

# **Erath County, Texas**

## **Comprehensive Annual Financial Report For the Year Ended September 30, 2012**

Janet S. Martin, C.P.A., C.F.E.  
County Auditor

**ERATH COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Year Ended September 30, 2012**

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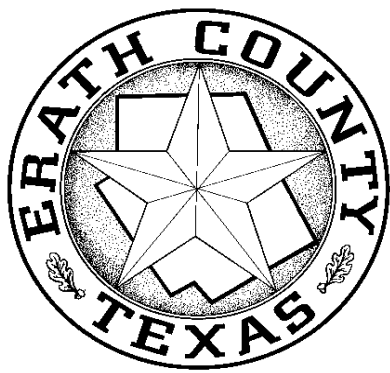
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## **INTRODUCTORY SECTION**



**Erath County**  
County Auditor

November 14, 2013

The Honorable District Judge Jason Cashon, 266<sup>th</sup> Judicial District  
The Honorable Commissioners' Court, Erath County, Texas  
Tab Thompson                      County Judge  
Dee Stephens                      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, 2012 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 Boucher, Morgan and Young a PC, 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, 2012, 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, 2012, 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 Jarrod Harris.

Respectfully submitted,

Janet S. Martin, CPA, CFE  
Erath County Auditor

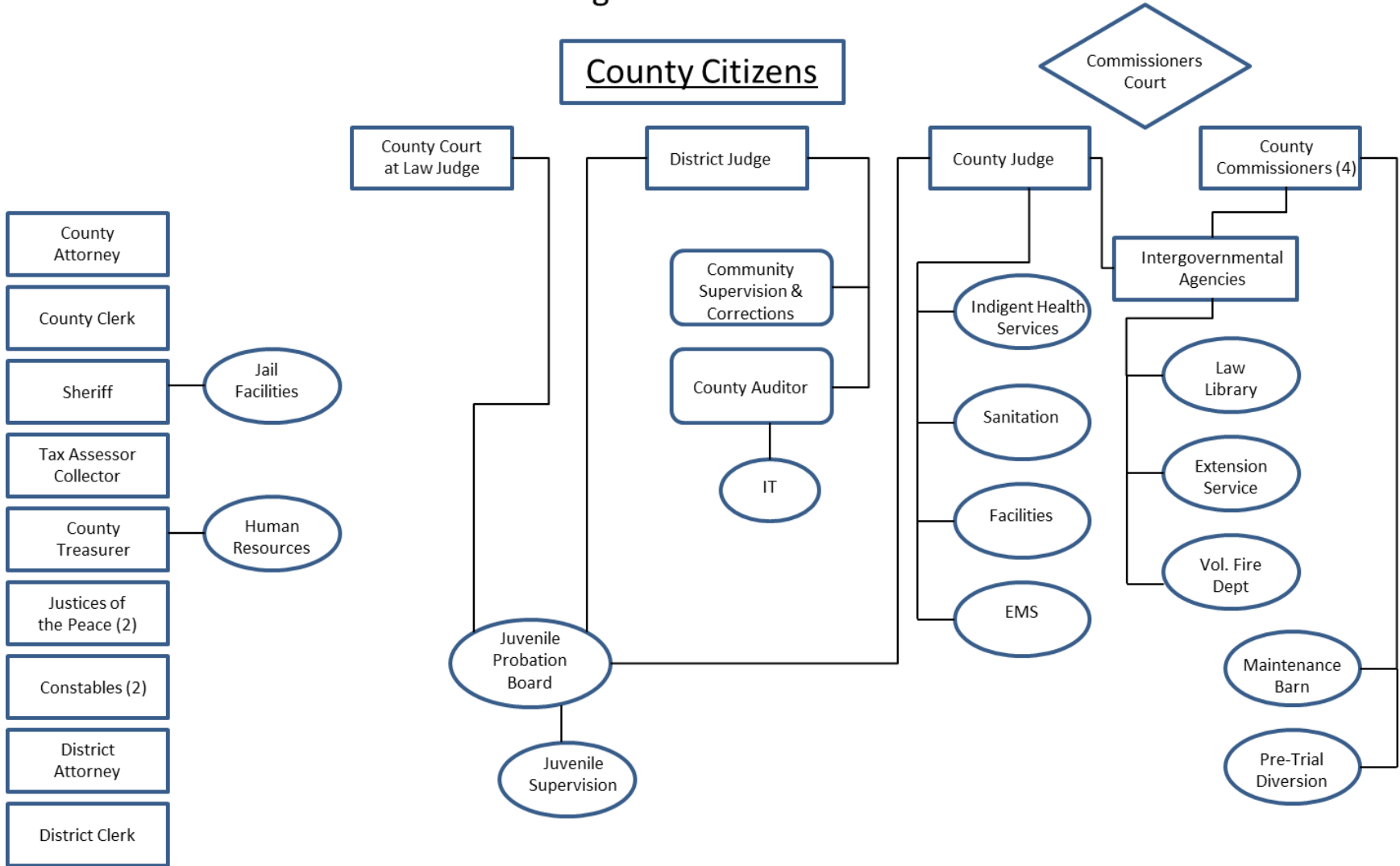
**ERATH COUNTY, TEXAS**  
**PRINCIPAL OFFICERS**

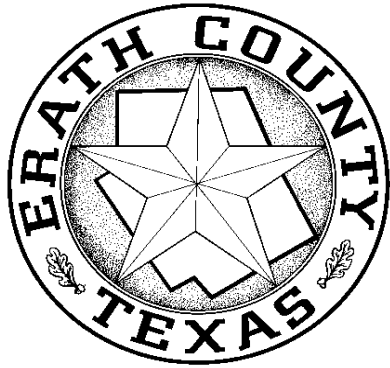
**as of September 30, 2012**

<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 S. Martin
County Treasurer	Donna Kelly
Tax Assessor-Collector	Jennifer Carey
District Judge	Jason Cashon
County Clerk	Gwinda Jones
District Clerk	Wanda Pringle
Sheriff	Tommy Bryant



# County of Erath Organization Chart





## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

To the Honorable Members  
of the Commissioners' Court  
Erath County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Erath County, Texas, as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the County's discretely presented Volunteer Fire Department, a component unit of Erath County. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Erath County Volunteer Fire Department, is based on the report of the other auditors.

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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Erath County, Texas, as of September 30, 2012, 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 November 14, 2013, on our consideration of the Erath County, Texas' 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, pension funding progress and budgetary comparison information on pages 9 through 21, and Pages 57 through 68, 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 and the other auditors 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 regarding 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 Erath County's financial statements as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors 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, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Stephenville, Texas  
November 14, 2013

# **ERATH COUNTY, TEXAS**

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

### **For the Year Ended September 30, 2012**

#### **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 832 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 Commissioners 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 Statutes 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 roads 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	1100
FMC Technologies	Oilfield Products	809
Saint-Gobain Abrasives	Coated Abrasives	452
Stephenville ISD	Education	445
Wal-Mart	Retail	400
Schreiber Foods	Cheese Manufacturing	400
Western Dairy Transportation	Milk Transportation	240
Texas Health Harris Methodist	Hospital	230
Tejas Tubular	Oilfield Tubular Products	230
Erath County	Government	183
Fibergrate Composite Structure	Fiber Glass Products	182
City of Stephenville	Government	140
EGS Electrical Group	Metal Processing	122
Stephenville Medical & Surgical	Health Care	122
Outlaw Conversions	Horse Trailer Customization	105
Bruner Motors	Automobile Sales/Service	103
HEB Grocery	Retail	100

\*Tarleton State University also employs 600-900 part-time student workers

\*\*City of Stephenville also employs over 130 seasonal part-time employees

(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.

Update: As of December 31, 2012 FMC Technologies had added 277 employees from January 1, 2011 through the end of December 2012 and at least 40 of those employees came from outside Erath County. The project is still in process.

## Grants

Erath County benefits from multiple grants. During fiscal year 2012 the County received the following grant funds:

Juvenile Probation  
VINES/Appriss  
CJD Radio Upgrade Project  
Help Americans Vote Act  
S.E.C.O. – Facility energy efficiency  
Bulletproof Vests  
FEMA – Wildfires  
FEMA – Wildfires  
Laptops for Sheriff Vehicles - in partnership with Tarleton  
Texas Indigent Defense Commission  
Texas AgriLife Extension Better Living for Texans’

The total amount received from all grants was \$622,758 with expenditures of \$433,248, and accordingly, no A-133 audit was required.

## Discussion of the Financial Statements and Performance

This management’s 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, 2012. 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 \$1,980,253 increase in net assets from the previous year. The total net assets are comprised of:

- \$ 11,779,705 - amounts invested in capital assets, net of related debt
- \$ 50,250 - restricted for debt service
- \$ 4,000,865 – restricted for special revenue purposes
- \$ 13,291,070 - unrestricted net asset funds that may be used to meet on-going obligations to citizens and creditors

The change in net assets is attributed to:

- Increased property tax rates reflected in 2012 collections
- Positive results of the year’s operations



## Governmental Funds Financial Statements

The County's governmental funds reported combined fund balances of \$16,727,681 compared to \$18,472,333 of prior year. Components of fund balances are:

- \$ 1,668,974 - restricted
- \$ 2,382,141 - committed
- \$ 12,676,566 - unassigned

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$11,620,874 or 111% 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 24 individual governmental funds (excluding fiduciary funds) including 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 Supplementary 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, 2012 and 2011 are summarized as follows:

	Erath County's Net Assets		Increase (Decrease)
	Governmental Activities		
	2012	2011	
Current and other assets	\$ 18,346,636	\$ 20,021,445	\$ (1,674,809)
Capital assets (net of depreciation)	17,845,705	14,526,261	3,319,444
Total Assets	<u>\$ 36,192,341</u>	<u>\$ 34,547,706</u>	<u>\$ 1,644,635</u>
Current and other liabilities	\$ 1,443,042	\$ 643,395	799,647
Long-term liabilities	5,627,409	6,762,674	(1,135,265)
Total Liabilities	<u>\$ 7,070,451</u>	<u>\$ 7,406,069</u>	<u>\$ (335,618)</u>
Net asset invested in capital assets, net of related debt	\$ 11,779,705	\$ 9,195,730	\$ 2,583,975
Restricted net assets	4,051,115	2,878,367	1,172,748
Unrestricted net assets	13,291,070	15,067,540	(1,776,470)
Total Net Assets	<u>\$ 29,121,890</u>	<u>\$ 27,141,637</u>	<u>\$ 1,980,253</u>

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 \$29,121,890 at the close of the most recent fiscal year, representing a 7.30% increase from the prior year. The largest portion of net

assets (45.64%) may be used to meet the government’s commitments and on-going obligations to citizens and creditors. An additional portion of net assets (13.91%) 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* (40.45%) 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 Governmental Funds on page 30 provides further details of the increase in net assets of \$1,980,253 as indicated on page 12.

**Governmental activities.** Program revenues and expenses are presented net of inter-fund eliminations. Key elements for the years ended September 30, 2012 and 2011 are as follows:

**Erath County's Changes in Net Assets**

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
<b>Revenue</b>			
Net program revenue:			
Charges for services	\$ 3,222,006	\$ 3,206,806	\$ 15,200
Operating grants & contributions	146,723	62,452	84,271
General revenues:			
Property taxes	10,889,513	10,132,409	757,104
Other taxes	2,028,487	1,814,336	214,151
Penalty & interest	139,239	169,317	(30,078)
Miscellaneous revenue	275,739	83,895	191,844
Investment earnings	56,864	40,308	16,556
Gain on sale of fixed assets	-	57,639	(57,639)
Total Revenues	<u>16,758,571</u>	<u>15,567,162</u>	<u>1,191,409</u>
<b>Expenses</b>			
General government	3,052,483	3,319,985	(267,502)
Judicial	2,419,262	1,311,514	1,107,748
Public safety	4,374,804	5,381,582	(1,006,778)
Road & bridge	3,360,630	3,717,380	(356,750)
Health & welfare	1,326,306	1,422,235	(95,929)
Interest on long-term debt	244,833	259,513	(14,680)
Total Expenses	<u>14,778,318</u>	<u>15,412,209</u>	<u>(633,891)</u>
Change in net assets	1,980,253	154,953	1,825,300
Net assets-beginning	27,141,637	26,986,684	154,953
Net assets-ending	<u>\$ 29,121,890</u>	<u>\$ 27,141,637</u>	<u>\$ 1,980,253</u>

## 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 \$16,901,469 compared to \$15,567,162 for the prior fiscal year or 8.57% increase. General revenues increased \$1,234,836 from the prior fiscal period.

Property taxes increased by \$757,104 during the year. The change is due to increased taxable assessed values of 2.11% with an accompanying 2% increase in the tax rate. The tax rate assessed for July 19, 2012 valuation date increased from 45 to 47 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 2012, net (expense) revenue was (\$11,095,385) compared to (\$12,142,951) in FY 2011.

- Pay plans and salaries remained the same for all levels and in all functions except for pay increases given from discretionary funds at the pleasure of the elected official in charge of the discretionary fund.
- 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 increase 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) – decreased due to the reduction of the principal balance of 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 \$1,735,677 in the current fiscal year to \$16,727,681. 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 \$11,620,874 in contrast to \$4,994,301 in the prior year. The increase of fund balance is attributed to the new classification requirement set forth in GASB No. 54. Total fund balance is \$11,620,874.

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>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
Taxes	\$ 13,009,174	\$ 13,035,533	\$ (26,359)	0%
Intergovernmental	438,396	357,424	80,972	23%
Charges for Services	3,021,099	2,153,309	867,790	40%
Interest	56,612	39,820	16,792	42%
Other Revenue	231,733	79,410	152,323	192%
Total	<u>\$ 16,757,014</u>	<u>\$ 15,665,496</u>	<u>\$ 1,091,518</u>	

- Taxes - decreased by \$26,359 primarily due to slower tax collection.
- Intergovernmental - increased due to a reduction in funds received for governmental activities from State or Federal sources.
- Charges for services - had a net increase 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.

**Expenditures by Function-Governmental Funds**

<b>Function:</b>	<b>2012</b>	<b>2011</b>	<b>Increase (Decrease)</b>	<b>Percent of Change</b>
General administration	\$ 2,871,722.00	\$ 3,268,208	\$ (396,486)	12%
Legal	706,369	683,441	22,928	3%
Judicial	1,650,201	1,241,158	409,043	33%
Road & bridge	2,843,024	3,301,410	(458,386)	-14%
Public safety	4,308,211	4,434,914	(126,703)	-3%
Health & welfare	1,326,306	1,422,235	(95,929)	-7%
Capital projects	4,129,808	4,872,045	(742,237)	-15%
Debt service-interest	242,531	353,338	(110,807)	-31%
Debt service-principal	467,000	467,000	-	0%
Debt service-bank charges	500	500	-	0%
<b>Total</b>	<b>\$ 18,545,672</b>	<b>\$ 20,044,249</b>	<b>\$ (1,498,577)</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 – decreased due to the construction of the Jail Remodel beginning in the current fiscal year.
- Debt service – The interest function decreased due to decrease in principal balance of the 2010 certificates of obligation.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The FY2012 legally adopted cash budget was approved on September 1, 2011 for the General Fund totaling \$11,335,670, a decrease of \$715,317 from FY2011 budget. The FY2012 legally adopted budget for all funds totaled \$24,000,269.

**Highlights from Erath County FY 2012 Budget include the following:**

- The County’s property tax rate for valuation date January 1, 2012 was set at .47 cents per \$100 (dollar) assessed valuation.
- Erath County adopted a tax rate that will raise more taxes for Maintenance and Operations than the 2011 tax rate. The tax rate will effectively be raised by 4.73 percent and will raise taxes for Maintenance and Operations on a \$100,000 home by approximately \$1.90.
- The FY2012 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, 2012, the County had certificates of obligation outstanding in the amount of \$5,599,000. 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 FY2012:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Compensated absences	\$ 229,674	\$ 7,071	\$ -	\$ 236,745
Certificate of obligation	6,066,000	-	467,000	5,599,000
	<u>\$ 6,295,674</u>	<u>\$ 7,071</u>	<u>\$ 467,000</u>	<u>\$ 5,835,745</u>

**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, 2012, net capital assets of the governmental activities totaled \$18,159,910, reflecting a net increase of \$3,633,650 from the prior fiscal year. Depreciation of capital assets is recognized in the government-wide financial statements. FY 2012 depreciation for buildings, improvements, and M&E totaled \$1,123,686. The \$0.047 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 FY2012 Budget meets the key established policy directive of the Commissioners Court. The FY2013 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 FY2013 Budget include the following:

- The tax rate was set at .47 cents per \$100 assessed valuation.
- All compensation increases remained the same as FY2012 except pay increases given by elected officials from discretionary funds.
- No positions were created or deleted.
- The Jail construction project was completed in FY2012 ahead of the schedule. The Jail project was also under budget by \$1,057,231.



