

Erath County, Texas

Comprehensive Annual Financial Report For the Year Ended September 30, 2014

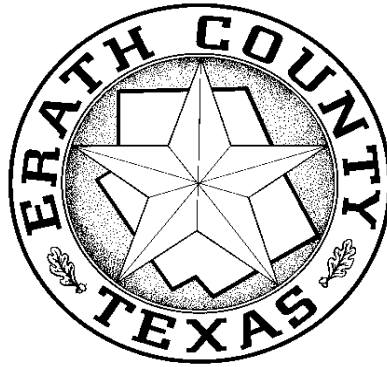
Janet S. Martin, C.P.A., C.F.E.
County Auditor

ERATH COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Year Ended September 30, 2014

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INTRODUCTORY SECTION



Erath County
County Auditor

July 28, 2015

The Honorable District Judge Jason Cashon, 266th Judicial District
The Honorable Commissioners' Court, Erath County, Texas

Mr. Tab Thompson	County Judge
Mr. Dee Stephens	County Commissioner, Precinct 1
Mr. Herbert Brown	County Commissioner, Precinct 2
Mr. Joe Brown	County Commissioner, Precinct 3
Mr. Scot Jackson	County Commissioner, Precinct 4

The comprehensive annual financial report of Erath County, Texas (the "County") for the fiscal year ended September 30, 2014 is submitted herewith.

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

The County's financial statements have been audited by Boucher, Morgan and Young, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded; based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statement for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 compliment the 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 James Simmons.

Respectfully submitted,

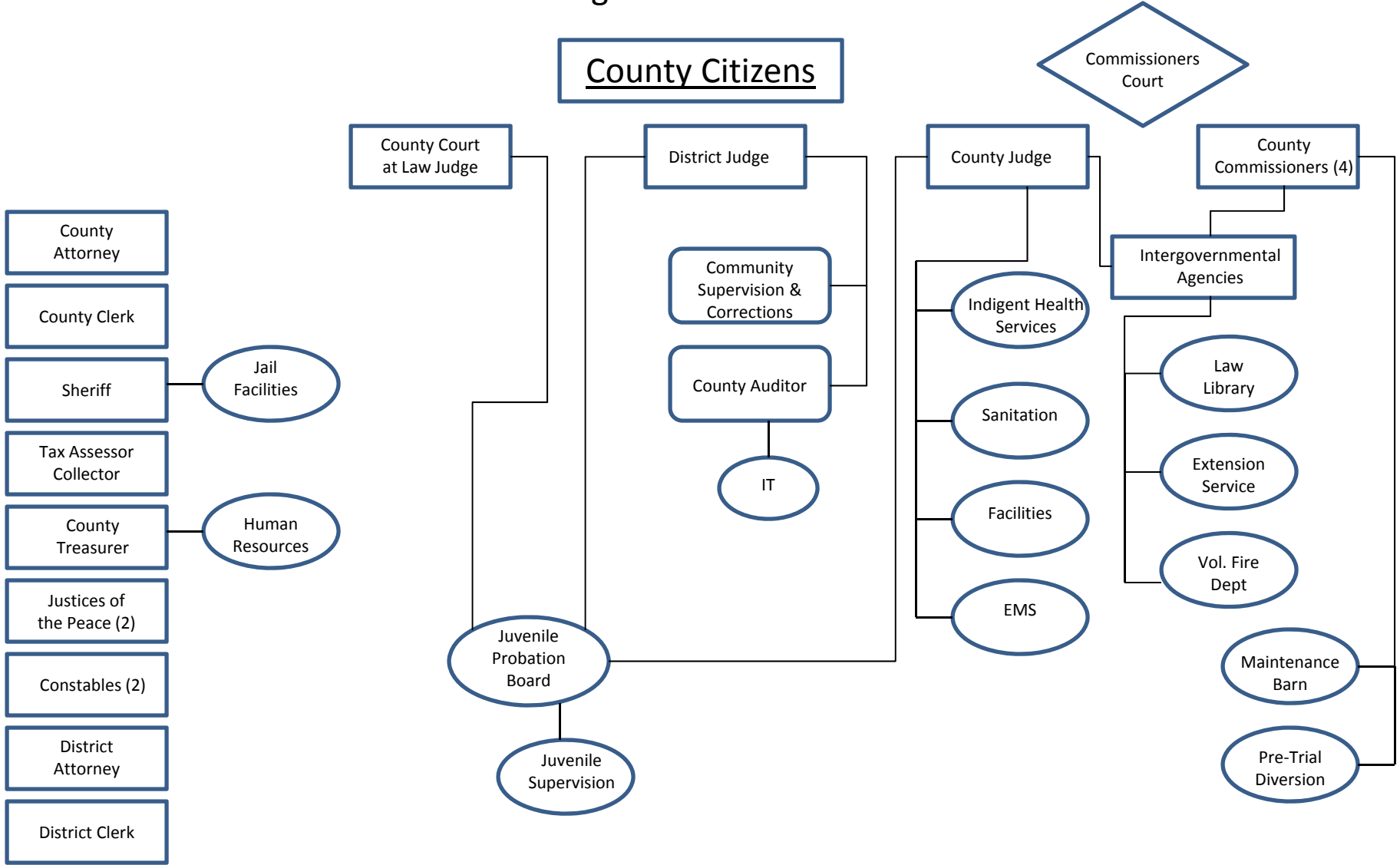
Janet S. Martin, CPA, CFE
Erath County Auditor

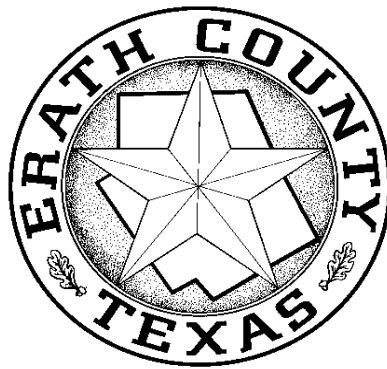
**ERATH COUNTY, TEXAS
PRINCIPAL OFFICERS**

as of September 30, 2014

<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, each major fund, and the aggregate remaining fund information of Erath County, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements listed in the table of contents. 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, 2014, 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 12 through 25, and pages 62 through 75, 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.

Boucher, Morgan & Young

Stephenville, Texas
July 28, 2015

ERATH COUNTY, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2014

Profile of the County

With an estimated population of 40,147 according to the United States Census Bureau, Erath County was founded in 1856 and was named for George Bernard Erath, an early surveyor and soldier. The County has experienced an estimated 6.0% growth in population since 2010. 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

		2014	2013	2012
<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>		
Tarleton State University *	Education	925	925	925
FMC Technologies	Oil Field Products	705	770	809
Saint-Gobain Abrasives	Coated Abrasives	464	420	434
Stephenville ISD	Education	241	440	450
Walmart Supercenter	Retail	450	439	450
Schreiber Foods	Cheese Manufacturing	284	400	430
Western Dairy Transport	Milk Transport	175	210	230
Texas Health Harris Methodist	Hospital	285	225	250
Tejas Tubular	Oilfield Tubular Products	261	270	276
Erath County	Government	172	187	186
Mulberry Manor	Nursing Home Facility	100	100	-
Fibergrate Composite Structures	Fiber Glass Products	127	130	127
City of Stephenville **	Government	142	145	140
EGS Electrical Group	Metal Processing	150	135	126
Stephenville Medical & Surgical Clinic	Health Care	122	120	122
Outlaw Conversions	Horse Trailer Customization	115	115	105
Senior Care at Stephenville	Nursing Home & Rehab	110	110	-
Bruner Motors	Automobile Sales/Service	140	105	106
HEB Grocery	Retail	156	100	118
Total for Employers of 100 or more		5,124	5,346	5,284

*Tarleton State University also employs 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 tax abatement. The abatement was based on the 2011 – 2014 expansion which was to 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, 2014: Asset additions total \$28.2 million which exceed the original projection. At the end of 2013 the number of employees added was in excess of the required amount to qualify for the abatement; however, FMC has had multiple reductions in work force since that date. The net number of additional employees since 2011 has not been confirmed at this time. (Information provided by FMC Technologies).

Grants

Erath County benefits from multiple grants. During fiscal year 2014 the County received the following grant funds:

VINES/Appriss (SVANS)
Bulletproof Vests
Texas Indigent Defense Commission (TIDC)
Texas AgriLife Extension Better Living for Texans

The total amount received from all grants was \$104,299 with expenditures of \$111,375 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 (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2014. 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 \$1,482,279 increase in net position from the previous year. The total net position is comprised of:

\$ 989,214 - restricted by external regulators
\$ 859,874 - restricted for debt
\$ 18,833,493 - unrestricted net position that may be used to meet on-going obligations to citizens and creditors
\$ 11,872,725 – 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 \$20,489,262 ; compared to \$19,039,132 of prior year. Components of fund balances are:

- \$ 1,849,088 - restricted
- \$ 3,492,887 - committed
- \$ 15,147,287 - unassigned

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$15,147,287 or 128% 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 administration, judicial administration, public safety and law enforcement, road and bridge, and health and welfare.

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, 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 26 individual governmental funds (excluding fiduciary funds) 18 special revenue funds, one debt service fund, five road and bridge funds, one capital projects 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 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 fund) 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* 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, 2014 and 2013 are summarized as follows:

	2014	2013	Increase (Decrease)
Current and other Assets	\$ 22,093,277	\$ 20,574,087	\$ 1,519,190
Capital assets (net of depreciation)	17,004,725	17,135,701	(130,976)
Total assets	\$ 39,098,002	\$ 37,709,788	\$ 1,388,214
Current and other liabilities	\$ 1,770,523	\$ 1,460,512	\$ 310,011
Long-term liabilities	4,772,173	5,158,442	(386,269)
Total liabilities	\$ 6,542,696	\$ 6,618,954	\$ (76,258)
Net investment in capital assets	\$ 11,872,725	\$ 11,536,701	\$ 336,024
Restricted net position	1,849,088	2,329,140	(480,052)
Unrestricted net position	18,833,493	17,224,993	1,608,500
Total net position	\$ 32,555,306	\$ 31,090,834	\$ 1,464,472

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 assets exceeded liabilities by \$ 32,555,306 at the close of the most recent fiscal year, representing a 4.71% increase from the prior year. The largest portion of net position (57.85%) may be used to meet the government's commitments and on-going obligations to citizens and creditors. An additional portion of net position (5.68%) 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* (36.47%) 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.

Governmental activities. Program revenues and expenses are presented net of inter-fund eliminations. Key elements for the years ended September 30, 2014 and 2013 are as follows:

Erath County's Changes in Net Position				
		2014	2013	Increase (Decrease)
Revenue				
Net program revenue:				
Charges for Services	\$	175,138	\$ 206,967	\$ (31,829)
Fines and Fees		3,128,420	2,988,372	140,048
Operating grants and contributions		43,822	78,712	(34,890)
General revenues:				
Property taxes		11,932,509	11,380,270	552,239
Other taxes		2,185,210	2,313,891	(128,681)
Misc. Revenue		143,066	217,338	(74,272)
Investment earnings		69,056	33,579	35,477
Gain on sales of capital assets		77,862	40,651	37,211
Total Revenues	\$	<u>17,755,083</u>	\$ <u>17,259,780</u>	\$ <u>495,303</u>
Expenses				
General government	\$	3,512,914	\$ 2,989,517	\$ 523,397
Judicial		2,679,974	2,441,237	238,737
Public Safety		5,019,906	4,863,971	155,935
Road & Bridge		3,480,171	3,344,005	136,166
Health & Welfare		1,369,860	1,425,203	(55,343)
Interest on long-term debt		209,979	226,903	(16,924)
Total Expenses	\$	<u>16,272,804</u>	\$ <u>15,290,836</u>	\$ <u>981,968</u>
Change in net position		1,482,279	1,968,944	(486,665)
Net position - beginning	*	<u>31,073,027</u>	<u>29,121,890</u>	<u>1,951,137</u>
Net position - ending	\$	<u><u>32,555,306</u></u>	\$ <u><u>31,090,834</u></u>	\$ <u><u>1,464,472</u></u>

General Revenues and Program Revenues

General revenues are revenues that are not assigned to support a specific function, but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes, other tax related revenues, interest earned from investments, and miscellaneous income. Total revenues (including program revenues) were \$17,755,083 compared to \$17,259,780 for prior fiscal year or 2.87% increase. General revenues increased \$421,974 from the prior fiscal period.

Property tax revenues increased by \$552,239 (4.85%) during the year. The change is due to increased taxable assessed values of 4.16%. The tax rate assessed for July 25, 2014 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 2014, net (expense) revenue was (\$12,925,424) compared to (\$12,016,785) in FY 2013.

- Employees were able to receive a pay increase equivalent to one “step” based on the recommendation of their elected official or department head. Step increases average 2.7%. The employees are compensated for their tenure through longevity pay.
- 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.
- Charges for services revenue decreased slightly due to disbanded traffic programs.
- Public Safety – Expenses increased due to staff increases and pay increases.
- 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, *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 were increased by \$1,450,130 in the current fiscal year to \$20,489,262 . The increase is outlined below and the greatest contributor is an increase in tax 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 \$15,147,287 in contrast to \$13,366,123 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					
				Increase	Percent of
	2014	2013		(Decrease)	Change
Taxes	\$ 15,300,505	\$ 14,944,028	\$	356,477	2.39%
Intergovernmental	503,861	457,303		46,558	10.18%
Charges for Services	1,670,312	1,669,862		450	0.03%
Interest	67,706	33,220		34,486	103.81%
Other Revenue	148,568	202,666		(54,098)	-26.69%
Total	\$ 17,690,952	\$ 17,307,079	\$	383,873	2.22%

- **Taxes** - increased by \$356,477 with property taxes increasing and sales tax declining.
- **Intergovernmental** - increased due to a slight increase in funds received for governmental activities from State or Federal sources.
- **Charges for services** – remained static
- **Interest** – the increase was the result of better investment opportunities.
- **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.

