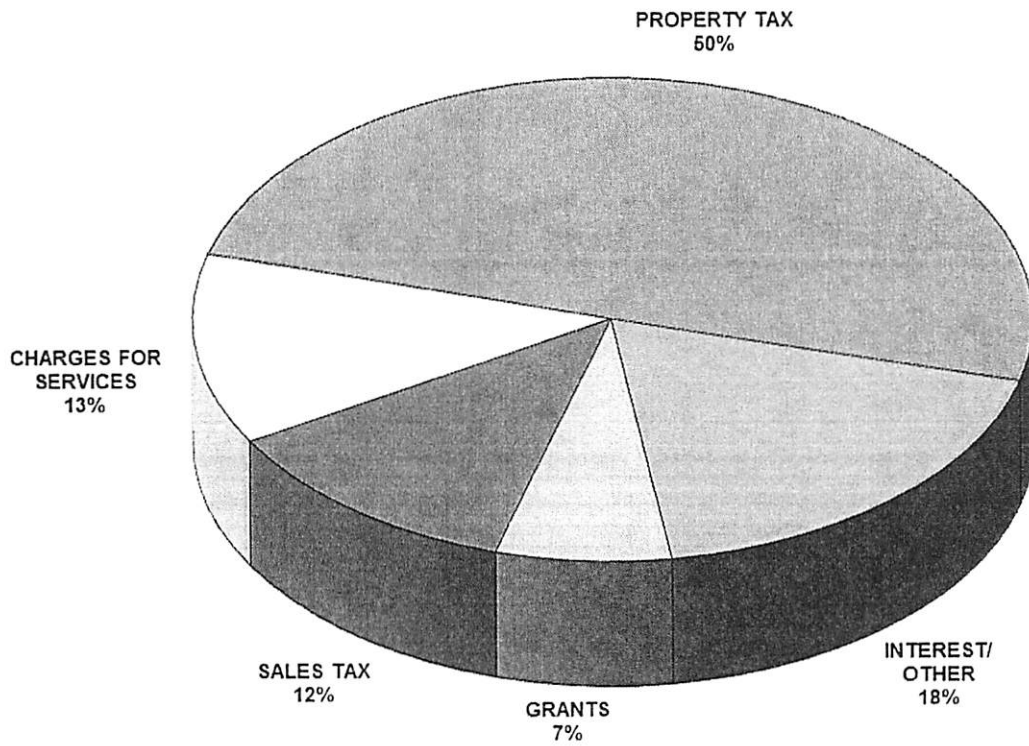
| | 2011 Governmental Activities | 2012 Governmental Activities | Total Percent Change 2012-2011 |
|--|------------------------------------|------------------------------------|---|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 180,467,853 | \$ 136,407,785 | -24.41% |
| Receivables (net of allowances for uncollectibles): | | | |
| Taxes | 1,710,986 | 1,798,005 | 5.09% |
| Accounts | 5,509,508 | 24,014,529 | 335.87% |
| Due from fiduciary funds | 303,019 | 254,961 | -15.86% |
| Inventories | 512,935 | 272,389 | -46.90% |
| Prepaid expenditures | 456,316 | 476,065 | 4.33% |
| Deferred charges-transportation costs | 3,365,532 | 13,598,943 | 100.00% |
| Capital Assets (net of accumulated depreciation): | | | |
| Land | 15,840,830 | 10,213,830 | -35.52% |
| Buildings and improvements | 20,922,561 | 78,111,501 | 273.34% |
| Land Improvements | 4,064,590 | 3,925,076 | -3.43% |
| Furniture, fixtures and equipment | 5,015,058 | 4,728,839 | -5.71% |
| Infrastructure | 73,475,969 | 74,394,303 | 1.25% |
| Construction in progress | 57,038,368 | 8,467,434 | -85.15% |
| Deferred charges - transportation costs | 10,675,268 | 8,274,973 | 100.00% |
| Other non-current assets | 2,643,673 | 2,671,294 | 1.04% |
| Total Assets | <u>382,002,466</u> | <u>367,609,927</u> | -3.77% |
| LIABILITIES: | | | |
| Liabilities: | | | |
| Accounts payable | 15,676,069 | 6,325,621 | -59.65% |
| Due to other governments | 2,975,774 | 359,216 | -87.93% |
| Accrued interest payable | 419,464 | 1,629,480 | 288.47% |
| Noncurrent liabilities - | | | |
| Due within one year | 6,094,351 | 7,886,947 | 29.41% |
| Due in more than one year | 303,405,449 | 299,412,688 | -1.32% |
| Deferred Revenues | 84,253 | 113,524 | 34.74% |
| Total Liabilities | <u>328,655,360</u> | <u>315,727,476</u> | -3.93% |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 85,756,765 | 63,826,050 | -25.57% |
| Restricted For: | | | |
| Debt Service | 6,128,347 | 6,583,064 | 7.42% |
| Unrestricted | (38,538,006) | (18,526,663) | -51.93% |
| Total Net Assets | <u>\$ 53,347,106</u> | <u>\$ 51,882,451</u> | -2.75% |

Changes in Net Assets:

A significant portion, 62% of the County's revenue comes from taxes. Of this total, \$12.8 million was from sales taxes and the remaining \$52.5 million is ad valorem taxes. Charges for services include court fines and fees (\$3.9 million), law enforcement and correction facilities (\$5.5 million), health department fees (\$.96 million), and other (\$3.1 million).

- The County's total cost of governance was \$108 million.
- However the amount our taxpayers paid for these activities through taxes was \$65.3 million.
- Those who directly benefited from the programs paid \$13.4 million.
- Interest, grants, contributions, and miscellaneous revenues share of the cost was \$26.8 million.

REVENUES FY 2012



The change in net assets for the year is summarized as follows:

| | 2011 | 2012 | Total Percent Change 2012-2011 |
|------------------------------------|------------------------|-----------------------|---|
| Taxes | \$ 63,502,081 | \$ 65,333,847 | 2.88% |
| Program revenues: | | | |
| Charges for Services | 12,852,434 | 13,405,644 | 4.30% |
| Operating grants and contributions | 4,565,637 | 7,217,305 | 58.08% |
| Capital grants and contributions | 597,193 | - | -100.00% |
| Investment earnings | 209,136 | 189,424 | -9.43% |
| Miscellaneous and other | 4,748,804 | 19,387,398 | 308.26% |
| | <u>86,475,285</u> | <u>105,533,618</u> | <u>22.04%</u> |
| Expenses | | | |
| General administration | 6,890,282 | 11,656,963 | 69.18% |
| Judicial | 9,486,012 | 9,248,847 | -2.50% |
| Law enforcement/corrections | 30,991,236 | 31,204,582 | 0.69% |
| Community/public service | 6,215,471 | 6,184,415 | -0.50% |
| Health and human services | 6,394,564 | 2,376,819 | -62.83% |
| General maintenance | 1,190,673 | 1,446,204 | 21.46% |
| Streets and highways | 31,276,557 | 35,361,827 | 13.06% |
| Debt service/Bond Interest | 9,647,133 | 10,186,650 | 5.59% |
| Total expenditures | <u>102,091,928</u> | <u>107,666,307</u> | <u>5.46%</u> |
| Increase (decrease) in net assets | <u>\$ (15,616,643)</u> | <u>\$ (2,132,689)</u> | <u>-86.34%</u> |

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The County reports the following types of governmental funds: the General Fund; Special Revenue; Debt Service; and Capital Project Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances that are available for spending. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the 2012 fiscal year, the County's governmental funds reported combined ending fund balance of \$132.4 million. Approximately \$29.9 million of the fund balance represents unassigned fund balance while the remaining major components of fund balance are restricted for construction, debt service and special revenue (\$99 million). Committed fund balance was for projects budgeted to be expended in 2013 (\$2.7 million). The General Fund is the primary operating fund of the County. At the end of the 2012 fiscal year, fund balance of the General Fund was \$33.3 million, of which \$29.9 million is unassigned.

GENERAL FUND BUDGETARY HIGHLIGHTS :

The Fiscal Year 2012 budget was adopted on September 20, 2011. The FY2012 budget decrease (2%) over FY2011 was primarily a result of the completion of building repairs at the county jail facilities.

Over the course of the year, the County revised its budget on several occasions for line item transfers within existing line items, with no increase in the overall budget. Any noted increases in the overall budget was due to additional grants with off setting revenue that were received but were not anticipated during the budget process.

Actual expenditures were less than budgeted expenditures by \$3,087,639, primarily due to the incompleteness of capital improvement projects as well as grant funded projects. Actual revenues collected were more than budgeted by \$1,584,602. The revenue increase was primarily the result of an increase in ad valorem and sales tax collections.

CAPITAL ASSETS

The capital assets of the County are those assets (land, buildings, improvements, infrastructure, and furniture, and equipment), which are used in the performance of the County’s functions. At September 30, 2012, net capital assets of the governmental activities totaled \$179.8 million. Annual depreciation for buildings, infrastructure, improvements and furniture and equipment totaled \$7.6 million.

| | <u>2011</u> | <u>2012</u> | <u>Percent Change 2012-2011</u> |
|--|-----------------------|-----------------------|---|
| Capital assets not being depreciated: | | | |
| Land | \$ 15,840,830 | \$ 10,213,830 | -35.52% |
| Construction in progress - infrastructure | 6,363,545 | 5,553,681 | -12.73% |
| Construction in progress | <u>50,674,823</u> | <u>2,913,753</u> | <u>-94.25%</u> |
| Total capital assets not being depreciated | 72,879,198 | 18,681,264 | -74.37% |
| Capital assets being depreciated: | | | |
| Infrastructure | 112,098,254 | 117,630,341 | 4.94% |
| Buildings and improvements | 38,322,568 | 96,305,954 | 151.30% |
| Park improvements | 4,185,434 | 4,185,434 | 0.00% |
| Equipment | 16,770,103 | 18,053,624 | 7.65% |
| Equipment under capital lease | <u>1,870,895</u> | <u>1,898,262</u> | <u>1.46%</u> |
| Total capital assets being depreciated | 173,247,254 | 238,073,615 | 37.42% |
| Less accumulated depreciation for: | | | |
| Infrastructure | (38,622,285) | (43,236,038) | 11.95% |
| Buildings and improvements | (17,400,007) | (18,194,453) | 4.57% |
| Park Improvements | (120,844) | (260,358) | 100.00% |
| Equipment | (12,448,886) | (13,751,018) | 10.46% |
| Equipment under capital Lease | <u>(1,177,054)</u> | <u>(1,472,029)</u> | <u>25.06%</u> |
| Total accumulated depreciation | (69,769,076) | (76,913,896) | 10.24% |
| Total capital assets being depreciated, net | <u>103,478,178</u> | <u>161,159,719</u> | <u>55.74%</u> |
| Governmental activities capital assets, net | <u>\$ 176,357,376</u> | <u>\$ 179,840,983</u> | <u>1.98%</u> |

DEBT ADMINISTRATION

At the end of the 2012 fiscal year, the County reported \$307.3 million in outstanding debt. Of this amount, \$205.4 million is general obligation debt; \$77.8 million is certificates of obligation, \$.37 million is a promissory note, and \$.36 million is capital leases. The County reported \$1.94 million in vested vacation benefits and \$13.2 million in post-employment benefits. Premiums being amortized over the life of the bond were \$8.23 million at year-end.

A majority of the general obligation debt is the result of a voter approved bond issue for roads (\$206 million) and parks (\$30 million). The County has entered into an agreement regarding the road construction projects relating to State roads in which the State of Texas will reimburse Hays County over an approximate 20 year period the sum of \$133,000,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES:

The County has experienced a major population growth between the 2000 and 2010 census. The County's population increased from 97,589 to 157,107 which represents a 61% increase. However, in the past year Hays County has also been affected by the economic times. Appraised property values used for the FY2013 budget preparation will increase by \$337 million, or 3% from FY2012. The increase in FY2013 property values was the result of new improvements. The average home value in FY2013 was \$162,899 as compared to the average home value in FY2012 of \$163,038. These indicators were taken into account when adopting the FY2013 General Fund budget. Amounts available for appropriation in the FY2013 General Fund budget are \$58.1 million, compared to the final FY2012 budget of \$55.8 million.

Total expenditures for all operating funds, including General Fund, for FY2013 are budgeted at \$73.9 million which is a slight decrease from the previous year.

If these estimates are realized, the County's budgetary General Fund balance is anticipated to drop by \$2.7 million. The decrease in fund balance is the result of the use of reserves to fund one-time expenditures for communication/other equipment as well as other miscellaneous one-time project expenses.

The County determined in FY2006 that it needed to plan for the financial resources that would be required in the near future to provide new office space in the County seat as well as the satellite offices throughout the County. The new office complex would consolidate many offices into one government complex that would provide for future growth as well as increase efficiency in government operations. In FY2006, the County implemented a plan to appropriate into the property tax rate and into the budget, on an annual basis, an amount of funds that would be required to construct new offices in the near future. In FY2010 the County had sufficient funding appropriated into the tax rate to pay for the debt requirements necessary for a \$72 million Government Center without any future tax rate impact. The new Government Center was completed in December 2011 at a cost of approximately \$59.9 million.

REQUESTS FOR INFORMATION

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 demonstrate 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's Office, 712 S. Stagecoach Trail, Suite 1071, San Marcos, Texas 78666 or 512-393-2283.

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HAYS COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2012

| | Primary Government Governmental Activities | Component Units |
|---|---|----------------------------|
| Assets | | |
| Cash: | | |
| Cash and cash equivalents | \$ 136,407,785 | \$ 5,074,244 |
| Receivables: | | |
| Delinquent ad valorem taxes | 709,772 | 901,952 |
| Sales and use tax | 1,088,233 | - |
| Miscellaneous | 24,014,529 | 231,857 |
| Due from fiduciary funds | 254,961 | - |
| Materials & supplies inventory, at cost | 272,389 | - |
| Prepaid expenses | 476,065 | 331,398 |
| Deferred charges-transportation costs | 13,598,943 | - |
| Capital assets (net of accumulated depreciation): | | |
| Land | 10,213,830 | 1,226,258 |
| Buildings | 78,111,501 | 7,875,886 |
| Land Improvements | 3,925,076 | - |
| Furniture, fixtures and equipment | 4,728,839 | 4,107,088 |
| Infrastructure | 74,394,303 | - |
| Construction in progress | 8,467,434 | 213,187 |
| Deferred charges-transportation costs | 8,274,973 | - |
| Deferred charges-bond issuance costs | 2,565,294 | - |
| Deposits | 106,000 | - |
| Total Assets: | 367,609,927 | 19,961,870 |
| Liabilities | | |
| Accounts payable | 6,325,621 | 191,485 |
| Accrued interest payable | 1,629,480 | 257,637 |
| Due to other governments | 359,216 | - |
| Noncurrent liabilities: | | |
| Due within one year | 7,886,947 | 598,272 |
| Due in more than one year | 299,412,688 | 6,685,145 |
| Deferred revenues | 113,524 | 53,363 |
| Total Liabilities: | 315,727,476 | 7,785,902 |
| Net Assets | | |
| Invested in capital assets, net of related debt | 63,826,050 | 6,492,313 |
| Restricted for: | | |
| Debt service | 6,583,064 | 40,316 |
| Unrestricted | (18,526,663) | 5,643,339 |
| Total Net Assets: | \$ 51,882,451 | \$ 12,175,968 |

The accompanying notes are an integral part of this statement.

