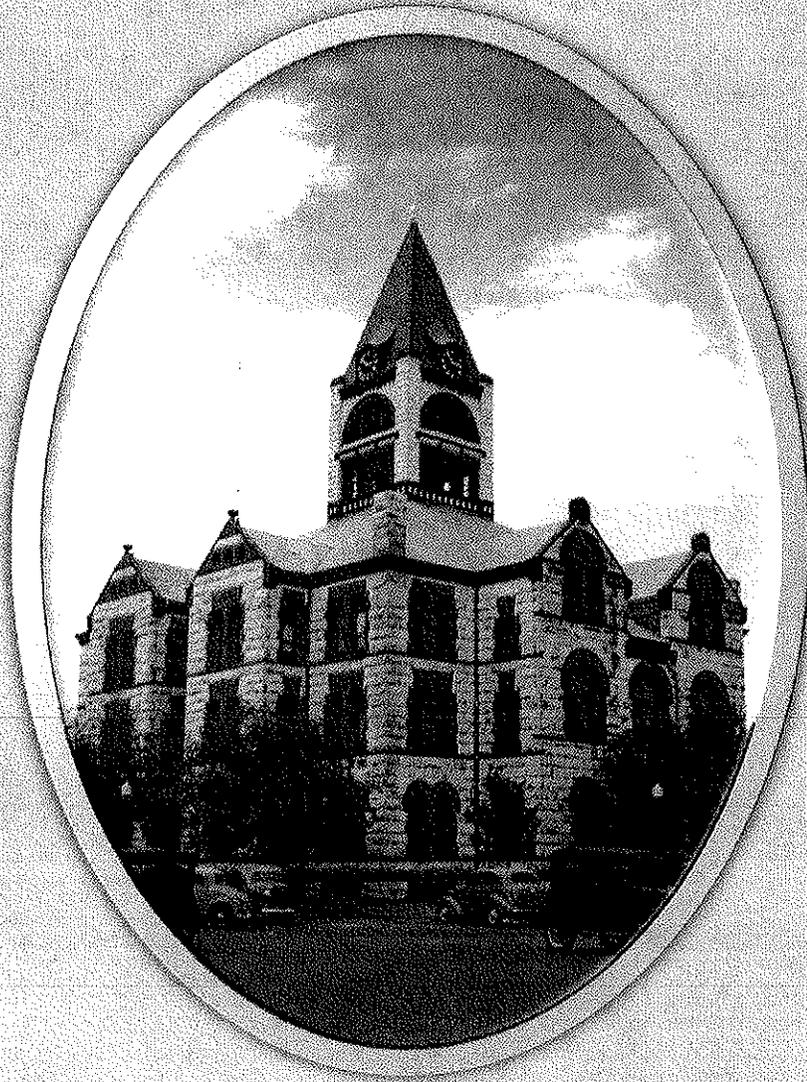


# ERATH COUNTY, TEXAS



**Comprehensive Annual Financial  
Report  
September 30, 2011**

# **Erath County, Texas**

Comprehensive Annual Financial Report  
For The Year Ended September 30, 2011

Prepared By:  
Janet Martin, C.P.A., C.F.E.  
County Auditor

**Erath County, Texas  
Comprehensive Annual Financial Report  
For The Year Ended September 30, 2011**

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## **INTRODUCTORY SECTION**



**Erath County**  
County Auditor

August 23, 2012

The Honorable District Judge Jason Cashon, 266<sup>th</sup> Judicial District  
The Honorable Commissioners' Court, Erath County, Texas  
Tab Thompson                      County Judge  
Jim Pack                              County Commissioner, Precinct 1  
Herbert Brown                      County Commissioner, Precinct 2  
Joe Brown                            County Commissioner, Precinct 3  
Scot Jackson                        County Commissioner, Precinct 4

The comprehensive annual financial report of Erath County, Texas (the "County") for the fiscal year ended September 30, 2011 is submitted herewith.

This report consists of management's representation concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representation, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the comprehensive framework of internal controls for Erath County has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Mesch, McBride, and Cooper, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded; based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statement for the fiscal year ended September 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Completion of this comprehensive annual financial report would not have been possible without the wonderful help of my staff, Kay Prather and Tyler Gentry.

Respectfully submitted,

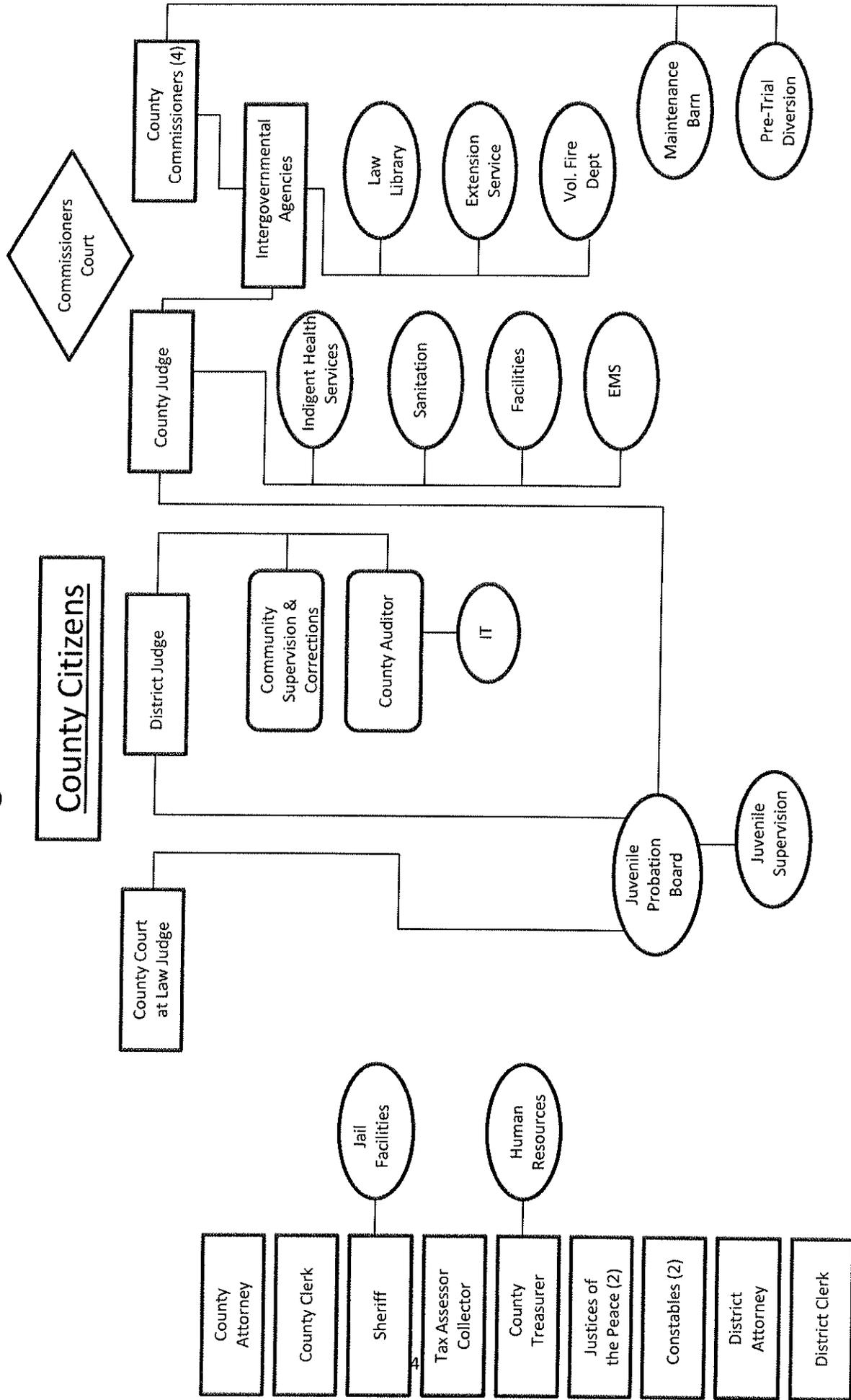
Janet S. Martin, CPA, CFE, FCPA  
Erath County Auditor

**ERATH COUNTY, TEXAS**  
**PRINCIPAL OFFICERS**

**as of September 30, 2011**

<u>Title</u>	<u>Name</u>
County Judge	Tab Thompson
Commissioner, Precinct 1	Jim Pack
Commissioner, Precinct 2	Herbert Brown
Commissioner, Precinct 3	Joe Brown
Commissioner, Precinct 4	Scot Jackson
County Auditor	Janet Martin
County Treasurer	Donna Kelly
Tax Assessor-Collector	Jennifer Carey
County Clerk	Gwinda Jones
District Clerk	Wanda Pringle
Sheriff	Tommy Bryant

# County of Erath Organization Chart





**FINANCIAL SECTION**

Mesch, McBride & Cooper PLLC  
CPAs and Advisors

**INDEPENDENT AUDITOR'S REPORT**

Honorable Tab Thompson, County Judge  
and the Honorable County Commissioners  
of Erath County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Erath County, Texas (the "County"), as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of September 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof 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 July 2, 2012, 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, retirement system information and budgetary comparison information on pages 7 through 20 and 51 through 100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information as listed in the table of contents is 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Mess, M's Bids to Cooper PLLC*

Fort Worth, Texas

July 2, 2012

**ERATH COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**For the Year Ended September 30, 2011**

**Profile of the County**

With a population of 37,890 according to the 2010 census, Erath County was founded in 1856 and was named for George Bernard Erath, an early surveyor and soldier. The County has experienced a 14.8% growth in population since 2000. The total area of Erath County is 1090 square miles with 1086 square miles of land mass and more than 830 miles of County maintained roads.

Erath County is a political subdivision of the State of Texas with no legislative powers and very restrictive judicial and administrative powers. The governing body of the county is the Commissioners' Court which consists of five members. The County Judge is the chairman of the Court and the Commissioner from each of the four precincts are members. The Court has only such powers as are conferred upon it by the Constitution, Statutes, or by necessary implication from the Constitution or Statutes. Among the major duties of the Court, the Court is to:

1. Set the tax rate and adopt the County budget
2. Appoint County officials and hire personnel
3. Fill elective and appointee vacancies
4. Establish voting precincts, appoint precinct election judges and call county bond elections
5. Let contracts and authorize payment of all County bills
6. Build and maintain County roads and bridges
7. Build, maintain and improve County facilities, including jails
8. Provide for the data service and archival needs of the County

The County provides those services allowed by the Constitution and Statues of the State of Texas. Services include; but are not limited to: law enforcement, judicial proceedings, probation monitoring services, juvenile services, recording services related to judicial proceedings, public health and welfare, veterans services, Texas AgriLife Extension Service, maintaining road and bridges, principally within the unincorporated areas of the County and other related governmental functions.

**Budget Process**

In counties with a population less than 125,000 the County Judge serves as the budget officer assisted by the County Auditor and County Treasurer. The County Judge may also solicit from each department whatever data may be required to prepare an accurate budget. The budget is presented on a line-item basis and adopted on the fund level. The budget must be itemized to

make possible a comparison of the proposed expenditures with the prior year expenditures. The budget must show, as accurately as possible, the purpose of each expenditure and the amount of money appropriated.

Upon completion of the proposed budget, the County Judge files a copy with the County Clerk. The Commissioners' Court holds a public hearing on the proposed budget. Any taxpayer of the County may attend and participate in the hearing(s). The hearing(s) are held in accordance with the Texas Open Meetings Act and the calendar for the hearing(s) is set by the Texas Comptroller of Public Accounts and the Texas Local Government Code.

At the conclusion of the public hearing, the Commissioners' Court takes action on the proposed budget. The Commissioners' Court may make any changes in the proposed budget that it considers warranted by law and required in the best interest of the taxpayers. The Commissioners' Court may levy taxes only in accordance with the budget. After final approval of the budget, the County Judge shall file a copy with the County Clerk and may spend county funds only in strict compliance with the budget, except in an emergency.

The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court files a copy of its order amending the budget with the County Clerk. The clerk attaches the copy to the original budget.

The Commissioners' Court, by order, may amend the budget to transfer an amount budgeted for one item to another budgeted item within the same fund without authorizing an emergency expenditure.

State law requires counties to adopt a budget before adopting a tax rate. The Commissioners' Court may levy taxes only in accordance with the budget. Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in setting tax rates. This law has two purposes:

- To make the taxpayers more knowledgeable about tax rate proposals
- To allow taxpayers to roll back or limit a tax increase in certain cases

## Factors Affecting Financial Condition

The information presented in the financial statements is better understood when it is considered from a broader perspective of the environment within which Erath County operates.

### MAJOR EMPLOYERS

Entity	Service	Number of Employees
Tarleton State University	Education	1127
FMC Technologies	Oilfield Products	550
Stephenville ISD	Education	450
Wal-Mart	Retail	450
Saint-Gobain Abrasives	Coated Abrasives	434
Schreiber Foods	Cheese Manufacturing	430
Western Dairy Transportation	Milk Transportation	400

(Source-Stephenville Chamber of Commerce)

### Tax abatement for FMC Technologies

FMC Technologies applied for and was granted a tax abatement. The abatement was based on the 2011 – 2014 expansion which will include \$26.2 million in real property improvements and purchases of equipment. The expansion also is expected to add 80 jobs by the end of 2012 with a total payroll of \$4.1 million. FMC estimated 50% of the new employees will need to be hired from outside the Erath County area creating an environment for new residential construction.

### Grants

Erath County benefits from multiple grants. During fiscal year 2011 the County received the following grant funds:

- Juvenile Probation
- VINES (Victims of Domestic Violence)
- Help Americans Vote Act
- S.E.C.O. – Facility energy efficiency
- Bulletproof Vests
- FEMA – Wildfires
- Homeland Security – EMS

The total amount received from all grants was \$312,202 with expenditures of \$295,922, and accordingly, no A-133 audit was required.

## **Discussion of the Financial Statements and Performance**

This management discussion and analysis (MD&A) of Erath County (County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2011. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements. *All amounts, unless otherwise indicated, are expressed in thousands of dollars.* The MD&A includes comparative data for the prior year.

### **FINANCIAL HIGHLIGHTS**

#### **Government-Wide Financial Statements**

The government-wide financial position increased as indicated by the \$154,953 increase in net assets from the previous year. The total net assets are comprised of:

\$ 1,182,366 - restricted by external regulators

\$ 1,696,001- restricted for debt

\$ 15,067,540- unrestricted net asset funds that may be used to meet on-going obligations to citizens and creditors

\$ 9,195,730 - amounts invested in capital assets, net of related debt

The change in net assets is attributed to:

Increased property tax rates reflected in 2011 collections

Positive results of the year's operations

#### **Governmental Funds Financial Statements**

The County's governmental funds reported combined fund balances of \$18,473,163; compared to \$22,789,791 of prior year. Components of fund balances are:

\$ 2,878,367- restricted

\$ 9,578,459 - committed

\$ 6,016,337 - unassigned

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$4,994,301 or 47.85% of general fund expenditures (excluding other financing sources).

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements.

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

## Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances in a manner similar to private sector business. They present the financial picture of the County from an economic resources measurement focus using full accrual basis of accounting. These statements include all assets of the County (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred in regards to inter-fund activity, payables, and receivables.

The *statement of net assets* presents information on the County's assets and liabilities and its component unit, with the difference between the two reported as *net assets*. Fiduciary assets and liabilities are excluded. Increases or decreases in net assets contrasted with budgetary decisions should serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how 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 (e.g., earned but unused vacation leave). The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, public safety, highways and streets, public welfare, health, judicial, and education.

**Fund financial statements.** A *fund* is a grouping of related accounts 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. In particular, unrestricted, unassigned, assigned, and committed fund balances may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintains 23 individual governmental funds (excluding fiduciary funds) 19 special revenue funds, one debt service fund, one capital projects fund, one road and bridge fund, one internal service fund and the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Fund, and Road & Bridge Fund which are classified as major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the Required Supplemental information of this Comprehensive Annual Financial Report.

**Proprietary funds.** *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 funds) is used to report activities that provide supplies and services for other programs and activities – such as the County’s self-insurance program (including workers compensation) and employee benefits. Because these services predominantly benefit government rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements.

**Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. The County’s fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. 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.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning infrastructure assets reported using the modified approach, pension and OPEB benefits for the County and its component unit, and general fund and major special revenue fund budgetary schedules.

**Discretely Presented Component Unit.** The Erath County Volunteer Fire Department (VFD) is under the direction of a five-member board of managers who are appointed by the Commissioners' Court. The Commissioners' Court approves the VFD budget. The VFD financial data is presented separately to emphasize that it is legally separate from the County.

Complete financial statements for the VFD may be obtained from:

President  
 Erath County Volunteer Fire Department  
 830 A East Road  
 Stephenville, TX 76401

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The County's net assets at September 30, 2011 and 2010 are summarized as follows:

<b>Erath County's Net Assets</b>				
<b>Governmental Activities</b>				
<b>2011 - 2010 Increase (Decrease)</b>				
	<b>2,011</b>		<b>2,010</b>	<b>Increase (Decrease)</b>
Current and other Assets	\$ 20,021,444	\$	24,411,038	\$ (4,389,594)
Capital assets (net of depreciation)	14,526,261		10,450,885	4,075,376
Total assets	\$ 34,547,705	\$	34,861,923	\$ (314,218)
Current and other liabilities	\$ 643,395	\$	650,531	\$ (7,136)
Long-term liabilities	6,762,674		7,224,708	(462,034)
Total liabilities	\$ 7,406,069	\$	7,875,239	\$ (469,170)
Net assets invested in capital assets, net of related debt	\$ 9,195,730	\$	9,992,400	\$ (796,670)
Restricted net assets	2,878,367		735,563	2,142,804
unrestricted net assets	15,067,540		16,258,721	(1,191,181)
Total net assets	\$ 27,141,637	\$	26,986,684	\$ 154,953

The current financial reporting model focusing on net assets serves as a useful indicator of a government's financial position. Net assets are unrestricted, subject to external restrictions as to how they may be used, or are invested in capital assets less any related outstanding debt used to acquire those assets. Total net assets exceeded liabilities by \$ 19,735,568 at the close of the most recent fiscal year, representing a 3.25% increase from the prior year. The largest portion of net assets (55.51%) may be used to meet the government's commitments and ongoing obligations to citizens and creditors. An additional portion of net assets (10.6%) represents resources that are subject to external restrictions on how they may be used.

Restrictions on net assets include statutory requirements, bond covenants, and grantor conditions. The remaining balance of *net assets* (33.89%) reflects investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related and outstanding debt used to acquire those assets. The County uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although investments in capital assets are reported net of related debt and the County's philosophy is "pay-as-you-go", it should be noted that the resources needed to repay any necessary debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds on page 26 provides further details of the increase in net assets of \$154,953 as indicated on page 13.

**Governmental activities.** Program revenues and expenses are presented net of inter-fund eliminations. Key elements for the years ended September 30, 2011 and 2010 are as follows:

<b>Erath County's Changes in Net Assets</b>				
		<b>2011</b>	<b>2010</b>	<b>Increase (Decrease)</b>
<b>Revenue</b>				
Net program revenue:				
Charges for Services	\$	3,206,806	\$ 3,284,848	\$ (78,042)
Operating grants and contributions		62,452	467,659	(405,207)
General revenues:				
Property taxes		10,132,409	8,958,018	1,174,391
Other taxes		1,814,336	1,690,428	123,908
Penalty & Interest		169,317	149,395	19,922
Misc. Revenue		83,895	45,385	38,510
Investment earnings		40,308	42,597	(2,289)
Gain on sales of capital assets		57,639	93,881	(36,242)
<b>Total Revenues</b>	<b>\$</b>	<b>15,567,162</b>	<b>\$ 14,732,211</b>	<b>\$ 834,951</b>
<b>Expenses</b>				
General government	\$	3,319,985	\$ 2,778,714	\$ 541,271
Judicial		1,311,514	2,770,335	(1,458,821)
Public Safety		5,381,582	4,305,811	1,075,771
Road & Bridge		3,717,380	3,762,110	
Health & Welfare		1,422,235	1,480,815	(58,580)
Interest on long-term debt		259,513	94,825	164,688
<b>Total Expenses</b>	<b>\$</b>	<b>15,412,209</b>	<b>\$ 15,192,610</b>	<b>\$ 219,599</b>
Change in net assets		154,953	(460,398)	615,351
Net assets - beginning		26,986,684	27,447,082	(460,398)
<b>Net assets - ending</b>	<b>\$</b>	<b>27,141,637</b>	<b>\$ 26,986,684</b>	<b>\$ 154,953</b>

### **General Revenues and Program Revenues**

General revenues are revenues that are not assigned to support a specific function, but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes, other tax related revenues, interest earned from investments, and miscellaneous income. Total revenues (including program revenues) were \$15,567,162 compared to \$14,732,211 for prior fiscal year or 5.67% increase. General revenues increased \$1,318,200 from the prior fiscal period.

Property taxes increased by \$1,174,391 during the year. The change is due to decreased taxable assessed values of 2.11% with an accompanying 6% increase in the tax rate. The tax rate assessed for July 19, 2011 valuation date increased from 39 to 45 cents per \$100 (dollar).

### **Expenses and Program Revenues - Governmental**

Net functions/programs costs include the revenue generated from a particular service and the costs of the function. For FY 2011, net (expense) revenue was (\$12,142,951) compared to (\$11,440,102) in FY 2010.

- Pay plans and salaries were increased by 3% for all levels and in all functions.
- General government – Charges for Proprietary Fund services are expensed by the Governmental Funds. To the extent such charges create a profit (loss) this amount is credited (charged) to General Governmental Activities which may impact Governmental Funds in future periods. Expense decline is due to planned operational reductions.
- Judicial – variety of offsetting activity resulted in minimal expense change; decreased case filings in all court types due to economic factors, and increased public defender program.
- Charges for services revenue decreased significantly due to disbanded traffic programs.
- Public Safety – expenses declined with disbanded transportation program, other public safety programs such as inmate housing reflected increases in charges for services.
- Debt service (interest payments) –increased due to the certificates of obligation for the County Jail.