Function:	2014	2013	(Decrease)	Change
General Administration	\$ 3,364,826	\$ 2,838,528	\$ 526,298	18.54%
Legal	760,328	670,676	89,652	13.37%
Judicial	1,841,778	1,695,182	146,596	8.65%
Road & Bridge	3,094,475	2,914,109	180,366	6.19%
Public Safety	4,435,291	4,289,726	145,565	3.39%
Health & Welfare	1,351,326	1,396,786	(45,460)	-3.25%
Capital Projects	1,062,555	557,417	505,138	90.62%
Debt Service - Interest	107,781	224,551	(116,770)	-52.00%
Debt Service - Principal	554,151	467,000	87,151	18.66%
Debt Service - Bank Charges	499	550	(51)	-9.27%
Total	\$ 16,573,010	\$ 15,054,525	\$ 1,518,485	10.09%

- Salary levels increased from prior year, all functions incurred increases for health insurance cost.
- Legal – increased due to increase in CPS cases
- Road & Bridge – Additional road maintenance required as the result of the drought
- Public Safety – Erath County had increased number of murder trials
- Health & Welfare – A reduction in people served through Indigent Health Care
- Capital Projects – the increase was a combination of heavy equipment replacement and improvements to security and facilities
- Debt service – During FY14 the County began a leasing program for sheriff office vehicles with the remaining portion of debt service composed of \$467,000 principal payment on the certificates of obligation. Interest expense continues to decline as the certificates of obligation principal balance declines.

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY2014 legally adopted cash budget was approved on September 25, 2013 for the General Fund totaling \$11,623,432 an increase of \$251,835 from FY2013 budget. The FY2014 legally adopted budget for all funds totaled \$17,731,563; an increase of \$271,753 primarily for upcoming judicial services.

Highlights from Erath County FY 2014 Budget include the following:

- The County’s property tax rate for valuation date January 1, 2014 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, 2014, the County had certificates of obligation outstanding in the amount of \$5,132,000. According to Texas statutes, particularly the Certificate of Obligation Act of 1971, the county is conferred the authority to obtain these certificates. Additional long term debt consists of compensated absences and vehicle leases.

The following represents the activity of the long-term debt of the County for FY2014:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 220,349	\$ 17,640		\$ 237,989	\$ 209,430
Capital leases	-	241,826	(87,151)	154,675	76,061
Certificates of Obligation	5,599,000	-	(467,000)	5,132,000	467,000
Total:	\$ 5,819,349	\$ 259,466	\$ (554,151)	\$ 5,524,664	\$ 752,491

Capital assets. The capital assets of the County are those assets (land, buildings, improvements, and machinery and equipment (M&E)), which are used in the performance of the County's functions. The County owns and maintains the original courthouse constructed in 1893 which has been renovated to preserve its historical stature. At September 30, 2014, net capital assets of the governmental activities totaled \$17,004,725 reflecting a net decrease of \$130,976 from the prior fiscal year as a result of depreciation. Depreciation of capital assets is recognized in the government-wide financial statements. FY 2014 depreciation for buildings, improvements, and M&E totaled \$1,181,031.

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 FY2014 Budget meets the key established policy directive of the Commissioners Court. The FY2015 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 FY2015 Budget and anticipated expenses into FY2016 include the following:

- The FY2016 tax rate cannot be estimated at this time due to multiple uncertain economic factors. The FY2015 budget included funds for multiple capital murder cases including the trial of Eddie Ray Routh in the shooting death of Chris Kyle and Chad Littlefield. The actual cost of the Routh Trial was \$649,025.68 in trial related expenses plus \$78,688.19 to house and maintain Mr. Routh as an inmate. The State has committed to paying Erath County \$500,000 to defray trial cost. The County has also applied for a County Essentials Grant and the status of the grant is pending at this time.

The second unknown is related to the extensive storm damage sustained during April and May of 2015. The damage to buildings, equipment, vehicles, and road infrastructure is estimated at \$750,000. Buildings, equipment, and vehicles are covered by insurance through the Texas Association of Counties. Erath County has petitioned to be declared a disaster zone allowing the County to qualify for federal assistance. At this time no determination has been made on the application.

- The County continues to grow and prosper and that prosperity leads to the need for additional services. Along with County growth, the County as a subdivision of the State is required to provide additional services. The Long Hotel remodel will begin in the fourth quarter of FY2015 and continue into FY2016. The remodel is estimated to cost approximately \$2,250,000. The funding for the project will come from unassigned County reserves. Upon completion the facility will provide office space for departments that have out grown current space and those residing in rental property.
- Rough Creek Lodge and Resort protested the property valuation made by the Erath County Appraisal District in 2006. The Appraisal District is not a part of County government. The dispute was ultimately resolved in District Court and resulted in a reduction of property value. The reduced value subsequently produced a refund of property tax dollars in the amount of \$179,596.24. The tax refund was paid on April 27, 2015.
- The County provides a retirement program through the Texas County and District Retirement System (TCDRS). An additional payment toward our future pension liability in the amount of \$500,000 was made on November 13, 2014 from unassigned reserves. The payment is projected to save the County \$572,545.92 over the next five years by reducing the County retirement match paid on current employee earnings.
- December 3, 2014 Erath County purchased approximately one acre of property with a building located on Highway 67. The property was surrounded on three sides by County property that houses the Erath County Jail. Purchase price for the property was \$169,376.35 and will be used for parking, storage, and classes.

- 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.
- The unassigned fund balance of \$15,147,287 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, 2014

	<u>Primary Government</u> Governmental Activities	Component Unit- Erath County Volunteer Fire Department
ASSETS:		
Cash and investments	\$ 21,065,390	\$ 46,674
Receivables (net of allowance for uncollectible)		
Taxes	758,275	-
Other	212,140	-
Due from Erath County	-	13,913
Other assets	41,472	
Restricted assets		
Cash and cash equivalents	16,000	-
Capital Assets (net of accumulated depreciation)		
Land	655,545	-
Buildings, net	13,431,400	-
Furniture and equipment, net	2,917,780	90,597
Total Assets	39,098,002	151,184
LIABILITIES:		
Accounts payable and accrued liabilities	676,789	13,439
Accrued salaries and wages	210,756	-
Accrued interest	101,699	
Due to other governments	1,303	-
Due to Erath County Volunteer Fire Department	13,913	-
Other liabilities	13,572	-
Certificate of obligation-due within one year	467,000	-
Capital lease-due within one year	76,061	
Accrued compensated absences-due in more than one year	209,430	-
Noncurrent liabilities		
Certificate of obligation-due in more than one year	4,665,000	-
Capital lease-due in more than one year	78,614	
Accrued compensated absences-due in more than one year	28,559	-
Total Liabilities	6,542,696	13,439
NET POSITION:		
Net investment in capital assets	11,872,725	-
Restricted for:		
Debt service	859,874	-
Capital projects	-	
Special revenue purposes	989,214	-
Unrestricted	18,833,493	137,745
Total Net Position	\$ 32,555,306	\$ 137,745

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

**ERATH COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Program Activities	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General administration	\$ 3,512,914	\$ 223,749	\$ -
Judicial administration	2,679,974	1,325,061	-
Public safety and law enforcement	5,019,906	549,160	43,822
Road and bridge	3,480,171	1,004,334	-
Health and welfare	1,369,860	201,254	-
Interest and fees on long-term debt	209,979	-	-
Total Governmental Activities	<u>16,272,804</u>	<u>3,303,558</u>	<u>43,822</u>
Total primary government	<u>\$ 16,272,804</u>	<u>\$ 3,303,558</u>	<u>\$ 43,822</u>
Component Unit:			
Erath County Volunteer Fire Department	302,554		267,956
Total Primary Government	<u>\$ 302,554</u>	<u>\$ -</u>	<u>\$ 267,956</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, as previously stated	
		Prior period adjustment	
		Net Position - Beginning, as restated	
		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>	
\$ (3,289,165)	\$ -
(1,354,913)	-
(4,426,924)	-
(2,475,837)	-
(1,168,606)	-
(209,979)	-
<u>(12,925,424)</u>	<u>-</u>
<u>\$ (12,925,424)</u>	<u>\$ -</u>
-	(34,598)
<u>\$ -</u>	<u>\$ (34,598)</u>
\$ 11,793,477	\$ -
2,185,210	-
139,032	-
143,066	10,031
69,056	-
77,862	-
<u>14,407,703</u>	<u>10,031</u>
1,482,279	(24,567)
31,090,834	162,312
(17,807)	-
<u>31,073,027</u>	<u>162,312</u>
<u>\$ 32,555,306</u>	<u>\$ 137,745</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, 2014**

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 15,773,409	\$ 3,759,723	\$ 1,200,763	\$ 20,733,895
Taxes receivable	632,616	117,033	8,626	758,275
Due from other fund	-	-	647,568	647,568
Other receivable	18,949	25	2,334	21,308
Other assets	41,472	-	-	41,472
Restricted cash and cash equivalents	16,000	-	-	16,000
Total Assets and Other Debits	<u>\$ 16,482,446</u>	<u>\$ 3,876,781</u>	<u>\$ 1,859,291</u>	<u>\$ 22,218,518</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 375,378	\$ 300,405	\$ 1,006	\$ 676,789
Wages and salaries payable	169,771	38,760	571	209,102
Due to other fund	647,568	-	-	647,568
Due to other governments	15,216	-	-	15,216
Other liabilities	13,572	-	-	13,572
Total Liabilities	<u>1,221,505</u>	<u>339,165</u>	<u>1,577</u>	<u>1,562,247</u>
Deferred inflows:				
Deferred property taxes	<u>113,654</u>	<u>44,729</u>	<u>8,626</u>	<u>167,009</u>
Fund Balances:				
Nonspendable	41,472	-	-	41,472
Restricted				
Debt service	-	-	859,874	859,874
Capital projects	-	-	-	-
Election	-	-	22,723	22,723
General administration	-	-	21,514	21,514
Judicial	-	-	153,079	153,079
Legal	-	-	72,292	72,292
Public safety	-	-	244,990	244,990
Records management	-	-	474,616	474,616
Committed				
Road & bridge	-	3,492,887	-	3,492,887
Unassigned	15,105,815	-	-	15,105,815
Total Fund Balances	<u>15,147,287</u>	<u>3,492,887</u>	<u>1,849,088</u>	<u>20,489,262</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 16,482,446</u>	<u>\$ 3,876,781</u>	<u>\$ 1,859,291</u>	<u>\$ 22,218,518</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, 2014**

Total Fund Balances- Governmental Funds		\$ 20,489,262
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.		329,841
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds balance sheet.		
Governmental capital assets	\$ 31,748,111	
Accumulated depreciation	<u>(14,743,386)</u>	17,004,725
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.		(5,524,664)
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(101,699)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.		
Office fees	190,832	
Property taxes	<u>167,009</u>	357,841
Net Position of Governmental Activities		<u><u>\$ 32,555,306</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, 2014

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE:				
Taxes:				
Property taxes	\$ 8,106,345	\$ 3,131,135	\$ 687,703	\$ 11,925,183
General sales and other taxes	2,185,210	-	-	2,185,210
Auto registrations	185,778	1,004,334	-	1,190,112
Intergovernmental revenue and grants	466,873	36,988	-	503,861
Charges for services	164,644	-	10,494	175,138
Fines and fees	1,248,412	-	246,762	1,495,174
Forfeitures	4,298	-	1,204	5,502
Investment earnings	62,350	5,356	-	67,706
Other revenue	89,715	53,351	-	143,066
Total Revenues	<u>12,513,625</u>	<u>4,231,164</u>	<u>946,163</u>	<u>17,690,952</u>
EXPENDITURES:				
Current:				
General Government:				
Public finance	1,524,484	-	100,347	1,624,831
General administration	1,660,715	50,789	28,491	1,739,995
Judicial	1,825,601	-	16,177	1,841,778
Legal	700,783	-	59,545	760,328
Public safety	4,435,291	-	-	4,435,291
Health and welfare	1,351,326	-	-	1,351,326
Road and bridge	-	3,094,475	-	3,094,475
Debt Service:				
Bank charges	-	-	499	499
Principal	87,151	-	467,000	554,151
Interest	-	-	107,781	107,781
Capital Outlay:				
Capital outlay	281,440	781,115	-	1,062,555
Total Expenditures	<u>11,866,791</u>	<u>3,926,379</u>	<u>779,840</u>	<u>16,573,010</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>646,834</u>	<u>304,785</u>	<u>166,323</u>	<u>1,117,942</u>
OTHER FINANCING SOURCES (USES):				
Proceeds on sale of assets	25,001	60,401	4,960	90,362
Proceeds from capital lease	241,826	-	-	241,826
Transfers in	-	219,000	-	219,000
Transfers out	-	(219,000)	-	(219,000)
Total Other Financing Sources (Uses)	<u>266,827</u>	<u>60,401</u>	<u>4,960</u>	<u>332,188</u>
Net Change in Fund Balances	913,661	365,186	171,283	1,450,130
Fund Balances - Beginning	14,233,626	3,127,701	1,677,805	19,039,132
Fund Balances - Ending	<u>\$ 15,147,287</u>	<u>\$ 3,492,887</u>	<u>\$ 1,849,088</u>	<u>\$ 20,489,262</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, 2014**

Net Change in Fund Balances-Total Governmental Funds	\$	1,450,130
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Amounts reported for governmental activities in the statement of activities are different because:

Internal service funds are used by management to charge the cost of self-insurance in individual funds. The changes in net 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.		(15,984)
--	--	----------

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.		1,062,555
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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.		(1,181,031)
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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.		(12,500)
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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 governmental funds. Neither transaction, however, has any effect on net position.

Addition of capital lease	(241,826)		
Principal payments	554,151		
Decrease in compensated absences	(17,640)		294,685

Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(101,699)
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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.

Office fees	15,785		
Property taxes	(29,662)		(13,877)

Change in Net Position of Governmental Activities	\$	1,482,279
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The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

**ERATH COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2014**

	Governmental Activities
	Internal Service Funds
ASSETS	
Current Assets:	
Cash and investments	\$ 331,495
TOTAL ASSETS	\$ 331,495
LIABILITIES AND NET POSITION	
Current Liabilities:	
Wages and salaries payable	\$ 1,654
Total Liabilities	1,654
Net Position:	
Unrestricted	329,841
Total Net Position	329,841
TOTAL LIABILITIES AND NET POSITION	\$ 331,495

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

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Governmental Activities
	Internal Service Funds
OPERATING EXPENDITURES	
Salaries & wages	\$ 16,130
Total Operating Expenditures	16,130
Operating Loss	(16,130)
NONOPERATING REVENUES	
Investment earnings	146
Total Nonoperating Revenues	146
Changes in Net Position	(15,984)
Net Position-Beginning of Year	345,825
Net Position-End of Year	\$ 329,841

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, 2014**

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Paid to Employees	\$ (15,128)
Net Cash Used by Operating Activities	(15,128)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	146
Net Cash Provided by Investing Activities	146
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,982)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	346,477
CASH AND CASH EQUIVILANTS AT END OF YEAR	\$ 331,495
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (16,130)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Change in Wages and Salaries Payable	1,002
NET CASH USED BY OPERATING ACTIVITIES	\$ (15,128)

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, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and short-term investments	\$ 1,309,239
Total Assets	<u>\$ 1,309,239</u>
LIABILITIES	
Due to others	\$ 1,309,239
Total Liabilities	<u>\$ 1,309,239</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, 2014

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. New Accounting Pronouncement

Effective October 1, 2013, the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This 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.

