



October 11, 2016

To the County Commissioners  
Erath County

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Erath County (the County) for the year ended September 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 16, 2015. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. As described in Note 13 to the financial statements, the County changed accounting policies related to Pensions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions* in 2015. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the County's financial statements was:

Management's estimate of the allowance for uncollectible taxes and accounts receivable is based on historical collection experience. We evaluated the key factors and assumptions used to develop the allowance for uncollectible taxes and accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Misstatements detected as a result of audit procedures and corrected by management are included on the attached schedule.

##### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

##### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 11, 2016.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as [Name of Governmental Unit] 's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, and Retirement Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Combining Statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Statistical Section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

### Restriction on Use

This information is intended solely for the use of the County Commissioners and management of Erath County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Boucher, Morgan & Young". The signature is written in dark ink and is positioned below the "Very truly yours," text.

Boucher, Morgan and Young, a P.C.

# ERATH COUNTY, TEXAS



**Comprehensive Annual Financial  
Report  
September 30, 2015**

# **Erath County, Texas**

## **Comprehensive Annual Financial Report For the Year Ended September 30, 2015**

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

**ERATH COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Year Ended September 30, 2015**

---

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Introductory Section:</b>	
County Auditor's Letter of Transmittal	4
Principal Officials	6
Erath County Organization Chart	7
<b>Financial Section:</b>	
Independent Auditors' Report	9
Management's Discussion and Analysis	12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	28
Governmental Fund Financial Statements:	
Balance Sheet-Governmental Funds	31
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	32
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	33
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	34
Proprietary Fund Financial Statements:	
Statement of Revenues, Expenditures and Changes in Fund Net Position-Proprietary Fund	36
Statement of Cash Flows-Proprietary Fund	37
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position-Fiduciary Funds	39
Notes to the Basic Financial Statements	41
<b>Required Supplementary Information:</b>	
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund	63
Schedule of Changes in Net Pension Liability and Related Ratios	75
Schedule of Employer Contributions	76
Notes to the Required Supplementary Information	77

**TABLE OF CONTENTS (cont.)**

	<u>Page</u>
<b>Combining Fund Statements:</b>	
Road and Bridge Funds:	
Combining Balance Sheet-Road and Bridge Fund Governmental Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Road and Bridge Governmental Funds	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-Road and Bridge	82
Nonmajor Funds:	
Combining Balance Sheet-Nonmajor Governmental Funds	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds	89
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	95
<b>Statistical Section:</b>	
Financial Trends:	
Net Position Comparison	106
Changes in Net Position	108
Fund Balances, Governmental Funds	110
Changes in Fund Balances, Governmental Funds	112
Revenue Capacity:	
Taxable Value and Estimated Actual Value of Taxable Property	115
Direct and Overlapping Property Tax Rates	116
Principal Property Taxpayers	118
Property Tax Levies and Collections	120
Debt Capacity:	
Legal Debt Margin Information	122
Ratios of Outstanding Debt by Type	124
Direct and Overlapping Governmental Activities Debt	125
Pledged – Revenue Coverage	126
Demographic and Economic Information:	
Demographic and Economic Statistics	128
Principal Employers	129
Operating Information:	
County Employees by Function/Department	131
Operating Indicators by Function/Program	132
Capital Assets and Infrastructure Statistics	133



## **INTRODUCTORY SECTION**



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

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

Respectfully submitted,

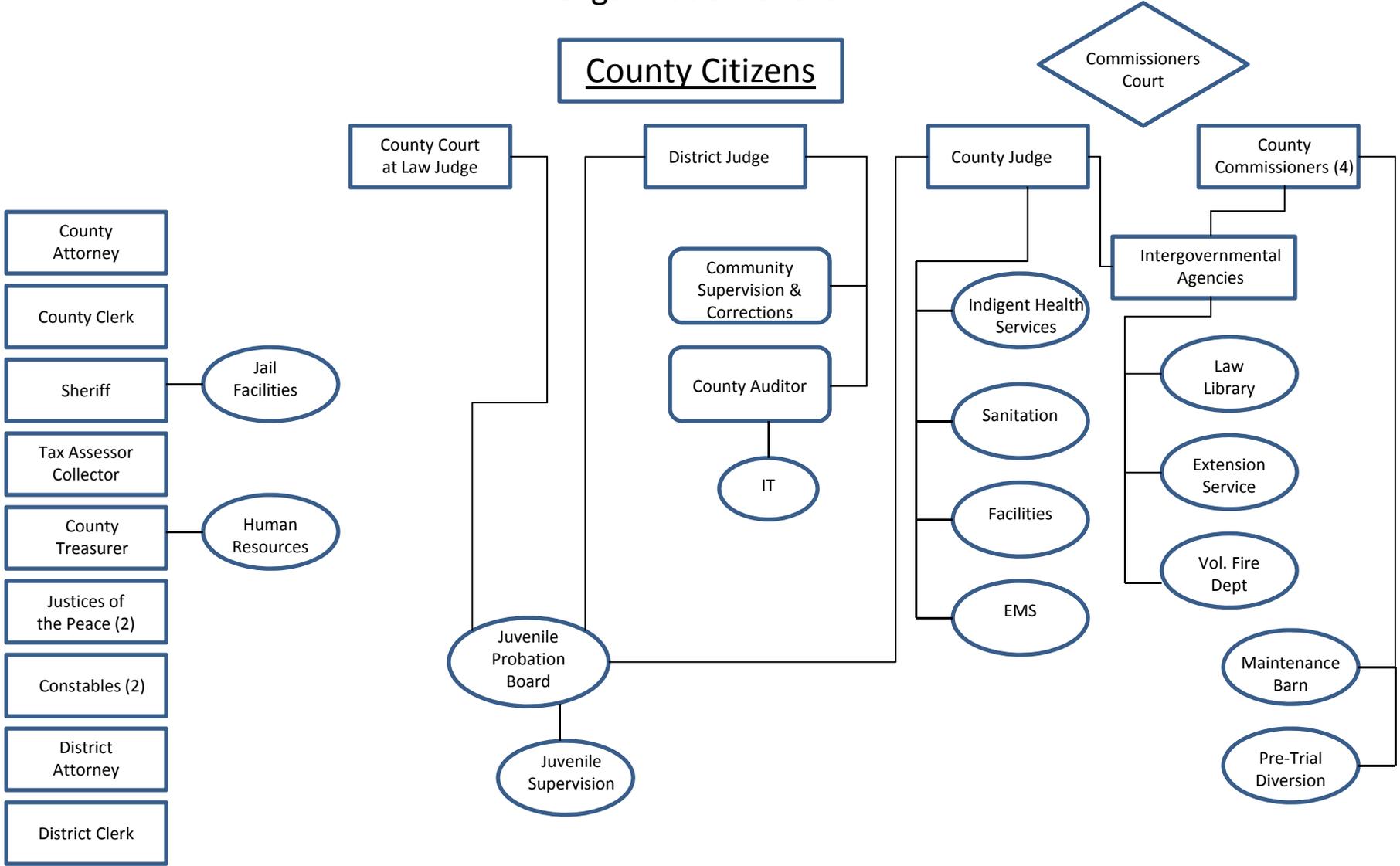
Janet S. Martin, CPA, CFE  
Erath County Auditor

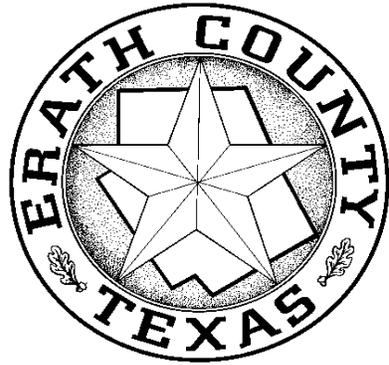
**ERATH COUNTY, TEXAS**  
**PRINCIPAL OFFICERS**

**as of September 30, 2015**

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

# County of Erath Organization Chart





## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the discretely present component unit, each major fund, and the aggregate remaining fund information of Erath County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements listed in the table of contents.

### **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 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, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Erath County, Texas, as of September 30, 2015, 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.

## **Emphasis of Matter**

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended September 30, 2015 and required the restatement of net position as discussed in Note 13 to the financial statements:

- Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.*

The emphasis of these matters does not constitute a modification to our opinion.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Texas County and District Retirement System pension schedules on pages 12 through 25, and pages 63 through 78, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management 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 Erath County's financial statements as a whole. The introductory section, combining nonmajor fund financial statements, and statistical section 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 in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

*Boucher, Morgan & Young*

Stephenville, Texas  
October 11, 2016

# **ERATH COUNTY, TEXAS**

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

### **For the Year Ended September 30, 2015**

#### **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 1090 square miles with 1086 square miles of land mass and more than 832 miles of County maintained roads.

Erath County is a political subdivision of the State of Texas with no legislative powers and very restrictive judicial and administrative powers. The governing body of the county is the Commissioners' Court which consists of five members. The County Judge is the chairman of the Court and the 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

		2015	2014
		Number	
<u>Employer</u>	<u>Type of Business</u>	<u>of Employees</u>	
Tarleton State University *	Education	1178	925
FMC Technologies	Oil Field Products	551	705
Stephenville ISD	Education	478	241
Saint-Gobain Abrasives	Coated Abrasives	449	441
Walmart Supercenter	Retail	420	450
Schreiber Foods	Cheese Manufacturing	384	284
Texas Health Harris Methodist	Hospital	280	285
Western Dairy Transport	Milk Transport	197	175
Erath County	Government	194	172
Tejas Tubular	Oilfield Tubular Products	185	261
HEB Grocery	Retail	149	156
City of Stephenville **	Government	142	142
Pal-Con	Heavy Equipment Mfg.	140	130
EGS Electrical Group	Metal Processing	135	150
Outlaw Conversions	Horse Trailer Customization	126	115
<b>Top 15 Employers</b>		<b>5,008</b>	<b>4,632</b>

\*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.