### **FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

As noted, the County uses *fund accounting* to ensure and demonstrate compliance with finance related legal requirements. Fund accounting budget controls and fiscal responsibility are the framework of the County's strong fiscal management and accountability.

**Governmental funds.** The general government functions are reported in the General, 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 of *spendable* resources. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, *unrestricted, unassigned, assigned, and committed fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County's aggregate governmental funds decreased by \$4,308,997 in the current fiscal year to \$18,473,163. This decrease was due to the use of governmental fund balance to supplement the construction of the County Jail remodel. The use of governmental fund balance was a decision by the Commissioners' Court to use fund balance rather than creating more debt for

the County. Cost containment initiatives continued for operating funds allowing replenishment of reserves used.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,994,301 in contrast to \$13,341,098 in the prior year, the decrease of fund balance is attributed to the new classification requirement set forth in GASB No. 54. Total fund balance is \$13,775,786.

Grant categories represent federal and state awards which are included in other Non-Major governmental funds.

The following table presents the amount of revenues from various sources, as well as increases or decreases from the prior year.

**Governmental Funds - Revenues Classified By source**

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
Taxes	\$ 13,035,533	\$ 11,531,772	\$ 1,503,761	13.04%
Intergovernmental	357,424.00	465,378.00	(107,954.00)	-23.20%
Charges for Services	2,153,309.00	2,283,121.00	(129,812.00)	-5.69%
Interest	39,820.00	41,848.00	(2,028.00)	-4.85%
Other Revenue	79,410.00	255,879.00	(176,469.00)	-68.97%
<b>Total</b>	<b>\$ 15,665,496</b>	<b>\$ 14,577,998</b>	<b>\$ 1,087,498</b>	<b>7.46%</b>

- **Taxes** - increased by \$1,503,761 primarily due to a 6 cent increase in the 2011 tax rate.
- **Intergovernmental** - decreased due to a reduction in fund received for governmental activities from State or Federal sources.
- **Charges for services** – had a net decrease due to a slowing of fees collected for various court fees and other fees charged by the county for services rendered.
- **Interest**– remained low consistent with low market interest rates in effect since 2008.
- **Other Revenue** – reflects amounts from unexpected revenue received by the county for no restricted purpose, there is no one reason for the overall decrease in other revenue.

The following table presents expenditures by function compared to prior year amounts.

<b>Expenditures by Function - Governmental Funds</b>				
<b>Function:</b>	<b>2011</b>	<b>2010</b>	<b>Increase (Decrease)</b>	<b>Percent of Change</b>
General Administration	\$ 3,268,208	\$ 2,624,588	\$ 643,620	24.52%
Legal	683,441	956,116	(272,675)	-28.52%
Judicial	1,241,158	1,736,410	(495,252)	-28.52%
Road & Bridge	3,301,410	3,293,614	7,796	0.24%
Public Safety	4,434,914	4,764,219	(329,305)	-6.91%
Health & Welfare	1,422,235	1,480,815	(58,580)	-3.96%
Capital Projects	4,872,045	-	4,872,045	n/a
Debt Service - Interest	353,338	-	353,338	n/a
Debt Service - Principal	467,000	-	467,000	n/a
Debt Service - Bank Charges	500	23,750	(23,250)	-97.89%
<b>Total</b>	<b>20,044,249.00</b>	<b>14,879,512.00</b>	<b>5,164,737.00</b>	<b>34.71%</b>

- Although, salary levels were unchanged from prior year, all functions incurred increases for health insurance cost.
- The overall decrease in expenditures excluding capital projects and debt service expenditures is due to an effort county wide to keep the tax rate low.  
Capital Projects – increased due to the construction of the Jail Remodel beginning in the current fiscal year.
- Debt service – decreased in the bank charges function due to the bond issuance cost being contained completely in the prior fiscal year. The interest and principal functions increased with the first payments on the 2010 certificates of obligation being paid in the current fiscal year.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The FY2011 legally adopted cash budget was approved on September 1, 2010 for the General Fund totaling \$11,335,670, a decrease of \$715,317 from FY2010 budget. The FY2011 legally adopted budget for all funds totaled \$24,000,269.

#### **Highlights from Erath County FY 2011 Budget include the following:**

- The County's property tax rate for valuation date January 1, 2010 was set at 45 cents per \$100 (dollar) assessed valuation
- The FY2011 budget process focused on identifying various balancing strategies that impact services provided to the citizens of Erath County.

**DEBT ADMINISTRATION AND CAPITAL ASSETS**

**Long-term debt.** At September 30, 2011, the County had certificates of obligation outstanding in the amount of \$6,533,000. According to Texas statutes, particularly the Certificate of Obligation Act of 1971, the county is conferred the authority to obtain these certificates.

The following represents the activity of the long-term debt of the County for FY2011:

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
<b>Governmental Activities:</b>				
Compensated Absences	\$ 224,708.00	\$ 4,966.00	\$ -	\$ 229,674.00
Certificates of Obligation	6,533,000.00	-	467,000.00	6,066,000.00
<b>Total:</b>	<b>6,757,708.00</b>	<b>4,966.00</b>	<b>467,000.00</b>	<b>6,295,674.00</b>

**Capital assets.** The capital assets of the County are those assets (land, buildings, improvements, and machinery and equipment (M&E)), which are used in the performance of the County's functions. The County owns and maintains the original courthouse constructed in 1893 which has been renovated to preserve its historical stature. At September 30, 2011, net capital assets of the governmental activities totaled \$14,526,261, reflecting a net increase of \$4,075,376 from the prior fiscal year. Depreciation of capital assets is recognized in the government-wide financial statements. FY 2011 depreciation for buildings, improvements, and M&E totaled \$11,436,774. The \$0.045 per \$100 valuation is split between the General fund, Road and Bridge Fund, Indigent Health Fund, and the Debt Service Fund.

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

The Erath County budget is developed annually and intended to provide efficient, effective and controlled usage of the County's resources, as well as a means to accomplish the highest priorities of the Erath County Commissioners. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities. The FY2011 Budget meets the key established policy directive of the Commissioners Court. The FY2012 budget process was primarily focused identifying various balancing strategies that impact services provided to the citizens of Erath County as minimally as possible.

Highlights from Erath County FY2012 Budget include the following:

- The tax rate was set at .47 cents per \$100 assessed valuation; an increase of 2 cent from the FY2011 budget. The increase was approved to cover the property tax revenue needed for the debt service fund.
- All compensation increases were set at 3% effective October, 2011.
- No positions were created or deleted
- All departments were asked to cut their budgets by 10%, the request was met and exceeded allowing the county to increase the tax rate only by the needed amount for debt service
- The Jail construction project is set to be completed in FY2012, and the County is preparing for the additional cost involved in operating a jail that has doubled in size.
- The unassigned reserve balance of \$6,016,337 allows the County to operate with the assurance that financial solvency is not an issue. Also, allows for unforeseen emergencies as in the fires that devastated Huckabay in 2006.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report, separate report of the County's component unit, or need any additional financial information, contact the appropriate financial office (County Auditor, County Treasurer, or Budget Officer) at 100 W. Washington, Stephenville, TX 76401



## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**STATEMENT OF NET ASSETS**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

	Governmental Activities
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 7,871,380
Receivables (net of allowance for uncollectible)	
Taxes	249,620
Other	603,501
Bond issuance cost	21,159
Restricted assets	
Cash and cash equivalents	11,274,129
Receivables (net of allowance for uncollectible)	1,655
Capital assets	
Land	578,580
Buildings, net	5,172,367
Furniture and equipment, net	3,237,058
Construction in progress	5,538,256
 Total assets	 \$ 34,547,705
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	475,742
Accrued salaries and wages	136,258
Due to other governments	5,041
Due to others	26,354
Noncurrent liabilities	
Certificate of obligation- due within one year	467,000
Certificate of obligation- due in more than one year	6,066,000
Accrued compensated absences - due in more than one year	229,674
 Total liabilities	 \$ 7,406,069
<b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	9,195,730
Restricted for:	
Debt service	1,696,001
Legislative	1,182,366
Unrestricted	15,067,540
 Total net assets	 \$ 27,141,637

The accompanying notes are an integral part of the financial statements.

**ERATH COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>PRIMARY GOVERNMENT</b>			
Governmental activities			
General administration	\$ 3,319,985	\$ 1,037,202	\$ 0
Judicial administration	1,311,514	522,516	0
Public safety and law enforcement	5,381,582	273,354	28,997
Road and bridge	3,717,380	837,000	33,455
Health and welfare	1,422,235	536,734	0
Interest and fees on long-term debt	259,513	0	0
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 15,412,209</b>	<b>\$ 3,206,806</b>	<b>\$ 62,452</b>

General Revenue  
     Property taxes  
     Other Taxes  
     Penalty and interest  
     Miscellaneous revenue  
     Investment earnings  
     Gain on sale of assets  
         Total general revenues

CHANGES IN NET ASSETS

NET ASSETS AT BEGINNING OF YEAR

NET ASSETS AT END OF YEAR

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and  
Changes in Net Assets  
Primary Government

	<b>Governmental</b>		<b>TOTAL</b>
	<b>Activites</b>		
\$	(2,282,783)	\$	(2,282,783)
	(788,998)		(788,998)
	(5,079,231)		(5,079,231)
	(2,846,925)		(2,846,925)
	(885,501)		(885,501)
	(259,513)		(259,513)
\$	<u>(12,142,951)</u>	\$	<u>(12,142,951)</u>
	10,132,409		10,132,409
	1,814,336		1,814,336
	169,317		169,317
	83,895		83,895
	40,308		40,308
	57,639		57,639
	<u>12,297,904</u>		<u>12,297,904</u>
	154,953		154,953
	<u>26,986,684</u>		<u>26,986,684</u>
\$	<u>27,141,637</u>	\$	<u>27,141,637</u>

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2011**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Road & Bridge	Capital Projects		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 5,240,528	\$ 1,062,545	\$ -	\$ 1,184,901	\$ 7,487,974
Receivables (net of allowance for uncollectible)	474,874	109,815	-	17,730	602,419
Restricted Assets:					
Cash and Cash Equivalents	8,781,485	790,013	8,285	1,694,346	11,274,129
Receivables (net of allowance for uncollectible)	-	-	-	1,655	1,655
Total Assets	<u>\$ 14,496,887</u>	<u>\$ 1,962,373</u>	<u>\$ 8,285</u>	<u>\$ 2,898,632</u>	<u>\$ 19,366,177</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 411,631	\$ 57,722	\$ 1,325	\$ 5,064	\$ 475,742
Salary Payable	107,570	28,314	-	374	136,258
Due to Other Governments	5,041	-	-	-	5,041
Due to Others	26,354	-	-	-	26,354
Deferred Revenue	170,506	64,288	-	14,826	249,620
Total Liabilities	<u>\$ 721,101</u>	<u>\$ 150,324</u>	<u>\$ 1,325</u>	<u>\$ 20,264</u>	<u>\$ 893,014</u>
Fund Balances:					
Restricted					
Debt Service	\$ -	\$ -	\$ -	\$ 1,696,001	\$ 1,696,001
Election	-	-	-	18,853	18,853
General Administration	-	-	-	8,130	8,130
Health	-	-	-	227,923	227,923
Judicial	-	-	-	80,724	80,724
Legal	-	-	-	106,216	106,216
Public Safety	-	-	-	278,662	278,662
Records Management	-	-	-	461,858	461,858
Committed					
General Administration	5,677,100	-	-	-	5,677,100
Public Safety	3,104,385	-	-	-	3,104,385
Jail Construction	-	-	6,960	-	6,960
Road & Bridge	-	790,013	-	-	790,013
Unassigned	4,994,301	1,022,036	-	-	6,016,337
Total Fund Balances	<u>\$ 13,775,786</u>	<u>\$ 1,812,049</u>	<u>\$ 6,960</u>	<u>\$ 2,878,368</u>	<u>\$ 18,473,163</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 14,496,888</u></u>	<u><u>\$ 1,962,373</u></u>	<u><u>\$ 8,285</u></u>	<u><u>\$ 2,898,632</u></u>	<u><u>\$ 19,366,178</u></u>

The accompanying notes are an integral part of the financial statements.

**ERATH COUNTY, TEXAS**  
**Reconciliation of Balance Sheet of Governmental Funds**  
**To The Statement of Net Assets**  
**September 30, 2011**

Total Fund Balances – Governmental Fund Balance Sheet \$ 18,473,163

Amounts reported for governmental activities in the statement of net asset (A-1) are different because:

Internal service funds are used by management to account for the self-insurance fund of the government. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. The net effect is an increase to net assets 383,406

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds

Governmental capital assets	\$ 25,963,035	
Accumulated Depreciation	<u>(11,436,774)</u>	14,526,261

Long-term Liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds. The net effect is a decrease in net assets (6,762,674)

Governmental funds report the effect of debt issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of deferring the debt issuance costs is an increase to net assets 21,159

Various other reclassifications and eliminations are necessary to convert from modified accrual basis of accounting to accrual basis of accounting.

Office fees receivable	250,702	
Deferred revenue	<u>249,620</u>	<u>500,322</u>

Net Assets of Governmental Activities- Statement of Net Assets \$ 27,141,637

The accompany notes are integral part of this statement.

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	MAJOR FUNDS				
	General Fund	Road & Bridge	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 8,327,224	\$ 3,524,292	\$ -	\$ 1,184,017	\$ 13,035,533
Intergovernmental	357,424	-	-	-	357,424
Charges for Services	1,927,128	-	-	226,181	2,153,309
Interest	24,243	2,968	-	12,609	39,820
Other Revenue	59,935	4,191	-	15,284	79,410
Total Revenues	<u>\$ 10,695,954</u>	<u>\$ 3,531,451</u>	<u>\$ -</u>	<u>\$ 1,438,091</u>	<u>\$ 15,665,496</u>
<b>EXPENDITURES</b>					
General Administration	\$ 3,159,948	\$ -	\$ -	\$ 108,260	\$ 3,268,208
Legal	653,575	-	-	29,866	683,441
Judicial	1,216,214	-	-	24,944	1,241,158
Road & Bridge	-	3,301,410	-	-	3,301,410
Public Safety	4,348,014	-	-	86,900	4,434,914
Health and Welfare	1,060,398	-	-	361,837	1,422,235
Capital Projects	-	-	4,872,045	-	4,872,045
Debt Service	-	-	-	-	-
Bank Charges	-	-	-	500	500
Interest Payment	-	-	-	353,338	353,338
Principle Payment	-	-	-	467,000	467,000
Total Expenditures	<u>\$ 10,438,149</u>	<u>\$ 3,301,410</u>	<u>\$ 4,872,045</u>	<u>\$ 1,432,645</u>	<u>\$ 20,044,249</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>257,805</u>	<u>230,041</u>	<u>(4,872,045)</u>	<u>5,446</u>	<u>(4,378,752)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	408,067	160,000	4,817,000	230,000	5,615,067
Transfers Out	(230,000)	(160,000)	-	(5,225,067)	(5,615,067)
Sale of Capital Assets	-	57,639	-	-	57,639
Sale of Scrap Metal	-	4,485	-	-	4,485
Total Other Financing Sources (Uses)	<u>\$ 178,067</u>	<u>\$ 62,124</u>	<u>\$ 4,817,000</u>	<u>\$ (4,995,067)</u>	<u>\$ 62,124</u>
Net Changes in Fund Balances	435,872	292,165	(55,045)	(4,989,621)	(4,316,628)
Fund Balances - Beginning	13,339,913	1,519,884	62,005	7,867,989	22,789,791
Fund Balances - Ending	<u>\$ 13,775,785</u>	<u>\$ 1,812,049</u>	<u>\$ 6,960</u>	<u>\$ 2,878,368</u>	<u>\$ 18,473,163</u>

The accompanying notes are an integral part of the financial statements.

**ERATH COUNTY, TEXAS**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Net Assets**  
**September 30, 2011**

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Net Change in Fund Balances – Total Governmental Funds \$ (4,316,628)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Internal service funds are used by management to charge the cost of self-insurance in individual funds. The changes net assets of the internal service funds are included in governmental activities in the statement of activities. The net effect of this consolidation is a decrease to net assets (7,090)

Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. 5,249,946

Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease in net assets (1,165,137)

Repayment of long-term debt principal is an expenditure in the 467,000

Revenues in the statement of activities that do not provide current (1,802)

Amortization of bond issuance costs do not require the use of (1,550)

Interest on long-term debt in the Statement of Activities differs from		
Accrued interest at September 30, 2010	94,325	
Accrued interest at September 30, 2011	0	94,325

Various other reclassifications and eliminations are necessary to		
Decrease in office fines and fees revenue	(121,764)	
Decrease in deferred tax revenues	(37,381)	
Increase in compensated absences	(4,966)	(164,111)

Change in Net Assets of Governmental Activities- Statement of \$ 154,953

The accompany notes are integral part of this statement.

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
SEPTMEBER 30, 2011**

	Governmental Activities
	Internal Service Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 383,406
Total Assets	\$ 383,406
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ -
Total Liabilities	-
Net Assets	
Unrestricted	383,406
Total Net Assets	383,406
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 383,406</b>

The accompanying notes are an integral part of the financial statements.

**ERATH COUNTY, TEXAS  
STATEMENT OF REVENUES, EXENDITURES, AND  
CHANGES IN FUND NETS ASSETS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Governmental Activities
	Internal Service Fund
<b>OPERATING EXPENSES</b>	
Personnel Services	\$ -
Salaries & Wages	7,578
Total Operating Expenses	7,578
Operating Income(Loss)	(7,578)
<b>NONOPERATING REVENUES</b>	
Investment Earnings	488
Total Nonoperating Revenues	488
Changes In Net Assets	(7,090)
Net Assets - Beginning of Year	390,496
Net Assets - End of Year	\$ 383,406

The accompanying notes are an integral part of the financial statements.

**ERATH COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Governmental Activities
	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Paid to employees	\$ (7,578)
Net Cash Used by Operating Activities	(7,578)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	488
Net Cash Provided by Investing Activities	488
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,090)</b>
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR</b>	<b>390,496</b>
<b>CASH AND CASH EQUIVALENT AT END OF YEAR</b>	<b>\$ 383,406</b>

The accompanying notes are an integral part of the financial statements.

**FIDUCIARY FUND FINACIAL STATMENTS**

**ERATH COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**SEPTEMBER 30, 2011**

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	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,255,141
Total Assets	<u>\$ 2,255,141</u>
<b>LIABILITIES</b>	
Due To Others	\$ 2,255,141
Total Liabilities	<u>\$ 2,255,141</u>

The accompanying notes are an integral part of the financial statements.

**NOTES TO THE BASIC FIANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1: Summary of Significant Accounting Policies**

The financial statements of Erath County, Texas (the County) included in the accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's basic financial statements.

**A. Reporting Entity**

Erath County, Texas is a state mandated governmental unit of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general, administration, judicial (courts, juries, etc.), legal (district attorney, county attorney, etc.), public safety (sheriff, jail, etc.), transportation, facilities, and public service (e.g. rural fire protection and emergency management).

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 Number 14, "The Financial Reporting entity," include whether:

1. The organization is legally separate (can sue and be sued in its name)
2. The County holds the corporate powers of the organization
3. The County appoints a voting majority of the organization's board
4. The County is able to impose its will on the organization
5. The organization has the potential to impose a financial benefit/burden on the County
6. There is a fiscal dependency by the organization on the County
7. 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 Number 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; 2) The County or its component 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.

**NOTE 1: Summary of Significant Accounting Policies (cont.)**

Based on these criteria, the County has one component unit; the Erath County Volunteer Fire Department (VFD). The VFD is governed by a five member board of directors approved by Commissioners' Court. Additional information about the VFD is contained in the MD &A. The County is not a component unit of any other reporting entity as defined by the GASB Statement.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Basis of Presentation**

Government-wide financial 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 non-exchange 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. 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.

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 non-major funds.

Proprietary funds operating revenues, such as charges for services, result for 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. Non-operating revenues, such as subsidies and investment earnings, result for non-exchange 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 Fund. The Road and Bridge Fund is a special revenue fund that is used to account for resources used by the County in connection with providing transportation services to its citizens.

Capital Projects Funds. These funds account for financial resources to be used for the acquisition or construction of major capital facilities.

**NOTE 1: Summary of Significant Accounting Policies (cont.)**

In addition, the County reports the following fund types:

**Special Revenue Funds.** These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

**Capital Projects Funds.** These funds account for financial resources to be used for the acquisition or construction of major capital facilities.

**Debt Service Funds.** These funds are used to account for the accumulation of funds for the periodic payment of principal and interest on long-term debt resulting from the construction of the County Jail.

**Proprietary Fund Types:**

**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.

**Fiduciary Fund Types:**

**Agency Funds:** These funds are used to report funds of the County's fees offices and 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.

Fees are generated and retained by the fee offices until notification is received to disburse funds to the proper individual or entity. Fees generated include fines, restitution, bail bond deposits, and inmate trust funds.

Fiduciary 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.

**Measurement Focus and Basis of Accounting**

**Government-wide, Proprietary, and Fiduciary Fund Financial statements:** These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes 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

**NOTE 1: Summary of Significant Accounting Policies (cont.)**

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

General Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of 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 revenue and sales tax receipts are considered measurable and available when collected by the respective intermediary agency and recognized as revenue at that time. Miscellaneous revenues are recorded as revenue when received 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 expenditures or expenses for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

**C. Assets, Liabilities, and Net Assets or Equity**

**Cash and Cash Equivalents**

For the 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.

**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 property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Property tax revenues are considered available 1) when they become due or past due and receivable within the current period and 2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund 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.

**NOTE 1: Summary of Significant Accounting Policies (cont.)**

**Property Taxes (cont.)**

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature that affects the methods of property assessment and tax collection in the County. This legislation, with certain exceptions, exempts intangible personal property, household goods and family-owned automobiles from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county wide appraisal districts and for the State Property Tax Board which commenced operation in January, 1980.