**HAYS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012**

| <u>Functions/Programs</u> | <u>Program Revenues</u> | | | |
|---------------------------------|-------------------------|---------------------------------|---|---|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary government: | | | | |
| Governmental activities: | | | | |
| Administration | \$ (11,656,963) | \$ 691,418 | \$ 185,427 | \$ - |
| Judicial | (9,248,847) | 3,929,506 | 318,974 | - |
| Law enforcement and corrections | (31,204,582) | 5,463,186 | 1,876,931 | - |
| Community and public services | (6,184,415) | 297,977 | 268,449 | - |
| Health and human services | (2,376,819) | 957,749 | 985,699 | - |
| General maintenance | (1,446,204) | - | - | - |
| Highways and streets | (35,361,827) | 2,065,808 | 3,581,825 | - |
| Interest and fees | (10,186,650) | - | - | - |
| Total governmental activities | <u>(107,666,307)</u> | <u>13,405,644</u> | <u>7,217,305</u> | <u>-</u> |
| Total primary government | <u>\$ (107,666,307)</u> | <u>\$ 13,405,644</u> | <u>\$ 7,217,305</u> | <u>\$ -</u> |

Component Units

Emergency Service Districts public safety

Ad valorem taxes
Sales and use tax
Interest on deposits
Miscellaneous revenues
Total general revenues

Change in net assets

Net assets - beginning
Prior period adjustment
Net assets - beginning as restated
Net assets - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

| <u>Primary Government</u> | <u>Component Units</u> |
|------------------------------------|------------------------|
| <u>Governmental Activities</u> | <u>ESD's</u> |
| \$ (10,780,118) | \$ - |
| (5,000,367) | - |
| (23,864,465) | - |
| (5,617,989) | - |
| (433,371) | - |
| (1,446,204) | - |
| (29,714,194) | - |
| <u>(10,186,650)</u> | <u>-</u> |
| <u>(87,043,358)</u> | <u>-</u> |
| <u>\$ (87,043,358)</u> | <u>-</u> |
| | <u>(10,988,402)</u> |
| 52,548,927 | 9,869,132 |
| 12,784,920 | 454,797 |
| 189,424 | 21,526 |
| <u>19,387,398</u> | <u>1,788,788</u> |
| <u>84,910,669</u> | <u>12,134,243</u> |
| (2,132,689) | 1,145,841 |
| 53,347,106 | 11,030,127 |
| 668,034 | - |
| 54,015,140 | - |
| <u>\$ 51,882,451</u> | <u>\$ 12,175,968</u> |

**HAYS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012**

| | <u>General</u> | <u>Road and Bridge General Fund</u> | <u>Govt Ctr Construction 2010 Fund</u> | <u>Pass Thru Road Bond 2009 Fund</u> |
|---|----------------------|---|--|--|
| Assets | | | | |
| Cash and cash equivalents | \$ 29,227,488 | \$ 1,703,414 | \$ 11,307,684 | \$ 6,639,495 |
| Receivables: | | | | |
| Ad valorem taxes | 420,507 | 70,500 | - | - |
| Sales and use taxes | 1,088,233 | - | - | - |
| Miscellaneous | 2,109,305 | 22,822 | - | 6,442 |
| Due from other funds | 4,853,424 | 132,915 | - | 8,641 |
| Due from fiduciary funds | 222,519 | 22,625 | - | - |
| Prepaid expenses | 476,065 | - | - | - |
| Inventory, at cost | 14,330 | 258,059 | - | - |
| Total Assets: | <u>\$ 38,411,871</u> | <u>\$ 2,210,335</u> | <u>\$ 11,307,684</u> | <u>\$ 6,654,578</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable - trade | \$ 2,963,277 | \$ 389,805 | \$ 53,712 | \$ 431,318 |
| Deferred revenues | 534,031 | 70,500 | - | - |
| Due to other agencies | 356,184 | 3,032 | - | - |
| Due to other funds | 1,293,572 | 232,594 | - | 146,259 |
| Total Liabilities: | <u>5,147,064</u> | <u>695,931</u> | <u>53,712</u> | <u>577,577</u> |
| Fund Balances: | | | | |
| Non spendable | 490,395 | 258,059 | - | - |
| Restricted-construction | - | - | 11,253,972 | 6,077,001 |
| Restricted-debt service | 144,464 | - | - | - |
| Restricted-special revenue | - | 1,256,345 | - | - |
| Committed | 2,740,351 | - | - | - |
| Unassigned | 29,889,597 | - | - | - |
| Total Fund Balances: | <u>33,264,807</u> | <u>1,514,404</u> | <u>11,253,972</u> | <u>6,077,001</u> |
| Total Liabilities and Fund Balances: | <u>\$ 38,411,871</u> | <u>\$ 2,210,335</u> | <u>\$ 11,307,684</u> | <u>\$ 6,654,578</u> |

The accompanying notes are an integral part of this statement.

| Dacy Lane Road Improv 2009 Fund | Pass Thru Road Bond 2011 Fund | Co Priority Road Bond 2011 Fund | Park Bond 2011 Fund | Other Governmental Funds | Total Governmental Funds |
|--|--|--|--------------------------------|---|---|
| \$ 164,596 | \$ 43,059,040 | \$ 21,508,340 | \$ 6,858,181 | \$ 10,776,156 | \$ 131,244,394 |
| - | - | - | - | 218,765 | 709,772 |
| - | - | - | - | - | 1,088,233 |
| 2,335,869 | - | 19,436 | - | 1,114,623 | 5,608,497 |
| 15,939 | - | 106,844 | - | 805,317 | 5,923,080 |
| - | - | - | - | 9,817 | 254,961 |
| - | - | - | - | - | 476,065 |
| - | - | - | - | - | 272,389 |
| <u>\$ 2,516,404</u> | <u>\$ 43,059,040</u> | <u>\$ 21,634,620</u> | <u>\$ 6,858,181</u> | <u>\$ 12,924,678</u> | <u>\$ 145,577,391</u> |
| \$ 92,776 | \$ - | \$ 629,237 | \$ 87,259 | \$ 1,246,515 | \$ 5,893,899 |
| - | - | - | - | 218,765 | 823,296 |
| - | - | - | - | - | 359,216 |
| - | - | 317,920 | 6,466 | 4,114,523 | 6,111,334 |
| <u>92,776</u> | <u>-</u> | <u>947,157</u> | <u>93,725</u> | <u>5,579,803</u> | <u>13,187,745</u> |
| - | - | - | - | - | 748,454 |
| 2,423,628 | 43,059,040 | 20,687,463 | 6,764,456 | (2,146,544) | 88,119,016 |
| - | - | - | - | 6,438,600 | 6,583,064 |
| - | - | - | - | 3,052,819 | 4,309,164 |
| - | - | - | - | - | 2,740,351 |
| - | - | - | - | - | 29,889,597 |
| <u>2,423,628</u> | <u>43,059,040</u> | <u>20,687,463</u> | <u>6,764,456</u> | <u>7,344,875</u> | <u>132,389,646</u> |
| <u>\$ 2,516,404</u> | <u>\$ 43,059,040</u> | <u>\$ 21,634,620</u> | <u>\$ 6,858,181</u> | <u>\$ 12,924,678</u> | <u>\$ 145,577,391</u> |

HAYS COUNTY, TEXAS
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO
STATEMENT OF NET ASSETS
September 30, 2012

| | | |
|---|----|--------------------------|
| Total fund balances - governmental funds | \$ | 132,389,646 |
| Amounts reported for <i>governmental activities</i> in the statement of net assets are different because: | | |
| Capital assets used in governmental activities are expensed in the funds | | 179,840,983 |
| Payables for bond principal, premiums, and capital leases which are not due in the current period are not reported in the funds | | (292,190,462) |
| Bond issue costs are expensed in the funds | | 2,565,294 |
| Payables for bond interest which are not due in the current period are not reported in the funds | | (1,629,480) |
| Compensated absences which are not due in the current period are not reported in the funds | | (1,940,011) |
| Internal service funds assets and liabilities are included in the governmental activities in the statement of net assets | | 5,028,651 |
| Property tax receivable unavailable to pay current year expenditures is deferred in the funds | | 709,772 |
| Post employment benefit obligation is not reported in the funds | | (13,169,162) |
| Deferred charges are not available to pay for current period expenditures and, therefore are not recorded in the funds | | 21,873,916 |
| Receivables for which current financial resources are not available | | <u>18,403,304</u> |
| Net assets of governmental activities - statement of net assets | \$ | <u><u>51,882,451</u></u> |

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HAYS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

| | <u>General</u> | <u>Road and Bridge General Fund</u> | <u>Govt Ctr Construction 2010 Fund</u> | <u>Pass Thru Road Bond 2009 Fund</u> |
|--|----------------------|---|--|--|
| Revenues | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 33,723,867 | \$ 4,893,901 | \$ - | \$ - |
| Sales and use | 11,907,339 | 877,581 | - | - |
| Fines | 1,631,177 | 348,743 | - | - |
| Charges for services | 7,479,392 | 1,763,908 | - | - |
| Interest on deposits | 37,199 | 5,303 | 17,472 | 17,051 |
| Operating grants and contributions | 3,399,930 | 6,466 | - | - |
| Other revenue | 916,655 | 222,721 | - | - |
| Asset forfeitures | - | - | - | - |
| Total revenues | <u>59,095,559</u> | <u>8,118,623</u> | <u>17,472</u> | <u>17,051</u> |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 9,304,628 | - | 2,661,161 | - |
| Judicial | 8,527,565 | - | - | - |
| Law enforcement and corrections | 29,325,190 | - | - | - |
| Community and public services | 1,436,140 | - | - | - |
| Health and human services | 2,127,968 | - | - | - |
| General maintenance | 1,391,472 | - | - | - |
| Highways and streets | 1,030,973 | 9,874,805 | - | 17,692,926 |
| Debt service: | | | | |
| Administrative charges | 7,700 | - | 1,100 | 1,100 |
| Interest | 20,349 | - | - | - |
| Principal retirement | 121,005 | - | - | - |
| Issuance costs | - | - | - | - |
| Capital outlay: | | | | |
| Capital outlay | 1,233,504 | 322,304 | 7,677,625 | - |
| Total expenditures | <u>54,526,494</u> | <u>10,197,109</u> | <u>10,339,886</u> | <u>17,694,026</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>4,569,065</u> | <u>(2,078,486)</u> | <u>(10,322,414)</u> | <u>(17,676,975)</u> |
| Other financing sources (uses) | | | | |
| Transfers to other funds | (2,707,139) | - | - | - |
| Transfers from other funds | 212,187 | - | - | - |
| Bond and loan proceeds | - | - | - | - |
| Sale of real property | 213,696 | - | - | - |
| Net other financing sources (uses) | <u>(2,281,256)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>2,287,809</u> | <u>(2,078,486)</u> | <u>(10,322,414)</u> | <u>(17,676,975)</u> |
| Fund balances - beginning | 30,976,998 | 3,592,890 | 21,576,386 | 23,753,976 |
| Fund balances - ending | <u>\$ 33,264,807</u> | <u>\$ 1,514,404</u> | <u>\$ 11,253,972</u> | <u>\$ 6,077,001</u> |

The accompanying notes are an integral part of this statement.

| <u>Dacy Lane Road Improv 2009 Fund</u> | <u>Pass Thru Road Bond 2011 Fund</u> | <u>Co Priority Road Bond 2011 Fund</u> | <u>Park Bond 2011 Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|--|--|--------------------------------|---|---|
| \$ - | \$ - | \$ - | \$ - | \$ 13,931,159 | \$ 52,548,927 |
| - | - | - | - | - | 12,784,920 |
| - | - | - | - | - | 1,979,920 |
| - | - | - | - | 1,483,461 | 10,726,761 |
| 1,505 | 48,934 | 29,261 | 7,123 | 19,560 | 183,408 |
| 2,335,869 | - | 157,354 | - | 973,385 | 6,873,004 |
| - | - | - | - | 4,181,387 | 5,320,763 |
| - | - | - | - | 226,856 | 226,856 |
| <u>2,337,374</u> | <u>48,934</u> | <u>186,615</u> | <u>7,123</u> | <u>20,815,808</u> | <u>90,644,559</u> |
| - | - | - | - | 772,011 | 12,737,800 |
| - | - | - | - | 386,562 | 8,914,127 |
| - | - | - | - | 442,722 | 29,767,912 |
| - | - | - | 937,891 | 3,490,467 | 5,864,498 |
| - | - | - | - | 28,955 | 2,156,923 |
| - | - | - | - | - | 1,391,472 |
| 1,734,929 | - | 8,090,461 | - | 1,036 | 38,425,130 |
| - | - | - | - | 2,800 | 12,700 |
| - | - | - | - | 11,073,771 | 11,094,120 |
| - | - | - | - | 15,687,519 | 15,808,524 |
| - | - | - | - | 185,000 | 185,000 |
| - | - | 886,148 | 120,345 | 2,270,788 | 12,510,714 |
| <u>1,734,929</u> | <u>-</u> | <u>8,976,609</u> | <u>1,058,236</u> | <u>34,341,631</u> | <u>138,868,920</u> |
| <u>602,445</u> | <u>48,934</u> | <u>(8,789,994)</u> | <u>(1,051,113)</u> | <u>(13,525,823)</u> | <u>(48,224,361)</u> |
| - | - | - | - | (212,187) | (2,919,326) |
| - | - | - | - | 2,707,139 | 2,919,326 |
| - | - | - | - | 9,745,000 | 9,745,000 |
| - | - | - | 4,876,724 | - | 5,090,420 |
| - | - | - | 4,876,724 | 12,239,952 | 14,835,420 |
| 602,445 | 48,934 | (8,789,994) | 3,825,611 | (1,285,871) | (33,388,941) |
| 1,821,183 | 43,010,106 | 29,477,457 | 2,938,845 | 8,630,746 | 165,778,587 |
| <u>\$ 2,423,628</u> | <u>\$ 43,059,040</u> | <u>\$ 20,687,463</u> | <u>\$ 6,764,456</u> | <u>\$ 7,344,875</u> | <u>\$ 132,389,646</u> |