- The unassigned reserve balance of \$11,946,724 allows the County to operate with the assurance that financial solvency is not an issue. Also, it 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, the 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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2012**

	<u>Primary Government Governmental Activities</u>	<u>Component Unit- Erath County Volunteer Fire Department</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 15,997,839	\$ 58,322
Receivables (net of allowance for uncollectible)		
Taxes	602,063	-
Other	173,335	-
Bond issuance assets	19,609	-
Due from Erath County	-	12,032
Other assets	9,577	
Restricted assets		
Cash and cash equivalents	1,523,654	-
Receivables (net of allowance for uncollectible)	20,559	-
Capital Assets (net of accumulated depreciation)		
Land	668,045	-
Buildings, net	14,368,589	-
Furniture and equipment, net	2,809,071	78,130
Construction in progress	-	-
<b>Total Assets</b>	<u>36,192,341</u>	<u>148,484</u>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	567,950	12,153
Accrued salaries and wages	154,792	-
Due to other governments	27,760	-
Due to Erath County Volunteer Fire Department	12,032	-
Other liabilities	5,173	-
Certificate of obligation-due within one year	467,000	-
Accrued compensated absences-due in more than one year	208,335	-
Noncurrent liabilities		
Certificate of obligation-due in more than one year	5,599,000	-
Accrued compensated absences-due in more than one year	28,409	-
<b>Total Liabilities</b>	<u>7,070,451</u>	<u>12,153</u>
<b>NET ASSETS:</b>		
Invested in capital assets, net of related debt	11,779,705	-
Restricted for:		
Debt service	50,250	-
Special revenue purposes	4,000,865	-
Unrestricted	<u>13,291,070</u>	<u>136,331</u>
<b>Total Net Assets</b>	<u>\$ 29,121,890</u>	<u>\$ 136,331</u>

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

**ERATH COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Program Activities	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General administration	\$ 3,052,483	\$ 256,972	\$ 105,905
Judicial administrations	2,419,262	1,203,326	-
Public safety and law enforcement	4,374,804	487,131	40,818
Road and bridge	3,360,630	763,512	-
Health and welfare	1,326,306	511,065	-
Interest and fees on long-term debt	244,833	-	-
Total Governmental Activities	<u>14,778,318</u>	<u>3,222,006</u>	<u>146,723</u>
Total primary government	<u>\$ 14,778,318</u>	<u>\$ 3,222,006</u>	<u>\$ 146,723</u>
Component Unit:			
Erath County Volunteer Fire Department	293,849		315,344
Total Primary Government	<u>\$ 293,849</u>	<u>\$ -</u>	<u>\$ 315,344</u>

General Revenues:  
Property taxes, levied for general purposes  
Other taxes  
Penalty and interest  
Miscellaneous revenue  
Investment earnings  
Gain on sale of assets  
Total General Revenues  
Change in Net Assets  
Net Assets - Beginning  
Net Assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets	Component Unit- Erath County Volunteer Fire Department
Governmental Activities	
\$ (2,689,606)	\$ -
(1,215,936)	-
(3,846,855)	-
(2,597,118)	-
(815,241)	-
(244,833)	-
(11,409,589)	-
\$ (11,409,589)	\$ -
-	21,495
\$ -	\$ 21,495
\$ 10,889,513	\$ -
2,028,487	-
139,239	-
275,739	4,425
56,864	-
-	-
13,389,842	4,425
1,980,253	25,920
27,141,637	110,411
\$ 29,121,890	\$ 136,331

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

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	General Fund	Road and Bridge	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 562,051	\$ 2,530,860	\$ 1,072,080	\$ 1,671,957	\$ 5,836,948
Investments-current	11,289,203	-	-	20,873	11,310,076
Taxes receivable	502,745	99,318	-	20,559	622,622
Other receivable	13,399	-	-	-	13,399
Restricted cash and cash equivalents	-	-	-	-	-
Other assets	9,577	-	-	-	9,577
Total Assets and Other Debits	<u>\$12,376,975</u>	<u>\$ 2,630,178</u>	<u>\$ 1,072,080</u>	<u>\$ 1,713,389</u>	<u>\$ 17,792,622</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 403,282	\$ 139,610	\$ 16,388	\$ 8,219	\$ 567,499
Wages and salaries payable	123,415	30,839	-	538	154,792
Due to other governments	39,792	-	-	-	39,792
Other liabilities	5,175	-	-	-	5,175
Deferred revenues	184,437	77,588	-	35,658	297,683
Total Liabilities	<u>756,101</u>	<u>248,037</u>	<u>16,388</u>	<u>44,415</u>	<u>1,064,941</u>
Fund Balances:					
Restricted					
Debt service	-	-	-	50,250	50,250
Election	-	-	-	12,908	12,908
General administration	-	-	-	13,539	13,539
Health and welfare	-	-	-	582,511	582,511
Judicial	-	-	-	194,846	194,846
Legal	-	-	-	69,321	69,321
Public safety	-	-	-	231,532	231,532
Records management	-	-	-	514,067	514,067
Committed					
Road & bridge	-	2,382,141	-	-	2,382,141
Unassigned	11,620,874	-	1,055,692	-	12,676,566
Total Fund Balances	<u>11,620,874</u>	<u>2,382,141</u>	<u>1,055,692</u>	<u>1,668,974</u>	<u>16,727,681</u>
Total Liabilities and Fund Balances	<u>\$12,376,975</u>	<u>\$ 2,630,178</u>	<u>\$ 1,072,080</u>	<u>\$ 1,713,389</u>	<u>\$ 17,792,622</u>

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

**ERATH COUNTY, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2012**

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Total Fund Balances- Governmental Funds		\$16,727,681
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Amounts reported in governmental activities in the statement of net asset are different because:

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

374,018

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds balance sheet.

Governmental capital assets	\$ 30,406,165		
Accumulated depreciation	(12,560,460)		17,845,705

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 fund financial statements.

(6,302,744)

Costs associated with the issuance of governmental long term debt are expensed when incurred in the fund statements and capitalized and amortized over the life of the debt in the government-wide financial statements.

19,609

Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.

Office fees receivable	159,936		
Deferred revenue	297,685		457,621

Net Assets of Governmental Activities		\$29,121,890
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The accompanying notes are an integral part of the financial statements.



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

	General Fund	Road and Bridge	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUE:</b>					
Taxes:					
Property taxes	\$ 6,795,686	\$ 2,874,595	\$ 1,706	\$ 1,308,700	\$ 10,980,687
General sales and other taxes	2,028,487	-	-	-	2,028,487
Auto registrations	300,579	763,512	-	-	1,064,091
Intergovernmental revenue and grants	438,396	-	-	-	438,396
Charges for services	483,127	-	-	226,267	709,394
Fines and fees	1,237,343	-	-	-	1,237,343
Forfeitures	10,271	-	-	-	10,271
Investment earnings	49,246	4,842	-	2,524	56,612
Other revenue	67,229	20,970	-	143,534	231,733
Total Revenues	<u>11,410,364</u>	<u>3,663,919</u>	<u>1,706</u>	<u>1,681,025</u>	<u>16,757,014</u>
<b>EXPENDITURES:</b>					
Current:					
General Government:					
Public finance	1,471,217	-	-	52,279	1,523,496
General administration	1,320,320	-	-	27,906	1,348,226
Judicial	1,647,283	-	-	2,918	1,650,201
Legal	613,908	-	-	92,461	706,369
Public safety	4,284,815	-	-	23,396	4,308,211
Health and welfare	1,123,348	-	-	202,958	1,326,306
Road and bridge	-	2,843,024	-	-	2,843,024
Debt Service:					
Bank charges	-	-	-	500	500
Principal	-	-	-	467,000	467,000
Interest	-	-	-	242,531	242,531
Capital Outlay:					
Capital outlay	-	294,808	3,752,723	82,277	4,129,808
Total Expenditures	<u>10,460,891</u>	<u>3,137,832</u>	<u>3,752,723</u>	<u>1,194,226</u>	<u>18,545,672</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>					
	<u>949,473</u>	<u>526,087</u>	<u>(3,751,017)</u>	<u>486,799</u>	<u>(1,788,658)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Other revenue	-	44,006	-	-	44,006
Transfers in	-	180,000	4,799,749	-	4,979,749
Transfers out (use)	(3,104,385)	(180,000)	-	(1,695,364)	(4,979,749)
Total Other Financing Sources (Uses)	<u>(3,104,385)</u>	<u>44,006</u>	<u>4,799,749</u>	<u>(1,695,364)</u>	<u>44,006</u>
Net Change in Fund Balances	(2,154,912)	570,093	1,048,732	(1,208,565)	(1,744,652)
Fund Balances - Beginning	13,775,786	1,812,048	6,960	2,877,539	18,472,333
Fund Balances - Ending	<u>\$ 11,620,874</u>	<u>\$ 2,382,141</u>	<u>\$1,055,692</u>	<u>\$ 1,668,974</u>	<u>\$ 16,727,681</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 ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2012**

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Net Change in Fund Balances-Total Governmental Funds	\$	(1,744,652)
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Amounts reported for governmental activities in the statement of activities are different because:

Internal service funds are used by management to charge the cost of self-insurance in individual funds. The changes in net assets of the internal service funds are included in governmental activities in the statement of activities. The net effect of the consolidation is a decrease to net assets.		(9,388)
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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.		4,443,130
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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 net assets.		(1,123,687)
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Repayment of long-term debt principal is an expenditure in the Statement of Activities but not on the government-wide statements.		467,000
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Costs associated with the issuance of governmental long term debt are expensed when incurred in the fund statements and capitalized and amortized over the life of the debt in the government-wide financial statements.		(1,550)
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Various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting:

Decrease in office fines and fees revenue	\$ (88,189)	
Decrease in deferred tax revenue	48,065	
Increase in compensated absences	(10,476)	
		(50,600)

<b>Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b>1,980,253</b>
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The accompanying notes are an integral part of the financial statements.

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
SEPTEMBER 30, 2012**

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 374,469
TOTAL ASSETS	\$ 374,469
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities:	
Accounts payable	\$ 451
Total Liabilities	451
Net Assets:	
Unrestricted	374,018
Total Net Assets	374,018
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 374,469</b>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Governmental Activities
	Internal Service Funds
OPERATING EXPENDITURES	
Salaries & wages	\$ (9,824)
Total Operating Expenditures	(9,824)
Operating Income(Loss)	(9,824)
NONOPERATING REVENUES	
Investment earnings	436
Total Nonoperating Revenues	436
Changes in Net Assets	(9,388)
Net Assets-Beginning of Year	383,406
Net Assets-End of Year	\$ 374,018

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, 2012**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Paid to employees	\$ (9,373)
Net Cash Used by Operating Activities	(9,373)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	436
Net Cash Provided by Investing Activities	436
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(8,937)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	383,406
<b>CASH AND CASH EQUIVILANTS AT END OF YEAR</b>	\$ 374,469

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

**FIDUCIARY FUND FINANCIAL STATEMENTS**

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

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,090,469
Total Assets	<u>\$ 4,090,469</u>
<b>LIABILITIES</b>	
Due to others	\$ 4,090,469
Total Liabilities	<u>\$ 4,090,469</u>

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



**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**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. 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. Complete financial statements of the VFD can be obtained from their administrative offices.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

**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 from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following fund types:

*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.

*Nonmajor Governmental Funds:*

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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

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

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

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.

Property taxes are recorded net of the allowance for uncollectible taxes (\$79,280 General Fund, \$33,353 Road and Bridge Fund, \$6,888 Indigent Healthcare Fund and \$8,440 Debt Service Fund). Allowances for uncollectible tax receivables at the fund level 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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**NOTE 1: Summary of Significant Accounting Policies (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 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, 2012 to finance maintenance and operations of the County, Debt Service, and Road and Bridge were \$0.32, \$0.03, and \$0.12 respectively, for a total of \$0.47 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.

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**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

**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 are offset by a reservation of fund balance which indicates they do not represent “available spendable resources.” As of September 30, 2012, 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 governmental 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 Payables**

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.

See independent auditors’ report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**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, 2012, the value of accumulated vacation benefits was \$180,334 and the value of accumulated sick pay benefits was approximately \$56,411 for a total of \$236,745.

The portion of accrued vacation pay and sick pay that has been classified as current and reported in the governmental fund financial statements is \$208,336.

**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 transactions, except quasi-external transactions and reimbursements, are treated as transfers. Transfers in and transfers out are netted and presented as a single "transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "internal balance" 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.

See independent auditors' report.



**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**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.

**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.

**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.

See independent auditors’ report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

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 2012.

**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, 2012, 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.

See independent auditors’ report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

**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, 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, 2012 consisted of the following:

<b>Investment or Investment Type</b>	<b>Fair Value</b>	<b>Maturities</b>	
		<b>Less than 1 Year</b>	<b>Less than 2 Years</b>
Certificates of Deposit	\$ 3,625,000	\$ 3,625,000	\$ -
Money Market - DWS Government Cash	1,952,521	1,952,521	-
TexPool	11,937,952	11,937,952	-
<b>Total Investments</b>	<b>\$ 17,515,473</b>	<b>\$ 17,515,473</b>	<b>\$ -</b>

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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

*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 because its deposits at year-end and during the year ended September 30, 2012 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 AAAM money market mutual funds registered with the SEC.

As of September 30, 2012, TexPool's investment credit quality rating was AAAM (Standard & Poor's). DWS Government Cash was rated AAAM (Standard & Poor's).

**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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**NOTE 4: Capital Assets**

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

	October 1, 2011	Increase	Decrease	September 30, 2012
Government activities capital assets:				
Non-depreciable assets:				
Land	\$ 578,580	\$ 89,465	\$ -	\$ 668,045
Construction in progress	5,538,256	3,898,458	9,436,714	-
Total non-depreciable assets	<u>6,116,836</u>	<u>3,987,923</u>	<u>9,436,714</u>	<u>668,045</u>
Depreciable assets:				
Buildings	9,263,888	9,436,716	-	18,700,604
Furniture and equipment	10,582,311	455,207	-	11,037,518
Total depreciable assets	<u>19,846,199</u>	<u>9,891,923</u>	<u>-</u>	<u>29,738,122</u>
Totals at historic cost	<u>25,963,035</u>	<u>13,879,846</u>	<u>9,436,714</u>	<u>30,406,167</u>
Less accumulated depreciation:				
Buildings	(4,070,026)	(261,989)	-	(4,332,015)
Furniture and equipment	(7,366,749)	(861,698)	-	(8,228,447)
Total accumulated depreciation	<u>(11,436,775)</u>	<u>(1,123,687)</u>	<u>-</u>	<u>(12,560,462)</u>
Total capital assets, being depreciated, net	<u>8,409,424</u>	<u>8,768,236</u>	<u>-</u>	<u>17,177,660</u>
Governmental capital assets, net	<u>\$ 14,526,260</u>	<u>\$ 12,756,159</u>	<u>\$ 9,436,714</u>	<u>\$ 17,845,705</u>

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:

Depreciation by function:	
General administration	\$ 154,499
Justice	62,691
Public safety	388,890
Public transportation	517,607
Total depreciation expense	<u>\$ 1,123,687</u>

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**NOTE 5: Interfund Transactions**

No balances were due to or due from other funds at September 30, 2012.

During the year ended September 30, 2012, the Capital Projects Fund received a \$3,104,385 transfer from the General Fund and a \$1,695,364 from the Debt Service Fund to pay for construction of the addition to the Erath County Jail. Additionally, Road and Bridge performed an interfund transfer to fund operations of the Maintenance Barn in the amount of \$180,000.

**NOTE 6: 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, 2012:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount of Bond</u>
Certificates of obligation, Series 2010	3.85%	2010	2025	\$ 7,000,000

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

Year Ending September 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	
2013	\$	467,000
2014		467,000
2015		467,000
2016		467,000
2017		467,000
2018-2022		2,335,000
2023-2027		1,396,000
	<u>\$</u>	<u>6,066,000</u>

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**NOTE 6: Long-Term Obligations (cont.)**

**A. Long-Term Obligation Activity**

Long-term obligations include debt and compensated absences. Changes in long-term obligations for the period ended September 30, 2012, 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	\$ 229,674	\$ 7,071	\$ -	\$ 236,745	\$ 208,336
Certificate of obligation	<u>6,066,000</u>	<u>-</u>	<u>467,000</u>	<u>5,599,000</u>	<u>467,000</u>
<b>Total Governmental Activities</b>	<u>\$ 6,295,674</u>	<u>\$ 7,071</u>	<u>\$ 467,000</u>	<u>\$ 5,835,745</u>	<u>\$ 675,336</u>

**NOTE 7: 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, 2012, as follows:

Year Ending September 30,	
2013	\$ 55,278
2014	45,406
2015	36,007
2016	32,233
2017	<u>7,848</u>
Total Minimum Future Lease Obligations	<u>\$ 176,772</u>
Rental Expenditures in 2012	<u>\$ 55,725</u>

**NOTE 8: 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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**NOTE 8: Risk Management (cont.)**

**Health Care**

During the year ended September 30, 2012, 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 9: 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 10.1% for the months of the accounting year in 2011 and 10.42% for the months of the accounting year in 2012.