As of October 1, 1981, the appraisal of property within the County is the responsibility of the Erath County Appraisal District. The Erath County Tax Assessor-Collector assesses and collects the County's property taxes. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment rations. Beginning January 1, 1984, the value of property within the Appraisal District must be reappraised every three years. The County may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the County continues to set tax rates on County property. However, if the effective tax rates for bonds and other contractual obligations and adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the County may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective rate of the previous year.

The County is permitted by Article 8, Section 9 of the State of Texas Constitution to levy taxes up to \$0.80 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

The County's taxes on real property are a lien against such property until paid. The County may foreclose real property upon which it has a lien for unpaid taxes. Although the County makes little effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title on property.

The tax rate assessed for the year ended September 30, 2011 to finance maintenance and operations of the County, Debt Service, and Road and Bridge were \$0.30, \$0.03, and \$0.12 respectively, for a total of \$0.45 per \$100 valuation.

Property tax revenues are recorded as receivables and deferred revenue at the time the tax levy is billed. Revenues are recognized as the related property taxes are collected and are prorated between maintenance and debt service based on the rates adopted for the year of the levy. Allowances for uncollectible within funds are based upon historical experience in collecting property taxes.

**Prepaid Items and Inventory**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Inventory is stated at cost. In the fund financial statements, they

**NOTE 1: Summary of Significant Accounting Policies (cont.)**

**Prepaid Items and Inventory (cont.)**

are offset by a reservation of fund balance which indicates they do not represent "available spendable resources." As of September 30, 2011, the County did not have any prepaid items or inventory.

**Capital Assets**

General capital assets are not capitalized in the funds used to acquire them. Instead, capital acquisition and construction are reflected as expenditures in government funds, and the related assets are capitalized in the government-wide statement of net assets.

Donated capital assets are recorded at their estimated fair value at the date of the donation.

The County capitalizes all capital assets which have a cost of \$5,000 or more and a useful life in excess of two years. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

Buildings and Improvements	30 – 40 years
Vehicles and Heavy Equipment	3 – 15 years

**Receivables and Payable Balances**

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue.

There are no significant receivables which are not scheduled for collection within one year of year end.

**NOTE 1: Summary of Significant Accounting Policies (cont.)**

**Compensated Absences**

A liability for unused vacation time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

1. Leave or compensation is attributable to services already rendered
2. Leave or compensation is not contingent on specific event (such as illness)

Per GASB Interpretation No. 6 liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued as long-term liabilities in the government-wide statements.

County policy allows accrual of vacation and sick pay benefit for all employees other than elected and appointed officials. The expense of the benefits is recognized when incurred. Vacation pay is paid upon termination if the employee gives two weeks' notice or is terminated by the County.

Ten percent of sick pay is paid upon termination. At September 30, 2011, the value of accumulated vacation benefits was \$175,029 and the value of accumulated sick pay benefits was approximately \$54,646 for a total of \$229,675.

Due to the current portion of accrued vacation pay and sick pay being immaterial, the entire liability has been classified as long-term.

**Interfund Activity**

Interfund activity results from loans, services provided, reimbursements or transfers between funds. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Quasi-external transactions are accounted for as revenues, expenditures, or expenses. 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 inter-fund, except quasi-external transaction and reimbursements, transaction are treated as transfers. Transfers in and transfers out are netted and presented as a single "Transfers" line on the government-wide state of activities. Similarly, Interfund receivable and payable are netted and presented as a single "internal Balances" line of the government-wide statement of net assets.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

**NOTE 1: Summary of Significant Accounting Policies (cont.)**

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. On new bond issues, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**Deferred Revenues**

The County reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in current period. Deferred revenues also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by enabling legislation. Designations of fund balance represent tentative management plans that are subject to change. Amounts restricted in the various governmental funds are as follows:

Election	18,853
General Administration	8,130
Health	227,923
Judicial	80,725
Legal	106,216
Public Safety	278,662
Records Management	461,858
<b>Total Restricted Governmental Funds</b>	<b>\$ 2,878,368</b>

There was no fund deficit reported for the year ending September 30, 2011.

**Legally adopted budgets**

All governmental funds have legally adopted budgets.

**Other Accounting Policies**

The County provides statutory workers' compensation insurance for its employees through Texas Association of Counties ("TAC"), a joint insurance fund, in which the County is a member.

**NOTE 1: Summary of Significant Accounting Policies (cont.)**

**Fund Balances – Governmental Funds**

Fund balances of the governmental funds are classified as follows:

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

**Committed Fund Balance** – represents amounts that can only be used for a specific purpose because of a formal action by the County Commissioners' Court. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provision, or enabling legislation.

**Assigned Fund Balance** – represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent funds are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

**Unassigned Fund Balance** – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending or specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose of which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**Note 2: Compliance and Accountability**

**Finance-Related Legal and Contractual Provisions**

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions are to be disclosed along with actions required to address such violations are to be disclosed. The County did not have any such finance-related violations during fiscal year 2011.

**Note 3: 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 is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

**A. Cash Deposits**

At September 30, 2011, the County's cash deposits were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

**B. 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 diversity, yield, and maturity and the quality and capability of investment management, include a list of 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 audit of the basic 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, obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, certificates of deposit, certain municipal securities, money market savings accounts, repurchasing agreements, bankers acceptance, mutual funds, local government investment pools, guaranteed investment contracts, and common trust funds.

Investments at September 30, 2011 consisted of the following:

Investment or Investment Type	Fair Value	Maturities	
		Less than 1 Year	Less than 2 Years
Certificates of Deposit	\$3,500,000	\$3,500,000	
Money Market – DWS Government Cash	1,902,510	1,902,510	
TexPool	<u>12,882,825</u>	<u>12,883,825</u>	
Total Investments	\$18,285,335	\$18,285,335	

**Note 3: Deposits and Investments (cont.)**

**Investments (cont.)**

Local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Local government investment pools use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in these pools approximates the value of the shares in each pool. TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. KPMG Peat Marwick, 111 Congress Avenue, Suite 1100, Austin, Texas 78701 performs the annual audit. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

**Policies Governing Deposits and Investment and 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:

**Custodial Credit Risk – Deposits:** This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2011 were covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

**Custodial Credit Risk – Investment:** This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

**Concentration of Credit Risk:** There is a risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, TexPool's investment policy allows the portfolio's investment manager to only invest in obligations of the U.S. Government, its agencies; repurchase agreements; and no-load AAA money market mutual funds registered with the SEC.

As of September 30, 2011, TexPool's investment credit quality rating was AAAM (Standard & Poor's). DWS Government Cash was rated AAAM (Standard & Poor's).

**Note 3: Deposits and Investments (cont.)**

**Investments (cont.)**

Interest Rate Risk: In accordance with its investment policy, the County manages its exposure to declines in fair value by structuring maturities to meet obligations of the County first and then achieve the highest rate of return of interest. When the County has funds not required to meet current obligations, maturity restraints will be imposed upon the investment strategy for each group of funds. The maximum allowable stated maturity of any individual investment owned by the County shall not exceed eighteen months from the time of purchase.

**NOTE 4: Receivables**

Receivables at year end, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental			Total
	General Fund	Road & Bridge Fund	Other Governmental Funds	
Receivables	\$	\$	\$	\$
Taxes	291,908	113,642	25,383	430,933
Other	304,368	45,527	4,559	354,454
Due from other funds	-	-	-	-
<b>Total gross receivables</b>	<b>596,276</b>	<b>159,169</b>	<b>29,942</b>	<b>785,387</b>
Less: Allowance for uncollectible				
Taxes	121,402	49,354	10,557	181,313
<b>Net total receivables</b>	<b>\$ 474,874</b>	<b>\$ 109,815</b>	<b>\$ 19,385</b>	<b>\$ 604,074</b>

**NOTE 5: Capital Assets**

Capital asset activity for the year ended September 30, 2011 was as follows:

	Balances	Increases	Decreases	Balances
<b>Governmental Activities</b>				
Capital assets not be depreciated:				
Land	\$ 578,580	\$ -	\$ -	\$ 578,580
Construction in Progress	666,211	4,872,045		5,538,256
Total capital assets not being depreciated	1,244,791	4,872,045	-	6,116,836
Capital assets being depreciated				
Buildings and improvements	9,263,888	-	-	9,263,888
Furniture and Equipment	10,614,250	377,901	(409,840)	10,582,311
Total capital assets being depreciated	19,878,138	377,901	(409,840)	20,665,879
Less accumulated depreciation for:				
Buildings and improvements	(3,829,534)	(240,492)		(4,070,026)
Furniture and Equipment	(6,842,510)	(924,645)	400,406	(7,366,749)
Total accumulated depreciation	(10,672,044)	(1,165,137)	400,406	(11,436,775)
Total capital assets being depreciated, net	9,206,094	(787,236)	(9,434)	8,409,424
Governmental activities capital assets, net	\$ 10,450,885	\$ 4,084,809	\$ (9,434)	\$ 14,526,260

Infrastructure assets (roads and bridges) acquired prior to fiscal year 2004 are not included in Erath County's capital assets.

Current year depreciation expense was charged to governmental functions as follows:

General Governmental	\$ 160,299
Judicial Administration	70,356
Public Safety	394,119
Road & Bridge	540,363
<b>Total Depreciation Expense</b>	<b>\$ 1,165,137</b>

**NOTE 6: Interfund Transactions**

No balances were due to or due from other funds at September 30, 2011.

During the year ended September 30, 2011, the Debt Service Fund received a \$230,000 Transfer from General Fund to pay debt related expenses. The Indigent Health Fund transferred \$408,067 of previous years accumulated fund balance to General Fund. Additionally, Road and Bridge performed an interfund transfer to fund operations of the Maintenance Barn in the amount of \$160,000, and a transfer of \$4,817,000 from Debt Service Fund to Capital Projects Fund provided funds to pay for construction of the addition to the Erath County Jail.

**NOTE 7: Deferred Revenue**

Deferred revenue at year-end in the governmental funds balance sheet consisted of the following:

	General Fund	Road & Bridge Fund	Other Funds	Total
Net Tax Revenue	\$ 170,506	\$ 64,288	\$ 14,826	\$ 249,620

**NOTE 8: Long-Term Obligations**

**A. Certificates of Obligation**

During the year ended September 30, 2010, the Erath County Commissioners' Court determined that certificates of obligation should be issued pursuant to the provisions of the Certificates of Obligation Act of 1971, Section 271.046, Texas Local Government Code, for the purpose of (1) Construction and renovation of the Erath County Jail and (2) Professional services rendered in relation to the building project and the financing thereof.

The County issued Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2010 to provide funds for the aforementioned projects including the renovation and making improvements to the County Jail building and to pay costs related to the issuance of the Certificates.

The following are certificates outstanding at September 30, 2011:

	Interest Rates	Date of Issue	Date of Maturity	Bonds Outstanding
Certificates of obligation, Series 2010	3.85%	2010	2025	\$ 7,000,000
Total general obligations debt				\$ 7,000,000

**NOTE 8: Long-Term Obligations (cont.)**

**Certificates of Obligation (cont.)**

Annual debt service requirements to maturity for bonds are as follows:

Year Ending September 30,	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 467,000.00	\$ 251,520.50	\$ 718,520.50
2013	467,000.00	233,541.00	700,541.00
2014	467,000.00	215,561.50	682,561.50
2015	467,000.00	197,582.00	664,582.00
2016	467,000.00	179,602.50	646,602.50
2017-2020	1,868,000.00	538,615.00	2,406,615.00
2021-2025	2,330,000.00	268,730.00	2,598,730.00
<b>Totals</b>	<b>6,533,000.00</b>	<b>1,885,152.50</b>	<b>8,418,152.50</b>

**B. Long-Term Obligation Activity**

Long-Term Obligations include debt and compensated absences. Changes in long-term obligations for the period ended September 30, 2011, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 224,708.00	\$ 4,966.00	\$ -	\$ 229,674.00	\$ -
Certificates of Obligation	6,533,000.00	-	467,000.00	6,066,000.00	467,000.00
<b>Total Governmental Activities</b>	<b>6,757,708.00</b>	<b>4,966.00</b>	<b>467,000.00</b>	<b>6,295,674.00</b>	<b>467,000.00</b>

**NOTE 9: Commitments under Operating Leases**

The County has entered into lease agreements with Canon Financial Services, Inc., and Great America Leasing for photocopiers to be used in the County's various offices. Commitments under these lease agreements provide for minimum future lease payments as of September 30, 2011, as follows:

Year Ending September 30,		
2012	\$	49,068
2013		39,060
2014		28,150
2015		21,432
2016		18,870
Total Minimum future Lease Obligations	\$	<u>156,580</u>
Rental Expenditures in 2011	\$	<u>72,745</u>

**NOTE 10: Risk Management**

The County has risk exposure in various areas including general liability, workers compensation, automobile liability, property damage, etc. To reduce its risk exposure in these areas, the County is a member of Texas Association of Counties Risk Pool ("the Pool") for liability, property, and worker's compensation. The Pool is a public entity risk pool and was created based on the general objectives of formulating, developing, and administering a program of self-insurance for membership and obtaining lower costs for coverage. The Pool coverage is offered through interlocal agreements between the Pool and counties. The Pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the Pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training and financial reporting for its members. The Association submits sealed bids to counties during the bid process. The Pool is governed by a Board of Directors made up of employees or officials of counties, which are members of the Pool. Member counties make contributions to the Pool, and the Pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the Pool are detailed in a separate document, which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701.

**A. Health Care**

During the year ended September 30, 2011, the employees of the County were covered by a health insurance plan. Employees had the option of participating in PPO provider plan. Employees, at their option, authorize payroll withholdings to pay remaining premiums for dependents. All premiums were paid to a licensed insurer. The plan was authorized by Article 3.51.2 of the Texas Insurance Code and was documented by contractual agreement.

## **NOTE 11: Pension Plan**

### **A. Plan Description**

Erath County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 602 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

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

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

### **B. Funding Policy**

The County has elected the annually determined contribution rate (Variable Rate) plan provision of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.95% for the months of the accounting year in 2010 and 10.1% for the months of the accounting year in 2011.

The deposit rate payable by the employee members for calendar year 2011 is the rate of 7% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

**NOTE 11: Pension Plan (cont.)**

**C. Annual Pension Cost**

For the County's accounting year ended September 30, 2011, the annual pension cost for the TCDRS plan for its employees was \$698,860 and the actual contributions were \$698,860.

The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.3 percent. Both (a) and (b) include an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010 was 20 years.

**D. Funded Status and Funding Progress**

As of December 31, 2010, the most recent actuarial valuation date, the plan was 84.01% funded. The actuarial accrued liability for benefits was \$18,448,981, and the actuarial value of assets was \$15,498,344, resulting in an unfunded actuarial liability (UAAL) of \$2,950,637. The covered payroll (annual payroll of active employees covered by the plan) was \$7,023,709, and the ratio of UAAL to covered payroll was 42.01%.

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

**NOTE 12: Commitments and Contingencies**

**Contingencies**

The County participates in numerous state and federal 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 or any money received may be required and collectability of any related receivable at September 30, 2011, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulation governing the respective grant; therefore no provision has been recorded in the accompanying financial statements for such contingencies.

**Litigation**

The County Attorney and other legal counsel paid by the County have indicated that there are no lawsuits filed and pending against the County that will result in a material effect on the County's financial position.

### NOTE 13: Subsequent Pronouncements

During fiscal year 2011, the County adopted the following Governmental Accounting Standards Board ("GASB") Statements:

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*. This Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Current financial statements reflect the new classifications.

Statement No. 59, *Financial Instruments Omnibus*. This Statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. This pronouncement had no significant impact on current financial statements.

The GASB has issued the following statements which will be effective in future years as described below:

Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*, which is effective for the County beginning in fiscal year 2012. This Statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans and clarifies when actuarially determined OPEB measures are reported by an agent multiple employer OPEB plan and its participating employers.

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is effective for the County beginning in fiscal year 2013. This Statement addresses how to account for and report service concession arrangements (SCAs) by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.

Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, which is effective for the County beginning in fiscal year 2013. This Statement improves financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of the entity.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements*, which is effective for the County beginning in fiscal year 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance included in the FASB and AICPA pronouncements issued on or before November 30, 1989. This Statement will

**NOTE 13: Subsequent Pronouncements (cont.)**

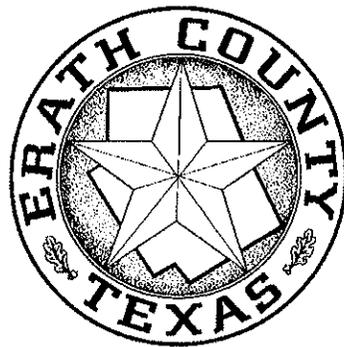
Statement No. 62 (cont.)

improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is effective for the County beginning in fiscal year 2013. This Statement standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions— an amendment of GASB Statement No. 53*, which is effective for the County beginning in fiscal year 2012. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

The County has not yet determined the impact of implementing the above new pronouncements.



**REQUIRED SUPPLEMENTAL INFORMATION**

**GENERAL FUND**

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

**ERATH COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
<b>Taxes</b>				
Current Taxes	\$ 6,118,627	\$ 6,118,627	\$ 5,733,016	\$ (385,611)
Delinquent Taxes	550,000	550,000	652,373	102,373
Penalty & Interest	70,000	70,000	107,888	37,888
Mixed Drink Tax	50,000	50,000	74,313	24,313
Sales Tax	1,500,000	1,500,000	1,740,023	240,023
Tax Certificate	15,000	15,000	15,950	950
Late Rendition Penalty	3,000	3,000	3,660	660
<b>Total Taxes</b>	<b>\$ 8,306,627</b>	<b>\$ 8,306,627</b>	<b>\$ 8,327,224</b>	<b>\$ 20,597</b>
<b>General County</b>				
Interest	\$ 22,750	\$ 22,750	\$ 24,243	\$ 1,493
Tobacco Settlement	12,000	12,000	19,985	7,985
State Juror Reimbursement	6,000	6,000	11,254	5,254
Workers Comp Adjustment	-	-	2,040	2,040
Health Insurance Reimbursement	9,489	9,489	15,208	5,719
Unemployment Reimbursement	-	-	4,061	4,061
Vending Machines	-	-	215	215
General County Miscellaneous	1,500	1,500	3,419	1,919
<b>Total General County</b>	<b>\$ 51,739</b>	<b>\$ 51,739</b>	<b>\$ 80,425</b>	<b>\$ 28,686</b>
<b>County Clerk</b>				
Drug Court Cost	\$ -	\$ -	\$ 924	\$ 924
Judicial Support Fee	-	-	215	215
Juror Fee	-	-	147	147
Bond Forfeiture	1,500	1,500	4,578	3,078
Judges Education	500	500	705	205
Fees	575,000	575,000	542,671	(32,329)
5% Cash Bond	1,200	1,200	2,777	1,577
Attorney Ad Litem Fee	-	-	300	300
State Traffic Fee	-	-	48	48
Indigent Legal	-	-	139	139
DPS Arrest	2,000	2,000	1,385	(615)
EMS Trauma	1,000	1,000	970	(30)
<b>Total County Clerk</b>	<b>\$ 581,200</b>	<b>\$ 581,200</b>	<b>\$ 554,859</b>	<b>\$ (26,341)</b>
<b>Tax Collector/Assessor</b>				
TERP Surcharge Fee	\$ -	\$ -	\$ 371	\$ 371
Tax Entity Commission	36,000	36,000	37,884	1,884
Auto Commission	125,000	125,000	191,106	66,106
Motor Vehicle Titles	30,000	30,000	38,400	8,400
<b>Total Tax Collector/Assessor</b>	<b>\$ 191,000</b>	<b>\$ 191,000</b>	<b>\$ 267,760</b>	<b>\$ 76,760</b>
<b>Sanitation</b>				
Fees	\$ 15,000	\$ 15,000	\$ 20,200	\$ 5,200
<b>Total Sanitation</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 20,200</b>	<b>\$ 5,200</b>
<b>Election</b>				
Reimbursed Election Expense	\$ 5,000	\$ 5,000	\$ 14,659	\$ 9,659
<b>Total Election</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 14,659</b>	<b>\$ 9,659</b>
<b>Volunteer Fire Department</b>				
Workers Comp Refund	\$ 3,500	\$ 3,500	\$ 9,631	\$ 6,131
Insurance/Grant Payment	-	-	488	488
<b>Total Volunteer Fire Department</b>	<b>\$ 3,500</b>	<b>\$ 3,500</b>	<b>\$ 10,119</b>	<b>\$ 6,619</b>
<b>911 Emergency</b>				
COG Reimbursement 911	\$ 12,000	\$ 12,000	\$ 24,914	\$ 12,914
<b>Total 911 Emergency</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ 24,914</b>	<b>\$ 12,914</b>