B. 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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

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

C. 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 Funds - The Road and Bridge Funds are special revenue funds that are used to account for resources used by the County in connection with providing transportation services to its citizens.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

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.

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 fee 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, 2014

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.

D. 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 (\$159,883 General Fund, \$61,513 Road and Bridge Fund and \$14,612 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.

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ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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, 2014 to finance maintenance and operations of the County, Debt Service, and Road and Bridge were \$0.32, \$0.03, and \$0.12 respectively, for a total of \$0.47 per \$100 valuation.

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

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ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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.

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

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ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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, 2014, the value of accumulated vacation benefits was \$182,958 and the value of accumulated sick pay benefits was approximately \$55,031 for a total of \$237,989.

The portion of accrued vacation pay and sick pay that has been classified as current is \$209,430.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. An example is a deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The County does not currently have any deferred outflows of resources.

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

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ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

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.

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.

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.

See independent auditors’ report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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.

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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

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.

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 2014.

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, 2014 consist of the following:

Cash on hand	\$ 5,250
Deposits with financial institutions	2,796,088
Short-term investments	11,155,052
Certificates of deposit	<u>7,125,000</u>
	<u>\$ 21,081,390</u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 3: Deposits and Investments (cont.)

A. Cash Deposits

At September 30, 2014, the County's cash deposits were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

B. Investments

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

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

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, obligations of the U.S. Treasury, certain U.S. agencies, 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, 2014 consisted of the following:

Investment Type	Amount	Weighted Average Maturity
Texpool	\$ 11,155,052	51 days
Certificates of deposit	7,125,000	180 days
	\$ 18,280,052	

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 position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool Shares.

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ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 3: Deposits and Investments (cont.)

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

Policies Governing Deposits and Investment and Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end:

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk because its deposits at year-end and during the year ended September 30, 2014 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, 2014, 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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 4: Capital Assets

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

	October 1, 2013	Increase	Decrease	September 30, 2014
Government activities capital assets:				
Non-depreciable assets:				
Land	\$ 668,045	\$ -	\$ (12,500)	\$ 655,545
Total non-depreciable assets	<u>668,045</u>	<u>-</u>	<u>(12,500)</u>	<u>655,545</u>
Depreciable assets:				
Buildings	18,711,347	5,960	-	18,717,307
Furniture and equipment	<u>11,467,520</u>	<u>1,056,595</u>	<u>(148,856)</u>	<u>12,375,259</u>
Total depreciable assets	<u>30,178,867</u>	<u>1,062,555</u>	<u>(148,856)</u>	<u>31,092,566</u>
Totals at historic cost	<u>30,846,912</u>	<u>1,062,555</u>	<u>(161,356)</u>	<u>31,748,111</u>
Less accumulated depreciation:				
Buildings	(4,808,960)	(476,947)	-	(5,285,907)
Furniture and equipment	<u>(8,902,251)</u>	<u>(704,084)</u>	<u>148,856</u>	<u>(9,457,479)</u>
Total accumulated depreciation	<u>(13,711,211)</u>	<u>(1,181,031)</u>	<u>148,856</u>	<u>(14,743,386)</u>
Total capital assets, being depreciated, net	<u>16,467,656</u>	<u>(118,476)</u>	<u>-</u>	<u>16,349,180</u>
Governmental capital assets, net	<u>\$ 17,135,701</u>	<u>\$ (118,476)</u>	<u>\$ (12,500)</u>	<u>\$ 17,004,725</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	\$ 145,934
Justice	78,028
Public safety	576,964
Public transportation	380,105
Total depreciation expense	<u>\$ 1,181,031</u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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, 2014, Road and Bridge performed an interfund transfer to fund operations of the Maintenance Barn and to transfer equipment between precincts in the amount of \$204,000 and \$15,000, respectively.

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, 2014:

	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
2015	\$ 467,000	\$ 206,572	\$ 673,572
2016	467,000	188,592	655,592
2017	467,000	170,613	637,613
2018	467,000	152,633	619,633
2019	467,000	134,654	601,654
2020-2024	2,335,000	385,693	2,720,693
2025-2029	462,000	53,553	515,553
	\$ 5,132,000	\$ 1,292,310	\$ 6,424,310

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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, 2014, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 220,349	\$ 17,640	\$ -	\$ 237,989	\$ 209,430
Certificate of obligation	5,599,000	-	467,000	5,132,000	467,000
Capital lease	-	241,826	87,151	154,675	76,061
Total Governmental Activities	<u>\$ 5,819,349</u>	<u>\$ 259,466</u>	<u>\$ 554,151</u>	<u>\$ 5,524,664</u>	<u>\$ 752,491</u>

NOTE 7: Commitments Under Capital Lease

The County has entered into a capital lease agreement. The leased property under capital leases is classified as furniture and equipment with a total capitalized cost and amortized value of \$241,826. Amortization expense has been included in depreciation expense for the year ended September 30, 2014.

The following is a schedule of future minimum payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 2014:

2015	\$ 81,878
2016	<u>81,878</u>
	163,756
Less amount representing interest	<u>9,081</u>
Present value of net minimum lease payments	<u>\$ 154,675</u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 8: 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, 2014, as follows:

Year Ending September 30,	
2014	\$ 36,007
2015	32,233
2016	7,573
2017	<u>275</u>
Total Minimum Future Lease Obligations	<u>\$ 76,088</u>
Rental Expenditures in 2014	
	<u>\$ 63,691</u>

NOTE 9: 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.

Health Care

During the year ended September 30, 2014, 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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 10: 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 10.81% for the months of the accounting year in 2013 and 11.12% for the months of the accounting year in 2014.

The deposit rate payable by the employee members for calendar year 2014 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.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 10: Pension Plan (cont.)

C. Annual Pension Cost

For the County's accounting year ended September 30, 2014, the annual pension cost for the TCDRS plan for its employees was \$734,536 and the actual contributions were \$734,536.

The annual required contribution was determined as part of the December 31, 2013 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2013 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9 percent. Both (a) and (b) include an inflation component of 3.0 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, 2013 was 20 years.

D. Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 85.41% funded. The actuarial accrued liability for benefits was \$22,790,639, and the actuarial value of assets was \$19,466,017, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,324,622. The covered payroll (annual payroll of active employees covered by the plan) was \$6,893,642, and the ratio of UAAL to covered payroll was 48.23%.

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 11: 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, 2014, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulation governing the respective grant; therefore no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

Subsequent to year-end, a lawsuit was settled regarding the appraised value of property within the County. While the lawsuit was not brought against the County, it did result in a refund totaling \$103,384 in property taxes and \$37,767 in interest from the general fund and \$37,094 in property taxes and \$13,695 in interest from the road and bridge fund. All amounts were paid in April 2015 resulting in a liability as of September 30, 2014 (included in "Accounts Payable" on the balance sheet). No additional amounts will be due as a result of this lawsuit.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 12: New Accounting Pronouncements

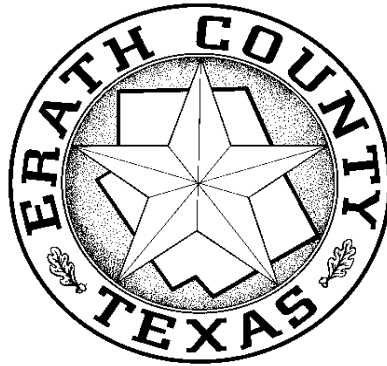
The GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions, which will be effective for the year ending September 30, 2015. The objective of this Statement is to improve accounting and financial reporting of state and local governmental pension plans. This Statement applies to 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.

NOTE 13: Prior Period Adjustment

As discussed in Note 1, the County implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. In accordance with this statement, the County has written off all previously capitalized debt issue costs and adjusted the impact through beginning net position as shown on the Statement of Activities. These costs total \$17,807 in the governmental activities. All current and future debt issue costs will be expensed in the period incurred.

See independent auditors' report.



REQUIRED SUPPLEMENTARY INFORMATION

ERATH COUNTY, TEXAS
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
 SCHEDULE OF FUNDING PROGRESS
 SEPTEMBER 30, 2014

Fiscal Year	Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
		Actuarial Value of Plan Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded Actuarial Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4)/(5)
2014	12/31/2013	\$ 19,466,017	\$ 22,790,639	85.41%	\$ 3,324,622	\$ 6,893,642	48.23%
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%

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, 2014

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
REVENUES:				
Taxes:				
Current taxes	\$ 7,700,952	\$ 7,700,952	\$ 7,306,535	\$ (394,417)
Delinquent taxes	700,000	700,000	705,141	5,141
Penalty & interest	81,200	81,200	94,669	13,469
Mixed drink tax	60,000	60,000	89,140	29,140
Sales tax	1,800,000	1,800,000	2,076,945	276,945
Tax certificate	13,000	13,000	15,400	2,400
Late rendition penalty	4,000	4,000	3,725	(275)
Total Taxes	10,359,152	10,359,152	10,291,555	(67,597)
General County				
Interest	16,920	16,920	27,429	10,509
Tobacco settlement	15,000	15,000	25,372	10,372
State juror reimbursement	7,500	7,500	8,968	1,468
Workers comp adjustment	-	-	12,883	12,883
Health insurance reimbursement	-	-	9,806	9,806
Vending machines	-	-	186	186
General county miscellaneous	3,500	3,500	18,166	14,666
Total General County	42,920	42,920	102,810	59,890
County Clerk				
Drug court cost	1,000	1,000	1,351	351
Judicial support fee	200	200	268	68
Juror fee	-	-	179	179
Bond forfeiture	5,500	5,500	4,298	(1,202)
Judges education	500	500	525	25
Fees	525,000	525,000	582,473	57,473
5% cash bond	50	50	1,006	956
State traffic fee	100	100	120	20
Indigent legal	78	78	123	45
DPS arrest	1,500	1,500	2,079	579
EMS trauma	1,000	1,000	1,375	375
Total County Clerk	534,928	534,928	593,797	58,869
Tax Collector/Assessor				
TERP surcharge fee	800	800	1,057	257
Tax entity commission	36,000	36,000	37,999	1,999
Auto commission	225,000	225,000	98,792	(126,208)
Motor vehicle titles	35,000	35,000	46,228	11,228
Chapter 19 reimbursement	-	-	1,702	1,702
Total Tax Collector/Assessor	296,800	296,800	185,778	(111,022)
Sanitation				
Fees	15,000	15,000	36,610	21,610
Total Sanitation	15,000	15,000	36,610	21,610

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Election				
HAVA grant reimbursement	-	-	-	-
Reimbursed election expense	3,000	6,100	24,501	18,401
Total Election	3,000	6,100	24,501	18,401
Volunteer Fire Department				
Workers comp refund	4,500	4,500	7,832	3,332
Insurance/grant payment	-	-	14,063	14,063
Miscellaneous	-	-	1,394	1,394
Total Volunteer Fire Department	4,500	4,500	23,289	17,395
911 Emergency				
COG reimbursement 911	20,000	20,000	24,914	4,914
Total 911 Emergency	20,000	20,000	24,914	4,914
District Clerk				
Restitution	-	-	411	411
Drug court cost	-	-	160	160
Family violence fee	-	-	413	413
Judicial support fee	-	-	41	41
AG citation fee	2,000	2,000	3,679	1,679
AG motion fee	-	-	347	347
Jury fee	-	-	1	1
Family protection fee	-	-	-	-
Court appointed attorney	8,000	8,000	9,012	1,012
Fees	150,000	150,000	153,940	3,940
Jury trial tee	500	500	642	142
Visual recorder	-	-	17	17
5% cash bond	-	-	150	150
Court reporter fee	3,500	3,500	4,230	730
Consolidated court cost	1,000	1,000	978	(22)
DNA testing	-	-	25	25
AG child support	700	700	871	171
Time payments	-	-	881	881
EMS trauma	-	-	115	115
Indigent legal	-	-	244	244
Bureau of vital statistics	-	-	173	173
Total District Clerk	165,700	165,700	176,330	10,630
District Attorney				
Judicial district apportionment	27,500	27,500	28,150	650
Assistant DA longevity	-	-	2,483	2,483
Total District Attorney	27,500	27,500	30,633	3,133

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
District Court				
Appointed attorney	15,000	15,000	41,895	26,895
Total District Court	15,000	15,000	41,895	26,895
County Attorney				
State salary allocation	70,000	70,000	70,000	-
Court apportionment	8,500	8,500	11,401	2,901
Total County Attorney	78,500	78,500	81,401	2,901
Court At Law				
State salary allocation	84,000	84,000	84,000	-
Court apportionment	25,000	66,200	59,615	(6,585)
Probate fees	250	250	210	(40)
Interpreter fees	-	-	625	625
Total Court At Law	109,250	150,450	144,450	(6,000)
Justice of The Peace #1				
Judicial fee	1,200	1,200	894	(306)
City apportionment	121,748	121,748	121,748	0
Jury fee	700	700	600	(100)
Expungent fee	-	-	330	330
Fees	155,000	155,000	135,758	(19,242)
Defensive driving	3,000	3,000	2,087	(913)
Traffic	3,500	3,500	2,406	(1,094)
Consolidated court cost	8,000	8,000	6,028	(1,972)
Child safety seat	-	-	434	434
Indigent legal	4,000	4,000	5,464	1,464
Arrest fee	6,000	6,000	5,587	(413)
Time payments	800	800	1,744	944
Motor carrier fee	-	-	6,150	6,150
Child safety seat	-	-	198	198
Total Justice of The Peace #1	303,948	303,948	289,428	(14,520)