See independent auditors' report.



**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**NOTE 9: Pension Plan (cont.)**

The deposit rate payable by the employee members for calendar year 2012 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.

**C. Annual Pension Cost**

For the County's accounting year ended September 30, 2012, the annual pension cost for the TCDRS plan for its employees was \$680,458 and the actual contributions were \$680,458.

The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 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 payroll on a closed basis. The remaining amortization period at December 31, 2011 was 20 years.

**D. Funded Status and Funding Progress**

As of December 31, 2011, the most recent actuarial valuation date, the plan was 84.07% funded. The actuarial accrued liability for benefits was \$20,044,228, and the actuarial value of assets was \$16,851,157, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,193,071. The covered payroll (annual payroll of active employees covered by the plan) was \$6,975,380, and the ratio of UAAL to covered payroll was 45.78%.

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 10: 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, 2012, 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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**NOTE 10: Commitments and Contingencies (cont.)**

**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 11: New Accounting Pronouncements**

During fiscal year 2012, the County adopted the following Governmental Accounting Standards Board ("GASB") Statements:

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. Erath County is not an agent employer and does not have agent multiple employer plans.

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. Note 1 discloses component unit information.

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. This pronouncement had no impact on current financial statements.

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

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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**NOTE 11: New Accounting Pronouncements (cont.)**

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 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. 65, *Items Previously Reported as Assets and Liabilities*, which is effective for the County beginning in fiscal year 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which is effective for the County beginning in fiscal year 2014. The objective of this Statement is to improve accounting and financial reporting for a government financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

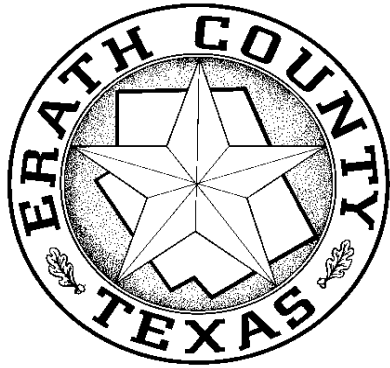
Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*, which is effective for the County beginning in fiscal year 2014. This Statement enhances note disclosures and Required Supplementary Information for pension plans.

Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, which is effective for the County beginning in fiscal year 2015. The objective of this Statement is to improve financial reporting for pension plans. This statement requires recognition of a long-term obligation for pension benefits as a liability

Statement No. 69, *Government Combinations and Disposals of Government Operations*, which is effective for the County beginning in fiscal year 2014. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

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

See independent auditors' report.



## **REQUIRED SUPPLEMENTARY INFORMATION**

ERATH COUNTY, TEXAS  
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
 SCHEDULE OF FUNDING PROGRESS  
 (UNAUDITED)

Fiscal Year	Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
		Actuarial Value of Plan Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded Actuarial Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4)/(5)
2012	12/31/2011	\$ 16,851,157	\$ 20,044,228	84.07%	\$ 3,193,071	\$ 6,975,380	45.78%
2011	12/31/2010	15,498,344	18,448,981	84.01%	2,950,637	7,023,709	42.01%
2010	12/31/2009	14,669,715	17,282,541	84.88%	2,612,826	6,772,094	38.58%
2009	12/31/2008	12,841,589	15,446,379	83.14%	2,604,790	6,261,681	41.60%

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
<b>Taxes:</b>				
Current taxes	\$ 6,468,922	\$ 6,468,922	\$ 5,856,993	\$ (611,929)
Delinquent taxes	600,000	600,000	851,337	251,337
Penalty & interest	90,000	90,000	87,356	(2,644)
Mixed drink tax	66,000	66,000	62,738	(3,262)
Sales tax	1,500,000	1,500,000	1,946,086	446,086
Tax certificate	12,000	12,000	15,480	3,480
Late rendition penalty	3,000	3,000	4,183	1,183
<b>Total Taxes</b>	<b>8,739,922</b>	<b>8,739,922</b>	<b>8,824,173</b>	<b>84,251</b>
<b>General County</b>				
Interest	16,550	16,550	22,391	5,841
Tobacco settlement	12,000	12,000	16,819	4,819
State juror reimbursement	9,000	9,000	10,036	1,036
Workers comp adjustment	-	-	449	449
Health insurance reimbursement	47,179	47,179	40,897	(6,282)
Vending machines	-	-	56	56
General county miscellaneous	1,500	1,500	11,436	9,936
<b>Total General County</b>	<b>86,229</b>	<b>86,229</b>	<b>102,084</b>	<b>15,855</b>
<b>County Clerk</b>				
Drug court cost	650	650	1,103	453
Judicial support fee	-	-	268	268
Juror fee	-	-	179	179
Bond forfeiture	850	850	6,728	5,878
Judges education	500	500	570	70
Fees	525,000	525,000	552,585	27,585
5% cash bond	2,500	2,500	1,112	(1,388)
State traffic fee	-	-	112	112
Indigent legal	-	-	129	129
DPS arrest	1,200	1,200	1,825	625
EMS trauma	800	800	1,110	310
<b>Total County Clerk</b>	<b>531,500</b>	<b>531,500</b>	<b>565,721</b>	<b>34,221</b>
<b>Tax Collector/Assessor</b>				
TERP surcharge fee	-	-	630	630
Tax entity commission	36,000	36,000	37,907	1,907
Auto commission	95,000	95,000	220,677	125,677
Motor vehicle titles	30,000	30,000	41,365	11,365
<b>Total Tax Collector/Assessor</b>	<b>161,000</b>	<b>161,000</b>	<b>300,579</b>	<b>139,579</b>
<b>Sanitation</b>				
Fees	15,000	15,000	19,400	4,400
<b>Total Sanitation</b>	<b>15,000</b>	<b>15,000</b>	<b>19,400</b>	<b>4,400</b>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Election</b>				
HAVA grant reimbursement	-	-	1,268	1,268
Reimbursed election expense	5,000	14,543	39,156	24,613
<b>Total Election</b>	<b>5,000</b>	<b>14,543</b>	<b>40,424</b>	<b>25,881</b>
<b>Volunteer Fire Department</b>				
Workers comp refund	3,500	3,500	7,705	4,205
Insurance/grant payment	18,173	18,173	18,704	531
<b>Total Volunteer Fire Department</b>	<b>21,673</b>	<b>21,673</b>	<b>26,409</b>	<b>4,736</b>
<b>911 Emergency</b>				
COG reimbursement 911	12,000	12,000	18,685	6,685
<b>Total 911 Emergency</b>	<b>12,000</b>	<b>12,000</b>	<b>18,685</b>	<b>6,685</b>
<b>District Clerk</b>				
Restitution	-	-	456	456
Drug court cost	-	-	207	207
Family violence fee	-	-	100	100
Judicial support fee	-	-	44	44
AG citation fee	4,800	4,800	2,383	(2,417)
AG motion fee	-	-	371	371
Jury fee	-	-	(1)	(1)
Family protection fee	1,500	1,500	-	(1,500)
Bond forfeiture	-	-	3,543	3,543
Court appointed attorney	10,000	10,000	9,882	(118)
Fees	160,000	160,000	178,750	18,750
Jury trial tee	250	250	890	640
Visual recorder	-	-	15	15
5% cash bond	-	-	200	200
Court reporter fee	4,000	4,000	5,670	1,670
Consolidated court cost	1,000	1,000	1,042	42
AG child support	700	700	937	237
Time payments	-	-	925	925
EMS trauma	-	-	60	60
Indigent legal	-	-	262	262
Bureau of vital statistics	-	-	196	196
<b>Total District Clerk</b>	<b>182,250</b>	<b>182,250</b>	<b>205,932</b>	<b>23,682</b>
<b>District Attorney</b>				
Judicial district apportionment	27,500	27,500	27,500	-
Assistant DA longevity	-	-	160	160
<b>Total District Attorney</b>	<b>27,500</b>	<b>27,500</b>	<b>27,660</b>	<b>160</b>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
<b>District Court</b>				
Appointed attorney	12,000	12,000	18,036	6,036
Total District Court	12,000	12,000	18,036	6,036
<b>County Attorney</b>				
State salary allocation	62,500	62,500	62,500	-
Court apportionment	8,000	8,000	11,147	3,147
Total County Attorney	70,500	70,500	73,647	3,147
<b>Court At Law</b>				
State salary allocation	75,000	75,000	75,000	-
Court apportionment	10,000	24,770	28,486	3,716
Probate fees	250	250	228	(22)
Total Court At Law	85,250	100,020	103,714	3,694
<b>Justice of The Peace #1</b>				
Judicial fee	1,200	1,200	1,259	59
City apportionment	117,054	117,054	113,771	(3,283)
Jury fee	700	700	847	147
Expungent fee	-	-	180	180
Fees	155,000	155,000	166,242	11,242
Defensive driving	5,000	5,000	3,208	(1,792)
Traffic	5,000	5,000	3,820	(1,180)
Consolidated court cost	8,500	8,500	8,623	123
Child safety seat	-	-	484	484
Indigent legal	3,000	3,000	6,011	3,011
Arrest fee	8,000	8,000	9,143	1,143
Time payments	750	750	1,128	378
Motor carrier fee	-	-	500	500
Child safety seat	-	-	200	200
Total Justice of The Peace #1	304,204	304,204	315,416	11,212
<b>Justice of The Peace #2</b>				
Judicial fee	150	150	280	130
Jury fee	-	-	189	189
Fees	32,000	32,000	38,525	6,525
Defensive driving	500	500	802	302
Traffic	500	500	964	464
Consolidated court cost	1,500	1,500	1,918	418
Seatbelt	-	-	128	128
Failure to appear	-	-	200	200
DPS arrest	1,000	1,000	1,821	821
Time payments	-	-	138	138
Motor carrier	-	-	250	250
Child safety	-	-	20	20
Total Justice of The Peace #2	35,650	35,650	45,235	9,585