**ERATH COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES (cont.)</b>				
<b>District Clerk</b>				
Restitution	\$ -	\$ -	\$ 450	\$ 450
Drug Court Cost	-	-	157	157
Judicial Support Fee	-	-	43	43
AG Citation Fee	1,000	1,000	7,914	6,914
AG Motion Fee	-	-	604	604
Jury Fee	-	-	2	2
Family Protection Fee	-	-	2,520	2,520
Court Appointed Attorney	10,000	10,000	11,748	1,748
Fees	150,000	150,000	172,411	22,411
Jury Trial Fee	250	250	926	676
5% Cash Bond	-	-	300	300
Court Reporter Fee	4,000	4,000	5,040	1,040
Consolidated Court Cost	1,000	1,000	1,068	68
DNA Testing	-	-	25	25
AG Child Support	700	700	912	212
Time Payments	-	-	963	963
EMS Trauma	-	-	80	80
Indigent Legal	-	-	238	238
Bureau of Vital Statistics	-	-	608	608
<b>Total District Clerk</b>	<b>\$ 166,950</b>	<b>\$ 166,950</b>	<b>\$ 206,007</b>	<b>\$ 39,057</b>
<b>District Attorney</b>				
Judicial District Apportionment	\$ 34,450	\$ 34,450	\$ 33,589	\$ (861)
LEOSE Apportionment	670	670	663	(7)
<b>Total District Attorney</b>	<b>\$ 35,120</b>	<b>\$ 35,120</b>	<b>\$ 34,251</b>	<b>\$ (869)</b>
<b>District Court</b>				
Appointed Attorney	\$ 15,000	\$ 15,000	\$ 15,416	\$ 416
<b>Total District Court</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,416</b>	<b>\$ 416</b>
<b>County Attorney</b>				
State Salary Allocation	\$ 62,500	\$ 62,500	\$ 62,500	\$ -
LEOSE Apportionment	650	650	663	13
Court Fee	10,000	10,000	9,058	(942)
<b>Total County Attorney</b>	<b>\$ 73,150</b>	<b>\$ 73,150</b>	<b>\$ 72,221</b>	<b>\$ (929)</b>
<b>Court At Law</b>				
State Salary Allocation	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Court Apportionment	10,000	10,000	22,754	12,754
Probate Fees	250	250	284	34
<b>Total Court At Law</b>	<b>\$ 85,250</b>	<b>\$ 85,250</b>	<b>\$ 98,038</b>	<b>\$ 12,788</b>
<b>Justice of The Peace # 1</b>				
Judicial Fee	\$ 1,200	\$ 1,200	\$ 1,450	\$ 250
City Apportionment	90,000	90,000	109,214	19,214
Jury Fee	700	700	967	267
Expungent Fee	-	-	240	240
Fees	150,000	150,000	175,917	25,917
Defensive Driving	5,000	5,000	4,253	(747)
Traffic	5,000	5,000	4,691	(309)
Consolidated Court Cost	8,000	8,000	9,816	1,816
Child Safety Seat	-	-	839	839
Indigent Legal	1,500	1,500	5,849	4,349
Arrest Fee	7,000	7,000	9,200	2,200
Time Payments	750	750	1,067	317
State Traffic Fee	2,000	2,000	-	(2,000)
Motor Carrier Fee	-	-	300	300
Child Safety	-	-	650	650
<b>Total Justice of The Peace # 1</b>	<b>\$ 271,150</b>	<b>\$ 271,150</b>	<b>\$ 324,453</b>	<b>\$ 53,303</b>

**ERATH COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES (cont.)</b>				
<b>Justice of The Peace # 2</b>				
Judicial Fee	\$ -	\$ -	\$ 258	\$ 258
Jury Fee	-	-	174	174
Fees	35,000	35,000	35,359	359
Defensive Driving	700	700	653	(47)
Traffic	700	700	835	135
Consolidated Court Cost	1,500	1,500	1,759	259
Seatbelt	-	-	241	241
Failure to Appear	-	-	150	150
DPS Arrest	1,200	1,200	1,643	443
Time Payments	-	-	188	188
Motor Carrier	-	-	293	293
Child Safety	-	-	22	22
<b>Total Justice of The Peace # 2</b>	<b>\$ 39,100</b>	<b>\$ 39,100</b>	<b>\$ 41,575</b>	<b>\$ 2,475</b>
<b>Sheriff</b>				
Crime Victim Reimbursement	\$ -	\$ -	\$ 1,200	\$ 1,200
LEOSE Apportionment	3,300	3,300	3,421	121
Fees	45,000	45,000	48,667	3,667
Visual Recorder Fee	1,500	1,500	1,455	(45)
Donations	500	500	-	(500)
Bail Bond Fee	1,200	1,200	1,304	104
Estray Cattle	5,000	5,000	2,870	(2,130)
State Inmate Reimbursement	2,500	2,500	4,481	1,981
City of Dublin Inmates	3,000	3,000	1,250	(1,750)
City of Stephenville Inmates	10,000	10,000	9,400	(600)
Inmate Phone Commission	12,000	12,000	8,487	(3,513)
Extradition Reimbursement	2,000	2,000	594	(1,406)
Inmate SSA	-	-	3,200	3,200
<b>Total Sheriff</b>	<b>\$ 86,000</b>	<b>\$ 86,000</b>	<b>\$ 86,329</b>	<b>\$ 329</b>
<b>Constable # 1</b>				
LEOSE Apportionment	\$ 600	\$ 600	\$ -	\$ (600)
Fees	15,000	15,000	19,228	4,228
<b>Total Constable # 1</b>	<b>\$ 15,600</b>	<b>\$ 15,600</b>	<b>\$ 19,228</b>	<b>\$ 3,628</b>
<b>Constable # 2</b>				
LEOSE Apportionment	\$ 600	\$ 600	\$ 663	\$ 63
Fees	3,500	3,500	6,445	2,945
<b>Total Constable # 2</b>	<b>\$ 4,100</b>	<b>\$ 4,100</b>	<b>\$ 7,108</b>	<b>\$ 3,008</b>
<b>Pretrial Diversion</b>				
Interlock Fee	\$ -	\$ -	\$ 160	\$ 160
Fees	2,800	2,800	2,467	(333)
UA Fees	200	200	150	(50)
<b>Total Pretrial Diversion</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 2,777</b>	<b>\$ (223)</b>
<b>Emergency Medical Services</b>				
Charges for Services	\$ 400,000	\$ 400,000	\$ 487,929	\$ 87,929
Homeland Security	40,000	40,000	-	(40,000)
Insurance Claim	-	-	462	462
<b>Total Emergency Medical Services</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>	<b>\$ 488,391</b>	<b>\$ 48,391</b>
<b>TOTAL REVENUES</b>	<b>\$ 10,400,486</b>	<b>\$ 10,400,486</b>	<b>\$ 10,695,954</b>	<b>\$ 295,468</b>

**ERATH COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>County Judge</b>				
Salary	\$ 137,691	\$ 137,691	\$ 131,823	\$ 5,868
Operating	2,200	2,200	1,543	657
Supplies	1,922	1,922	1,770	152
Advertising	5,000	5,000	2,701	2,299
Schools & Dues	4,991	4,991	4,990	2
Equipment	6,437	6,437	5,336	1,101
<b>Total County Judge</b>	<b>\$ 158,241</b>	<b>\$ 158,241</b>	<b>\$ 148,162</b>	<b>\$ 10,079</b>
<b>County Clerk</b>				
Salary	\$ 337,783	\$ 337,783	\$ 325,865	\$ 11,918
Operating	5,756	5,756	5,266	490
Supplies	10,550	10,550	8,165	2,385
Schools & Dues	8,500	8,500	7,412	1,088
Equipment	6,444	6,444	1,146	5,298
Software/Hardware Maintenance	11,136	11,136	11,135	1
<b>Total County Clerk</b>	<b>\$ 380,169</b>	<b>\$ 380,169</b>	<b>\$ 358,989</b>	<b>\$ 21,180</b>
<b>County Auditor</b>				
Salary	\$ 248,111	\$ 248,111	\$ 241,912	\$ 6,199
Operating	1,650	1,650	950	700
Supplies	4,500	4,500	4,262	238
Schools & Dues	5,500	5,500	4,100	1,400
Equipment	2,750	2,750	1,838	912
Software/Hardware Maintenance	19,201	19,201	16,894	2,307
<b>Total County Auditor</b>	<b>\$ 281,712</b>	<b>\$ 281,712</b>	<b>\$ 269,956</b>	<b>\$ 11,757</b>
<b>County Treasurer</b>				
Salary	\$ 172,840	\$ 172,840	\$ 171,401	\$ 1,439
Operating	9,450	9,450	7,824	1,626
Advertising	4,500	4,500	3,326	1,174
Supplies	6,000	6,000	4,558	1,442
Schools & Dues	6,500	6,500	5,175	1,325
Equipment	5,200	5,200	1,869	3,331
Software/Hardware Maintenance	7,500	7,500	7,338	162
<b>Total County Treasurer</b>	<b>\$ 211,990</b>	<b>\$ 211,990</b>	<b>\$ 201,491</b>	<b>\$ 10,499</b>
<b>Tax Assessor/Collector</b>				
Salary	\$ 497,147	\$ 497,147	\$ 490,995	\$ 6,152
Operating	55,178	55,178	50,611	4,567
Supplies	12,700	12,700	12,599	101
Advertising	2,800	2,800	1,986	814
Schools & Dues	4,268	4,268	3,599	670
Equipment	26,036	26,036	21,052	4,984
Software/Hardware Maintenance	11,078	11,078	11,078	-
<b>Total Tax Assessor/Collector</b>	<b>\$ 609,207</b>	<b>\$ 609,207</b>	<b>\$ 591,920</b>	<b>\$ 17,288</b>

**ERATH COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (cont.)</b>				
<b>Veteran's Service</b>				
Salary	\$ 47,594	\$ 47,594	\$ 47,398	\$ 196
Operating	1,900	1,900	1,147	753
Supplies	2,500	2,500	2,180	320
Schools & Dues	700	700	171	529
Equipment	\$ 1,400	\$ 1,400	\$ 1,157	\$ 243
Total Veteran's Service	\$ 54,094	\$ 54,094	\$ 52,053	\$ 2,041
<b>Sanitation</b>				
Salary	\$ 56,534	\$ 56,534	\$ 56,331	\$ 203
Operating	12,475	12,475	8,947	3,528
Supplies	1,200	1,200	452	748
Schools & Dues	500	500	111	389
Equipment	19,200	19,200	18,128	1,072
Total Sanitation	\$ 89,909	\$ 89,909	\$ 83,970	\$ 5,940
<b>Elections</b>				
Salary	\$ 10,765	\$ 10,765	\$ 4,957	\$ 5,808
Operating	30,808	30,808	28,035	2,772
Supplies	5,500	5,500	1,465	4,035
Equipment	31,617	31,617	21,775	9,842
Software/Hardware Maintenance	20,084	20,084	20,084	-
Total Elections	\$ 98,774	\$ 98,774	\$ 76,317	\$ 22,457
<b>Volunteer Fire Department</b>				
Operating	\$ 379,477	\$ 379,477	\$ 376,310	\$ 3,167
Supplies	4,401	4,401	4,305	96
Schools & Dues	2,020	2,020	2,018	2
Equipment	105,904	105,904	100,422	5,482
Building Repair	4,000	4,000	2,594	1,406
Total Volunteer Fire Department	\$ 495,802	\$ 495,802	\$ 485,649	\$ 10,153
<b>Non-Departmental</b>				
Operating	\$ 145,258	\$ 145,258	\$ 102,020	\$ 43,238
Schools & Dues	1,449	1,449	1,449	0
Professional Services	26,387	26,387	26,350	37
Software/Hardware Maintenance	83,539	83,539	83,487	52
Pauper Burials	5,000	5,000	2,263	2,737
Autopsies	59,000	59,000	58,220	780
Historical Society	1,500	1,500	1,095	405
Humane Society	18,000	18,000	18,000	-
Erath County Senior Citizens	18,000	18,000	18,000	-
Central Appraisal District Allocation	342,507	342,507	342,506	1
Erath County Trapper	28,200	28,200	28,000	200
Total Non-Departmental	\$ 728,839	\$ 728,839	\$ 681,389	\$ 47,450
<b>911 Emergency</b>				
Addressing Contract	\$ 56,250	\$ 56,250	\$ 56,250	\$ -
Total 911 Emergency	\$ 56,250	\$ 56,250	\$ 56,250	\$ -

ERATH COUNTY, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXPENDITURES (cont.)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>District Judge</b>				
Salary	\$ 253,653	\$ 253,653	\$ 245,568	\$ 8,084
Operating	3,945	3,945	2,139	1,806
Supplies	3,000	3,000	2,441	559
Schools & Dues	5,000	5,000	3,782	1,218
Law Books/Online Research	6,000	6,000	3,535	2,465
Equipment	2,437	2,437	2,047	390
Software/Hardware Maintenance	1,063	1,063	1,051	12
<b>Total District Judge</b>	<b>\$ 275,098</b>	<b>\$ 275,098</b>	<b>\$ 260,564</b>	<b>\$ 14,534</b>
<b>District Clerk</b>				
Salary	\$ 225,429	\$ 225,429	\$ 218,665	\$ 6,765
Operating	5,950	5,950	5,503	447
Supplies	5,500	5,500	5,474	26
Schools & Dues	3,300	3,300	3,061	239
Equipment	6,323	6,323	5,919	404
Software/Hardware Maintenance	15,630	15,630	15,015	615
<b>Total District Clerk</b>	<b>\$ 262,132</b>	<b>\$ 262,132</b>	<b>\$ 253,636</b>	<b>\$ 8,496</b>
<b>District Attorney</b>				
Salary	\$ 307,577	\$ 307,577	\$ 287,939	\$ 19,638
Operating	50,550	50,550	37,370	13,180
Supplies	11,722	11,722	10,403	1,318
Schools & Dues	6,000	6,000	5,587	413
Law Books/Online Research	4,650	4,650	4,479	171
Equipment	8,029	8,029	5,688	2,340
Software/Hardware Maintenance	7,500	7,500	7,337	163
<b>Total District Attorney</b>	<b>\$ 396,027</b>	<b>\$ 396,027</b>	<b>\$ 358,805</b>	<b>\$ 37,222</b>
<b>District Court</b>				
Administration	\$ 2,100	\$ 2,100	\$ 2,093	\$ 7
Transcript	20,000	20,000	9,956	10,044
Court Expense	2,500	2,500	923	1,577
Professional Fees	12,000	12,000	2,967	9,033
Civil Attorney Ad Litem	35,000	35,000	16,478	18,522
Criminal Attorney Ad Litem	90,000	90,000	75,037	14,963
Petit Jury	17,000	17,000	15,550	1,450
Grand Jury	7,000	7,000	5,708	1,292
Jury Meals	500	500	306	194
Jury Commission	500	500	400	100
Crime Victims Jury	1,500	1,500	735	765
Cross Timbers Jury	3,000	3,000	2,976	24
Erath County Child Welfare	4,000	4,000	3,177	823
<b>Total District Court</b>	<b>\$ 195,100</b>	<b>\$ 195,100</b>	<b>\$ 136,306</b>	<b>\$ 58,794</b>
<b>County Attorney</b>				
Salary	\$ 275,350	\$ 275,350	\$ 273,156	\$ 2,194
Operating	2,131	2,131	1,917	214
Supplies	4,468	4,468	4,404	64
Schools & Dues	330	330	330	-
Law Books/Online Research	980	980	980	-
Equipment	6,647	6,647	6,646	1
Software/Hardware Maintenance	7,344	7,344	7,337	7
<b>Total County Attorney</b>	<b>\$ 297,250</b>	<b>\$ 297,250</b>	<b>\$ 294,770</b>	<b>\$ 2,480</b>

**ERATH COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXPENDITURES (cont.)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Court At Law</b>				
Salary	\$ 228,611	\$ 228,611	\$ 226,181	\$ 2,430
Operating	25,750	25,750	24,670	1,080
Supplies	1,300	1,300	1,245	55
Schools & Dues	498	498	498	-
Law Books/Online Research	1,400	1,400	808	592
Attorney Ad Litem	60,000	60,000	51,304	8,696
Equipment	2,545	2,545	1,495	1,050
Petit Jury	1,808	1,808	500	1,308
Crime Victims	300	300	-	300
Cross Timbers	300	300	202	98
Erath County Child Welfare	300	300	84	216
Software/Hardware Maintenance	1,200	1,200	1,051	149
<b>Total Court At Law</b>	<b>\$ 324,011</b>	<b>\$ 324,011</b>	<b>\$ 308,037</b>	<b>\$ 15,974</b>
<b>Justice of The Peace # 1</b>				
Salary	\$ 207,364	\$ 207,364	\$ 205,787	\$ 1,577
Operating	4,300	4,300	3,925	375
Supplies	3,975	3,975	3,766	209
Schools & Dues	1,850	1,850	1,819	31
Law Books/Online Research	1,200	1,200	619	582
Equipment	2,328	2,328	969	1,359
Petit Jury	1,500	1,500	1,436	64
Crime Victims	44	44	-	44
Cross Timbers	428	428	334	94
Erath County Child Welfare	628	628	588	40
Software/Hardware Maintenance	3,925	3,925	3,921	4
<b>Total Justice of The Peace # 1</b>	<b>\$ 227,542</b>	<b>\$ 227,542</b>	<b>\$ 223,163</b>	<b>\$ 4,378</b>
<b>Justice of The Peace # 2</b>				
Salary	\$ 99,253	\$ 99,253	\$ 98,247	\$ 1,007
Operating	6,450	6,450	4,704	1,746
Supplies	2,350	2,350	1,879	471
Schools & Dues	2,500	2,500	2,269	231
Equipment	5,500	5,500	1,223	4,277
Crime Victims	200	200	-	200
Cross Timbers	200	200	-	200
Erath County Child Welfare	200	200	-	200
Software/Hardware Maintenance	4,000	4,000	3,921	79
<b>Total Justice of The Peace # 2</b>	<b>\$ 120,653</b>	<b>\$ 120,653</b>	<b>\$ 112,243</b>	<b>\$ 8,410</b>
<b>Facilities</b>				
Salary	\$ 139,775	\$ 139,775	\$ 138,987	\$ 788
Utilities	113,890	113,890	110,557	3,333
Supplies	9,100	9,100	7,455	1,645
Advertising	1,050	1,050	112	938
Operating	55,217	55,217	47,894	7,323
Equipment	1,110	1,110	1,107	3
Building Maintenance	122,683	122,683	77,189	45,494
<b>Total Facilities</b>	<b>\$ 442,825</b>	<b>\$ 442,825</b>	<b>\$ 383,301</b>	<b>\$ 59,523</b>

**ERATH COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXPENDITURES (cont.)	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Final			
<b>Sheriff</b>					
Salary	\$ 1,893,683	\$ 1,893,683	\$ 1,870,882	\$	22,801
Operating	105,933	105,933	88,700		17,233
Estray Cattle	12,500	12,500	11,434		1,066
Supplies	35,777	35,777	19,495		16,282
Schools & Dues	18,300	18,300	12,244		6,056
Equipment	229,564	229,564	201,717		27,847
Fuel	104,815	104,815	104,815		-
Software/Hardware Maintenance	26,786	26,786	24,863		1,923
<b>Total Sheriff</b>	<b>\$ 2,427,358</b>	<b>\$ 2,427,358</b>	<b>\$ 2,334,150</b>	<b>\$</b>	<b>93,208</b>
<b>Jail</b>					
Salary	\$ 1,109,370	\$ 1,109,370	\$ 1,014,723	\$	94,647
Operating	96,005	96,005	92,257		3,748
Advertising	500	500	112		388
Supplies	29,034	29,034	28,969		65
Schools & Dues	5,000	5,000	4,519		481
Equipment	16,343	16,343	12,174		4,169
Building Repair/Maintenance	48,000	48,000	41,806		6,194
Inmate Housing	20,318	20,318	17,290		3,028
Prisoner Food	95,500	95,500	93,594		1,906
Software/Hardware Maintenance	3,500	3,500	3,500		-
<b>Total Jail</b>	<b>\$ 1,423,570</b>	<b>\$ 1,423,570</b>	<b>\$ 1,308,944</b>	<b>\$</b>	<b>114,626</b>
<b>Highway Patrol</b>					
Salary	\$ 39,390	\$ 39,390	\$ 38,905	\$	485
Operating	750	750	460		290
Supplies	1,500	1,500	1,290		210
Weights & Measures	500	500	-		500
Equipment	1,500	1,500	1,329		171
<b>Total Highway Patrol</b>	<b>\$ 43,640</b>	<b>\$ 43,640</b>	<b>\$ 41,983</b>	<b>\$</b>	<b>1,656</b>
<b>Constable # 1</b>					
Salary	\$ 47,227	\$ 47,227	\$ 47,185	\$	43
Operating	9,400	9,400	6,473		2,927
Supplies	1,200	1,200	770		430
Schools & Dues	1,700	1,700	1,458		242
Equipment	2,000	2,000	-		2,000
<b>Total Constable # 1</b>	<b>\$ 61,527</b>	<b>\$ 61,527</b>	<b>\$ 55,885</b>	<b>\$</b>	<b>5,642</b>
<b>Constable # 2</b>					
Salary	\$ 54,216	\$ 54,216	\$ 53,778	\$	438
Operating	9,630	9,630	7,439		2,191
Supplies	784	784	668		116
Schools & Dues	1,350	1,350	1,168		182
Equipment	2,316	2,316	2,100		217
<b>Total Constable # 2</b>	<b>\$ 68,296</b>	<b>\$ 68,296</b>	<b>\$ 65,153</b>	<b>\$</b>	<b>3,143</b>
<b>Probation</b>					
Juvenile Probation Office Rent	\$ 20,200	\$ 20,200	\$ 20,200	\$	0
Operating	2,000	2,000	1,483		517
Equipment	1,000	1,000	960		40
Juvenile Board Fund Allocation	52,469	52,469	52,469		0
<b>Total Probation</b>	<b>\$ 75,669</b>	<b>\$ 75,669</b>	<b>\$ 75,112</b>	<b>\$</b>	<b>517</b>

**ERATH COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (cont.)</b>				
<b>County Extension Agents</b>				
Salary	\$ 119,200	\$ 119,200	\$ 108,419	\$ 10,781
Operating	1,625	1,625	1,398	227
Livestock Show	8,301	8,301	7,837	464
Supplies	2,222	2,222	1,422	800
Schools & Dues	3,950	3,950	3,604	346
Equipment	8,415	8,415	8,415	-
Travel	12,550	12,550	11,172	1,378
Demonstration	600	600	464	136
<b>Total County Extension Agents</b>	<b>\$ 156,863</b>	<b>\$ 156,863</b>	<b>\$ 142,732</b>	<b>\$ 14,132</b>
<b>Pretrial Diversion</b>				
Salary	\$ 91,230	\$ 91,230	\$ 90,489	\$ 742
Operating	6,809	6,809	6,313	496
Supplies	2,113	2,113	1,990	124
Equipment	1,998	1,998	1,998	-
<b>Total Pretrial Diversion</b>	<b>\$ 102,150</b>	<b>\$ 102,150</b>	<b>\$ 100,789</b>	<b>\$ 1,361</b>
<b>Emergency Medical Services</b>				
Salary	\$ 772,059	\$ 772,059	\$ 743,123	\$ 28,936
Operating	54,511	54,511	48,456	6,055
Supplies	41,331	41,331	32,504	8,827
Advertising	200	200	112	
Schools & Dues	12,000	12,000	6,395	5,605
Equipment	122,900	122,900	97,054	25,846
Building Repair	3,000	3,000	1,160	1,840
Fuel	30,000	30,000	26,639	3,361
Dublin Ambulance Service	23,500	23,500	20,984	2,516
<b>Total Emergency Medical Services</b>	<b>\$ 1,059,501</b>	<b>\$ 1,059,501</b>	<b>\$ 976,428</b>	<b>\$ 82,986</b>
<b>TOTAL EXPENDITURES</b>	<b>11,124,200</b>	<b>11,124,200</b>	<b>10,438,148</b>	<b>685,925</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(723,714)</b>	<b>(723,714)</b>	<b>257,806</b>	<b>(390,457)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	408,067	408,067
Transfers Out	(230,000)	(230,000)	(230,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (230,000)</b>	<b>\$ (230,000)</b>	<b>\$ 178,067</b>	<b>\$ 408,067</b>
<b>Net Changes in Fund Balances</b>	<b>(953,714)</b>	<b>(953,714)</b>	<b>435,873</b>	<b>17,610</b>
<b>Fund Balances - Beginning</b>	<b>13,339,913</b>	<b>13,339,913</b>	<b>13,339,913</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 12,386,199</b>	<b>\$ 12,386,199</b>	<b>\$ 13,775,786</b>	<b>\$ 17,610</b>

**ERATH COUNTY, TEXAS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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**A. BUDGETARY INFORMATION**

Annual budgets are adopted on the cash basis of accounting for the General Fund, certain Special Revenue Funds, Capital Projects Fund, and Debt Service Fund. The County employs an encumbrance system as a method of accomplishing budgetary control. At year end, open encumbrances are closed, and departments are required to re-appropriate those funds in the following year's budget.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's Budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget request and holds informal hearings when needed. Before October 1, a proposed budget is presented to Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the condition of various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. No amendments may be made without Commissioners' Court approval to the total budget for each department within a fund. Thus, the legal level of budgetary control is at the department level. No supplemental appropriations were required during the year.

