

# **Erath County, Texas**

## Comprehensive Annual Financial Report For the Year Ended September 30, 2013

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

**ERATH COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Year Ended September 30, 2013**

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## **INTRODUCTORY SECTION**



CAFR transmittal letter, page 2

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 auditors.

Completion of this comprehensive annual financial report would not have been possible without the wonderful help of my staff, Kay McLearn and Jarrod Harris.

Respectfully submitted,

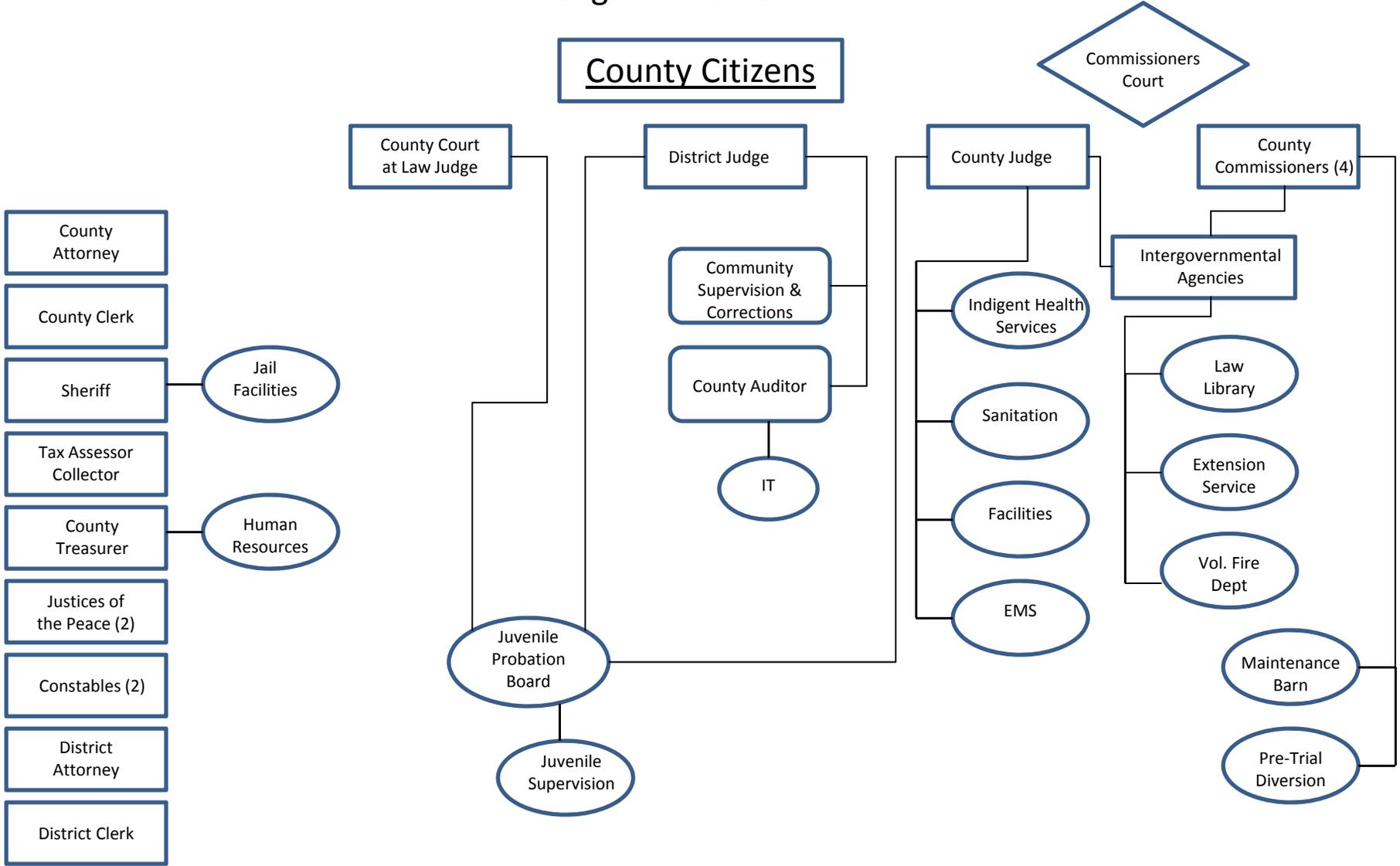
Janet S. Martin, CPA, CFE  
Erath County Auditor

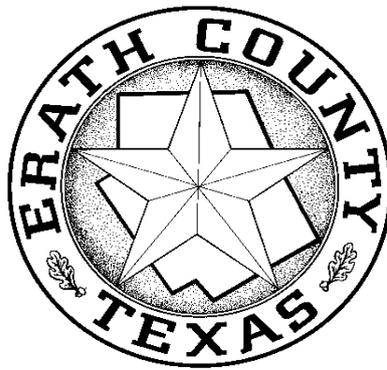
**ERATH COUNTY, TEXAS  
PRINCIPAL OFFICERS**

**as of September 30, 2013**

<u>Title</u>	<u>Name</u>
County Judge	Tab Thompson
Commissioner, Precinct 1	Dee Stephens
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
County Clerk	Gwinda Jones
District Judge	Jason Cashon
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, the business-type activities, each major fund, and the aggregate remaining fund information of Erath County, Texas, as of and for the year ended September 30, 2013. We did not audit the County's discretely presented Volunteer Fire Department, a component unit of Erath County.

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

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

### **Auditor's Responsibility**

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

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

## **Opinions**

In our opinion, 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 unit, each major fund, and the aggregate remaining fund information of Erath County, Texas, as of September 30, 2013, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas County and District Retirement System Schedule of Funding Progress, and budgetary comparison information on pages 10 through 22, and Pages 58 through 70, 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.

### *Other Information*

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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Stephenville, Texas

August 4, 2014

*Boucher, Morgan & Young*

**ERATH COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**For the Year Ended September 30, 2013**

**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 1,090 square miles with 1,086 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 Commissioner from each of the four precincts are members. The Court has only such powers as are conferred upon it by the Constitution, Statutes, or by necessary implication from the Constitution or Statutes. Among the major duties of the Court, the Court is to:

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

The County provides those services allowed by the Constitution and 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 road and bridges, principally within the unincorporated areas of the County and other related governmental functions.

**Budget Process**

In counties with a population less than 125,000 the County Judge serves as the budget officer assisted by the County Auditor and County Treasurer. The County Judge may also solicit from each department whatever data may be required to prepare an accurate budget. The budget is presented on a line-item basis and adopted on the fund level. The budget must be itemized to make possible a comparison of the proposed expenditures with the prior year expenditures. The budget must show, as accurately as possible, the purpose of each expenditure and the amount of money appropriated.

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

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

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

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

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

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

## Factors Affecting Financial Condition

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

### MAJOR EMPLOYERS

<u>Employer</u>	<u>Type of Business</u>	<u>Number</u>		
		<u>2013</u>	<u>2012</u>	<u>2011</u>
Tarleton State University *	Education	925	1127	1,100
FMC Technologies	Oil Field Products	770	809	737
Saint-Gobain Abrasives	Coated Abrasives	420	434	452
Stephenville ISD	Education	440	450	445
Walmart Supercenter	Retail	439	450	400
Schreiber Foods	Cheese Mfg.	400	430	400
Western Dairy Transport	Milk Transport	210	230	240
Texas Health Harris Methodist	Hospital	225	250	230
Tejas Tubular	Oilfield Tubular Products	270	276	230
Erath County	Government	187	186	183
Mulberry Manor	Nursing Home Facility	100		
Fibergrate Composite Structures	Fiber Glass Products	130	127	182
City of Stephenville **	Government	145	140	140
EGS Electrical Group	Metal Processing	135	126	122
Stephenville Medical & Surgical Clinic	Health Care	120	122	122
Outlaw Conversions	Horse Trailer Customization	115	105	105
Senior Care at Stephenville	Nursing Home & Rehab	110		
Bruner Motors	Automobile Sales/Service	105	106	103
HEB Grocery	Retail	100	118	100
<b>Total for Employers of 100 or more</b>		<b>5,346</b>	<b>5,486</b>	<b>5,291</b>

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

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

(Source-Stephenville Chamber of Commerce and Erath County research)

### 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, 2013: Employees added from January 1, 2011 through December 31, 2013 with total personnel in the Stephenville location of 713. The increase in employees stands at 150 with 40 employees recruited from outside Erath County. Asset additions total \$28.2 million which exceed the original projection. (Information provided by FMC Technologies)

## **Grants**

Erath County benefits from multiple grants. During fiscal year 2013 the County received the following grant funds:

VINES/Appriss (SVANS)  
Help Americans Vote Act (HAVA)  
Bulletproof Vests  
Texas Indigent Defense Commission (TIDC)  
NCT Trauma Regional Advisory Council  
Texas AgriLife Extension Better Living for Texans'

The total amount received from all grants was \$119,220 with expenditures of \$114,966, and accordingly, no A-133 audit was required. Erath County also received federal funds from DEA Forfeitures. DEA Forfeiture funds are required to be included in the accumulated totals for compliance with A-133 reporting.

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

This management discussion and analysis (MD&A) of Erath County (County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2013. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements. 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 \$1,968,944 increase in net position from the previous year. The total net position is comprised of:

\$ 1,590,054 - restricted by external regulators  
\$ 739,074 - restricted for debt  
\$ 12 - capital projects  
\$ 17,224,993 - unrestricted net position funds that may be used to meet on-going obligations to citizens and creditors  
\$ 11,536,701 - net investment in capital assets

The change in net position is attributed to:

Increased property values  
Positive results of the year's operations

## **Governmental Funds Financial Statements**

The County's governmental funds reported combined fund balances of \$19,039,132; compared to \$16,727,681 of prior year. Components of fund balances are:

- \$ 2,329,140 - restricted
- \$ 3,127,701 - committed
- \$ 13,582,291 - unassigned

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$13,582,291 or 125% 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 position* presents information on the County's assets and liabilities and its component unit, with the difference between the two reported as *net position*. Fiduciary assets and liabilities are excluded. Increases or decreases in net position 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 position changed during the most recent fiscal year using full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, public safety, highways and streets, public welfare, health, judicial, and education

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

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

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

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

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

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

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

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

Complete financial statements for the VFD may be obtained from:

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

## GOVERNMENT -WIDE FINANCIAL ANALYSIS

The County's net position at September 30, 2013 and 2012 are summarized as follows:

<b>Erath County's Net Position</b>			
<b>Governmental Activities</b>			
<b>2013 - 2012 Increase (Decrease)</b>			
	<b>2013</b>	<b>2012</b>	<b>Increase (Decrease)</b>
Current and other Assets	\$ 20,574,087	\$ 18,346,636	\$ 2,227,451
Capital assets (net of depreciation)	17,135,701	17,845,705	(710,004)
Total assets	<u>\$ 37,709,788</u>	<u>\$ 36,192,341</u>	<u>\$ 1,517,447</u>
Current and other liabilities	\$ 1,460,512	\$ 1,443,042	\$ 17,470
Long-term liabilities	5,158,442	5,627,409	(468,967)
Total liabilities	<u>\$ 6,618,954</u>	<u>\$ 7,070,451</u>	<u>\$ (451,497)</u>
Net investment in capital assets	\$ 11,536,701	\$ 11,779,705	\$ (243,004)
Restricted net position	2,329,140	4,051,115	(1,721,975)
Unrestricted net position	17,224,993	13,291,070	3,933,923
Total net position	<u>\$ 31,090,834</u>	<u>\$ 29,121,890</u>	<u>\$ 1,968,944</u>

The current financial reporting model focusing on net position serves as a useful indicator of a government's financial position. Net position is 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 position exceeded liabilities by \$ 31,090,834 at the close of the

most recent fiscal year, representing a 6.76% increase from the prior year. The largest portion of net position (55.40%) may be used to meet the government's commitments and on-going obligations to citizens and creditors. An additional portion of net position (7.49%) represents resources that are subject to external restrictions on how they may be used. Restrictions on net position include statutory requirements, bond covenants, and grantor conditions. The remaining balance of *net position* (37.11%) reflects investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related and outstanding debt used to acquire those assets. The County uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although investments in capital assets are reported net of related debt and the County's philosophy is "pay-as-you-go", it should be noted that the resources needed to repay any necessary debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds on page 31 provides further details of the increase in net position of \$1,968,944 as indicated on page 16.

**Governmental activities.** Program revenues and expenses are presented net of inter-fund eliminations. Key elements for the years ended September 30, 2013 and 2012 are as follows:

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

	2013	2012	Increase (Decrease)
<b>Revenue</b>			
Net program revenue:			
Charges for Services	\$ 3,195,339	\$ 3,222,006	\$ (26,667)
Operating grants and contributions	78,712	146,723	(68,011)
General revenues:			
Property taxes	11,244,222	10,889,513	354,709
Other taxes	2,313,891	2,028,487	285,404
Penalty and interest	136,048	139,239	(3,191)
Misc. revenue	217,338	275,739	(58,401)
Investment earnings	33,579	56,864	(23,285)
Gain on sale of assets	40,651	-	40,651
<b>Total Revenues</b>	<b>\$ 17,259,780</b>	<b>\$ 16,758,571</b>	<b>\$ 501,209</b>
<b>Expenses</b>			
General government	\$ 2,989,517	\$ 3,052,483	\$ (62,966)
Judicial	2,441,237	2,419,262	21,975
Public safety	4,863,971	4,374,804	489,167
Road & bridge	3,344,005	3,360,630	(16,625)
Health & welfare	1,425,203	1,326,306	98,897
Interest on long-term debt	226,903	244,833	(17,930)
<b>Total Expenses</b>	<b>\$ 15,290,836</b>	<b>\$ 14,778,318</b>	<b>\$ 512,518</b>
Change in net position	1,968,944	1,980,253	(11,309)
Net position - beginning	29,121,890	27,141,637	1,980,253
<b>Net position - ending</b>	<b>\$ 31,090,834</b>	<b>\$ 29,121,890</b>	<b>\$ 1,968,944</b>

## **General Revenues and Program Revenues**

General revenues are revenues that are not assigned to support a specific function, but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes, other tax related revenues, interest earned from investments, and miscellaneous income. Total revenues (including program revenues) were \$17,259,780 compared to \$16,758,571 for prior fiscal year or 2.99% increase. General revenues increased \$501,209 from the prior fiscal period.

Property taxes increased by \$354,709 during the year. The change is due to increased taxable assessed values of 2.11% leading to a 2.13% increase in the effective tax rate. The tax rate assessed for July 25, 2013 valuation date remained at 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 2013, net (expense) revenue was (\$12,016,785) compared to (\$11,095,385) in FY 2012.