As of the December 31, 2015 asset additions total \$28.2 million which exceed the original projection. At the 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. During fiscal year 2015 the workforce at FMC continued to reduce because of the decline in the oil and gas industry. (Information provided by FMC Technologies)

## **Grants**

Erath County benefits from multiple grants. During fiscal year 2015 the County received the following grant fund:

VINES/Appriss (SVANS)  
Bulletproof Vests  
Texas Indigent Defense Commission (TIDC)  
Texas AgriLife Extension Better Living for Texans'  
County Essentials Grant – State of Texas  
FEMA

The total amount received from all grants was \$474,378 with expenditures of \$474,378 and, accordingly, no A-133 audit was required.

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

This management discussion and analysis (MD&A) of Erath County (County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2015. 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 \$1,572,956 increase in net position from the previous year made up of a \$2,702,821 increase related to the results of the current year and a \$1,129,865 decrease related to a prior period adjustment for the implementation of a new accounting standard. The total net position is comprised of:

\$ 1,196,170 - restricted by external regulators  
\$ 783,785 - restricted for debt  
\$ 19,474,732 - unrestricted net position that may be used to meet on-going obligations to citizens and creditors  
\$ 12,673,575 – net investment in capital assets

The change in net position is attributed to appropriations from the State.

## Governmental Funds Financial Statements

The County's governmental funds reported combined fund balances of \$22,104,506; compared to \$20,489,262 of prior year. Components of fund balances are:

- \$ 47,334 – nonspendable
- \$ 1,979,955 – restricted
- \$ 3,867,419 - committed
- \$ 16,209,798 - unassigned

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$16,256,318 or 120% 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, deferred outflows, liabilities and deferred inflows and its component unit, with the difference between them 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, unrestricted, unassigned, assigned, and committed fund balances may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintains 26 individual governmental funds (excluding fiduciary funds) 19 special revenue funds, one debt service fund, five road and bridge funds, and the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Fund, and Road & Bridge Fund which are classified as major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the Combining Fund Statements section of this Comprehensive Annual Financial Report.

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

**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 Net Position. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning pension benefits for the County and its component unit, and general 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, 2015 and 2014 are summarized as follows:

	2015	2014	Increase (Decrease)
Current and other assets	\$ 23,329,888	\$ 22,093,277	\$ 1,236,611
Deferred outflows	824,542	-	824,542
Capital assets (net of depreciation)	17,338,575	17,004,725	333,850
<b>Total assets and deferred outflows</b>	<b>\$ 41,493,005</b>	<b>\$ 39,098,002</b>	<b>\$ 2,395,003</b>
Current and other liabilities	\$ 1,833,445	\$ 1,770,523	\$ 62,922
Long-term liabilities	5,531,298	4,772,173	759,125
<b>Total liabilities</b>	<b>\$ 7,364,743</b>	<b>\$ 6,542,696</b>	<b>\$ 822,047</b>
Net investment in capital assets	\$ 12,673,575	\$ 11,872,725	\$ 800,850
Restricted net position	1,979,955	1,849,088	130,867
Unrestricted net position	19,474,732	18,833,493	641,239
<b>Total net position</b>	<b>\$ 34,128,262</b>	<b>\$ 32,555,306</b>	<b>\$ 1,572,956</b>

The current financial reporting model focusing on net position serves as a useful indicator of a government's financial position. Net position is unrestricted, subject to external restrictions as to how they may be used, or are invested in capital assets less any related outstanding debt used to acquire those assets. Total net position exceeded liabilities by \$ 34,128,262 at the close of the most recent fiscal year, representing a 4.22% increase from the prior year. The largest portion of net position (57.06%) may be used to meet the government's commitments and on-going obligations to citizens and creditors. An additional portion of net position (5.80%) represents resources that are subject to external restrictions on how they may be used. Restrictions on net position include statutory requirements, bond covenants, and grantor conditions. The remaining

balance of *net position* (37.14%) 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, 2015 and 2014 are as follows:

<b>Erath County's Changes in Net Position</b>				
		<b>2015</b>	<b>2014</b>	<b>Increase (Decrease)</b>
<b>Revenue</b>				
Net program revenue:				
Charges for Services	\$	185,584	\$ 175,138	\$ 10,446
Fines and Fees		3,120,005	3,128,420	(8,415)
Operating grants and contributions		752,083	43,822	708,261
General revenues:				
Property taxes		12,143,415	11,932,509	210,906
Other taxes		2,720,972	2,185,210	535,762
Misc. Revenue		552,852	143,066	409,786
Investment earnings		38,557	69,056	(30,499)
Gain on sales of capital assets		(21,203)	77,862	(99,065)
<b>Total Revenues</b>	\$	<b>19,492,265</b>	\$ <b>17,755,083</b>	\$ <b>1,737,182</b>
<b>Expenses</b>				
General administration	\$	3,926,371	\$ 3,512,914	\$ 413,457
Judicial administration		3,001,956	2,679,974	321,982
public safety and law enforcement		4,913,078	5,019,906	(106,828)
Road and bridge		3,281,985	3,480,171	(198,186)
Health and welfare		1,472,171	1,369,860	102,311
Interest and fees on long-term debt		193,883	209,979	(16,096)
<b>Total Expenses</b>	\$	<b>16,789,444</b>	\$ <b>16,272,804</b>	\$ <b>516,640</b>
Change in net position		2,702,821	1,482,279	1,220,542
Prior Period Adjustment		(1,129,865)	-	(1,129,865)
Net position - beginning		32,555,306	31,073,027	1,482,279
<b>Net position - ending</b>	\$	<b>34,128,262</b>	\$ <b>32,555,306</b>	\$ <b>1,572,956</b>

## **General Revenues and Program Revenues**

General revenues are revenues that are not assigned to support a specific function, but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes, other tax related revenues, interest earned from investments, and miscellaneous income. Total revenues (including program revenues) were \$19,492,265 compared to \$17,755,083 for prior fiscal year or 9.78% increase. General revenues increased \$1,026,898 from the prior fiscal period; however, the increase is due to onetime events and does not represent sustainable growth.

Property taxes increased by \$210,906 during the year. The change is due to increased taxable assessed values. The tax rate assessed for July 25, 2015 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 2015, net (expense) revenue was (\$12,73,772) compared to (\$12,925,424) in FY 2014.

- 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.
- The County’s pay matrix was increased by 1.7% for inflation and our retired employees received an increase.
- Judicial – Expenditures were up due to multiple murder trials and the increased expense of providing legal counsel for indigent defendants.
- Road and Bridge expenses decreased in FY15. During the first seven months of the year Erath County experienced drought conditions limiting the amount of road work that could be performed. The drought was followed by floods in late April and May. Like the drought, too much water also limits the amount of work that could be performed. A shortage of materials was caused by the demand of multiple counties experiencing floods.
- Health and Welfare cost increased. Salaries and general costs of operations increased adding to the total increase.
- 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, and Debt Service. 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 \$1,615,244 in the current fiscal year to \$22,104,506. The increase is outlined below and the two greatest contributors were an increase in tax revenue and an increase in one-time funds from the State.

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 \$16,256,318 in contrast to \$15,147,287 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.

<b>Governmental Funds - Revenues Classified By source</b>					
				<b>Increase</b>	<b>Percent of</b>
	<b>2015</b>	<b>2014</b>		<b>(Decrease)</b>	<b>Change</b>
Taxes	\$ 16,184,939	\$ 15,300,505	\$	884,434	5.78%
Intergovernmental	1,278,242	503,861		774,381	153.69%
Charges for Services	1,578,226	1,670,312		(92,086)	-5.51%
Interest	38,381	67,706		(29,325)	-43.31%
Other Revenue	613,719	148,568		465,151	313.09%
<b>Total</b>	<b>\$ 19,693,507</b>	<b>\$ 17,690,952</b>	<b>\$</b>	<b>2,002,555</b>	<b>11.32%</b>

- **Taxes** - increased by \$884,434 with property taxes and sales tax increasing.
- **Intergovernmental** - increased due to a influx of cash from the State of Texas to help defray the cost of multiple murder trials.
- **Charges for services** – remained static
- **Interest**– the decrease was the result of poor interest rates.
- **Other Revenue** – reflects amounts from money received from other sources to defray the cost of multiple capital murder trials.