**B. SCHEDULE OF FUNDING PROGRESS**

**Texas County and District Retirement System**  
**Year Ended September 30, 2011**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Annual Covered Payroll	UAAL as a percentage of Covered Payroll
12/31/2008	\$ 12,841,589	\$ 15,446,379	\$ 2,604,790	83.14%	\$ 6,261,681	41.60%
12/31/2009	\$ 14,669,715	\$ 17,282,541	\$ 2,612,826	84.88%	\$ 6,772,094	38.58%
12/31/2010	\$ 15,498,344	\$ 18,448,981	\$ 2,950,637	84.01%	\$ 7,023,709	42.01%

## **OTHER MAJOR AND NON-MAJOR FUNDS**

The Other Major and Non-Major Funds for Erath County, Texas consist of the Road and Bridge, Capital Projects, Debt Service, Judicial, Legal, Forfeiture Funds, and Other Special Revenue Funds. The revenues are earmarked for the financing of particular functions and activities of government as shown in the various expenditure schedules.

### **Road and Bridge Fund**

The Road and Bridge fund accounts for the revenues and expenditures used for maintaining County Roads and the equipment used to perform work. Each of the four Precincts have individual budgets accounting for revenues and expenditures allocated to each specific precinct. The Road and Bridge Fund contains the Maintenance Barn Budget which is funded by equal parts transferred from each Precinct's budget.

### **Capital Projects Fund**

The Capital Projects Fund accounts for the construction of the County Jail renovations and add on. Funds for the project consist of a combination of Certificates of Obligation and monies from the County General Fund.

### **Non-Major Funds**

#### Debt Service Fund

The Debt service Fund accounts for ad valorem taxes and other monies collected to pay the debt incurred for the construction of the County Jail Renovations and add on.

#### Judicial, Legal, and Forfeiture Special Revenue Funds

The Judicial, Legal, and Forfeiture Funds account for funds that are used for Judicial and Legal purposes as well as confiscated funds seized during crimes that are awarded to Erath County for legal and law enforcement purposes.

The Sheriff Forfeiture Fund accounts for monies forfeited to the Sheriff, to be used solely for the investigation of any alleged violations of the criminal laws of the State.

The District Attorney Forfeiture Fund accounts for monies forfeited to the District Attorney to be used for criminal investigations.

The District Attorney Hot Check Fund accounts for fees collected by the District Attorney that are used for operations of the District Attorney's office.

The County Attorney Hot Check Fund accounts for fees collected by the County Attorney that are used for the operations of the County Attorney's office.

The County Attorney Intervention Fund accounts for fees collected and used for the operation of the County Attorney's office

The Law Library Fund provides for the establishment and maintenance of a library for the use of members of the Texas Bar Association. Revenues are derived from fees which are assessed against each civil case filed in County and District Courts.

The Jail Commissary Fund accounts for monies accumulated from the commission of commissary sales to inmates. The monies are used to purchase supplies and equipment for the inmates as outlined in Local Government Code 351.0415.

#### Other Non-Major Funds

The Other Special Revenue Funds consist of other funds that account for particular functions and activities. The Other Special Revenue Funds consist of the following:

The District Clerk Digitized Records and Records Preservation Funds account for fees used for record management purposes.

The County Clerk Digitized Records, Record Management, and Records Preservation Funds account for fees used for record management purposes.

The Courthouse Security Fund Accounts for fees collected and used for the purpose of Courthouse Security.

The Contractual Elections Fund accounts for fees collected and funds used to administer county elections.

The JP #1, JP #2, County Clerk, and District Clerk Technology Funds account for funds used for the purchase of equipment for the various offices associated with each fund.

The Indigent Health Care Fund accounts for funds appropriated for the health care of County jail inmates and indigent citizens of the County; as prescribed by the State, equaling 8% of the General Fund Budget of the County.

**ROAD AND BRIDGE**

**COMBINING STATEMENTS**

**&**

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ROAD & BRIDGE FUNDS  
SEPTEMBER 30, 2011**

	Precinct # 1	Precinct # 2	Precinct # 3	Precinct # 4	Maintenance Barn	Total Road & Bridge Fund
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 423,779	\$ 164,324	\$ 306,471	\$ 154,880	\$ 13,090	\$ 1,062,545
Receivables (net of Allowance for Uncollectible)	23,216	30,795	29,722	26,083	-	109,815
Restricted Assets:						
Cash and Cash Equivalents	157,367	237,064	221,004	174,578	-	790,013
Receivables (net of Allowance for Uncollectible)	-	-	-	-	-	-
Total Assets	<u>\$ 604,362</u>	<u>\$ 432,183</u>	<u>\$ 557,197</u>	<u>\$ 355,541</u>	<u>\$ 13,090</u>	<u>\$ 1,962,373</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts Payable	\$ 15,726	\$ 21,020	\$ 12,999	\$ 10,079	\$ (2,102)	\$ 57,722
Salary Payable	5,458	7,824	6,474	6,608	1,950	28,314
Deferred Revenue	13,390	18,183	17,510	15,205	-	64,288
Total Liabilities	<u>\$ 34,574</u>	<u>\$ 47,027</u>	<u>\$ 36,983</u>	<u>\$ 31,892</u>	<u>\$ (153)</u>	<u>\$ 150,323</u>
Fund Balances:						
Committed						
Road & Bridges	157,367	237,064	221,004	174,578	-	790,013
Unassigned	412,421	148,092	299,210	149,071	13,242	1,022,036
Total Fund Balances	<u>\$ 569,788</u>	<u>\$ 385,156</u>	<u>\$ 520,214</u>	<u>\$ 323,649</u>	<u>\$ 13,242</u>	<u>\$ 1,812,049</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 604,362</u>	<u>\$ 432,183</u>	<u>\$ 557,197</u>	<u>\$ 355,541</u>	<u>\$ 13,090</u>	<u>\$ 1,962,373</u>

**ERATH COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**ROAD & BRIDGE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Precinct # 1	Precinct # 2	Precinct # 3	Precinct # 4	Maintenance Barn	Total Road & Bridge Funds
<b>REVENUES</b>						
Taxes						
Current	\$ 514,874	\$ 661,407	\$ 640,903	\$ 525,722	\$ -	\$ 2,342,906
Delinquent	58,773	75,454	73,032	65,059	-	272,318
Penalty & Interest	9,005	11,538	11,122	9,944	-	41,609
Other	177,492	227,901	220,835	241,230	-	867,458
Interest	785	749	922	513	-	2,968
Miscellaneous	1,600	-	2,591	-	-	4,191
Total Revenues	\$ 762,529	\$ 977,049	\$ 949,405	\$ 842,468	\$ -	\$ 3,531,451
<b>EXPENDITURES</b>						
Salary	\$ 336,285	\$ 492,550	\$ 446,656	\$ 410,276	\$ 118,247	\$ 1,804,015
Equipment	1,441	68,602	196,221	40,167	1,937	308,367
Equipment Repair	51,581	106,736	74,899	60,552	20,104	313,872
Fuel	38,564	122,196	79,328	84,365	5,839	330,292
Road Expense	98,806	143,253	106,317	84,926	-	433,302
Operating	20,274	30,088	17,713	21,310	22,177	111,562
Total Expenditures	\$ 546,951	\$ 963,425	\$ 921,134	\$ 701,596	\$ 168,304	\$ 3,301,410
Excess (Deficiency) of Revenues Over (Under) Expenditures	215,578	13,624	28,271	140,872	(168,304)	230,041
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	160,000	160,000
Transfers Out	(40,000)	(40,000)	(40,000)	(40,000)	-	(160,000)
Sale of Scrap Metal	21	-	1,712	1,183	1,569	4,485
Sale of Assets	3,762	3,762	50,116	-	-	57,639
Total Other Financing Sources (Uses)	\$ (36,218)	\$ (36,238)	\$ 11,828	\$ (38,817)	\$ 161,569	\$ 62,124
Net Changes in Fund Balances	179,360	(22,615)	40,099	102,055	(6,735)	292,165
Fund Balances - Beginning	390,427	407,771	480,116	221,593	19,977	1,519,884
Fund Balances - Ending	\$ 569,788	\$ 385,156	\$ 520,215	\$ 323,648	\$ 13,242	\$ 1,812,049

**ERATH COUNTY, TEXAS**  
**PRECINCT # 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes				
Current	\$ 548,544	\$ 548,544	\$ 514,874	\$ (33,670)
Delinquent	50,000	50,000	58,773	8,773
Penalty & Interest	6,500	6,500	9,005	2,505
Other	154,300	154,300	177,492	23,192
Interest	650	650	785	135
Miscellaneous	-	-	1,600	1,600
Total Revenue	\$ 759,994	\$ 759,994	\$ 762,529	\$ 2,535
<b>EXPENDITURES</b>				
Salary	\$ 351,980	\$ 351,980	\$ 336,285	\$ 15,695
Equipment	82,500	82,500	1,441	81,059
Equipment Repair	54,600	54,600	51,581	3,019
Fuel	61,500	61,500	38,564	22,936
Road Expense	125,000	125,000	98,806	26,194
Operating	26,700	26,700	20,274	6,426
Total Expenditures	\$ 702,280	\$ 702,280	\$ 546,951	\$ 155,329
Excess(Deficiency) of Revenues Over(Under) Expenditures	57,714	57,714	215,578	157,864
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,859	5,859	-	5,859
Sale of Scrap Metal	-	-	21	(21)
Sale of Assets	-	-	3,762	(3,762)
Transfers Out	(63,574)	(63,574)	(40,000)	(23,574)
Total Other Financing Sources (Uses)	\$ (57,714)	\$ (57,714)	\$ (36,217)	\$ (21,497)
Net Changes In Fund Balances	-	-	179,361	179,361
Fund Balances - Beginning	-	-	390,427	390,427
Fund Balances - Ending	\$ -	\$ -	\$ 569,788	\$ 569,788

**ERATH COUNTY, TEXAS**  
**PRECINCT # 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget -</b> Positive (Negative)
<b>REVENUES</b>				
Taxes				
Current	\$ 704,622	\$ 704,622	\$ 661,407	\$ (43,215)
Delinquent	62,000	62,000	75,454	13,454
Penalty & Interest	7,500	7,500	11,538	4,038
Other	190,700	190,700	227,901	37,201
Interest	7,550	7,550	749	(6,801)
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 972,372</u>	<u>\$ 972,372</u>	<u>\$ 977,049</u>	<u>\$ 4,677</u>
<b>EXPENDITURES</b>				
Salary	\$ 506,262	\$ 506,262	\$ 492,550	\$ 13,712
Equipment	177,350	177,350	68,602	108,748
Equipment Repair	110,650	110,650	106,736	3,914
Fuel	125,000	125,000	122,196	2,804
Road Expense	150,000	150,000	143,253	6,747
Operating	39,450	39,450	30,088	9,362
Total Expenditures	<u>\$ 1,108,712</u>	<u>\$ 1,108,712</u>	<u>\$ 963,425</u>	<u>\$ 145,286</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	(136,340)	(136,340)	13,624	149,963
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	181,340	181,340	-	181,340
Sale of Scrap Metal	-	-	-	-
Sale of Assets	-	-	3,762	(3,762)
Transfers Out	(45,000)	(45,000)	(40,000)	(5,000)
Total Other Financing Sources (Uses)	<u>\$ 136,340</u>	<u>\$ 136,340</u>	<u>\$ (36,238)</u>	<u>\$ 172,577</u>
Net Changes In Fund Balances	-	-	(22,615)	(22,615)
Fund Balances - Beginning	-	-	407,771	407,771
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385,156</u>	<u>\$ 385,156</u>

**ERATH COUNTY, TEXAS**  
**PRECINCT # 3**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Taxes				
Current	\$ 682,745	\$ 682,745	\$ 640,903	\$ (41,842)
Delinquent	60,000	60,000	73,032	13,032
Penalty & Interest	8,000	8,000	11,122	3,122
Other	182,300	182,300	220,835	38,535
Interest	1,250	1,250	922	(328)
Miscellaneous	-	-	2,591	2,591
Total Revenue	<u>\$ 934,295</u>	<u>\$ 934,295</u>	<u>\$ 949,405</u>	<u>\$ 15,110</u>
<b>EXPENDITURES</b>				
Salary	\$ 454,302	\$ 454,302	\$ 446,656	\$ 7,646
Equipment	230,300	230,300	196,221	34,079
Equipment Repair	80,000	80,000	74,899	5,101
Fuel	93,400	93,400	79,328	14,072
Road Expense	150,000	150,000	106,317	43,683
Operating	22,550	22,550	17,713	4,837
Total Expenditures	<u>\$ 1,030,552</u>	<u>\$ 1,030,552</u>	<u>\$ 921,134</u>	<u>\$ 109,418</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	(96,257)	(96,257)	28,271	124,528
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	118,257	118,257	-	118,257
Sale of Scrap Metal	-	-	1,712	(1,712)
Sale of Assets	23,000	23,000	50,116	(27,116)
Transfers Out	(45,000)	(45,000)	(40,000)	(5,000)
Total Other Financing Sources (Uses)	<u>\$ 96,257</u>	<u>\$ 96,257</u>	<u>\$ 11,828</u>	<u>\$ 84,429</u>
Net Changes In Fund Balances	-	-	40,098	40,098
Fund Balances - Beginning	-	-	480,116	480,116
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 520,214</u>	<u>\$ 520,214</u>

**ERATH COUNTY, TEXAS**  
**PRECINCT # 4**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Current	\$ 607,649	\$ 607,649	\$ 525,722	\$ (81,927)
Delinquent	55,000	55,000	65,059	10,059
Penalty & Interest	7,000	7,000	9,944	2,944
Other	169,900	169,900	241,230	71,330
Interest	800	800	513	(287)
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 840,349</u>	<u>\$ 840,349</u>	<u>\$ 842,468</u>	<u>\$ 2,119</u>
<b>EXPENDITURES</b>				
Salary	\$ 416,809	\$ 416,809	\$ 410,276	\$ 6,533
Equipment	40,170	40,170	40,167	3
Equipment Repair	64,685	64,685	60,552	4,133
Fuel	95,000	95,000	84,365	10,635
Road Expense	103,530	103,530	84,926	18,604
Operating	30,600	30,600	21,310	9,290
Total Expenditures	<u>\$ 750,794</u>	<u>\$ 750,794</u>	<u>\$ 701,596</u>	<u>\$ 49,198</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	89,554	89,554	140,872	51,318
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	9,265	9,265	-	9,265
Sale of Scrap Metal	-	-	1,183	(1,183)
Sale of Assets	-	-	-	-
Transfers Out	(98,820)	(98,820)	(40,000)	(58,820)
Total Other Financing Sources (Uses)	<u>\$ (89,554)</u>	<u>\$ (89,554)</u>	<u>\$ (38,817)</u>	<u>\$ (50,737)</u>
Net Changes In Fund Balances	-	-	102,055	102,055
Fund Balances - Beginning	-	-	221,593	221,593
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 323,648</u>	<u>\$ 323,648</u>

**ERATH COUNTY, TEXAS**  
**MAINTENANCE BARN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Current	\$ -	\$ -	\$ -	\$ -
Delinquent	-	-	-	-
Penalty & Interest	-	-	-	-
Other	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Reserves	-	-	-	-
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Salary	\$ 118,614	\$ 118,614	\$ 118,247	\$ 367
Equipment	4,500	4,500	1,937	2,563
Equipment Repair	31,250	31,250	20,104	11,146
Fuel	7,000	7,000	5,839	1,161
Road Expense	-	-	-	-
Operating	24,800	24,800	22,177	2,623
Total Expenditures	<u>\$ 186,164</u>	<u>\$ 186,164</u>	<u>\$ 168,304</u>	<u>\$ 17,860</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	(186,164)	(186,164)	(168,304)	17,860
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	186,164	186,164	160,000	26,164
Sale of Scrap Metal	-	-	1,569	(1,569)
Sale of Assets	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 186,164</u>	<u>\$ 186,164</u>	<u>\$ 161,569</u>	<u>\$ 24,595</u>
Net Changes In Fund Balances	-	-	(6,735)	(6,735)
Fund Balances - Beginning	-	-	19,977	19,977
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,242</u>	<u>\$ 13,242</u>

**CAPITAL PROJECTS FUND**

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

**ERATH COUNTY, TEXAS  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Construction Expense	\$ 6,261,146	\$ 6,261,146	\$ 4,595,961	\$ 1,665,185
Contractor Fees	235,896	235,896	-	235,896
Professional Services	333,573	333,573	276,083	57,490
Total Expenditures	\$ 6,830,615	\$ 6,830,615	\$ 4,872,045	\$ 1,958,570
Excess(Deficiency) of Revenues Over(Under) Expenditures	(6,830,615)	(6,830,615)	(4,872,045)	1,958,570
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	6,830,615	6,830,615	4,817,000	2,013,615
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	\$ 6,830,615	\$ 6,830,615	\$ 4,817,000	\$ 2,013,615
Net Changes In Fund Balances	-	-	(55,045)	(55,045)
Fund Balances - Beginning	62,005	62,005	62,005	-
Fund Balances - Ending	\$ 62,005	\$ 62,005	\$ 6,960	\$ (55,045)

**NON MAJOR FUNDS**

**COMBINING STATEMENTS**

**&**

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL  
FUNDS - SUMMARY  
SEPTEMBER 30, 2011**

	<b>SPECIAL REVENUE</b>		
	Technology JP #1	Technology JP #2	Technology County Clerk
<b>ASSETS</b>			
Cash and Cash Equivalents	46,021	2,498	1,305
Receivables (net of Allowance for Uncollectible)	-	209	-
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-
<b>Total Assets</b>	<b>46,021</b>	<b>2,707</b>	<b>1,305</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	167	-	-
Salary Payable	-	-	-
Deferred Revenue	-	-	-
<b>Total Liabilities</b>	<b>167</b>	<b>-</b>	<b>-</b>
Fund Balances:			
Restricted			
Debt Service			
Election			
General Administration			1,305
Health & Welfare			
Judicial	45,854	2,707	
Legal			
Public Safety			
Records Management			
Unassigned			
<b>Total Fund Balances</b>	<b>45,854</b>	<b>2,707</b>	<b>1,305</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>46,021</b>	<b>2,707</b>	<b>1,305</b>

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL  
FUNDS - SUMMARY  
SEPTEMBER 30, 2011**

	<b>SPECIAL REVENUE</b>		
	Technology District Clerk	Contractual Elections	County Attorney Intervention
<b>ASSETS</b>			
Cash and Cash Equivalents	6,825	18,853	34,826
Receivables (net of Allowance for Uncollectible)	-	-	-
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-
<b>Total Assets</b>	<b>6,825</b>	<b>18,853</b>	<b>34,826</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	-	-	-
Salary Payable	-	-	-
Deferred Revenue	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:			
Restricted			
Debt Service			
Election		18,853	
General Administration	6,825		
Health & Welfare			
Judicial			
Legal			34,826
Public Safety			
Records Management			
Unassigned			
<b>Total Fund Balances</b>	<b>6,825</b>	<b>18,853</b>	<b>34,826</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>6,825</b>	<b>18,853</b>	<b>34,826</b>

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL  
FUNDS - SUMMARY  
SEPTEMBER 30, 2011**

	<b>SPECIAL REVENUE</b>		
	Indigent Health Care	Law Library	Courthouse Security
<b>ASSETS</b>			
Cash and Cash Equivalents	225,939	15,380	221,210
Receivables (net of Allowance for Uncollectible)	16,810	-	227
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-
<b>Total Assets</b>	<b>242,749</b>	<b>15,380</b>	<b>221,437</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	-	3,940	485
Salary Payable	-	-	-
Deferred Revenue	14,826	-	-
<b>Total Liabilities</b>	<b>14,826</b>	<b>3,940</b>	<b>485</b>
Fund Balances:			
Restricted			
Debt Service			
Election			
General Administration			
Health & Welfare	227,923		
Judicial			
Legal		11,440	
Public Safety			220,952
Records Management			
Unassigned			
<b>Total Fund Balances</b>	<b>227,923</b>	<b>11,440</b>	<b>220,952</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>242,749</b>	<b>15,380</b>	<b>221,437</b>