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



**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Facilities</b>				
SECO stimulus grant	-	-	104,637	104,637
Total Facilities	-	-	104,637	104,637
<b>Sheriff</b>				
Crime victim reimbursement	-	-	6,686	6,686
Fees	45,000	45,000	50,558	5,558
Visual recorder fee	1,200	1,200	1,700	500
Bail bond fee	900	900	1,369	469
Estray cattle	3,000	3,000	5,754	2,754
State inmate reimbursement	3,000	3,000	5,766	2,766
City of Dublin inmates	1,500	1,500	700	(800)
City of Stephenville inmates	7,500	7,500	13,250	5,750
Inmate phone commission	5,000	5,000	16,544	11,544
Extradition reimbursement	4,000	4,000	1,563	(2,437)
Inmate SSA	-	-	2,800	2,800
Total Sheriff	71,100	71,100	106,690	35,590
<b>Constable #1</b>				
Fees	15,000	15,000	19,055	4,055
Total Constable #1	15,000	15,000	19,055	4,055
<b>Constable #2</b>				
Fees	3,200	3,200	4,425	1,225
Total Constable #2	3,200	3,200	4,425	1,225
<b>Pretrial Diversion</b>				
Interlock fee	-	-	30	30
Fees	2,800	2,800	1,624	(1,176)
UA fees	100	100	20	(80)
Total Pretrial Diversion	2,900	2,900	1,674	(1,226)
<b>Emergency Medical Services</b>				
Charges for services	425,000	425,000	483,127	58,127
FEMA	-	-	3,429	3,429
Insurance claims	-	-	212	212
Total Emergency Medical Services	425,000	425,000	486,768	61,768
<b>TOTAL REVENUES</b>	<b>10,806,878</b>	<b>10,831,191</b>	<b>11,410,364</b>	<b>579,173</b>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>				
<b>County Judge</b>				
Salary	136,514	136,514	135,709	(805)
Operating	7,150	7,150	5,873	(1,277)
Supplies	2,500	2,500	2,125	(375)
Advertising	5,000	5,000	3,045	(1,955)
Schools & dues	5,000	5,000	3,649	(1,351)
Equipment	2,000	2,000	1,946	(54)
Total County Judge	<u>158,164</u>	<u>158,164</u>	<u>152,347</u>	<u>(5,817)</u>
<b>County Clerk</b>				
Salary	350,035	350,035	348,704	(1,331)
Operating	7,570	7,570	6,014	(1,556)
Supplies	9,180	9,180	9,134	(46)
Schools & dues	4,654	4,654	2,697	(1,957)
Equipment	5,000	5,000	1,725	(3,275)
Software/hardware maintenance	16,707	16,707	16,478	(229)
Total County Clerk	<u>393,146</u>	<u>393,146</u>	<u>384,752</u>	<u>(8,394)</u>
<b>County Auditor</b>				
Salary	233,541	233,541	231,784	(1,757)
Operating	3,580	3,580	2,450	(1,130)
Supplies	4,460	4,460	3,801	(659)
Schools & dues	7,500	7,500	7,151	(349)
Equipment	3,450	3,450	1,713	(1,737)
Software/hardware maintenance	12,852	12,852	12,225	(627)
Total County Auditor	<u>265,383</u>	<u>265,383</u>	<u>259,124</u>	<u>(6,259)</u>
<b>County Treasurer</b>				
Salary	179,246	179,246	177,614	(1,632)
Operating	5,290	5,290	4,240	(1,050)
Advertising	8,500	8,500	6,385	(2,115)
Supplies	5,500	5,500	4,616	(884)
Schools & dues	6,200	6,200	4,744	(1,456)
Equipment	4,000	4,000	3,284	(716)
Software/hardware maintenance	7,852	7,852	7,852	-
Total County Treasurer	<u>216,588</u>	<u>216,588</u>	<u>208,735</u>	<u>(7,853)</u>
<b>Tax Assessor/Collector</b>				
Salary	515,064	515,064	498,789	(16,275)
Operating	67,610	67,610	63,358	(4,252)
Advertising	14,300	14,300	13,166	(1,134)
Supplies	3,000	3,000	890	(2,110)
Schools & dues	3,500	3,500	2,546	(954)
Equipment	18,750	18,750	15,315	(3,435)
Software/hardware maintenance	25,210	25,210	24,542	(668)
Total Tax Assessor/Collector	<u>647,434</u>	<u>647,434</u>	<u>618,606</u>	<u>(28,828)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Veteran's Service</b>				
Salary	49,444	49,444	49,212	(232)
Operating	2,608	2,608	1,967	(641)
Supplies	2,500	2,500	2,500	-
Schools & dues	1,260	1,260	179	(1,081)
Total Veteran's Service	<u>55,812</u>	<u>55,812</u>	<u>53,858</u>	<u>(1,954)</u>
<b>Sanitation</b>				
Salary	59,785	59,785	58,355	(1,430)
Operating	14,475	14,475	8,643	(5,832)
Supplies	1,200	1,200	287	(913)
Schools & dues	500	500	-	(500)
Equipment	500	500	-	(500)
Total Sanitation	<u>76,460</u>	<u>76,460</u>	<u>67,285</u>	<u>(9,175)</u>
<b>Elections</b>				
Salary	10,116	10,600	10,600	-
Operating	32,197	42,942	42,939	(3)
Supplies	5,500	6,226	6,222	(4)
Equipment	700	700	700	-
Software/hardware maintenance	9,600	9,600	9,600	-
Total Elections	<u>58,113</u>	<u>70,068</u>	<u>70,061</u>	<u>(7)</u>
<b>Fire Suppression</b>				
Salary	21,785	21,785	21,785	-
Operating	50,830	50,830	46,605	(4,225)
Supplies	3,923	3,923	3,923	-
Equipment	67,799	67,799	66,917	(882)
EMS	96,747	96,747	96,747	-
Volunteer fire departments	201,417	201,417	200,345	(1,072)
Total Fire Suppression	<u>442,502</u>	<u>442,502</u>	<u>436,323</u>	<u>(6,179)</u>
<b>Non-Departmental</b>				
Operating	213,994	213,994	136,204	(77,790)
Schools & dues	5,400	5,400	5,388	(12)
Professional services	55,900	55,900	52,825	(3,075)
Software/hardware maintenance	53,781	53,781	50,247	(3,534)
Highway right of way purchase	79,000	79,000	79,000	-
Pauper burials	1,500	1,500	738	(762)
Autopsies	75,500	75,500	74,672	(828)
Historical society	1,500	1,500	1,410	(90)
Erath county senior citizens	18,000	18,000	18,000	-
Central appraisal district allocation	286,123	286,123	286,123	-
Erath county trapper	28,800	28,800	28,800	-
Humane society	18,000	18,000	18,000	-
Total Non-Departmental	<u>837,498</u>	<u>837,498</u>	<u>751,407</u>	<u>(86,091)</u>
<b>911 Emergency</b>				
Addressing contract	45,000	45,000	45,000	-
Total 911 Emergency	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>District Judge</b>				
Salary	262,559	262,559	250,588	(11,971)
Operating	4,650	4,650	4,168	(482)
Supplies	2,480	2,480	1,850	(630)
Schools & dues	5,000	5,000	3,256	(1,744)
Law books/online research	4,000	4,000	2,466	(1,534)
Equipment	2,420	2,420	2,202	(218)
Software/hardware maintenance	1,124	1,124	1,124	-
Total District Judge	<u>282,233</u>	<u>282,233</u>	<u>265,654</u>	<u>(16,579)</u>
<b>District Clerk</b>				
Salary	232,377	232,377	222,052	(10,325)
Operating	9,069	9,069	8,842	(227)
Supplies	7,850	7,850	7,688	(162)
Schools & dues	2,750	2,750	2,684	(66)
Software/hardware maintenance	15,795	15,795	15,795	-
Total District Clerk	<u>267,840</u>	<u>267,840</u>	<u>257,061</u>	<u>(10,779)</u>
<b>District Attorney</b>				
Salary	291,270	291,270	263,533	(27,737)
Operating	55,864	55,864	24,269	(31,595)
Supplies	10,000	10,000	7,979	(2,021)
Schools & dues	10,000	10,000	7,095	(2,905)
Law books/online research	4,700	4,700	1,004	(3,696)
Equipment	3,000	3,000	2,298	(702)
Software/hardware maintenance	7,850	7,850	7,850	-
Total District Attorney	<u>382,685</u>	<u>382,684</u>	<u>314,028</u>	<u>(68,656)</u>
<b>District Court</b>				
Administration	2,043	2,043	2,042	(1)
Transcript	18,000	18,000	9,668	(8,332)
Professional fees	10,800	10,800	3,600	(7,200)
Civil attorney ad litem	31,500	31,500	19,260	(12,240)
Criminal attorney ad litem	90,000	90,000	66,306	(23,694)
Petit jury	18,000	18,000	10,532	(7,468)
Grand jury	6,800	6,800	5,870	(930)
Jury meals	500	500	267	(233)
Jury commission	500	500	400	(100)
Crime victims jury	750	750	294	(456)
Cross timbers jury	3,375	3,375	1,583	(1,792)
Erath county child welfare	3,375	3,375	1,271	(2,104)
Total District Court	<u>185,643</u>	<u>185,643</u>	<u>121,093</u>	<u>(64,550)</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>County Attorney</b>				
Salary	281,543	281,543	280,298	(1,245)
Operating	4,315	4,315	3,998	(317)
Supplies	3,117	3,117	3,016	(101)
Schools & dues	1,518	1,518	1,518	-
Law books/online research	1,478	1,478	1,446	(32)
Equipment	1,772	1,772	1,753	(19)
Software/hardware maintenance	7,850	7,850	7,851	1
Total County Attorney	<u>301,593</u>	<u>301,593</u>	<u>299,880</u>	<u>(1,713)</u>
<b>Court At Law</b>				
Salary	231,499	231,499	228,956	(2,543)
Operating	31,080	31,080	20,999	(10,081)
Supplies	1,200	1,200	754	(446)
Schools & dues	539	539	300	(239)
Law books/online research	1,250	1,250	1,078	(172)
Attorney ad litem	60,000	74,770	69,705	(5,065)
Equipment	961	961	961	-
Petit jury	1,900	1,900	1,430	(470)
Crime victims	200	200	-	(200)
Cross timbers	400	400	277	(123)
Erath county child welfare	700	700	585	(115)
Software/hardware maintenance	1,124	1,124	1,124	-
Total Court At Law	<u>330,853</u>	<u>345,622</u>	<u>326,169</u>	<u>(19,453)</u>
<b>Justice of The Peace #1</b>				
Salary	215,158	215,158	214,450	(708)
Operating	5,630	5,630	3,952	(1,678)
Supplies	3,524	3,524	3,524	-
Schools & dues	2,170	2,170	1,985	(185)
Law books/online research	1,026	1,026	994	(32)
Equipment	-	-	-	-
Petit Jury	1,500	1,500	924	(576)
Crime victims	300	300	-	(300)
Cross timbers	300	300	294	(6)
Erath county child welfare	500	500	168	(332)
Software/hardware maintenance	4,196	4,196	4,196	-
Total Justice of the Peace #1	<u>234,304</u>	<u>234,304</u>	<u>230,487</u>	<u>(3,817)</u>
<b>Justice of the Peace #2</b>				
Salary	102,441	102,441	102,030	(411)
Operating	4,965	4,965	2,710	(2,255)
Supplies	1,620	1,620	1,121	(499)
Schools & dues	5,065	5,065	4,618	(447)
Equipment	3,500	3,500	182	(3,318)
Crime victims	200	200	-	(200)
Cross timbers	200	200	-	(200)
Erath county child welfare	200	200	-	(200)
Software/hardware maintenance	4,196	4,196	4,196	-
Total Justice of the Peace #2	<u>122,387</u>	<u>122,387</u>	<u>114,857</u>	<u>(7,530)</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Facilities</b>				
Salary	145,840	145,840	145,280	(560)
Utilities	124,900	124,900	92,282	(32,618)
Supplies	8,800	8,800	331	(8,469)
Advertising	250	250	224	(26)
Operating	49,558	49,558	53,994	4,436
Equipment	1,600	1,600	1,274	(326)
Building maintenance	202,250	202,250	138,182	(64,068)
<b>Total Facilities</b>	<b>533,197</b>	<b>533,197</b>	<b>431,567</b>	<b>(101,630)</b>
<b>Sheriff</b>				
Salary	1,975,833	1,975,833	1,937,716	(38,117)
Operating	118,553	118,553	105,834	(12,719)
Estray cattle	12,000	12,000	10,829	(1,171)
Supplies	20,700	20,700	18,368	(2,332)
Schools & dues	11,781	11,781	8,085	(3,696)
Equipment	12,200	12,200	10,627	(1,573)
Fuel	142,000	142,000	102,039	(39,961)
Software/hardware maintenance	30,000	30,000	29,864	(136)
<b>Total Sheriff</b>	<b>2,323,067</b>	<b>2,323,067</b>	<b>2,223,362</b>	<b>(99,705)</b>
<b>Jail</b>				
Salary	1,094,589	1,127,748	1,082,817	(44,931)
Operating	30,318	30,318	28,341	(1,977)
Utilities	128,813	128,813	128,813	-
Advertising	305	305	112	(193)
Supplies	33,402	33,402	33,294	(108)
Schools & dues	6,395	6,395	6,105	(290)
Equipment	8,203	8,203	8,202	(1)
Building repair/maintenance	26,875	26,875	26,874	(1)
Inmate housing	2,870	2,870	2,870	-
Prisoner Food	89,302	89,302	89,206	(96)
Software/hardware maintenance	3,630	3,630	3,630	-
<b>Total Jail</b>	<b>1,424,702</b>	<b>1,457,860</b>	<b>1,410,264</b>	<b>(47,596)</b>
<b>Highway Patrol</b>				
Salary	41,631	41,631	41,325	(306)
Operating	750	750	575	(175)
Supplies	1,350	1,350	1,157	(193)
Weights & measures	250	250	-	(250)
Equipment	1,350	1,350	1,060	(290)
<b>Total Highway Patrol</b>	<b>45,331</b>	<b>45,331</b>	<b>44,117</b>	<b>(1,214)</b>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Constable #1</b>				
Salary	49,843	49,843	48,590	(1,253)
Operating	6,690	6,690	4,027	(2,663)
Supplies	560	560	392	(168)
Schools & dues	1,200	1,200	1,107	(93)
Fuel	3,800	3,800	2,413	(1,387)
Equipment	2,000	2,000	1,432	(568)
Total Constable #1	<u>64,093</u>	<u>64,093</u>	<u>57,961</u>	<u>(6,132)</u>
<b>Constable #2</b>				
Salary	57,438	57,438	55,757	(1,681)
Operating	7,163	7,163	6,427	(736)
Supplies	617	617	533	(84)
Schools & dues	1,450	1,450	789	(661)
Fuel	4,586	4,586	3,174	(1,412)
Equipment	1,200	1,200	1,109	(91)
Total Constable #2	<u>72,454</u>	<u>72,454</u>	<u>67,789</u>	<u>(4,665)</u>
<b>Probation</b>				
Juvenile probation office rent	20,200	20,200	20,200	-
Operating	2,200	2,200	2,150	(50)
Equipment	900	900	878	(22)
Juvenile board fund allocation	52,469	52,469	52,469	-
Total Probation	<u>75,769</u>	<u>75,769</u>	<u>75,697</u>	<u>(72)</u>
<b>County Extension Agents</b>				
Salary	111,204	111,204	106,675	(4,529)
Operating	4,943	4,943	4,284	(659)
Livestock show	6,250	6,250	4,519	(1,731)
Supplies	4,500	4,500	4,311	(189)
Schools & dues	2,500	2,500	2,277	(223)
Equipment	2,920	2,920	2,170	(750)
Travel	18,500	18,500	14,837	(3,663)
Demonstration	600	600	260	(340)
Total County Extension Agents	<u>151,417</u>	<u>151,417</u>	<u>139,333</u>	<u>(12,084)</u>
<b>Pretrial Diversion</b>				
Salary	96,125	96,125	94,185	(1,940)
Operating	3,988	3,988	3,421	(567)
Supplies	1,689	1,689	1,689	-
Schools & dues	1,140	1,140	1,140	-
Fuel	2,475	2,475	2,157	(318)
Equipment	1,928	1,928	1,326	(602)
Total Pretrial Diversion	<u>107,345</u>	<u>107,345</u>	<u>103,918</u>	<u>(3,427)</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Emergency Medical Services</b>				
Salary	772,354	772,354	754,917	(17,437)
Operating	76,704	76,704	63,999	(12,705)
Supplies	40,700	40,700	33,473	(7,227)
Advertising	200	200	-	(200)
Schools & dues	6,000	6,000	4,203	(1,797)
Equipment	30,725	30,725	30,646	(79)
Building repair	3,000	3,000	773	(2,227)
Fuel	30,000	30,000	25,994	(4,006)
Dublin ambulance service	16,152	16,152	16,152	-
Total Emergency Medical Services	<u>975,835</u>	<u>975,835</u>	<u>930,157</u>	<u>(45,678)</u>
<b>TOTAL EXPENDITURES</b>	<u>11,076,848</u>	<u>11,136,732</u>	<u>10,460,891</u>	<u>(675,841)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(269,970)</u>	<u>(305,541)</u>	<u>949,473</u>	<u>1,255,014</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>3,104,385</u>	<u>3,104,385</u>	<u>(3,104,385)</u>	<u>(6,208,770)</u>
Total Other Financing Sources (Uses)	<u>3,104,385</u>	<u>3,104,385</u>	<u>(3,104,385)</u>	<u>(6,208,770)</u>
Net Change in Fund Balance	2,834,415	2,798,844	(2,154,912)	(4,953,756)
Fund Balance-Beginning	13,775,786	13,775,786	13,775,786	-
Fund Balance-Ending	<u>\$ 16,610,201</u>	<u>\$ 16,574,630</u>	<u>\$ 11,620,874</u>	<u>\$ (4,953,756)</u>

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



**ERATH COUNTY, TEXAS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

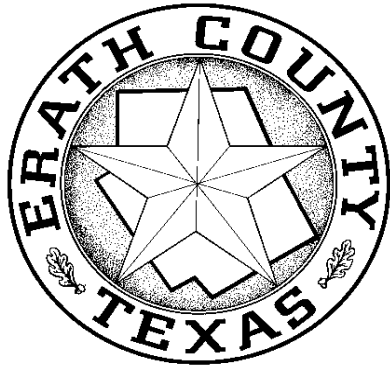
**Budgetary Information**

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 hearing 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.



## **COMBINING FUND STATEMENTS**

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ROAD AND BRIDGE FUNDS  
SEPTEMBER 30, 2012**

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Maintenance Barn	Total Road and Bridge Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 645,103	\$ 512,245	\$ 819,542	\$ 535,786	\$ 18,184	\$ 2,530,860
Receivables (net of Allowance for Uncollectible)	21,539	25,447	27,818	24,514	-	99,318
<b>Total Assets</b>	<u>\$ 666,642</u>	<u>\$ 537,692</u>	<u>\$ 847,360</u>	<u>\$ 560,300</u>	<u>\$ 18,184</u>	<u>\$ 2,630,178</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 19,764	\$ 10,122	\$ 61,756	\$ 42,883	\$ 5,085	139,610
Salary payable	5,666	10,732	6,627	5,799	2,015	30,839
Deferred revenues	16,856	19,922	21,576	19,234	-	77,588
<b>Total Liabilities</b>	<u>42,286</u>	<u>40,776</u>	<u>89,959</u>	<u>67,916</u>	<u>7,100</u>	<u>248,037</u>
Fund Balances:						
Committed	<u>624,356</u>	<u>496,916</u>	<u>757,401</u>	<u>492,384</u>	<u>11,084</u>	<u>2,382,141</u>
<b>Total Fund Balances</b>	<u>624,356</u>	<u>496,916</u>	<u>757,401</u>	<u>492,384</u>	<u>11,084</u>	<u>2,382,141</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 666,642</u>	<u>\$ 537,692</u>	<u>\$ 847,360</u>	<u>\$ 560,300</u>	<u>\$ 18,184</u>	<u>\$ 2,630,178</u>

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

**ERATH COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - ROAD AND BRIDGE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Maintenance Barn	Total Road and Bridge Funds
<b>REVENUES:</b>						
Taxes:						
Property taxes						
Current	\$ 532,096	\$ 628,713	\$ 681,136	\$ 607,248	\$ -	\$ 2,449,193
Delinquent	77,110	92,086	98,295	87,805	-	355,296
Penalty & interest	8,828	9,715	9,305	8,881	-	36,729
Other	7,251	8,570	9,281	8,275	-	33,377
Auto registrations	165,859	196,259	212,208	189,186	-	763,512
Interest	1,244	1,075	1,474	1,049	-	4,842
Miscellaneous	-	8,651	5,580	6,739	-	20,970
<b>Total Revenues</b>	<b>792,388</b>	<b>945,069</b>	<b>1,017,279</b>	<b>909,183</b>	<b>-</b>	<b>3,663,919</b>
<b>EXPENDITURES:</b>						
Salaries	357,111	507,738	413,915	383,425	131,502	1,793,691
Equipment	103,316	1,366	102,180	99,379	1,498	307,739
Equipment repair	36,108	69,257	38,337	44,025	20,694	208,421
Fuel	52,052	118,537	68,209	75,418	5,702	319,918
Road expense	125,280	73,716	117,389	75,499	-	391,884
Operating	19,878	33,975	19,719	18,257	24,350	116,179
<b>Total Expenditures</b>	<b>693,745</b>	<b>804,589</b>	<b>759,749</b>	<b>696,003</b>	<b>183,746</b>	<b>3,137,832</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	98,643	140,480	257,530	213,180	(183,746)	526,087
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	180,000	180,000
Sale of scrap metal	925	-	24,657	556	1,588	27,726
Sale of assets	-	16,280	-	-	-	16,280
Transfers out	(45,000)	(45,000)	(45,000)	(45,000)	-	(180,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(44,075)</b>	<b>(28,720)</b>	<b>(20,343)</b>	<b>(44,444)</b>	<b>181,588</b>	<b>44,006</b>
Net Changes in Fund Balances	54,568	111,760	237,187	168,736	(2,158)	570,093
Fund Balance-Beginning	569,788	385,156	520,214	323,648	13,242	1,812,048
Fund Balance-Ending	\$ 624,356	\$ 496,916	\$ 757,401	\$ 492,384	\$ 11,084	\$ 2,382,141