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

<b>Function:</b>	<b>2015</b>	<b>2014</b>	<b>Increase (Decrease)</b>	<b>Percent of Change</b>
General Administration	\$ 4,139,653	\$ 3,364,826	\$ 774,827	23.03%
Legal	762,490	760,328	2,162	0.28%
Judicial	2,243,070	1,841,778	401,292	21.79%
Road & Bridge	2,967,111	3,094,475	(127,364)	-4.12%
Public Safety	4,490,710	4,435,291	55,419	1.25%
Health & Welfare	1,470,980	1,351,326	119,654	8.85%
Capital Projects	1,546,893	1,062,555	484,338	45.58%
Debt Service - Interest	203,399	107,781	95,618	88.72%
Debt Service - Principal	543,061	554,151	(11,090)	-2.00%
Debt Service - Bank Charges	750	499	251	50.30%
<b>Total</b>	<b>\$ 18,368,117</b>	<b>\$ 16,573,010</b>	<b>\$ 1,795,107</b>	<b>10.83%</b>

- Salary levels increased from prior year, all functions incurred increases for health insurance cost.
- A lump sum payment of \$575,000 was paid to TCDRS (County retirement system) to reduce our future pension liability.
- Legal – increased due to increase in CPS cases and multiple murder trials
- Road & Bridge – The drought continued into the beginning of calendar year 2015 limiting the amount of road work that could be performed. During April and May of 2015 Erath County was hit by severe storms and suffered major flood and hail damage. The floods greatly slowed road work.
- Public Safety – Minimal increase
- Health & Welfare – Cost increase related to an increase of major procedures for indigent citizens.
- Capital Projects – the increase was a combination of heavy equipment replacement and improvements to security and facilities
- Debt service – Increased interest related to vehicle leasing while the interest and principal related to the certificates of obligation used to fund the jail expansion continue to decline.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The FY2015 legally adopted cash budget was approved on September 22, 2014 for the General Fund totaling \$15,042,825 an increase of \$3,419,393 from FY2014 budget. The FY2015 legally adopted budget for all funds totaled \$21,709,229; an increase of \$3,977,666 primarily for upcoming judicial services and facilities expansion to paid from reserves.

### Highlights from Erath County FY 2015 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, 2015, the County had certificates of obligation outstanding in the amount of \$4,665,000. 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 FY2015:

			<b>Beginning</b>			<b>Ending</b>	<b>Due Within</b>	
			<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>	<b>One Year</b>	
<b>Governmental Activities:</b>								
Compensated Absences	\$	237,989	\$	89		\$ 238,078	\$ 209,508	
Capital leases		154,675		-	(76,061)	78,614	78,614	
Certificates of Obligation		5,132,000		-	(467,000)	4,665,000	467,000	
			<b>Total:</b>	\$ 5,524,664	\$ 89	\$ (543,061)	\$ 4,981,692	\$ 755,122

**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, 2015, net capital assets of the governmental activities totaled \$17,338,575 reflecting a net increase of \$333,850 from the prior fiscal year as a result of asset acquisitions. Depreciation of capital assets is recognized in the government-wide financial statements. FY 2015 depreciation for buildings, improvements, and M&E totaled \$1,126,552.

## 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 FY2015 budget meets the key established policy directive of the Commissioners Court. The FY2016 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 remained unchanged. 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 \$639,743.63 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.

April and May of 2015 brought flood and related storm damage to Erath County. 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 been included in the disaster zone declaration allowing the County to qualify for federal assistance.

- 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. Although the leaders of the County had planned to refurbish the Long Hotel they are currently re-evaluating to see if adequate parking exists. If it is decided the facility does not have adequate parking another site for expansion will be sought.
- 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 from unrestricted reserves. A payment of \$75,000 was made to TCDRS to give a cost of living increase to County retirees.
- 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 reserve balance of \$16,209,798 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, 2015**

	<u>Primary Government Governmental Activities</u>	<u>Component Unit- Erath County Volunteer Fire Department</u>
<b>ASSETS:</b>		
Cash and investments	\$ 22,401,661	\$ 55,676
Receivables (net of allowance for uncollectible)		
Taxes	664,136	-
Other	200,757	-
Other assets	47,334	
Restricted assets		
Cash and cash equivalents	16,000	-
Capital Assets (net of accumulated depreciation)		
Land	831,055	-
Buildings, net	12,960,480	-
Furniture and equipment, net	3,547,040	52,518
 Total Assets	 40,668,463	 108,194
<b>DEFERRED OUTFLOWS:</b>		
Deferred retirement contributions	508,745	-
Deferred actual vs. assumption	29,269	-
Deferred investment experience	286,528	-
Total deferred outflows	824,542	-
 Total assets and deferred outflows	 \$ 41,493,005	 \$ 108,194
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	689,102	-
Accrued salaries and wages	250,842	13,436
Accrued interest	91,433	-
Due to other governments	21,637	-
Other liabilities	25,309	-
Certificate of obligation-due within one year	467,000	-
Capital lease-due within one year	78,614	-
Accrued compensated absences-due in more than one year	209,508	-
Noncurrent liabilities		
Certificate of obligation-due in more than one year	4,198,000	-
Accrued compensated absences-due in more than one year	28,570	-
Net pension liability	1,304,728	-
 Total Liabilities	 7,364,743	 13,436
<b>NET POSITION:</b>		
Net investment in capital assets	12,673,575	-
Restricted for:		
Debt service	783,785	-
Special revenue purposes	1,196,170	-
Unrestricted	19,474,732	94,758
 Total Net Position	 \$ 34,128,262	 \$ 94,758

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

**ERATH COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Program Activities	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General administration	\$ 3,926,371	\$ 197,218	\$ 22,146
Judicial administration	3,001,956	1,182,890	663,828
Public safety and law enforcement	4,913,078	659,985	30,283
Road and bridge	3,281,985	1,037,772	35,826
Health and welfare	1,472,171	227,724	-
Interest and fees on long-term debt	193,883	-	-
Total Governmental Activities	<u>16,789,444</u>	<u>3,305,589</u>	<u>752,083</u>
Total primary government	<u>\$ 16,789,444</u>	<u>\$ 3,305,589</u>	<u>\$ 752,083</u>
Component Unit:			
Erath County Volunteer Fire Department	302,780		259,793
Total Primary Government	<u>\$ 302,780</u>	<u>\$ -</u>	<u>\$ 259,793</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.

Net (Expense) Revenue and Changes in Net Position	Component Unit- Erath County Volunteer Fire Department
Governmental Activities	
\$ (3,707,007)	\$ -
(1,155,238)	-
(4,222,810)	-
(2,208,387)	-
(1,244,447)	-
(193,883)	-
<u>(12,731,772)</u>	<u>-</u>
<u>\$ (12,731,772)</u>	<u>\$ -</u>
-	(42,987)
<u>\$ -</u>	<u>\$ (42,987)</u>
\$ 11,989,083	\$ -
2,720,972	-
154,332	-
552,852	-
38,557	-
(21,203)	-
<u>15,434,593</u>	<u>-</u>
2,702,821	(42,987)
32,555,306	137,745
(1,129,865)	-
<u>31,425,441</u>	<u>137,745</u>
<u>\$ 34,128,262</u>	<u>\$ 94,758</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, 2015**

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 16,929,188	\$ 4,132,354	\$ 1,340,119	\$ 22,401,661
Taxes receivable	576,656	83,048	4,432	664,136
Due from other fund	-	-	647,568	647,568
Other receivable	18,550	-	5,507	24,057
Other assets	47,334	-	-	47,334
Restricted cash and cash equivalents	16,000	-	-	16,000
Total Assets and Other Debits	<u>\$ 17,587,728</u>	<u>\$ 4,215,402</u>	<u>\$ 1,997,626</u>	<u>\$ 23,800,756</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 346,910	\$ 329,848	\$ 12,344	\$ 689,102
Wages and salaries payable	201,581	48,366	895	250,842
Due to other fund	647,568	-	-	647,568
Due to other governments	21,637	-	-	21,637
Other liabilities	25,309	-	-	25,309
Total Liabilities	<u>1,243,005</u>	<u>378,214</u>	<u>13,239</u>	<u>1,634,458</u>
Deferred inflows:				
Deferred property taxes	<u>41,071</u>	<u>16,289</u>	<u>4,432</u>	<u>61,792</u>
Fund Balances:				
Nonspendable	47,334	-	-	47,334
Restricted				
Debt service	-	-	783,785	783,785
Election	-	-	22,256	22,256
General administration	-	-	25,839	25,839
Judicial	-	-	222,784	222,784
Legal	-	-	83,150	83,150
Public safety	-	-	250,228	250,228
Records management	-	-	591,913	591,913
Committed				
Road & bridge	-	3,867,419	-	3,867,419
Unassigned	16,256,318	(46,520)	-	16,209,798
Total Fund Balances	<u>16,303,652</u>	<u>3,820,899</u>	<u>1,979,955</u>	<u>22,104,506</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 17,587,728</u>	<u>\$ 4,215,402</u>	<u>\$ 1,997,626</u>	<u>\$ 23,800,756</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, 2015**

---

Total Fund Balances- Governmental Funds	\$	22,104,506
-----------------------------------------	----	------------

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.

-

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

Governmental capital assets	\$ 33,159,057	
Accumulated depreciation	<u>(15,820,482)</u>	17,338,575

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.

(4,981,692)

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.

(91,433)

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

Office fees	176,700	
Property taxes	<u>61,792</u>	238,492

The statement of net position includes the County's proportionate share of the TMRS net pension liability as well as certain pension related transactions accounted for as Deferred Inflows and Outflows of resources.