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL  
FUNDS - SUMMARY  
SEPTEMBER 30, 2011**

	<b>SPECIAL REVENUE</b>		
	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management
<b>ASSETS</b>			
Cash and Cash Equivalents	1,525	8	304,716
Receivables (net of Allowance for Uncollectible)	-	12	-
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-
<b>Total Assets</b>	<b>1,525</b>	<b>20</b>	<b>304,716</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	-	-	472
Salary Payable	-	-	-
Deferred Revenue	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>472</b>
Fund Balances:			
Restricted			
Debt Service			
Election			
General Administration			
Health & Welfare			
Judicial			
Legal			
Public Safety			
Records Management	1,525	20	304,245
Unassigned			
<b>Total Fund Balances</b>	<b>1,525</b>	<b>20</b>	<b>304,245</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>1,525</b>	<b>20</b>	<b>304,716</b>

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL  
FUNDS - SUMMARY  
SEPTEMBER 30, 2011**

	<b>SPECIAL REVENUE</b>		
	County Clerk Records Preservation	District Clerk Records Preservation	County Attorney Hot Check
<b>ASSETS</b>			
Cash and Cash Equivalents	155,006	938	60,195
Receivables (net of Allowance for Uncollectible)	113	13	
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-
<b>Total Assets</b>	<b>155,118</b>	<b>950</b>	<b>60,195</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	-	-	-
Salary Payable	-	-	245
Deferred Revenue	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>245</b>
Fund Balances:			
Restricted			
Debt Service			
Election			
General Administration			
Health & Welfare			
Judicial			
Legal			59,949
Public Safety			
Records Management	155,118	950	
Unassigned			
<b>Total Fund Balances</b>	<b>155,118</b>	<b>950</b>	<b>59,949</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>155,118</b>	<b>950</b>	<b>60,195</b>

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL  
FUNDS - SUMMARY  
SEPTEMBER 30, 2011**

	<b>SPECIAL REVENUE</b>		
	District Attorney Hot Check	District Attorney Forfeiture	Sheriff Forfeiture
<b>ASSETS</b>			
Cash and Cash Equivalents	7,617	24,676	56,535
Receivables (net of Allowance for Uncollectible)	-	-	347
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-
<b>Total Assets</b>	<b>7,617</b>	<b>24,676</b>	<b>56,882</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	-	-	-
Salary Payable	-	129	-
Deferred Revenue	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>129</b>	<b>-</b>
Fund Balances:			
Restricted			
Debt Service			
Election			
General Administration			
Health & Welfare			
Judicial	7,617	24,547	
Legal			
Public Safety			56,882
Records Management			
Unassigned			
<b>Total Fund Balances</b>	<b>7,617</b>	<b>24,547</b>	<b>56,882</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>7,617</b>	<b>24,676</b>	<b>56,882</b>

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL  
FUNDS - SUMMARY  
SEPTEMBER 30, 2011**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	Total Non Major Governmental
	Jail Commissary	Certificates of Obligation	
<b>ASSETS</b>			
Cash and Cash Equivalents	828	-	1,184,901
Receivables (net of Allowance for Uncollectible)	-	-	17,730
Restricted Assets:			
Cash and Cash Equivalents	-	1,694,346	1,694,346
Receivables (net of Allowance for Uncollectible)	-	1,655	1,655
<b>Total Assets</b>	<b>828</b>	<b>1,696,001</b>	<b>2,898,632</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	-	-	5,064
Salary Payable	-	-	374
Deferred Revenue	-	-	14,826
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>20,264</b>
Fund Balances:			
Restricted			
Debt Service		1,696,001	1,696,001
Election			18,853
General Administration			8,130
Health & Welfare			227,923
Judicial			80,724
Legal			106,216
Public Safety	828		278,662
Records Management			461,858
Unassigned			-
<b>Total Fund Balances</b>	<b>828</b>	<b>1,696,001</b>	<b>2,878,368</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>828</b>	<b>1,696,001</b>	<b>2,898,632</b>

**ERATH COUNTY, TEXAS  
COMBINING STATEMENT OF  
REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS - SUMMARY  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	SPECIAL REVENUE			
	Technology JP #1	Technology JP #2	Technology County Clerk	Technology District Clerk
<b>REVENUES</b>				
Taxes				
Property				
Other				
Intergovernmental				
Sale of Seized Assets				
Charges for Services	9,968	1,795	1,148	6,820
Interest	39	2	1	5
Miscellaneous				
Total Revenues	<u>10,006</u>	<u>1,797</u>	<u>1,149</u>	<u>6,825</u>
<b>EXPENDITURES</b>				
Supplies	1,141			
Equipment	3,159	850		
Equipment Lease				
Equipment Repair				
Software/Hardware Maintenance				
Contingency				
Schools & Dues				
Health Care				
Health Care - Jail				
Professional Fees				
H.O.P.E. Clinic				
Pecan Valley MHMR				
Law Books				
Online Legal Research				
Courthouse Security				
Salary				
Records Preservation				
Records Management				
Telephone				
Donations				
Task Force				
Inmate Supplies/Equipment				
Bank Service Charge				
Interest Payment				
Principle Payment				
Miscellaneous				
Total Expenditures	<u>4,300</u>	<u>850</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,706</u>	<u>947</u>	<u>1,149</u>	<u>6,825</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	5,706	947	1,149	6,825
Fund Balances - Beginning	40,147	1,759	156	-
Fund Balances - Ending	<u>45,854</u>	<u>2,707</u>	<u>1,305</u>	<u>6,825</u>

**ERATH COUNTY, TEXAS  
COMBINING STATEMENT OF  
REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS - SUMMARY  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	SPECIAL REVENUE			
	Contractual Elections	County Attorney Intervention	Indigent Health Care	Law Library
<b>REVENUES</b>				
Taxes				
Property			570,540	
Other				
Intergovernmental				
Sale of Seized Assets				
Charges for Services	12,000	24,550	2,863	21,455
Interest	15	25	682	12
Miscellaneous			14	
Total Revenues	<u>12,015</u>	<u>24,575</u>	<u>574,099</u>	<u>21,467</u>
<b>EXPENDITURES</b>				
Supplies		752	139	
Equipment				
Equipment Lease				
Equipment Repair				
Software/Hardware Maintenance	1,274		12,540	
Contingency				
Schools & Dues			519	
Health Care			197,191	
Health Care - Jail			100,448	
Professional Fees			12,000	
H.O.P.E. Clinic			24,000	
Pecan Valley MHMR			15,000	
Law Books				9,400
Online Legal Research				9,194
Courthouse Security				
Salary				
Records Preservation				
Records Management				
Telephone				
Donations				
Task Force				
Inmate Supplies/Equipment				
Bank Service Charge				
Interest Payment				
Principle Payment				
Miscellaneous				1,200
Total Expenditures	<u>1,274</u>	<u>752</u>	<u>361,837</u>	<u>19,794</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,741</u>	<u>23,824</u>	<u>212,262</u>	<u>1,673</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out			(408,067)	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(408,067)</u>	<u>-</u>
Net Changes in Fund Balances	10,741	23,824	(195,805)	1,673
Fund Balances - Beginning	8,113	11,003	423,728	9,768
Fund Balances - Ending	<u>18,853</u>	<u>34,826</u>	<u>227,923</u>	<u>11,440</u>

**ERATH COUNTY, TEXAS  
COMBINING STATEMENT OF  
REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS - SUMMARY  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	SPECIAL REVENUE			County Clerk Records Management
	Courthouse Security	County Clerk Digitized Records	District Clerk Digitized Records	
<b>REVENUES</b>				
Taxes				
Property				
Other				
Intergovernmental				
Sale of Seized Assets				
Charges for Services	24,574	1,525	20	74,865
Interest	289			363
Miscellaneous				
Total Revenues	<u>24,863</u>	<u>1,525</u>	<u>20</u>	<u>75,228</u>
<b>EXPENDITURES</b>				
Supplies				2,056
Equipment				5,000
Equipment Lease				7,592
Equipment Repair				
Software/Hardware Maintenance				5,701
Contingency				
Schools & Dues				
Health Care				
Health Care - Jail				
Professional Fees				
H.O.P.E. Clinic				
Pecan Valley MHMR				
Law Books				
Online Legal Research				
Courthouse Security	66,702			
Salary				22,984
Records Preservation				125
Records Management				
Telephone				
Donations				
Task Force				
Inmate Supplies/Equipment				
Bank Service Charge				
Interest Payment				
Principle Payment				
Miscellaneous				
Total Expenditures	<u>66,702</u>	<u>-</u>	<u>-</u>	<u>43,457</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,839)</u>	<u>1,525</u>	<u>20</u>	<u>31,770</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	(41,839)	1,525	20	31,770
Fund Balances - Beginning	262,791	-	-	319,241
Fund Balances - Ending	<u>220,952</u>	<u>1,525</u>	<u>20</u>	<u>351,011</u>

**ERATH COUNTY, TEXAS  
COMBINING STATEMENT OF  
REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS - SUMMARY  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	SPECIAL REVENUE			
	County Clerk Records Preservation	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check
<b>REVENUES</b>				
Taxes				
Property				
Other				
Intergovernmental				
Sale of Seized Assets				
Charges for Services	18,928	183	18,866	75
Interest	191		56	7
Miscellaneous				
Total Revenues	<u>19,118</u>	<u>183</u>	<u>18,922</u>	<u>82</u>
<b>EXPENDITURES</b>				
Supplies			836	
Equipment	11,262			
Equipment Lease				
Equipment Repair				
Software/Hardware Maintenance	5,500		5,176	
Contingency				
Schools & Dues			235	
Health Care				
Health Care - Jail				
Professional Fees				
H.O.P.E. Clinic				
Pecan Valley MHMR				
Law Books				
Online Legal Research				
Courthouse Security				
Salary			11,217	
Records Preservation				
Records Management				
Telephone			264	
Donations				
Task Force				
Inmate Supplies/Equipment				
Bank Service Charge				
Interest Payment				
Principle Payment				
Miscellaneous				
Total Expenditures	<u>16,762</u>	<u>-</u>	<u>17,728</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,356</u>	<u>183</u>	<u>1,195</u>	<u>82</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	2,356	183	1,195	82
Fund Balances - Beginning	152,762	768	58,755	7,535
Fund Balances - Ending	<u>155,118</u>	<u>950</u>	<u>59,949</u>	<u>7,617</u>

**ERATH COUNTY, TEXAS  
COMBINING STATEMENT OF  
REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS - SUMMARY  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	SPECIAL REVENUE			DEBT SERVICE	
	District Attorney Forfeiture	Sheriff Forfeiture	Jail Commissary	Certificates of Obligation	Total Non Major Governmental
<b>REVENUES</b>					
Taxes					
Property				613,477	1,184,017
Other					-
Intergovernmental					-
Sale of Seized Assets		15,271			15,271
Charges for Services			6,543		226,178
Interest	25	48	3	10,852	12,612
Miscellaneous					14
Total Revenues	25	15,318	6,546	624,329	1,438,091
<b>EXPENDITURES</b>					
Supplies	162				5,085
Equipment					20,271
Equipment Lease					7,592
Equipment Repair					-
Software/Hardware Maintenance					30,191
Contingency					-
Schools & Dues					754
Health Care					197,191
Health Care - Jail					100,448
Professional Fees					12,000
H.O.P.E. Clinic					24,000
Pecan Valley MHMR					15,000
Law Books					9,400
Online Legal Research					9,194
Courthouse Security					66,702
Salary	6,224				40,424
Records Preservation					125
Records Management					-
Telephone					264
Donations	5,000				5,000
Task Force		1,765			1,765
Inmate Supplies/Equipment			18,434		18,434
Bank Service Charge				500	500
Interest Payment				353,338	353,338
Principle Payment				467,000	467,000
Miscellaneous					1,200
Total Expenditures	11,386	1,765	18,434	820,838	1,385,879
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,361)	13,553	(11,888)	(196,509)	52,212
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In				230,000	230,000
Transfers Out				(4,817,000)	(5,225,067)
Total Other Financing Sources (Uses)	-	-	-	(4,587,000)	(4,995,067)
Net Changes in Fund Balances	(11,361)	13,553	(11,888)	(4,783,509)	(4,942,855)
Fund Balances - Beginning	35,908	43,329	12,716	6,479,510	7,867,988
Fund Balances - Ending	24,547	56,882	828	1,696,001	2,925,134

**ERATH COUNTY, TEXAS**  
**TECHNOLOGY JP # 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 39	\$ 39
Reserves	6,500	6,500	-	(6,500)
Technology Fee	8,500	8,500	9,968	1,468
Total Revenues	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 10,006</u>	<u>\$ (4,994)</u>
<b>EXPENDITURES</b>				
Supplies	\$ 3,000	\$ 3,000	\$ 1,141	\$ 1,859
Equipment Purchase	12,000	12,000	3,159	8,841
Total Expenditures	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 4,300</u>	<u>\$ 10,700</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	5,706	5,706
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	5,706	5,706
Fund Balances - Beginning	40,147	40,147	40,147	-
Fund Balances - Ending	<u>\$ 40,147</u>	<u>\$ 40,147</u>	<u>\$ 45,854</u>	<u>\$ 5,706</u>

**ERATH COUNTY, TEXAS**  
**TECHNOLOGY JP # 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				Positive (Negative)
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 2	\$ 2
Reserves	200	200	-	(200)
Technology Fee	1,800	1,800	1,795	(5)
Total Revenues	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 1,797</u>	<u>\$ (203)</u>
<b>EXPENDITURES</b>				
Supplies	\$ -	\$ -	\$ -	\$ -
Equipment	2,000	2,000	850	1,150
Total Expenditures	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 850</u>	<u>\$ 1,150</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	947	947
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	947	947
Fund Balances - Beginning	1,759	1,759	1,759	-
Fund Balances - Ending	<u>\$ 1,759</u>	<u>\$ 1,759</u>	<u>\$ 2,707</u>	<u>\$ 947</u>

**ERATH COUNTY, TEXAS**  
**TECHNOLOGY COUNTY CLERK**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 1	\$ 1
Reserves	7,900	7,900	-	(7,900)
Technology Fee	100	100	1,148	1,048
Total Revenues	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 1,149</u>	<u>\$ (6,851)</u>
<b>EXPENDITURES</b>				
Supplies	\$ 8,000	\$ 8,000	\$ -	\$ 8,000
Equipment	-	-	-	-
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	1,149	1,149
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	1,149	1,149
Fund Balances - Beginning	156	156	156	-
Fund Balances - Ending	<u>\$ 156</u>	<u>\$ 156</u>	<u>\$ 1,305</u>	<u>\$ 1,149</u>

**ERATH COUNTY, TEXAS  
TECHNOLOGY DISTRICT CLERK  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
NON MAJOR FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 5	\$ 5
Reserves				-
Technology Fee	100	100	6,820	6,720
Total Revenues	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 6,825</u>	<u>\$ 6,725</u>
<b>EXPENDITURES</b>				
Supplies	\$ 100	\$ 100	\$ -	\$ 100
Equipment				-
Total Expenditures	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>
Excess(Deficiency) of Revenues Over(Under) Expenditures	-	-	6,825	6,825
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	6,825	6,825
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,825</u>	<u>\$ 6,825</u>

**ERATH COUNTY, TEXAS**  
**CONTRACTUAL ELECTIONS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				Positive (Negative)
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 15	\$ 15
Contractual Revenue	5,000	5,000	10,800	5,800
County Administration Fee	1,000	1,000	1,200	200
Total Revenues	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 12,015</u>	<u>\$ 6,015</u>
<b>EXPENDITURES</b>				
Equipment	\$ 2,726	\$ 2,726	\$ -	\$ 2,726
Equipment Repair	2,000	2,000	-	2,000
Software/Hardware Maintenance	1,274	1,274	1,274	-
Total Expenditures	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 1,274</u>	<u>\$ 4,726</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	10,741	10,741
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	10,741	10,741
Fund Balances - Beginning	8,113	8,113	8,113	-
Fund Balances - Ending	<u>\$ 8,113</u>	<u>\$ 8,113</u>	<u>\$ 18,853</u>	<u>\$ 10,741</u>

**ERATH COUNTY, TEXAS**  
**COUNTY ATTORNEY INTERVENTION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 25	\$ 25
Fees	3,000	3,000	24,550	21,550
Total Revenues	\$ 3,000	\$ 3,000	\$ 24,575	\$ 21,575
<b>EXPENDITURES</b>				
Supplies	\$ 2,500	\$ 2,500	\$ 752	\$ 1,748
Contingency	500	500	-	500
Total Expenditures	\$ 3,000	\$ 3,000	\$ 752	\$ 2,248
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	23,824	23,824
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Net Changes In Fund Balances	-	-	23,824	23,824
Fund Balances - Beginning	11,003	11,003	11,003	
Fund Balances - Ending	\$ 11,003	\$ 11,003	\$ 34,826	\$ 23,824

**ERATH COUNTY, TEXAS**  
**INDIGENT HEALTH CARE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$ 200	\$ 200	\$ 682	\$ 482
Current Taxes	531,676	531,676	504,390	(27,286)
Delinquent Taxes	50,000	50,000	56,721	6,721
Penalty & Interest	5,000	5,000	9,428	4,428
Inmate Medical Copay	-	-	2,863	2,863
Miscellaneous Revenue	-	-	14	14
Total Revenues	\$ 586,876	\$ 586,876	\$ 574,099	\$ (12,777)
<b>EXPENDITURES</b>				
Postage	\$ 250	\$ 250	\$ 139	\$ 111
Supplies	5,000	5,000	-	5,000
Schools & Dues	1,000	1,000	519	481
Health Care - Jail	120,000	120,000	100,448	19,552
Health Care	394,626	394,626	197,191	197,434
H.O.P.E. Clinic	24,000	24,000	24,000	-
Professional Fees	12,000	12,000	12,000	-
Software/Hardware Maintenance	15,000	15,000	12,540	2,460
PVMHMR	15,000	15,000	15,000	-
Total Expenditures	\$ 586,876	\$ 586,876	\$ 361,837	\$ 225,038
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	212,262	212,262
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(408,067)	(408,067)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ (408,067)	\$ (408,067)
Net Changes In Fund Balances	-	-	(195,805)	(195,805)
Fund Balances - Beginning	423,728	423,728	423,728	
Fund Balances - Ending	\$ 423,728	\$ 423,728	\$ 227,923	\$ (195,805)

**ERATH COUNTY, TEXAS**  
**LAW LIBRARY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 12	\$ 12
County Clerk Fees	9,170	9,170	9,835	665
District Clerk Fees	10,640	10,640	11,620	980
Total Revenues	<u>\$ 19,810</u>	<u>\$ 19,810</u>	<u>\$ 21,467</u>	<u>\$ 1,657</u>
<b>EXPENDITURES</b>				
Law Books	\$ 9,400	\$ 9,400	\$ 9,400	\$ -
Online Legal Research	9,210	9,210	9,194	16
Miscellaneous Expense	1,200	1,200	1,200	-
Total Expenditures	<u>\$ 19,810</u>	<u>\$ 19,810</u>	<u>\$ 19,794</u>	<u>\$ 16</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	1,673	1,673
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	1,673	1,673
Fund Balances - Beginning	9,768	9,768	9,768	
Fund Balances - Ending	<u>\$ 9,768</u>	<u>\$ 9,768</u>	<u>\$ 11,440</u>	<u>\$ 1,673</u>

**ERATH COUNTY, TEXAS**  
**COURTHOUSE SECURITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$ 350	\$ 350	\$ 289	\$ (61)
Reserves	55,000	55,000	-	(55,000)
Fees	18,200	18,200	24,574	6,374
Total Revenues	<u>\$ 73,550</u>	<u>\$ 73,550</u>	<u>\$ 24,863</u>	<u>\$ (48,687)</u>
<b>EXPENDITURES</b>				
Security Expenses	\$ 73,550	\$ 73,550	\$ 66,702	\$ 6,848
Total Expenditures	<u>\$ 73,550</u>	<u>\$ 73,550</u>	<u>\$ 66,702</u>	<u>\$ 6,848</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	(41,839)	(41,839)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	(41,839)	(41,839)
Fund Balances - Beginning	262,791	262,791	262,791	
Fund Balances - Ending	<u>\$ 262,791</u>	<u>\$ 262,791</u>	<u>\$ 220,952</u>	<u>\$ (41,839)</u>

**ERATH COUNTY, TEXAS**  
**COUNTY CLERK DIGITIZED RECORDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Fees	-	-	1,525	1,525
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,525</u>	<u>\$ 1,525</u>
<b>EXPENDITURES</b>				
Digitized Records Expense	\$ -	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	1,525	1,525
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	1,525	1,525
Fund Balances - Beginning	-	-	-	
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,525</u>	<u>\$ 1,525</u>

**ERATH COUNTY, TEXAS**  
**DISTRICT CLERK DIGITIZED RECORDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Fees			20	20
Total Revenues	\$ -	\$ -	\$ 20	\$ 20
<b>EXPENDITURES</b>				
Digitized Record Expense	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	20	20
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Net Changes In Fund Balances	-	-	20	20
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ 20	\$ 20