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - ROAD AND BRIDGE PRECINCT 1**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property taxes				
Current	\$ 587,411	\$ 587,411	\$ 532,096	\$ (55,315)
Delinquent	52,000	52,000	77,110	25,110
Penalty & interest	7,300	7,300	8,828	1,528
Other	7,000	7,000	7,251	251
Auto registrations	148,700	148,700	165,859	17,159
Interest	650	650	1,244	594
Total Revenues	<u>803,061</u>	<u>803,061</u>	<u>792,388</u>	<u>(10,673)</u>
<b>EXPENDITURES:</b>				
Salaries	365,064	365,064	357,111	(7,953)
Equipment	104,300	104,300	103,316	(984)
Equipment repair	36,158	36,158	36,108	(50)
Fuel	70,000	70,000	52,052	(17,948)
Road expense	125,400	125,400	125,280	(120)
Operating	24,342	24,342	19,878	(4,464)
Total Expenditures	<u>725,264</u>	<u>725,264</u>	<u>693,745</u>	<u>(31,519)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>77,797</u>	<u>77,797</u>	<u>98,643</u>	<u>(42,191)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,684	1,684	-	(1,684)
Sale of scrap metal	-	-	925	925
Transfers out	<u>(78,381)</u>	<u>(78,381)</u>	<u>(45,000)</u>	<u>33,381</u>
Total Other Financing Sources (Uses)	<u>(76,697)</u>	<u>(76,697)</u>	<u>(44,075)</u>	<u>32,622</u>
Net Changes in Fund Balances	1,100	1,100	54,568	(9,569)
Fund Balance-Beginning	<u>569,788</u>	<u>569,788</u>	<u>569,788</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 570,888</u>	<u>\$ 570,888</u>	<u>\$ 624,356</u>	<u>\$ (9,569)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - ROAD AND BRIDGE PRECINCT 2**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property taxes				
Current	\$ 694,263	\$ 694,263	\$ 628,713	\$ (65,550)
Delinquent	65,000	65,000	92,086	27,086
Penalty & interest	8,800	8,800	9,715	915
Other	9,000	9,000	8,570	(430)
Auto registrations	187,700	187,700	196,259	8,559
Interest	675	675	1,075	400
Miscellaneous	-	-	8,651	8,651
Total Revenues	<u>965,438</u>	<u>965,438</u>	<u>945,069</u>	<u>(20,369)</u>
<b>EXPENDITURES:</b>				
Salaries	517,748	517,748	507,738	10,010
Equipment	270,000	270,000	1,366	268,634
Equipment repairs	79,950	79,950	69,257	10,693
Fuel	171,500	171,500	118,537	52,963
Road expense	150,050	150,050	73,716	76,334
Operating	41,450	41,450	33,975	7,475
Total Expenditures	<u>712,950</u>	<u>712,950</u>	<u>804,589</u>	<u>426,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>252,488</u>	<u>252,488</u>	<u>140,480</u>	<u>405,741</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	310,767	310,767	-	(310,767)
Sale of assets	-	-	16,280	16,280
Transfers out	(45,506)	(45,506)	(45,000)	506
Total Other Financing Sources (Uses)	<u>(45,506)</u>	<u>(45,506)</u>	<u>(28,720)</u>	<u>(293,981)</u>
Net Changes in Fund Balances	206,982	206,982	111,760	111,760
Fund Balance-Beginning	<u>385,156</u>	<u>385,156</u>	<u>385,156</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 592,138</u>	<u>\$ 592,138</u>	<u>\$ 496,916</u>	<u>\$ 111,760</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - ROAD AND BRIDGE PRECINCT 3**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property taxes				
Current	\$ 751,843	\$ 751,843	\$ 681,136	\$ (70,707)
Delinquent	63,000	63,000	98,295	35,295
Penalty & interest	9,300	9,300	9,305	5
Other	8,500	8,500	9,281	781
Auto registrations	184,500	184,500	212,208	27,708
Interest	775	775	1,474	699
Miscellaneous	-	-	5,580	5,580
<b>Total Revenues</b>	<b>1,017,918</b>	<b>1,017,918</b>	<b>1,017,279</b>	<b>(639)</b>
<b>EXPENDITURES:</b>				
Salaries	472,363	472,363	413,915	58,448
Equipment	127,000	127,000	102,180	24,820
Equipment repairs	69,700	69,700	38,337	31,363
Fuel	145,000	145,000	68,209	76,791
Road expense	150,000	150,000	117,389	32,611
Operating	29,800	29,800	19,719	10,081
<b>Total Expenditures</b>	<b>993,863</b>	<b>993,863</b>	<b>759,749</b>	<b>234,114</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,055	24,055	257,530	233,475
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	47,535	47,535	-	(47,535)
Sale of scrap metal	-	-	24,657	24,657
Transfers out	(71,590)	(71,590)	(45,000)	26,590
<b>Total Other Financing Sources (Uses)</b>	<b>(24,055)</b>	<b>(24,055)</b>	<b>(20,343)</b>	<b>3,712</b>
Net Changes in Fund Balances	-	-	237,187	237,187
Fund Balance-Beginning	520,214	520,214	520,214	-
Fund Balance-Ending	\$ 520,214	\$ 520,214	\$ 757,401	\$ 237,187

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - ROAD AND BRIDGE PRECINCT 4**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property taxes				
Current	\$ 670,293	\$ 670,293	\$ 607,248	\$ (63,045)
Delinquent	55,000	55,000	87,805	32,805
Penalty & interest	8,300	8,300	8,881	581
Other	8,000	8,000	8,275	275
Auto registrations	179,000	179,000	189,186	10,186
Interest	625	625	1,049	424
Miscellaneous	-	-	6,739	6,739
Total Revenues	<u>921,218</u>	<u>921,218</u>	<u>909,183</u>	<u>(12,035)</u>
<b>EXPENDITURES:</b>				
Salaries	432,112	432,112	383,425	48,687
Equipment	111,352	111,352	99,379	11,973
Equipment repairs	64,865	64,865	44,025	20,840
Fuel	100,000	100,000	75,418	24,582
Road expense	100,500	100,500	75,499	25,001
Operating	26,663	26,663	18,257	8,406
Total Expenditures	<u>835,492</u>	<u>835,492</u>	<u>696,003</u>	<u>139,489</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>85,726</u>	<u>85,726</u>	<u>213,180</u>	<u>127,454</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	500	500	-	(500)
Sale of scrap metal	-	-	556	556
Transfers out	<u>(86,226)</u>	<u>(86,226)</u>	<u>(45,000)</u>	<u>41,226</u>
Total Other Financing Sources (Uses)	<u>(85,726)</u>	<u>(85,726)</u>	<u>(44,444)</u>	<u>41,282</u>
Net Changes in Fund Balances	-	-	168,736	168,736
Fund Balance-Beginning	<u>323,648</u>	<u>323,648</u>	<u>323,648</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 323,648</u>	<u>\$ 323,648</u>	<u>\$ 492,384</u>	<u>\$ 168,736</u>

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



**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - MAINTENANCE BARN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property taxes				
Current	\$ -	\$ -	\$ -	\$ -
Delinquent	-	-	-	-
Penalty & interest	-	-	-	-
Other	-	-	-	-
Auto registrations	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Salaries	122,972	122,972	131,502	(8,530)
Equipment	1,500	1,500	1,498	2
Equipment repairs	24,536	24,536	20,694	3,842
Fuel	6,073	6,073	5,702	371
Operating	28,441	28,441	24,350	4,091
Total Expenditures	<u>183,522</u>	<u>183,522</u>	<u>183,746</u>	<u>(224)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(183,522)</u>	<u>(183,522)</u>	<u>(183,746)</u>	<u>(224)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	182,022	182,022	180,000	(2,022)
Sale of scrap metal	-	-	1,588	1,588
Total Other Financing Sources (Uses)	<u>182,022</u>	<u>182,022</u>	<u>181,588</u>	<u>(434)</u>
Net Changes in Fund Balances	(1,500)	(1,500)	(2,158)	(658)
Fund Balance-Beginning	<u>13,242</u>	<u>13,242</u>	<u>13,242</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 11,742</u>	<u>\$ 11,742</u>	<u>\$ 11,084</u>	<u>\$ (658)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CAPITAL PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Interest	\$ -	\$ -	\$ 1,706	\$ 1,706
Total Revenues	<u>-</u>	<u>-</u>	<u>1,706</u>	<u>1,706</u>
<b>EXPENDITURES:</b>				
Construction expense	4,670,300	4,670,300	3,613,046	1,057,254
Contract fees	-	-	-	-
Professional services	139,700	139,700	139,677	(23)
Total Expenditures	<u>4,810,000</u>	<u>4,810,000</u>	<u>3,752,723</u>	<u>1,057,231</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(4,810,000)</u>	<u>(4,810,000)</u>	<u>(3,751,017)</u>	<u>(1,055,525)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,810,000	4,810,000	4,799,749	10,251
Total Other Financing Sources (Uses)	<u>4,810,000</u>	<u>4,810,000</u>	<u>4,799,749</u>	<u>10,251</u>
Net Changes in Fund Balances	-	-	1,048,732	(1,045,274)
Fund Balance-Beginning	<u>6,960</u>	<u>6,960</u>	<u>6,960</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 6,960</u>	<u>\$ 6,960</u>	<u>\$ 1,055,692</u>	<u>\$(1,045,274)</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 52,819	\$ 4,120	\$ 3,030	\$ 10,479
Receivables (net of Allowance for Uncollectible)	208	140	20	10
Restricted Assets:				
Cash and cash equivalents	-	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-	-
Total Assets	<u>\$ 53,027</u>	<u>\$ 4,260</u>	<u>\$ 3,050</u>	<u>\$ 10,489</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 100	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	3,050	10,489
Health & welfare	-	-	-	-
Judicial	52,927	4,260	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>52,927</u>	<u>4,260</u>	<u>3,050</u>	<u>10,489</u>
Total Liabilities and Fund Balances	<u>\$ 53,027</u>	<u>\$ 4,260</u>	<u>\$ 3,050</u>	<u>\$ 10,489</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	Contractual Elections	County Attorney Intervention	Indigent Health Care	Law Library
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,683	\$ 41,082	\$ 581,702	\$ 15,383
Receivables (net of Allowance for Uncollectible)	1,225	300	17,200	556
Restricted Assets:				
Cash and cash equivalents	-	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-	-
Total Assets	<u>\$ 12,908</u>	<u>\$ 41,382</u>	<u>\$ 598,902</u>	<u>\$ 15,939</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 129	\$ 367	\$ 3,776
Salary payable	-	-	-	-
Deferred revenue	-	-	16,024	-
Total Liabilities	<u>-</u>	<u>129</u>	<u>16,391</u>	<u>3,776</u>
Fund Balances:				
Restricted				
Debt service	-	41,253	-	-
Election	12,908	-	-	-
General administration	-	-	-	-
Health & welfare	-	-	582,511	-
Judicial	-	-	-	-
Legal	-	-	-	12,163
Public safety	-	-	-	-
Records management	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>12,908</u>	<u>41,253</u>	<u>582,511</u>	<u>12,163</u>
Total Liabilities and Fund Balances	<u>\$ 12,908</u>	<u>\$ 41,382</u>	<u>\$ 598,902</u>	<u>\$ 15,939</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	Courthouse Security	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management
<b>ASSETS</b>				
Cash and cash equivalents	\$ 231,086	\$ 4,080	\$ 192	\$ 341,020
Receivables (net of Allowance for Uncollectible)	446	-	24	427
Restricted Assets:				
Cash and cash equivalents	-	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-	-
<b>Total Assets</b>	<b>\$ 231,532</b>	<b>\$ 4,080</b>	<b>\$ 216</b>	<b>\$ 341,447</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,823
Salary payable	-	-	-	248
Deferred revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,071</b>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Health & welfare	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	231,532	-	-	-
Records management	-	4,080	216	337,376
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>231,532</b>	<b>4,080</b>	<b>216</b>	<b>337,376</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 231,532</b>	<b>\$ 4,080</b>	<b>\$ 216</b>	<b>\$ 341,447</b>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	County Clerk Records Preservation	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check
<b>ASSETS</b>				
Cash and cash equivalents	\$ 170,960	\$ 1,118	\$ 57,353	\$ 7,707
Receivables (net of Allowance for Uncollectible)	300	17	- #	-
Restricted Assets:				
Cash and cash equivalents	-	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-	-
Total Assets	<u>\$ 171,260</u>	<u>\$ 1,135</u>	<u>\$ 57,353</u>	<u>\$ 7,707</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 24	\$ -
Salary payable	-	-	171	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>195</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Health & welfare	-	-	-	-
Judicial	-	-	-	7,707
Legal	-	-	57,158	-
Public safety	-	-	-	-
Records management	171,260	1,135	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>171,260</u>	<u>1,135</u>	<u>57,158</u>	<u>7,707</u>
Total Liabilities and Fund Balances	<u>\$ 171,260</u>	<u>\$ 1,135</u>	<u>\$ 57,353</u>	<u>\$ 7,707</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	District Attorney Forfeiture	Sheriff Forfeiture	Sheriff Special DEA Forfeiture	Certificates of Obligation	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 76,126	\$ 52,040	\$ 1,905	\$ 8,072	\$ 1,671,957
Receivables (net of Allowance for Uncollectible)	-	-	-	-	20,873
Restricted Assets:					
Cash and cash equivalents	-	-	-	-	-
Receivables (net of Allowance for Uncollectible)	-	-	-	20,559	20,559
<b>Total Assets</b>	<u>\$ 76,126</u>	<u>\$ 52,040</u>	<u>\$ 1,905</u>	<u>\$ 28,631</u>	<u>\$ 1,713,389</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 8,219
Salary payable	119	-	-	-	538
Deferred revenue	-	-	-	19,634	35,658
<b>Total Liabilities</b>	<u>119</u>	<u>-</u>	<u>-</u>	<u>19,634</u>	<u>44,415</u>
Fund Balances:					
Restricted					
Debt service	-	-	-	8,997	50,250
Election	-	-	-	-	12,908
General administration	-	-	-	-	13,539
Health & welfare	-	-	-	-	582,511
Judicial	76,007	52,040	1,905	-	194,846
Legal	-	-	-	-	69,321
Public safety	-	-	-	-	231,532
Records management	-	-	-	-	514,067
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<u>76,007</u>	<u>52,040</u>	<u>1,905</u>	<u>8,997</u>	<u>1,668,974</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 76,126</u>	<u>\$ 52,040</u>	<u>\$ 1,905</u>	<u>\$ 28,631</u>	<u>\$ 1,713,389</u>

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

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

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sale of seized assets	-	-	-	-
Charges for services/fees	8,746	1,946	1,740	4,396
Interest	97	7	5	17
Miscellaneous	-	-	-	-
Total Revenues	<u>8,843</u>	<u>1,953</u>	<u>1,745</u>	<u>4,413</u>
<b>EXPENDITURES:</b>				
Supplies	-	-	-	-
Equipment	1,770	400	-	748
Software/hardware maintenance	-	-	-	-
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	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	-
Telephone	-	-	-	-
Donations	-	-	-	-
Task force	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principle payment	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	<u>1,770</u>	<u>400</u>	<u>-</u>	<u>748</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,073</u>	<u>1,553</u>	<u>1,745</u>	<u>3,665</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	7,073	1,553	1,745	3,665
Fund Balance-Beginning	<u>45,854</u>	<u>2,707</u>	<u>1,305</u>	<u>6,824</u>
Fund Balance-Ending	<u>\$ 52,927</u>	<u>\$ 4,260</u>	<u>\$ 3,050</u>	<u>\$ 10,489</u>

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



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

	Contractual Elections	County Attorney Intervention	Indigent Health Care	Law Library
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ 590,616	\$ -
Sale of seized assets	-	-	-	-
Charges for services/fees	8,003	27,300	8,538	22,365
Interest	16	70	668	31
Miscellaneous	-	-	-	-
Total Revenues	<u>8,019</u>	<u>27,370</u>	<u>599,822</u>	<u>22,396</u>
<b>EXPENDITURES:</b>				
Supplies	-	-	466	-
Equipment	-	20,943	-	-
Software/hardware maintenance	13,964	-	12,540	-
Schools & dues	-	-	351	-
Health care	-	-	86,886	-
Health care - jail	-	-	93,991	-
Professional fees	-	-	12,000	-
H.O.P.E. clinic	-	-	24,000	-
Pecan Valley MHMR	-	-	15,000	-
Law books	-	-	-	13,265
Online legal research	-	-	-	7,208
Courthouse security	-	-	-	-
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	-
Telephone	-	-	-	-
Donations	-	-	-	-
Task force	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principle payment	-	-	-	-
Miscellaneous	-	-	-	1,200
Total Expenditures	<u>13,964</u>	<u>20,943</u>	<u>245,234</u>	<u>21,673</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,945)</u>	<u>6,427</u>	<u>354,588</u>	<u>723</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(5,945)	6,427	354,588	723
Fund Balance-Beginning	<u>18,853</u>	<u>34,826</u>	<u>227,923</u>	<u>11,440</u>
Fund Balance-Ending	<u>\$ 12,908</u>	<u>\$ 41,253</u>	<u>\$ 582,511</u>	<u>\$ 12,163</u>

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

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

	Courthouse Security	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sale of Seized Assets	-	-	-	-
Charges for Services / Fees	24,242	2,555	196	79,475
Interest	280	-	-	436
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>24,522</b>	<b>2,555</b>	<b>196</b>	<b>79,911</b>
<b>EXPENDITURES:</b>				
Supplies	-	-	-	3,823
Equipment	-	-	-	7,070
Software/hardware maintenance	-	-	-	25,230
Schools & dues	-	-	-	-
Health care	-	-	-	-
Health care - jail	-	-	-	-
Professional fees	-	-	-	-
H.O.P.E. clinic	-	-	-	-
Pecan Valley MHMR	-	-	-	-
Law books	-	-	-	-
Online legal research	-	-	-	-
Courthouse security	13,942	-	-	-
Salary	-	-	-	10,532
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	125
Telephone	-	-	-	-
Donations	-	-	-	-
Task force	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principle payment	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Expenditures</b>	<b>13,942</b>	<b>-</b>	<b>-</b>	<b>46,780</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>10,580</b>	<b>2,555</b>	<b>196</b>	<b>33,131</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out				
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>10,580</b>	<b>2,555</b>	<b>196</b>	<b>33,131</b>
Fund Balance-Beginning	220,952	1,525	20	304,245
Fund Balance-Ending	<b>\$ 231,532</b>	<b>\$ 4,080</b>	<b>\$ 216</b>	<b>\$ 337,376</b>