Net pension liability	(1,304,728)	
Deferred retirement contributions	508,745	
Deferred actual vs. assumption	29,269	
Deferred investment experience	<u>286,528</u>	(480,186)

Net Position of Governmental Activities	\$	<u><u>34,128,262</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, 2015**

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUE:</b>				
Taxes:				
Property taxes	\$ 8,370,203	\$ 3,215,400	\$ 663,029	\$ 12,248,632
General sales and other taxes	2,720,972	-	-	2,720,972
Auto registrations	177,563	1,037,772	-	1,215,335
Intergovernmental revenue and grants	1,242,416	35,826	-	1,278,242
Charges for services	181,534	-	4,050	185,584
Fines and fees	1,125,931	-	257,723	1,383,654
Forfeitures	8,988	-	-	8,988
Investment earnings	30,313	6,668	1,400	38,381
Other revenue	551,892	61,827	-	613,719
Total Revenues	<u>14,409,812</u>	<u>4,357,493</u>	<u>926,202</u>	<u>19,693,507</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Public finance	1,592,695	-	66,270	1,658,965
General administration	2,456,882	-	23,806	2,480,688
Judicial	2,235,855	-	7,215	2,243,070
Legal	733,804	-	28,686	762,490
Public safety	4,490,710	-	-	4,490,710
Health and welfare	1,470,980	-	-	1,470,980
Road and bridge	-	2,967,111	-	2,967,111
Debt Service:				
Bank charges	-	-	750	750
Principal	76,061	-	467,000	543,061
Interest	5,817	-	197,582	203,399
Capital Outlay:				
Capital outlay	480,412	1,062,455	4,026	1,546,893
Total Expenditures	<u>13,543,216</u>	<u>4,029,566</u>	<u>795,335</u>	<u>18,368,117</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	<u>866,596</u>	<u>327,927</u>	<u>130,867</u>	<u>1,325,390</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds on sale of assets	311	85	-	396
Transfers in	289,458	200,000	-	489,458
Transfers out	-	(200,000)	-	(200,000)
Total Other Financing Sources (Uses)	<u>289,769</u>	<u>85</u>	<u>-</u>	<u>289,854</u>
Net Change in Fund Balances	1,156,365	328,012	130,867	1,615,244
Fund Balances - Beginning	15,147,287	3,492,887	1,849,088	20,489,262
Fund Balances - Ending	<u>\$ 16,303,652</u>	<u>\$ 3,820,899</u>	<u>\$ 1,979,955</u>	<u>\$ 22,104,506</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, 2015**

Net Change in Fund Balances-Total Governmental Funds	\$	1,615,244
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Internal service funds are used by management to charge the cost of self-insurance in individual funds. The changes in net position of the internal service funds are included in governmental activities in the statement of activities. The net effect of the consolidation is a decrease to net position.</p>		(329,841)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.</p>		1,542,867
<p>Depreciation expense on capital asses is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.</p>		(1,126,552)
<p>Governmental funds recognize all amounts received on the sale of fixed assets as a gain. However, in the statement of activities, the gain or loss is offset by the remaining net book value of the asset.</p>		(82,465)
<p>The issuance of long-term debt, including bonds, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal payments	543,061	
Decrease in compensated absences	(89)	<u>542,972</u>
<p>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.</p>		10,266
<p>Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.</p>		
Office fees	(14,132)	
Property taxes	(105,217)	<u>(119,349)</u>
<p>Net pension liabilities as well as the related deferred outflows of resources generated from those liabilities are not payable from current resources and therefore, are not reported in the governmental funds. These balances increase (decreased) by this amount.</p>		649,679
Change in Net Position of Governmental Activities	\$	<u><u>2,702,821</u></u>

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

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Governmental Activities
	Internal Service Funds
OPERATING EXPENDITURES	
Salaries & wages	\$ 40,559
Total Operating Expenditures	40,559
Operating Loss	(40,559)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	176
Transfers out	(289,458)
Total Nonoperating Revenues (Expenses)	(289,282)
Changes in Net Position	(329,841)
Net Position-Beginning of Year	329,841
Net Position-End of Year	\$ -

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, 2015**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Paid to Employees	\$ (42,213)
Net Cash Used by Operating Activities	(42,213)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers out to other funds	(289,458)
Net Cash Used in Noncapital Financing Activities	(289,458)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	176
Net Cash Provided by Investing Activities	176
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(331,495)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>331,495</b>
<b>CASH AND CASH EQUIVILANTS AT END OF YEAR</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (40,559)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Change in Wages and Salaries Payable	(1,654)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>\$ (42,213)</b>

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, 2015**

---

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and short-term investments	<u>\$ 1,901,304</u>
Total Assets	<u><u>\$ 1,901,304</u></u>
<b>LIABILITIES</b>	
Due to others	<u>\$ 1,901,304</u>
Total Liabilities	<u><u>\$ 1,901,304</u></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, 2015**

**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, 2014, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* which both improve the accounting and financial reporting of state and local governmental pension plans.

**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, 2015**

**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, 2015**

**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.

*Proprietary Fund Types:*

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

*Fiduciary Fund Types:*

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

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

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

**Measurement Focus and Basis of Accounting**

Government-wide, Proprietary, and Fiduciary Fund Financial statements - These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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 (\$163,945 General Fund, \$63,339 Road and Bridge Fund and \$12,985 Debt Service Fund). Allowances for uncollectible tax receivables at the fund level are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015 to finance maintenance and operations of the County, Debt Service, and Road and Bridge were \$0.32, \$0.03, and \$0.12 respectively, for a total of \$0.47 per \$100 valuation.

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

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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.

See independent auditors’ report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015, the value of accumulated vacation benefits was \$182,235 and the value of accumulated sick pay benefits was approximately \$55,843 for a total of \$238,078.

The portion of accrued vacation pay and sick pay that has been classified as current is \$209,508.

**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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015**

**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, 2015**

**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 violations during fiscal year 2015.

**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, 2015 consist of the following:

Cash on hand	\$ 5,300
Deposits with financial institutions	4,663,270
Short-term investments	8,615,587
Certificates of deposit	9,133,504
	<hr/>
	\$ 22,417,661
	<hr/> <hr/>

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

**A. Cash Deposits**

At September 30, 2015, 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, 2015 consisted of the following:

Investment Type	Amount	Weighted Average Maturity
Texpool	\$ 8,615,587	40 days
Certificates of deposit	<u>9,133,504</u>	180 days
	<u>\$ 17,749,091</u>	

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.

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015 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, 2015, 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, 2015**

**NOTE 4: Capital Assets**

Capital asset activity for the year ended September 30, 2015 was as follows:

	October 1, 2014	Increase	Decrease	September 30, 2015
Government activities capital assets:				
Non-depreciable assets:				
Land	\$ 655,545	\$ 175,510	\$ -	\$ 831,055
Total non-depreciable assets	<u>655,545</u>	<u>175,510</u>	<u>-</u>	<u>831,055</u>
Depreciable assets:				
Buildings	18,717,307	-	-	18,717,307
Furniture and equipment	12,375,259	1,367,357	(131,921)	13,610,695
Total depreciable assets	<u>31,092,566</u>	<u>1,367,357</u>	<u>(131,921)</u>	<u>32,328,002</u>
Totals at historic cost	<u>31,748,111</u>	<u>1,542,867</u>	<u>(131,921)</u>	<u>33,159,057</u>
Less accumulated depreciation:				
Buildings	(5,285,907)	(470,920)	-	(5,756,827)
Furniture and equipment	(9,457,479)	(655,632)	49,456	(10,063,655)
Total accumulated depreciation	<u>(14,743,386)</u>	<u>(1,126,552)</u>	<u>49,456</u>	<u>(15,820,482)</u>
Total capital assets, being depreciated, net	<u>16,349,180</u>	<u>240,805</u>	<u>(82,465)</u>	<u>16,507,520</u>
Governmental capital assets, net	<u>\$ 17,004,725</u>	<u>\$ 416,315</u>	<u>\$ (82,465)</u>	<u>\$ 17,338,575</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	\$ 116,025
Justice	74,975
Public safety	561,385
Public transportation	374,167
Total depreciation expense	<u>\$ 1,126,552</u>

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015, Road and Bridge performed an interfund transfer to fund operations of the Maintenance Barn in the amount of \$200,000. In addition, the Internal Service Fund transferred \$289,458 to the General Fund as the County chose to discontinue the use of this fund.

**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, 2015:

	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
2016	\$ 467,000	\$ 179,602	\$ 646,602
2017	467,000	161,623	628,623
2018	467,000	145,644	612,644
2019	467,000	125,664	592,664
2020	467,000	107,684	574,684
2021-2025	2,330,000	268,731	2,598,731
	<u>\$ 4,665,000</u>	<u>\$ 988,948</u>	<u>\$ 5,653,948</u>

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated absences	\$ 237,989	\$ 89	\$ -	\$ 238,078	\$ 209,508
Certificate of obligation	5,132,000	-	467,000	4,665,000	467,000
Capital lease	154,675	-	76,061	78,614	78,614
<b>Total Governmental Activities</b>	<u>\$ 5,524,664</u>	<u>\$ 89</u>	<u>\$ 543,061</u>	<u>\$ 4,981,692</u>	<u>\$ 755,122</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 of \$241,826 and amortized value of \$193,461. Amortization expense has been included in depreciation expense for the year ended September 30, 2015.

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, 2015:

2016	<u>\$ 81,878</u>
	81,878
Less amount representing interest	<u>3,264</u>
Present value of net minimum lease payments	<u>\$ 78,614</u>

**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,	
	2016	\$ 7,573
	2017	275
Total Minimum Future Lease Obligations		<u>\$ 7,848</u>
Rental Expenditures in 2015		<u>\$ 63,691</u>

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015, the employees of the County were covered by a health insurance plan. Employees had the option of participating in PPO provider plan. Employees, at their option, authorize payroll withholdings to pay remaining premiums for dependents. All premiums were paid to a licensed insurer. The plan was authorized by Article 3.51.2 of the Texas Insurance Code and was documented by contractual agreement.

**NOTE 10: Pension Plan**

**A. Plan Description**

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for administration of the statewide agent multiple-employer public employee retirement system consisting of 677 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.

**B. Benefits Provided**

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 age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 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 their employer.