HAYS COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

| | |
|--|-----------------|
| Net change in fund balances -- total governmental funds | \$ (33,388,941) |
| Amounts reported for <i>governmental activities</i> in the statement of activities are different because: | |
| Capital outlays are not reported as expenses in the statement of activities | 16,873,223 |
| Sales of capital assets are not reported in the funds | (5,789,311) |
| Depreciation of capital assets is not recorded in the funds | (7,600,305) |
| Repayment of bond and note principle is an expenditure in the funds but a reduction of the liability in the statement of net assets | 15,687,518 |
| Bond issues and notes payable are recorded as a current resource in the funds, but as a liability in the statement of net assets | (9,759,463) |
| Bond issue costs are capitalized and amortized in the statement of net assets | 27,621 |
| Bond premiums are capitalized and amortized in the statement of net assets | 413,752 |
| Repayment of capital lease principal is an expenditure in the funds but a reduction of the liability in the statement of net assets | 120,998 |
| Capital lease issues are recorded as a current resource in the funds, but as a liability in the statement of net assets | (27,366) |
| Increase in non-current portion of compensated absences is not an expenditure in the funds, but is recorded as a liability in the statement of net assets | (124,450) |
| Decrease in accrued interest payable from beginning of the period to the end of the period | 678,260 |
| Net expenditure in the internal service funds are reported in the governmental activities | 2,041,470 |
| Post employment benefit expense is not reported in the funds | (4,110,824) |
| Governmental funds report expenditures for costs of assets under construction that will be contributed on completion to another entity. However, in the statement of activities, the cost of those assets will be expensed when asset is transferred | 22,825,129 |
| Change in net assets of governmental activities - statement of activities | \$ (2,132,689) |

The accompanying notes are an integral part of this statement.

HAYS COUNTY, TEXAS
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

| | <u>Internal Service Fund</u> |
|--------------------------------------|----------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 5,163,391 |
| Accounts receivable | 2,728 |
| Due from other funds | <u>409,801</u> |
| Total current assets: | 5,575,920 |
| Non-current asset: | |
| Deposits held by paying agent | <u>106,000</u> |
| Total assets | <u>5,681,920</u> |
| LIABILITIES AND FUND BALANCES | |
| Current liabilities: | |
| Accounts payable - trade | 431,722 |
| Due to other funds | <u>221,547</u> |
| Total current liabilities: | <u>653,269</u> |
| Total liabilities | <u>653,269</u> |
| NET ASSETS | |
| Restricted for future claims | <u>5,028,651</u> |
| Total net assets | <u><u>\$ 5,028,651</u></u> |

The accompanying notes are an integral part of this statement.

HAYS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

| | <u>Internal Service Fund</u> |
|-------------------------------|----------------------------------|
| OPERATING REVENUES: | |
| Charges for services | <u>\$ 10,075,664</u> |
| Total operating revenue | <u>10,075,664</u> |
| OPERATING EXPENSES: | |
| Medical claims | <u>8,040,210</u> |
| Total operating expenses | <u>8,040,210</u> |
| Operating income (loss) | <u>2,035,454</u> |
| NONOPERATING REVENUES: | |
| Interest on deposits | <u>6,016</u> |
| Total nonoperating revenue | <u>6,016</u> |
| Change in net assets | <u>2,041,470</u> |
| Total net assets -- beginning | <u>2,987,181</u> |
| Total net assets -- ending | <u><u>\$ 5,028,651</u></u> |

The accompanying notes are an integral part of this statement.

HAYS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

| | Internal Service Fund |
|---|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash receipts from interfund services provided and used | \$ 10,090,980 |
| Payments for claims | (8,258,665) |
| Net cash provided by operating activities | 1,832,315 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Decrease in deposit held by paying agent | - |
| Net cash provided by noncapital financing | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received | 6,016 |
| Net cash provided by investing activities | 6,016 |
| Net Increase (decrease) in cash and cash equivalents | 1,838,331 |
| Balances - beginning of year | 3,325,060 |
| Balances - end of the year | \$ 5,163,391 |
| Reconciliation of operating income (loss) to | |
| net cash provided (used) by operating activities: | |
| Operating income | \$ 2,035,454 |
| Changes in assets and liabilities: | |
| Interfund receivables | (205,417) |
| Accounts receivable | (814) |
| Accounts payable - other | (218,455) |
| Interfund payables | 221,547 |
| Net cash provided by operating activities | \$ 1,832,315 |

The accompanying notes are an integral part of this statement.

HAYS COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2012

| | <u>Agency Funds</u> |
|---------------------------|---------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 5,308,452 |
| Total assets | <u>\$ 5,308,452</u> |
| LIABILITIES | |
| Due to county | \$ 254,961 |
| Due to participants | 2,607,068 |
| Due to other agencies | <u>2,446,423</u> |
| Total liabilities | <u>\$ 5,308,452</u> |

The accompanying notes are an integral part of this statement.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

A. Summary of Significant Accounting Policies

The combined financial statements of the County of Hays, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its components units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

The County is not a component unit of any other reporting entity as defined by the GASB Statement. Based on these criteria, the County's eight Emergency Service District's are component units.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

Road and Bridge Special Revenue Fund: This fund is used to account for resources restricted to, or designated for, road and bridge maintenance and operations.

Capital Projects Funds: These funds are used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

In addition, the County reports the following fund types:

Special Revenue Funds: These funds are used to separately account for funds related to grants and contracts.

Debt Service Fund: This fund is used to account for the resources accumulated for the repayment of principal and interest on long-term debt of the County.

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Agency Funds: These funds are used to report other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary Funds: These funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of the accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The County has chosen to apply future FASB standards.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property 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 the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General, Road & Bridge Special Revenue Fund and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The allowance for doubtful accounts in the General, Road & Bridge Special Revenue Fund and Debt Service Funds was \$781,658, \$164,312, and \$150,667, respectively.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

c. Inventories and Prepaid Items

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Deferred charges

Deferred contributions include construction costs of roads primarily within the County that will be transferred to another governmental entity upon completion at which time will be expensed in the statement of activities.

e. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donations. The cost of the normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|------------------------|-----------------------------------|
| Infrastructure | 25-50 |
| Buildings | 50 |
| Equipment and Vehicles | 5-10 |

f. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

g. Compensated Absences

On retirement, termination or death of certain employees, the County pays any accrued vacation leave in a lump sum payment to such employee or his/her estate. The maximum amount an employee will be paid on termination is 240 hours.

h. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted on the government-wide statement of activities.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

Similarly, interfund receivables and payables are netted and presented as a single "due from fiduciary funds" line of government-wide statement of net assets.

i. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

j. Fund Balance Classification Policies

The County adopted GASB 54. Governmental Accounting Standards Board Statement Number 54 (GASB 54) *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement provides guidance for fund balance categories and classifications and governmental fund type definitions. GASB 54 changed the way we look at cash balances, specifically reporting what cash balances, by major governmental fund type, are or are not available for public purposes. Five categories of cash balances were created and defined by GASB 54. These five categories are as follows:

- Non-spendable - These funds are not available for expenditures based on legal or contractual requirements. An example might be inventories and prepaid expenditures.
- Restricted - These funds are governed by externally enforceable restrictions.
- Committed - Fund balances in this category are limited by the government's highest level of decision making (in this case the Commissioners Court). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.
- Assigned - For funds to be assigned, there must be an intended use which can be established by the Commissioners Court or an official delegated by the court, such as a county judge or county auditor. For example, during the budget process, the court decided to use some existing fund balance to support activities in the upcoming year.
- Unassigned - This classification is the default for all funds that do not fit into the other categories.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The County's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year.

B. Deposits and Investments

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

Cash Deposits:

At September 30, 2012, the carrying amount of the County's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$6,092,654 and the bank balance was \$4,213,285. The County's cash deposits at September 30, 2012, and during the year ended September 30, 2012, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (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, and (10) common trust funds.

The County's investments at September 30, 2012 are shown below.

| <u>Investment or Investment Type</u> | <u>Fair Value</u> | <u>Percent of Total Portfolio</u> | <u>Weighted Average Maturity in Days</u> | <u>Rating S&P</u> |
|--|-----------------------|---|--|---------------------------|
| TexPool Investment Pool | \$ 73,538,953 | 54.22% | n/a | AAAm |
| Logic Investment Pool | 20,114,846 | 14.83% | n/a | AAAm |
| MBIA Class Investment Pool | 19,780,796 | 14.59% | n/a | AAAm |
| DWS Government Cash Inst. Shares | 15,124,311 | 11.15% | n/a | AAAm |
| Certificates of Deposit | 6,014,937 | 4.44% | 180 | N/A |
| United States Treasury Notes | 1,049,740 | 0.77% | 90 | N/A |
| | | | | |
| Total investments held by the County | <u>135,623,583</u> | | | |
| Plus cash in banks | <u>6,092,654</u> | | | |
| Total investments and cash held by County | <u>141,716,237</u> | | | |
| Less cash held in agency funds | (5,308,452) | | | |
| Total cash and cash equivalents reported on statement of net assets | <u>\$ 136,407,785</u> | | | |

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end, and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. State law dictates that in order to maintain eligibility to receive funds and invest funds on behalf of the County, an investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized statistical rating organization (NRSRO). State law authorizes investments in obligations guaranteed by the U.S. government and does not require that these

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

investments be rated. The County's policy is to comply with state law. At year end, all of the County's investments meet the State's requirements.

At September 30, 2012, the County's investments are rated as to credit quality as shown in the above table.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name. For an investment, custodial credit risk 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. State law requires settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis. The County's Investment Policy requires that securities be registered in the name of the County. All safekeeping receipts for investment instruments are held in accounts in the County's name, and all securities are registered in the name of the County.

The County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

State law and the County's policy place no limit on the amount the County may invest in any one issuer. The County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The County manages its investment time horizons by averaging investment maturities and chooses to present its exposure to interest rate changes using the weighted average maturity method. In accordance with its investment policy and state law, the County manages its interest rate risk by limiting the weighted average maturity of any investment owned by the County to the maximum of two years. The investment strategy for operating funds requires a dollar weighed average maturity of 365 days or less. Debt service funds cannot be invested in securities that have a stated final maturity date that exceeds the debt service payment date. Investment of debt service reserve funds and special project funds require high quality securities with short-term maturities. Eligible investment pools must have a weighted average maturity of no greater than 90 days. The County's exposure to interest rate risk at September 30, 2012 is summarized in the above table as the weighted average days to maturity.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

C. Capital Assets

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

| | <u>Beginning Balances</u> | <u>Reclasses and Increases</u> | <u>Reclasses and Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|------------------------------------|------------------------------------|----------------------------|
| Governmental activities: | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 15,840,830 | \$ - | \$ (5,627,000) | \$ 10,213,830 |
| Construction in progress - infrastructure | 6,363,545 | 1,933,161 | (2,743,025) | 5,553,681 |
| Construction in progress | 50,674,823 | 10,566,610 | (58,327,680) | 2,913,753 |
| Total capital assets not being depreciated | <u>72,879,198</u> | <u>12,499,771</u> | <u>(66,697,705)</u> | <u>18,681,264</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Infrastructure | 112,098,254 | 5,695,859 | (163,772) | 117,630,341 |
| Buildings and improvements | 38,322,568 | 58,177,332 | (193,946) | 96,305,954 |
| Park improvements | 4,185,434 | - | - | 4,185,434 |
| Equipment | 16,770,103 | 1,543,599 | (260,078) | 18,053,624 |
| Equipment under capital lease | 1,870,895 | 27,367 | - | 1,898,262 |
| Total capital assets being depreciated | <u>173,247,254</u> | <u>65,444,157</u> | <u>(617,796)</u> | <u>238,073,615</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (38,622,285) | (4,685,598) | 71,845 | (43,236,038) |
| Buildings and improvements | (17,400,007) | (934,225) | 139,779 | (18,194,453) |
| Park improvements | (120,844) | (139,514) | - | (260,358) |
| Equipment | (12,448,886) | (1,545,993) | 243,861 | (13,751,018) |
| Equipment under capital lease | (1,177,054) | (294,975) | - | (1,472,029) |
| Total accumulated depreciation | <u>(69,769,076)</u> | <u>(7,600,305)</u> | <u>455,485</u> | <u>(76,913,896)</u> |
| Total capital assets being depreciated, net | <u>103,478,178</u> | <u>57,843,852</u> | <u>(162,311)</u> | <u>161,159,719</u> |
| Governmental activities capital assets, net | <u>\$ 176,357,376</u> | <u>\$ 70,343,623</u> | <u>\$ (66,860,016)</u> | <u>\$ 179,840,983</u> |

Depreciation was charged to functions as follows:

| | |
|-----------------------------|---------------------|
| General administration | \$ 522,474 |
| Judicial | 275,597 |
| Law enforcement/corrections | 1,089,043 |
| Community/public service | 249,382 |
| Health and welfare | 172,093 |
| General maintenance | 25,363 |
| Streets and highways | 5,266,353 |
| | <u>\$ 7,600,305</u> |