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Justice of The Peace #2				
Judicial fee	175	175	258	83
Jury fee	-	-	172	172
Fees	28,000	28,000	37,783	9,783
Defensive driving	500	500	508	8
Traffic	600	600	644	44
Consolidated court cost	1,000	1,000	1,730	730
Seatbelt	-	-	86	86
Failure to appear	-	-	18	18
DPS arrest	1,200	1,200	1,582	382
Time payments	-	-	175	175
Motor carrier	-	-	8,250	8,250
Child safety	-	-	45	45
Total Justice of The Peace #2	<u>31,475</u>	<u>31,475</u>	<u>51,251</u>	<u>19,776</u>
Sheriff				
Crime victim reimbursement	-	2,300	3,922	1,622
Fees	35,000	35,000	54,018	19,018
Visual recorder fee	1,400	1,400	2,063	663
Bail bond fee	900	900	1,386	486
Estray cattle	4,000	12,150	14,374	2,224
State inmate reimbursement	3,000	3,000	4,307	1,307
City of Dublin inmates	1,500	1,500	4,800	3,300
City of Stephenville inmates	15,000	15,000	21,000	6,000
Inmate phone commission	10,000	10,000	25,353	15,353
Extradition reimbursement	1,000	1,000	1,767	767
Inmate SSA	-	-	1,600	1,600
Insurance claim reimbursement	-	2,118	20,957	18,839
Grant revenues	-	-	3,545	3,545
Auto claim transport	-	-	1,670	1,670
Inmate housing revenue	25,000	25,000	52,560	27,560
Total Sheriff	<u>96,800</u>	<u>109,368</u>	<u>213,322</u>	<u>103,954</u>
Constable #1				
Fees	15,000	15,000	15,735	735
Total Constable #1	<u>15,000</u>	<u>15,000</u>	<u>15,735</u>	<u>735</u>
Constable #2				
Fees	3,000	3,000	2,785	(215)
Total Constable #2	<u>3,000</u>	<u>3,000</u>	<u>2,785</u>	<u>(215)</u>

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Pretrial Diversion				
Fees	2,500	2,500	3,337	837
UA fees	100	100	20	(80)
Total Pretrial Diversion	2,600	2,600	3,357	757
Emergency Medical Services				
Charges for services	175,000	175,000	164,644	(10,356)
Total Emergency Medical Services	175,000	175,000	164,644	(10,356)
Indigent Healthcare				
Inmate Medical Copay	1,000	1,000	2,836	1,836
Interest	775	775	581	(194)
Miscellaneous	-	-	11,723	11,723
Total Indigent Healthcare	1,775	1,775	15,140	13,365
TOTAL REVENUES	12,301,848	12,358,716	12,513,625	153,515
EXPENDITURES:				
County Judge				
Salary	143,946	143,946	142,284	1,662
Operating	4,450	5,350	5,004	346
Supplies	2,000	3,000	2,410	590
Schools & dues	6,000	6,000	3,278	2,722
Equipment	3,500	1,600	-	1,600
Total County Judge	159,896	159,896	152,976	6,920
County Clerk				
Salary	325,385	327,956	324,411	3,545
Operating	4,250	4,250	2,286	1,964
Supplies	10,000	10,300	9,240	1,060
Schools & dues	6,500	6,200	3,252	2,948
Software/hardware maintenance	18,351	18,351	17,980	371
Total County Clerk	364,487	367,058	357,169	9,889
County Auditor				
Salary	255,884	255,884	253,569	2,315
Operating	2,020	2,020	1,421	599
Supplies	4,000	4,000	2,388	1,612
Schools & dues	9,700	9,700	6,222	3,478
Equipment	1,000	1,000	95	905
Software/hardware maintenance	11,500	11,500	11,000	500
Total County Auditor	284,104	284,104	274,695	9,409

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
County Treasurer				
Salary	191,851	191,851	190,028	1,823
Operating	4,320	3,820	3,283	537
Advertising	4,500	7,250	6,706	544
Supplies	4,750	4,250	3,808	442
Schools & dues	6,000	6,000	4,377	1,623
Equipment	3,000	2,000	995	1,005
Software/hardware maintenance	9,000	9,000	8,730	270
Drug screening	5,200	4,450	4,240	210
Total County Treasurer	228,621	228,621	222,167	6,454
Tax Assessor/Collector				
Salary	558,989	558,989	551,418	7,571
Operating	76,710	76,710	67,767	8,943
Advertising	3,200	3,200	1,011	2,189
Supplies	16,000	16,000	15,715	285
Schools & dues	4,500	4,500	3,371	1,129
Equipment	6,500	6,500	5,624	876
Software/hardware maintenance	11,600	12,500	12,429	71
Data processing	18,700	17,800	13,118	4,682
Total Tax Assessor/Collector	696,199	696,199	670,453	25,746
Veteran's Service				
Salary	52,971	52,971	52,502	469
Operating	1,968	1,968	1,508	460
Supplies	1,500	1,500	1,451	49
Advertising	500	500	-	500
Total Veteran's Service	56,939	56,939	55,461	1,478
Sanitation				
Salary	52,316	51,916	42,142	9,774
Operating	4,275	4,275	2,358	1,917
Supplies	600	600	584	16
Schools & dues	200	625	607	18
Equipment	-	3,550	2,918	632
Fuel	2,500	2,225	1,144	1,081
Professional services	10,000	10,400	10,400	-
Travel	500	500	449	51
Total Sanitation	70,391	74,091	60,602	13,489

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Elections				
Salary	10,765	13,865	12,292	1,573
Operating	33,800	31,240	33,356	(2,116)
Supplies	5,500	5,490	4,910	580
Equipment	-	-	-	-
Software/hardware maintenance	13,904	13,904	13,904	-
Professional services	15,000	15,000	15,000	-
Total Elections	<u>78,969</u>	<u>79,499</u>	<u>79,462</u>	<u>37</u>
Fire Suppression				
Salary	420	420	420	-
Operating	60,140	76,000	75,203	797
Schools and dues	2,000	2,000	1,918	82
Equipment	12,000	10,482	73,233	(62,751)
EMS	96,747	96,747	96,747	-
Volunteer fire departments	240,200	240,700	238,407	2,293
Total Fire Suppression	<u>411,507</u>	<u>426,349</u>	<u>485,928</u>	<u>(59,579)</u>
Non-Departmental				
Operating	1,042,042	1,002,979	221,175	781,804
Advertising	4,000	4,000	2,359	1,641
Schools & dues	4,000	4,000	2,083	1,917
Equipment	36,000	37,280	33,450	3,830
Professional services	76,000	66,000	203,262	(137,262)
Software/hardware maintenance	61,000	61,000	57,598	3,402
Highway right of way purchase	100,000	100,000	100,000	-
Pauper burials	5,000	5,000	2,321	2,679
Autopsies	70,000	85,000	92,087	(7,087)
Historical society	1,500	1,500	1,023	477
Erath county senior citizens	18,000	18,000	18,000	-
Central appraisal district allocation	334,785	334,785	333,157	1,628
Erath county trapper	32,400	32,400	32,400	-
Humane society	18,000	18,000	18,000	-
Total Non-Departmental	<u>1,802,727</u>	<u>1,769,944</u>	<u>1,116,915</u>	<u>653,029</u>
911 Emergency				
Addressing contract	45,000	45,000	45,000	-
Total 911 Emergency	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
District Judge				
Salary	270,622	270,622	251,511	19,111
Operating	3,924	3,924	1,916	2,008
Supplies	3,000	3,000	2,782	218
Schools & dues	7,000	7,000	5,494	1,506
Law books/online research	5,500	5,500	185	5,315
Equipment	6,300	6,300	6,077	223
Software/hardware maintenance	1,241	1,241	1,239	2
Total District Judge	<u>297,588</u>	<u>297,588</u>	<u>269,204</u>	<u>28,384</u>
District Clerk				
Salary	233,532	233,532	230,663	2,869
Operating	7,600	7,600	6,369	1,231
Supplies	7,000	8,200	7,547	653
Schools & dues	3,500	2,800	2,027	773
Equipment	3,400	3,400	1,248	2,152
Software/hardware maintenance	17,800	17,300	17,266	34
Total District Clerk	<u>272,832</u>	<u>272,832</u>	<u>265,120</u>	<u>7,712</u>
District Attorney				
Salary	330,180	330,180	294,886	35,294
Operating	66,814	66,814	64,948	1,866
Supplies	8,000	8,000	7,915	85
Schools & dues	6,000	6,000	4,330	1,670
Law books/online research	2,500	2,500	860	1,640
Software/hardware maintenance	9,970	9,970	9,969	1
Total District Attorney	<u>423,464</u>	<u>423,464</u>	<u>382,908</u>	<u>40,556</u>
District Court				
Administration	1,908	1,908	1,908	0
Transcript	13,000	13,000	7,595	5,405
Court Expense	106,000	114,000	113,552	448
Professional fees	10,800	10,800	2,920	7,880
Civil attorney ad litem	28,000	28,000	21,717	6,283
Criminal attorney ad litem	80,000	80,000	76,555	3,445
Petit jury	20,000	20,000	9,290	10,710
Grand jury	6,800	6,800	5,420	1,380
Jury meals	500	500	203	297
Jury commission	500	500	400	100
Crime victims jury	750	750	248	502
Cross timbers jury	3,375	3,375	759	2,616
Erath county child welfare	3,375	3,375	1,050	2,325
Total District Court	<u>275,008</u>	<u>283,008</u>	<u>241,617</u>	<u>41,391</u>

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
County Attorney				
Salary	302,945	302,945	300,498	2,447
Operating	2,290	2,179	2,127	52
Supplies	1,985	4,706	4,571	135
Schools & dues	1,700	1,147	1,057	90
Law books/online research	1,800	1,028	892	136
Equipment	500	-	-	-
Software/hardware maintenance	9,000	9,000	8,730	270
Court expense	785	-	-	-
Total County Attorney	321,005	321,005	317,875	3,130
Court At Law				
Salary	263,980	263,980	256,647	7,333
Operating	20,400	20,550	18,305	2,245
Supplies	1,000	1,000	360	640
Schools & dues	300	300	235	65
Law books/online research	1,225	1,225	1,085	140
Attorney ad litem	70,000	112,550	112,138	412
Equipment	950	450	232	218
Petit jury	2,000	2,000	516	1,484
Crime victims	300	300	-	300
Cross timbers	500	500	12	488
Erath county child welfare	1,000	1,000	270	730
Professional fees	5,400	4,400	2,375	2,025
Software/hardware maintenance	1,278	1,278	-	1,278
Total Court At Law	368,332	409,532	392,175	17,357
Justice of The Peace #1				
Salary	221,125	221,125	202,402	18,723
Operating	3,120	3,120	2,013	1,107
Supplies	6,000	6,000	3,681	2,319
Schools & dues	2,500	2,500	1,364	1,136
Law books/online research	2,000	2,000	1,796	204
Equipment	-	-	-	-
Petit Jury	2,400	2,400	545	1,855
Crime victims	100	100	-	100
Cross timbers	600	600	75	525
Erath county child welfare	500	500	112	388
Professional fees	300	300	100	200
Software/hardware maintenance	4,850	4,850	4,705	145
Total Justice of the Peace #1	243,495	243,495	216,793	26,702

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Justice of the Peace #2				
Salary	107,276	107,276	106,448	828
Operating	4,300	4,400	2,894	1,506
Supplies	1,200	1,200	1,118	82
Schools & dues	2,500	2,500	1,214	1,286
Crime victims	200	100	-	100
Cross timbers	200	200	18	182
Erath county child welfare	200	200	6	194
Software/hardware maintenance	4,850	4,850	4,705	145
Total Justice of the Peace #2	<u>120,726</u>	<u>120,726</u>	<u>116,403</u>	<u>4,323</u>
Facilities				
Salary	172,096	172,096	152,757	19,339
Utilities	100,000	99,400	164,163	(64,763)
Supplies	800	800	769	31
Operating	62,467	59,083	47,063	12,020
Equipment	600	24,604	11,454	13,150
Fuel	1,500	1,500	606	894
Building maintenance	130,000	107,858	58,964	48,894
Total Facilities	<u>467,463</u>	<u>465,341</u>	<u>435,776</u>	<u>29,565</u>
Sheriff				
Salary	1,988,995	1,988,995	1,832,738	156,257
Operating	107,573	118,540	118,957	(417)
Estray cattle	11,705	19,855	16,361	3,494
Supplies	17,040	17,540	16,704	836
Task Force	-	1,500	1,500	-
Schools & dues	15,000	10,700	9,479	1,221
Equipment	88,151	102,051	297,739	(195,688)
Fuel	142,000	123,850	96,598	27,252
Software/hardware maintenance	40,000	40,000	34,018	5,982
Principal expense	-	-	87,151	(87,151)
Total Sheriff	<u>2,410,464</u>	<u>2,423,031</u>	<u>2,511,245</u>	<u>(88,214)</u>
Jail				
Salary	1,287,044	1,287,044	1,208,757	78,287
Operating	43,200	48,300	42,513	5,787
Utilities	125,000	118,830	109,652	9,178
Supplies	32,000	34,000	33,901	99
Schools & dues	14,000	14,320	8,258	6,062
Equipment	2,426	2,426	2,334	92
Building repair/maintenance	30,000	34,200	33,590	610
Prisoner Food	110,000	104,550	104,674	(124)
Software/hardware maintenance	3,500	3,500	3,500	-
Total Jail	<u>1,647,170</u>	<u>1,647,170</u>	<u>1,547,179</u>	<u>99,991</u>

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Highway Patrol				
Salary	44,638	44,638	43,949	689
Supplies	1,350	1,350	2,483	(1,133)
Weights & measures	250	250	153	97
Equipment	1,615	1,615	-	1,615
Total Highway Patrol	47,853	47,853	46,585	1,268
Constable #1				
Salary	50,441	58,747	57,497	1,250
Operating	5,102	5,102	4,498	604
Supplies	530	530	216	314
Schools & dues	1,250	1,250	1,175	75
Fuel	3,000	3,000	1,261	1,739
Equipment	500	500	-	500
Total Constable #1	60,823	69,129	64,647	4,482
Constable #2				
Salary	58,930	58,930	57,006	1,924
Operating	5,132	5,132	3,952	1,180
Supplies	500	500	446	54
Schools & dues	1,250	1,250	361	889
Fuel	3,000	3,000	1,919	1,081
Equipment	500	500	-	500
Total Constable #2	69,312	69,312	63,684	5,628
Probation				
Juvenile probation office rent	18,000	18,000	18,000	-
Operating	2,500	2,500	1,888	612
Equipment	1,000	1,000	972	28
Juvenile board fund allocation	52,469	52,469	52,469	(0)
Total Probation	73,969	73,969	73,329	640
County Extension Agents				
Salary	126,441	126,266	112,549	13,717
Operating	2,813	2,813	2,599	214
Livestock show	8,500	7,000	6,213	787
Supplies	2,400	5,075	5,019	56
Schools & dues	2,000	2,000	1,543	457
Equipment	2,100	3,700	3,686	14
Travel	16,000	13,400	13,228	172
Demonstration	600	600	597	3
Total County Extension Agents	160,854	160,854	145,434	15,420