See independent auditors’ report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 10: Pension Plan (cont.)**

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can expect to be adequately financed by the employer'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. There are no automatic post-employment benefit changes, including automatic COLAs.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefits terms:

Inactive employees of beneficiaries currently receiving benefits	88
Inactive employees entitled to but not yet receiving benefits	29
Active employees	180
	297
	297

**C. Contributions**

The employer 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 4.70% for the calendar year ending in 2015. The deposit rate payable by the employee members for calendar year 2015 is the rate of 5% as adopted by the governing body of the employer. The employee and employer deposit rates may be changed by the governing body of the employer within the options available in the TCDRS Act.

**D. Net Pension Liability**

The employer's Net Pension Liability (NPL) for the year ended September 30, 2015, was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:*

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.5% per year
Investment Rate of Return	8.0%, net of pension plan investment expense, including inflation

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 10: Pension Plan (cont.)**

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and .5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Mortality rates for depositing members were based on the RP-2000 Active Employee Mortality Table for males and females as appropriate, with adjustment, with the projection scale AA. Serve retirees, beneficiaries and non-depositing members were based on RP-2000 Combined Mortality Table for males and females as appropriate, with adjustments, with the projection scale AA. Disabled retirees were based on RP-2000 Disabled Mortality Table for males and females as appropriate, with adjustments, with the projection scale AA

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB 68.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The numbers shown are based on January 2015 information for a 7-10 year time horizon and are re-assessed at a minimum every four years, and it is set based on a 30-year time horizon, the most recent analysis was performed in 2013 based on the period January 1, 2009 – December 31, 2013. Best estimates of geometric real rates of return (net of inflation, assumed at 1.7%) for each major asset class included in the target asset allocation (as adopted by the TCDRS board in April 2015) are summarized below:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	16.5%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	12.0%	8.35%
Global Equities	MSCI World (net) Index	1.5%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.0%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.0%	6.35%
Investment-Grade Bonds	Barclays Ccapital Aggregate Bond Index	3.0%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.0%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.0%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.0%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.0%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.0%	4.00%
Commodities	Bloomberg Commodities Index	2.0%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.0%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	3.0%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.0%	5.15%
Total		100.0%	

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 10: Pension Plan (cont.)**

*Discount Rate:*

The discount rate used to measure the Total Pension Liability was 8.1%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the County's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the unfunded actuarial accrued liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the County is legally required to make the contribution specified in the funding policy.
3. The County assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the County is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and the net pension liability of the County is equal to the long-term assumed rate of return on investments.

	<b>Increase (Decrease)</b>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2013	\$ 28,299,844	\$ 26,619,077	\$ 1,680,767
Changes for the year:			
Service cost	917,752	-	917,752
Interest on total pension liability	2,291,796	-	2,291,796
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	39,025	-	39,025
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(63,873)	(63,873)	-
Benefit payments	(866,246)	(866,246)	-
Administrative expenses	-	(21,569)	21,569
Member contributions	-	508,998	(508,998)
Net investment income	-	1,852,972	(1,852,972)
Employer contributions	-	1,285,545	(1,285,545)
Other	-	(1,334)	1,334
Net changes	\$ 2,318,454	\$ 2,694,493	\$ (376,039)
<b>Balance at 12/31/2014</b>	<b>\$ 30,618,298</b>	<b>\$ 29,313,570</b>	<b>\$ 1,304,728</b>

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 10: Pension Plan (cont.)**

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.1%) or 1-percentage point higher (9.1%) than the current rate:

	<b>1% Decrease in Discount Rate (7.1%)</b>	<b>Discount Rate (8.1%)</b>	<b>1% Increase in Discount Rate (9.1%)</b>
Total pension liability	\$ 34,453,901	\$ 30,618,299	\$ 27,446,772
Fiduciary net position	29,313,571	29,313,571	29,313,571
Net pension liability (asset)	\$ 5,140,330	\$ 1,304,728	\$ (1,866,799)

**E. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the internet at [www.tcdrs.org](http://www.tcdrs.org).

**F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended September 30, 2015, the County recognized pension expense of \$593,710.

As of September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 29,269
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	286,528
Contributions subsequent to the measurement date	-	508,745
Total	\$ -	\$ 824,542

\$508,745 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Valuation year ended December 31:</b>	
2015	\$ 81,388
2016	81,388
2017	81,388
2018	71,633
2019	-
Thereafter	-

See independent auditors' report.

**ERATH COUNTY, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulation governing the respective grant; therefore no provision has been recorded in the accompanying financial statements for such contingencies.

**Litigation**

The County Attorney has indicated that there are no lawsuits filed and pending against the County that will result in a material effect on the County's financial position.

**NOTE 12: New Accounting Pronouncements**

The GASB issued Statement No. 72, *Fair Value Measurement*, which will be effective for periods beginning after June 15, 2015. The objective of this Statement is to improve accounting and financial reporting related to fair value measurements. This statement applies to all state and local governmental entities. The County will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which will be effective for periods beginning after December 15 2015. The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP). This Statement applies to all state and local governmental entities. The County will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 77, *Tax Abatement Disclosures*, which will be effective for periods beginning after December 15, 2015. The objective of this Statement is to require governments that enter into tax abatement agreements to provide certain disclosures regarding the commitments. This Statement applies to all state and local governmental entities. The County will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

**NOTE 13: Prior Period Adjustment**

As discussed in Note 1, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In accordance with this statement, an adjustment has been made to record the County's net pension liability as of October 1, 2014 reduced by the deferred outflows as a result of contributions made after the measurement date. As a result, beginning net position of the governmental activities as been decreased by \$1,129,865.

See independent auditors' report.



**REQUIRED SUPPLEMENTARY INFORMATION**

ERATH COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
<b>Taxes:</b>				
Current taxes	\$ 8,082,690	\$ 8,082,690	\$ 7,492,005	\$ (590,685)
Delinquent taxes	700,000	700,000	771,699	71,699
Penalty & interest	88,800	88,800	106,499	17,699
Mixed drink tax	60,000	60,000	99,764	39,764
Sales tax	2,000,000	2,000,000	2,602,648	602,648
Tax certificate	14,000	14,000	18,560	4,560
Late rendition penalty	-	-	-	-
<b>Total Taxes</b>	<b>10,945,490</b>	<b>10,945,490</b>	<b>11,091,175</b>	<b>145,685</b>
<b>General County</b>				
Interest	16,250	16,250	29,525	13,275
Tobacco settlement	20,000	20,000	22,146	2,146
State juror reimbursement	7,500	7,500	11,662	4,162
Grant revenues	-	-	809,971	809,971
Workers comp adjustment	-	-	1,901	1,901
Health insurance reimbursement	-	-	2,208	2,208
Vending machines	-	-	289	289
General county miscellaneous	3,000	3,000	312,064	309,064
<b>Total General County</b>	<b>46,750</b>	<b>46,750</b>	<b>1,189,766</b>	<b>1,143,016</b>
<b>County Clerk</b>				
Drug court cost	1,000	1,000	1,194	194
Judicial support fee	200	200	223	23
Juror fee	-	-	148	148
Bond forfeiture	4,000	4,000	8,988	4,988
Judges education	500	500	550	50
Fees	527,200	527,200	507,892	(19,308)
5% cash bond	50	50	428	378
State traffic fee	100	100	85	(15)
Indigent legal	100	100	125	25
DPS arrest	1,500	1,500	1,725	225
EMS trauma	1,000	1,000	1,220	220
<b>Total County Clerk</b>	<b>535,650</b>	<b>535,650</b>	<b>522,578</b>	<b>(13,072)</b>
<b>Tax Collector/Assessor</b>				
TERP surcharge fee	800	800	1,433	633
Tax entity commission	36,000	36,000	37,312	1,312
Auto commission	125,000	125,000	95,028	(29,972)
Motor vehicle titles	35,000	35,000	43,790	8,790
Chapter 19 reimbursement	-	-	1,481	1,481
<b>Total Tax Collector/Assessor</b>	<b>196,800</b>	<b>196,800</b>	<b>179,044</b>	<b>(17,756)</b>
<b>Sanitation</b>				
Fees	45,000	45,000	46,190	1,190
<b>Total Sanitation</b>	<b>45,000</b>	<b>45,000</b>	<b>46,190</b>	<b>1,190</b>

ERATH COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Election</b>				
Reimbursed election expense	3,000	3,000	12,155	9,155
Total Election	3,000	3,000	12,155	9,155
<b>Volunteer Fire Department</b>				
Workers comp refund	4,500	4,500	7,597	3,097
Miscellaneous	-	-	1,098	1,098
Total Volunteer Fire Department	4,500	4,500	8,695	3,097
<b>911 Emergency</b>				
COG reimbursement 911	45,000	45,000	24,914	(20,086)
Total 911 Emergency	45,000	45,000	24,914	(20,086)
<b>District Clerk</b>				
Restitution	-	-	395	395
Drug court cost	-	-	173	173
Family violence fee	-	-	236	236
Judicial support fee	-	-	39	39
AG citation fee	2,000	2,000	2,070	70
AG motion fee	-	-	208	208
Court appointed attorney	6,500	6,500	18,000	11,500
Fees	148,000	148,000	138,014	(9,986)
Jury trial tee	500	500	1,010	510
Visual recorder	-	-	25	25
5% cash bond	-	-	50	50
Court reporter fee	3,500	3,500	4,870	1,370
Consolidated court cost	1,000	1,000	921	(79)
DNA testing	-	-	13	13
AG child support	700	700	585	(115)
Time payments	-	-	828	828
EMS trauma	-	-	74	74
Indigent legal	-	-	272	272
Bureau of vital statistics	-	-	188	188
Total District Clerk	162,200	162,200	167,971	5,771
<b>District Attorney</b>				
Judicial district apportionment	28,150	28,150	28,159	9
Assistant DA longevity	4,500	4,500	-	(4,500)
Miscellaneous	-	-	802	802
Total District Attorney	32,650	32,650	28,961	(3,689)