**ERATH COUNTY, TEXAS**  
**COUNTY CLERK RECORDS MANAGEMENT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Interest	\$ 350	\$ 350	\$ 363	\$ 13
Reserves	133,498	133,498	-	(133,498)
Fees	60,000	60,000	74,865	14,865
Total Revenues	<u>\$ 193,848</u>	<u>\$ 193,848</u>	<u>\$ 75,228</u>	<u>\$ (118,620)</u>
<b>EXPENDITURES</b>				
Salary Expense	\$ 37,732	\$ 37,732	\$ 22,984	\$ 14,748
Supplies	10,000	10,000	2,056	7,944
Equipment	12,592	12,592	12,592	-
Software/Hardware Maintenance	33,524	33,524	29,084	4,440
Records Preservation Expense	100,000	100,000	125	99,875
Total Expenditures	<u>\$ 193,848</u>	<u>\$ 193,848</u>	<u>\$ 66,841</u>	<u>\$ 127,007</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	8,387	8,387
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(23,383)	23,383
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,383)</u>	<u>\$ (23,383)</u>
Net Changes In Fund Balances	-	-	(14,996)	(14,996)
Fund Balances - Beginning	319,241	319,241	319,241	-
Fund Balances - Ending	<u>\$ 319,241</u>	<u>\$ 319,241</u>	<u>\$ 304,245</u>	<u>\$ (14,996)</u>

**ERATH COUNTY, TEXAS**  
**COUNTY CLERK RECORDS PRESERVATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$ 150	\$ 150	\$ 191	\$ 41
Fees	17,300	17,300	18,928	1,628
Total Revenues	<u>\$ 17,450</u>	<u>\$ 17,450</u>	<u>\$ 19,118</u>	<u>\$ 1,668</u>
<b>EXPENDITURES</b>				
Equipment	\$ 11,950	\$ 11,950	\$ 11,262	\$ 688
Software/Hardware Maintenance	5,500	5,500	5,500	-
Total Expenditures	<u>\$ 17,450</u>	<u>\$ 17,450</u>	<u>\$ 16,762</u>	<u>\$ 688</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	2,356	2,356
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	2,356	2,356
Fund Balances - Beginning	152,762	152,762	152,762	-
Fund Balances - Ending	<u>\$ 152,762</u>	<u>\$ 152,762</u>	<u>\$ 155,118</u>	<u>\$ 2,356</u>

**ERATH COUNTY, TEXAS**  
**DISTRICT CLERK RECORDS PRESERVATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Fees	25	25	183	158
Total Revenues	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 183</u>	<u>\$ 158</u>
<b>EXPENDITURES</b>				
Supplies	\$ 25	\$ 25	\$ -	\$ 25
Equipment	-	-	-	-
Total Expenditures	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 25</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	183	183
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	183	183
Fund Balances - Beginning	768	768	768	-
Fund Balances - Ending	<u>\$ 768</u>	<u>\$ 768</u>	<u>\$ 950</u>	<u>\$ 183</u>

**ERATH COUNTY, TEXAS**  
**COUNTY ATTORNEY HOT CHECK**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$ 50	\$ 50	\$ 56	\$ 6
Reserves	10,588	10,588	-	(10,588)
Fees	18,000	18,000	18,866	866
Total Revenues	\$ 28,638	\$ 28,638	\$ 18,922	\$ (9,716)
<b>EXPENDITURES</b>				
Salary Expense	\$ 17,938	\$ 17,938	\$ 11,217	\$ 6,721
Telephone	500	500	264	236
Supplies	1,200	1,200	836	364
Continued Legal Education	1,500	1,500	235	1,265
Contingency	500	500	-	500
Equipment	1,500	1,500	-	1,500
Software/Hardware Maintenance	5,300	5,300	5,176	124
Staff Meeting Meals	200	200	-	200
Total Expenditures	\$ 28,638	\$ 28,638	\$ 17,728	\$ 10,910
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	1,195	1,195
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Net Changes In Fund Balances	-	-	1,195	1,195
Fund Balances - Beginning	58,755	58,755	58,755	-
Fund Balances - Ending	\$ 58,755	\$ 58,755	\$ 59,949	\$ 1,195

**ERATH COUNTY, TEXAS**  
**DISTRICT ATTORNEY HOT CHECK**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Interest	\$ 50	\$ 50	\$ 7	\$ (43)
Reserves	1,000	1,000	-	(1,000)
Fees	150	150	75	(75)
Total Revenues	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ 82</u>	<u>\$ (1,118)</u>
<b>EXPENDITURES</b>				
Schools & Dues	\$ -	\$ -	\$ -	\$ -
Equipment Repair	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	1,200	1,200	82	(1,118)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	1,200	1,200	82	(1,118)
Fund Balances - Beginning	7,535	7,535	7,535	-
Fund Balances - Ending	<u>\$ 8,735</u>	<u>\$ 8,735</u>	<u>\$ 7,617</u>	<u>\$ (1,118)</u>

**ERATH COUNTY, TEXAS**  
**DISTRICT ATTORNEY FORFEITURE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 25	\$ 25
Reserves	22,633	22,633	-	(22,633)
Fees	-	-	-	-
Total Revenues	<u>\$ 22,633</u>	<u>\$ 22,633</u>	<u>\$ 25</u>	<u>\$ (22,608)</u>
<b>EXPENDITURES</b>				
Salary Expense	\$ 6,230	\$ 6,230	\$ 6,224	\$ 6
Supplies	1,903	1,903	162	1,741
Schools & Dues	2,000	2,000	-	2,000
Travel	500	500	-	500
Litigation	7,000	7,000	-	7,000
Equipment	5,000	5,000	-	5,000
Donations	5,000	5,000	5,000	-
Total Expenditures	<u>\$ 27,633</u>	<u>\$ 27,633</u>	<u>\$ 11,386</u>	<u>\$ 16,247</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	(5,000)	(5,000)	(11,361)	(6,361)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	(5,000)	(5,000)	(11,361)	(6,361)
Fund Balances - Beginning	35,908	35,908	35,908	-
Fund Balances - Ending	<u>\$ 30,908</u>	<u>\$ 30,908</u>	<u>\$ 24,547</u>	<u>\$ (6,361)</u>

**ERATH COUNTY, TEXAS**  
**SHERIFF FORFEITURE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 48	\$ 48
Sale of Seized Assets	-	-	15,271	15,271
Reserves	10,000	10,000	-	(10,000)
Total Revenues	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 15,318</u>	<u>\$ 5,318</u>
<b>EXPENDITURES</b>				
Supplies	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Buy Money	5,000	5,000	1,765	3,235
Total Expenditures	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 1,765</u>	<u>\$ 8,235</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	13,553	13,553
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	:	-	13,553	13,553
Fund Balances - Beginning	43,329	43,329	43,329	-
Fund Balances - Ending	<u>\$ 43,329</u>	<u>\$ 43,329</u>	<u>\$ 56,882</u>	<u>\$ 13,553</u>

**ERATH COUNTY, TEXAS**  
**JAIL COMMISSARY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 3	\$ 3
Commissary Commission	-	-	6,543	6,543
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,546</u>	<u>\$ 6,546</u>
<b>EXPENDITURES</b>				
Inmate Commissary Expense	\$ -	\$ -	\$ 18,434	\$ (18,434)
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,434</u>	<u>\$ (18,434)</u>
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	-	-	\$ (11,888)	\$ (11,888)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	\$ -	\$ -
Transfers Out	-	-	\$ -	\$ -
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes In Fund Balances	-	-	\$ (11,888)	\$ (11,888)
Fund Balances - Beginning	-	-	\$ 12,716	\$ 12,716
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 828</u>	<u>\$ 828</u>

**ERATH COUNTY, TEXAS**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON MAJOR FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 10,852	\$ 10,852
Current Taxes	594,867	594,867	552,874	(41,992)
Delinquent Taxes	-	-	55,182	55,182
Penalty & Interest	-	-	5,421	5,421
Total Revenues	\$ 594,867	\$ 594,867	\$ 624,329	\$ 29,462
<b>EXPENDITURES</b>				
Fees Expense	\$ 1,000	\$ 1,000	\$ 500	\$ 500
Interest Payments	353,338	353,338	353,338	-
Principle Payments	467,000	467,000	467,000	-
Total Expenditures	\$ 821,338	\$ 821,338	\$ 820,838	\$ 500
Excess(Deficiency) of Revenues Over(Under)				
Expenditures	(226,472)	(226,472)	(196,509)	29,962
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	230,000	230,000	230,000	-
Transfers Out	(3,528)	(3,528)	(4,817,000)	4,813,472
Total Other Financing Sources (Uses)	\$ 226,472	\$ 226,472	\$ (4,587,000)	\$ 4,813,472
Net Changes In Fund Balances	-	-	(4,783,509)	(4,783,509)
Fund Balances - Beginning	6,479,510	6,479,510	6,479,510	-
Fund Balances - Ending	\$ 6,479,510	\$ 6,479,510	\$ 1,696,001	\$ (4,783,509)

**AGENCY FUND**

**COMBINING STATEMENT OF NET ASSETS**

**ERATH COUNTY  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
SEPTEMBER 30, 2011**

	<b>Sales Tax</b>	<b>Auto Fund</b>	<b>Sheriff's Office Special</b>	<b>Jail Inmate Fund</b>	<b>Motor Vehicle Escrow</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 297,756	\$ 39,922	\$ 1,518	\$ 3,196	\$ 91,362
Receivables (net of allowances for uncollectible)	-	-	-	-	-
Total Assets	<u>\$ 297,756</u>	<u>\$ 39,922</u>	<u>\$ 1,518</u>	<u>\$ 3,196</u>	<u>\$ 91,362</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Others	297,756	39,922	1,518	3,196	91,362
Total Liabilities	<u>\$ 297,756</u>	<u>\$ 39,922</u>	<u>\$ 1,518</u>	<u>\$ 3,196</u>	<u>\$ 91,362</u>

**ERATH COUNTY  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
SEPTEMBER 30, 2011**

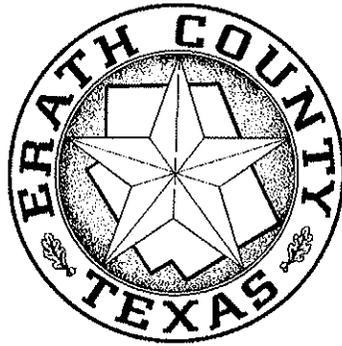
	<b>Tax Assessor Collector State</b>	<b>Erath Tax Assessor Collector</b>	<b>Escrow Payment</b>	<b>District Account</b>	<b>Motor Vehicle Internet Regulation</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 132,116	\$ 9,441	\$ 25,690	\$ 136,128	\$ 120
Receivables (net of allowances for uncollectible)	-	-	-	-	-
Total Assets	<u>\$ 132,116</u>	<u>\$ 9,441</u>	<u>\$ 25,690</u>	<u>\$ 136,128</u>	<u>\$ 120</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Others	132,116	9,441	25,690	136,128	120
Total Liabilities	<u>\$ 132,116</u>	<u>\$ 9,441</u>	<u>\$ 25,690</u>	<u>\$ 136,128</u>	<u>\$ 120</u>

**ERATH COUNTY  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
SEPTEMBER 30, 2011**

	<b>Credit Card Payments</b>	<b>Bail Bond Board</b>	<b>Unclaimed Funds</b>	<b>District Clerk County Trust</b>	<b>County Clerk Registry</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 9,819	\$ 5,210	\$ 7,396	\$ 100,359	\$ 750,903
Receivables (net of allowances for uncollectible)	-	-	-	-	-
Total Assets	<u>\$ 9,819</u>	<u>\$ 5,210</u>	<u>\$ 7,396</u>	<u>\$ 100,359</u>	<u>\$ 750,903</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Others	9,819	5,210	7,396	100,359	750,903
Total Liabilities	<u>\$ 9,819</u>	<u>\$ 5,210</u>	<u>\$ 7,396</u>	<u>\$ 100,359</u>	<u>\$ 750,903</u>

**ERATH COUNTY  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
SEPTEMBER 30, 2011**

	<b>District Clerk Registry</b>	<b>District Attorney Seized Assets</b>	<b>Total Fiduciary Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 233,728	\$ 410,480	\$ 2,255,144
Receivables (net of allowances for uncollectible)	-	-	-
Total Assets	<u>\$ 233,728</u>	<u>\$ 410,480</u>	<u>\$ 2,255,144</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Others	233,728	410,480	2,255,144
Total Liabilities	<u>\$ 233,728</u>	<u>\$ 410,480</u>	<u>\$ 2,255,144</u>



**STATISTICAL SECTION**

## STATISTICAL SECTION - TABLE OF CONTENTS

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

<u>Contents</u>	<u>Page Number</u>	<u>Table</u>
<p><b>Financial Trends -</b>                      These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</p>	105-108	I-IV
<p><b>Revenue Capacity -</b>                      The schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</p>	109-112	V-VIII
<p><b>Debt Capacity -</b>                      these schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</p>	113-117	IX-XIII
<p><b>Demographic and Economic Information -</b>                      These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</p>	118-119	XIV-XV
<p><b>Operating Information -</b>                      These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs</p>	120-122	XVI-XIII

**Sources:** Unless otherwise noted, the information in the schedules is derived from the comprehensive annual financial reports for the relevant year. The County Implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year, and will add additional years until ten years are presented.

## **FINANCIAL TRENDS**

**ERATH COUNTY, TEXAS**  
**NET ASSETS COMPARISON**  
**LAST EIGHT FISCAL YEARS**  
 (accrual basis of accounting)  
 (unaudited)

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental Activities</b>				
Invested in Capital Assets, net of related debt	\$ 7,676,194	\$ 8,923,440	\$ 9,221,139	\$ 9,433,508
Restricted	2,027,202	1,936,599	2,332,189	750,648
Unrestricted	8,143,625	8,402,277	9,382,485	13,282,704
<b>Total Governmental Activities net assets</b>	<b>\$ 17,847,021</b>	<b>\$ 19,262,316</b>	<b>\$ 20,935,813</b>	<b>\$ 23,466,860</b>

<b>Fiscal Year</b>			
<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
\$ 9,750,831	\$ 10,676,537	\$ 9,992,400	\$ 9,195,730
775,234	682,604	735,563	2,878,367
15,306,669	16,087,943	16,258,721	15,067,540
<u>\$ 25,832,734</u>	<u>\$ 27,447,084</u>	<u>\$ 26,986,684</u>	<u>\$ 27,141,637</u>

**ERATH COUNTY, TEXAS**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS**  
(accrual basis of accounting)  
(unaudited)

	Fiscal Years			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>				
Governmental Activities				
General Administration	1,935,554	1,910,523	3,041,188	2,341,862
Legal & Judicial	1,437,197	1,696,570	1,826,619	1,997,247
Public Safety	3,411,194	3,641,487	3,638,725	3,908,117
Road & Bridge	2,591,624	2,648,956	2,837,957	2,848,167
Health & Welfare	323,318	247,969	985,136	1,082,979
Capital Projects				-
Debt Service	87,545	68,225	3,592	1,829
Total governmental activities expenses	<u>9,786,432</u>	<u>10,213,730</u>	<u>12,333,217</u>	<u>12,180,201</u>
<b>Program Revenues</b>				
Governmental Activities				
Charges for Services				
General Administration	1,181,376	1,612,801	1,472,891	1,773,828
Legal & Judicial	201,820	154,567	167,717	189,995
Public Safety	169,773	185,779	471,476	557,705
Road & Bridge	896,166	994,872	915,711	872,483
Health & Welfare			405	-
Capital Projects				-
Debt Service				-
Operating and Grant Contributions	237,211	236,554	887,525	609,428
Total governmental activities program revenues	<u>2,686,346</u>	<u>3,184,573</u>	<u>3,915,725</u>	<u>4,003,439</u>
<b>Net (Expense) Revenue</b>				
Governmental Activities	(7,100,086)	(7,029,157)	(8,417,492)	(8,176,762)
<b>General Revenues and Other Changes</b>				
<b>in Net Assets</b>				
Governmental Activities				
Taxes	7,633,210	8,197,157	8,609,589	9,713,294
Interest	98,340	277,276	544,868	736,387
Miscellaneous			266,184	126,534
Special Items	16,310		640,368	131,596
Transfers	(59,924)			
Total Governmental Activities	<u>7,687,936</u>	<u>8,474,433</u>	<u>10,061,009</u>	<u>10,707,811</u>
<b>Change in Net Assets</b>				
Governmental activities	<u>587,850</u>	<u>1,445,276</u>	<u>1,643,517</u>	<u>2,531,049</u>

Table - II

Fiscal Years			
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
2,590,079	2,806,471	2,778,714	3,319,985
2,231,405	2,188,802	2,770,334	1,311,514
3,778,540	4,203,061	4,305,811	5,381,582
4,342,633	3,083,064	3,762,110	3,717,380
1,355,413	1,256,650	1,480,815	1,422,235
-	-	-	
-	-	94,825	259,513
<u>14,298,070</u>	<u>13,538,048</u>	<u>15,192,609</u>	<u>15,412,209</u>
1,693,031	1,493,881	1,570,267	1,037,202
177,839	149,688	160,682	522,516
671,078	809,131	695,700	273,354
1,014,824	977,425	858,199	837,000
			536,734
<u>1,717,261</u>	<u>443,519</u>	<u>467,659</u>	<u>62,452</u>
<u>5,274,033</u>	<u>3,873,644</u>	<u>3,752,507</u>	<u>3,269,258</u>
(9,024,037)	(9,664,404)	(11,440,102)	(12,142,951)
10,827,579	10,976,045	10,797,841	12,116,062
577,446	177,918	42,597	40,308
8,815	125,091	45,385	83,895
(23,928)	(300)	93,881	57,639
<u>11,389,912</u>	<u>11,278,754</u>	<u>10,979,704</u>	<u>12,297,904</u>
<u>2,365,875</u>	<u>1,614,350</u>	<u>(460,398)</u>	<u>154,953</u>

**ERATH COUNTY, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST EIGHT YEARS**

(modified accrual basis of accounting)  
(unaudited)

	Fiscal Years				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund					
Reserved					
Unreserved	\$ 7,524,692	\$ 7,542,002	\$ 8,598,645	\$ 10,213,085	\$ 11,834,313
Committed					
Unassigned					
Total General Fund	<u>\$ 7,524,692</u>	<u>\$ 7,542,002</u>	<u>\$ 8,598,645</u>	<u>\$ 10,213,085</u>	<u>\$ 11,834,313</u>
All other governmental funds					
Reserved					
Road & Bridge	\$ 905,406	\$ 1,075,762	\$ 1,108,382		
Debt Service	148,271	29,980			
Special Revenue Funds	973,525	860,837	1,223,807	\$ 750,648	\$ 775,234
Capital Projects					
Unreserved				2,285,369	2,642,111
Restricted					
Special Revenue Funds					
Committed					
Jail Construction					
Road & Bridge					
Unassigned					
Total other governmental Funds	<u>\$ 2,027,202</u>	<u>\$ 1,966,579</u>	<u>\$ 2,332,189</u>	<u>\$ 3,036,017</u>	<u>\$ 3,417,345</u>

**Note:** The County implemented GASB statement 54 in Fiscal Year 2011. Prior years have not been restated to conform to GASB statement 54.

Fiscal Years		
<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 19,900	\$ 2,932	
12,617,466	13,341,098	
		8,781,485
		4,994,301
<u>\$ 12,637,366</u>	<u>\$ 13,344,030</u>	<u>\$ 13,775,786</u>

\$ 682,604	\$ 797,568	
2,669,823	6,479,510	
	2,161,052	
		\$ 2,878,368
		6,960
		790,013
		1,022,036
<u>\$ 3,352,427</u>	<u>\$ 9,438,130</u>	<u>\$ 4,697,377</u>

**ERATH COUNTY, TEXAS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST EIGHT YEARS**

(modified accrual basis of accounting)  
(unaudited)

	Fiscal Years			
	2004	2005	2006	2007
<b>REVENUE</b>				
Taxes	\$ 8,461,939	\$ 9,048,802	\$ 9,452,265	\$ 10,569,465
Intergovernmental	464,878	399,369	887,525	578,576
Charges for Services	1,253,545	1,674,025	2,272,900	2,504,256
Interest	98,340	277,276	528,883	736,389
Other Revenue	130,649	200,321	245,805	175,486
Total Revenues	\$ 10,409,351	\$ 11,599,793	\$ 13,387,378	\$ 14,564,172
<b>EXPENDITURES</b>				
General Administration	\$ 1,853,548	\$ 1,803,875	\$ 2,909,118	\$ 2,406,675
Legal & Judicial	1,385,115	1,644,488	1,773,084	1,931,237
Public Safety	3,368,066	3,741,902	3,430,721	3,956,585
Road & Bridge	2,378,988	2,694,865	2,529,796	2,921,601
Health & Welfare	321,597	239,831	985,136	1,112,479
Capital Projects				-
Debt Service				
Bond Issuance Cost				
Principal	420,000	1,410,000		50,095
Interest	87,545	67,225	3,592	1,828
Bank Charges		1,000		-
Capital Outlay			974,047	
Total Expenditures	\$ 9,814,859	\$ 11,603,186	\$ 12,605,494	\$ 12,380,500
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	594,492	(3,393)	781,884	2,183,672
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Issuance of Debt				
Proceeds from Sale of Capital Assets	51,697	44,686	134,011	134,596
Proceeds from Sale Of Scrap Metal				
Transfers In	656,105	1,091,207	536,603	
Transfers Out	(743,083)	(864,707)	(30,246)	
Total Other Financing Sources (Uses)	\$ (35,281)	\$ 271,186	\$ 640,368	\$ 134,596
<b>NET CHANGE IN FUND BALANCES</b>	\$ 559,211	\$ 267,793	\$ 1,422,252	\$ 2,318,268
<b>Debt Service as a Percentage of noncapital expenditures</b>	5.17%	12.74%	0.03%	0.42%

Table - IV

Fiscal Years			
2008	2009	2010	2011
\$ 11,649,401	\$ 11,839,769	\$ 11,531,772	\$ 13,035,533
1,652,045	415,473	465,378	357,424
2,507,394	2,236,636	2,283,121	2,153,309
564,845	174,736	41,848	39,820
255,575	463,789	255,879	79,410
<u>\$ 16,629,260</u>	<u>\$ 15,130,403</u>	<u>\$ 14,577,998</u>	<u>\$ 15,665,496</u>
\$ 2,598,114	\$ 2,839,256	\$ 2,624,588	\$ 3,244,824
2,151,537	2,234,095	2,692,526	1,924,599
3,975,179	4,466,906	4,764,219	3,301,410
4,595,730	3,673,874	3,293,614	4,434,914
1,355,413	1,256,650	1,480,815	1,422,235
-	-	-	4,872,045
-	-	23,750	-
-	-	-	467,000
-	-	-	353,338
-	-	-	500
<u>\$ 14,675,973</u>	<u>\$ 14,470,781</u>	<u>\$ 14,879,512</u>	<u>\$ 20,020,365</u>
<u>1,953,287</u>	<u>659,622</u>	<u>(301,514)</u>	<u>(4,354,869)</u>
49,269	78,486	7,000,000	57,369
		93,881	4,485
		1,392,422	5,615,067
		(1,392,422)	(5,207,000)
<u>\$ 49,269</u>	<u>\$ 78,486</u>	<u>\$ 7,093,881</u>	<u>\$ 469,921</u>
<u>\$ 2,002,556</u>	<u>\$ 738,108</u>	<u>\$ 6,792,367</u>	<u>\$ (3,884,948)</u>
0.00%	0.00%	0.16%	4.10%

## **REVENUE CAPACITY**

**ERATH COUNTY, TEXAS**  
**TAXABLE VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(unaudited)

<u>Fiscal Year</u>	<u>Estimated Actual Value of Taxable Property</u>		<u>Total Taxable Value</u>	<u>Total Direct Tax Rate</u>
	<u>Real Property</u>	<u>Personal Property</u>		
2004	\$ 1,145,291,848	\$ 301,656,503	\$ 1,446,948,351	\$ 0.4625
2005	1,282,155,497	326,127,694	1,608,283,191	0.4410
2006	1,422,786,737	374,152,785	1,796,939,522	0.4352
2007	1,608,414,347	430,156,051	2,038,570,398	0.4187
2008	1,718,888,248	494,799,214	2,213,687,462	0.3915
2009	1,728,193,985	582,875,653	2,311,069,638	0.3900
2010	1,763,722,193	503,279,717	2,267,001,910	0.4500
2011	1,790,289,137	514,677,753	2,304,966,890	0.4700

**Source:** Erath County Tax Assessor/Collector

**Note:** Property in Erath County is re-assessed once every three years on average. The County assess property at approximately 95% of actual values for commercial, industrial, and residential property. Tax rates are per \$100 of assessed value. Data will be added each year until ten years are presented.