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Pretrial Diversion				
Salary	102,285	102,285	99,914	2,371
Operating	3,820	3,477	1,855	1,622
Supplies	1,500	2,770	1,861	909
Schools & dues	1,000	-	-	-
Equipment	-	130	130	-
Fuel	2,000	2,000	1,798	202
Total Pretrial Diversion	<u>110,605</u>	<u>110,662</u>	<u>105,558</u>	<u>5,104</u>
Emergency Medical Services				
Salary	784,525	794,525	763,827	30,698
Operating	87,900	77,900	42,733	35,167
Supplies	41,500	41,500	29,864	11,636
Advertising	200	200	-	200
Schools & dues	11,000	11,000	5,075	5,925
Equipment	5,000	5,000	800	4,200
Software/hardware maintenance	1,500	1,500	110	1,390
Professional services	6,000	6,000	6,000	-
Fuel	15,000	15,000	13,714	1,286
Dublin ambulance service	24,000	24,000	21,716	2,284
Total Emergency Medical Services	<u>976,625</u>	<u>976,625</u>	<u>883,839</u>	<u>92,786</u>
Indigent Healthcare				
Supplies	2,043	2,043	1,751	292
Healthcare - jail	135,000	135,000	90,607	44,393
Healthcare	459,930	459,930	94,212	365,718
HOPE Clinic	25,000	25,000	25,000	-
Professional fees	16,423	16,423	16,423	0
Software/hardware maintenance	15,000	15,000	13,599	1,401
Pecan Valley MHMR	25,000	25,000	25,000	-
Total Indigent Healthcare	<u>678,397</u>	<u>678,397</u>	<u>266,592</u>	<u>411,805</u>
TOTAL EXPENDITURES	<u>13,224,827</u>	<u>13,281,695</u>	<u>11,866,791</u>	<u>1,414,904</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(922,979)</u>	<u>(922,979)</u>	<u>646,834</u>	<u>1,568,419</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from capital lease	-	-	241,826	(241,826)
Proceeds from sale of assets	-	-	25,001	(25,001)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>266,827</u>	<u>(266,827)</u>
Net Change in Fund Balance	(922,979)	(922,979)	913,661	1,835,246
Fund Balance-Beginning	14,233,626	14,233,626	14,233,626	-
Fund Balance-Ending	<u>\$ 13,310,647</u>	<u>\$ 13,310,647</u>	<u>\$ 15,147,287</u>	<u>\$ 1,835,246</u>

ERATH COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

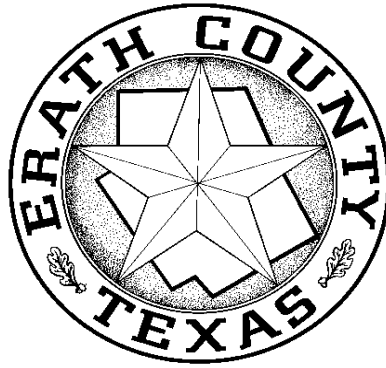
Budgetary Information

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, 2014**

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Maintenance Barn	Total Road and Bridge Funds
ASSETS						
Cash and investments	\$ 751,731	\$ 940,870	\$ 1,313,138	\$ 744,629	\$ 9,355	\$ 3,759,723
Receivables (net of Allowance for Uncollectible)	<u>22,083</u>	<u>27,820</u>	<u>28,359</u>	<u>38,771</u>	<u>25</u>	<u>117,058</u>
Total Assets	<u>\$ 773,814</u>	<u>\$ 968,690</u>	<u>\$ 1,341,497</u>	<u>\$ 783,400</u>	<u>\$ 9,380</u>	<u>\$ 3,876,781</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 199,841	\$ 30,931	\$ 44,610	\$ 21,446	\$ 3,577	\$ 300,405
Salary payable	<u>9,154</u>	<u>9,814</u>	<u>8,106</u>	<u>8,726</u>	<u>2,960</u>	<u>38,760</u>
Total Liabilities	<u>208,995</u>	<u>40,745</u>	<u>52,716</u>	<u>30,172</u>	<u>6,537</u>	<u>339,165</u>
Deferred inflows:						
Deferred property taxes	<u>9,283</u>	<u>13,098</u>	<u>12,033</u>	<u>10,315</u>	<u>-</u>	<u>44,729</u>
Fund Balances:						
Committed	<u>555,536</u>	<u>914,847</u>	<u>1,276,748</u>	<u>742,913</u>	<u>2,843</u>	<u>3,492,887</u>
Total Fund Balances	<u>555,536</u>	<u>914,847</u>	<u>1,276,748</u>	<u>742,913</u>	<u>2,843</u>	<u>3,492,887</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 773,814</u>	<u>\$ 968,690</u>	<u>\$ 1,341,497</u>	<u>\$ 783,400</u>	<u>\$ 9,380</u>	<u>\$ 3,876,781</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, 2014

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Maintenance Barn	Total Road and Bridge Funds
REVENUES:						
Taxes:						
Property taxes						
Current	\$ 612,485	\$ 725,584	\$ 785,292	\$ 700,086	\$ -	\$ 2,823,447
Delinquent	58,674	69,737	75,106	67,005	-	270,522
Penalty & interest	8,083	9,735	10,176	9,172	-	37,166
Intergovernmental	8,024	9,506	10,287	9,171	-	36,988
Auto registrations	216,764	257,821	279,401	250,348	-	1,004,334
Interest	1,024	1,461	1,706	1,165	-	5,356
Miscellaneous	-	15,408	8,712	29,204	27	53,351
Total Revenues	905,054	1,089,252	1,170,680	1,066,151	27	4,231,164
EXPENDITURES:						
Salaries	429,749	431,531	431,272	383,422	133,037	1,809,011
Equipment	279,696	43,645	148,801	290,259	39,349	801,750
Equipment repair	38,214	101,103	53,984	35,899	26,529	255,729
Fuel	75,353	90,251	45,821	79,622	6,491	297,538
Road expense	109,114	175,165	117,000	180,506	-	581,785
Operating	31,097	45,910	40,543	32,107	30,909	180,566
Total Expenditures	963,223	887,605	837,421	1,001,815	236,315	3,926,379
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,169)	201,647	333,259	64,336	(236,288)	304,785
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	15,000	204,000	219,000
Proceeds from sale of assets	-	27,508	3,951	27,770	1,172	60,401
Transfers out	(58,500)	(51,000)	(58,500)	(51,000)	-	(219,000)
Total Other Financing Sources (Uses)	(58,500)	(23,492)	(54,549)	(8,230)	205,172	60,401
Net Changes in Fund Balances	(116,669)	178,155	278,710	56,106	(31,116)	365,186
Fund Balance-Beginning	672,205	736,692	998,038	686,807	33,959	3,127,701
Fund Balance-Ending	\$ 555,536	\$ 914,847	\$ 1,276,748	\$ 742,913	\$ 2,843	\$ 3,492,887

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

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes				
Current	\$ 2,890,486	\$ 2,890,486	\$ 2,823,447	\$ (67,039)
Delinquent	277,000	277,000	270,522	(6,478)
Penalty & Interest	33,300	33,300	37,166	3,866
Other taxes	34,325	34,325	36,988	2,663
Auto registrations	770,807	770,807	1,004,334	233,527
Interest	5,215	5,215	5,356	141
Miscellaneous	-	20,000	53,351	33,351
Total Revenues	<u>4,011,133</u>	<u>4,031,133</u>	<u>4,231,164</u>	<u>200,031</u>
EXPENDITURES:				
Salaries	1,889,345	1,894,047	1,809,011	85,036
Equipment	607,735	675,635	801,750	(126,115)
Equipment Repair	290,309	291,579	255,729	35,850
Fuel	447,000	418,783	297,538	121,245
Road Expense	688,975	711,596	581,785	129,811
Operating	144,972	142,580	180,566	(37,986)
Total Expenditures	<u>4,068,335</u>	<u>4,134,219</u>	<u>3,926,379</u>	<u>207,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(57,202)</u>	<u>(103,086)</u>	<u>304,785</u>	<u>407,871</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	238,066	238,066	219,000	(19,066)
Proceeds from Sale of Assets	-	13,885	60,401	46,516
Transfers Out	(238,066)	(238,066)	(219,000)	19,066
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,885</u>	<u>60,401</u>	<u>46,516</u>
Net Changes in Fund Balances	(57,202)	(89,201)	365,186	454,387
Fund Balance-Beginning	<u>3,127,701</u>	<u>3,127,701</u>	<u>3,127,701</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 3,070,499</u>	<u>\$ 3,038,500</u>	<u>\$ 3,492,887</u>	<u>\$ 454,387</u>

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
ASSETS				
Cash and investments	\$ 53,652	\$ 6,893	\$ 6,780	\$ 14,696
Receivables (net of Allowance for Uncollectible)	183	86	28	10
Due from other funds	-	-	-	-
Total Assets	<u>\$ 53,835</u>	<u>\$ 6,979</u>	<u>\$ 6,808</u>	<u>\$ 14,706</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Election	-	-	-	-
General administration	-	-	6,808	14,706
Judicial	53,835	6,979	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	-	-	-	-
Total Fund Balances	<u>53,835</u>	<u>6,979</u>	<u>6,808</u>	<u>14,706</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 53,835</u>	<u>\$ 6,979</u>	<u>\$ 6,808</u>	<u>\$ 14,706</u>

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
ASSETS				
Cash and investments	\$ 22,723	\$ 73,354	\$ 31,313	\$ 244,614
Receivables (net of Allowance for Uncollectible)	-	500	105	376
Due from other funds	-	-	-	-
Total Assets	<u>\$ 22,723</u>	<u>\$ 73,854</u>	<u>\$ 31,418</u>	<u>\$ 244,990</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	-	-	-	-
Fund Balances:				
Restricted				
Debt service	-	73,854	-	-
Capital projects	-	-	-	-
Election	22,723	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	31,418	-
Public safety	-	-	-	244,990
Records management	-	-	-	-
Total Fund Balances	<u>22,723</u>	<u>73,854</u>	<u>31,418</u>	<u>244,990</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 22,723</u>	<u>\$ 73,854</u>	<u>\$ 31,418</u>	<u>\$ 244,990</u>

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management	County Clerk Records Preservation
ASSETS				
Cash and investments	\$ 8,980	\$ 659	\$ 259,885	\$ 202,835
Receivables (net of Allowance for Uncollectible)	20	38	560	404
Due from other funds	-	-	-	-
Total Assets	<u>\$ 9,000</u>	<u>\$ 697</u>	<u>\$ 260,445</u>	<u>\$ 203,239</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 3	\$ -
Salary payable	-	-	255	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>258</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	<u>9,000</u>	<u>697</u>	<u>260,187</u>	<u>203,239</u>
Total Fund Balances	<u>9,000</u>	<u>697</u>	<u>260,187</u>	<u>203,239</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 9,000</u>	<u>\$ 697</u>	<u>\$ 260,445</u>	<u>\$ 203,239</u>

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check	District Attorney Forfeiture
ASSETS				
Cash and investments	\$ 1,469	\$ 41,217	\$ 8,189	\$ 47,556
Receivables (net of Allowance for Uncollectible)	24	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 1,493</u>	<u>\$ 41,217</u>	<u>\$ 8,189</u>	<u>\$ 47,556</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 27	\$ -	\$ 976
Salary payable	-	316	-	-
Total Liabilities	<u>-</u>	<u>343</u>	<u>-</u>	<u>976</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	8,189	46,580
Legal	-	40,874	-	-
Public safety	-	-	-	-
Records management	1,493	-	-	-
Total Fund Balances	<u>1,493</u>	<u>40,874</u>	<u>8,189</u>	<u>46,580</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 1,493</u>	<u>\$ 41,217</u>	<u>\$ 8,189</u>	<u>\$ 47,556</u>

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	Sheriff Forfeiture	Sheriff Special DEA Forfeiture	Total Special Revenue Funds
ASSETS			
Cash and investments	\$ 35,634	\$ 1,862	\$ 1,062,311
Receivables (net of Allowance for Uncollectible)	-	-	2,334
Due from other funds	-	-	-
Total Assets	<u>\$ 35,634</u>	<u>\$ 1,862</u>	<u>\$ 1,064,645</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 1,006
Salary payable	-	-	571
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,577</u>
Deferred inflows:			
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted			
Debt service	-	-	73,854
Capital projects	-	-	-
Election	-	-	22,723
General administration	-	-	21,514
Judicial	35,634	1,862	153,079
Legal	-	-	72,292
Public safety	-	-	244,990
Records management	-	-	474,616
Total Fund Balances	<u>35,634</u>	<u>1,862</u>	<u>1,063,068</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 35,634</u>	<u>\$ 1,862</u>	<u>\$ 1,064,645</u>

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	Certificates of Obligation	Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 138,452	\$ -	\$ 1,200,763
Receivables (net of Allowance for Uncollectible)	8,626	-	10,960
Due from other funds	647,568	-	647,568
Total Assets	<u>\$ 794,646</u>	<u>\$ -</u>	<u>\$ 1,859,291</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 1,006
Salary payable	-	-	571
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,577</u>
Deferred inflows:			
Deferred property taxes	<u>8,626</u>	<u>-</u>	<u>8,626</u>
Fund Balances:			
Restricted			
Debt service	786,020	-	859,874
Capital projects	-	-	-
Election	-	-	22,723
General administration	-	-	21,514
Judicial	-	-	153,079
Legal	-	-	72,292
Public safety	-	-	244,990
Records management	-	-	474,616
Total Fund Balances	<u>786,020</u>	<u>-</u>	<u>1,849,088</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 794,646</u>	<u>\$ -</u>	<u>\$ 1,859,291</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, 2014

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	6,037	1,734	1,791	3,760
Interest	114	12	13	27
Total Revenues	<u>6,151</u>	<u>1,746</u>	<u>1,804</u>	<u>3,787</u>
EXPENDITURES:				
Supplies	-	-	-	-
Equipment	12,597	415	-	3,165
Software/hardware maintenance	-	-	-	-
Schools & dues	-	-	-	-
Law books	-	-	-	-
Online legal research	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	-
Telephone	-	-	-	-
Travel	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	<u>12,597</u>	<u>415</u>	<u>-</u>	<u>3,165</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(6,446)</u>	<u>1,331</u>	<u>1,804</u>	<u>622</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(6,446)	1,331	1,804	622
Fund Balance-Beginning	<u>60,281</u>	<u>5,648</u>	<u>5,004</u>	<u>14,084</u>
Fund Balance-Ending	<u>\$ 53,835</u>	<u>\$ 6,979</u>	<u>\$ 6,808</u>	<u>\$ 14,706</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, 2014**