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

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

	County Clerk Records Preservation	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sale of seized assets	-	-	-	-
Charges for services/fees	21,385	185	15,120	75
Interest	257	-	112	15
Miscellaneous	-	-	-	-
Total Revenues	<u>21,642</u>	<u>185</u>	<u>15,232</u>	<u>90</u>
<b>EXPENDITURES:</b>				
Supplies	-	-	768	-
Equipment	-	-	-	-
Software/hardware maintenance	5,500	-	5,539	-
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	-	-	11,170	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	-
Telephone	-	-	312	-
Donations	-	-	-	-
Task force	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principle payment	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	<u>5,500</u>	<u>-</u>	<u>18,024</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,142</u>	<u>185</u>	<u>(2,792)</u>	<u>90</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	16,142	185	(2,792)	90
Fund Balance-Beginning	155,118	950	59,950	7,617
Fund Balance-Ending	<u>\$ 171,260</u>	<u>\$ 1,135</u>	<u>\$ 57,158</u>	<u>\$ 7,707</u>

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

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

	District Attorney Forfeiture	Sheriff Forfeiture	Sheriff Special DEA Forfeiture	Certificates of Obligation	Total Nonmajor Governmental Funds
<b>REVENUES:</b>					
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ 718,084	\$ 1,308,700
Sale of seized assets	123,179	10,000	1,905	-	135,084
Charges for services/fees	-	-	-	-	226,267
Interest	102	104	-	307	2,524
Miscellaneous	-	8,450	-	-	8,450
<b>Total Revenues</b>	<b>123,281</b>	<b>18,554</b>	<b>1,905</b>	<b>718,391</b>	<b>1,681,025</b>
<b>EXPENDITURES:</b>					
Supplies	72	210	-	-	5,339
Equipment	33,243	23,036	-	-	87,210
Software/hardware maintenance	-	-	-	-	62,773
Schools & dues	2,497	-	-	-	3,083
Health care	-	-	-	-	86,886
Health care - jail	-	-	-	-	93,991
Professional fees	-	-	-	-	12,000
H.O.P.E. clinic	-	-	-	-	24,000
Pecan Valley MHMR	-	-	-	-	15,000
Law books	-	-	-	-	13,265
Online legal research	-	-	-	-	7,208
Courthouse security	-	-	-	-	13,942
Salary	6,198	-	-	-	27,900
Auto insurance	174	-	-	-	174
Fuel	3,136	-	-	-	3,136
Parts & repairs	1,501	-	-	-	1,501
Records preservation	-	-	-	-	125
Telephone	-	-	-	-	312
Donations	25,000	-	-	-	25,000
Task force	-	150	-	-	150
Bank service charge	-	-	-	500	500
Interest payment	-	-	-	242,531	242,531
Principle payment	-	-	-	467,000	467,000
Miscellaneous	-	-	-	-	1,200
<b>Total Expenditures</b>	<b>71,821</b>	<b>23,396</b>	<b>-</b>	<b>\$ 710,031</b>	<b>1,194,226</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	51,460	(4,842)	1,905	\$ 8,360	486,799
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers out	-	-	-	(1,695,364)	(1,695,364)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ (1,695,364)</b>	<b>(1,695,364)</b>
<b>Net Change in Fund Balance</b>	<b>51,460</b>	<b>(4,842)</b>	<b>1,905</b>	<b>\$ (1,687,004)</b>	<b>(1,208,565)</b>
Fund Balance-Beginning	24,547	56,882	-	1,696,001	2,877,539
<b>Fund Balance-Ending</b>	<b>\$ 76,007</b>	<b>\$ 52,040</b>	<b>\$ 1,905</b>	<b>\$ 8,997</b>	<b>\$ 1,668,974</b>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TECHNOLOGY JP #1**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 97	\$ 97
Technology fee	9,000	9,000	8,746	(254)
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>8,843</u>	<u>(157)</u>
<b>EXPENDITURES:</b>				
Supplies	3,000	3,000	-	(3,000)
Equipment purchase	11,804	11,804	1,770	(10,034)
Total Expenditures	<u>14,804</u>	<u>14,804</u>	<u>1,770</u>	<u>(13,034)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,804)</u>	<u>(5,804)</u>	<u>7,073</u>	<u>(13,191)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	6,000	6,000	-	(6,000)
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Net Changes in Fund Balances	196	196	7,073	(19,191)
Fund Balance-Beginning	<u>45,854</u>	<u>45,854</u>	<u>45,854</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 46,050</u>	<u>\$ 46,050</u>	<u>\$ 52,927</u>	<u>\$ (19,191)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TECHNOLOGY JP #2**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 7	\$ 7
Technology fee	1,500	1,500	1,946	446
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,953</u>	<u>453</u>
<b>EXPENDITURES:</b>				
Equipment purchase	2,000	2,000	400	(1,600)
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>400</u>	<u>(1,600)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(500)</u>	<u>(500)</u>	<u>1,553</u>	<u>(1,147)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	500	500	-	(500)
Total Other Financing Sources (Uses)	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Net Changes in Fund Balances	-	-	1,553	(1,647)
Fund Balance-Beginning	<u>2,707</u>	<u>2,707</u>	<u>2,707</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 2,707</u>	<u>\$ 2,707</u>	<u>\$ 4,260</u>	<u>\$ (1,647)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TECHNOLOGY COUNTY CLERK**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 5	\$ 5
Technology fee	500	500	1,740	1,240
Total Revenues	<u>500</u>	<u>500</u>	<u>1,745</u>	<u>1,245</u>
<b>EXPENDITURES:</b>				
Equipment purchase	1,500	1,500	-	(1,500)
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>1,745</u>	<u>(255)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	1,000	1,000	-	(1,000)
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net Changes in Fund Balances	-	-	1,745	(1,255)
Fund Balance-Beginning	<u>1,305</u>	<u>1,305</u>	<u>1,305</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 1,305</u>	<u>\$ 1,305</u>	<u>\$ 3,050</u>	<u>\$ (1,255)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TECHNOLOGY DISTRICT CLERK**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 17	\$ 17
Technology fee	1,000	1,000	4,396	3,396
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>4,413</u>	<u>3,413</u>
<b>EXPENDITURES:</b>				
Equipment purchase	1,000	1,000	748	(252)
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>748</u>	<u>(252)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>3,665</u>	<u>3,161</u>
Net Changes in Fund Balances	-	-	3,665	3,161
Fund Balance-Beginning	<u>6,825</u>	<u>6,825</u>	<u>6,825</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 6,825</u>	<u>\$ 6,825</u>	<u>\$ 10,490</u>	<u>\$ 3,161</u>

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



**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CONTRACTUAL ELECTIONS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 16	\$ 16
Contractual revenue	8,800	8,800	5,655	(3,145)
County administration fee	-	-	2,348	2,348
Total Revenues	<u>8,800</u>	<u>8,800</u>	<u>8,019</u>	<u>(781)</u>
<b>EXPENDITURES:</b>				
Equipment	544	544	-	(544)
Software/hardware maintenance	13,964	13,964	13,964	-
Total Expenditures	<u>14,508</u>	<u>14,508</u>	<u>13,964</u>	<u>(544)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,708)</u>	<u>(5,708)</u>	<u>(5,945)</u>	<u>(1,325)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>5,708</u>	<u>5,708</u>	<u>-</u>	<u>(5,708)</u>
Total Other Financing Sources (Uses)	<u>5,708</u>	<u>5,708</u>	<u>-</u>	<u>(5,708)</u>
Net Changes in Fund Balances	-	-	(5,945)	(7,033)
Fund Balance-Beginning	<u>18,853</u>	<u>18,853</u>	<u>18,853</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 18,853</u>	<u>\$ 18,853</u>	<u>\$ 12,908</u>	<u>\$ (7,033)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COUNTY ATTORNEY INTERVENTION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 70	\$ 70
Fees	25,000	25,000	27,300	2,300
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>27,370</u>	<u>2,370</u>
<b>EXPENDITURES:</b>				
Equipment	23,000	23,000	20,943	(2,057)
Total Expenditures	<u>23,000</u>	<u>23,000</u>	<u>20,943</u>	<u>(2,057)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,000</u>	<u>2,000</u>	<u>6,427</u>	<u>313</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Net Changes in Fund Balances	4,000	4,000	6,427	(1,687)
Fund Balance-Beginning	<u>34,826</u>	<u>34,826</u>	<u>34,826</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 38,826</u>	<u>\$ 38,826</u>	<u>\$ 41,253</u>	<u>\$ (1,687)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - INDIGENT HEALTH CARE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ 175	\$ 175	\$ 668	\$ 493
Current taxes	562,032	562,032	509,031	(53,001)
Delinquent taxes	50,000	50,000	73,992	23,992
Penalty & interest	5,000	5,000	7,593	2,593
Inmate medical copay	-	-	8,538	8,538
<b>Total Revenues</b>	<b>617,207</b>	<b>617,207</b>	<b>599,822</b>	<b>(17,385)</b>
<b>EXPENDITURES:</b>				
Postage	250	250	99	(151)
Supplies	5,000	5,000	367	(4,633)
Schools & dues	1,000	1,000	351	(649)
Health care - jail	120,000	120,000	93,991	(26,009)
Health care	424,957	424,957	86,886	(338,071)
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)
Pecan Valley MHMR	15,000	15,000	15,000	-
<b>Total Expenditures</b>	<b>617,207</b>	<b>617,207</b>	<b>245,234</b>	<b>(371,973)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	354,588	(389,358)
Net Changes in Fund Balances	-	-	354,588	(389,358)
Fund Balance-Beginning	227,923	227,923	227,923	-
Fund Balance-Ending	\$ 227,923	\$ 227,923	\$ 582,511	\$ (389,358)

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - LAW LIBRARY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 31	\$ 31
County clerk fees	7,200	9,135	9,135	-
District clerk fees	10,000	13,230	13,230	-
Total Revenues	<u>17,200</u>	<u>22,365</u>	<u>22,396</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Law books	6,500	13,665	13,265	(400)
Online legal research	8,000	8,000	7,208	(792)
Miscellaneous expense	1,200	1,200	1,200	-
Total Expenditures	<u>15,700</u>	<u>22,865</u>	<u>21,673</u>	<u>(1,192)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,500</u>	<u>(500)</u>	<u>723</u>	<u>(1,192)</u>
Net Changes in Fund Balances	1,500	(500)	723	(1,192)
Fund Balance-Beginning	<u>11,440</u>	<u>11,440</u>	<u>11,440</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 12,940</u>	<u>\$ 10,940</u>	<u>\$ 12,163</u>	<u>\$ (1,192)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COURTHOUSE SECURITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ 290	\$ 290	\$ 280	\$ (10)
Fees	18,200	18,200	24,242	6,042
Total Revenues	<u>18,490</u>	<u>18,490</u>	<u>24,522</u>	<u>6,032</u>
<b>EXPENDITURES:</b>				
Security expenses	68,490	68,490	13,942	(54,548)
Total Expenditures	<u>68,490</u>	<u>68,490</u>	<u>13,942</u>	<u>(54,548)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(50,000)</u>	<u>(50,000)</u>	<u>10,580</u>	<u>(48,516)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net Changes in Fund Balances	-	-	10,580	(98,516)
Fund Balance-Beginning	<u>220,952</u>	<u>220,952</u>	<u>220,952</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 220,952</u>	<u>\$ 220,952</u>	<u>\$ 231,532</u>	<u>\$ (98,516)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COUNTY CLERK DIGITIZED RECORDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Fees	\$ 200	\$ 200	\$ 2,555	\$ 2,355
Total Revenues	<u>200</u>	<u>200</u>	<u>2,555</u>	<u>2,355</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>200</u>	<u>200</u>	<u>2,555</u>	<u>2,355</u>
Net Changes in Fund Balances	200	200	2,555	2,355
Fund Balance-Beginning	<u>1,525</u>	<u>1,525</u>	<u>1,525</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 1,725</u>	<u>\$ 1,725</u>	<u>\$ 4,080</u>	<u>\$ 2,355</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DISTRICT CLERK DIGITIZED RECORDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Fees	\$ 24	\$ 24	\$ 196	\$ 172
Total Revenues	<u>24</u>	<u>24</u>	<u>196</u>	<u>172</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>24</u>	<u>24</u>	<u>196</u>	<u>172</u>
Net Changes in Fund Balances	24	24	196	172
Fund Balance-Beginning	<u>20</u>	<u>20</u>	<u>20</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 44</u>	<u>\$ 44</u>	<u>\$ 216</u>	<u>\$ 172</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COUNTY CLERK RECORDS MANAGEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ 350	\$ 350	\$ 436	\$ 86
Fees	60,000	60,000	79,475	19,475
Total Revenues	<u>60,350</u>	<u>60,350</u>	<u>79,911</u>	<u>19,561</u>
<b>EXPENDITURES:</b>				
Salary expense	25,496	25,496	10,532	(14,964)
Supplies	6,400	6,400	3,823	(2,577)
Equipment	11,608	11,608	7,070	(4,538)
Software/hardware maintenance	25,230	25,230	25,230	-
Records preservation expense	199,665	199,665	125	(199,540)
Total Expenditures	<u>268,398</u>	<u>268,398</u>	<u>46,780</u>	<u>(221,618)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(208,048)</u>	<u>(208,048)</u>	<u>33,131</u>	<u>(202,057)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>208,048</u>	<u>208,048</u>	<u>-</u>	<u>(208,048)</u>
Total Other Financing Sources (Uses)	<u>208,048</u>	<u>208,048</u>	<u>-</u>	<u>(208,048)</u>
Net Changes in Fund Balances	-	-	33,131	(410,105)
Fund Balance-Beginning	<u>304,245</u>	<u>304,245</u>	<u>304,245</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 304,245</u>	<u>\$ 304,245</u>	<u>\$ 337,376</u>	<u>\$ (410,105)</u>