- Pay plans were significantly changed in FY13. The old system with limited classifications and only four steps left little room for an employee to advance based on merit. The new system has ten classifications and fifteen steps for advancement. When an employee reaches step fifteen no additional pay increases are available unless the employee improves their skill level and qualifies for a new classification. Step increases average 2.7% and are not guaranteed. The employees are compensated for their tenure through longevity pay.
- General government – Charges for Proprietary Fund services are expensed by the Governmental Funds. To the extent such charges create a profit (loss), this amount is credited (charged) to General Governmental Activities which may impact Governmental Funds in future periods. Expense decline is due to planned operational reductions.
- Judicial – variety of offsetting activity resulted in minimal expense change; increased case filings in all court types due to economic factors, and increased public defender program. The judicial expenses are expected to increase during FY14 due to pending capital murder cases.
- Charges for services revenue decreased slightly due to disbanded traffic programs.
- Public Safety – Expenses increased due to staff increases and pay increases. FY13 was the first full year of operations for the jail with the addition of 72 beds making the total capacity a 144 bed facility. A minimal amount of expense was deferred by housing inmates from other counties. Revenue from housing inmates has increased in FY14.
- 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' revenue were increased by \$550,065 in the current fiscal year to \$17,307,079. The increase is outlined below and the two greatest contributors were an increase in tax revenue and a decrease in service revenue.

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 \$13,366,123 in contrast to \$11,620,874 in the prior year.

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>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
Taxes	\$ 13,759,389	\$ 13,009,174	\$ 750,215	5.77%
Intergovernmental	457,303	438,396	18,907	4.31%
Charges for Services	2,865,212	3,021,099	(155,887)	-5.16%
Interest	33,220	56,612	(23,392)	-41.32%
Other Revenue	191,955	231,733	(39,778)	-17.17%
<b>Total</b>	<b>\$ 17,307,079</b>	<b>\$ 16,757,014</b>	<b>\$ 550,065</b>	<b>3.28%</b>

- **Taxes** - increased by \$750,215 due to increased property values.
- **Intergovernmental** - increased due to a slight increase in funds received for governmental activities from State or Federal sources.
- **Charges for services** - had a net decrease due to a slowing of fees collected for various court fees and other fees charged by the county for services rendered.
- **Interest** - remained low consistent with low market interest rates in effect since 2008.
- **Other Revenue** - reflects amounts from unexpected revenue received by the county for no restricted purpose, there is no one reason for the overall decrease in other revenue.

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

**Expenditures by Function - Governmental Funds**

<b>Function:</b>	<b>2013</b>	<b>2012</b>	<b>Increase (Decrease)</b>	<b>Percent of Change</b>
General Administration	\$ 2,838,528	\$ 2,871,722	\$ (33,194)	-1.16%
Legal	670,676	706,369	(35,693)	-5.05%
Judicial	1,695,182	1,650,201	44,981	2.73%
Road & Bridge	2,914,109	2,843,024	71,085	2.50%
Public Safety	4,289,726	4,308,211	(18,485)	-0.43%
Health & Welfare	1,396,786	1,326,306	70,480	5.31%
Capital Projects	557,417	4,129,808	(3,572,391)	-86.50%
Debt Service - Interest	224,551	242,531	(17,980)	-7.41%
Debt Service - Principal	467,000	467,000	-	0.00%
Debt Service - Bank Charges	550	500	50	10.00%
<b>Total</b>	<b>\$ 15,054,525</b>	<b>\$ 18,545,672</b>	<b>\$ (3,491,147)</b>	<b>-18.82%</b>

- Salary levels increased from prior year, all functions incurred increases for health insurance cost.
- The overall decrease in expenditures excluding capital projects and debt service expenditures is due to an effort county wide to keep the tax rate low.
- Capital Projects – increased due to the construction of the Jail Remodel beginning in the current fiscal year.
- Debt service – remained unchanged as the construction is complete and the County is making annual payments on the certificates of obligation.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The FY2013 legally adopted cash budget was approved on September 19, 2012 for the General Fund totaling \$11,539,346, a increase of \$203,676 from FY2012 budget. The FY2013 legally adopted budget for all funds totaled \$17,457,944; a decrease of \$6,542,325 primarily from construction completion of the jail addition.

**Highlights from Erath County FY 2013 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 static tax rate for Maintenance and Operations.

## DEBT ADMINISTRATION AND CAPITAL ASSETS

**Long-term debt.** At September 30, 2013, 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 FY2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Compensated Absences	\$ 236,744	\$ -	\$ (16,395)	\$ 220,349
Certificates of Obligation	6,066,000	-	(467,000)	5,599,000
<b>Total:</b>	<u>\$ 6,302,744</u>	<u>\$ -</u>	<u>\$ (483,395)</u>	<u>\$ 5,819,349</u>

**Capital assets.** The capital assets of the County are those assets (land, buildings, improvements, and machinery and equipment), 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, 2013, net capital assets of the governmental activities totaled \$17,135,701 reflecting a net decrease of \$710,004 from the prior fiscal year as a result of depreciation. Depreciation of capital assets is recognized in the government-wide financial statements. FY 2013 depreciation for buildings, improvements, and machinery and equipment totaled \$1,246,768.

## 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 FY 2012 Budget meets the key established policy directive of the Commissioners Court. The FY 2013 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 FY 2013 Budget include the following:

- The tax rate is anticipated to be set at .47 cents per \$100 assessed valuation; static with the FY13 budget.
- All compensation increases being considered are based on the new grade and step system which eliminated cost of living increases and bases all increases on merit.
- New positions are being considered in the jail to make sure Erath County remains in compliance with Texas Jail Standards, as well as multiple offices requesting promotions of current employees to management positions.

- Multiple capital murder trials are waiting court dates. The average cost of a capital case in which the death penalty is sought is \$1,500,000 from beginning through the end of the appellate process.
- The unassigned reserve balance of \$13,582,291 allows the County to operate with the assurance that financial solvency is not an issue. The State continues to issue “unfunded” mandates for the counties with a few of the most recent being changes in the record retention requirements and services offered at the Tax Assessor/Collector’s Office.

## **REQUEST FOR INFORMATION**

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

**GOVERNMENT -WIDE FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

	<u>Primary Government Governmental Activities</u>	<u>Component Unit- Erath County Volunteer Fire Department</u>
<b>ASSETS:</b>		
Cash and investments	\$ 19,485,118	\$ 39,900
Receivables (net of allowance for uncollectible)		
Taxes	824,600	-
Other	197,468	-
Bond issuance costs	17,807	-
Due from Erath County	-	13,283
Other assets	49,094	
Restricted assets		
Cash and cash equivalents	-	-
Capital Assets (net of accumulated depreciation)		
Land	668,045	-
Buildings, net	13,902,387	-
Furniture and equipment, net	2,565,269	124,138
<b>Total Assets</b>	<b>37,709,788</b>	<b>177,321</b>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	590,289	15,009
Accrued salaries and wages	180,661	-
Due to other governments	160	-
Due to Erath County Volunteer Fire Department	13,283	-
Other liabilities	15,212	-
Certificate of obligation-due within one year	467,000	-
Accrued compensated absences-due in more than one year	193,907	-
Noncurrent liabilities		
Certificate of obligation-due in more than one year	5,132,000	-
Accrued compensated absences-due in more than one year	26,442	-
<b>Total Liabilities</b>	<b>6,618,954</b>	<b>15,009</b>
<b>NET POSITION:</b>		
Net investment in capital assets	11,536,701	-
Restricted for:		
Debt service	739,074	-
Capital projects	12	-
Special revenue purposes	722,551	-
Indigent healthcare	867,503	-
Unrestricted	17,224,993	162,312
<b>Total Net Position</b>	<b>\$ 31,090,834</b>	<b>\$ 162,312</b>

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

**ERATH COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Program Activities	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General administration	\$ 2,989,517	\$ 354,078	\$ 10,781
Judicial administrations	2,441,237	1,269,773	-
Public safety and law enforcement	4,863,971	503,688	67,931
Road and bridge	3,344,005	844,833	-
Health and welfare	1,425,203	222,967	-
Interest and fees on long-term debt	226,903	-	-
Total Governmental Activities	<u>15,290,836</u>	<u>3,195,339</u>	<u>78,712</u>
Total primary government	<u>\$ 15,290,836</u>	<u>\$ 3,195,339</u>	<u>\$ 78,712</u>
Component Unit:			
Erath County Volunteer Fire Department	319,190		339,421
Total Primary Government	<u>\$ 319,190</u>	<u>\$ -</u>	<u>\$ 339,421</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 Position	
		Net Position - Beginning	
		Net Position - Ending	

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

<u>Net (Expense) Revenue and Changes in Net Position</u>	<u>Component Unit- Erath County Volunteer Fire Department</u>
<u>Governmental Activities</u>	
\$ (2,624,658)	\$ -
(1,171,464)	-
(4,292,352)	-
(2,499,172)	-
(1,202,236)	-
(226,903)	-
<u>(12,016,785)</u>	<u>-</u>
<u>\$ (12,016,785)</u>	<u>\$ -</u>
-	20,231
<u>\$ -</u>	<u>\$ 20,231</u>
\$ 11,244,222	\$ -
2,313,891	-
136,048	-
217,338	5,750
33,579	-
40,651	-
<u>13,985,729</u>	<u>5,750</u>
1,968,944	25,981
29,121,890	136,331
<u>\$ 31,090,834</u>	<u>\$ 162,312</u>

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

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	General Fund	Road and Bridge	County Clerk Records Management	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 14,779,873	\$ 3,164,284	\$ 382,215	\$ 812,269	\$ 19,138,641
Taxes receivable	700,851	111,573	-	12,176	824,600
Due from other fund	-	-	-	647,568	647,568
Other receivable	16,887	-	902	4,632	22,421
Other assets	49,094	-	-	-	49,094
Restricted cash and cash equivalents	-	-	-	-	-
Total Assets and Other Debits	<u>\$ 15,546,705</u>	<u>\$ 3,275,857</u>	<u>\$ 383,117</u>	<u>\$ 1,476,645</u>	<u>\$ 20,682,324</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 356,041	\$ 64,432	\$ 166,700	\$ 2,464	\$ 589,637
Wages and salaries payable	146,556	33,488	249	368	180,661
Due to other fund	647,568	-	-	-	647,568
Due to other governments	13,443	-	-	-	13,443
Other liabilities	15,212	-	-	-	15,212
Unearned revenues	134,259	50,236	-	12,176	196,671
Total Liabilities	<u>1,313,079</u>	<u>148,156</u>	<u>166,949</u>	<u>15,008</u>	<u>1,643,192</u>
Fund Balances:					
Restricted					
Debt service	-	-	-	739,074	739,074
Capital projects	-	-	-	12	12
Election	-	-	-	18,033	18,033
General administration	-	-	-	19,088	19,088
Judicial	-	-	-	178,214	178,214
Legal	-	-	-	68,045	68,045
Public safety	-	-	-	243,712	243,712
Records management	-	-	-	195,459	195,459
Indigent healthcare	867,503	-	-	-	867,503
Committed					
Road & bridge	-	3,127,701	-	-	3,127,701
Unassigned	13,366,123	-	216,168	-	13,582,291
Total Fund Balances	<u>14,233,626</u>	<u>3,127,701</u>	<u>216,168</u>	<u>1,461,637</u>	<u>19,039,132</u>
Total Liabilities and Fund Balances	<u>\$ 15,546,705</u>	<u>\$ 3,275,857</u>	<u>\$ 383,117</u>	<u>\$ 1,476,645</u>	<u>\$ 20,682,324</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 POSITION  
SEPTEMBER 30, 2013**

Total Fund Balances- Governmental Funds	\$	19,039,132	
Amounts reported in governmental activities in the statement of net position 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.			
			345,825
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds balance sheet.			
Governmental capital assets	\$	30,846,912	
Accumulated depreciation		<u>(13,711,211)</u>	17,135,701
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.			
			(5,819,349)
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.			
			17,807
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.			
Office fees		175,047	
Property taxes		<u>196,671</u>	371,718
Net Position of Governmental Activities	\$		<u><u>31,090,834</u></u>

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, 2013**

	General Fund	Road and Bridge	County Clerk Records Management	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUE:</b>					
Taxes:					
Property taxes	\$ 7,765,928	\$ 2,970,560	\$ -	\$ 709,010	\$ 11,445,498
General sales and other taxes	2,313,891	-	-	-	2,313,891
Auto registrations	339,806	844,833	-	-	1,184,639
Intergovernmental revenue and grants	421,517	35,786	-	-	457,303
Charges for services	201,567	-	-	5,400	206,967
Fines and fees	1,254,552	-	84,529	123,814	1,462,895
Forfeitures	6,577	-	-	4,134	10,711
Investment earnings	24,593	5,994	411	2,222	33,220
Other revenue	147,110	44,741	-	104	191,955
Total Revenues	<u>12,475,541</u>	<u>3,901,914</u>	<u>84,940</u>	<u>844,684</u>	<u>17,307,079</u>
<b>EXPENDITURES:</b>					
Current:					
General Government:					
Public finance	1,419,417	-	206,148	5,500	1,631,065
General administration	1,194,967	-	-	12,496	1,207,463
Judicial	1,693,982	-	-	1,200	1,695,182
Legal	619,896	-	-	50,780	670,676
Public safety	4,273,064	-	-	16,662	4,289,726
Health and welfare	1,396,786	-	-	-	1,396,786
Road and bridge	-	2,914,109	-	-	2,914,109
Debt Service:					
Bank charges	-	-	-	550	550
Principal	-	-	-	467,000	467,000
Interest	-	-	-	224,551	224,551
Capital Outlay:					
Capital outlay	257,593	299,824	-	-	557,417
Total Expenditures	<u>10,855,705</u>	<u>3,213,933</u>	<u>206,148</u>	<u>778,739</u>	<u>15,054,525</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,619,836</u>	<u>687,981</u>	<u>(121,208)</u>	<u>65,945</u>	<u>2,252,554</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds on sale of assets	1,318	57,579	-	-	58,897
Transfers in	1,056,655	200,000	-	647,568	1,904,223
Transfers out	(647,568)	(200,000)	-	(1,056,655)	(1,904,223)
Total Other Financing Sources (Uses)	<u>410,405</u>	<u>57,579</u>	<u>-</u>	<u>(409,087)</u>	<u>58,897</u>
Net Change in Fund Balances	2,030,241	745,560	(121,208)	(343,142)	2,311,451
Fund Balances - Beginning	12,203,385	2,382,141	337,376	1,804,779	16,727,681
Fund Balances - Ending	<u>\$ 14,233,626</u>	<u>\$ 3,127,701</u>	<u>\$ 216,168</u>	<u>\$ 1,461,637</u>	<u>\$ 19,039,132</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, 2013**