ERATH COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>District Court</b>				
Appointed attorney	30,000	30,000	27,022	(2,978)
Total District Court	30,000	30,000	27,022	(2,978)
<b>County Attorney</b>				
State salary allocation	70,000	70,000	70,000	-
Court apportionment	9,150	9,600	9,971	371
Miscellaneous	-	-	220	220
Total County Attorney	79,150	79,600	80,191	591
<b>Court At Law</b>				
State salary allocation	84,000	84,000	84,000	-
Court apportionment	30,000	30,000	35,597	5,597
Probate fees	-	-	220	220
Interpreter fees	500	500	300	(200)
Total Court At Law	114,500	114,500	120,117	5,617
<b>Justice of The Peace #1</b>				
Judicial fee	-	-	841	841
City apportionment	122,860	122,860	121,748	(1,112)
Jury fee	700	700	566	(134)
Expungent fee	-	-	240	240
Fees	156,200	156,200	115,949	(40,251)
Defensive driving	3,000	3,000	2,103	(897)
Traffic	3,500	3,500	2,267	(1,233)
Consolidated court cost	8,000	8,000	5,632	(2,368)
Indigent legal	4,000	4,000	7,134	3,134
Arrest fee	6,000	6,000	5,548	(452)
Time payments	1,500	1,500	1,749	249
Motor carrier fee	-	-	4,500	4,500
Child safety seat	-	-	75	75
Total Justice of The Peace #1	305,760	305,760	268,352	(37,408)

ERATH COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Justice of The Peace #2</b>				
Judicial fee	175	175	214	39
Jury fee	-	-	143	143
Fees	28,000	28,000	34,157	6,157
Defensive driving	500	500	571	71
Traffic	600	600	539	(61)
Consolidated court cost	1,000	1,000	1,431	431
Failure to appear	-	-	35	35
DPS arrest	1,200	1,200	1,270	70
Time payments	-	-	150	150
Motor carrier	-	-	500	500
Child safety	-	-	50	50
Total Justice of The Peace #2	<u>31,475</u>	<u>31,475</u>	<u>39,060</u>	<u>7,585</u>
<b>Sheriff</b>				
Crime victim reimbursement	2,300	2,300	3,678	1,378
Fees	35,000	35,000	52,138	17,138
Visual recorder fee	1,400	1,400	1,830	430
Bail bond fee	900	900	962	62
Estray cattle	3,500	3,500	5,909	2,409
State inmate reimbursement	3,000	3,000	4,771	1,771
City of Dublin inmates	2,000	2,000	1,900	(100)
City of Stephenville inmates	15,000	15,000	20,600	5,600
Inmate phone commission	10,000	10,000	36,239	26,239
Extradition reimbursement	500	500	720	220
Inmate SSA	-	-	3,200	3,200
Insurance claim reimbursement	-	13,423	59,247	45,824
Grant revenues	-	-	3,626	3,626
Auto claim transport	-	-	75,780	75,780
Inmate housing revenue	10,000	10,000	124,875	114,875
Total Sheriff	<u>83,600</u>	<u>97,023</u>	<u>395,475</u>	<u>298,452</u>
<b>Constable #1</b>				
Fees	15,000	15,000	16,770	1,770
Total Constable #1	<u>15,000</u>	<u>15,000</u>	<u>16,770</u>	<u>1,770</u>
<b>Constable #2</b>				
Fees	3,000	3,000	1,880	(1,120)
Total Constable #2	<u>3,000</u>	<u>3,000</u>	<u>1,880</u>	<u>(1,120)</u>

ERATH COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Pretrial Diversion</b>				
Fees	2,500	2,500	1,492	(1,008)
UA fees	-	-	18	18
Total Pretrial Diversion	<u>2,500</u>	<u>2,500</u>	<u>1,510</u>	<u>(990)</u>
<b>Emergency Medical Services</b>				
Charges for services	125,000	125,000	181,534	56,534
Insurance reimbursements	-	-	1,800	1,800
Donations	-	-	525	525
Total Emergency Medical Services	<u>125,000</u>	<u>125,000</u>	<u>183,859</u>	<u>58,859</u>
<b>Indigent Healthcare</b>				
Inmate Medical Copay	1,000	1,000	3,339	2,339
Interest	375	375	788	413
Total Indigent Healthcare	<u>1,375</u>	<u>1,375</u>	<u>4,127</u>	<u>2,752</u>
<b>TOTAL REVENUES</b>	<u>12,808,401</u>	<u>12,822,274</u>	<u>14,409,812</u>	<u>1,586,440</u>
<b>EXPENDITURES:</b>				
<b>County Judge</b>				
Salary	148,583	148,583	146,388	2,195
Operating	6,040	6,040	5,178	862
Supplies	2,000	1,792	1,358	434
Schools & dues	6,000	6,208	6,208	0
Equipment	3,500	3,500	2,851	649
Total County Judge	<u>166,123</u>	<u>166,123</u>	<u>161,983</u>	<u>4,140</u>
<b>County Clerk</b>				
Salary	378,831	378,831	368,843	9,988
Operating	4,250	4,250	2,459	1,791
Supplies	10,000	8,705	8,097	608
Schools & dues	6,500	7,125	7,102	23
Software/hardware maintenance	19,255	19,255	19,205	50
Equipment	-	670	434	236
Total County Clerk	<u>418,836</u>	<u>418,836</u>	<u>406,140</u>	<u>12,696</u>
<b>County Auditor</b>				
Salary	264,926	264,015	238,016	25,999
Operating	2,020	2,020	1,340	680
Supplies	3,650	3,650	2,863	787
Schools & dues	9,700	8,150	7,244	906
Equipment	1,350	2,900	1,676	1,224
Software/hardware maintenance	14,519	14,049	14,025	24
Total County Auditor	<u>296,165</u>	<u>294,784</u>	<u>265,164</u>	<u>29,620</u>

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>County Treasurer</b>				
Salary	198,158	200,101	198,865	1,236
Operating	4,320	4,058	3,317	741
Advertising	6,000	7,699	6,969	730
Supplies	4,750	5,250	5,070	180
Schools & dues	7,500	7,500	6,444	1,056
Equipment	3,000	500	500	-
Software/hardware maintenance	9,519	10,899	10,898	1
Drug screening	5,200	5,200	4,974	226
Total County Treasurer	<u>238,447</u>	<u>241,207</u>	<u>237,037</u>	<u>4,170</u>
<b>Tax Assessor/Collector</b>				
Salary	578,199	578,199	564,074	14,125
Operating	67,480	66,702	62,126	4,576
Advertising	3,200	3,200	2,987	213
Supplies	14,000	15,200	14,876	324
Schools & dues	4,500	4,500	4,017	483
Equipment	9,350	12,121	11,760	361
Software/hardware maintenance	12,000	12,307	12,307	0
Data processing	17,600	16,400	12,207	4,193
Total Tax Assessor/Collector	<u>706,329</u>	<u>708,629</u>	<u>684,354</u>	<u>24,275</u>
<b>Veteran's Service</b>				
Salary	54,650	54,650	34,729	19,921
Operating	1,968	1,968	1,658	310
Supplies	1,500	1,500	1,474	26
Advertising	500	500	448	52
Equipment	442	442	-	442
Total Veteran's Service	<u>59,061</u>	<u>59,061</u>	<u>38,309</u>	<u>20,752</u>
<b>Sanitation</b>				
Salary	57,492	57,492	55,378	2,114
Operating	5,350	5,350	2,359	2,991
Supplies	1,000	1,000	865	135
Schools & dues	500	500	-	500
Equipment	5,258	5,258	948	4,310
Software/hardware maintenance	960	960	780	180
Fuel	2,500	2,500	1,333	1,167
Travel	500	500	-	500
Total Sanitation	<u>73,560</u>	<u>73,560</u>	<u>61,663</u>	<u>11,897</u>

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Elections</b>				
Salary	10,765	10,770	6,104	4,666
Operating	33,650	32,090	16,660	15,430
Supplies	5,500	7,055	6,292	763
Software/hardware maintenance	14,004	14,004	10,154	3,850
Professional services	15,000	15,000	-	15,000
Total Elections	<u>78,919</u>	<u>78,919</u>	<u>39,210</u>	<u>39,709</u>
<b>Fire Suppression</b>				
Salary	420	420	420	-
Operating	74,440	312,795	65,917	246,878
Schools and dues	3,000	3,000	2,996	4
Equipment	9,000	48,300	5,700	42,600
EMS	96,747	100,887	100,887	0
Volunteer fire departments	250,620	239,767	238,121	1,646
Total Fire Suppression	<u>434,227</u>	<u>705,169</u>	<u>414,041</u>	<u>291,128</u>
<b>Non-Departmental</b>				
Salary	500,000	500,000	500,000	-
Operating	1,255,103	573,311	452,658	120,653
Advertising	4,000	5,000	3,744	1,256
Schools & dues	4,000	4,000	1,225	2,775
Equipment	10,000	382,750	294,494	88,256
Professional services	76,000	75,091	52,607	22,484
Software/hardware maintenance	62,000	63,180	62,140	1,040
Highway right of way purchase	150,000	150,000	150,000	-
Pauper burials	5,000	5,000	1,964	3,036
Autopsies	80,000	103,325	102,943	382
Historical society	1,500	1,500	422	1,078
Erath county senior citizens	18,000	18,000	18,000	-
Central appraisal district allocation	341,805	341,805	337,181	4,624
Erath county trapper	32,400	32,400	32,400	-
Humane society	18,000	18,000	18,000	-
Capital projects	1,163,000	464,341	2,207	462,134
Storm-related repairs	-	234,000	155,600	78,400
Total Non-Departmental	<u>3,720,808</u>	<u>2,971,704</u>	<u>2,185,585</u>	<u>786,119</u>
<b>911 Emergency</b>				
Addressing contract	45,000	45,000	45,000	-
Total 911 Emergency	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>