**ERATH COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
(per \$100 of Assessed Value)  
**LAST TEN YEARS**  
(unaudited)

<u>Name of Government</u>	<u>Fiscal Years</u>					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>DIRECT RATE</b>						
<b>County Direct Rate</b>						
General Fund	0.3437	0.3336	0.3420	0.3240	0.3198	0.3082
Road & Bridge	0.1263	0.1176	0.1205	0.1170	0.1154	0.1105
<b>Total Direct Rate</b>	<b>0.4700</b>	<b>0.4512</b>	<b>0.4625</b>	<b>0.4410</b>	<b>0.4352</b>	<b>0.4187</b>
<b>OVERLAPPING RATE</b>						
<b>City and Town Rate</b>						
City of Stephenville	0.4850	0.4850	0.4850	0.4750	0.465	0.4450
City of Dublin	0.6405	0.6812	0.6989	0.6989	0.6989	0.6990
<b>School District Rate</b>						
Stephenville ISD	1.6900	1.6700	1.6700	1.6600	1.5199	1.1920
Dublin ISD	1.4359	1.4459	1.4376	1.4346	1.3335	1.2369
Lingleville ISD	1.3912	1.4293	1.4668	1.4970	1.3708	1.1062
Bluff Dale ISD	1.3243	1.3651	1.4648	1.5028	1.375	1.0962
Morgan Mill ISD	1.2457	1.3100	1.3100	1.3700	1.2548	1.0400
Gordon ISD	1.5953	1.6171	1.6038	1.5840	1.440321	1.1024
Huckaby ISD	1.3990	1.4590	1.5000	1.5000	1.37	1.0400
Santo ISD	1.5797	1.7253	1.6894	1.6925	1.546984	1.1953
Three Way ISD	1.1800	1.1800	1.2600	1.2600	1.157	1.0400
<b>Water District Rate</b>						
Middle Trinity	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
<b>Total Overlapping Rate</b>	<b>13.9815</b>	<b>14.3680</b>	<b>14.5863</b>	<b>14.6748</b>	<b>13.5322</b>	<b>11.1930</b>
<b>Total Property Tax Rate</b>						
Direct and Overlapping Governments	14.4515	14.8192	15.0488	15.1158	13.9674	11.6117

Source: Erath County Tax Assessor/Collector

Note: Overlapping rates are those that apply to the property owners with in Erath County. Not all overlapping rates apply to all property owners for example, County property taxes apply to all county property owners, but City of Stephenville property taxes only apply to those property owners located within the geographic boundaries of the city.

Table - VI

<u>Fiscal Years</u>			
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
0.2862	0.2800	0.3325	0.3475
0.1032	0.1100	0.1175	0.1225
0.3894	0.3900	0.4500	0.4700
0.4350	0.4435	0.4600	0.4850
0.7550	0.9500	0.9900	1.0883
1.1470	1.1470	1.1470	1.1700
1.2369	1.2369	1.2724	1.2724
1.0884	1.0875	1.1079	1.1091
1.0945	1.0893	1.0921	1.0947
1.0400	1.0400	1.0400	1.0400
1.1058	1.0984	1.0932	1.0920
1.0400	1.0400	1.0400	1.0400
1.1964	1.1835	1.3162	1.3122
1.0400	1.0400	1.0400	1.0400
0.0150	0.0150	0.0150	0.0150
11.1790	11.3561	11.5988	11.7437
11.5684	11.7461	12.0488	12.2137

**ERATH COUNTY, TEXAS**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND TEN YEARS AGO**  
(unaudited)

<u>Tax Payer</u>	<b>2011</b>	
	<u>Total Taxable Value</u>	<u>Percentage of Total taxable value</u>
FMC Technologies	\$ 80,818,060	3.51%
Schreiber Foods INC	60,538,437	2.63%
Saint Gobain Abrasives INC	30,026,010	1.30%
Silver Star Power Partners LLC	26,487,240	1.15%
Oncor Electric Delivery Co.	19,129,200	0.83%
United Telephone of Texas	17,190,960	0.75%
Atmos Energy/MID Texpline	12,738,020	0.55%
Rough Creek Operationg LP	12,634,320	0.55%
Stephenville CHR Campus Crest LLC	11,030,880	0.48%
Stephenville Student Housing LP	10,259,330	0.45%
Fibergrate Composite Structures INC	9,922,990	0.43%
United Electric Cooperative Service	9,050,370	0.39%
DCP Midstream LP	8,500,000	0.37%
Wal-Mart Stores Texas	8,394,510	0.36%
Bosque River Associates	8,211,620	0.36%
<b>Total</b>	<b>\$ 324,931,947</b>	<b>13.74%</b>

**Source:** Erath County Tax Assessor/Collector

<u>Tax Payer</u>	<u>2002</u>	
	<u>Total</u>	<u>Percentage of</u>
	<u>Taxable Value</u>	<u>Total taxable value</u>
Saint Gobain Abrasives INC	\$ 29,799,319	2.39%
FMC Technologies	25,340,580	2.04%
Rayloc	20,719,950	1.67%
United Telephone of Texas	15,173,510	1.22%
Oncor Electric Delivery Co	13,807,000	1.11%
Bosque River Associates	9,543,390	0.77%
United Electric Cooperative Service	7,014,510	0.56%
Wilmington Trust Company	6,793,140	0.55%
Wal-Mart Stores Texas	6,788,010	0.55%
Fibergrate Composite Structures	6,372,780	0.51%
Emerson Electric Co	5,968,830	0.48%
Universal Blanchers INC	4,820,530	0.39%
Hexagon Oil & Gas Inc	4,645,630	0.37%
Rough Creek Operating LP	4,627,530	0.37%
Bruner Motors Inc	4,252,300	0.34%
<b>Total</b>	<b>\$ 165,667,009</b>	<b>13.31%</b>

**ERATH COUNTY, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST FIVE FISCAL YEARS**  
(unaudited)

FISCAL YEAR	TAXES LEVIED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS RELATED TO PRIOR YEARS	TOTAL COLLECTIONS	
	AMOUNT	% OF LEVY	AMOUNT	% OF LEVY		AMOUNT	% OF LEVY
2004	\$ 6,678,868		\$ 6,538,819	97.90%	\$ 69,133	\$ 6,607,953	98.94%
2005	7,078,309		6,941,922	98.07%	60,050	7,001,972	98.92%
2006	7,807,510		7,658,781	98.10%	70,490	7,729,271	99.00%
2007	8,530,221		8,354,927	97.95%	75,087	8,430,014	98.83%
2008	8,652,524		8,458,625	97.76%	70,651	8,529,276	98.58%
2009	9,002,567		8,767,954	97.39%	85,434	8,853,388	98.34%
2010	10,213,977		10,005,897	97.96%	89,259	10,095,155	98.84%
2011	10,819,547		10,463,049	96.71%	63,083	10,526,132	97.29%

**Source:** Erath County Tax Assessor/Collector

**Note:** 2011 current year tax collections are not finalized until end of fiscal year 2012  
Data will be added until ten years are presented

## **DEBT CAPACITY**

**ERATH COUNTY, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST EIGHT FISCAL YEARS**  
(unaudited)

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	<u>Fiscal Year</u>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 286,324,462	\$ 320,538,874	\$ 355,696,684	\$ 402,103,587
Total net debt applicable to limit	1,613,374	1,443,412	1,261,729	-
Legal debt margin	<u>\$ 287,937,836</u>	<u>\$ 321,982,286</u>	<u>\$ 356,958,413</u>	<u>\$ 402,103,587</u>
Total net debt applicable to the limit as a percentage of debt limit	0.56%	0.45%	0.35%	0.00%

Note: (1) Total assessed valuation of real property as certified, and is also presented on Table V  
(2) Debt Limit 25% of assessed value of Real Property  
Article 3, Section 52, of the Texas Constitution  
(3) Includes general obligation bonds and certificates of obligation  
Data will be added until ten years are presented

<b>Legal Debt Margin Calculation for Fiscal Year 2011</b>	
Note 1: Assessed Value	1,790,289,137
Note 2: Debt Limit(25% assesd value)	447,572,284
Note 3: Debt applicable to limit-	
Gross Bonded Debt	6,533,000
Less: Debt Service Fund	1,696,001
	<u>4,836,999</u>
Legal Debt Margin	<u><u>452,409,283</u></u>

	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$	429,722,062	\$ 432,048,496	\$ 440,930,548	447,572,284
	-	-	7,000,000	4,836,999
<u>\$</u>	<u>429,722,062</u>	<u>\$ 432,048,496</u>	<u>\$ 447,930,548</u>	<u>\$ 452,409,283</u>

0.00%	0.00%	1.56%	1.07%
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**ERATH COUNTY, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(unaudited)

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
	<u>Certificates of Obligation</u>	<u>General Obligation Bonds</u>	<u>Capital Lease</u>			
2002	\$ -	\$ 2,235,000	\$ 57,577	\$ 2,292,577	N/R	N/R
2003	-	1,830,000	-	1,830,000	N/R	N/R
2004	-	1,410,000	-	1,410,000	N/R	N/R
2005	-	-	98,425	98,425	N/R	N/R
2006	-	-	50,094	50,094	N/R	N/R
2007	-	-	-	-	0.00%	-
2008	-	-	-	-	0.00%	-
2009	-	-	-	-	0.00%	-
2010	7,000,000	-	-	7,000,000	0.66%	203
2011	6,533,000	-	-	6,533,000	0.58%	190

**Note:** Income and Population figures are generated from data found on the demographic and economic information table XIV

In the years 2007-2009 the County held no outstanding debt

**ERATH COUNTY, TEXAS**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
(unaudited)

<b>General Bonded Debt Outstanding</b>							
<b>Fiscal Year</b>	<b>General Obligation Bonded Debt</b>	<b>Debt Service Funds Available</b>	<b>Net Bonded Debt</b>	<b>Assessed Value</b>	<b>Percentage of Actual Taxable Value</b>	<b>Per Capita</b>	
2002	\$ 2,235,000	\$ 621,626	\$ 1,613,374	N/R	N/R	N/R	
2003	1,830,000	386,588	1,443,412	N/R	N/R	N/R	
2004	1,410,000	148,271	1,261,729	\$ 1,446,948,351	0.09%	N/R	
2005	-	29,980	(29,980)	1,608,283,191	0.00%	N/R	
2006	-	-	-	1,796,939,522	0.00%	N/R	
2007	-	-	-	2,038,570,398	0.00%	-	
2008	-	-	-	2,213,687,462	0.00%	-	
2009	-	-	-	2,311,069,638	0.00%	-	
2010	7,000,000	-	7,000,000	2,267,001,910	0.31%	194	
2011	6,533,000	1,696,001	4,836,999	2,304,966,890	0.21%	128	

**Note:** Population figures are generated from data found on the demographic and economic information table XIV

Assessed values coincide with table V in the revenue capacity section

The years 2007-2009 the County held no outstanding debt

**ERATH COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2011**  
(unaudited)

<u>Name of Government</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>DIRECT DEBT</b>			
Erath County	\$ 6,533,000	100.00%	\$ 6,533,000
		<b>Total Direct Debt</b>	<b>\$ 6,533,000</b>
<b>OVERLAPPING DEBT</b>			
<b>City and Town Debt</b>			
City of Stephenville	2,185,000	100.00%	\$ 2,185,000
City of Dublin	-	100.00%	-
<b>School District Debt</b>			
Stephenville ISD	16,262,925	100.00%	16,262,925
Dublin ISD	12,182,775	95.00%	11,573,636
Lingleville ISD	1,869,869	90.00%	1,682,882
Bluff Dale ISD	420,274	97.00%	407,666
		<b>Total Overlapping Debt</b>	<b>\$ 32,112,109</b>
		<b>Total Direct and Overlapping Debt</b>	<b>\$ 38,645,109</b>

**Source:** Erath County Tax Assessor/Collector

**Note:** Overlapping Governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that borne by the residents and business of Erath County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the government's taxable assessed value that is within the government's boundaries and dividing it by the governments total taxable assessed value.

**ERATH COUNTY, TEXAS**  
**PLEDGED - REVENUE COVERAGE**  
**LAST EIGHT FISCAL YEARS**  
(unaudited)

<u>Fiscal Years</u>	<u>Certificates of Obligation</u>				
	<u>Property Tax</u>	<u>Less: Expenses</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
2004	\$ -	\$ -	\$ -	\$ -	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	23,750	-	-	-
2011	1,696,001	500	467,000	353,338	2.07

**Note:** Certificates of Obligation were obtained to remodel and expand the County Jail and Sheriff's Administration Building.

**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

**ERATH COUNTY, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST FIVE CALENDAR YEARS**  
(unaudited)

<b>Year</b>	<b>Population(1)</b>	<b>Personal Income(1)</b>	<b>Per Capita Personel Income(1)</b>	<b>Public School Enrollment(2)</b>	<b>Tarleton State University Enrollment(3)</b>	<b>Unemployment rate(4)</b>
<b>2007</b>	34,420	\$ 901,769,000	24,805	5,494	7,840	3.60%
<b>2008</b>	35,581	1,004,187,000	27,378	5,461	7,763	3.80%
<b>2009</b>	35,351	1,095,025,000	29,486	5,534	8,242	6.20%
<b>2010</b>	36,061	1,054,305,000	28,045	5,611	8,896	6.60%
<b>2011</b>	37,890	1,133,770,000	29,875	5,570	9,575	6.20%

**Source:**

- (1) Statistics Provided by the Bureau of Economic Analysis
- (2) Enrollment figures provided by Independent school districts located within Erath County
- (3) Enrollment figures provided by Tarleton State University
- (4) Unemployment rates provided by the Texas Workforce Commission

**Note:** Only five years of data is shown, prior to 2007 data is incomplete. Additional years will be added until ten years of data is presented.

**ERATH COUNTY, TEXAS**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR**  
(unaudited)

<b>2011</b>		
<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Tarleton State University	Education	1,127
FMC Technologies	Oil Field Products	550
Stephenville ISD	Education	450
Walmart Supercenter	Retail	450
Saint-Gobain Abrasives	Coated Abrasives	434
Schreiber Foods	Cheese Mfg.	430
Western Dairy Transport	Milk Transport	400
Texas Health Harris Methodist	Hospital	250
Erath County	Government	168
United Cooperative Services	Rural Utility Services	150
City of Stephenville	Government	140
Fibergrate Composite Structures	Fiber Glass Products	127
EGS Electrical Group	Metal Processing	126
Stephenville Medical & Surgical Clinic	Health Care	122
HEB Grocery	Retail	118
<b>Total for top 15 Employers</b>		<b><u>5,042</u></b>

**Source:** Stephenville Chamber of Commerce

**Note:** Data for Top Employers of the County is not available for nine years ago.

## **OPERATING INFORMATION**

**ERATH COUNTY, TEXAS**  
**COUNTY EMPLOYEES BY FUNCTION/DEPARTMENT**  
**LAST FIVE FISCAL YEARS**  
(unaudited)

<b>Function/Department</b>	<b>Fiscal Years</b>				
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>General Administration</b>					
County Judge	2	2	2	2	2
County Clerk	9	9	9	8	7
Treasurer	3	3	3	3	3
Auditor	3	4	4	4	4
Tax Office	11	11	11	11	11
District Clerk	5	4	5	5	5
County Extension Office	4	4	4	4	4
Veterans Service	1	1	1	1	1
<b>Legal</b>					
County Attorney	4	5	5	5	5
District Attorney	6	6	6	7	6
<b>Judicial</b>					
County Court at Law	2	2	2	2	2
District Judge	4	4	4	4	4
Justice of the Peace # 1	4	4	4	4	4
Justice of the Peace # 2	2	2	2	2	2
<b>Road &amp; Bridge</b>					
Precinct # 1	7	7	7	6	6
Precinct # 2	9	7	8	9	9
Precinct # 3	8	9	9	9	8
Precinct # 4	7	7	7	7	7
Maintenance Barn	2	3	2	2	2
<b>Facilities</b>					
Facilities Maintenance	3	3	3	3	3
<b>Public Safety</b>					
Sheriffs Administration	27	23	23	26	26
Dispatch	8	8	8	10	10
Jail	22	22	22	22	22
Highway Patrol	1	1	1	1	1
Constable # 1	1	1	1	1	1
Constable # 2	1	1	1	1	1
Volunteer Fire & Rescue					
Pretrial Diversion	2	2	2	2	2
<b>Health and Welfare</b>					
Sanitation	1	1	1	1	1
Emergency Medical Services	21	20	20	22	22
<b>Probation</b>					
Juvenile Probation	3	3	3	3	3
Community Supervision Correction	8	7	7	7	7
<b>Total County Employees</b>	<b>191</b>	<b>186</b>	<b>187</b>	<b>194</b>	<b>191</b>

Source: County Treasurer/ Human Resources

Note: Data will be added to show a complete ten years

**ERATH COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST FIVE FISCAL YEARS**  
(unaudited)

<u>Function/Program</u>	<u>Fiscal Years</u>				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Public Safety</b>					
Sheriff					
Number of Employees	27	23	23	26	26
Number of Dispatch Calls	7222	7678	8299	8243	8917
Fire					
Number of Employees (25 volunteer/12 paid)	37	37	37	37	37
Number of Dispatch Calls	n/r	534	542	335	488
EMS					
Number of Employees	21	20	20	22	22
Number of Dispatch Calls	1055	1032	1051	1143	1080
<b>Road &amp; Bridge</b>					
Precinct # 1					
Number of Employees	7	7	7	6	6
Miles of Road	181.50	179.03	179.03	179.03	179.03
Precinct # 2					
Number of Employees	9	7	8	9	9
Miles of Road	224.20	229.97	229.97	229.97	229.97
Precinct # 3					
Number of Employees	8	9	9	9	8
Miles of Road	199.80	222.83	222.83	222.83	222.83
Precinct # 4					
Number of Employees	7	7	7	7	7
Miles of Road	191.20	198.32	198.32	198.32	198.32

**Source:** Each individual Public Safety office supplied number of calls, and road mileage was obtained from the Erath County Appraisal District for preparation of each fiscal years budget.

**Note:** Additional years data will be added until ten years are presented

**ERATH COUNTY, TEXAS**  
**CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS**  
**LAST EIGHT FISCAL YEARS**  
(unaudited)

<u>Funtion</u>	<u>Fiscal Years</u>							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>General Adimistration</b>								
Office Buildings/Courthouses	4	4	4	4	4	4	4	4
Vehicles	1	1	1	1	1	1	1	1
<b>Public Safety</b>								
Sheriffs Administration/Jail	1	1	1	1	1	1	1	1
Sheriffs Vehicles	26	26	26	26	26	26	26	26
Volunteer Fire & Rescue Building	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Fire & Rescue Vehicles	4	4	5	5	5	5	5	6
EMS Building	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
EMS Vehicles	0	0	0	2	3	3	3	3
<b>Road &amp; Bridge</b>								
Buildings	2	2	2	2	2	2	2	2
Heavy Equipment	42	42	42	42	42	42	42	42
Vehicles	14	14	14	14	14	14	14	14
County Road (miles)	796	796	796	796	830	830	830	830

**Source:** Various County offices

**Note:** Additional Data will be added until ten years are presented

Mesch, McBride & Cooper PLLC  
CPAs and Advisors

**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***

Honorable Tab Thompson, County Judge  
and the Honorable County Commissioners  
of Erath County, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Erath County, Texas (the "County"), as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 2, 2012. 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 the 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 the 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, the audit committee, Commissioner's Court, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Musch, M<sup>s</sup> Brink & Cooper PLLC*

Fort Worth, Texas

July 2, 2012