Net Change in Fund Balances-Total Governmental Funds	\$	2,311,451
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Internal service funds are used by management to charge the cost of self-insurance in individual funds. The changes in net position 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 position.</p>		(28,193)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.</p>		557,417
<p>Depreciation expense on capital asses is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.</p>		(1,246,768)
<p>Governmental funds recognize all amounts received on the sale of fixed assets as a gain. However, in the statement of activities, the gain or loss is offset by the remaining net book value of the asset.</p>		(20,653)
<p>The issuance of long-term debt, including bonds, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the goveremntal funds. Neither transaction, however, has any effect on net position.</p>		
Principal payments	467,000	
Decrease in compensated absences	<u>16,395</u>	<u>483,395</u>
<p>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.</p>		(1,802)
<p>Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.</p>		
Office fees	15,111	
Property taxes	<u>(101,014)</u>	<u>(85,903)</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,968,944</u></u>

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

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
SEPTEMBER 30, 2013**

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 346,477
TOTAL ASSETS	\$ 346,477
<b>LIABILITIES AND NET POSITION</b>	
Current Liabilities:	
Wages and salaries payable	\$ 652
Total Liabilities	652
Net Position:	
Unrestricted	345,825
Total Net Position	345,825
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 346,477</b>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Governmental Activities
	Internal Service Funds
<b>OPERATING EXPENDITURES</b>	
Salaries & wages	\$ 28,553
Total Operating Expenditures	28,553
Operating Loss	(28,553)
<b>NONOPERATING REVENUES</b>	
Investment earnings	360
Total Nonoperating Revenues	360
Changes in Net Position	(28,193)
Net Position-Beginning of Year	374,018
Net Position-End of Year	\$ 345,825

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, 2013**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Paid to Employees	\$ (28,352)
Net Cash Used by Operating Activities	(28,352)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	360
Net Cash Provided by Investing Activities	360
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(27,992)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	374,469
<b>CASH AND CASH EQUIVILANTS AT END OF YEAR</b>	\$ 346,477
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (28,553)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Change in Wages and Salaries Payable	201
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	\$ (28,352)

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

**FIDUCIARY FUND FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2013**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and short-term investments	\$ 2,572,574
Total Assets	<u>\$ 2,572,574</u>
<b>LIABILITIES</b>	
Due to others	\$ 2,572,574
Total Liabilities	<u>\$ 2,572,574</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, 2013**

**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).

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either there is ongoing financial benefit or burden or operational responsibility. A primary government might also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has operational responsibility for an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Some organizations are included as component units because of the fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

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, 2013**

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

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

**Financial Statement Presentation**

Government-wide financial statements - The statement of net position 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.

County Clerk Records Management - The County Clerk Records Management Fund is a special revenue fund that is used to account for financial resources to be used by the County for the management of the records maintained by the county clerk.

*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, 2013**

**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.

Capital Projects Fund – This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

*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.

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**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

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 Position or Fund Balance**

**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 (\$152,894 General Fund, \$58,824 Road and Bridge Fund and \$13,974 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, 2013**

**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, 2013 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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**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 nonspendable fund balance which indicates they do not represent "available spendable resources."

**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 position.

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	30 – 40 years
Furniture and 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, 2013**

**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, 2013, the value of accumulated vacation benefits was \$166,298 and the value of accumulated sick pay benefits was approximately \$54,051 for a total of \$220,349.

The portion of accrued vacation pay and sick pay that has been classified as current and reported in the governmental fund financial statements is \$193,907.

**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 position.

**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, 2013**

**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 position. 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 capitalized and amortized over the term of the related debt.

**Unearned Revenues**

The County reports unearned revenue on its governmental funds balance sheet. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in current period. Unearned 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 unearned 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.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments’ laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction

- a. The aggregate fund balance of the debt service fund is legally restricted for payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.
- b. The fund balance of the capital projects fund reflects an amount restricted for construction and major renovation projects and it usually represents unexpended proceeds from the sale of bonds, which primarily have restricted use.
- c. The proceeds of specific revenue sources that are restricted to expenditures for specified purposes as designated by grantors, contributors, by vote of citizens, or governmental entities over state or local program grants.

See independent auditors’ report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

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

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

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

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

The County’s Fund Balance Policy establishes and documents the County’s policies concerning maintaining fund balance of the various operating funds at levels sufficient to protect the County’s creditworthiness as well as its financial position from emergencies. The policy provides for the following:

General Fund: Unassigned fund balance of approximately 50% of budgeted expenditures for the fiscal year, to be used for unanticipated needs.

Road and Bridge Fund: Total fund balance of approximately 75 days funds of current fiscal year budgeted expenditures should be maintained to compensate for the period before tax revenues are received after January 1 of the next year.

Debt Service Fund: Restricted fund balances of approximately 100% of the following year’s debt service requirements, to be used for debt service based on contractual obligations.

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**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**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 2013.

**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.

Cash and investments as of September 30, 2013 consist of the following:

Cash on hand	\$ 5,250
Deposits with financial institutions	4,314,056
Short-term investments	8,540,812
Certificates of deposit	<u>6,625,000</u>
	<u>\$ 19,485,118</u>

**A. Cash Deposits**

At September 30, 2013, the County's cash deposits were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

**B. Investments**

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

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

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

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, 2013 consisted of the following:

Investment Type	Amount	Weighted Average Maturity
Texpool	\$ 8,540,812	55 days
Certificates of deposit	6,625,000	83 days
	\$ 15,165,812	

The County is a voluntary participant in the TexPool external investment pool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool Shares.

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.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**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, 2013 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, 2013, TexPool's investment credit quality rating was AAAM (Standard & Poor's). The certificates of deposit are not rated.

**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.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 4: Capital Assets**

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

	October 1, 2012	Increase	Decrease	September 30, 2013
Government activities capital assets:				
Non-depreciable assets:				
Land	\$ 668,045	\$ -	\$ -	\$ 668,045
Total non-depreciable assets	<u>668,045</u>	<u>-</u>	<u>-</u>	<u>668,045</u>
Depreciable assets:				
Buildings	18,700,604	10,743	-	18,711,347
Furniture and equipment	<u>11,037,518</u>	<u>546,674</u>	<u>116,672</u>	<u>11,467,520</u>
Total depreciable assets	<u>29,738,122</u>	<u>557,417</u>	<u>116,672</u>	<u>30,178,867</u>
Totals at historic cost	<u>30,406,167</u>	<u>557,417</u>	<u>116,672</u>	<u>30,846,912</u>
Less accumulated depreciation:				
Buildings	(4,332,015)	(476,945)	-	(4,808,960)
Furniture and equipment	<u>(8,228,447)</u>	<u>(769,823)</u>	<u>96,019</u>	<u>(8,902,251)</u>
Total accumulated depreciation	<u>(12,560,462)</u>	<u>(1,246,768)</u>	<u>96,019</u>	<u>(13,711,211)</u>
Total capital assets, being depreciated, net	<u>17,177,660</u>	<u>(689,351)</u>	<u>212,691</u>	<u>16,467,656</u>
Governmental capital assets, net	<u>\$ 17,845,705</u>	<u>\$ (689,351)</u>	<u>\$ 212,691</u>	<u>\$ 17,135,701</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	\$ 153,942
Justice	78,028
Public safety	586,743
Public transportation	428,055
Total depreciation expense	<u>\$ 1,246,768</u>

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 5: Interfund Transactions**

The General Fund owed the Debt Service Fund \$647,568 for a transfer that had not been completed prior to year-end. This interfund balance is to be repaid or collected in the normal course of business, within one year of the fiscal year-end.

During the year ended September 30, 2013, the General Fund received a \$1,056,655 transfer from the Capital Projects Fund to return unspent funds transferred for construction of the addition to the Erath County Jail. Also, the Debt Service Fund received a \$647,568 transfer from the General Fund in order to establish its fund balance to be in compliance with the County's policy. Additionally, Road and Bridge performed an interfund transfer to fund operations of the Maintenance Barn in the amount of \$200,000.

**NOTE 6: Long-Term Obligations**

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, 2013:

	Interest Rate	Date of Issue	Date of Maturity	Amount of Bond
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,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 467,000	\$ 206,572	\$ 673,572
2015	467,000	188,592	655,592
2016	467,000	170,613	637,613
2017	467,000	152,633	619,633
2018	467,000	134,654	601,654
2019-2023	2,335,000	385,693	2,720,693
2024-2028	929,000	53,553	982,553
	\$ 5,599,000	\$ 1,292,310	\$ 6,891,310

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

Long-term obligations include debt and compensated absences. Changes in long-term obligations for the period ended September 30, 2013, 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	\$ 236,744	\$ -	\$ 16,395	\$ 220,349	\$ 193,907
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>\$ 6,302,744</u>	<u>\$ -</u>	<u>\$ 483,395</u>	<u>\$ 5,819,349</u>	<u>\$ 660,907</u>

**NOTE 7: Commitments Under Operating Leases**

The County has entered into several lease agreements 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, 2013, as follows:

Year Ending September 30,	
2014	\$ 45,406
2015	36,007
2016	32,233
2017	7,573
2018	<u>275</u>
Total Minimum Future Lease Obligations	<u>\$ 121,494</u>
Rental Expenditures in 2013	<u>\$ 55,278</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, 2013**

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

**Health Care**

During the year ended September 30, 2013, 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 TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the 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 10.42% for the months of the accounting year in 2012 and 10.81% for the months of the accounting year in 2013.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

The deposit rate payable by the employee members for calendar year 2013 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, 2013, the annual pension cost for the TCDRS plan for its employees was \$693,926 and the actual contributions were \$693,926.

The annual required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2012 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, 2012 was 20 years.

**D. Funded Status and Funding Progress**

As of December 31, 2012, the most recent actuarial valuation date, the plan was 83.48% funded. The actuarial accrued liability for benefits was \$21,614,299, and the actuarial value of assets was \$18,043,635, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,570,664. The covered payroll (annual payroll of active employees covered by the plan) was \$7,251,806, and the ratio of UAAL to covered payroll was 49.24%.

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, 2013, 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, 2013**

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

**Litigation**

The County Attorney has 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**

Effective October 1, 2012, the County implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net position.

The GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities, which will be effective the year ending September 30, 2014. The statement reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows or inflows of resources, and recognizes these items as outflows or inflows of resources. This Statement applies to all state and local governmental entities. The County will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 67, Financial Reporting for Pension Plans, which will be effective for the year ending September 30, 2014. The objective of this Statement is to improve financial reporting of state and local governmental pension plans with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement applies to all state and governmental entities and amends Statements 25 and 50. The County will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions, which will be effective for the year ending September 30, 2015. The objective of this Statement is to improve accounting and financial reporting of state and local governmental pension plans. This Statement applies to all state and governmental entities and replaces Statements 27 and 50. The County will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, which will be effective for the year ending September 30, 2014. This Statement requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement. The County will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

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) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability	(3) Percentage Funded (1)/(2)	(4) Unfunded Actuarial Accrued Liability (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4)/(5)
2013	12/31/2012	\$ 18,043,635	\$ 21,614,299	83.48%	\$ 3,570,664	\$ 7,251,806	49.24%
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%

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, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
<b>Taxes:</b>				
Current taxes	\$ 7,348,175	\$ 7,348,175	\$ 6,980,080	\$ (368,095)
Delinquent taxes	750,000	750,000	693,476	(56,524)
Penalty & interest	95,000	95,000	92,372	(2,628)
Mixed drink tax	66,000	66,000	71,360	5,360
Sales tax	1,700,000	1,700,000	2,220,081	520,081
Tax certificate	12,000	12,000	18,410	6,410
Late rendition penalty	5,500	5,500	4,040	(1,460)
<b>Total Taxes</b>	<b>9,976,675</b>	<b>9,976,675</b>	<b>10,079,819</b>	<b>103,144</b>
<b>General County</b>				
Interest	14,495	14,495	24,593	10,098
Tobacco settlement	12,000	12,000	15,201	3,201
State juror reimbursement	10,000	10,000	8,454	(1,546)
Workers comp adjustment	-	-	8,035	8,035
Health insurance reimbursement	66,500	66,500	92,763	26,263
General county miscellaneous	2,000	2,000	18,352	16,352
<b>Total General County</b>	<b>104,995</b>	<b>104,995</b>	<b>167,398</b>	<b>62,403</b>
<b>County Clerk</b>				
Drug court cost	750	750	1,349	599
Judicial support fee	-	-	292	292
Juror fee	-	-	194	194
Bond forfeiture	3,000	3,000	6,577	3,577
Judges education	500	500	660	160
Fees	525,000	525,000	609,876	84,876
5% cash bond	1,000	1,000	214	(786)
State traffic fee	-	-	121	121
Indigent legal	-	-	130	130
DPS arrest	1,300	1,300	2,251	951
EMS trauma	900	900	1,558	658
<b>Total County Clerk</b>	<b>532,450</b>	<b>532,450</b>	<b>623,222</b>	<b>90,772</b>
<b>Tax Collector/Assessor</b>				
TERP surcharge fee	-	-	845	845
Tax entity commission	36,000	36,000	37,484	1,484
Auto commission	175,000	175,000	258,731	83,731
Motor vehicle titles	35,000	35,000	42,296	7,296
Chapter 19 reimbursement	-	-	450	450
<b>Total Tax Collector/Assessor</b>	<b>246,000</b>	<b>246,000</b>	<b>339,806</b>	<b>93,806</b>
<b>Sanitation</b>				
Fees	15,000	15,000	21,400	6,400
<b>Total Sanitation</b>	<b>15,000</b>	<b>15,000</b>	<b>21,400</b>	<b>6,400</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, 2013**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Election</b>				
HAVA grant reimbursement	-	-	10,781	10,781
Reimbursed election expense	5,000	5,000	8,272	3,272
Total Election	5,000	5,000	19,053	14,053
<b>Volunteer Fire Department</b>				
Workers comp refund	4,500	4,500	7,996	3,496
Insurance/grant payment	-	26,373	33,401	7,028
Total Volunteer Fire Department	4,500	30,873	41,397	10,524
<b>911 Emergency</b>				
COG reimbursement 911	15,000	15,000	31,142	16,142
Total 911 Emergency	15,000	15,000	31,142	16,142
<b>District Clerk</b>				
Restitution	-	-	456	456
Drug court cost	-	-	182	182
Family violence fee	-	-	200	200
Judicial support fee	-	-	45	45
AG citation fee	2,500	2,500	2,981	481
AG motion fee	-	-	426	426
Jury fee	-	-	1	1
Family protection fee	2,000	2,000	-	(2,000)
Court appointed attorney	8,000	8,000	9,244	1,244
Fees	160,000	160,000	159,023	(977)
Jury trial tee	250	250	690	440
5% cash bond	-	-	100	100
Court reporter fee	4,000	4,000	4,375	375
Consolidated court cost	1,000	1,000	1,069	69
AG child support	700	700	938	238
Time payments	-	-	963	963
EMS trauma	-	-	150	150
Indigent legal	-	-	226	226
Bureau of vital statistics	-	-	173	173
Total District Clerk	178,450	178,450	181,242	2,792
<b>District Attorney</b>				
Judicial district apportionment	27,500	27,500	27,500	-
Assistant DA longevity	-	-	1,280	1,280
State witness reimbursement	-	-	525	525
Miscellaneous district attorney	-	-	3,456	3,456
Total District Attorney	27,500	27,500	32,761	5,261