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

D. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2012, consisted of the following:

| <u>Due To Fund</u> | <u>Due From Fund</u> | <u>Amount</u> | <u>Purpose</u> |
|----------------------------------|---------------------------------------|---------------------|------------------|
| General Fund | Major Capital Projects | \$ 439,599 | Short-term loans |
| General Fund | Agency Funds | 222,519 | Short-term loans |
| General Fund | Non-major Debt Service | 88,849 | Short-term loans |
| General Fund | Non-major Special Revenue Funds | 72,345 | Short-term loans |
| General Fund | Non-major Capital Projects | 3,949,825 | Short-term loans |
| General Fund | Internal Service Fund | 70,212 | Short-term loans |
| General Fund | Road and Bridge | 232,594 | Short-term loans |
| | Total General Fund | <u>\$ 5,075,943</u> | |
| Major Capital Project Funds | General fund | \$ 106,844 | Short-term loans |
| Major Capital Project Funds | Major Capital Project Funds | 24,580 | Short-term loans |
| | | <u>\$ 131,424</u> | |
| Road and Bridge | General Fund | \$ 20,129 | Short-term loans |
| Road and Bridge | Major Capital Project Funds | 6,466 | Short-term loans |
| Road and Bridge | Agency Funds | 22,625 | Short-term loans |
| Road and Bridge | Internal Service Fund | 106,320 | Short-term loans |
| | Total Road and Bridge | <u>\$ 155,540</u> | |
| Non-major Special Revenue Funds | Other non-major Special Revenue funds | \$ 87 | Short-term loans |
| Non-major Special Revenue Funds | Agency Funds | 7,044 | Short-term loans |
| Non-major Special Revenue Funds | Internal Service Fund | 45,015 | Short-term loans |
| Non-major Special Revenue Funds | General Fund | 730,115 | Short-term loans |
| | Total Non-major Special Revenue Funds | <u>\$ 782,261</u> | |
| Non-major Capital Projects Funds | Agency Funds | \$ 1,785 | Short-term loans |
| Non-major Debt Service Fund | Agency Funds | \$ 988 | Short-term loans |
| Non-major Debt Service Fund | General Fund | 30,100 | Short-term loans |
| | | <u>\$ 31,088</u> | |
| Internal Service Fund | General Fund | \$ 407,800 | Short-term loans |
| Internal Service Fund | Non-major Special Revenue Funds | 2,001 | Short-term loans |
| | | <u>\$ 409,801</u> | |

HAYS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2012

| | |
|--|--------------|
| Total Governmental Funds due from other funds | \$ 5,923,080 |
| Total Governmental Funds due from Agency funds | 254,961 |
| Total Governmental Funds due to other funds | (6,111,334) |
| Total Internal Service Fund due from other funds | 409,801 |
| Total Internal Service Fund due to other funds | (221,547) |
| Total Agency Funds | (254,961) |
| | \$ - |

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2012, consisted of the following:

| Transfers From | Transfers To | Amount | Reason |
|--------------------------|--------------------------|--------------|---------------------------------|
| General fund | Other Governmental Funds | \$ 2,187,777 | Supplement health service costs |
| General fund | Other Governmental Funds | 25,000 | Supplement courthouse costs |
| General fund | Other Governmental Funds | 17,466 | Supplement law library costs |
| General fund | Other Governmental Funds | 128,896 | Supplement parks costs |
| General fund | Other Governmental Funds | 348,000 | Supplement debt costs |
| Other Governmental Funds | General fund | 212,187 | Tobacco settlement funds |
| | Total Transfers | \$ 2,919,326 | |

E. Due to Other Governments

Due to other governments are summarized below:

| Fund | Amount |
|---------------------------------------|------------|
| General Fund | |
| Court fines due to State | \$ 306,382 |
| Unclaimed funds due to State | 23,187 |
| Other amounts due to state and others | 26,615 |
| | 356,184 |
| Other Special Revenue Funds | |
| Fuel tax due to State | 3,032 |
| Total due to other governments | \$ 359,216 |

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2012, are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|--------------------------------------|-----------------------|----------------------|------------------------|-----------------------|-----------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds/Co's | \$ 288,680,537 | \$ 9,759,463 | \$ (15,210,000) | \$ 283,230,000 | \$ 7,370,000 |
| Promissory note | 850,000 | - | (477,518) | 372,482 | 372,482 |
| | <u>289,530,537</u> | <u>9,759,463</u> | <u>(15,687,518)</u> | <u>283,602,482</u> | <u>7,742,482</u> |
| Capital leases | 454,398 | 27,366 | (120,998) | 360,766 | 144,465 |
| Compensated absences * | 1,815,561 | 1,180,132 | (1,055,682) | 1,940,011 | - |
| Post employment benefits | 9,058,338 | 4,110,824 | - | 13,169,162 | - |
| | <u>300,858,834</u> | <u>15,077,785</u> | <u>(16,864,198)</u> | <u>299,072,421</u> | <u>7,886,947</u> |
| Bond premiums | 8,640,966 | - | (413,752) | 8,227,214 | - |
| Total governmental activities | <u>\$ 309,499,800</u> | <u>\$ 15,077,785</u> | <u>\$ (17,277,950)</u> | <u>\$ 307,299,635</u> | <u>\$ 7,886,947</u> |

* Primarily the General Fund and the Road and Bridge Fund have liquidated this liability in the past.

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2012, are as follows:

| <u>Year Ending September 30,</u> | <u>Governmental Activities</u> | | |
|----------------------------------|--------------------------------|-----------------------|-----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2013 | \$ 7,742,482 | \$ 12,877,805 | \$ 20,620,287 |
| 2014 | 7,590,000 | 12,540,340 | 20,130,340 |
| 2015 | 8,950,000 | 11,107,784 | 20,057,784 |
| 2016 | 9,885,000 | 10,957,652 | 20,842,652 |
| 2017 | 10,910,000 | 11,560,707 | 22,470,707 |
| 2018-2022 | 65,100,000 | 49,880,310 | 114,980,310 |
| 2023-2027 | 75,305,000 | 33,336,028 | 108,641,028 |
| 2028-2032 | 74,760,000 | 14,475,578 | 89,235,578 |
| 2033-2036 | 23,360,000 | 2,049,500 | 25,409,500 |
| | <u>\$ 283,602,482</u> | <u>\$ 158,785,704</u> | <u>\$ 442,388,186</u> |

Interest rates on long-term debt ranges from 2% to 6%

The County issued Series 2012 Limited Tax refunding bonds in the amount of \$9,745,000 to partially refund Series 2003 General Obligation bonds and Series 2004 Unlimited Tax bonds. As a result of the refunding, the County will save \$972,676 over the life of the bonds, at a net present value of \$840,011.

HAYS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2012

3. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2012, as follows:

| <u>Year Ending September 30:</u> | |
|-----------------------------------|------------|
| 2013 | 144,465 |
| 2014 | 144,465 |
| 2015 | 97,086 |
| Total Minimum Rentals | 386,016 |
| Less Amount Representing Interest | (25,250) |
| Net Present Value | \$ 360,766 |

The effective interest rate on capital leases ranges from 3.5% to 4.69%.

The total assets acquired under capital leases cost \$1,898,262 and have accumulated depreciation of \$1,472,029 at September 30, 2012.

4. Continuing Disclosure

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

G. Accumulated Unpaid Compensated Absences

On retirement or death of certain employees, the County pays any annual leave and compensating time in a lump sum payment to such employee of his/her estate. A summary of changes in the accumulated leave liability follows:

| | Compensated Absences |
|--|-------------------------|
| Balance, September 30, 2011 | \$ 1,815,561 |
| Additions - new entrants and salary increments | 1,180,132 |
| Payments | (1,055,682) |
| Balance, September 30, 2012 | \$ 1,940,011 |

H. Fund Balance Deficits

The following funds have a deficit fund balance. These deficits will be liquidated in FY 2013 either by a general fund transfer or use of bond monies.

| | |
|---------------------------|--------------|
| Turnersville Road Fund | \$ 1,765,761 |
| Precinct 2 Building Fund | \$ 2,440,038 |
| ORCA Cedar Oaks Mesa Fund | \$ 1,309 |

HAYS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2012

J. Pension Plan

1. Plan Description

The County as an employer provides retirement, disability, and death benefits for all its full-time employees through a nontraditional defined-benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The plan is a statewide, multi-employer, public employee retirement system consisting of over 618 participants.

The plan provisions for the County are adopted by the County Commissioners within the options available in the Texas state statutes governing TCDRS. Members can retire at ages of 60 and above with 8 years of service; with 30 years of service regardless of age; or when the sum of their ages and years of service equals 75 or more. Members are vested after 8 years of service but their accumulated deposits and allocated interest must remain in the plan to receive any employer financed benefit. Members who withdraw their personal account balance in a lump sum prior to retirement are not entitled to any amounts contributed by the County.

2. Funding Policy

Plan members are required to contribute 7% of their annual covered salary. The County is required to contribute at an actuarially determined rate; the current rate was 10.42% from October through December, 2011 and 10.89% from January through September, 2012 of annual covered payroll. The County's contributions to the TCDRS for the years ending September 30, 2012, 2011, and 2010 were \$3,387,762, \$3,216,203, and \$3,489,565 respectively, and were equal to the required contributions for each year.

3. Benefit Amounts

Benefits are determined by the sum of the employee's deposits to the plan, with interest, and County-financed monetary credits. The level of those monetary credits is adopted by the Commissioners Court within the constraints imposed by the TCDRS Act.

4. Annual Pension Cost

The County's annual pension cost is as follows:

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|---------------------------------|-------------------------------------|------------------------------|
| September 30, 2010 | \$ 3,489,565 | 100% | - |
| September 30, 2011 | \$ 3,216,203 | 100% | - |
| September 30, 2012 | \$ 3,387,762 | 100% | - |

Since the TCDRS does not value the assets of individual counties, the actuarial assumptions used to set the required contribution rate of the County are based on TCDRS as a whole. The December 2011 valuation date is the most recent.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

5. Trend Information for the Plan

| | | | |
|--|------------------------|------------------------|------------------------|
| Actuarial valuation date | 12/31/2009 | 12/31/2010 | 12/31/2011 |
| Actuarial method | Entry Age | Entry Age | Entry Age |
| Amortization method | Level | Level | Level |
| | percentage of | percentage of | percentage of |
| | payroll, closed | payroll, closed | payroll, closed |
| Amortization period | 20 years | 20 years | 20 years |
| Asset valuation method | 10-year smoothed value | 10-year smoothed value | 10-year smoothed value |
| Actuarial assumptions: | | | |
| Investment return | 8.00% | 8.00% | 8.00% |
| Projected salary increases | 5.40% | 5.40% | 5.40% |
| Inflation | 3.50% | 3.50% | 3.50% |
| Cost of living adjustments | 0.00% | 0.00% | 0.00% |
| Funding information: | | | |
| Actuarial valuation date | 12/31/2009 | 12/31/2010 | 12/31/2011 |
| Actuarial value of assets | \$76,567,070 | \$80,902,741 | \$87,807,108 |
| Actuarial accrued liability | \$89,422,702 | \$95,569,644 | \$104,564,447 |
| Unfunded actuarial accrued liability | \$12,855,632 | \$14,666,903 | \$16,757,339 |
| Funded ratio | 85.62% | 84.65% | 83.97% |
| Annual covered payroll | \$34,656,171 | \$35,124,945 | \$35,196,854 |
| Unfunded actuarial liability as a percent of payroll | 37.09% | 41.76% | 47.61% |

K. Post Employment Health Care Coverage

Plan Description: Eligible Hays County retirees may remain on the standard medical plan, an in-network medical plan, a dental PPO plan, a dental HMO plan and a vision plan. Subsidized medical coverage is available to the retiree but not the retiree's spouse. If the retiree meets the eligibility requirements under the rule of 75 and has worked full-time for Hays County for 15-19 continuous years prior to the retirement date the retiree pays 25% of the monthly premium. If the full-time retiree has 20 or more continuous years of service the retiree pays 15% of the monthly premium. Part-time employees with 15-19 years of service pay 50% of the monthly premium, those with 20 or more years pay 25% of the monthly premium. Hays County subsidizes the remaining premium cost.

GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* requires governmental organizations to recognize an actuarially calculated accrued liability for the OPEB even though it may not have a legally enforceable obligation to pay OPEB benefits.

Annual Other Post Employment Benefit (OPEB) Cost: For 2012 the County's annual OPEB cost was \$4,110,824 which consisted entirely of the actuarially defined annual required contribution.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

| | | |
|--|----|-------------------|
| Increase in net OPEB obligation | \$ | 4,110,824 |
| OPEB obligation at the beginning of the year | | 9,058,338 |
| OPEB obligation at the end of the year | \$ | <u>13,169,162</u> |

Schedule of Funding:

| | | |
|--------------------------------------|----|-------------------|
| Actuarial accrued liability | \$ | 13,169,162 |
| Actuarial value of plan assets | | - |
| Unfunded actuarial accrued liability | \$ | <u>13,169,162</u> |

Funded ratio 0.00%

Actuarial Valuation Information:

| | |
|------------------------------|-----------------------|
| Actuarial valuation date | October 1, 2010 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percentage |
| Amortization period in years | Thirty |
| Asset valuation method | No plan assets |

Actuarial assumptions:

Discount rate 4.00%

L. Health Care Coverage

During the year ended September 30, 2012, employees of the County were covered by a health insurance plan (the Plan). The County contributed \$843 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator acting on behalf of the self-funded pool. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the County and the third party administrator is renewable January 1, 2012, and terms of coverage and contribution costs are included in the contractual provisions.

In accordance with state statute, the County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Humana, Inc., a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$165,000 and for aggregate loss of \$8,636,847.

Following is a reconciliation of changes in the aggregate liabilities for health claims for the current fiscal year:

| | | |
|------------------------------------|----|--------------------|
| Claims payable, October 1, 2011 | \$ | 475,139 |
| Claims incurred | | 6,728,141 |
| Claims paid | | <u>(6,837,763)</u> |
| Claims payable, September 30, 2012 | \$ | <u>365,517</u> |

Latest financial statements for the self insurance fund are available for the year ended September 30, 2011, and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

M. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

N. Prior Period Adjustment

In 2011 the accrued interest payable on the County's debt was over-stated by \$668,034. As a result, the government-wide net assets at September 30, 2011 have been restated.

O. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2012, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Association of Counties Intergovernmental Risk Pool ("TAC"). TAC is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TAC for its above insurance coverage. The agreement for the formation of TAC provides that TAC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

HAYS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
For the Year Ended September 30, 2012

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 33,750,202 | \$ 33,750,202 | \$ 33,723,867 | \$ (26,335) |
| Sales and use | 10,500,000 | 10,500,000 | 11,907,339 | 1,407,339 |
| Fines | 1,910,000 | 1,910,000 | 1,631,177 | (278,823) |
| Charges for services | 7,018,350 | 7,242,849 | 7,479,392 | 236,543 |
| Interest on deposits | 54,000 | 54,000 | 37,199 | (16,801) |
| Operating grants and contributions | 2,329,425 | 3,470,638 | 3,399,930 | (70,708) |
| Other revenue | 361,648 | 583,268 | 916,655 | 333,387 |
| Total Revenues: | <u>55,923,625</u> | <u>57,510,957</u> | <u>59,095,559</u> | <u>1,584,602</u> |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 10,528,205 | 10,179,525 | 9,304,628 | 874,897 |
| Judicial | 8,419,622 | 8,786,331 | 8,527,565 | 258,766 |
| Law Enforcement and Corrections | 29,591,676 | 29,848,736 | 29,325,190 | 523,546 |
| Community and Public Services | 1,495,984 | 1,606,040 | 1,436,140 | 169,900 |
| Health and Human Services | 2,260,085 | 2,306,500 | 2,127,968 | 178,532 |
| General Maintenance | 1,200,428 | 1,418,714 | 1,391,472 | 27,242 |
| Highways and streets | - | 1,030,974 | 1,030,973 | 1 |
| Debt service: | | | | |
| Administrative charges | 10,000 | 9,700 | 7,700 | 2,000 |
| Interest | 18,837 | 23,515 | 20,349 | 3,166 |
| Principal retirement | 116,295 | 146,942 | 121,005 | 25,937 |
| Capital outlay: | | | | |
| Capital outlay | 2,368,030 | 2,257,157 | 1,233,504 | 1,023,653 |
| Total Expenditures: | <u>56,009,162</u> | <u>56,583,160</u> | <u>54,526,494</u> | <u>3,087,639</u> |
| Excess (Deficiency) of Revenues Over | <u>(85,537)</u> | <u>927,797</u> | <u>4,569,065</u> | <u>4,672,241</u> |
| Other financing sources (uses): | | | | |
| Transfers to other funds | <u>(3,002,259)</u> | <u>(3,002,259)</u> | <u>(2,707,139)</u> | <u>295,120</u> |
| Total Transfers to other funds: | <u>(3,002,259)</u> | <u>(3,002,259)</u> | <u>(2,707,139)</u> | <u>295,120</u> |
| Transfers from other funds | <u>187,187</u> | <u>212,187</u> | <u>212,187</u> | <u>-</u> |
| Total Transfers from other funds: | <u>187,187</u> | <u>212,187</u> | <u>212,187</u> | <u>-</u> |
| Sale of real property | <u>-</u> | <u>-</u> | <u>213,696</u> | <u>213,696</u> |
| Total sale of real property: | <u>-</u> | <u>-</u> | <u>213,696</u> | <u>213,696</u> |
| Net other financing sources (uses) | <u>(2,815,072)</u> | <u>(2,790,072)</u> | <u>(2,281,256)</u> | <u>508,816</u> |
| Net Change in Fund Balances: | <u>(2,900,609)</u> | <u>(1,862,275)</u> | <u>2,287,809</u> | <u>5,181,057</u> |
| Fund Balances - Beginning | <u>30,976,998</u> | <u>30,976,998</u> | <u>30,976,998</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ 28,076,389</u> | <u>\$ 29,114,723</u> | <u>\$ 33,264,807</u> | <u>\$ 5,181,057</u> |

The accompanying note is an integral part of this schedule

**HAYS COUNTY, TEXAS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
For the Year Ended September 30, 2012**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|-------------------------------------|-------------------------|---------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 4,903,952 | \$ 4,903,952 | \$ 4,893,901 | \$ (10,051) |
| Sales and use | 700,000 | 700,000 | 877,581 | 177,581 |
| Fines | 475,000 | 475,000 | 348,743 | (126,257) |
| Charges for services | 1,701,000 | 1,701,000 | 1,763,908 | 62,908 |
| Interest on deposits | - | - | 5,303 | 5,303 |
| Operating grants and contributions | - | - | 6,466 | 6,466 |
| Other revenue | 60,000 | 61,540 | 222,721 | 161,181 |
| Total Revenues: | <u>7,839,952</u> | <u>7,841,492</u> | <u>8,118,623</u> | <u>277,131</u> |
| Expenditures | | | | |
| Current: | | | | |
| Highways and Streets | 12,074,574 | 12,074,574 | 9,874,805 | 2,199,769 |
| Capital outlay: | | | | |
| Capital outlay | 340,008 | 341,548 | 322,304 | 19,244 |
| Total Expenditures | <u>12,414,582</u> | <u>12,416,122</u> | <u>10,197,109</u> | <u>2,219,013</u> |
| Net Change in Fund Balances: | <u>(4,574,630)</u> | <u>(4,574,630)</u> | <u>(2,078,486)</u> | <u>2,496,144</u> |
| Fund Balances - Beginning | 3,592,890 | 3,592,890 | 3,592,890 | - |
| Fund Balances - Ending | <u>\$ (981,740)</u> | <u>\$ (981,740)</u> | <u>\$ 1,514,404</u> | <u>\$ 2,496,144</u> |

The accompanying note is an integral part of this schedule.

HAYS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

A. The County Commissioners adopt an “appropriated budget” on a basis consistent with GAAP. At a minimum, the County is required to present the original and the final amended budgets for revenues and expenditures as compared to actual.

**HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012**

| | <u>Sheriff Abandoned Vehicle Fund</u> | <u>Sheriff Bail Bond Fund</u> | <u>Sheriff Special Projects Fund</u> |
|--|---|-----------------------------------|--|
| Assets | | | |
| Cash and cash equivalents | \$ 30,009 | \$ 115,605 | \$ 9,676 |
| Receivables: | | | |
| Ad valorem taxes | - | - | - |
| Miscellaneous | - | - | - |
| Due from other funds | - | - | - |
| Due from fiduciary funds | - | - | - |
| Total Assets | <u>\$ 30,009</u> | <u>\$ 115,605</u> | <u>\$ 9,676</u> |
| Liabilities and Fund Balances | | | |
| Liabilities: | | | |
| Accounts payable - trade | \$ - | \$ 71,610 | \$ 43 |
| Deferred revenues | - | - | - |
| Due to other funds | - | 454 | 88 |
| Total Liabilities | <u>-</u> | <u>72,064</u> | <u>131</u> |
| Fund Balances: | | | |
| Restricted-construction | - | - | - |
| Restricted-debt service | - | - | - |
| Restricted-special revenue | 30,009 | 43,541 | 9,545 |
| Committed | - | - | - |
| Unassigned | - | - | - |
| Total Fund Balances: | <u>30,009</u> | <u>43,541</u> | <u>9,545</u> |
| Total Liabilities and Fund Balances | <u>\$ 30,009</u> | <u>\$ 115,605</u> | <u>\$ 9,676</u> |

| <u>Sheriff Drug Forfeiture Fund</u> | <u>Sheriff LEOSE Fund</u> | <u>Sheriff Fed Discretionary Fund</u> | <u>Sheriff Commissary Fund</u> | <u>DA State Apportionment Fund</u> |
|---|-------------------------------|---|------------------------------------|--|
| \$ 172,393 | \$ 12,353 | \$ 56,473 | \$ 74,116 | \$ 5,621 |
| - | - | - | - | - |
| - | - | 999 | - | - |
| 88 | - | 4,256 | - | 97 |
| - | - | - | - | - |
| <u>\$ 172,481</u> | <u>\$ 12,353</u> | <u>\$ 61,728</u> | <u>\$ 74,116</u> | <u>\$ 5,718</u> |
| | | | | |
| \$ 181 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - |
| 885 | - | - | - | 4 |
| <u>1,066</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4</u> |
| | | | | |
| - | - | - | - | - |
| - | - | - | - | - |
| 171,415 | 12,353 | 61,728 | 74,116 | 5,714 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>171,415</u> | <u>12,353</u> | <u>61,728</u> | <u>74,116</u> | <u>5,714</u> |
| <u>\$ 172,481</u> | <u>\$ 12,353</u> | <u>\$ 61,728</u> | <u>\$ 74,116</u> | <u>\$ 5,718</u> |

**HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012**

| | <u>DA Hot Check Fee Fund</u> | <u>DA Drug Forfeiture Fund</u> | <u>Law Library Fund</u> |
|--|----------------------------------|------------------------------------|-------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 19,284 | \$ 92,456 | \$ 41,496 |
| Receivables: | | | |
| Ad valorem taxes | - | - | - |
| Miscellaneous | 100 | - | - |
| Due from other funds | - | - | - |
| Due from fiduciary funds | - | - | - |
| Total Assets | <u><u>\$ 19,384</u></u> | <u><u>\$ 92,456</u></u> | <u><u>\$ 41,496</u></u> |
| Liabilities and Fund Balances | | | |
| Liabilities: | | | |
| Accounts payable - trade | \$ 1,014 | \$ 1,344 | \$ 5,178 |
| Deferred revenues | - | - | - |
| Due to other funds | 494 | 2,993 | 542 |
| Total Liabilities | <u>1,508</u> | <u>4,337</u> | <u>5,720</u> |
| Fund Balances: | | | |
| Restricted-construction | - | - | - |
| Restricted-debt service | - | - | - |
| Restricted-special revenue | 17,876 | 88,119 | 35,776 |
| Committed | - | - | - |
| Unassigned | - | - | - |
| Total Fund Balances: | <u>17,876</u> | <u>88,119</u> | <u>35,776</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 19,384</u></u> | <u><u>\$ 92,456</u></u> | <u><u>\$ 41,496</u></u> |

| <u>County and District Court Tech</u> | <u>Records Mgmt and Archive Fund</u> | <u>Guardianship Fee Fund</u> | <u>Court Records Preservation</u> | <u>County Records Preservation Fund</u> |
|---------------------------------------|--------------------------------------|------------------------------|-----------------------------------|---|
| \$ 12,056 | \$ 658,273 | \$ 16,718 | \$ 28,574 | \$ 288,624 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 4,610 | - | - | - |
| - | - | - | - | - |
| <u>\$ 12,056</u> | <u>\$ 662,883</u> | <u>\$ 16,718</u> | <u>\$ 28,574</u> | <u>\$ 288,624</u> |
| | | | | |
| \$ - | \$ 18,751 | \$ 1,065 | \$ - | \$ - |
| - | - | - | - | - |
| - | 4,963 | - | - | - |
| <u>-</u> | <u>23,714</u> | <u>1,065</u> | <u>-</u> | <u>-</u> |
| | | | | |
| - | - | - | - | - |
| - | - | - | - | - |
| 12,056 | 639,169 | 15,653 | 28,574 | 288,624 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>12,056</u> | <u>639,169</u> | <u>15,653</u> | <u>28,574</u> | <u>288,624</u> |
| <u>\$ 12,056</u> | <u>\$ 662,883</u> | <u>\$ 16,718</u> | <u>\$ 28,574</u> | <u>\$ 288,624</u> |

(continued)

**HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012**

| | <u>Courthouse Security Fund</u> | <u>Dist Court Records Technology</u> | <u>Justice Court Bldg Security Fund</u> |
|--|-------------------------------------|--|---|
| Assets | | | |
| Cash and cash equivalents | \$ 40,195 | \$ 17,497 | \$ 91,286 |
| Receivables: | | | |
| Ad valorem taxes | - | - | - |
| Miscellaneous | - | - | - |
| Due from other funds | - | - | - |
| Due from fiduciary funds | 2,521 | - | 827 |
| Total Assets | <u><u>\$ 42,716</u></u> | <u><u>\$ 17,497</u></u> | <u><u>\$ 92,113</u></u> |
| Liabilities and Fund Balances | | | |
| Liabilities: | | | |
| Accounts payable - trade | \$ 150 | \$ - | \$ - |
| Deferred revenues | - | - | - |
| Due to other funds | 10,187 | - | - |
| Total Liabilities | <u>10,337</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | |
| Restricted-construction | - | - | - |
| Restricted-debt service | - | - | - |
| Restricted-special revenue | 32,379 | 17,497 | 92,113 |
| Committed | - | - | - |
| Unassigned | - | - | - |
| Total Fund Balances: | <u>32,379</u> | <u>17,497</u> | <u>92,113</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 42,716</u></u> | <u><u>\$ 17,497</u></u> | <u><u>\$ 92,113</u></u> |

| <u>Court Reporters Service Fund</u> | <u>Justice Court Technology Fund</u> | <u>Dispute Resolution Fund</u> | <u>Family Health Services Fund</u> | <u>Tobacco Settlement Fund</u> |
|---|--|------------------------------------|--|------------------------------------|
| \$ 35,669 | \$ 281,922 | \$ 3,783 | \$ 3,014 | \$ 527,550 |
| - | - | - | - | - |
| - | - | - | 108,952 | - |
| - | - | - | 764,750 | - |
| - | 3,361 | 335 | - | - |
| <u>\$ 35,669</u> | <u>\$ 285,283</u> | <u>\$ 4,118</u> | <u>\$ 876,716</u> | <u>\$ 527,550</u> |
| \$ 3,191 | \$ 10,625 | \$ 3,304 | \$ 740,679 | \$ - |
| - | - | - | - | - |
| - | - | - | 506 | - |
| <u>3,191</u> | <u>10,625</u> | <u>3,304</u> | <u>741,185</u> | <u>-</u> |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 32,478 | 274,658 | 814 | 135,531 | 527,550 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>32,478</u> | <u>274,658</u> | <u>814</u> | <u>135,531</u> | <u>527,550</u> |
| <u>\$ 35,669</u> | <u>\$ 285,283</u> | <u>\$ 4,118</u> | <u>\$ 876,716</u> | <u>\$ 527,550</u> |

**HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012**

| | <u>Historical Commission Trust Fund</u> | <u>SECO Energy Fund</u> | <u>Juvenile Delinquency Prevention</u> |
|--|---|-----------------------------|--|
| Assets | | | |
| Cash and cash equivalents | \$ 27,525 | \$ - | \$ 50 |
| Receivables: | | | |
| Ad valorem taxes | - | - | - |
| Miscellaneous | - | - | - |
| Due from other funds | 1,416 | - | - |
| Due from fiduciary funds | - | - | - |
| Total Assets | <u>\$ 28,941</u> | <u>\$ -</u> | <u>\$ 50</u> |
| Liabilities and Fund Balances | | | |
| Liabilities: | | | |
| Accounts payable - trade | \$ - | \$ - | \$ - |
| Deferred revenues | - | - | - |
| Due to other funds | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | |
| Restricted-construction | - | - | - |
| Restricted-debt service | - | - | - |
| Restricted-special revenue | 28,941 | - | 50 |
| Committed | - | - | - |
| Unassigned | - | - | - |
| Total Fund Balances: | <u>28,941</u> | <u>-</u> | <u>50</u> |
| Total Liabilities and Fund Balances | <u>\$ 28,941</u> | <u>\$ -</u> | <u>\$ 50</u> |

| <u>County Child Abuse Prevention</u> | <u>LCRA Service Fee Fund</u> | <u>Total Non-Major Special Revenue Funds</u> | <u>Debt Service Fund</u> | <u>Road Bond 2006 Construction Fund</u> |
|--------------------------------------|------------------------------|--|--------------------------|---|
| \$ 228 | \$ 240,840 | \$ 2,903,286 | \$ 5,791,690 | \$ 1,535,117 |
| - | - | - | 218,765 | - |
| - | 190,166 | 300,217 | 814,406 | - |
| - | - | 775,217 | 30,100 | - |
| - | - | 7,044 | 988 | - |
| <u>\$ 228</u> | <u>\$ 431,006</u> | <u>\$ 3,985,764</u> | <u>\$ 6,855,949</u> | <u>\$ 1,535,117</u> |
| | | | | |
| \$ - | \$ 1,269 | \$ 858,404 | \$ 109,735 | \$ 15,382 |
| - | - | - | 218,765 | - |
| - | 53,425 | 74,541 | 88,849 | 3 |
| - | 54,694 | \$ 932,945 | 417,349 | 15,385 |
| | | | | |
| - | - | - | - | 1,519,732 |
| - | - | - | 6,438,600 | - |
| 228 | 376,312 | 3,052,819 | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>228</u> | <u>376,312</u> | <u>3,052,819</u> | <u>6,438,600</u> | <u>1,519,732</u> |
| <u>\$ 228</u> | <u>\$ 431,006</u> | <u>\$ 3,985,764</u> | <u>\$ 6,855,949</u> | <u>\$ 1,535,117</u> |

**HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012**

| | <u>Civil Courts Building Fund</u> | <u>Turnersville Road Fund</u> | <u>Precinct 2 Building Fund</u> |
|--|---------------------------------------|-----------------------------------|-------------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 268,782 | \$ - | \$ - |
| Receivables: | | | |
| Ad valorem taxes | - | - | - |
| Miscellaneous | - | - | - |
| Due from other funds | - | - | - |
| Due from fiduciary funds | 1,785 | - | - |
| Total Assets | <u>\$ 270,567</u> | <u>\$ -</u> | <u>\$ -</u> |
| Liabilities and Fund Balances | | | |
| Liabilities: | | | |
| Accounts payable - trade | \$ - | \$ - | \$ 258,178 |
| Deferred revenues | - | - | - |
| Due to other funds | - | 1,765,761 | 2,181,860 |
| Total Liabilities | <u>-</u> | <u>1,765,761</u> | <u>2,440,038</u> |
| Fund Balances: | | | |
| Restricted-construction | 270,567 | (1,765,761) | (2,440,038) |
| Restricted-debt service | - | - | - |
| Restricted-special revenue | - | - | - |
| Committed | - | - | - |
| Unassigned | - | - | - |
| Total Fund Balances: | <u>270,567</u> | <u>(1,765,761)</u> | <u>(2,440,038)</u> |
| Total Liabilities and Fund Balances | <u>\$ 270,567</u> | <u>\$ -</u> | <u>\$ -</u> |

| <u>Parks Fund</u> | <u>ORCA Cedar Oaks Mesa Fund</u> | <u>Infrastructure Imp Fee Fund</u> | <u>Co Priority Road Bond 2009 Fund</u> | <u>Total Nonmajor Capital Project Funds</u> |
|-------------------|--------------------------------------|--|--|---|
| \$ 49,343 | \$ - | \$ 227,936 | \$ 2 | \$ 2,081,180 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 1,785 |
| <u>\$ 49,343</u> | <u>\$ -</u> | <u>\$ 227,936</u> | <u>\$ 2</u> | <u>\$ 2,082,965</u> |
| \$ 4,691 | \$ - | \$ 125 | \$ - | \$ 278,376 |
| - | - | - | - | - |
| 2,200 | 1,309 | - | - | 3,951,133 |
| <u>6,891</u> | <u>1,309</u> | <u>125</u> | <u>-</u> | <u>4,229,509</u> |
| 42,452 | (1,309) | 227,811 | 2 | (2,146,544) |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>42,452</u> | <u>(1,309)</u> | <u>227,811</u> | <u>2</u> | <u>(2,146,544)</u> |
| <u>\$ 49,343</u> | <u>\$ -</u> | <u>\$ 227,936</u> | <u>\$ 2</u> | <u>\$ 2,082,965</u> |

**HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012**

| | Total Nonmajor Governmental Funds |
|--|--|
| Assets | |
| Cash and cash equivalents | \$ 10,776,156 |
| Receivables: | |
| Ad valorem taxes | 218,765 |
| Miscellaneous | 1,114,623 |
| Due from other funds | 805,317 |
| Due from fiduciary funds | 9,817 |
| Total Assets | \$ 12,924,678 |
| Liabilities and Fund Balances | |
| Liabilities: | |
| Accounts payable - trade | 1,246,515 |
| Deferred revenues | 218,765 |
| Due to other funds | 4,114,523 |
| Total Liabilities | 5,579,803 |
| Fund Balances: | |
| Restricted-construction | (2,146,544) |
| Restricted-debt service | 6,438,600 |
| Restricted-special revenue | 3,052,819 |
| Committed | - |
| Unassigned | - |
| Total Fund Balances: | 7,344,875 |
| Total Liabilities and Fund Balances | \$ 12,924,678 |

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HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

| | <u>Sheriff Abandoned Vehicle Fund</u> | <u>Sheriff Bail Bond Fund</u> | <u>Sheriff Special Projects Fund</u> |
|--|---|-----------------------------------|--|
| Revenues | | | |
| Taxes: | | | |
| Ad valorem | \$ - | \$ - | \$ - |
| Charges for services | - | 5,900 | - |
| Interest on deposits | 28 | 62 | 10 |
| Operating grants and contributions | - | - | - |
| Other revenue | - | - | 5,392 |
| Asset forfeitures | - | - | - |
| Total Revenues: | <u>28</u> | <u>5,962</u> | <u>5,402</u> |
| Expenditures | | | |
| Current: | | | |
| Administration | - | - | - |
| Judicial | - | - | - |
| Law enforcement and corrections | - | 7,079 | 6,301 |
| Community and public services | - | - | - |
| Health and human services | - | - | - |
| Highways and streets | - | - | - |
| Debt service: | | | |
| Administrative charges | - | - | - |
| Interest | - | - | - |
| Principal retirement | - | - | - |
| Bond issuance costs | - | - | - |
| Capital outlay: | | | |
| Capital outlay | - | - | - |
| Total expenditures | <u>-</u> | <u>7,079</u> | <u>6,301</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>28</u> | <u>(1,117)</u> | <u>(899)</u> |
| Transfers from (to) other funds | | | |
| Transfers from other funds | - | - | - |
| Transfers (to) other funds | - | - | - |
| Total Transfers from (to) other funds: | <u>-</u> | <u>-</u> | <u>-</u> |
| Issuance of debt | | | |
| Total Issuance of debt | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances: | <u>28</u> | <u>(1,117)</u> | <u>(899)</u> |
| Fund balances - beginning | 29,981 | 44,658 | 10,444 |
| Fund balances - ending | <u>\$ 30,009</u> | <u>\$ 43,541</u> | <u>\$ 9,545</u> |

| <u>Sheriff Drug Forfeiture Fund</u> | <u>Sheriff LEOSE Fund</u> | <u>Sheriff Fed Discretionary Fund</u> |
|---|---------------------------|---|
| \$ - | \$ - | \$ - |
| - | - | - |
| 178 | 23 | 100 |
| - | - | - |
| - | - | - |
| 98,791 | - | 64,725 |
| <u>98,969</u> | <u>23</u> | <u>64,825</u> |
| - | - | - |
| - | - | - |
| 24,427 | 5,604 | 43,536 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>24,427</u> | <u>5,604</u> | <u>43,536</u> |
| <u>74,542</u> | <u>(5,581)</u> | <u>21,289</u> |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 74,542 | (5,581) | 21,289 |
| 96,873 | 17,934 | 40,439 |
| <u>\$ 171,415</u> | <u>\$ 12,353</u> | <u>\$ 61,728</u> |

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

| | <u>Sheriff Commissary Fund</u> | <u>DA State Apportionment Fund</u> | <u>DA Hot Check Fee Fund</u> |
|---|------------------------------------|--|----------------------------------|
| Revenues | | | |
| Taxes: | | | |
| Ad valorem | \$ - | \$ - | \$ - |
| Charges for services | - | - | 27,332 |
| Interest on deposits | - | - | - |
| Operating grants and contributions | - | 23,600 | - |
| Other revenue | 301,114 | - | 328 |
| Asset forfeitures | - | - | - |
| Total Revenues: | <u>301,114</u> | <u>23,600</u> | <u>27,660</u> |
| Expenditures | | | |
| Current: | | | |
| Administration | - | - | - |
| Judicial | - | 23,294 | 18,651 |
| Law enforcement and corrections | 299,615 | - | - |
| Community and public services | - | - | - |
| Health and human services | - | - | - |
| Highways and streets | - | - | - |
| Debt service: | | | |
| Administrative charges | - | - | - |
| Interest | - | - | - |
| Principal retirement | - | - | - |
| Bond issuance costs | - | - | - |
| Capital outlay: | | | |
| Capital outlay | - | - | - |
| Total expenditures | <u>299,615</u> | <u>23,294</u> | <u>18,651</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,499</u> | <u>306</u> | <u>9,009</u> |
| Transfers from (to) other funds | | | |
| Transfers from other funds | - | - | - |
| Transfers (to) other funds | - | - | - |
| Total Transfers from (to) other funds: | <u>-</u> | <u>-</u> | <u>-</u> |
| Issuance of debt | | | |
| Total Issuance of debt | - | - | - |
| Total other sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances: | <u>1,499</u> | <u>306</u> | <u>9,009</u> |
| Fund balances - beginning | 72,617 | 5,408 | 8,867 |
| Fund balances - ending | <u>\$ 74,116</u> | <u>\$ 5,714</u> | <u>\$ 17,876</u> |

| <u>DA Drug Forfeiture Fund</u> | <u>Law Library Fund</u> | <u>County and District Court Technology</u> |
|------------------------------------|-------------------------|---|
| \$ - | \$ - | \$ - |
| - | 80,182 | 5,008 |
| 106 | 31 | 10 |
| - | - | - |
| - | 855 | - |
| 63,340 | - | - |
| <u>63,446</u> | <u>81,068</u> | <u>5,018</u> |
| - | - | - |
| 36,455 | 75,984 | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>36,455</u> | <u>75,984</u> | <u>-</u> |
| <u>26,991</u> | <u>5,084</u> | <u>5,018</u> |
| - | 17,466 | - |
| - | - | - |
| - | <u>17,466</u> | - |
| - | - | - |
| - | - | - |
| - | <u>17,466</u> | - |
| 26,991 | 22,550 | 5,018 |
| 61,128 | 13,226 | 7,038 |
| <u>\$ 88,119</u> | <u>\$ 35,776</u> | <u>\$ 12,056</u> |

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

| | <u>Records Mgmt and Archive Fund</u> | <u>Guardianship Fee Fund</u> | <u>Court Records Preservation</u> |
|---|--|----------------------------------|---------------------------------------|
| Revenues | | | |
| Taxes: | | | |
| Ad valorem | \$ - | \$ - | \$ - |
| Charges for services | 359,318 | 6,199 | 12,000 |
| Interest on deposits | 557 | 19 | 22 |
| Operating grants and contributions | - | - | - |
| Other revenue | - | - | - |
| Asset forfeitures | - | - | - |
| Total Revenues: | <u>359,875</u> | <u>6,218</u> | <u>12,022</u> |
| Expenditures | | | |
| Current: | | | |
| Administration | - | - | - |
| Judicial | 253,410 | 10,658 | - |
| Law enforcement and corrections | - | - | - |
| Community and public services | - | - | - |
| Health and human services | - | - | - |
| Highways and streets | - | - | - |
| Debt service: | | | |
| Administrative charges | - | - | - |
| Interest | - | - | - |
| Principal retirement | - | - | - |
| Bond issuance costs | - | - | - |
| Capital outlay: | | | |
| Capital outlay | - | - | - |
| Total expenditures | <u>253,410</u> | <u>10,658</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>106,465</u> | <u>(4,440)</u> | <u>12,022</u> |
| Transfers from (to) other funds | | | |
| Transfers from other funds | - | - | - |
| Transfers (to) other funds | - | - | - |
| Total Transfers from (to) other funds: | <u>-</u> | <u>-</u> | <u>-</u> |
| Issuance of debt | | | |
| Total Issuance of debt | - | - | - |
| Total other sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances: | <u>106,465</u> | <u>(4,440)</u> | <u>12,022</u> |
| Fund balances - beginning | 532,704 | 20,093 | 16,552 |
| Fund balances - ending | <u>\$ 639,169</u> | <u>\$ 15,653</u> | <u>\$ 28,574</u> |

| <u>County Records Preservation Fund</u> | <u>Courthouse Security Fund</u> | <u>District Court Records Technology</u> |
|---|-------------------------------------|--|
| \$ - | \$ - | \$ - |
| 70,245 | 88,664 | 9,775 |
| 268 | 26 | 14 |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>70,513</u> | <u>88,690</u> | <u>9,789</u> |
| - | - | - |
| 17,420 | 137,121 | 10,350 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 48,547 | - | - |
| <u>65,967</u> | <u>137,121</u> | <u>10,350</u> |
| 4,546 | (48,431) | (561) |
| - | 25,000 | - |
| - | - | - |
| - | <u>25,000</u> | - |
| - | - | - |
| - | - | - |
| - | 25,000 | - |
| 4,546 | (23,431) | (561) |
| 284,078 | 55,810 | 18,058 |
| <u>\$ 288,624</u> | <u>\$ 32,379</u> | <u>\$ 17,497</u> |