ERATH COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>District Judge</b>				
Salary	280,338	281,513	268,161	13,352
Operating	3,924	3,924	2,557	1,367
Supplies	3,000	3,000	2,868	132
Schools & dues	7,000	7,000	3,568	3,432
Law books/online research	5,500	5,500	1,370	4,130
Equipment	6,300	6,300	5,549	751
Software/hardware maintenance	1,351	1,351	1,351	-
Total District Judge	<u>307,413</u>	<u>308,588</u>	<u>285,424</u>	<u>23,164</u>
<b>District Clerk</b>				
Salary	241,362	242,301	239,450	2,851
Operating	7,600	7,395	6,635	760
Supplies	7,000	5,200	4,674	526
Schools & dues	3,500	5,505	5,504	1
Equipment	3,400	3,400	619	2,781
Software/hardware maintenance	23,367	23,367	18,367	5,000
Total District Clerk	<u>286,229</u>	<u>287,168</u>	<u>275,249</u>	<u>11,919</u>
<b>District Attorney</b>				
Salary	337,400	338,128	331,858	6,270
Operating	46,814	118,814	28,831	89,983
Supplies	8,000	11,000	10,536	464
Schools & dues	6,000	6,000	5,502	498
Law books/online research	2,500	2,500	1,184	1,316
Software/hardware maintenance	9,970	9,970	9,506	464
Professional fees	20,000	20,000	17,320	2,680
Total District Attorney	<u>430,684</u>	<u>506,412</u>	<u>404,737</u>	<u>101,675</u>
<b>District Court</b>				
Administration	2,088	2,088	2,088	0
Transcript	18,000	18,000	12,984	5,016
Court Expense	106,000	409,603	409,007	596
Equipment	1,000	7,000	5,285	1,715
Professional fees	12,000	12,000	6,532	5,468
Civil attorney ad litem	30,000	30,000	17,644	12,356
Criminal attorney ad litem	120,000	120,000	109,590	10,410
Petit jury	20,000	20,000	17,039	2,961
Grand jury	6,800	6,800	4,630	2,170
Jury meals	500	500	171	329
Jury commission	500	500	440	60
Crime victims jury	750	750	645	105
Cross timbers jury	3,375	3,375	1,538	1,837
Erath county child welfare	3,375	3,375	2,558	817
Total District Court	<u>324,388</u>	<u>633,991</u>	<u>590,151</u>	<u>43,840</u>

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>County Attorney</b>				
Salary	310,864	310,864	310,720	144
Operating	2,540	2,071	1,654	417
Supplies	2,500	3,982	3,495	487
Schools & dues	2,500	2,463	2,463	0
Law books/online research	1,800	1,700	1,229	471
Equipment	500	-	-	-
Software/hardware maintenance	9,506	10,364	9,506	858
Court expense	785	-	-	-
Total County Attorney	<u>330,995</u>	<u>331,445</u>	<u>329,067</u>	<u>2,378</u>
<b>Court At Law</b>				
Salary	264,639	264,599	261,044	3,555
Operating	25,400	28,800	21,774	7,026
Supplies	1,000	1,600	1,483	117
Schools & dues	2,000	1,900	508	1,392
Law books/online research	1,225	1,365	1,351	14
Attorney ad litem	100,000	100,000	95,135	4,865
Equipment	4,500	5,132	4,922	210
Petit jury	3,000	368	330	38
Crime victims	500	-	-	-
Cross timbers	700	700	165	535
Erath county child welfare	1,500	500	92	408
Professional fees	5,400	5,400	3,261	2,139
Software/hardware maintenance	1,351	1,351	1,351	-
Total Court At Law	<u>411,215</u>	<u>411,715</u>	<u>391,416</u>	<u>20,299</u>
<b>Justice of The Peace #1</b>				
Salary	221,971	221,971	215,150	6,821
Operating	3,120	3,120	2,941	179
Supplies	6,000	5,170	2,490	2,680
Schools & dues	2,500	2,500	1,735	765
Law books/online research	2,000	2,000	-	2,000
Equipment	-	830	826	4
Petit Jury	2,700	2,700	110	2,590
Crime victims	150	150	-	150
Cross timbers	900	900	20	880
Erath county child welfare	750	750	30	720
Professional fees	500	500	-	500
Software/hardware maintenance	5,129	5,129	5,129	-
Total Justice of the Peace #1	<u>245,720</u>	<u>245,720</u>	<u>228,431</u>	<u>17,289</u>

ERATH COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Justice of the Peace #2</b>				
Salary	111,583	111,583	111,004	579
Operating	4,600	4,600	3,433	1,167
Supplies	1,500	1,500	1,246	254
Schools & dues	2,500	2,500	1,195	1,305
Crime victims	300	300	-	300
Cross timbers	300	300	-	300
Erath county child welfare	300	300	-	300
Software/hardware maintenance	5,129	5,129	5,129	-
Total Justice of the Peace #2	<u>126,212</u>	<u>126,212</u>	<u>122,007</u>	<u>4,205</u>
<b>Facilities</b>				
Salary	158,239	159,274	158,501	773
Utilities	100,000	98,966	82,535	16,431
Supplies	800	2,814	2,289	525
Advertising	150	-	-	-
Operating	62,317	61,751	46,087	15,664
Equipment	8,900	16,072	15,371	701
Fuel	1,500	500	137	363
Building maintenance	146,500	173,870	168,793	5,077
Total Facilities	<u>478,406</u>	<u>513,246</u>	<u>473,713</u>	<u>39,533</u>
<b>Sheriff</b>				
Salary	2,007,205	2,084,267	2,045,989	38,278
Operating	125,267	117,433	112,092	5,341
Estray cattle	11,500	15,314	13,464	1,850
Supplies	16,200	17,328	17,241	87
Schools & dues	18,000	19,633	19,470	163
Equipment	82,916	95,054	93,786	1,268
Fuel	132,400	113,900	55,417	58,483
Software/hardware maintenance	40,000	40,000	35,505	4,495
Principal expense	81,879	81,879	76,061	5,818
Interest expense	-	-	5,817	(5,817)
Total Sheriff	<u>2,515,367</u>	<u>2,584,808</u>	<u>2,474,842</u>	<u>109,966</u>
<b>Jail</b>				
Salary	1,334,088	1,334,088	1,255,990	78,098
Operating	46,532	46,645	44,623	2,022
Utilities	125,000	110,731	108,722	2,009
Supplies	36,000	39,500	38,336	1,164
Schools & dues	14,000	3,949	3,060	889
Equipment	5,884	21,438	21,435	3
Building repair/maintenance	38,000	39,574	34,394	5,180
Prisoner Food	110,000	116,579	116,578	1
Software/hardware maintenance	3,500	3,500	3,500	-
Total Jail	<u>1,713,003</u>	<u>1,716,003</u>	<u>1,626,638</u>	<u>89,365</u>

**ERATH COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Highway Patrol</b>				
Salary	46,197	47,809	47,676	133
Supplies	1,350	1,350	891	459
Weights & measures	250	250	-	250
Equipment	1,615	1,615	1,577	38
Total Highway Patrol	<u>49,412</u>	<u>51,024</u>	<u>50,144</u>	<u>880</u>
<b>Constable #1</b>				
Salary	61,807	61,807	60,287	1,520
Operating	5,102	5,102	3,795	1,307
Supplies	530	530	360	170
Schools & dues	1,250	1,250	1,124	126
Fuel	3,000	1,500	949	551
Equipment	500	2,425	1,852	573
Total Constable #1	<u>72,189</u>	<u>72,614</u>	<u>68,367</u>	<u>4,247</u>
<b>Constable #2</b>				
Salary	61,664	61,664	59,771	1,893
Operating	5,132	5,132	3,277	1,855
Supplies	500	460	191	269
Schools & dues	1,250	1,250	837	413
Fuel	3,000	3,000	1,008	1,992
Equipment	500	540	510	30
Total Constable #2	<u>72,046</u>	<u>72,046</u>	<u>65,594</u>	<u>6,452</u>
<b>Probation</b>				
Juvenile probation office rent	18,000	18,000	18,000	-
Operating	2,500	2,500	2,284	216
Equipment	1,800	1,800	1,781	19
Juvenile board fund allocation	52,469	52,469	52,469	(0)
Total Probation	<u>74,769</u>	<u>74,769</u>	<u>74,534</u>	<u>235</u>
<b>County Extension Agents</b>				
Salary	131,877	131,506	126,956	4,550
Operating	2,813	2,813	2,813	-
Livestock show	8,500	8,476	8,476	0
Supplies	2,400	2,554	2,554	0
Schools & dues	2,000	1,846	1,846	(1)
Equipment	2,100	2,757	2,757	(0)
Travel	16,000	15,841	15,840	1
Demonstration	600	497	497	0
Total County Extension Agents	<u>166,290</u>	<u>166,290</u>	<u>161,739</u>	<u>4,551</u>