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, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>District Court</b>				
Appointed attorney	12,000	12,000	18,406	6,406
Total District Court	12,000	12,000	18,406	6,406
<b>County Attorney</b>				
State salary allocation	62,500	62,500	68,333	5,833
Court apportionment	8,000	8,000	11,978	3,978
Total County Attorney	70,500	70,500	80,311	9,811
<b>Court At Law</b>				
State salary allocation	75,000	75,000	75,000	-
Court apportionment	15,000	31,000	40,968	9,968
Probate fees	250	250	264	14
Interpreter fees	-	-	300	300
Total Court At Law	90,250	106,250	116,532	10,282
<b>Justice of The Peace #1</b>				
Judicial fee	1,200	1,200	1,258	58
City apportionment	114,774	114,774	113,771	(1,003)
Jury fee	700	700	841	141
Expungent fee	-	-	240	240
Fees	155,000	155,000	160,964	5,964
Defensive driving	3,000	3,000	3,526	526
Traffic	3,500	3,500	3,701	201
Consolidated court cost	8,000	8,000	8,431	431
Child safety seat	-	-	428	428
Indigent legal	4,000	4,000	5,237	1,237
Arrest fee	8,000	8,000	7,847	(153)
Time payments	800	800	1,128	328
Motor carrier fee	-	-	400	400
Child safety seat	-	-	250	250
Total Justice of The Peace #1	298,974	298,974	308,022	9,048
<b>Justice of The Peace #2</b>				
Judicial fee	175	175	202	27
Jury fee	-	-	135	135
Fees	32,000	32,000	27,711	(4,289)
Defensive driving	500	500	535	35
Traffic	600	600	645	45
Consolidated court cost	1,500	1,500	1,363	(137)
Seatbelt	-	-	173	173
Failure to appear	-	-	131	131
DPS arrest	1,200	1,200	1,186	(14)
Time payments	-	-	205	205
Motor carrier	-	-	365	365
Total Justice of The Peace #2	35,975	35,975	32,651	(3,324)

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, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Sheriff</b>				
Crime victim reimbursement	-	-	2,120	2,120
Fees	45,000	45,000	48,081	3,081
Visual recorder fee	1,400	1,400	2,310	910
Bail bond fee	900	900	1,553	653
Estray cattle	4,500	4,500	4,458	(42)
State inmate reimbursement	4,000	4,000	3,327	(673)
City of Dublin inmates	1,500	1,500	2,900	1,400
City of Stephenville inmates	8,500	8,500	21,300	12,800
Inmate phone commission	10,000	10,000	19,357	9,357
Extradition reimbursement	3,000	3,000	780	(2,220)
Inmate SSA	-	-	400	400
Jail renovation reimbursement	-	-	10,630	10,630
Grant revenues	-	-	6,025	6,025
Auto claim transport	-	15,087	15,087	-
Inmate housing revenue	114,975	114,975	10,215	(104,760)
<b>Total Sheriff</b>	<b>193,775</b>	<b>208,862</b>	<b>148,543</b>	<b>(60,319)</b>
<b>Constable #1</b>				
Fees	3,000	3,000	18,759	15,759
<b>Total Constable #1</b>	<b>3,000</b>	<b>3,000</b>	<b>18,759</b>	<b>15,759</b>
<b>Constable #2</b>				
Fees	18,000	18,000	3,600	(14,400)
<b>Total Constable #2</b>	<b>18,000</b>	<b>18,000</b>	<b>3,600</b>	<b>(14,400)</b>
<b>Pretrial Diversion</b>				
Fees	1,700	1,700	3,245	1,545
UA fees	100	100	60	(40)
<b>Total Pretrial Diversion</b>	<b>1,800</b>	<b>1,800</b>	<b>3,305</b>	<b>1,505</b>
<b>Emergency Medical Services</b>				
Charges for services	175,000	175,000	201,567	26,567
FEMA	-	-	3,388	3,388
<b>Total Emergency Medical Services</b>	<b>175,000</b>	<b>175,000</b>	<b>204,955</b>	<b>29,955</b>
<b>Indigent Healthcare</b>				
Inmate Medical Copay	-	-	3,217	3,217
Interest	-	-	-	-
<b>Total Indigent Healthcare</b>	<b>-</b>	<b>-</b>	<b>3,217</b>	<b>3,217</b>
<b>TOTAL REVENUES</b>	<b>12,004,844</b>	<b>12,062,304</b>	<b>12,475,541</b>	<b>413,237</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, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>				
<b>County Judge</b>				
Salary	137,730	138,037	137,025	1,012
Operating	4,450	5,320	5,320	-
Supplies	2,000	1,763	1,537	226
Schools & dues	6,000	4,919	2,862	2,057
Equipment	1,000	1,448	1,447	1
Total County Judge	<u>151,180</u>	<u>151,487</u>	<u>148,191</u>	<u>3,296</u>
<b>County Clerk</b>				
Salary	353,458	353,458	339,211	14,247
Operating	4,250	4,250	2,952	1,298
Supplies	10,000	10,000	9,055	945
Schools & dues	6,500	6,500	4,599	1,901
Software/hardware maintenance	17,420	17,420	17,420	-
Total County Clerk	<u>391,628</u>	<u>391,628</u>	<u>373,237</u>	<u>18,391</u>
<b>County Auditor</b>				
Salary	235,737	235,237	226,719	8,518
Operating	1,840	1,840	1,197	643
Supplies	4,000	4,000	3,844	156
Schools & dues	9,700	3,265	2,263	1,002
Equipment	1,000	1,000	452	548
Software/hardware maintenance	10,352	9,162	9,162	-
Total County Auditor	<u>262,629</u>	<u>254,504</u>	<u>243,637</u>	<u>10,867</u>
<b>County Treasurer</b>				
Salary	181,364	181,364	180,098	1,266
Operating	4,140	3,640	3,272	368
Advertising	3,500	5,000	4,998	2
Supplies	4,750	4,750	3,586	1,164
Schools & dues	6,000	5,400	4,947	453
Equipment	3,000	3,000	315	2,685
Software/hardware maintenance	8,323	8,323	8,323	-
Drug screening	4,500	4,100	3,615	485
Total County Treasurer	<u>215,577</u>	<u>215,577</u>	<u>209,154</u>	<u>6,423</u>
<b>Tax Assessor/Collector</b>				
Salary	502,376	502,376	496,945	5,431
Operating	64,246	64,256	52,201	12,055
Advertising	3,200	3,200	1,969	1,231
Supplies	14,000	14,000	13,998	2
Schools & dues	4,500	4,500	3,597	903
Equipment	6,500	6,500	1,018	5,482
Software/hardware maintenance	11,600	11,600	11,519	81
Data processing	20,000	16,990	12,142	4,848
Total Tax Assessor/Collector	<u>626,422</u>	<u>623,422</u>	<u>593,389</u>	<u>30,033</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 - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Veteran's Service</b>				
Salary	50,087	50,087	49,917	170
Operating	1,968	1,968	1,340	628
Supplies	1,500	1,500	1,477	23
Advertising	500	500	270	230
Total Veteran's Service	54,055	54,055	53,004	1,051
<b>Sanitation</b>				
Salary	60,487	60,487	62,394	(1,907)
Operating	5,275	5,075	2,794	2,281
Supplies	750	542	439	103
Schools & dues	200	200	175	25
Equipment	500	-	-	-
Fuel	5,500	6,408	6,407	1
Total Sanitation	72,712	72,712	72,209	503
<b>Elections</b>				
Salary	10,765	10,765	6,633	4,132
Operating	33,600	29,264	19,116	10,148
Supplies	5,500	5,474	4,194	1,280
Equipment	-	4,362	4,362	-
Software/hardware maintenance	21,904	21,904	21,694	210
Total Elections	71,769	71,769	55,999	15,770
<b>Fire Suppression</b>				
Salary	420	420	420	-
Operating	64,390	57,614	57,447	167
Schools and dues	2,000	1,200	1,158	42
Equipment	3,000	129,206	64,008	65,198
EMS	96,747	96,747	96,747	-
Volunteer fire departments	246,899	267,645	249,918	17,727
Total Fire Suppression	413,456	552,832	469,698	83,134
<b>Non-Departmental</b>				
Operating	303,070	231,717	186,308	45,409
Advertising	4,000	4,000	2,629	1,371
Schools & dues	6,000	6,000	1,941	4,059
Professional services	69,000	70,000	64,920	5,080
Software/hardware maintenance	61,000	66,865	64,737	2,128
Highway right of way purchase	155,571	155,571	-	155,571
Pauper burials	5,000	-	-	-
Autopsies	60,000	88,100	87,668	432
Historical society	1,500	1,500	798	702
Erath county senior citizens	18,000	18,000	18,000	-
Central appraisal district allocation	309,327	307,837	307,831	6
Erath county trapper	32,400	32,400	31,200	1,200
Humane society	18,000	18,000	18,000	-
Total Non-Departmental	1,042,868	999,990	784,032	215,958
<b>911 Emergency</b>				
Addressing contract	45,000	45,000	45,000	-
Total 911 Emergency	45,000	45,000	45,000	-