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	10,494	-	-	-
Fines and fees	2,976	19,075	18,515	20,798
Interest	30	145	48	149
Total Revenues	<u>13,500</u>	<u>19,220</u>	<u>18,563</u>	<u>20,947</u>
EXPENDITURES:				
Supplies	-	3,428	-	-
Equipment	600	6,438	-	-
Software/hardware maintenance	8,210	557	-	-
Schools & dues	-	-	-	-
Law books	-	-	2,486	-
Online legal research	-	-	1,091	-
Courthouse security	-	-	-	19,669
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	444	-	-
Records preservation	-	-	-	-
Telephone	-	-	-	-
Travel	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	<u>8,810</u>	<u>10,867</u>	<u>3,577</u>	<u>19,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,690</u>	<u>8,353</u>	<u>14,986</u>	<u>1,278</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	4,690	8,353	14,986	1,278
Fund Balance-Beginning	<u>18,033</u>	<u>65,501</u>	<u>16,432</u>	<u>243,712</u>
Fund Balance-Ending	<u>\$ 22,723</u>	<u>\$ 73,854</u>	<u>\$ 31,418</u>	<u>\$ 244,990</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, 2014

	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management	County Clerk Records Preservation
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	2,490	241	138,684	21,399
Interest	-	-	182	170
Total Revenues	<u>2,490</u>	<u>241</u>	<u>138,866</u>	<u>21,569</u>
EXPENDITURES:				
Supplies	-	-	1,273	-
Equipment	-	-	-	-
Software/hardware maintenance	-	-	24,209	5,500
Schools & dues	-	-	-	-
Law books	-	-	-	-
Online legal research	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	-	9,777	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	59,588	-
Telephone	-	-	-	-
Travel	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>94,847</u>	<u>5,500</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>2,490</u>	<u>241</u>	<u>44,019</u>	<u>16,069</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,490	241	44,019	16,069
Fund Balance-Beginning	<u>6,510</u>	<u>456</u>	<u>216,168</u>	<u>187,170</u>
Fund Balance-Ending	<u>\$ 9,000</u>	<u>\$ 697</u>	<u>\$ 260,187</u>	<u>\$ 203,239</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, 2014

	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check	District Attorney Forfeiture
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	170	8,761	-	331
Interest	-	92	16	110
Total Revenues	<u>170</u>	<u>8,853</u>	<u>16</u>	<u>441</u>
EXPENDITURES:				
Supplies	-	1,117	-	855
Equipment	-	-	-	8,527
Software/hardware maintenance	-	6,063	-	-
Schools & dues	-	235	-	1,521
Law books	-	-	-	-
Online legal research	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	11,889	-	5,849
Auto insurance	-	-	-	508
Fuel	-	-	-	1,323
Parts & repairs	-	-	-	735
Records preservation	-	-	-	-
Telephone	-	288	-	-
Travel	-	-	-	-
Donations	-	-	-	2,500
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Miscellaneous	-	-	-	1,920
Total Expenditures	<u>-</u>	<u>19,592</u>	<u>-</u>	<u>23,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>170</u>	<u>(10,739)</u>	<u>16</u>	<u>(23,297)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	-	4,960
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,960</u>
Net Change in Fund Balance	170	(10,739)	16	(18,337)
Fund Balance-Beginning	<u>1,323</u>	<u>51,613</u>	<u>8,173</u>	<u>64,917</u>
Fund Balance-Ending	<u>\$ 1,493</u>	<u>\$ 40,874</u>	<u>\$ 8,189</u>	<u>\$ 46,580</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, 2014

	Sheriff Forfeiture	Sheriff Special DEA Forfeiture	Total Special Revenue Funds
REVENUES:			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Charges for services	-	-	10,494
Fines and fees	-	-	246,762
Interest	72	-	1,180
Total Revenues	<u>72</u>	<u>-</u>	<u>258,436</u>
EXPENDITURES:			
Supplies	-	-	6,673
Equipment	-	-	31,742
Software/hardware maintenance	-	-	44,539
Schools & dues	-	-	1,756
Law books	-	-	2,486
Online legal research	-	-	1,091
Courthouse security	-	-	19,669
Salary	-	-	27,515
Auto insurance	-	-	508
Fuel	-	-	1,323
Parts & repairs	-	-	1,179
Records preservation	-	-	59,588
Telephone	-	-	288
Travel	-	1,771	1,771
Donations	-	-	2,500
Bank service charge	-	-	-
Interest payment	-	-	-
Principal payment	-	-	-
Miscellaneous	-	-	1,920
Total Expenditures	<u>-</u>	<u>1,771</u>	<u>204,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>72</u>	<u>(1,771)</u>	<u>53,888</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of assets	-	-	4,960
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,960</u>
Net Change in Fund Balance	72	(1,771)	58,848
Fund Balance-Beginning	<u>35,562</u>	<u>3,633</u>	<u>1,004,220</u>
Fund Balance-Ending	<u>\$ 35,634</u>	<u>\$ 1,862</u>	<u>\$ 1,063,068</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, 2014

	Certificates of Obligation	Capital Projects	Total Nonmajor Governmental Funds
REVENUES:			
Taxes:			
Property taxes	\$ 687,703	\$ -	\$ 687,703
Charges for services	-	-	10,494
Fines and fees	-	-	246,762
Interest	24	-	1,204
Total Revenues	<u>687,727</u>	<u>-</u>	<u>946,163</u>
EXPENDITURES:			
Supplies	-	-	6,673
Equipment	-	-	31,742
Software/hardware maintenance	-	-	44,539
Schools & dues	-	-	1,756
Law books	-	-	2,486
Online legal research	-	-	1,091
Courthouse security	-	-	19,669
Salary	-	-	27,515
Auto insurance	-	-	508
Fuel	-	-	1,323
Parts & repairs	-	-	1,179
Records preservation	-	-	59,588
Telephone	-	-	288
Travel	-	-	1,771
Donations	-	-	2,500
Bank service charge	499	-	499
Interest payment	107,781	-	107,781
Principal payment	467,000	-	467,000
Miscellaneous	-	12	1,932
Total Expenditures	<u>575,280</u>	<u>12</u>	<u>779,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>112,447</u>	<u>(12)</u>	<u>166,323</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of assets	-	-	4,960
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,960</u>
Net Change in Fund Balance	112,447	(12)	171,283
Fund Balance-Beginning	<u>673,573</u>	<u>12</u>	<u>1,677,805</u>
Fund Balance-Ending	<u>\$ 786,020</u>	<u>\$ -</u>	<u>\$ 1,849,088</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, 2014

	BALANCE OCTOBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2014
Tax Assessor Collector				
Assets:				
Cash and cash equivalents	<u>\$ 273</u>	<u>\$ 3,471,154</u>	<u>\$ 3,466,403</u>	<u>\$ 5,024</u>
Liabilities:				
Due to others	<u>\$ 273</u>	<u>\$ 3,471,154</u>	<u>\$ 3,466,403</u>	<u>\$ 5,024</u>
Tax Assessor Collector - Sales Tax				
Assets:				
Cash and cash equivalents	<u>\$ 346,610</u>	<u>\$ 4,730,310</u>	<u>\$ 4,680,547</u>	<u>\$ 396,373</u>
Liabilities:				
Due to others	<u>\$ 346,610</u>	<u>\$ 4,730,310</u>	<u>\$ 4,680,547</u>	<u>\$ 396,373</u>
Tax Assessor Collector - Escrow Payments				
Assets:				
Cash and cash equivalents	<u>\$ 14,092</u>	<u>\$ 86,972</u>	<u>\$ 71,113</u>	<u>\$ 29,951</u>
Liabilities:				
Due to others	<u>\$ 14,092</u>	<u>\$ 86,972</u>	<u>\$ 71,113</u>	<u>\$ 29,951</u>
Tax Assessor Collector - Auto Fund				
Assets:				
Cash and cash equivalents	<u>\$ 49,704</u>	<u>\$ 7,510,749</u>	<u>\$ 7,499,958</u>	<u>\$ 60,495</u>
Liabilities:				
Due to others	<u>\$ 49,704</u>	<u>\$ 7,510,749</u>	<u>\$ 7,499,958</u>	<u>\$ 60,495</u>
Tax Assessor Collector - State				
Assets:				
Cash and cash equivalents	<u>\$ 10,718</u>	<u>\$ 12,152,198</u>	<u>\$ 12,149,098</u>	<u>\$ 13,818</u>
Liabilities:				
Due to others	<u>\$ 10,718</u>	<u>\$ 12,152,198</u>	<u>\$ 12,149,098</u>	<u>\$ 13,818</u>
Tax Assessor Collector - District Account				
Assets:				
Cash and cash equivalents	<u>\$ 122,884</u>	<u>\$ 44,461,221</u>	<u>\$ 44,449,604</u>	<u>\$ 134,501</u>
Liabilities:				
Due to others	<u>\$ 122,884</u>	<u>\$ 44,461,221</u>	<u>\$ 44,449,604</u>	<u>\$ 134,501</u>
Tax Assessor Collector - Motor Vehicle Internet				
Assets:				
Cash and cash equivalents	<u>\$ 292</u>	<u>\$ 78,762</u>	<u>\$ 77,851</u>	<u>\$ 1,203</u>
Liabilities:				
Due to others	<u>\$ 292</u>	<u>\$ 78,762</u>	<u>\$ 77,851</u>	<u>\$ 1,203</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, 2014

	BALANCE OCTOBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2014
Tax Assessor Collector - Motor Vehicle Escrow				
Assets:				
Cash and cash equivalents	\$ 118,316	\$ 181,104	\$ 168,767	\$ 130,653
Liabilities:				
Due to others	\$ 118,316	\$ 181,104	\$ 168,767	\$ 130,653
Treasurer - Dublin				
Assets:				
Cash and cash equivalents	\$ 8,160	\$ 80,509	\$ 83,329	\$ 5,340
Liabilities:				
Due to others	\$ 8,160	\$ 80,509	\$ 83,329	\$ 5,340
Treasurer - Credit Card				
Assets:				
Cash and cash equivalents	\$ 18,412	\$ 200,956	\$ 219,368	\$ -
Liabilities:				
Due to others	\$ 18,412	\$ 200,956	\$ 219,368	\$ -
Treasurer - Bail Bond Board				
Assets:				
Cash and cash equivalents	\$ 7,980	\$ -	\$ -	\$ 7,980
Liabilities:				
Due to others	\$ 7,980	\$ -	\$ -	\$ 7,980
County Attorney - Hot Check Fund				
Assets:				
Cash and cash equivalents	\$ 13,667	\$ 81,634	\$ 60,154	\$ 35,147
Liabilities:				
Due to others	\$ 13,667	\$ 81,634	\$ 60,154	\$ 35,147
Sheriff - Jail Inmate Fund				
Assets:				
Cash and cash equivalents	\$ 3,403	\$ 92,691	\$ 88,638	\$ 7,456
Liabilities:				
Due to others	\$ 3,403	\$ 92,691	\$ 88,638	\$ 7,456
Sheriff's Office Special Account				
Assets:				
Cash and cash equivalents	\$ 1,018	\$ 131,196	\$ 131,196	\$ 1,018
Liabilities:				
Due to others	\$ 1,018	\$ 131,196	\$ 131,196	\$ 1,018

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, 2014

	BALANCE OCTOBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2014
Sheriff - Jail Commissary				
Assets:				
Cash and cash equivalents	\$ 2,274	\$ 13,562	\$ 14,678	\$ 1,158
Liabilities:				
Due to others	\$ 2,274	\$ 13,562	\$ 14,678	\$ 1,158
Sheriff - Reserve Deputy				
Assets:				
Cash and cash equivalents	\$ -	\$ 679	\$ -	\$ 679
Liabilities:				
Due to others	\$ -	\$ 679	\$ -	\$ 679
District Clerk - Receiver Acct				
Assets:				
Cash and cash equivalents	\$ 594	\$ 23,759	\$ 22,994	\$ 1,359
Liabilities:				
Due to others	\$ 594	\$ 23,759	\$ 22,994	\$ 1,359
District Clerk Erath County Trust				
Assets:				
Cash and cash equivalents	\$ 973,649	\$ 67,483	\$ 978,011	\$ 63,121
Liabilities:				
Due to others	\$ 973,649	\$ 67,483	\$ 978,011	\$ 63,121
District Clerk Registry				
Assets:				
Cash and cash equivalents	\$ 108,500	\$ 18,600	\$ 108,100	\$ 19,000
Liabilities:				
Due to others	\$ 108,500	\$ 18,600	\$ 108,100	\$ 19,000
County Clerk Registry				
Assets:				
Cash and cash equivalents	\$ 3,549	\$ 437,188	\$ 437,189	\$ 3,548
Liabilities:				
Due to others	\$ 3,549	\$ 437,188	\$ 437,189	\$ 3,548
County Clerk - Bonds				
Assets:				
Cash and cash equivalents	\$ 88,752	\$ 22,500	\$ 14,000	\$ 97,252
Liabilities:				
Due to others	\$ 88,752	\$ 22,500	\$ 14,000	\$ 97,252

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, 2014

	BALANCE OCTOBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2014
District Attorney - Escrow				
Assets:				
Cash and cash equivalents	\$ 149	\$ 28,558	\$ 28,558	\$ 149
Liabilities:				
Due to others	\$ 149	\$ 28,558	\$ 28,558	\$ 149
District Attorney - Forfeiture				
Assets:				
Cash and cash equivalents	\$ 10,012	\$ 20	\$ -	\$ 10,032
Liabilities:				
Due to others	\$ 10,012	\$ 20	\$ -	\$ 10,032
District Attorney - Drug Education				
Assets:				
Cash and cash equivalents	\$ 738	\$ 2	\$ -	\$ 740
Liabilities:				
Due to others	\$ 738	\$ 2	\$ -	\$ 740
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	\$ 4	\$ -	\$ 1,907
Liabilities:				
Due to others	\$ 1,903	\$ 4	\$ -	\$ 1,907

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, 2014

	BALANCE OCTOBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2014
District Attorney - Individual 5				
Assets:				
Cash and cash equivalents	<u>\$ 2,355</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,360</u>
Liabilities:				
Due to others	<u>\$ 2,355</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,360</u>
District Attorney - Individual 6				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 2,269</u>	<u>\$ -</u>	<u>\$ 2,269</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 2,269</u>	<u>\$ -</u>	<u>\$ 2,269</u>
District Attorney - Individual 7				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 2,838</u>	<u>\$ -</u>	<u>\$ 2,838</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 2,838</u>	<u>\$ -</u>	<u>\$ 2,838</u>
District Clerk - Individual 1				
Assets:				
Cash and cash equivalents	<u>\$ 508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 508</u>
Liabilities:				
Due to others	<u>\$ 508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 508</u>
District Clerk - Individual 2				
Assets:				
Cash and cash equivalents	<u>\$ 53,253</u>	<u>\$ 181</u>	<u>\$ -</u>	<u>\$ 53,434</u>
Liabilities:				
Due to others	<u>\$ 53,253</u>	<u>\$ 181</u>	<u>\$ -</u>	<u>\$ 53,434</u>
District Clerk - Individual 3				
Assets:				
Cash and cash equivalents	<u>\$ 2,178</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,180</u>
Liabilities:				
Due to others	<u>\$ 2,178</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,180</u>
District Clerk - Individual 4				
Assets:				
Cash and cash equivalents	<u>\$ 19,924</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 19,945</u>
Liabilities:				
Due to others	<u>\$ 19,924</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 19,945</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, 2014