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

| | <u>Justice Court Bldg Security Fund</u> | <u>Court Reporters Service Fund</u> | <u>Justice Court Technology Fund</u> |
|--|---|---|--|
| Revenues | | | |
| Taxes: | | | |
| Ad valorem | \$ - | \$ - | \$ - |
| Charges for services | 11,528 | 36,905 | 46,763 |
| Interest on deposits | 82 | 33 | 258 |
| Operating grants and contributions | - | - | - |
| Other revenue | - | - | - |
| Asset forfeitures | - | - | - |
| Total Revenues: | <u>11,610</u> | <u>36,938</u> | <u>47,021</u> |
| Expenditures | | | |
| Current: | | | |
| Administration | - | - | - |
| Judicial | - | 38,092 | 20,536 |
| Law enforcement and corrections | - | - | - |
| Community and public services | - | - | - |
| Health and human services | - | - | - |
| Highways and streets | - | - | - |
| Debt service: | | | |
| Administrative charges | - | - | - |
| Interest | - | - | - |
| Principal retirement | - | - | - |
| Bond issuance costs | - | - | - |
| Capital outlay: | | | |
| Capital outlay | - | - | 10,550 |
| Total expenditures | <u>-</u> | <u>38,092</u> | <u>31,086</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>11,610</u> | <u>(1,154)</u> | <u>15,935</u> |
| Transfers from (to) other funds | | | |
| Transfers from other funds | - | - | - |
| Transfers (to) other funds | - | - | - |
| Total Transfers from (to) other funds: | <u>-</u> | <u>-</u> | <u>-</u> |
| Issuance of debt | | | |
| Total Issuance of debt | - | - | - |
| Total other sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances: | <u>11,610</u> | <u>(1,154)</u> | <u>15,935</u> |
| Fund balances - beginning | 80,503 | 33,632 | 258,723 |
| Fund balances - ending | <u>\$ 92,113</u> | <u>\$ 32,478</u> | <u>\$ 274,658</u> |

| <u>Dispute Resolution Fund</u> | <u>Family Health Services Fund</u> | <u>Tobacco Settlement Fund</u> |
|--------------------------------|------------------------------------|--------------------------------|
| \$ - | \$ - | \$ - |
| 42,683 | 316,041 | - |
| 3 | 38 | 803 |
| - | 776,747 | 85,621 |
| - | 65 | - |
| - | - | - |
| <u>42,686</u> | <u>1,092,891</u> | <u>86,424</u> |
| - | - | - |
| 41,874 | - | - |
| - | - | - |
| - | - | - |
| - | 3,277,122 | 68,620 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>41,874</u> | <u>3,277,122</u> | <u>68,620</u> |
| <u>812</u> | <u>(2,184,231)</u> | <u>17,804</u> |
| - | 2,187,777 | - |
| - | - | (212,187) |
| - | <u>2,187,777</u> | <u>(212,187)</u> |
| - | - | - |
| - | - | - |
| - | <u>2,187,777</u> | <u>(212,187)</u> |
| <u>812</u> | <u>3,546</u> | <u>(194,383)</u> |
| <u>2</u> | <u>131,985</u> | <u>721,933</u> |
| <u>\$ 814</u> | <u>\$ 135,531</u> | <u>\$ 527,550</u> |

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

| | <u>Historical Commission Trust Fund</u> | <u>SECO Energy Fund</u> | <u>Juvenile Delinquency Prevention</u> |
|---|---|-------------------------|--|
| Revenues | | | |
| Taxes: | | | |
| Ad valorem | \$ - | \$ - | \$ - |
| Charges for services | - | - | - |
| Interest on deposits | 40 | - | - |
| Operating grants and contributions | - | 35,171 | - |
| Other revenue | 975 | - | - |
| Asset foreitures | - | - | - |
| Total Revenues: | <u>1,015</u> | <u>35,171</u> | <u>-</u> |
| Expenditures | | | |
| Current: | | | |
| Administration | - | - | - |
| Judicial | - | - | - |
| Law enforcement and corrections | - | - | - |
| Community and public services | 713 | - | - |
| Health and human services | - | 35,171 | - |
| Highways and streets | - | - | - |
| Debt service: | | | |
| Administrative charges | - | - | - |
| Interest | - | - | - |
| Principal retirement | - | - | - |
| Bond issuance costs | - | - | - |
| Capital outlay: | | | |
| Capital outlay | - | - | - |
| Total expenditures | <u>713</u> | <u>35,171</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>302</u> | <u>-</u> | <u>-</u> |
| Transfers from (to) other funds | | | |
| Transfers from other funds | - | - | - |
| Transfers (to) other funds | - | - | - |
| Total Transfers from (to) other funds: | <u>-</u> | <u>-</u> | <u>-</u> |
| Issuance of debt | | | |
| Total Issuance of debt | - | - | - |
| Total other sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances: | <u>302</u> | <u>-</u> | <u>-</u> |
| Fund balances - beginning | <u>\$ 28,639</u> | <u>\$ -</u> | <u>\$ 50</u> |
| Fund balances - ending | <u>\$ 28,941</u> | <u>\$ -</u> | <u>\$ 50</u> |

| <u>County Child Abuse Prevention</u> | <u>LCRA Service Fee Fund</u> | <u>Total Non-Major Special Revenue Funds</u> |
|--|----------------------------------|--|
| \$ - | \$ - | \$ - |
| 228 | 266,730 | 1,385,501 |
| - | 172 | 2,883 |
| - | 50,366 | 971,505 |
| - | 165,811 | 474,540 |
| - | - | 226,856 |
| <u>228</u> | <u>483,079</u> | <u>3,061,285</u> |
| - | - | - |
| - | - | 683,845 |
| - | - | 386,562 |
| - | 442,009 | 442,722 |
| - | - | 3,380,913 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | 59,097 |
| <u>-</u> | <u>442,009</u> | <u>4,953,139</u> |
| <u>228</u> | <u>41,070</u> | <u>(1,891,854)</u> |
| - | - | - |
| - | - | 2,230,243 |
| - | - | (212,187) |
| <u>-</u> | <u>-</u> | <u>2,018,056</u> |
| - | - | - |
| - | - | - |
| - | - | 2,018,056 |
| <u>228</u> | <u>41,070</u> | <u>126,202</u> |
| <u>\$ -</u> | <u>\$ 335,242</u> | <u>2,926,617</u> |
| <u>\$ 228</u> | <u>\$ 376,312</u> | <u>3,052,819</u> |

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

| | <u>Debt Service Fund</u> | <u>Road Bond 2006 Construction Fund</u> | <u>Civil Courts Building Fund</u> |
|--|--------------------------|---|---------------------------------------|
| Revenues | | | |
| Taxes: | | | |
| Ad valorem | \$ 13,931,159 | \$ - | \$ - |
| Charges for services | - | - | 65,760 |
| Interest on deposits | 14,408 | 1,804 | 227 |
| Operating grants and contributions | - | - | - |
| Other revenue | 3,705,907 | - | - |
| Asset foreitures | - | - | - |
| Total Revenues: | <u>17,651,474</u> | <u>1,804</u> | <u>65,987</u> |
| Expenditures | | | |
| Current: | | | |
| Administration | - | - | - |
| Judicial | - | - | - |
| Law enforcement and corrections | - | - | - |
| Community and public services | - | - | - |
| Health and human services | - | - | - |
| Highways and streets | - | 1,036 | - |
| Debt service: | | | |
| Administrative charges | 2,800 | - | - |
| Interest | 11,073,771 | - | - |
| Principal retirement | 15,687,519 | - | - |
| Bond issuance costs | 185,000 | - | - |
| Capital outlay: | | | |
| Capital outlay | - | 117,625 | - |
| Total expenditures | <u>26,949,090</u> | <u>118,661</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(9,297,616)</u> | <u>(116,857)</u> | <u>65,987</u> |
| Transfers from (to) other funds | | | |
| Transfers from other funds | 348,000 | - | - |
| Transfers (to) other funds | - | - | - |
| Total Transfers from (to) other funds: | <u>348,000</u> | <u>-</u> | <u>-</u> |
| Issuance of debt | | | |
| Total Issuance of debt | 9,745,000 | - | - |
| Total other sources (uses) | <u>10,093,000</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances: | <u>795,384</u> | <u>(116,857)</u> | <u>65,987</u> |
| Fund balances - beginning | 5,643,216 | 1,636,589 | 204,580 |
| Fund balances - ending | <u>\$ 6,438,600</u> | <u>\$ 1,519,732</u> | <u>\$ 270,567</u> |

| <u>Turnersville Road Fund</u> | <u>Precinct 2 Building Fund</u> | <u>Parks Fund</u> |
|-------------------------------|---------------------------------|-------------------|
| \$ - | \$ - | \$ - |
| - | - | - |
| - | - | 36 |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>-</u> | <u>-</u> | <u>36</u> |
| - | 88,166 | - |
| - | - | - |
| - | - | - |
| - | - | 107,674 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 45,054 | 2,049,012 | - |
| <u>45,054</u> | <u>2,137,178</u> | <u>107,674</u> |
| (45,054) | (2,137,178) | (107,638) |
| - | - | 128,896 |
| - | - | <u>128,896</u> |
| - | - | - |
| - | - | - |
| - | - | 128,896 |
| (45,054) | (2,137,178) | 21,258 |
| (1,720,707) | (302,860) | 21,194 |
| <u>\$ (1,765,761)</u> | <u>\$ (2,440,038)</u> | <u>\$ 42,452</u> |

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

| | <u>ORCA Cedar Oaks Mesa Fund</u> | <u>Infrastructure Imp Fee Fund</u> | <u>Co Priority Road Bond 2009 Fund</u> |
|--|--------------------------------------|--|--|
| Revenues | | | |
| Taxes: | | | |
| Ad valorem | \$ - | \$ - | \$ - |
| Charges for services | - | 32,200 | - |
| Interest on deposits | - | 202 | - |
| Operating grants and contributions | 1,880 | - | - |
| Other revenue | 940 | - | - |
| Asset foreitures | - | - | - |
| Total Revenues: | <u>2,820</u> | <u>32,402</u> | <u>-</u> |
| Expenditures | | | |
| Current: | | | |
| Administration | - | - | - |
| Judicial | - | - | - |
| Law enforcement and corrections | - | - | - |
| Community and public services | 1,880 | - | - |
| Health and human services | - | 28,955 | - |
| Highways and streets | - | - | - |
| Debt service: | | | |
| Administrative charges | - | - | - |
| Interest | - | - | - |
| Principal retirement | - | - | - |
| Bond issuance costs | - | - | - |
| Capital outlay: | | | |
| Capital outlay | - | - | - |
| Total expenditures | <u>1,880</u> | <u>28,955</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>940</u> | <u>3,447</u> | <u>-</u> |
| Transfers from (to) other funds | | | |
| Transfers from other funds: | - | - | - |
| Transfers (to) other funds: | - | - | - |
| Total Transfers from (to) other funds: | <u>-</u> | <u>-</u> | <u>-</u> |
| Issuance of debt | | | |
| Total Issuance of debt | - | - | - |
| Total other sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances: | 940 | 3,447 | - |
| Fund balances - beginning | (2,249) | 224,364 | 2 |
| Fund balances - ending | <u>\$ (1,309)</u> | <u>\$ 227,811</u> | <u>\$ 2</u> |

| <u>Total Non-Major Capital Projects Funds</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|--|
| \$ - | \$ 13,931,159 |
| 97,960 | 1,483,461 |
| 2,269 | 19,560 |
| 1,880 | 973,385 |
| 940 | 4,181,387 |
| - | 226,856 |
| <u>103,049</u> | <u>20,815,808</u> |
| 88,166 | 772,011 |
| - | 386,562 |
| - | 442,722 |
| 109,554 | 3,490,467 |
| 28,955 | 28,955 |
| 1,036 | 1,036 |
| - | 2,800 |
| - | 11,073,771 |
| - | 15,687,519 |
| - | 185,000 |
| <u>2,211,691</u> | <u>2,270,788</u> |
| <u>2,439,402</u> | <u>34,341,631</u> |
| <u>(2,336,353)</u> | <u>(13,525,823)</u> |
| 128,896 | 2,707,139 |
| - | (212,187) |
| <u>128,896</u> | <u>2,494,952</u> |
| - | 9,745,000 |
| - | 9,745,000 |
| <u>128,896</u> | <u>12,239,952</u> |
| <u>(2,207,457)</u> | <u>(1,285,871)</u> |
| <u>60,913</u> | <u>8,630,746</u> |
| <u>\$ (2,146,544)</u> | <u>\$ 7,344,875</u> |

HAYS COUNTY, TEXAS
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2012

| | <u>Tax Collector Agency Fund</u> | <u>Sheriff Inmate Trust Fund</u> | <u>Sheriff Bonds and Fines Fund</u> | <u>Constable's LEOSE Fund</u> | <u>DA Forfeiture Trust Fund</u> | <u>DA Agency Fund</u> |
|---------------------------|--------------------------------------|--------------------------------------|---|-----------------------------------|-------------------------------------|---------------------------|
| ASSETS: | | | | | | |
| Cash and cash equivalents | \$ 2,490,142 | \$ 18,451 | \$ 1,200 | \$ 4,745 | \$ 168,993 | \$ 20,997 |
| Total assets | <u>\$ 2,490,142</u> | <u>\$ 18,451</u> | <u>\$ 1,200</u> | <u>\$ 4,745</u> | <u>\$ 168,993</u> | <u>\$ 20,997</u> |
| LIABILITIES: | | | | | | |
| Accounts payables - trade | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to County | 43,719 | - | - | - | - | - |
| Due to participants | - | 18,451 | 1,200 | 4,745 | 168,993 | 20,997 |
| Due to other agencies | 2,446,423 | - | - | - | - | - |
| Total liabilities | <u>\$ 2,490,142</u> | <u>\$ 18,451</u> | <u>\$ 1,200</u> | <u>\$ 4,745</u> | <u>\$ 168,993</u> | <u>\$ 20,997</u> |

| <u>District Clerk Trust Fund</u> | <u>District Clerk Agency Fund</u> | <u>County Clerk Trust Fund</u> | <u>County Clerk Agency Fund</u> | <u>Justice of the Peace Agency Fund</u> | <u>Transfer Station Agency Fund</u> | <u>Total</u> |
|--------------------------------------|---------------------------------------|------------------------------------|-------------------------------------|---|---|---------------------|
| \$ 559,512 | \$ 958,320 | \$ 589,023 | \$ 294,289 | \$ 186,971 | \$ 15,809 | \$ 5,308,452 |
| <u>\$ 559,512</u> | <u>\$ 958,320</u> | <u>\$ 589,023</u> | <u>\$ 294,289</u> | <u>\$ 186,971</u> | <u>\$ 15,809</u> | <u>\$ 5,308,452</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| - | 2752 | - | 5710 | 186971 | 15809 | 254961 |
| 559,512 | 955,568 | 589,023 | 288,579 | - | - | 2,607,068 |
| - | - | - | - | - | - | 2,446,423 |
| <u>\$ 559,512</u> | <u>\$ 958,320</u> | <u>\$ 589,023</u> | <u>\$ 294,289</u> | <u>\$ 186,971</u> | <u>\$ 15,809</u> | <u>\$ 5,308,452</u> |