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, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>District Judge</b>				
Salary	256,518	256,518	247,338	9,180
Operating	3,924	4,159	2,787	1,372
Supplies	3,000	2,611	2,412	199
Schools & dues	7,000	6,265	4,042	2,223
Law books/online research	5,500	4,000	2,544	1,456
Equipment	-	389	389	-
Software/hardware maintenance	1,191	1,191	1,191	-
Total District Judge	<u>277,133</u>	<u>275,133</u>	<u>260,703</u>	<u>14,430</u>
<b>District Clerk</b>				
Salary	235,175	235,175	221,983	13,192
Operating	8,167	7,593	7,008	585
Supplies	7,000	6,400	6,317	83
Schools & dues	3,500	4,775	4,732	43
Equipment	1,000	925	327	598
Software/hardware maintenance	16,742	16,742	16,742	-
Total District Clerk	<u>271,584</u>	<u>271,610</u>	<u>257,109</u>	<u>14,501</u>
<b>District Attorney</b>				
Salary	282,875	282,875	264,099	18,776
Operating	56,814	54,054	27,415	26,639
Supplies	8,000	8,010	7,812	198
Schools & dues	6,000	8,750	8,699	51
Law books/online research	2,500	2,500	1,611	889
Software/hardware maintenance	8,322	8,322	8,322	-
Total District Attorney	<u>364,511</u>	<u>364,511</u>	<u>317,958</u>	<u>46,553</u>
<b>District Court</b>				
Administration	2,072	2,072	2,072	-
Transcript	13,000	24,200	24,197	3
Court Expense	6,000	15,000	15,000	-
Professional fees	10,800	18,370	18,367	3
Civil attorney ad litem	28,000	28,506	29,356	(850)
Criminal attorney ad litem	80,000	80,366	79,816	550
Petit jury	15,000	13,928	13,346	582
Grand jury	6,800	6,800	6,180	620
Jury meals	500	500	147	353
Jury commission	500	500	400	100
Crime victims jury	750	750	470	280
Cross timbers jury	3,375	3,375	1,346	2,029
Erath county child welfare	3,375	3,375	2,046	1,329
Total District Court	<u>170,172</u>	<u>197,742</u>	<u>192,743</u>	<u>4,999</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, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>County Attorney</b>				
Salary	284,667	284,667	284,419	248
Operating	2,600	2,188	2,145	43
Supplies	2,000	2,555	2,469	86
Schools & dues	1,700	2,274	2,274	-
Law books/online research	1,800	1,433	1,376	57
Equipment	500	850	850	-
Software/hardware maintenance	8,322	8,322	8,322	-
Court expense	785	83	83	-
Total County Attorney	<u>302,374</u>	<u>302,372</u>	<u>301,938</u>	<u>434</u>
<b>Court At Law</b>				
Salary	233,702	233,702	231,513	2,189
Operating	21,300	18,650	14,520	4,130
Supplies	1,500	1,370	1,157	213
Schools & dues	600	600	337	263
Law books/online research	1,050	1,300	936	364
Attorney ad litem	67,000	83,000	79,880	3,120
Equipment	700	830	362	468
Petit jury	2,000	1,200	668	532
Crime victims	300	300	-	300
Cross timbers	500	500	216	284
Erath county child welfare	1,000	1,000	178	822
Professional fees	3,000	6,200	5,575	625
Software/hardware maintenance	1,191	1,191	1,191	-
Total Court At Law	<u>333,843</u>	<u>349,843</u>	<u>336,533</u>	<u>13,310</u>
<b>Justice of The Peace #1</b>				
Salary	209,982	209,982	198,384	11,598
Operating	4,220	3,420	2,658	762
Supplies	4,000	5,500	5,178	322
Schools & dues	3,000	900	844	56
Law books/online research	1,200	1,800	1,683	117
Equipment	-	800	727	73
Petit Jury	1,500	1,500	901	599
Crime victims	300	40	-	40
Cross timbers	400	530	405	125
Erath county child welfare	300	430	355	75
Professional fees	200	200	150	50
Software/hardware maintenance	4,447	4,447	4,447	-
Total Justice of the Peace #1	<u>229,549</u>	<u>229,549</u>	<u>215,732</u>	<u>13,817</u>
<b>Justice of the Peace #2</b>				
Salary	103,730	103,730	103,447	283
Operating	5,300	5,300	3,036	2,264
Supplies	1,200	1,200	1,162	38
Schools & dues	2,500	2,500	1,465	1,035
Crime victims	200	200	-	200
Cross timbers	200	200	-	200
Erath county child welfare	200	200	-	200
Software/hardware maintenance	4,447	4,447	4,447	-
Total Justice of the Peace #2	<u>117,777</u>	<u>117,777</u>	<u>113,557</u>	<u>4,220</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, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Facilities</b>				
Salary	147,737	147,737	147,310	427
Utilities	100,000	100,000	22,118	77,882
Supplies	800	800	711	89
Operating	62,467	57,467	11,539	45,928
Equipment	600	740	538	202
Fuel	1,500	1,500	310	1,190
Building maintenance	130,000	118,008	106,226	11,782
Total Facilities	<u>443,104</u>	<u>426,252</u>	<u>288,752</u>	<u>137,500</u>
<b>Sheriff</b>				
Salary	1,984,754	1,984,913	1,897,382	87,531
Operating	113,850	125,711	102,110	23,601
Estray cattle	12,000	10,985	7,889	3,096
Supplies	16,500	17,600	16,947	653
Advertising	-	295	294	1
Schools & dues	12,000	14,500	13,778	722
Equipment	80,000	120,087	79,804	40,283
Fuel	142,000	142,000	104,941	37,059
Software/hardware maintenance	30,000	30,000	23,034	6,966
Total Sheriff	<u>2,391,104</u>	<u>2,446,091</u>	<u>2,246,179</u>	<u>199,912</u>
<b>Jail</b>				
Salary	1,190,138	1,190,138	1,138,415	51,723
Operating	38,000	39,193	18,193	21,000
Utilities	200,000	114,375	114,358	17
Supplies	37,000	35,769	31,957	3,812
Schools & dues	14,000	11,000	5,955	5,045
Equipment	5,616	13,347	9,959	3,388
Building repair/maintenance	35,000	33,807	30,217	3,590
Prisoner Food	110,048	90,573	86,269	4,304
Software/hardware maintenance	3,500	4,500	3,500	1,000
Total Jail	<u>1,633,302</u>	<u>1,532,702</u>	<u>1,438,823</u>	<u>93,879</u>
<b>Highway Patrol</b>				
Salary	42,203	42,203	41,800	403
Supplies	1,350	1,350	74	1,276
Weights & measures	250	250	-	250
Equipment	1,615	1,615	895	720
Total Highway Patrol	<u>45,418</u>	<u>45,418</u>	<u>42,769</u>	<u>2,649</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, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Constable #1</b>				
Salary	50,239	58,145	55,638	2,507
Operating	5,100	5,150	4,191	959
Supplies	500	500	95	405
Schools & dues	1,250	1,250	764	486
Fuel	3,000	3,000	2,005	995
Equipment	1,000	950	-	950
Total Constable #1	<u>61,089</u>	<u>68,995</u>	<u>62,693</u>	<u>6,302</u>
<b>Constable #2</b>				
Salary	58,109	58,109	56,450	1,659
Operating	5,030	5,030	3,696	1,334
Supplies	500	500	418	82
Schools & dues	1,250	1,250	501	749
Fuel	3,000	3,000	1,743	1,257
Equipment	1,000	1,000	429	571
Total Constable #2	<u>68,889</u>	<u>68,889</u>	<u>63,237</u>	<u>5,652</u>
<b>Probation</b>				
Juvenile probation office rent	12,000	12,000	12,000	-
Operating	2,100	2,100	2,015	85
Equipment	1,000	1,000	-	1,000
Juvenile board fund allocation	52,469	52,469	52,469	-
Total Probation	<u>67,569</u>	<u>67,569</u>	<u>66,484</u>	<u>1,085</u>
<b>County Extension Agents</b>				
Salary	109,951	110,151	107,573	2,578
Operating	2,813	2,813	2,732	81
Livestock show	8,500	8,500	6,740	1,760
Supplies	4,350	2,775	2,582	193
Schools & dues	2,000	2,000	1,974	26
Equipment	150	3,385	3,209	176
Travel	19,000	17,140	13,399	3,741
Demonstration	600	600	502	98
Total County Extension Agents	<u>147,364</u>	<u>147,364</u>	<u>138,711</u>	<u>8,653</u>
<b>Pretrial Diversion</b>				
Salary	97,376	97,376	96,221	1,155
Operating	4,120	3,221	2,705	516
Supplies	1,500	3,000	1,795	1,205
Schools & dues	1,000	-	-	-
Fuel	2,000	2,450	2,209	241
Total Pretrial Diversion	<u>105,996</u>	<u>106,047</u>	<u>102,930</u>	<u>3,117</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, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Emergency Medical Services</b>				
Salary	787,866	779,866	736,770	43,096
Operating	102,300	97,300	57,375	39,925
Supplies	41,500	39,500	28,318	11,182
Schools & dues	12,000	7,000	1,936	5,064
Equipment	158,000	163,000	158,629	4,371
Software/hardware maintenance	1,500	1,500	-	1,500
Professional services	6,000	6,000	6,000	-
Fuel	18,000	18,000	13,384	4,616
Dublin ambulance service	24,000	24,000	18,300	5,700
Total Emergency Medical Services	<u>1,151,166</u>	<u>1,136,166</u>	<u>1,020,712</u>	<u>115,454</u>
<b>Indigent Healthcare</b>				
Supplies	6,250	1,827	911	916
Healthcare - jail	120,000	120,000	105,427	14,573
Healthcare	450,778	450,778	167,660	283,118
HOPE Clinic	24,000	24,000	24,000	-
Professional fees	12,000	16,423	15,054	1,369
Software/hardware maintenance	15,000	15,000	12,540	2,460
Pecan Valley MHMR	15,000	15,000	15,000	-
Total Indigent Healthcare	<u>643,028</u>	<u>643,028</u>	<u>340,592</u>	<u>302,436</u>
<b>TOTAL EXPENDITURES</b>	<u>12,172,268</u>	<u>12,230,034</u>	<u>10,855,705</u>	<u>1,374,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(167,424)</u>	<u>(167,730)</u>	<u>1,619,836</u>	<u>1,787,566</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	1,056,655	(1,056,655)
Transfers out	-	-	(647,568)	647,568
Proceeds from sale of assets	-	-	1,318	(1,318)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>410,405</u>	<u>(410,405)</u>
Net Change in Fund Balance	(167,424)	(167,730)	2,030,241	2,197,971
Fund Balance-Beginning	12,203,385	12,203,385	12,203,385	-
Fund Balance-Ending	<u>\$ 12,035,961</u>	<u>\$ 12,035,655</u>	<u>\$ 14,233,626</u>	<u>\$ 2,197,971</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, 2013**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Fines and fees	\$ 60,000	\$ 60,000	\$ 84,529	\$ 24,529
Interest	260	260	411	(151)
Total Revenues	<u>60,260</u>	<u>60,260</u>	<u>84,940</u>	<u>24,378</u>
<b>EXPENDITURES:</b>				
County Clerk Record Management	<u>269,206</u>	<u>269,206</u>	<u>206,148</u>	<u>63,058</u>
Total Expenditures	<u>269,206</u>	<u>269,206</u>	<u>206,148</u>	<u>63,058</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(208,946)</u>	<u>(208,946)</u>	<u>(121,208)</u>	<u>(38,680)</u>
Net Changes in Fund Balances	(208,946)	(208,946)	(121,208)	(38,680)
Fund Balance-Beginning	<u>337,376</u>	<u>337,376</u>	<u>337,376</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 128,430</u>	<u>\$ 128,430</u>	<u>\$ 216,168</u>	<u>\$ (38,680)</u>

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

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

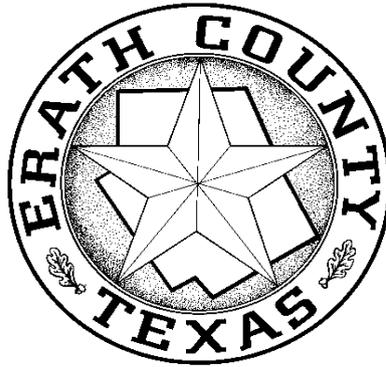
**Budgetary Information**

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 an 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, 2013**

	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 investments	\$ 680,593	\$ 735,772	\$ 1,004,419	\$ 702,230	\$ 41,270	\$ 3,164,284
Receivables (net of Allowance for Uncollectible)	<u>27,708</u>	<u>30,001</u>	<u>26,594</u>	<u>27,270</u>	<u>-</u>	<u>111,573</u>
Total Assets	<u>\$ 708,301</u>	<u>\$ 765,773</u>	<u>\$ 1,031,013</u>	<u>\$ 729,500</u>	<u>\$ 41,270</u>	<u>\$ 3,275,857</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 12,884	\$ 5,422	\$ 14,062	\$ 27,180	\$ 4,884	\$ 64,432
Salary payable	7,725	8,150	7,980	7,206	2,427	33,488
Unearned revenues	<u>15,487</u>	<u>15,509</u>	<u>10,933</u>	<u>8,307</u>	<u>-</u>	<u>50,236</u>
Total Liabilities	<u>36,096</u>	<u>29,081</u>	<u>32,975</u>	<u>42,693</u>	<u>7,311</u>	<u>148,156</u>
Fund Balances:						
Committed	<u>672,205</u>	<u>736,692</u>	<u>998,038</u>	<u>686,807</u>	<u>33,959</u>	<u>3,127,701</u>
Total Fund Balances	<u>672,205</u>	<u>736,692</u>	<u>998,038</u>	<u>686,807</u>	<u>33,959</u>	<u>3,127,701</u>
Total Liabilities and Fund Balances	<u>\$ 708,301</u>	<u>\$ 765,773</u>	<u>\$ 1,031,013</u>	<u>\$ 729,500</u>	<u>\$ 41,270</u>	<u>\$ 3,275,857</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, 2013**

	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	\$ 579,498	\$ 686,491	\$ 743,018	\$ 662,410	\$ -	\$ 2,671,417
Delinquent	57,069	67,892	73,014	65,146	-	263,121
Penalty & interest	7,891	9,396	9,910	8,825	-	36,022
Intergovernmental	7,763	9,197	9,953	8,873	-	35,786
Auto registrations	183,274	217,119	234,963	209,477	-	844,833
Interest	1,302	1,502	1,830	1,360	-	5,994
Miscellaneous	9,178	7,560	8,003	20,000	-	44,741
Total Revenues	<u>845,975</u>	<u>999,157</u>	<u>1,080,691</u>	<u>976,091</u>	<u>-</u>	<u>3,901,914</u>
<b>EXPENDITURES:</b>						
Salaries	408,292	415,061	417,020	364,937	124,250	1,729,560
Equipment	85,333	11,261	92,160	107,593	300	296,647
Equipment repair	52,761	59,765	48,822	49,995	21,149	232,492
Fuel	67,930	93,365	71,773	72,554	6,694	312,316
Road expense	129,333	100,996	157,089	141,164	-	528,582
Operating	18,947	29,983	22,285	17,502	25,619	114,336
Total Expenditures	<u>762,596</u>	<u>710,431</u>	<u>809,149</u>	<u>753,745</u>	<u>178,012</u>	<u>3,213,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>83,379</u>	<u>288,726</u>	<u>271,542</u>	<u>222,346</u>	<u>(178,012)</u>	<u>687,981</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	200,000	200,000
Sale of assets	14,470	1,050	19,095	22,077	887	57,579
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(200,000)</u>
Total Other Financing Sources (Uses)	<u>(35,530)</u>	<u>(48,950)</u>	<u>(30,905)</u>	<u>(27,923)</u>	<u>200,887</u>	<u>57,579</u>
Net Changes in Fund Balances	47,849	239,776	240,637	194,423	22,875	745,560
Fund Balance-Beginning	<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>
Fund Balance-Ending	<u>\$ 672,205</u>	<u>\$ 736,692</u>	<u>\$ 998,038</u>	<u>\$ 686,807</u>	<u>\$ 33,959</u>	<u>\$ 3,127,701</u>