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



**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COUNTY CLERK RECORDS PRESERVATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ 75	\$ 75	\$ 257	\$ 182
Fees	18,400	18,400	21,385	2,985
Total Revenues	<u>18,475</u>	<u>18,475</u>	<u>21,642</u>	<u>2,985</u>
<b>EXPENDITURES:</b>				
Preservation expense	12,975	12,975	-	(12,975)
Software/hardware maintenance	5,500	5,500	5,500	-
Total Expenditures	<u>18,475</u>	<u>18,475</u>	<u>5,500</u>	<u>(12,975)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>16,142</u>	<u>(9,990)</u>
Net Changes in Fund Balances	-	-	16,142	(9,990)
Fund Balance-Beginning	<u>155,118</u>	<u>155,118</u>	<u>155,118</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 155,118</u>	<u>\$ 155,118</u>	<u>\$ 171,260</u>	<u>\$ (9,990)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DISTRICT CLERK RECORDS PRESERVATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Fees	\$ 150	\$ 150	\$ 185	\$ 35
Total Revenues	<u>150</u>	<u>150</u>	<u>185</u>	<u>35</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>150</u>	<u>150</u>	<u>185</u>	<u>35</u>
Net Changes in Fund Balances	150	150	185	35
Fund Balance-Beginning	<u>950</u>	<u>950</u>	<u>950</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 1,135</u>	<u>\$ 35</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COUNTY ATTORNEY HOT CHECK**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ 50	\$ 50	\$ 112	\$ 62
Fees	18,000	18,000	15,120	(2,880)
Total Revenues	<u>18,050</u>	<u>18,050</u>	<u>15,232</u>	<u>(2,818)</u>
<b>EXPENDITURES:</b>				
Salary expense	18,039	18,039	11,170	(6,869)
Telephone	500	500	312	(188)
Supplies	1,200	1,200	768	(432)
Continued legal education	1,500	1,500	235	(1,265)
Contingency	500	500	-	(500)
Equipment	1,500	1,500	-	(1,500)
Software/hardware maintenance	5,539	5,539	5,539	-
Staff meeting meals	200	200	-	(200)
Total Expenditures	<u>28,978</u>	<u>28,978</u>	<u>18,024</u>	<u>(10,954)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,928)</u>	<u>(10,928)</u>	<u>(2,792)</u>	<u>(13,772)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,928	10,928	-	(10,928)
Total Other Financing Sources (Uses)	<u>10,928</u>	<u>10,928</u>	<u>-</u>	<u>(10,928)</u>
Net Changes in Fund Balances	-	-	(2,792)	(24,700)
Fund Balance-Beginning	<u>59,950</u>	<u>59,950</u>	<u>59,950</u>	-
Fund Balance-Ending	<u>\$ 59,950</u>	<u>\$ 59,950</u>	<u>\$ 57,158</u>	<u>\$ (24,700)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DISTRICT ATTORNEY HOT CHECK**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 15	\$ 15
Fees	-	-	75	75
Total Revenues	<u>-</u>	<u>-</u>	<u>90</u>	<u>90</u>
<b>EXPENDITURES:</b>				
Schools & dues	1,000	1,000	-	(1,000)
Equipment repair	200	200	-	(200)
Total Expenditures	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>(1,200)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,200)</u>	<u>(1,200)</u>	<u>90</u>	<u>(1,110)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>(1,200)</u>
Total Other Financing Sources (Uses)	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>(1,200)</u>
Net Changes in Fund Balances	-	-	90	(2,310)
Fund Balance-Beginning	<u>7,617</u>	<u>7,617</u>	<u>7,617</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 7,617</u>	<u>\$ 7,617</u>	<u>\$ 7,707</u>	<u>\$ (2,310)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DISTRICT ATTORNEY FORFEITURE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 102	\$ 102
Seized or forfeited assets	-	123,179	123,179	-
Total Revenues	<u>-</u>	<u>123,179</u>	<u>123,281</u>	<u>102</u>
<b>EXPENDITURES:</b>				
Salary expense	6,208	6,208	6,198	(10)
Supplies	1,441	1,441	72	(1,369)
Schools & dues	4,266	4,266	2,497	(1,769)
Travel	500	500	-	(500)
Litigation	5,000	5,000	-	(5,000)
Equipment	3,500	43,500	33,243	(10,257)
Auto insurance	700	700	174	(526)
Fuel	3,500	3,500	3,136	(364)
Parts & repairs	4,500	4,500	1,501	(2,999)
Donations	5,000	27,500	25,000	(2,500)
Total Expenditures	<u>34,615</u>	<u>97,115</u>	<u>71,821</u>	<u>(25,294)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,615)</u>	<u>26,064</u>	<u>51,460</u>	<u>(25,192)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	32,115	32,115	-	(32,115)
Total Other Financing Sources (Uses)	<u>32,115</u>	<u>32,115</u>	<u>-</u>	<u>(32,115)</u>
Net Changes in Fund Balances	(2,500)	58,179	51,460	(57,307)
Fund Balance-Beginning	<u>30,908</u>	<u>30,908</u>	<u>24,547</u>	<u>(6,361)</u>
Fund Balance-Ending	<u>\$ 28,408</u>	<u>\$ 89,087</u>	<u>\$ 76,007</u>	<u>\$ (63,668)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - SHERIFF FORFEITURE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 104	\$ 104
Sale of seized assets	-	-	10,000	10,000
Miscellaneous	8,450	8,450	8,450	-
Total Revenues	<u>8,450</u>	<u>8,450</u>	<u>18,554</u>	<u>10,104</u>
<b>EXPENDITURES:</b>				
Supplies	5,000	5,000	210	(4,790)
Equipment purchase	28,450	28,450	23,036	(5,414)
Auto insurance	600	600	-	(600)
Buy money	5,000	5,000	150	(4,850)
Total Expenditures	<u>39,050</u>	<u>39,050</u>	<u>23,396</u>	<u>(15,654)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,600)</u>	<u>(30,600)</u>	<u>(4,842)</u>	<u>(5,550)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>20,600</u>	<u>20,600</u>	<u>-</u>	<u>(20,600)</u>
Total Other Financing Sources (Uses)	<u>20,600</u>	<u>20,600</u>	<u>-</u>	<u>(20,600)</u>
Net Changes in Fund Balances	(10,000)	(10,000)	(4,842)	(26,150)
Fund Balance-Beginning	<u>56,882</u>	<u>56,882</u>	<u>56,882</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 46,882</u>	<u>\$ 46,882</u>	<u>\$ 52,040</u>	<u>\$ (26,150)</u>

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

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - SHERIFF DEA FORFEITURE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Sale of seized assets				
Seized cash	\$ 1,905	\$ 1,905	\$ 1,905	\$ -
Total Revenues	<u>1,905</u>	<u>1,905</u>	<u>1,905</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>1,905</u>	<u>1,905</u>	<u>1,905</u>	<u>-</u>
Net Changes in Fund Balances	1,905	1,905	1,905	-
Fund Balance-Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 1,905</u>	<u>\$ 1,905</u>	<u>\$ 1,905</u>	<u>\$ -</u>

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

**ERATH COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	BALANCE OCTOBER 1 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2012
<b>Tax Assessor Collector</b>				
<b>Assets:</b>				
Cash and cash equivalents	<u>\$ 9,441</u>	<u>\$ 2,186,602</u>	<u>\$ 2,195,845</u>	<u>\$ 198</u>
<b>Liabilities:</b>				
Due to others	<u>\$ 9,441</u>	<u>\$ 2,186,602</u>	<u>\$ 2,195,845</u>	<u>\$ 198</u>
<b>Tax Assessor Collector - Escrow Payments</b>				
<b>Assets:</b>				
Cash and cash equivalents	<u>\$ 25,690</u>	<u>\$ 43,115</u>	<u>\$ 49,610</u>	<u>\$ 19,195</u>
<b>Liabilities:</b>				
Due to others	<u>\$ 25,690</u>	<u>\$ 43,115</u>	<u>\$ 49,610</u>	<u>\$ 19,195</u>
<b>Tax Assessor Collector - District Account</b>				
<b>Assets:</b>				
Cash and cash equivalents	<u>\$ 136,128</u>	<u>\$ 39,324,015</u>	<u>\$ 39,388,337</u>	<u>\$ 71,806</u>
<b>Liabilities:</b>				
Due to others	<u>\$ 136,128</u>	<u>\$ 39,324,015</u>	<u>\$ 39,388,337</u>	<u>\$ 71,806</u>
<b>Tax Assessor Collector - Motor Vehicle Internet</b>				
<b>Assets:</b>				
Cash and cash equivalents	<u>\$ 120</u>	<u>\$ 39,767</u>	<u>\$ 39,830</u>	<u>\$ 56</u>
<b>Liabilities:</b>				
Due to others	<u>\$ 120</u>	<u>\$ 39,767</u>	<u>\$ 39,830</u>	<u>\$ 56</u>
<b>Tax Assessor Collector - Motor Vehicle Escrow</b>				
<b>Assets:</b>				
Cash and cash equivalents	<u>\$ 91,362</u>	<u>\$ 117,731</u>	<u>\$ 101,215</u>	<u>\$ 107,878</u>
<b>Liabilities:</b>				
Due to others	<u>\$ 91,362</u>	<u>\$ 117,731</u>	<u>\$ 101,215</u>	<u>\$ 107,878</u>
<b>Tax Assessor Collector - Sales Tax</b>				
<b>Assets:</b>				
Cash and cash equivalents	<u>\$ 297,756</u>	<u>\$ 3,285,890</u>	<u>\$ 3,197,399</u>	<u>\$ 386,247</u>
<b>Liabilities:</b>				
Due to others	<u>\$ 297,756</u>	<u>\$ 3,285,890</u>	<u>\$ 3,197,399</u>	<u>\$ 386,247</u>

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



ERATH COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

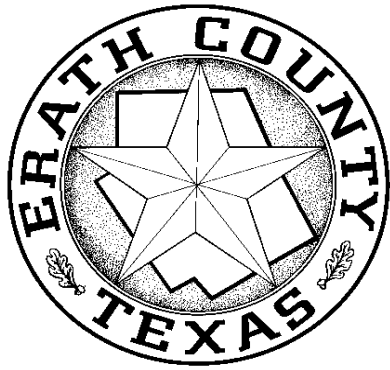
	BALANCE OCTOBER 1 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2012
Tax Assessor Collector - Auto Fund				
Assets:				
Cash and cash equivalents	<u>\$ 39,922</u>	<u>\$ 5,467,711</u>	<u>\$ 5,453,458</u>	<u>\$ 54,175</u>
Liabilities:				
Due to others	<u>\$ 39,922</u>	<u>\$ 5,467,711</u>	<u>\$ 5,453,458</u>	<u>\$ 54,175</u>
Tax Assessor Collector - State				
Assets:				
Cash and cash equivalents	<u>\$ 132,116</u>	<u>\$ 10,595,359</u>	<u>\$ 10,332,922</u>	<u>\$ 394,554</u>
Liabilities:				
Due to others	<u>\$ 132,116</u>	<u>\$ 10,595,359</u>	<u>\$ 10,332,922</u>	<u>\$ 394,554</u>
Treasurer - Credit Card				
Assets:				
Cash and cash equivalents	<u>\$ 9,819</u>	<u>\$ 1,553</u>	<u>\$ -</u>	<u>\$ 11,372</u>
Liabilities:				
Due to others	<u>\$ 9,819</u>	<u>\$ 1,553</u>	<u>\$ -</u>	<u>\$ 11,372</u>
Treasurer - Unclaimed Funds				
Assets:				
Cash and cash equivalents	<u>\$ 7,396</u>	<u>\$ 7,985</u>	<u>\$ 4,312</u>	<u>\$ 11,069</u>
Liabilities:				
Due to others	<u>\$ 7,396</u>	<u>\$ 7,985</u>	<u>\$ 4,312</u>	<u>\$ 11,069</u>
Treasurer - Bail Bond Board				
Assets:				
Cash and cash equivalents	<u>\$ 5,210</u>	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ 5,320</u>
Liabilities:				
Due to others	<u>\$ 5,210</u>	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ 5,320</u>
District Attorney Seized Assets				
Assets:				
Cash and cash equivalents	<u>\$ 410,480</u>	<u>\$ -</u>	<u>\$ 410,480</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 410,480</u>	<u>\$ -</u>	<u>\$ 410,480</u>	<u>\$ -</u>

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

**ERATH COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	BALANCE OCTOBER 1 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2012
<b>Sheriff's Office Special Account</b>				
Assets:				
Cash and cash equivalents	<u>\$ 1,518</u>	<u>\$ 39,383</u>	<u>\$ 39,884</u>	<u>\$ 1,018</u>
Liabilities:				
Due to others	<u>\$ 1,518</u>	<u>\$ 39,383</u>	<u>\$ 39,884</u>	<u>\$ 1,018</u>
<b>Sheriff - Jail Inmate Fund</b>				
Assets:				
Cash and cash equivalents	<u>\$ 3,196</u>	<u>\$ 44,083</u>	<u>\$ 43,350</u>	<u>\$ 3,929</u>
Liabilities:				
Due to others	<u>\$ 3,196</u>	<u>\$ 44,083</u>	<u>\$ 43,350</u>	<u>\$ 3,929</u>
<b>District Clerk Erath County Trust</b>				
Assets:				
Cash and cash equivalents	<u>\$ 100,359</u>	<u>\$ 2,742,956</u>	<u>\$ 664,932</u>	<u>\$ 2,178,383</u>
Liabilities:				
Due to others	<u>\$ 100,359</u>	<u>\$ 2,742,956</u>	<u>\$ 664,932</u>	<u>\$ 2,178,383</u>
<b>District Clerk Registry</b>				
Assets:				
Cash and cash equivalents	<u>\$ 233,728</u>	<u>\$ 270,919</u>	<u>\$ 391,686</u>	<u>\$ 112,960</u>
Liabilities:				
Due to others	<u>\$ 233,728</u>	<u>\$ 270,919</u>	<u>\$ 391,686</u>	<u>\$ 112,960</u>
<b>County Clerk Registry</b>				
Assets:				
Cash and cash equivalents	<u>\$ 750,903</u>	<u>\$ 162,200</u>	<u>\$ 181,610</u>	<u>\$ 731,493</u>
Liabilities:				
Due to others	<u>\$ 750,903</u>	<u>\$ 162,200</u>	<u>\$ 181,610</u>	<u>\$ 731,493</u>
<b>Jail Commissary</b>				
Assets:				
Cash and cash equivalents	<u>\$ 828</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 818</u>
Liabilities:				
Due to others	<u>\$ 828</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 818</u>
<b>Total Fiduciary Funds</b>				
Assets:				
Cash and cash equivalents	<u>\$ 2,255,972</u>	<u>\$ 64,329,378</u>	<u>\$ 62,494,881</u>	<u>\$ 4,090,469</u>
Liabilities:				
Due to others	<u>\$ 2,255,972</u>	<u>\$ 64,329,378</u>	<u>\$ 62,494,881</u>	<u>\$ 4,090,469</u>

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



**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>
<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.	114
<b>Revenue Capacity -</b> The schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	123
<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.	130
<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.	136
<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.	139

**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 additional years will be added until ten years are presented.

## **FINANCIAL TRENDS**

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

	<b>Fiscal Years</b>			
	<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>	<u>\$ 17,847,021</u>	<u>\$ 19,262,316</u>	<u>\$ 20,935,813</u>	<u>\$ 23,466,860</u>

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<b>Fiscal Years</b>				
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 9,750,831	\$ 10,676,537	\$ 9,992,400	\$ 9,195,730	\$ 11,779,705
775,234	682,604	735,563	2,878,367	4,051,115
15,306,669	16,087,943	16,258,721	15,067,540	13,291,070
<u>\$ 25,832,734</u>	<u>\$ 27,447,084</u>	<u>\$ 26,986,684</u>	<u>\$ 27,141,637</u>	<u>\$ 29,121,890</u>

**ERATH COUNTY, TEXAS**  
**CHANGES IN NET ASSETS**  
**LAST NINE FISCAL YEARS**

(accrual basis of accounting)  
(unaudited)

	<b>Fiscal Years</b>			
	<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
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>
Net (Expense) Revenue				
Governmental Activities	<u>(7,100,086)</u>	<u>(7,029,157)</u>	<u>(8,417,492)</u>	<u>(8,176,762)</u>
<b>General Revenues and Other Changes 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>
Change in Net Assets				
Governmental activities	<u>\$ 587,850</u>	<u>\$ 1,445,276</u>	<u>\$ 1,643,517</u>	<u>\$ 2,531,049</u>



<b>Fiscal Years</b>				
<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
\$ 2,590,079	\$ 2,806,471	\$ 2,778,714	\$ 3,319,985	\$ 3,052,483
2,231,405	2,188,802	2,770,334	1,311,514	2,419,262
3,778,540	4,203,061	4,305,811	5,381,582	4,374,804
4,342,633	3,083,064	3,762,110	3,717,380	3,360,630
1,355,413	1,256,650	1,480,815	1,422,235	1,326,306
-	-	94,825	259,513	244,833
<u>14,298,070</u>	<u>13,538,048</u>	<u>15,192,609</u>	<u>15,412,209</u>	<u>14,778,318</u>
1,693,031	1,493,881	1,570,267	1,037,202	256,972
177,839	149,688	160,682	522,516	1,203,326
671,078	809,131	695,700	273,354	487,131
1,014,824	977,425	858,199	837,000	763,512
-	-	-	536,734	511,065
-	-	-	-	-
-	-	-	-	-
<u>1,717,261</u>	<u>443,519</u>	<u>467,659</u>	<u>62,452</u>	<u>146,723</u>
<u>5,274,033</u>	<u>3,873,644</u>	<u>3,752,507</u>	<u>3,269,258</u>	<u>3,368,729</u>
(9,024,037)	(9,664,404)	(11,440,102)	(12,142,951)	(11,409,589)
10,827,579	10,976,045	10,797,841	12,116,062	12,918,000
577,446	177,918	42,597	40,308	139,239
8,815	125,091	45,385	83,895	275,739
(23,928)	(300)	93,881	57,639	56,864
-	-	-	-	-
<u>11,389,912</u>	<u>11,278,754</u>	<u>10,979,704</u>	<u>12,297,904</u>	<u>13,389,842</u>
\$ 2,365,875	\$ 1,614,350	\$ (460,398)	\$ 154,953	\$ 1,980,253

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

(modified accrual basis of accounting)  
(unaudited)

	<b>Fiscal Years</b>			
	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	7,524,692	7,542,002	8,598,645	10,213,085
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>
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
Capital Projects	-	-	-	-
Unreserved	-	-	-	2,285,369
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>

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

<b>Fiscal Years</b>				
<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
\$ -	\$ 19,900	\$ 2,932	\$ -	\$ -
11,834,313	12,617,466	13,341,098	-	-
-	-	-	8,781,485	-
-	-	-	4,994,301	11,620,874
<b>\$ 11,834,313</b>	<b>\$ 12,637,366</b>	<b>\$ 13,344,030</b>	<b>\$ 13,775,786</b>	<b>\$ 11,620,874</b>

\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
775,234	682,604	797,568	-	-
-	-	6,479,510	-	-
2,642,111	2,669,823	2,161,052	-	-
-	-	-	-	-
-	-	-	2,878,368	1,668,974
-	-	-	-	-
-	-	-	6,960	-
-	-	-	790,013	2,382,141
-	-	-	1,022,036	1,055,692
<b>\$ 3,417,345</b>	<b>\$ 3,352,427</b>	<b>\$ 9,438,130</b>	<b>\$ 4,697,377</b>	<b>\$ 5,106,807</b>