	BALANCE OCTOBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2014
District Clerk - Individual 5				
Assets:				
Cash and cash equivalents	\$ 2,683	\$ -	\$ 2,683	\$ -
Liabilities:				
Due to others	\$ 2,683	\$ -	\$ 2,683	\$ -
District Clerk - Individual 6				
Assets:				
Cash and cash equivalents	\$ 2,239	\$ 3	\$ -	\$ 2,242
Liabilities:				
Due to others	\$ 2,239	\$ 3	\$ -	\$ 2,242
District Clerk - Individual 7				
Assets:				
Cash and cash equivalents	\$ 5,510	\$ 5	\$ -	\$ 5,515
Liabilities:				
Due to others	\$ 5,510	\$ 5	\$ -	\$ 5,515
District Clerk - Individual 8				
Assets:				
Cash and cash equivalents	\$ 29,503	\$ -	\$ 14,990	\$ 14,513
Liabilities:				
Due to others	\$ 29,503	\$ -	\$ 14,990	\$ 14,513
TexPool - R Court 4				
Assets:				
Cash and cash equivalents	\$ 31,212	\$ 10	\$ -	\$ 31,222
Liabilities:				
Due to others	\$ 31,212	\$ 10	\$ -	\$ 31,222
TexPool - R Court 11				
Assets:				
Cash and cash equivalents	\$ 28,058	\$ 10	\$ -	\$ 28,068
Liabilities:				
Due to others	\$ 28,058	\$ 10	\$ -	\$ 28,068
TexPool - R Court 15				
Assets:				
Cash and cash equivalents	\$ 1,116	\$ -	\$ -	\$ 1,116
Liabilities:				
Due to others	\$ 1,116	\$ -	\$ -	\$ 1,116

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, 2014

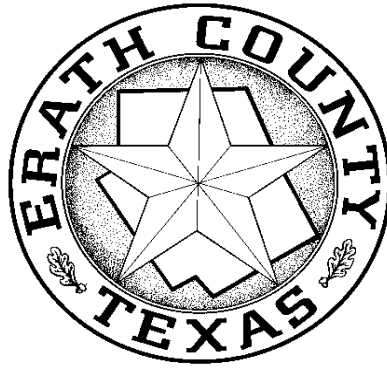
	BALANCE OCTOBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2014
TexPool - R Court 19				
Assets:				
Cash and cash equivalents	<u>\$ 9,499</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 9,503</u>
Liabilities:				
Due to others	<u>\$ 9,499</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 9,503</u>
TexPool - R Court 25				
Assets:				
Cash and cash equivalents	<u>\$ 9,845</u>	<u>\$ -</u>	<u>\$ 9,845</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 9,845</u>	<u>\$ -</u>	<u>\$ 9,845</u>	<u>\$ -</u>
TexPool - R Court 26				
Assets:				
Cash and cash equivalents	<u>\$ 9,342</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 9,346</u>
Liabilities:				
Due to others	<u>\$ 9,342</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 9,346</u>
TexPool - R Court 27				
Assets:				
Cash and cash equivalents	<u>\$ 389,236</u>	<u>\$ -</u>	<u>\$ 389,236</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 389,236</u>	<u>\$ -</u>	<u>\$ 389,236</u>	<u>\$ -</u>
TexPool - R Court 29				
Assets:				
Cash and cash equivalents	<u>\$ 909</u>	<u>\$ -</u>	<u>\$ 909</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 909</u>	<u>\$ -</u>	<u>\$ 909</u>	<u>\$ -</u>
TexPool - R Court 30				
Assets:				
Cash and cash equivalents	<u>\$ 909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 909</u>
Liabilities:				
Due to others	<u>\$ 909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 909</u>
TexPool - R Court 31				
Assets:				
Cash and cash equivalents	<u>\$ 22,948</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 22,955</u>
Liabilities:				
Due to others	<u>\$ 22,948</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 22,955</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, 2014

	BALANCE OCTOBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2014
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	\$ 6,271	\$ 2	\$ -	\$ 6,273
Liabilities:				
Due to others	\$ 6,271	\$ 2	\$ -	\$ 6,273
TexPool - R Court 38				
Assets:				
Cash and cash equivalents	\$ 13,207	\$ 4	\$ -	\$ 13,211
Liabilities:				
Due to others	\$ 13,207	\$ 4	\$ -	\$ 13,211
TexPool - R Court 39				
Assets:				
Cash and cash equivalents	\$ 14,745	\$ -	\$ -	\$ 14,745
Liabilities:				
Due to others	\$ 14,745	\$ -	\$ -	\$ 14,745
TexPool - R Court 39				
Assets:				
Cash and cash equivalents	\$ -	\$ 37,095	\$ -	\$ 37,095
Liabilities:				
Due to others	\$ -	\$ 37,095	\$ -	\$ 37,095
Total Fiduciary Funds				
Assets:				
Cash and cash equivalents	\$ 2,580,734	\$ 73,914,271	\$ 75,185,765	\$ 1,309,239
Liabilities:				
Due to others	\$ 2,580,734	\$ 73,914,271	\$ 75,185,765	\$ 1,309,239

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>
Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	102
Revenue Capacity - The schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	111
Debt Capacity - 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.	118
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	124
Operating Information - 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	127

Sources: Unless otherwise noted, the information in the schedules is derived from the comprehensive annual financial reports for the relevant year.

FINANCIAL TRENDS

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

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Net investment in capital assets	\$ 8,923,440	\$ 9,221,139	\$ 9,433,508	\$ 9,750,831
Restricted	1,936,599	2,332,189	750,648	775,234
Unrestricted	8,402,277	9,382,485	13,282,704	15,306,669
Total Governmental Activities net position	<u>\$ 19,262,316</u>	<u>\$ 20,935,813</u>	<u>\$ 23,466,860</u>	<u>\$ 25,832,734</u>

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 10,676,537	\$ 9,992,400	\$ 9,195,730	\$ 11,536,701	\$ 11,536,701	\$ 11,872,725
682,604	735,563	2,878,367	-	2,329,140	1,849,088
16,087,943	16,258,721	15,067,540	17,342,185	17,224,993	18,833,493
\$ 27,447,084	\$ 26,986,684	\$ 27,141,637	\$ 28,878,886	\$ 31,090,834	\$ 32,555,306

ERATH COUNTY, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses				
Governmental Activities				
General administration	\$ 1,910,523	\$ 3,041,188	\$ 2,341,862	\$ 2,590,079
Legal administration	1,696,570	1,826,619	1,997,247	2,231,405
Public safety and law enforcement	3,641,487	3,638,725	3,908,117	3,778,540
Road and bridge	2,648,956	2,837,957	2,848,167	4,342,633
Health and welfare	247,969	985,136	1,082,979	1,355,413
Debt service	68,225	3,592	1,829	-
Total governmental activities expenses	<u>10,213,730</u>	<u>12,333,217</u>	<u>12,180,201</u>	<u>14,298,070</u>
Program Revenues				
Governmental Activities				
Charges for Services				
General administration	1,612,801	1,472,891	1,773,828	1,693,031
Legal administration	154,567	167,717	189,995	177,839
Public safety and law enforcement	185,779	471,476	557,705	671,078
Road and bridge	994,872	915,711	872,483	1,014,824
Health and welfare	-	405	-	-
Operating and Grant Contributions	236,554	887,525	609,428	1,717,261
Total governmental activities program revenues	<u>3,184,573</u>	<u>3,915,725</u>	<u>4,003,439</u>	<u>5,274,033</u>
Net (Expense) Revenue				
Governmental Activities	(7,029,157)	(8,417,492)	(8,176,762)	(9,024,037)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes	8,197,157	8,609,589	9,713,294	10,827,579
Investment earnings	277,276	544,868	736,387	577,446
Miscellaneous	-	266,184	126,534	8,815
Gain on sale of assets	-	640,368	131,596	(23,928)
Transfers	-	-	-	-
Total Governmental Activities	<u>8,474,433</u>	<u>10,061,009</u>	<u>10,707,811</u>	<u>11,389,912</u>
Change in Net Position				
Governmental activities	<u>\$ 1,445,276</u>	<u>\$ 1,643,517</u>	<u>\$ 2,531,049</u>	<u>\$ 2,365,875</u>

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 2,806,471	\$ 2,778,714	\$ 3,319,985	\$ 3,052,483	\$ 2,989,517	3,512,914
2,188,802	2,770,334	1,311,514	2,419,262	2,441,237	2,679,974
4,203,061	4,305,811	5,381,582	4,374,804	4,863,971	5,019,906
3,083,064	3,762,110	3,717,380	3,360,630	3,344,005	3,480,171
1,256,650	1,480,815	1,422,235	1,326,306	1,425,203	1,369,860
-	94,825	259,513	244,833	226,903	209,979
13,538,048	15,192,609	15,412,209	14,778,318	15,290,836	16,272,804
1,493,881	1,570,267	1,037,202	256,972	354,078	223,749
149,688	160,682	522,516	1,203,326	1,269,773	1,325,061
809,131	695,700	273,354	487,131	503,688	549,160
977,425	858,199	837,000	763,512	844,833	1,004,334
-	-	536,734	511,065	222,967	201,254
443,519	467,659	62,452	146,723	78,712	43,822
3,873,644	3,752,507	3,269,258	3,368,729	3,274,051	3,347,380
(9,664,404)	(11,440,102)	(12,142,951)	(11,409,589)	(12,016,785)	(12,925,424)
10,976,045	10,797,841	12,116,062	12,918,000	13,558,113	14,117,719
177,918	42,597	40,308	139,239	136,048	69,056
125,091	45,385	83,895	275,739	217,338	143,066
(300)	93,881	57,639	56,864	74,230	77,862
-	-	-	-	-	-
11,278,754	10,979,704	12,297,904	13,389,842	13,985,729	14,407,703
\$ 1,614,350	\$ (460,398)	\$ 154,953	\$ 1,980,253	\$ 1,968,944	\$ 1,482,279

ERATH COUNTY, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS

(modified accural basis of accounting)
(unaudited)

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

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

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 19,900	\$ 2,932	\$ -	\$ -	\$ -	\$ -
12,617,466	13,341,098	-	-	-	-
-	-	8,781,485	-	-	-
-	-	4,994,301	11,620,874	14,233,626	15,147,287
\$ 12,637,366	\$ 13,344,030	\$ 13,775,786	\$ 11,620,874	\$ 14,233,626	\$ 15,147,287
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
682,604	797,568	-	-	-	-
-	6,479,510	-	-	12	-
2,669,823	2,161,052	-	-	-	-
-	-	-	-	739,074	859,874.00
-	-	2,878,368	1,668,974	722,551	989,214
-	-	6,960	-	-	-
-	-	790,013	2,382,141	3,127,701	3,492,887
-	-	1,022,036	1,055,692	216,168	-
\$ 3,352,427	\$ 9,438,130	\$ 4,697,377	\$ 5,106,807	\$ 4,805,506	\$ 5,341,975

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

(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
REVENUE				
Taxes	\$ 9,048,802	\$ 9,452,265	\$ 10,569,465	\$ 11,649,401
Intergovernmental	399,369	887,525	578,576	1,652,045
Charges for Services	1,674,025	2,272,900	2,504,256	2,507,394
Interest	277,276	528,883	736,389	564,845
Other Revenue	200,321	245,805	175,486	255,575
Total Revenues	<u>11,599,793</u>	<u>13,387,378</u>	<u>14,564,172</u>	<u>16,629,260</u>
EXPENDITURES				
General Administration	1,803,875	2,909,118	2,406,675	2,598,114
Legal & Judicial	1,644,488	1,773,084	1,931,237	2,151,537
Public Safety	3,741,902	3,430,721	3,956,585	3,975,179
Road & Bridge	2,694,865	2,529,796	2,921,601	4,595,730
Health & Welfare	239,831	985,136	1,112,479	1,355,413
Capital Projects	-	-	-	-
Debt Service				
Bond Issuance Cost	-	-	-	-
Principal	1,410,000	-	50,095	-
Interest	67,225	3,592	1,828	-
Bank Charges	1,000	-	-	-
Capital Outlay	-	974,047	-	-
Total Expenditures	<u>11,603,186</u>	<u>12,605,494</u>	<u>12,380,500</u>	<u>14,675,973</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>(3,393)</u>	<u>781,884</u>	<u>2,183,672</u>	<u>1,953,287</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of Debt	-	-	-	-
Proceeds from Sale of Capital Assets	44,686	134,011	134,596	49,269
Proceeds from Sale Of Scrap Metal	-	-	-	-
Transfers In	1,091,207	536,603	-	-
Transfers Out	(864,707)	(30,246)	-	-
Total Other Financing Sources (Uses)	<u>271,186</u>	<u>640,368</u>	<u>134,596</u>	<u>49,269</u>
NET CHANGE IN FUND BALANCES	<u>\$ 267,793</u>	<u>\$ 1,422,252</u>	<u>\$ 2,318,268</u>	<u>\$ 2,002,556</u>
Debt Service as a Percentage of				
noncapital expenditures	12.74%	0.03%	0.42%	0.00%