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

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget
			(See Note)	Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property taxes				
Current	\$ 2,810,714	\$ 2,810,714	\$ 2,671,417	\$ (139,297)
Delinquent	277,000	277,000	263,121	(13,879)
Penalty & Interest	33,200	33,200	36,022	2,822
Other taxes	32,000	32,000	35,786	3,786
Auto registrations	574,700	574,700	844,833	270,133
Interest	1,875	1,875	5,994	4,119
Miscellaneous	-	12,600	44,741	32,141
Total Revenues	<u>3,729,489</u>	<u>3,742,089</u>	<u>3,901,914</u>	<u>159,825</u>
<b>EXPENDITURES:</b>				
Salaries	1,775,157	1,775,194	1,729,560	45,634
Equipment	491,000	474,997	296,647	178,350
Equipment Repair	256,851	272,853	232,492	40,361
Fuel	472,000	472,000	312,316	159,684
Road Expense	589,000	611,600	528,582	83,018
Operating	250,476	259,310	114,336	144,974
Total Expenditures	<u>3,834,484</u>	<u>3,865,954</u>	<u>3,213,933</u>	<u>652,021</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(104,995)</u>	<u>(123,865)</u>	<u>687,981</u>	<u>811,846</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	201,675	201,675	200,000	(1,675)
Sale of Assets	-	18,870	57,579	38,709
Transfers Out	(201,676)	(201,676)	(200,000)	1,676
Total Other Financing Sources (Uses)	<u>(1)</u>	<u>18,869</u>	<u>57,579</u>	<u>38,710</u>
Net Changes in Fund Balances	(104,996)	(104,996)	745,560	850,556
Fund Balance-Beginning	<u>2,382,141</u>	<u>2,382,141</u>	<u>2,382,141</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 2,277,145</u>	<u>\$ 2,277,145</u>	<u>\$ 3,127,701</u>	<u>\$ 850,556</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
<b>ASSETS</b>				
Cash and investments	\$ 60,137	\$ 5,436	\$ 4,974	\$ 14,054
Receivables (net of Allowance for Uncollectible)	244	212	30	30
Due from other funds	-	-	-	-
Total Assets	<u>\$ 60,381</u>	<u>\$ 5,648</u>	<u>\$ 5,004</u>	<u>\$ 14,084</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 100	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Unearned revenues	-	-	-	-
Total Liabilities	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Restricted</b>				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Election	-	-	-	-
General administration	-	-	5,004	14,084
Judicial	60,281	5,648	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	-	-	-	-
Total Fund Balances	<u>60,281</u>	<u>5,648</u>	<u>5,004</u>	<u>14,084</u>
Total Liabilities and Fund Balances	<u>\$ 60,381</u>	<u>\$ 5,648</u>	<u>\$ 5,004</u>	<u>\$ 14,084</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
<b>ASSETS</b>				
Cash and investments	\$ 18,931	\$ 65,001	\$ 17,099	\$ 243,075
Receivables (net of Allowance for Uncollectible)	-	500	775	637
Due from other funds	-	-	-	-
Total Assets	<u>\$ 18,931</u>	<u>\$ 65,501</u>	<u>\$ 17,874</u>	<u>\$ 243,712</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 898	\$ -	\$ 1,442	\$ -
Salary payable	-	-	-	-
Unearned revenues	-	-	-	-
Total Liabilities	<u>898</u>	<u>-</u>	<u>1,442</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Restricted</b>				
Debt service	-	65,501	-	-
Capital projects	-	-	-	-
Election	18,033	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	16,432	-
Public safety	-	-	-	243,712
Records management	-	-	-	-
Total Fund Balances	<u>18,033</u>	<u>65,501</u>	<u>16,432</u>	<u>243,712</u>
Total Liabilities and Fund Balances	<u>\$ 18,931</u>	<u>\$ 65,501</u>	<u>\$ 17,874</u>	<u>\$ 243,712</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Preservation	District Clerk Records Preservation
<b>ASSETS</b>				
Cash and investments	\$ 6,490	\$ 432	\$ 186,788	\$ 1,305
Receivables (net of Allowance for Uncollectible)	20	24	382	18
Due from other funds	-	-	-	-
<b>Total Assets</b>	<u>\$ 6,510</u>	<u>\$ 456</u>	<u>\$ 187,170</u>	<u>\$ 1,323</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Restricted</b>				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	6,510	456	187,170	1,323
<b>Total Fund Balances</b>	<u>6,510</u>	<u>456</u>	<u>187,170</u>	<u>1,323</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,510</u>	<u>\$ 456</u>	<u>\$ 187,170</u>	<u>\$ 1,323</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	County Attorney Hot Check	District Attorney Hot Check	District Attorney Forfeiture	Sheriff Forfeiture
<b>ASSETS</b>				
Cash and investments	\$ 51,861	\$ 8,173	\$ 65,061	\$ 35,562
Receivables (net of Allowance for Uncollectible)	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 51,861</u>	<u>\$ 8,173</u>	<u>\$ 65,061</u>	<u>\$ 35,562</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 24	\$ -	\$ -	\$ -
Salary payable	224	-	144	-
Unearned revenues	-	-	-	-
Total Liabilities	<u>248</u>	<u>-</u>	<u>144</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	8,173	64,917	35,562
Legal	51,613	-	-	-
Public safety	-	-	-	-
Records management	-	-	-	-
Total Fund Balances	<u>51,613</u>	<u>8,173</u>	<u>64,917</u>	<u>35,562</u>
Total Liabilities and Fund Balances	<u>\$ 51,861</u>	<u>\$ 8,173</u>	<u>\$ 65,061</u>	<u>\$ 35,562</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	Sheriff Special DEA Forfeiture	Certificates of Obligation	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 3,633	\$ 24,245	\$ 12	\$ 812,269
Receivables (net of Allowance for Uncollectible)	-	13,936	-	16,808
Due from other funds	-	647,568	-	647,568
<b>Total Assets</b>	<b>\$ 3,633</b>	<b>\$ 685,749</b>	<b>\$ 12</b>	<b>\$ 1,476,645</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,464
Salary payable	-	-	-	368
Unearned revenues	-	12,176	-	12,176
<b>Total Liabilities</b>	<b>-</b>	<b>12,176</b>	<b>-</b>	<b>15,008</b>
<b>Fund Balances:</b>				
<b>Restricted</b>				
Debt service	-	673,573	-	739,074
Capital projects	-	-	12	12
Election	-	-	-	18,033
General administration	-	-	-	19,088
Judicial	3,633	-	-	178,214
Legal	-	-	-	68,045
Public safety	-	-	-	243,712
Records management	-	-	-	195,459
<b>Total Fund Balances</b>	<b>3,633</b>	<b>673,573</b>	<b>12</b>	<b>1,461,637</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,633</b>	<b>\$ 685,749</b>	<b>\$ 12</b>	<b>\$ 1,476,645</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, 2013**

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	8,440	1,378	1,946	3,570
Interest	114	10	8	25
Miscellaneous	-	-	-	-
Total Revenues	<u>8,554</u>	<u>1,388</u>	<u>1,954</u>	<u>3,595</u>
<b>EXPENDITURES:</b>				
Supplies	-	-	-	-
Equipment	1,200	-	-	-
Software/hardware maintenance	-	-	-	-
Schools & dues	-	-	-	-
Law books	-	-	-	-
Online legal research	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Telephone	-	-	-	-
Task force	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,354</u>	<u>1,388</u>	<u>1,954</u>	<u>3,595</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	7,354	1,388	1,954	3,595
Fund Balance-Beginning	<u>52,927</u>	<u>4,260</u>	<u>3,050</u>	<u>10,489</u>
Fund Balance-Ending	<u>\$ 60,281</u>	<u>\$ 5,648</u>	<u>\$ 5,004</u>	<u>\$ 14,084</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, 2013**

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	5,400	-	-	-
Fines and fees	600	28,375	19,295	23,513
Interest	23	110	28	265
Miscellaneous	-	-	-	-
Total Revenues	<u>6,023</u>	<u>28,485</u>	<u>19,323</u>	<u>23,778</u>
<b>EXPENDITURES:</b>				
Supplies	-	1,384	-	-
Equipment	898	2,093	-	-
Software/hardware maintenance	-	760	-	-
Schools & dues	-	-	-	-
Law books	-	-	10,721	-
Online legal research	-	-	4,333	-
Courthouse security	-	-	-	11,598
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Telephone	-	-	-	-
Task force	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	<u>898</u>	<u>4,237</u>	<u>15,054</u>	<u>11,598</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,125</u>	<u>24,248</u>	<u>4,269</u>	<u>12,180</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	5,125	24,248	4,269	12,180
Fund Balance-Beginning	<u>12,908</u>	<u>41,253</u>	<u>12,163</u>	<u>231,532</u>
Fund Balance-Ending	<u>\$ 18,033</u>	<u>\$ 65,501</u>	<u>\$ 16,432</u>	<u>\$ 243,712</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, 2013**

	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Preservation	District Clerk Records Preservation
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	2,430	240	21,188	188
Interest	-	-	222	-
Miscellaneous	-	-	-	-
Total Revenues	<u>2,430</u>	<u>240</u>	<u>21,410</u>	<u>188</u>
<b>EXPENDITURES:</b>				
Supplies	-	-	-	-
Equipment	-	-	-	-
Software/hardware maintenance	-	-	5,500	-
Schools & dues	-	-	-	-
Law books	-	-	-	-
Online legal research	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Telephone	-	-	-	-
Task force	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,430</u>	<u>240</u>	<u>15,910</u>	<u>188</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,430	240	15,910	188
Fund Balance-Beginning	<u>4,080</u>	<u>216</u>	<u>171,260</u>	<u>1,135</u>
Fund Balance-Ending	<u>\$ 6,510</u>	<u>\$ 456</u>	<u>\$ 187,170</u>	<u>\$ 1,323</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, 2013**

	County Attorney Hot Check	District Attorney Hot Check	District Attorney Forfeiture	Sheriff Forfeiture
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	12,201	450	-	-
Interest	104	16	143	80
Miscellaneous	-	-	2,406	104
Total Revenues	<u>12,305</u>	<u>466</u>	<u>2,549</u>	<u>184</u>
<b>EXPENDITURES:</b>				
Supplies	274	-	361	-
Equipment	-	-	2,719	16,561
Software/hardware maintenance	5,871	-	-	-
Schools & dues	235	-	1,652	-
Law books	-	-	-	-
Online legal research	-	-	-	-
Courthouse security	-	-	-	-
Salary	11,101	-	6,256	-
Auto insurance	-	-	406	-
Fuel	-	-	2,152	-
Parts & repairs	-	-	93	-
Telephone	288	-	-	-
Task force	-	-	-	101
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Miscellaneous	81	-	-	-
Total Expenditures	<u>17,850</u>	<u>-</u>	<u>13,639</u>	<u>16,662</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,545)</u>	<u>466</u>	<u>(11,090)</u>	<u>(16,478)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(5,545)	466	(11,090)	(16,478)
Fund Balance-Beginning	<u>57,158</u>	<u>7,707</u>	<u>76,007</u>	<u>52,040</u>
Fund Balance-Ending	<u>\$ 51,613</u>	<u>\$ 8,173</u>	<u>\$ 64,917</u>	<u>\$ 35,562</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, 2013**

	Sheriff Special DEA Forfeiture	Certificates of Obligation	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ 709,010	\$ -	\$ 709,010
Charges for services	-	-	-	5,400
Fines and fees	-	-	-	123,814
Interest	-	99	975	2,222
Miscellaneous	1,728	-	-	4,238
Total Revenues	<u>1,728</u>	<u>709,109</u>	<u>975</u>	<u>844,684</u>
<b>EXPENDITURES:</b>				
Supplies	-	-	-	2,019
Equipment	-	-	-	23,471
Software/hardware maintenance	-	-	-	12,131
Schools & dues	-	-	-	1,887
Law books	-	-	-	10,721
Online legal research	-	-	-	4,333
Courthouse security	-	-	-	11,598
Salary	-	-	-	17,357
Auto insurance	-	-	-	406
Fuel	-	-	-	2,152
Parts & repairs	-	-	-	93
Telephone	-	-	-	288
Task force	-	-	-	101
Bank service charge	-	550	-	550
Interest payment	-	224,551	-	224,551
Principal payment	-	467,000	-	467,000
Miscellaneous	-	-	-	81
Total Expenditures	<u>-</u>	<u>692,101</u>	<u>-</u>	<u>778,739</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,728</u>	<u>17,008</u>	<u>975</u>	<u>65,945</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	647,568	-	647,568
Transfers out	-	-	(1,056,655)	(1,056,655)
Total Other Financing Sources (Uses)	<u>-</u>	<u>647,568</u>	<u>(1,056,655)</u>	<u>(409,087)</u>
Net Change in Fund Balance	1,728	664,576	(1,055,680)	(343,142)
Fund Balance-Beginning	<u>1,905</u>	<u>8,997</u>	<u>1,055,692</u>	<u>1,804,779</u>
Fund Balance-Ending	<u>\$ 3,633</u>	<u>\$ 673,573</u>	<u>\$ 12</u>	<u>\$ 1,461,637</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, 2013

	BALANCE OCTOBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2013
Tax Assessor Collector				
Assets:				
Cash and cash equivalents	\$ 198	\$ 2,767,809	\$ 2,767,734	\$ 273
Liabilities:				
Due to others	\$ 198	\$ 2,767,809	\$ 2,767,734	\$ 273
Tax Assessor Collector - Escrow Payments				
Assets:				
Cash and cash equivalents	\$ 19,195	\$ 84,009	\$ 89,112	\$ 14,092
Liabilities:				
Due to others	\$ 19,195	\$ 84,009	\$ 89,112	\$ 14,092
Tax Assessor Collector - District Account				
Assets:				
Cash and cash equivalents	\$ 78,648	\$ 42,477,838	\$ 42,433,602	\$ 122,884
Liabilities:				
Due to others	\$ 78,648	\$ 42,477,838	\$ 42,433,602	\$ 122,884
Tax Assessor Collector - Motor Vehicle Internet				
Assets:				
Cash and cash equivalents	\$ 566	\$ 69,744	\$ 70,018	\$ 292
Liabilities:				
Due to others	\$ 566	\$ 69,744	\$ 70,018	\$ 292
Tax Assessor Collector - Motor Vehicle Escrow				
Assets:				
Cash and cash equivalents	\$ 107,878	\$ 158,969	\$ 148,531	\$ 118,316
Liabilities:				
Due to others	\$ 107,878	\$ 158,969	\$ 148,531	\$ 118,316
Tax Assessor Collector - Sales Tax				
Assets:				
Cash and cash equivalents	\$ 270,177	\$ 4,242,862	\$ 4,166,429	\$ 346,610
Liabilities:				
Due to others	\$ 270,177	\$ 4,242,862	\$ 4,166,429	\$ 346,610
Tax Assessor Collector - Auto Fund				
Assets:				
Cash and cash equivalents	\$ 67,047	\$ 6,959,556	\$ 6,976,899	\$ 49,704
Liabilities:				
Due to others	\$ 67,047	\$ 6,959,556	\$ 6,976,899	\$ 49,704

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, 2013

	BALANCE OCTOBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2013
Tax Assessor Collector - State				
Assets:				
Cash and cash equivalents	\$ 14,149	\$ 11,611,786	\$ 11,615,217	\$ 10,718
Liabilities:				
Due to others	\$ 14,149	\$ 11,611,786	\$ 11,615,217	\$ 10,718
Treasurer - Credit Card				
Assets:				
Cash and cash equivalents	\$ 13,489	\$ 214,636	\$ 209,713	\$ 18,412
Liabilities:				
Due to others	\$ 13,489	\$ 214,636	\$ 209,713	\$ 18,412
Treasurer - Bail Bond Board				
Assets:				
Cash and cash equivalents	\$ 5,320	\$ 2,660	\$ -	\$ 7,980
Liabilities:				
Due to others	\$ 5,320	\$ 2,660	\$ -	\$ 7,980
County Attorney - Hot Check Fund				
Assets:				
Cash and cash equivalents	\$ 10,314	\$ 104,649	\$ 101,296	\$ 13,667
Liabilities:				
Due to others	10,314	104,649	\$ 101,296	13,667
Sheriff - Jail Commissary				
Assets:				
Cash and cash equivalents	\$ 818	\$ 9,950	\$ 8,494	\$ 2,274
Liabilities:				
Due to others	\$ 818	\$ 9,950	\$ 8,494	\$ 2,274
Sheriff's Office Special Account				
Assets:				
Cash and cash equivalents	\$ 1,018	\$ 62,442	\$ 62,442	\$ 1,018
Liabilities:				
Due to others	\$ 1,018	\$ 62,442	\$ 62,442	\$ 1,018
Sheriff - Jail Inmate Fund				
Assets:				
Cash and cash equivalents	\$ 2,826	\$ 66,633	\$ 66,056	\$ 3,403
Liabilities:				
Due to others	\$ 2,826	\$ 66,633	\$ 66,056	\$ 3,403