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

(modified accrual basis of accounting)  
(unaudited)

	<b>Fiscal Years</b>			
	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
<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	<u>10,409,351</u>	<u>11,599,793</u>	<u>13,387,378</u>	<u>14,564,172</u>
<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	<u>9,814,859</u>	<u>11,603,186</u>	<u>12,605,494</u>	<u>12,380,500</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	<u>594,492</u>	<u>(3,393)</u>	<u>781,884</u>	<u>2,183,672</u>
<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)	<u>(35,281)</u>	<u>271,186</u>	<u>640,368</u>	<u>134,596</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 559,211</u>	<u>\$ 267,793</u>	<u>\$ 1,422,252</u>	<u>\$ 2,318,268</u>
<b>Debt service as a percentage of noncapital expenditures</b>	5.17%	12.74%	0.03%	0.42%

<b>Fiscal Years</b>				
<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
\$ 11,649,401	\$ 11,839,769	\$ 11,531,772	\$ 13,035,533	\$ 13,009,174
1,652,045	415,473	465,378	357,424	438,396
2,507,394	2,236,636	2,283,121	2,153,309	3,021,099
564,845	174,736	41,848	39,820	56,612
255,575	463,789	255,879	79,410	275,739
16,629,260	15,130,403	14,577,998	15,665,496	16,801,020
2,598,114	2,839,256	2,624,588	3,244,824	2,871,722
2,151,537	2,234,095	2,692,526	1,924,599	2,356,570
3,975,179	4,466,906	4,764,219	3,301,410	4,308,211
4,595,730	3,673,874	3,293,614	4,434,914	2,843,024
1,355,413	1,256,650	1,480,815	1,422,235	1,326,306
-	-	-	4,872,045	4,129,808
-	-	23,750	-	-
-	-	-	467,000	467,000
-	-	-	353,338	242,531
-	-	-	500	500
-	-	-	-	-
14,675,973	14,470,781	14,879,512	20,020,365	18,545,672
1,953,287	659,622	(301,514)	(4,354,869)	(1,744,652)
-	-	7,000,000	-	-
49,269	78,486	93,881	57,369	-
-	-	-	4,485	-
-	-	1,392,422	5,615,067	4,979,749
-	-	(1,392,422)	(5,207,000)	(4,979,749)
49,269	78,486	7,093,881	469,921	-
\$ 2,002,556	\$ 738,108	\$ 6,792,367	\$ (3,884,948)	\$ (1,744,652)
0.00%	0.00%	0.16%	4.10%	3.83%

## **REVENUE CAPACITY**

**ERATH COUNTY, TEXAS**  
**TAXABLE VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST NINE 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
2012	1,810,028,340	592,852,990	2,402,881,330	0.4700

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

**Note:** Property in Erath County is re-assessed once every three years on average. The County assessed 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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2007</u>
<b>DIRECT RATE</b>				
<b>County Direct Rate</b>				
General Fund	0.3336	0.3420	0.3240	0.3082
Road & Bridge	0.1176	0.1205	0.1170	0.1105
<b>Total Direct Rate</b>	<b>0.4512</b>	<b>0.4625</b>	<b>0.4410</b>	<b>0.4187</b>
<b>OVERLAPPING RATE</b>				
<b>City and Town Rate</b>				
City of Stephenville	0.4850	0.4850	0.4750	0.4450
City of Dublin	0.6812	0.6989	0.6989	0.6990
<b>School District Rate</b>				
Stephenville ISD	1.6700	1.6700	1.6600	1.1920
Dublin ISD	1.4459	1.4376	1.4346	1.2369
Lingleville ISD	1.4293	1.4668	1.4970	1.1062
Bluff Dale ISD	1.3651	1.4648	1.5028	1.0962
Morgan Mill ISD	1.3100	1.3100	1.3700	1.0400
Gordon ISD	1.6171	1.6038	1.5840	1.1024
Huckaby ISD	1.4590	1.5000	1.5000	1.0400
Santo ISD	1.7253	1.6894	1.6925	1.1953
Three Way ISD	1.1800	1.2600	1.2600	1.0400
<b>Water District Rate</b>				
Middle Trinity	0.0150	0.0150	0.0150	0.0150
<b>Total Overlapping Rate</b>	<b>14.3680</b>	<b>14.5863</b>	<b>14.6748</b>	<b>11.1930</b>
<b>Total Property Tax Rate</b>	<b>14.8192</b>	<b>15.0488</b>	<b>15.1158</b>	<b>11.6117</b>

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

**Note:** Overlapping rates are those that apply to the property owners within 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.



<b>Fiscal Years</b>				
<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
0.2862	0.2800	0.3325	0.3475	0.3475
0.1032	0.1100	0.1175	0.1225	0.1225
0.3894	0.3900	0.4500	0.4700	0.4700
0.4350	0.4435	0.4600	0.4850	0.4850
0.7550	0.9500	0.9900	1.0883	1.0883
1.1470	1.1470	1.1470	1.1700	1.1700
1.2369	1.2369	1.2724	1.2724	1.2724
1.0884	1.0875	1.1079	1.1091	1.1091
1.0945	1.0893	1.0921	1.0947	1.0947
1.0400	1.0400	1.0400	1.0400	1.0400
1.1058	1.0984	1.0932	1.0920	1.0920
1.0400	1.0400	1.0400	1.0400	1.0400
1.1964	1.1835	1.3162	1.3122	1.3122
1.0400	1.0400	1.0400	1.0400	1.0400
0.0150	0.0150	0.0150	0.0150	0.0150
11.1790	11.3561	11.5988	11.7437	11.7437
11.5684	11.7461	12.0488	12.2137	12.2137

**ERATH COUNTY, TEXAS  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND TEN YEARS AGO**

(unaudited)

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<u>Tax Payer</u>	<b>2012</b>	
	<b>Total Taxable Value</b>	<b>Percentage of Total taxable value</b>
FMC Technologies	\$ 128,836,310	5.59%
Schreiber Foods INC	64,952,510	2.82%
Saint Gobain Abrasives INC	33,983,310	1.47%
Tejas Tubular Stephenville Works	24,013,180	1.04%
Silver Star Power Partners LLC	20,972,320	0.91%
Oncor Electric Delivery Company	19,562,240	0.85%
United Telephone of Texas	17,544,240	0.76%
EOG Resources INC	16,625,090	0.72%
Atmos Energy/Mid Texpline	12,479,940	0.54%
Rough Creek Lodge	16,424,130	0.71%
<b>Total</b>	<b>\$ 355,393,270</b>	<b>15.42%</b>

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

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<u>Tax Payer</u>	<b>2003</b>	
	<b>Total Taxable Value</b>	<b>Percentage of Total taxable value</b>
Saint Gobain Abrasives INC	\$ 35,384,570	2.84%
Rayloc	24,544,700	1.97%
FMC Technologies	21,955,240	1.76%
United Telephone of Texas	18,237,040	1.47%
Oncor Electric Delivery Co	13,318,450	1.07%
Schreiber Foods INC	19,142,700	1.54%
Bosque River Associates	8,800,000	0.71%
United Electric Cooperative Service	8,058,640	0.65%
Wal-Mart Stores Texas	6,909,990	0.56%
Wilmington Trust Company	6,682,150	0.54%
<b>Total</b>	<b>\$ 163,033,480</b>	<b>13.10%</b>

**ERATH COUNTY, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST NINE 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%
2012	10,837,406		10,641,506	98.19%	165,811	10,807,316	99.72%

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

**Note:** 2012 current year tax collections are not finalized until end of fiscal year 2013.  
Data will be added until ten years are presented.

## **DEBT CAPACITY**

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

	<b>Fiscal Year</b>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 286,324,462	\$ 320,538,874	\$ 355,696,684	\$ 402,103,587	\$ 429,722,062
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>	<u>\$ 429,722,062</u>
Total net debt applicable to the limit as a percentage of debt limit	0.56%	0.45%	0.35%	0.00%	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

**Legal Debt Margin Calculation for Fiscal Year 2012**

Note 1: Assessed Value		\$ 2,314,031,593
Note 2: Debt Limit(25% assessed value)		578,507,898
Note 3: Debt applicable to limit-		
Gross Bonded Debt	5,599,000	
Less: Debt Service Fund	8,997	
		<u>5,590,003</u>
Legal Debt Margin		<u><u>584,097,901</u></u>

<b>Fiscal Year</b>			
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 432,048,496	\$ 440,930,548	447,572,284	584,097,901
-	7,000,000	4,836,999	5,590,003
<u>\$ 432,048,496</u>	<u>\$ 447,930,548</u>	<u>\$ 452,409,283</u>	<u>\$ 589,687,904</u>

0.00%	1.56%	1.07%	0.96%
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**ERATH COUNTY, TEXAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

(unaudited)

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<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>			
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
2012	5,599,000	-	-	5,599,000	0.56%	178

**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	<b>0.09%</b>	N/R	
2005	-	29,980	(29,980)	1,608,283,191	<b>0.00%</b>	N/R	
2006	-	-	-	1,796,939,522	<b>0.00%</b>	N/R	
2007	-	-	-	2,038,570,398	<b>0.00%</b>	\$ -	
2008	-	-	-	2,213,687,462	<b>0.00%</b>	-	
2009	-	-	-	2,311,069,638	<b>0.00%</b>	-	
2010	7,000,000	-	7,000,000	2,267,001,910	<b>0.31%</b>	194	
2011	6,533,000	1,696,001	4,836,999	2,304,966,890	<b>0.21%</b>	128	

**Note:** Population figures are generated from data found on the demographic and economic information on page 137.

Assessed values coincide with taxable values on page 123 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, 2012**  
(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	\$ 5,599,000	100.00%	\$ 5,599,000
		<b>Total Direct Debt</b>	<b>\$ 5,599,000</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 NINE FISCAL YEARS**  
(unaudited)

<b>Certificates of Obligation</b>						
<b><u>Fiscal Years</u></b>			<b><u>Debt Service</u></b>		<b><u>Coverage</u></b>	
	<b><u>Property Tax</u></b>	<b><u>Less: Expenses</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>		
<b>2004</b>	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>2005</b>	-	-	-	-	-	
<b>2006</b>	-	-	-	-	-	
<b>2007</b>	-	-	-	-	-	
<b>2008</b>	-	-	-	-	-	
<b>2009</b>	-	-	-	-	-	
<b>2010</b>	-	23,750	-	-	-	
<b>2011</b>	1,696,001	500	467,000	353,338	2.07	
<b>2012</b>	717,350	500	467,000	242,531	1.01	

**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 SIX CALENDAR YEARS**  
(unaudited)

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<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%
<b>2012</b>	38,266	1,206,612,000	31,532	5,740	10,279	5.10%

**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 six 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)

<u>Employer</u>	<u>Type of Business</u>	2012	2011
		<u>Number of Employees</u>	
Tarleton State University	Education	1127	1,100
FMC Technologies	Oil Field Products	809	737
Saint-Gobain Abrasives	Coated Abrasives	434	452
Stephenville ISD	Education	450	445
Walmart Supercenter	Retail	450	400
Schreiber Foods	Cheese Mfg.	430	400
Western Dairy Transport	Milk Transport	400	240
Texas Health Harris Methodist	Hospital	250	230
Tejas Tubular	Oilfield Tubular Products	276	230
Erath County	Government	186	183
United Co-op Services	Rural Electric Services	150	
Fibergrate Composite Structures	Fiber Glass Products	127	182
City of Stephenville	Government	140	140
EGS Electrical Group	Metal Processing	126	122
Stephenville Medical & Surgical Clinic	Health Care	122	122
Outlaw Conversions	Horse Trailer Customization	105	105
Bruner Motors	Automobile Sales/Service	106	103
HEB Grocery	Retail	118	100
<b>Total for top 16 Employers</b>		<b>5,806</b>	<b>5,291</b>

**Source:** Stephenville Chamber of Commerce and Erath County research

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

## **OPERATING INFORMATION**

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

<u>Function/Department</u>	<u>Fiscal Years</u>					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Administration</b>						
County Judge	2	2	2	2	2	2
County Clerk	9	9	9	8	7	8
Treasurer	3	3	3	3	3	3
Auditor	3	4	4	4	4	4
Tax Office	11	11	11	11	11	11
District Clerk	5	4	5	5	5	4
County Extension Office	4	4	4	4	4	4
Veterans Service	1	1	1	1	1	1
<b>Legal</b>						
County Attorney	4	5	5	5	5	5
District Attorney	6	6	6	7	6	6
<b>Judicial</b>						
County Court at Law	2	2	2	2	2	2
District Judge	4	4	4	4	4	4
Justice of the Peace # 1	4	4	4	4	4	4
Justice of the Peace # 2	2	2	2	2	2	2
<b>Road &amp; Bridge</b>						
Precinct # 1	7	7	7	6	6	7
Precinct # 2	9	7	8	9	9	7
Precinct # 3	8	9	9	9	8	7
Precinct # 4	7	7	7	7	7	6
Maintenance Barn	2	3	2	2	2	2
<b>Facilities</b>						
Facilities Maintenance	3	3	3	3	3	3
<b>Public Safety</b>						
Sheriffs Administration	27	23	23	26	26	24
Dispatch	8	8	8	10	10	11
Jail	22	22	22	22	22	25
Highway Patrol	1	1	1	1	1	1
Constable # 1	1	1	1	1	1	1
Constable # 2	1	1	1	1	1	1
Volunteer Fire & Rescue						
Pretrial Diversion	2	2	2	2	2	2
<b>Health and Welfare</b>						
Sanitation	1	1	1	1	1	1
Emergency Medical Services	21	20	20	22	22	23
<b>Probation</b>						
Juvenile Probation	3	3	3	3	3	4
Community Supervision Corrections	8	7	7	7	7	6
<b>Total County Employees</b>	<b>191</b>	<b>186</b>	<b>187</b>	<b>194</b>	<b>191</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 SIX 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>	<u>2012</u>
<b>Public Safety</b>						
Sheriff						
Number of Employees	27	23	23	26	26	24
Number of Dispatch Calls	7222	7678	8299	8243	8917	12000
Fire						
Number of Employees (26 volunteer/12 paid)	37	37	37	37	37	38
Number of Dispatch Calls	n/r	534	542	335	488	442
EMS						
Number of Employees	21	20	20	22	22	23
Number of Dispatch Calls	1055	1032	1051	1143	1080	1025
<b>Road &amp; Bridge</b>						
Precinct # 1						
Number of Employees	7	7	7	6	6	7
Miles of Road	181.50	179.03	179.03	179.03	179.03	180.57
Precinct # 2						
Number of Employees	9	7	8	9	9	7
Miles of Road	224.20	229.97	229.97	229.97	229.97	213.92
Precinct # 3						
Number of Employees	8	9	9	9	8	7
Miles of Road	199.80	222.83	222.83	222.83	222.83	231.5
Precinct # 4						
Number of Employees	7	7	7	7	7	6
Miles of Road	191.20	198.32	198.32	198.32	198.32	206.39

**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 year's budget.

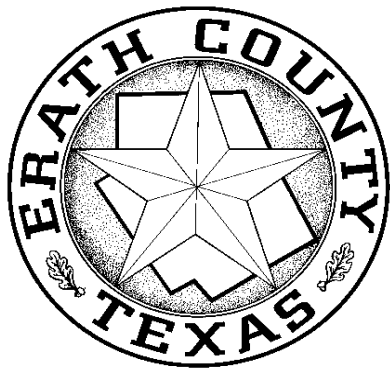
**Note:** Additional years' data will be added until ten years are presented.

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

<u>Function</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>	<u>2012</u>
<b>General Administration</b>									
Office Buildings/Courthouses	4	4	4	4	4	4	4	4	4
Vehicles	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>									
Sheriff's Administration/Jail	1	1	1	1	1	1	1	1	1
Sheriff's Vehicles	26	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	0.5
Fire & Rescue Vehicles	4	4	5	5	5	5	5	6	6
EMS Building	0.5	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	4
<b>Road &amp; Bridge</b>									
Buildings	2	2	2	2	2	2	2	2	3
Heavy Equipment	42	42	42	42	42	42	42	42	52
Vehicles	14	14	14	14	14	14	14	14	21
County Road (miles)	796	796	796	796	830	830	830	830	832

**Source:** Various County offices

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



## **INTERNAL CONTROL AND COMPLIANCE**

**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**

The Honorable Members of the Commissioners' Court  
Erath County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Erath County, Texas, as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued our report thereon dated November 14, 2013. We did not audit the financial statements of Erath County Volunteer Fire Department. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Erath County Volunteer Fire Department, is based on the report of the other auditors. 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 Erath County, Texas is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Erath County, Texas' 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 Erath County, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Erath County, Texas' 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 Erath County, Texas' 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, Commissioners' Court, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Stephenville, Texas  
November 14, 2013