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 11,839,769	\$ 11,531,772	\$ 13,035,533	\$ 13,009,174	\$ 13,759,389	\$ 15,300,505
415,473	465,378	357,424	438,396	457,303	503,861
2,236,636	2,283,121	2,153,309	3,021,099	2,865,212	1,670,312
174,736	41,848	39,820	56,612	33,220	67,706
463,789	255,879	79,410	275,739	191,955	148,568
15,130,403	14,577,998	15,665,496	16,801,020	17,307,079	17,690,952
2,839,256	2,624,588	3,244,824	2,871,722	2,838,528	3,364,826
2,234,095	2,692,526	1,924,599	2,356,570	2,365,858	2,602,106
4,466,906	4,764,219	3,301,410	4,308,211	4,289,726	4,435,291
3,673,874	3,293,614	4,434,914	2,843,024	2,914,109	3,094,475
1,256,650	1,480,815	1,422,235	1,326,306	1,396,786	1,351,326
-	-	4,872,045	4,129,808	-	-
-	23,750	-	-	-	-
-	-	467,000	467,000	467,000	554,151
-	-	353,338	242,531	224,551	107,781
-	-	500	500	550	499
-	-	-	-	557,417	1,062,555
14,470,781	14,879,512	20,020,365	18,545,672	15,054,525	16,573,010
659,622	(301,514)	(4,354,869)	(1,744,652)	2,252,554	1,117,942
-	7,000,000	-	-	-	241,826
78,486	93,881	57,369	-	58,897	90,362
-	-	4,485	-	-	-
-	1,392,422	5,615,067	4,979,749	1,904,223	219,000
-	(1,392,422)	(5,207,000)	(4,979,749)	(1,904,223)	(219,000)
78,486	7,093,881	469,921	-	58,897	332,188
\$ 738,108	\$ 6,792,367	\$ (3,884,948)	\$ (1,744,652)	\$ 2,311,451	\$ 1,450,130
0.00%	0.16%	4.10%	3.83%	4.60%	4.00%

REVENUE CAPACITY

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

<u>Fiscal Year</u>	<u>Estimated Actual Value of Taxable Property</u>		<u>Total Taxable Value</u>	<u>Total Direct Tax Rate</u>
	<u>Real Property</u>	<u>Personal Property</u>		
2005	\$ 1,282,155,497	\$ 326,127,694	1,608,283,191	0.4410
2006	1,422,786,737	374,152,785	1,796,939,522	0.4352
2007	1,608,414,347	430,156,051	2,038,570,398	0.4187
2008	1,718,888,248	494,799,214	2,213,687,462	0.3915
2009	1,728,193,985	582,875,653	2,311,069,638	0.3900
2010	1,763,722,193	503,279,717	2,267,001,910	0.4500
2011	1,790,289,137	514,677,753	2,304,966,890	0.4700
2012	1,810,028,340	592,852,990	2,402,881,330	0.4700
2013	1,808,367,506	704,922,820	2,513,290,326	0.4700
2014	1,926,814,560	608,139,860	2,534,954,420	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 Year</u>				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
DIRECT RATE					
County Direct Rate					
General Fund	0.3240	0.3198	0.3082	0.2862	0.2800
Debt Service Fund	-	-	-	-	-
Road & Bridge	0.1170	0.1154	0.1105	0.1032	0.1100
Total Direct Rate	0.4410	0.4352	0.4187	0.3894	0.3900
OVERLAPPING RATE					
City and Town Rate					
City of Stephenville	0.4750	0.4650	0.4450	0.4350	0.4435
City of Dublin	0.6989	0.6989	0.6990	0.7550	0.9500
School District Rate					
Stephenville ISD	1.6600	1.5199	1.1920	1.1470	1.1470
Dublin ISD	1.4346	1.3335	1.2369	1.2369	1.2369
Lingleville ISD	1.4970	1.3708	1.1062	1.0884	1.0875
Bluff Dale ISD	1.5028	1.3750	1.0962	1.0945	1.0893
Morgan Mill ISD	1.3700	1.2548	1.0400	1.0400	1.0400
Gordon ISD	1.5840	1.4403	1.1024	1.1058	1.0984
Huckabay ISD	1.5000	1.3700	1.0400	1.0400	1.0400
Santo ISD	1.6925	1.5470	1.1953	1.1964	1.1835
Three Way ISD	1.2600	1.1570	1.0400	1.0400	1.0400
Water District Rate					
Middle Trinity	0.0150	0.0150	0.0150	0.0150	0.0150
Total Overlapping Rate	14.6898	13.5472	11.2080	11.1940	11.3711
Total Property Tax Rate					
Direct and Overlapping Governments	15.1308	13.9824	11.6267	11.5834	11.7611

Source: Texas Association of Counties, County Information Program

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.

Fiscal Year				
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
0.3325	0.3202	0.3165	0.3261	0.3190
-	0.0273	0.0310	0.02137	0.0271
0.1175	0.1225	0.1225	0.1225	0.1239
0.4500	0.4700	0.4700	0.4700	0.4700
0.4600	0.4850	0.4850	0.4850	0.4900
0.9900	1.0883	1.0883	1.1384	1.3120
1.1470	1.1700	1.1700	1.1940	1.2349
1.2724	1.2724	1.2724	1.2624	1.2424
1.1079	1.1091	1.1091	1.1076	1.1189
1.0921	1.0947	1.0947	1.1020	1.0959
1.0400	1.0400	1.0400	1.0400	1.0400
1.0932	1.0920	1.0920	1.0903	1.0898
1.0400	1.0400	1.0400	1.0400	1.0400
1.3162	1.3122	1.3122	1.3006	1.2866
1.0400	1.0400	1.0400	1.0400	1.0400
0.0150	0.0150	0.0150	0.0145	0.0125
11.6138	11.7587	11.7587	11.8148	12.0030
12.0638	12.2287	12.2287	12.2848	12.4730

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

(unaudited)

<u>Tax Payer</u>	2014	
	Total Taxable Value	Percentage of Total taxable value
FMC Technologies	\$ 130,675,190	5.20%
Schreiber Foods Inc	52,736,680	2.10%
Lone Star Transmission	40,847,270	1.63%
Saint Gobain Abrasives	31,725,390	1.26%
Oncor Electric Delivery	20,448,340	0.81%
Tejas Tubular Products	19,115,950	0.76%
Atmos Energy/MID Texpline	17,576,260	0.70%
Silver Star Power Partners	16,669,570	0.66%
United Telephone Company	15,436,420	0.61%
Fibergrate Composite Structures Inc.	11,736,100	0.47%
	Total \$ 356,967,170	14.20%

Source: Erath County Tax Assessor/Collector

	2005	
<u>Tax Payer</u>	<u>Total</u>	<u>Percentage of</u>
	<u>Taxable Value</u>	<u>Total taxable value</u>
Saint Gobain Abrasives INC	\$ 38,663,955	2.40%
Rayloc	28,577,480	1.78%
FMC Technologies	21,658,850	1.35%
United Telephone of Texas	18,235,720	1.13%
Oncor Electric Delivery Co	17,295,390	1.08%
Schreiber Foods Inc	11,712,864	0.73%
United Electric Cooperative Service	8,345,760	0.52%
Wal-Mart Stores Texas #01-0610	8,058,280	0.50%
Fibergrate Composite Structures Inc.	6,345,790	0.39%
Wilmington Trust Company	6,248,620	0.39%
	<hr/>	
Total	\$ 163,033,480	10.27%

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

FISCAL YEAR	TAXES LEVIED WITHIN THE FISCAL YEAR OF THE LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS RELATED TO PRIOR YEARS	TOTAL COLLECTIONS	
		AMOUNT	% OF LEVY		AMOUNT	% OF LEVY
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%
2014	11,798,605	11,633,698	98.60%	173,852	11,807,550	100.08%

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)

	<u>Fiscal Year</u>				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 320,538,874	\$ 355,696,684	\$ 402,103,587	\$ 429,722,062	\$ 432,048,496
Total net debt applicable to limit	1,443,412	1,261,729	-	-	-
Legal debt margin	<u>\$ 321,982,286</u>	<u>\$ 356,958,413</u>	<u>\$ 402,103,587</u>	<u>\$ 429,722,062</u>	<u>\$ 432,048,496</u>
Total net debt applicable to the limit as a percentage of debt limit	0.45%	0.35%	0.00%	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 2014

Note 1: Assessed Value		\$ 2,552,326,866
Note 2: Debt Limit(25% assessed value)		638,081,717
Note 3: Debt applicable to limit-		
Gross Bonded Debt	5,132,000	
Less: Debt Service Fund		
		<u>5,132,000</u>
Legal Debt Margin		<u><u>643,213,717</u></u>

Fiscal Year				
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 440,930,548	\$ 447,572,284	\$ 584,097,901	\$ 452,091,877	\$ 638,081,717
7,000,000	4,836,999	5,590,003	5,132,000	5,132,000
<u>\$ 447,930,548</u>	<u>\$ 452,409,283</u>	<u>\$ 589,687,904</u>	<u>\$ 457,223,877</u>	<u>\$ 643,213,717</u>

1.56%	1.07%	0.96%	1.14%	0.80%
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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>			
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
2014	5,132,000	-	154,675	5,286,675	0.62%	204

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>
DIRECT DEBT			
Erath County	\$ 5,132,000	100.00%	\$ 5,132,000
		Total Direct Debt	\$ 5,132,000
OVERLAPPING DEBT			
City and Town Debt			
City of Stephenville	5,300,000	100.00%	\$ 5,300,000
City of Dublin	2,200,000	100.00%	\$ 2,200,000
School District Debt			
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
		Total Overlapping Debt	\$ 45,949,550
		Total Direct and Overlapping Debt	\$ 51,081,550

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>Coverage</u>
	<u>Property Tax</u>	<u>Less: Expenses</u>	<u>Debt Service</u>			
			<u>Principal</u>	<u>Interest</u>		
2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	23,750	-	-	-	-
2011	1,696,001	500	467,000	227,578		2.07
2012	717,350	500	467,000	251,521		1.00
2013	682,562	-	467,000	233,541		1.00
2014	687,703	-	467,000	107,781		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 EIGHT CALENDAR YEARS
(unaudited)

Year	Population (1)	Personal Income (1)	Per Capita Personal Income(1)	Public School Enrollment (2)	Tarleton State University Enrollment(3)	Unemployment Rate(4)
2007	34,420	\$ 901,769,000	24,805	5,494	7,840	3.60%
2008	35,581	1,004,187,000	27,378	5,461	7,763	3.80%
2009	35,351	1,095,025,000	29,486	5,534	8,242	6.20%
2010	36,061	1,054,305,000	28,045	5,611	8,896	6.60%
2011	37,890	1,133,770,000	29,875	5,570	9,575	6.20%
2012	38,266	1,206,612,000	31,532	5,740	10,279	5.10%
2013	39,321	1,229,432,000	31,267	5,768	10,937	5.50%
2014	40,147	1,316,821,600	32,800	5,804	11,038	3.80%

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)

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Tarleton State University	Education	* 925
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
Total for top 17 Employers		<u>4,914</u>

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

* Tarleton State University and The City of Stephenville hire temporary and part time employees which are not included in these numbers.

OPERATING INFORMATION

ERATH COUNTY, TEXAS
COUNTY EMPLOYEES BY FUNCTION/DEPARTMENT
LAST EIGHT 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>	<u>2014</u>
General Administration								
County Judge	2	2	2	2	2	2	2	2
County Clerk	9	9	9	8	7	8	6	7
Treasurer	3	3	3	3	3	3	3	3
Auditor	3	4	4	4	4	4	4	4
Tax Office	11	11	11	11	11	11	12	12
District Clerk	5	4	5	5	5	4	4	4
County Extension Office	4	4	4	4	4	4	5	4
Veterans Service	1	1	1	1	1	1	1	1
Legal								
County Attorney	4	5	5	5	5	5	4	4
District Attorney	6	6	6	7	6	6	6	6
Judicial								
County Court at Law	2	2	2	2	2	2	2	2
District Judge	4	4	4	4	4	4	4	4
Justice of the Peace # 1	4	4	4	4	4	4	4	4
Justice of the Peace # 2	2	2	2	2	2	2	2	2
Road & Bridge								
Precinct # 1	7	7	7	6	6	7	7	7
Precinct # 2	9	7	8	9	9	7	7	7
Precinct # 3	8	9	9	9	8	7	7	7
Precinct # 4	7	7	7	7	7	6	6	6
Maintenance Barn	2	3	2	2	2	2	2	2
Facilities								
Facilities Maintenance	3	3	3	3	3	3	3	3
Public Safety								
Sheriffs Administration	27	23	23	26	26	24	24	26
Dispatch	8	8	8	10	10	11	11	10
Jail	22	22	22	22	22	25	26	27
Highway Patrol	1	1	1	1	1	1	1	1
Constable # 1	1	1	1	1	1	1	1	1
Constable # 2	1	1	1	1	1	1	1	1
Pretrial Diversion	2	2	2	2	2	2	2	2
Health and Welfare								
Sanitation	1	1	1	1	1	1	1	1
Emergency Medical Services	21	20	20	22	22	23	23	21
Probation								
Juvenile Probation	3	3	3	3	3	4	3	4
Community Supervision Corrections	8	7	7	7	7	6	5	5
Total County Employees	191	186	187	194	191	191	189	190

Source: County Treasurer/ Human Resources

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

<u>Function/Program</u>	<u>Fiscal Year</u>							
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public Safety								
Sheriff								
Number of Employees	27	23	23	26	26	24	24	29
Number of Dispatch Calls	7222	7678	8299	8243	8917	12000	9209	9951
Fire								
Number of Employees (25 volunteer/11 paid)	37	37	37	37	37	38	36	36
Number of Dispatch Calls	n/r	534	542	335	488	442	413	457
EMS								
Number of Employees	21	20	20	22	22	23	23	21
Number of Dispatch Calls	1055	1032	1051	1143	1080	1025	784	777
Road & Bridge								
Precinct # 1								
Number of Employees	7	7	7	6	6	7	7	7
Miles of Road	181.50	179.03	179.03	179.03	179.03	180.57	180.57	180.57
Precinct # 2								
Number of Employees	9	7	8	9	9	7	7	7
Miles of Road	224.20	229.97	229.97	229.97	229.97	213.92	213.92	213.92
Precinct # 3								
Number of Employees	8	9	9	9	8	7	7	7
Miles of Road	199.80	222.83	222.83	222.83	222.83	231.5	231.5	231.5
Precinct # 4								
Number of Employees	7	7	7	7	7	6	6	6
Miles of Road	191.20	198.32	198.32	198.32	198.32	206.39	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. Numbers prior to 2007 are not available.

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

Funtion	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Administration										
Office Buildings/Courthouses	4	4	4	4	4	4	4	4	4	4
Vehicles	1	1	1	1	1	1	1	1	1	1
Public Safety										
Sheriff Administration/Jail	1	1	1	1	1	1	1	1	1	1
Sheriff Vehicles	26	26	26	26	26	26	26	26	26	28
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	5	5	5	5	5	6	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	2	3	3	3	3	4	4	4
Road & Bridge										
Buildings	2	2	2	2	2	2	2	3	3	4
Heavy Equipment	42	42	42	42	42	42	42	52	52	55
Vehicles	14	14	14	14	14	14	14	21	21	21
County Road (miles)	796	796	796	830	830	830	830	832	832	832

Source: Various County offices