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, 2013

	BALANCE OCTOBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2013
District Clerk Erath County Trust				
Assets:				
Cash and cash equivalents	\$ 2,178,383	\$ 2,393,197	\$ 3,597,931	\$ 973,649
Liabilities:				
Due to others	\$ 2,178,383	\$ 2,393,197	\$ 3,597,931	\$ 973,649
District Clerk Registry				
Assets:				
Cash and cash equivalents	\$ 13,000	\$ 105,500	\$ 10,000	\$ 108,500
Liabilities:				
Due to others	\$ 13,000	\$ 105,500	\$ 10,000	\$ 108,500
County Clerk Registry				
Assets:				
Cash and cash equivalents	\$ 93,171	\$ 643,885	\$ 733,507	\$ 3,549
Liabilities:				
Due to others	\$ 93,171	\$ 643,885	\$ 733,507	\$ 3,549
District Clerk - Receiver Acct				
Assets:				
Cash and cash equivalents	\$ 2,187	\$ 19,195	\$ 20,788	\$ 594
Liabilities:				
Due to others	2,187	19,195	\$ 20,788	594
District Attorney - Escrow				
Assets:				
Cash and cash equivalents	\$ 5,432	\$ 44,310	\$ 49,593	\$ 149
Liabilities:				
Due to others	\$ 5,432	\$ 44,310	\$ 49,593	\$ 149
District Attorney - Forfeiture				
Assets:				
Cash and cash equivalents	\$ 9,992	\$ 20	\$ -	\$ 10,012
Liabilities:				
Due to others	\$ 9,992	\$ 20	\$ -	\$ 10,012
District Attorney - Drug Education				
Assets:				
Cash and cash equivalents	\$ 737	\$ 1	\$ -	\$ 738
Liabilities:				
Due to others	\$ 737	\$ 1	\$ -	\$ 738

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, 2013

	BALANCE OCTOBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2013
County Clerk - Bonds				
Assets:				
Cash and cash equivalents	\$ 78,993	\$ 24,409	\$ 14,650	\$ 88,752
Liabilities:				
Due to others	\$ 78,993	\$ 24,409	\$ 14,650	\$ 88,752
District Attorney - Individual 1				
Assets:				
Cash and cash equivalents	\$ -	\$ 1,102	\$ -	\$ 1,102
Liabilities:				
Due to others	\$ -	\$ 1,102	\$ -	\$ 1,102
District Attorney - Individual 2				
Assets:				
Cash and cash equivalents	\$ -	\$ 12,058	\$ -	\$ 12,058
Liabilities:				
Due to others	\$ -	\$ 12,058	\$ -	\$ 12,058
District Attorney - Individual 3				
Assets:				
Cash and cash equivalents	\$ -	\$ 5,386	\$ -	\$ 5,386
Liabilities:				
Due to others	\$ -	\$ 5,386	\$ -	\$ 5,386
District Attorney - Individual 4				
Assets:				
Cash and cash equivalents	\$ -	\$ 1,903	\$ -	\$ 1,903
Liabilities:				
Due to others	\$ -	\$ 1,903	\$ -	\$ 1,903
District Attorney - Individual 5				
Assets:				
Cash and cash equivalents	\$ -	\$ 2,355	\$ -	\$ 2,355
Liabilities:				
Due to others	\$ -	\$ 2,355	\$ -	\$ 2,355
District Clerk - Individual 1				
Assets:				
Cash and cash equivalents	\$ 508	\$ -	\$ -	\$ 508
Liabilities:				
Due to others	\$ 508	\$ -	\$ -	\$ 508

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, 2013

	BALANCE OCTOBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2013
District Clerk - Individual 2				
Assets:				
Cash and cash equivalents	\$ 52,477	\$ 776	\$ -	\$ 53,253
Liabilities:				
Due to others	\$ 52,477	\$ 776	\$ -	\$ 53,253
District Clerk - Individual 3				
Assets:				
Cash and cash equivalents	\$ 2,175	\$ 3	\$ -	\$ 2,178
Liabilities:				
Due to others	2,175	3	\$ -	2,178
District Clerk - Individual 4				
Assets:				
Cash and cash equivalents	\$ 19,896	\$ 28	\$ -	\$ 19,924
Liabilities:				
Due to others	\$ 19,896	\$ 28	\$ -	\$ 19,924
District Clerk - Individual 5				
Assets:				
Cash and cash equivalents	\$ 2,681	\$ 2	\$ -	\$ 2,683
Liabilities:				
Due to others	\$ 2,681	\$ 2	\$ -	\$ 2,683
District Clerk - Individual 6				
Assets:				
Cash and cash equivalents	\$ 2,236	\$ 3	\$ -	\$ 2,239
Liabilities:				
Due to others	\$ 2,236	\$ 3	\$ -	\$ 2,239
District Clerk - Individual 7				
Assets:				
Cash and cash equivalents	\$ 5,502	\$ 8	\$ -	\$ 5,510
Liabilities:				
Due to others	\$ 5,502	\$ 8	\$ -	\$ 5,510
District Clerk - Individual 8				
Assets:				
Cash and cash equivalents	\$ 29,462	\$ 41	\$ -	\$ 29,503
Liabilities:				
Due to others	\$ 29,462	\$ 41	\$ -	\$ 29,503

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, 2013

	BALANCE OCTOBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2013
TexPool - R Court 4				
Assets:				
Cash and cash equivalents	<u>\$ 31,182</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 31,212</u>
Liabilities:				
Due to others	<u>31,182</u>	<u>30</u>	<u>\$ -</u>	<u>31,212</u>
TexPool - R Court 11				
Assets:				
Cash and cash equivalents	<u>\$ 28,032</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 28,058</u>
Liabilities:				
Due to others	<u>\$ 28,032</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 28,058</u>
TexPool - R Court 15				
Assets:				
Cash and cash equivalents	<u>\$ 1,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116</u>
Liabilities:				
Due to others	<u>\$ 1,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116</u>
TexPool - R Court 19				
Assets:				
Cash and cash equivalents	<u>\$ 9,490</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9,499</u>
Liabilities:				
Due to others	<u>\$ 9,490</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9,499</u>
TexPool - R Court 21				
Assets:				
Cash and cash equivalents	<u>\$ 7,815</u>	<u>\$ -</u>	<u>\$ 7,815</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 7,815</u>	<u>\$ -</u>	<u>\$ 7,815</u>	<u>\$ -</u>
TexPool - R Court 25				
Assets:				
Cash and cash equivalents	<u>\$ 9,836</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9,845</u>
Liabilities:				
Due to others	<u>\$ 9,836</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9,845</u>
TexPool - R Court 26				
Assets:				
Cash and cash equivalents	<u>\$ 9,334</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 9,342</u>
Liabilities:				
Due to others	<u>9,334</u>	<u>8</u>	<u>\$ -</u>	<u>9,342</u>
TexPool - R Court 27				
Assets:				
Cash and cash equivalents	<u>\$ 388,867</u>	<u>\$ 369</u>	<u>\$ -</u>	<u>\$ 389,236</u>
Liabilities:				
Due to others	<u>\$ 388,867</u>	<u>\$ 369</u>	<u>\$ -</u>	<u>\$ 389,236</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, 2013

	BALANCE OCTOBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2013
TexPool - R Court 29				
Assets:				
Cash and cash equivalents	\$ 909	\$ -	\$ -	\$ 909
Liabilities:				
Due to others	\$ 909	\$ -	\$ -	\$ 909
TexPool - R Court 30				
Assets:				
Cash and cash equivalents	\$ 909	\$ -	\$ -	\$ 909
Liabilities:				
Due to others	\$ 909	\$ -	\$ -	\$ 909
TexPool - R Court 31				
Assets:				
Cash and cash equivalents	\$ 22,926	\$ 22	\$ -	\$ 22,948
Liabilities:				
Due to others	\$ 22,926	\$ 22	\$ -	\$ 22,948
TexPool - R Court 34				
Assets:				
Cash and cash equivalents	\$ 1,090	\$ -	\$ -	\$ 1,090
Liabilities:				
Due to others	\$ 1,090	\$ -	\$ -	\$ 1,090
TexPool - R Court 35				
Assets:				
Cash and cash equivalents	\$ 6,264	\$ 7	\$ -	\$ 6,271
Liabilities:				
Due to others	\$ 6,264	\$ 7	\$ -	\$ 6,271
TexPool - R Court 38				
Assets:				
Cash and cash equivalents	\$ 13,194	\$ 13	\$ -	\$ 13,207
Liabilities:				
Due to others	\$ 13,194	\$ 13	\$ -	\$ 13,207
TexPool - R Court 39				
Assets:				
Cash and cash equivalents	\$ 14,731	\$ 14	\$ -	\$ 14,745
Liabilities:				
Due to others	\$ 14,731	\$ 14	\$ -	\$ 14,745
Total Fiduciary Funds				
Assets:				
Cash and cash equivalents	\$ 3,634,169	\$ 72,088,232	\$ 73,149,827	\$ 2,572,574
Liabilities:				
Due to others	\$ 3,634,169	\$ 72,088,232	\$ 73,149,827	\$ 2,572,574

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.	97
<b>Revenue Capacity -</b> The schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	106
<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.	113
<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.	119
<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.	122

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

## **FINANCIAL TRENDS**

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

	<b>Fiscal Year</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>

<b>Fiscal Year</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>	<b><u>2013</u></b>
\$ 9,750,831	\$ 10,676,537	\$ 9,992,400	\$ 9,195,730	\$ 11,536,701	\$ 11,536,701
775,234	682,604	735,563	2,878,367	-	2,329,140
15,306,669	16,087,943	16,258,721	15,067,540	17,342,185	17,224,993
<b>\$ 25,832,734</b>	<b>\$ 27,447,084</b>	<b>\$ 26,986,684</b>	<b>\$ 27,141,637</b>	<b>\$ 28,878,886</b>	<b>\$ 31,090,834</b>

**ERATH COUNTY, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN 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>
 Program Revenues				
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	(7,100,086)	(7,029,157)	(8,417,492)	(8,176,762)
 General Revenues and Other Changes in Net Position				
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 Position				
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>					
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 2,590,079	\$ 2,806,471	\$ 2,778,714	\$ 3,319,985	\$ 3,052,483	\$ 2,989,517
2,231,405	2,188,802	2,770,334	1,311,514	2,419,262	2,441,237
3,778,540	4,203,061	4,305,811	5,381,582	4,374,804	4,863,971
4,342,633	3,083,064	3,762,110	3,717,380	3,360,630	3,344,005
1,355,413	1,256,650	1,480,815	1,422,235	1,326,306	1,425,203
-	-	94,825	259,513	244,833	226,903
14,298,070	13,538,048	15,192,609	15,412,209	14,778,318	15,290,836
1,693,031	1,493,881	1,570,267	1,037,202	256,972	354,078
177,839	149,688	160,682	522,516	1,203,326	1,269,773
671,078	809,131	695,700	273,354	487,131	503,688
1,014,824	977,425	858,199	837,000	763,512	844,833
-	-	-	536,734	511,065	222,967
-	-	-	-	-	-
-	-	-	-	-	-
1,717,261	443,519	467,659	62,452	146,723	78,712
5,274,033	3,873,644	3,752,507	3,269,258	3,368,729	3,274,051
(9,024,037)	(9,664,404)	(11,440,102)	(12,142,951)	(11,409,589)	(12,016,785)
10,827,579	10,976,045	10,797,841	12,116,062	12,918,000	13,558,113
577,446	177,918	42,597	40,308	139,239	136,048
8,815	125,091	45,385	83,895	275,739	217,338
(23,928)	(300)	93,881	57,639	56,864	74,230
-	-	-	-	-	-
11,389,912	11,278,754	10,979,704	12,297,904	13,389,842	13,985,729
\$ 2,365,875	\$ 1,614,350	\$ (460,398)	\$ 154,953	\$ 1,980,253	\$ 1,968,944

**ERATH COUNTY, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN 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	\$ -
Special Revenue Funds	973,525	860,837	1,223,807	750,648
Capital Projects	-	-	-	-
Unreserved	-	-	-	2,285,369
Restricted	-	-	-	-
Debt Service	148,271	29,980	-	-
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>	<b><u>2013</u></b>
\$ -	\$ 19,900	\$ 2,932	\$ -	\$ -	\$ -
11,834,313	12,617,466	13,341,098	-	-	-
-	-	-	8,781,485	-	867,503
-	-	-	4,994,301	11,620,874	13,366,123
<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>	<b>\$ 14,233,626</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
775,234	682,604	797,568	-	-	-
		6,479,510	-	-	12
2,642,111	2,669,823	2,161,052	-	-	-
-	-	-	-	-	-
-	-	-	-	-	739,074
-	-	-	2,878,368	1,668,974	722,551
-	-	-	-	-	-
-	-	-	6,960	-	-
-	-	-	790,013	2,382,141	3,127,701
-	-	-	1,022,036	1,055,692	216,168
<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>	<b>\$ 4,805,506</b>

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

(modified accrual basis of accounting)  
(unaudited)

	Fiscal Years			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<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</b>				
<b>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>	<b><u>2013</u></b>
\$ 11,649,401	\$ 11,839,769	\$ 11,531,772	\$ 13,035,533	\$ 13,009,174	\$ 13,759,389
1,652,045	415,473	465,378	357,424	438,396	457,303
2,507,394	2,236,636	2,283,121	2,153,309	3,021,099	2,865,212
564,845	174,736	41,848	39,820	56,612	33,220
255,575	463,789	255,879	79,410	275,739	191,955
16,629,260	15,130,403	14,577,998	15,665,496	16,801,020	17,307,079
2,598,114	2,839,256	2,624,588	3,244,824	2,871,722	2,838,528
2,151,537	2,234,095	2,692,526	1,924,599	2,356,570	2,365,858
3,975,179	4,466,906	4,764,219	3,301,410	4,308,211	4,289,726
4,595,730	3,673,874	3,293,614	4,434,914	2,843,024	2,914,109
1,355,413	1,256,650	1,480,815	1,422,235	1,326,306	1,396,786
-	-	-	4,872,045	4,129,808	-
-	-	23,750	-	-	-
-	-	-	467,000	467,000	467,000
-	-	-	353,338	242,531	224,551
-	-	-	500	500	550
-	-	-	-	-	557,417
14,675,973	14,470,781	14,879,512	20,020,365	18,545,672	15,054,525
1,953,287	659,622	(301,514)	(4,354,869)	(1,744,652)	2,252,554
-	-	7,000,000	-	-	-
49,269	78,486	93,881	57,369	-	58,897
-	-	-	4,485	-	-
-	-	1,392,422	5,615,067	4,979,749	1,904,223
-	-	(1,392,422)	(5,207,000)	(4,979,749)	(1,904,223)
49,269	78,486	7,093,881	469,921	-	58,897
\$ 2,002,556	\$ 738,108	\$ 6,792,367	\$ (3,884,948)	\$ (1,744,652)	\$ 2,311,451
0.00%	0.00%	0.16%	4.10%	3.83%	4.60%