**HAYS COUNTY, TEXAS
 COMPONENT UNITS
 COMBINING STATEMENT OF NET ASSETS**

| | Emergency Services District #1 As of <u>September 30, 2011</u> | Emergency Services District #2 As of <u>September 30, 2011</u> | Emergency Services District #3 As of <u>December 31, 2011</u> | Emergency Services District #4 As of <u>September 30, 2012</u> |
|--|---|---|--|---|
| ASSETS | | | | |
| Cash: | | | | |
| Cash and cash equivalents | \$ 922,851 | \$ 776,471 | \$ 176,791 | \$ 348,871 |
| Investments | - | - | - | |
| Receivables (net): | | | | |
| Delinquent ad valorem taxes | 15,916 | 17,905 | 666,115 | 20,324 |
| Other receivables | 2,338 | - | 120,517 | - |
| Prepaid expenses | - | - | 314,688 | - |
| Capital assets (net of accumulated depreciation) | | | | |
| Land | 65,870 | - | 70,235 | 25,057 |
| Buildings | 131,050 | - | 1,006,176 | 419,763 |
| Furniture, fixtures and equipment | 88,350 | 342,479 | 1,234,476 | 431,742 |
| Construction in process | - | - | 18,365 | 41,546 |
| Total assets | <u>1,226,375</u> | <u>1,136,855</u> | <u>3,607,363</u> | <u>1,287,303</u> |
| LIABILITIES | | | | |
| Miscellaneous payables | - | 2,650 | 66,402 | 94 |
| Accrued expenses | - | - | 14,885 | - |
| Deferred revenue | - | - | - | 20,324 |
| Noncurrent liabilities: | | | | |
| Due within one year | - | - | 117,200 | - |
| Due in more than one year | - | - | 924,867 | 34,574 |
| Total Liabilities | <u>-</u> | <u>2,650</u> | <u>1,123,354</u> | <u>54,992</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 285,270 | 342,479 | 1,730,350 | 883,534 |
| Restricted | - | - | - | 40,316 |
| Unrestricted | 941,105 | 791,726 | 753,659 | 308,461 |
| Total net assets | <u>\$ 1,226,375</u> | <u>\$ 1,134,205</u> | <u>\$ 2,484,009</u> | <u>\$ 1,232,311</u> |

| Emergency Services District #5 | Emergency Services District #6 | Emergency Services District #7 | Emergency Services District #8 | Total |
|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|----------------------|
| As of | As of | As of | As of | |
| <u>September 30, 2011</u> | <u>September 30, 2012</u> | <u>September 30, 2011</u> | <u>September 30, 2011</u> | |
| \$ 207,015 | \$ 1,626,602 | \$ 769,744 | \$ 245,899 | \$ 5,074,244 |
| | | | | - |
| 53,004 | 42,357 | - | 86,331 | 901,952 |
| - | 42,851 | - | 66,151 | 231,857 |
| - | - | - | 16,710 | 331,398 |
| - | 329,366 | - | 735,730 | 1,226,258 |
| - | 1,935,485 | - | 4,383,412 | 7,875,886 |
| - | 884,182 | - | 1,125,859 | 4,107,088 |
| - | 153,276 | - | - | 213,187 |
| <u>260,019</u> | <u>5,014,119</u> | <u>769,744</u> | <u>6,660,092</u> | <u>19,961,870</u> |
| - | 103,278 | - | 19,061 | 191,485 |
| - | 85,087 | - | 157,665 | 257,637 |
| - | 33,039 | - | - | 53,363 |
| - | 179,728 | - | 301,344 | 598,272 |
| - | 1,116,444 | - | 4,609,260 | 6,685,145 |
| - | 1,517,576 | - | 5,087,330 | 7,785,902 |
| - | 2,006,137 | - | 1,244,543 | 6,492,313 |
| - | - | - | - | 40,316 |
| 260,019 | 1,490,406 | 769,744 | 328,219 | 5,643,339 |
| <u>\$ 260,019</u> | <u>\$ 3,496,543</u> | <u>\$ 769,744</u> | <u>\$ 1,572,762</u> | <u>\$ 12,175,968</u> |

**HAYS COUNTY, TEXAS
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES**

| | Emergency Services District #1 As of September 30, 2011 | Emergency Services District #2 As of September 30, 2011 | Emergency Services District #3 As of December 31, 2011 | Emergency Services District #4 As of September 30, 2012 |
|--------------------------------|--|--|---|--|
| EXPENSES | | | | |
| Public safety | \$ (594,112) | \$ (477,813) | \$ (920,473) | \$ (520,909) |
| Total component unit expenses | <u>(594,112)</u> | <u>(477,813)</u> | <u>(920,473)</u> | <u>(520,909)</u> |
| GENERAL REVENUE | | | | |
| Ad valorem taxes | 710,422 | 537,822 | 1,134,478 | 574,803 |
| Sales and use tax | - | - | - | - |
| Interest on deposits | 5,228 | 2,370 | 5,401 | 1,158 |
| Miscellaneous revenues | 1,551 | - | 25,486 | - |
| Total general revenues | <u>717,201</u> | <u>540,192</u> | <u>1,165,365</u> | <u>575,961</u> |
| OTHER FINANCING SOURCES | | | | |
| Gain on sale of asset | - | - | - | 6,800 |
| Total net financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,800</u> |
| Change in net assets | 123,089 | 62,379 | 244,892 | 61,852 |
| Net assets - beginning | 1,103,286 | 1,071,826 | 2,239,117 | 1,170,459 |
| Net assets - ending | <u>\$ 1,226,375</u> | <u>\$ 1,134,205</u> | <u>\$ 2,484,009</u> | <u>\$ 1,232,311</u> |

| Emergency Services District #5 | Emergency Services District #6 | Emergency Services District #7 | Emergency Services District #8 | Total |
|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------|
| As of September 30, 2011 | As of September 30, 2012 | As of September 30, 2011 | As of September 30, 2011 | |
| \$ (1,762,720) | \$ (2,349,174) | \$ (928,505) | \$ (3,434,696) | \$ (10,988,402) |
| (1,762,720) | (2,349,174) | (928,505) | (3,434,696) | (10,988,402) |
| 1,785,068 | 2,371,784 | 1,014,789 | 1,739,966 | 9,869,132 |
| - | - | - | 454,797 | 454,797 |
| 1,374 | 1,778 | 4,217 | - | 21,526 |
| - | 608,464 | - | 1,077,487 | 1,712,988 |
| 1,786,442 | 2,982,026 | 1,019,006 | 3,272,250 | 12,058,443 |
| - | 69,000 | - | - | 75,800 |
| - | 69,000 | - | - | 75,800 |
| 23,722 | 701,852 | 90,501 | (162,446) | 1,145,841 |
| 236,297 | 2,794,691 | 679,243 | 1,735,208 | 11,030,127 |
| \$ 260,019 | \$ 3,496,543 | \$ 769,744 | \$ 1,572,762 | \$ 12,175,968 |

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

To the Honorable Judge and Commissioners
of Hays County
San Marcos, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hays County (the “County”), as of and for the year ended September 30, 2012, which collectively comprise the County’s basic financial statements and have issued our report thereon dated March 15, 2013. 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.

Internal Control Over Financial Reporting

Management of Hays County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hays County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, members of the Commissioners' Court, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Alonzo, Bacarisse, Irvine & Palmer, P.C.

March 15, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

To the Honorable Judge and Commissioners
of Hays County
San Marcos, Texas

Compliance

We have audited Hays County's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2012. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of Hays County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2012.

Internal Control over Compliance

Management of Hays County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state programs to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hays County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, members of the Commissioners' Court, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Alongo, Baccarisse, Irvine & Palmer, P.C.

March 15, 2013

HAYS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2012

| <u>Federal Grantor/ Pass-Through Grantor/ Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> |
|---|------------------------------------|---|---------------------------------|
| U. S. DEPARTMENT OF JUSTICE | | | |
| Direct Programs: | | | |
| Bullet Proof Vest Program | 16.607 | n/a | \$ 420 |
| State Criminal Alien Assistance Program | 16.606 | n/a | 64,768 |
| Equitable Sharing Project | 16.922 | n/a | 64,650 |
| Total Department of Justice direct programs | | | <u>129,838</u> |
| U. S. DEPARTMENT OF JUSTICE | | | |
| Passed through Texas State University | | | |
| Advance law Enforcement Rapid Response Training | 16.738 | 8000001412.1 | 105,275 |
| Digital Information Sharing Project | 16.738 | 2011-DJ-BX-2661 | 11,402 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | DJ-09-A10-24711-01 | 44,380 |
| | | | <u>161,057</u> |
| Total Department of Justice pass-through programs | | | <u>161,057</u> |
| U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Passed through the Department of State Health Services: | | | |
| Immunization Grant | 93.268 | 2009-023727 | 366,447 |
| Immunization Grant | 93.268 | 2012-039613 | 173,939 |
| Immunization Grant | 93.268 | 2013-041402-003 | 19,204 |
| Total for CFDA 93.268 | | | <u>559,590</u> |
| Investigations and Technical Assistance | 93.069 | 2011-038707 | 132,912 |
| Investigations and Technical Assistance | 93.069 | 2013-041402 | 10,348 |
| Total for CFDA 93.069 | | | <u>143,260</u> |
| Maternal and Child Health Block Grant | 93.994 | 2012-039362 | 9,621 |
| Total for CFDA 93.994 | | | <u>9,621</u> |
| Preventative Health Block Grant | 93.991 | 2012-039540 | 47,271 |
| Preventative Health Block Grant | 93.991 | 2013-041402-001 | 4,169 |
| Total for CFDA 93.991 | | | <u>51,440</u> |
| Passed through Texas Juvenile Justice Department | | | |
| Foster Care Title IV-E | 93.658 | TJJD-E-2012-105 | 23,419 |
| Total Department of Health and Human Services | | | <u>787,330</u> |

continued

HAYS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2012

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|------------------------------------|---|---------------------------------|
| DEPARTMENT OF HOMELAND SECURITY | | | |
| Passed through the Texas Department of Public Safety | | | |
| Emergency Management Performance Grant | 97.042 | 12-TX-EMPG-1349 | \$ 27,830 |
| Citizen Corps | 97.053 | 2010-SS-T0-0008 CCP | 19,248 |
| Hazard Mitigation Grant | 97.039 | DIR-1780-044 | 26,738 |
| Total Department of Homeland Security | | | 73,816 |
| U. S. DEPARTMENT OF TRANSPORTATION | | | |
| Passed through the Texas Department of Transportation | | | |
| Capital Assistance Program for the Elderly | 20.513 | 51214-F7146 | 56 |
| Highway Planning and Construction | 20.205 | CSJ-0914-33-054/924 | 6,466 |
| Total Department of Transportation | | | 6,522 |
| U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | |
| Passed through the Office of Rural and Community Affairs | | | |
| Community Development Programs - ARRA | 14.255 | R729240 | 1,880 |
| Total Department of Housing and Urban Development | | | 1,880 |
| U. S. DEPARTMENT OF AGRICULTURE | | | |
| National School Breakfast Program * | 10.553 | 1052003 | 63,614 |
| National School Lunch Program * | 10.555 | 1052003 | 124,808 |
| Commodity Supplement Food Program * | 10.565 | 1052003 | 8,360 |
| Total Department of Agriculture | | | 196,782 |
| U.S. ELECTION ASSISTANCE COMMISSION | | | |
| Passed through Texas Secretary of State | | | |
| General HAVA Compliance | 90.401 | 78580 | 22,776 |
| Total Election Commission | | | 22,776 |
| U.S. DEPARTMENT OF ENERGY | | | |
| Passed through Comptroller of Public Accounts | | | |
| Energy Efficient and Conservation Block Grant -ARRA | 81.128 | DE-EE0000893/CS0044 | 35,171 |
| Total Department of Energy | | | 35,171 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 1,415,172 |

* Indicates a cluster under OMB Circular A-133 Compliance Supplement

The accompanying note is an integral part of this schedule.

**HAYS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

| <u>Grantor/ Program Title</u> | <u>Entity Identifying Number</u> | <u>State Expenditures</u> |
|--|--------------------------------------|-----------------------------------|
| <u>TRAVIS COUNTY</u> | | |
| Auto Theft Task Force | SA-T01-10069-12 | \$ 36,353 |
| Auto Theft Task Force | SA-T01-10069-13 | 433 |
| Total Travis County | | <u>36,786</u> |
| <u>OFFICE OF THE ATTORNEY GENERAL</u> | | |
| VINE Program | 1121029 | 30,710 |
| Victim Coordinator Liason Grant | 1226851 | 35,480 |
| Victim Coordinator Liason Grant | 1333079 | 3,499 |
| Total Office of the Attorney General | | <u>69,689</u> |
| <u>CAPCOG</u> | | |
| 9-1-1 Maintenance | Interlocal | 99,967 |
| <u>DEPARTMENT OF STATE HEALTH SERVICES</u> | | |
| T.B.Prevention | 2012-039700 | 10,299 |
| <u>TEXAS JUVENILE JUSTICE DEPARTMENT</u> | | |
| Salaries State Aid | TJJD-A-2012-105 | 689,569 |
| Salaries State Aid | TJJD-A-2013-105 | 52,056 |
| Commitment Reduction | TJJD-C-2012-105 | 61,488 |
| Commitment Reduction | TJJD-C-2013-105 | 5,124 |
| Special Probation Officer | TJJD-M-2012-105 | 48,965 |
| Special Probation Officer | TJJD-M-2013-105 | 4,080 |
| Juvenile Justice Alternative Education | TJJD-P-2012-105 | 80,580 |
| Juvenile Justice Alternative Education | TJJD-P-2013-105 | 9,594 |
| Total Texas Juvenile Justice Department | | <u>951,456</u> |
| <u>TEXAS OFFICE OF COURT ADMINISTRATION</u> | | |
| Texas Indigent Defense Commission | 212-11-105 | 72,029 |
| <u>TEXAS WATER DEVELOPMENT BOARD</u> | | |
| Flood Protection Planning | 0904830950 | 50,365 |
| TOTAL EXPENDITURES OF STATE AWARDS | | \$ <u><u>1,290,591</u></u> |

HAYS COUNTY, TEXAS
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

A. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal grant activity of Hays County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.