## **REVENUE CAPACITY**

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

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<u>Fiscal Year</u>	<u>Estimated Actual Value of Taxable Property</u>		<u>Total</u>	<u>Total</u>
	<u>Real Property</u>	<u>Personal Property</u>	<u>Taxable Value</u>	<u>Direct Tax Rate</u>
<b>2004</b>	\$ 1,145,291,848	\$ 301,656,503	\$ 1,446,948,351	\$ 0.4625
<b>2005</b>	1,282,155,497	326,127,694	1,608,283,191	0.4410
<b>2006</b>	1,422,786,737	374,152,785	1,796,939,522	0.4352
<b>2007</b>	1,608,414,347	430,156,051	2,038,570,398	0.4187
<b>2008</b>	1,718,888,248	494,799,214	2,213,687,462	0.3915
<b>2009</b>	1,728,193,985	582,875,653	2,311,069,638	0.3900
<b>2010</b>	1,763,722,193	503,279,717	2,267,001,910	0.4500
<b>2011</b>	1,790,289,137	514,677,753	2,304,966,890	0.4700
<b>2012</b>	1,810,028,340	592,852,990	2,402,881,330	0.4700
<b>2013</b>	1,808,367,506	704,922,820	2,513,290,326	0.4700

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

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

**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>	<u>2008</u>
<b>DIRECT RATE</b>					
<b>County Direct Rate</b>					
General Fund	0.3336	0.3420	0.3240	0.3082	0.2862
Road & Bridge	0.1176	0.1205	0.1170	0.1105	0.1032
<b>Total Direct Rate</b>	<b>0.4512</b>	<b>0.4625</b>	<b>0.4410</b>	<b>0.4187</b>	<b>0.3894</b>
<b>OVERLAPPING RATE</b>					
<b>City and Town Rate</b>					
City of Stephenville	0.4850	0.4850	0.4750	0.4450	0.4350
City of Dublin	0.6812	0.6989	0.6989	0.6990	0.7550
<b>School District Rate</b>					
Stephenville ISD	1.6700	1.6700	1.6600	1.1920	1.1470
Dublin ISD	1.4459	1.4376	1.4346	1.2369	1.2369
Lingleville ISD	1.4293	1.4668	1.4970	1.1062	1.0884
Bluff Dale ISD	1.3651	1.4648	1.5028	1.0962	1.0945
Morgan Mill ISD	1.3100	1.3100	1.3700	1.0400	1.0400
Gordon ISD	1.6171	1.6038	1.5840	1.1024	1.1058
Huckabay ISD	1.4590	1.5000	1.5000	1.0400	1.0400
Santo ISD	1.7253	1.6894	1.6925	1.1953	1.1964
Three Way ISD	1.1800	1.2600	1.2600	1.0400	1.0400
<b>Water District Rate</b>					
Middle Trinity	0.0150	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>11.1790</b>
<b>Total Property Tax Rate</b>					
Direct and Overlapping Governments	14.8192	15.0488	15.1158	11.6117	11.5684

Source: Erath County Tax Assessor/Collector

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

<b>Fiscal Years</b>				
<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
0.2800	0.3325	0.3475	0.3475	0.3461
0.1100	0.1175	0.1225	0.1225	0.1239
0.3900	0.4500	0.4700	0.4700	0.4700
0.4435	0.4600	0.4850	0.4850	0.4850
0.9500	0.9900	1.0883	1.0883	1.1384
1.1470	1.1470	1.1700	1.1700	1.1940
1.2369	1.2724	1.2724	1.2724	1.2624
1.0875	1.1079	1.1091	1.1091	1.1076
1.0893	1.0921	1.0947	1.0947	1.1020
1.0400	1.0400	1.0400	1.0400	1.0400
1.0984	1.0932	1.0920	1.0920	1.0903
1.0400	1.0400	1.0400	1.0400	1.0400
1.1835	1.3162	1.3122	1.3122	1.3006
1.0400	1.0400	1.0400	1.0400	1.0400
0.0150	0.0150	0.0150	0.0150	0.0145
11.3561	11.5988	11.7437	11.7437	11.8003
11.7461	12.0488	12.2137	12.2137	12.2703

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

(unaudited)

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<u>Tax Payer</u>	<b>2013</b>	
	<b>Total</b>	<b>Percentage of</b>
	<b>Taxable Value</b>	<b>Total taxable value</b>
FMC Technologies	\$ 169,378,700	6.74%
Schreiber Foods Inc	74,754,610	2.97%
Tejas Tubular Products	34,023,250	1.35%
Saint Gobain Abrasives	33,439,080	1.33%
Lone Star Transmission	23,995,920	0.95%
Oncor Electric Delivery	20,549,560	0.82%
Silver Star Power Partners	18,800,000	0.75%
United Telephone Company	16,841,630	0.67%
Atmos Energy/MID Texpline	13,462,350	0.54%
Premier Nat Resources II	12,085,400	0.48%
<hr/>		
<b>Total</b>	<b>\$ 417,330,500</b>	<b>%</b>

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

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	<b>2004</b>	
<b><u>Tax Payer</u></b>	<b><u>Total</u></b>	<b><u>Percentage of</u></b>
	<b><u>Taxable Value</u></b>	<b><u>Total taxable value</u></b>
Saint Gobain Abrasives INC	\$ 41,313,768	2.86%
FMC Technologies	25,310,080	1.75%
Rayloc	20,956,920	1.45%
United Telephone of Texas	16,734,120	1.16%
Oncor Electric Delivery Co	13,544,261	0.94%
United Electric Cooperative Service	9,305,610	0.64%
Bosque River Associates	8,500,000	0.59%
Wal-Mart Stores Texas	7,308,160	0.51%
Wilmington Trust Company	6,617,630	0.46%
Emerson Electric	6,466,950	0.00%
	<hr/>	
<b>Total</b>	<b>\$ 163,033,480</b>	<b>13.10%</b>

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

FISCAL YEAR	TAXES LEVIED	COLLECTED WITHIN THE		COLLECTIONS RELATED TO PRIOR YEARS	TOTAL COLLECTIONS	
	WITHIN THE FISCAL YEAR OF THE LEVY	FISCAL YEAR OF THE LEVY	% 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%
2013	11,324,588	11,147,399	98.44%	164,105	11,311,504	99.88%

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

**Note:** Current year tax collections are not finalized until end of the next fiscal year

## **DEBT CAPACITY**

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

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	<u>Fiscal Year</u>				
	<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

**Legal Debt Margin Calculation for Fiscal Year 2013**

Note 1: Assessed Value		\$ 1,808,367,506
Note 2: Debt Limit(25% assessed value)		452,091,877
Note 3: Debt applicable to limit-		
Gross Bonded Debt	5,132,000	
Less: Debt Service Fund	17,007	
		<u>5,114,993</u>
Legal Debt Margin		<u><u>457,206,870</u></u>

<b>Fiscal Year</b>				
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 432,048,496	\$ 440,930,548	447,572,284	584,097,901	452,091,877
-	7,000,000	4,836,999	5,590,003	5,114,993
<u>\$ 432,048,496</u>	<u>\$ 447,930,548</u>	<u>\$ 452,409,283</u>	<u>\$ 589,687,904</u>	<u>\$ 457,206,870</u>

0.00%	1.56%	1.07%	0.96%	1.13%
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**ERATH COUNTY, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(unaudited)

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
	<u>Certificates of Obligation</u>	<u>General Obligation Bonds</u>	<u>Capital Lease</u>			
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	6,066,000	-	-	6,066,000	0.52%	164
2013	5,599,000	-	-	5,599,000	0.56%	175

**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**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**END OF FISCAL YEAR**  
(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	\$ 5,132,000	100.00%	\$ 5,132,000
		<b>Total Direct Debt</b>	<b>\$ 5,132,000</b>
<b>OVERLAPPING DEBT</b>			
<b>City and Town Debt</b>			
City of Stephenville	5,300,000	100.00%	\$ 5,300,000
City of Dublin	2,200,000	100.00%	\$ 2,200,000
<b>School District Debt</b>			
Stephenville ISD	29,790,000	100.00%	\$ 29,790,000
Dublin ISD	7,760,000	95.00%	\$ 7,372,000
Lingleville ISD	1,145,000	90.00%	\$ 1,030,500
Bluff Dale ISD	265,000	97.00%	\$ 257,050
		<b>Total Overlapping Debt</b>	<b>\$ 45,949,550</b>
		<b>Total Direct and Overlapping Debt</b>	<b>\$ 51,081,550</b>

**Source:** Erath County Tax Assessor/Collector and Texas Bond Review Board

**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 are borne by the residents and businesses 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 TEN FISCAL YEARS**  
(unaudited)

<u>Fiscal Years</u>	<u>Certificates of Obligation</u>				
	<u>Property Tax</u>	<u>Less: Expenses</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
2004	\$ -	\$ -	\$ -	\$ -	\$ -
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	23,750	-	-	-
2011	1,696,001	500	467,000	353,338	2.07
2012	717,350	500	467,000	242,531	1.01
2013	682,562	-	467,000	215,562	1.00

**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 SEVEN CALENDAR YEARS**  
(unaudited)

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<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (1)</b>	<b>Per Capita Personal 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%
<b>2013</b>	39,321	1,229,432,000	31,267	5,768	10,937	5.50%

**Source:**

- (1) Statistics Provided by the Bureau of Economic Analysis
- (2) Enrollment figures provided by Texas Education Agency
- (3) Enrollment figures provided by Tarleton State University
- (4) Unemployment rates provided by the Texas Workforce Commission

**Note:** Data prior to 2007 is incomplete

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

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<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Tarleton State University	Education	1250
FMC Technologies	Oil Field Products	705
Saint-Gobain Abrasives	Coated Abrasives	464
Walmart Supercenter	Retail	450
Texas Health Harris Methodist	Hospital	285
Schreiber Foods	Cheese Mfg.	284
Tejas Tubular	Oilfield Tubular Products	261
Stephenville ISD	Education	241
Western Dairy Transport	Milk Transport	175
Erath County	Government	172
HEB Grocery	Retail	156
EGS Electrical Group	Metal Processing	150
City of Stephenville	Government	142
Bruner Motors	Automobile Sales/Service	140
Fibergrate Composite Structures	Fiber Glass Products	127
Stephenville Medical & Surgical Clinic	Health Care	122
Outlaw Conversions	Horse Trailer Customization	115
<b>Total for top 17 Employers</b>		<b><u>5,239</u></b>

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

## **OPERATING INFORMATION**

**ERATH COUNTY, TEXAS**  
**COUNTY EMPLOYEES BY FUNCTION/DEPARTMENT**  
**LAST SEVEN 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>	<u>2013</u>
<b>General Administration</b>							
County Judge	2	2	2	2	2	2	2
County Clerk	9	9	9	8	7	8	6
Treasurer	3	3	3	3	3	3	3
Auditor	3	4	4	4	4	4	4
Tax Office	11	11	11	11	11	11	12
District Clerk	5	4	5	5	5	4	4
County Extension Office	4	4	4	4	4	4	5
Veterans Service	1	1	1	1	1	1	1
<b>Legal</b>							
County Attorney	4	5	5	5	5	5	4
District Attorney	6	6	6	7	6	6	6
<b>Judicial</b>							
County Court at Law	2	2	2	2	2	2	2
District Judge	4	4	4	4	4	4	4
Justice of the Peace # 1	4	4	4	4	4	4	4
Justice of the Peace # 2	2	2	2	2	2	2	2
<b>Road &amp; Bridge</b>							
Precinct # 1	7	7	7	6	6	7	7
Precinct # 2	9	7	8	9	9	7	7
Precinct # 3	8	9	9	9	8	7	7
Precinct # 4	7	7	7	7	7	6	6
Maintenance Barn	2	3	2	2	2	2	2
<b>Facilities</b>							
Facilities Maintenance	3	3	3	3	3	3	3
<b>Public Safety</b>							
Sheriffs Administration	27	23	23	26	26	24	24
Dispatch	8	8	8	10	10	11	11
Jail	22	22	22	22	22	25	26
Highway Patrol	1	1	1	1	1	1	1
Constable # 1	1	1	1	1	1	1	1
Constable # 2	1	1	1	1	1	1	1
Pretrial Diversion	2	2	2	2	2	2	2
<b>Health and Welfare</b>							
Sanitation	1	1	1	1	1	1	1
Emergency Medical Services	21	20	20	22	22	23	23
<b>Probation</b>							
Juvenile Probation	3	3	3	3	3	4	3
Community Supervision Corrections	8	7	7	7	7	6	5
<b>Total County Employees</b>	<b>191</b>	<b>186</b>	<b>187</b>	<b>194</b>	<b>191</b>	<b>191</b>	<b>189</b>

Source: County Treasurer/ Human Resources

**ERATH COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST SEVEN 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>	<u>2013</u>
<b>Public Safety</b>							
Sheriff							
Number of Employees	27	23	23	26	26	24	24
Number of Dispatch Calls	7222	7678	8299	8243	8917	12000	9209
Fire							
Number of Employees (25 volunteer/11 paid)	37	37	37	37	37	38	36
Number of Dispatch Calls	n/r	534	542	335	488	442	413
EMS							
Number of Employees	21	20	20	22	22	23	23
Number of Dispatch Calls	1055	1032	1051	1143	1080	1025	784
<b>Road &amp; Bridge</b>							
Precinct # 1							
Number of Employees	7	7	7	6	6	7	7
Miles of Road	181.50	179.03	179.03	179.03	179.03	180.57	180.57
Precinct # 2							
Number of Employees	9	7	8	9	9	7	7
Miles of Road	224.20	229.97	229.97	229.97	229.97	213.92	213.92
Precinct # 3							
Number of Employees	8	9	9	9	8	7	7
Miles of Road	199.80	222.83	222.83	222.83	222.83	231.5	231.5
Precinct # 4							
Number of Employees	7	7	7	7	7	6	6
Miles of Road	191.20	198.32	198.32	198.32	198.32	206.39	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 years budget.

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

<u>Funtion</u>	<u>Fiscal Years</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Administration</b>										
Office Buildings/Courthouses	4	4	4	4	4	4	4	4	4	4
Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Sheriff Administration/Jail	1	1	1	1	1	1	1	1	1	1
Sheriff Vehicles	26	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	0.5
Fire & Rescue Vehicles	4	4	5	5	5	5	5	6	6	6
EMS Building	0.5	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	4
<b>Road &amp; Bridge</b>										
Buildings	2	2	2	2	2	2	2	2	3	3
Heavy Equipment	42	42	42	42	42	42	42	42	52	52
Vehicles	14	14	14	14	14	14	14	14	21	21
County Road (miles)	796	796	796	796	830	830	830	830	832	832

**Source:** Various County offices