ERATH COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
<b>Pretrial Diversion</b>				
Salary	105,646	107,171	106,613	558
Operating	3,877	2,028	1,603	425
Supplies	1,370	2,901	2,037	864
Schools & dues	1,000	100	55	45
Equipment	130	130	-	130
Fuel	2,000	2,000	1,437	563
Total Pretrial Diversion	<u>114,023</u>	<u>114,329</u>	<u>111,745</u>	<u>2,584</u>
<b>Emergency Medical Services</b>				
Salary	876,475	876,475	834,455	42,020
Operating	94,860	91,860	49,601	42,259
Supplies	41,500	38,500	32,064	6,436
Advertising	200	200	-	200
Schools & dues	11,000	7,000	3,816	3,184
Equipment	5,000	15,000	9,885	5,115
Software/hardware maintenance	1,500	1,500	120	1,380
Professional services	6,000	6,000	6,000	-
Fuel	15,000	15,000	11,655	3,345
Dublin ambulance service	26,000	26,000	16,348	9,652
Total Emergency Medical Services	<u>1,077,535</u>	<u>1,077,535</u>	<u>963,944</u>	<u>113,591</u>
<b>Indigent Healthcare</b>				
Supplies	2,750	2,750	867	1,883
Healthcare - jail	135,000	135,000	99,560	35,440
Healthcare	486,126	486,126	128,489	357,637
HOPE Clinic	25,000	25,000	25,000	-
Professional fees	16,423	16,423	16,423	0
Software/hardware maintenance	15,000	15,000	11,649	3,351
Pecan Valley MHMR	25,000	25,000	25,000	-
Total Indigent Healthcare	<u>705,299</u>	<u>705,299</u>	<u>306,988</u>	<u>398,311</u>
<b>TOTAL EXPENDITURES</b>	<u>15,738,674</u>	<u>15,762,209</u>	<u>13,543,216</u>	<u>2,218,993</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,930,273)</u>	<u>(2,939,936)</u>	<u>866,596</u>	<u>3,805,434</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	289,458	(289,458)
Proceeds from sale of assets	-	-	311	(311)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>289,769</u>	<u>(289,769)</u>
Net Change in Fund Balance	(2,930,273)	(2,939,936)	1,156,365	4,095,203
Fund Balance-Beginning	15,147,287	15,147,287	15,147,287	-
Fund Balance-Ending	<u>\$ 12,217,014</u>	<u>\$ 12,207,351</u>	<u>\$ 16,303,652</u>	<u>\$ 4,095,203</u>

**ERATH COUNTY**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**Last 10 Years (will ultimately be displayed)**

<b>Total Pension Liability</b>	<b>2015</b>
Service Cost	\$ 917,752
Interest on total pension liability	2,291,796
Effect of plan changes	-
Effect of assumption changes or inputs	-
Effect of economic/demographic (gains) or losses	39,025
Benefit payments/refunds of contributions	<u>(930,118)</u>
<b>Net Change in Total Pension Liability</b>	<b>2,318,455</b>
<b>Total Pension Liability, beginning</b>	<b><u>28,299,844</u></b>
<b>Total Pension Liability, ending (a)</b>	<b><u><u>\$ 30,618,299</u></u></b>
 <b>Fiduciary Net Position</b>	
Employer contributions	\$ 1,285,545
Member contributions	508,998
Investment income net of investment expenses	1,852,972
Benefit payments/refunds of contributions	(930,118)
Administrative expenses	(21,569)
Other	<u>(1,334)</u>
<b>Net Change in Fiduciary Net Position</b>	<b>2,694,494</b>
<b>Fiduciary Net Position, beginning</b>	<b><u>26,619,077</u></b>
<b>Fiduciary Net Position, ending (b)</b>	<b><u><u>\$ 29,313,571</u></u></b>
<b>Net Pension Liability (Asset), ending = (a) - (b)</b>	<b>\$ 1,304,728</b>
<b>Fiduciary net position as a % of total pension liability</b>	<b>95.74%</b>
<b>Pensionable covered payroll</b>	<b>\$ 7,064,263</b>
<b>Net pension liability as a % of covered payroll</b>	<b>18.47%</b>

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented

**ERATH COUNTY**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**Last 10 Years (will ultimately be displayed)**

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	422,771	422,771	-	5,555,465	7.6%
2007	527,344	527,344	-	5,898,706	8.9%
2008	562,925	562,925	-	6,261,681	9.0%
2009	629,805	629,805	-	6,772,094	9.3%
2010	698,859	698,859	-	7,023,709	9.9%
2011	698,234	698,234	-	6,975,380	10.0%
2012	755,633	755,633	-	7,251,806	10.4%
2013	745,200	745,200	-	6,893,642	10.8%
2014	785,545	1,285,545	(500,000)	7,064,263	18.2%

**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.

**Retirement Schedules**

***Valuation Date***

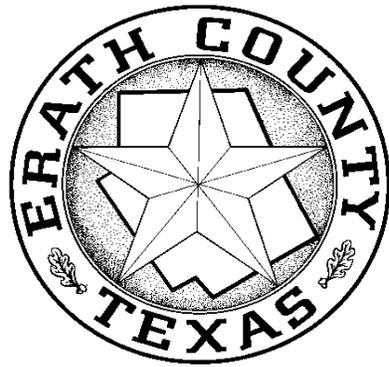
Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later. GASB 68, Paragraph 81.2.b requires that the data in the Schedule of Contributions be presented as of the District's current fiscal year as opposed to the valuation measurement date as provided in other schedules of these financial statements.

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

**Retirement Schedules (cont'd)**

***Methods and Assumptions Used to Determine Contribution Rates***

<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	3.0%
<b>Salary Increases</b>	3.5%
<b>Investment Rate of Return</b>	8.1%
<b>Cost of Living Adjustments</b>	Cost-of-Living Adjustments for Erath County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
<b>Retirement Age</b>	Deferred members are assumed to retire (100% probability) at the later of (a) age 60 or (b) earliest retirement eligibility. For all eligible members age 75 and older, retirement is assumed to occur immediately.
<b>Turnover</b>	The rate of assumed future termination from active participation in the plan for reasons other than death, disability, or retirement are calculated in a service-based table. The rates vary by length of service, entry-age group (age at hire) and sex.
<b>Mortality</b>	Mortality rates for depositing members were based on the RP-2000 Active Employee Mortality Table, for service retirees, beneficiaries and non-depositing members were based on RP-2000 Combined Mortality Table, and for disabled retirees were based on RP-2000 Disabled Mortality Table. Each rate was calculated for males and females as appropriate, with adjustments, with the projection scale AA



## **COMBINING FUND STATEMENTS**

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ROAD AND BRIDGE FUNDS  
SEPTEMBER 30, 2015**

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Maintenance Barn	Total Road and Bridge Funds
<b>ASSETS</b>						
Cash and investments	\$ 781,178	\$ 1,031,874	\$ 1,485,041	\$ 818,722	\$ 15,539	\$ 4,132,354
Receivables (net of Allowance for Uncollectible)	<u>18,014</u>	<u>21,340</u>	<u>23,107</u>	<u>20,587</u>	<u>-</u>	<u>83,048</u>
Total Assets	<u>\$ 799,192</u>	<u>\$ 1,053,214</u>	<u>\$ 1,508,148</u>	<u>\$ 839,309</u>	<u>\$ 15,539</u>	<u>\$ 4,215,402</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 78,446	\$ 111,087	\$ 53,937	\$ 27,903	\$ 58,475	\$ 329,848
Salary payable	<u>9,877</u>	<u>12,501</u>	<u>11,850</u>	<u>10,554</u>	<u>3,584</u>	<u>48,366</u>
Total Liabilities	<u>88,323</u>	<u>123,588</u>	<u>65,787</u>	<u>38,457</u>	<u>62,059</u>	<u>378,214</u>
<b>Deferred inflows:</b>						
Deferred property taxes	<u>3,534</u>	<u>4,183</u>	<u>4,532</u>	<u>4,040</u>	<u>-</u>	<u>16,289</u>
<b>Fund Balances:</b>						
Committed	707,335	925,443	1,437,829	796,812	-	3,867,419
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,520)</u>	<u>(46,520)</u>
Total Fund Balances	<u>707,335</u>	<u>925,443</u>	<u>1,437,829</u>	<u>796,812</u>	<u>(46,520)</u>	<u>3,820,899</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 799,192</u>	<u>\$ 1,053,214</u>	<u>\$ 1,508,148</u>	<u>\$ 839,309</u>	<u>\$ 15,539</u>	<u>\$ 4,215,402</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, 2015**

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Maintenance Barn	Total Road and Bridge Funds
<b>REVENUES:</b>						
Taxes:						
Property taxes						
Current	\$ 564,748	\$ 668,441	\$ 724,619	\$ 645,888	\$ -	\$ 2,603,696
Delinquent	124,000	146,987	158,914	141,744	-	571,645
Penalty & interest	8,768	10,376	11,053	9,862	-	40,059
Intergovernmental	7,772	9,207	9,964	8,883	-	35,826
Auto registrations	224,999	266,996	288,545	257,232	-	1,037,772
Interest	1,329	1,765	2,084	1,490	-	6,668
Miscellaneous	-	-	33,740	27,001	1,086	61,827
<b>Total Revenues</b>	<b>931,616</b>	<b>1,103,772</b>	<b>1,228,919</b>	<b>1,092,100</b>	<b>1,086</b>	<b>4,357,493</b>
<b>EXPENDITURES:</b>						
Salaries	394,263	516,958	409,594	393,679	137,724	1,852,218
Equipment	123,685	205,549	313,872	321,214	55,075	1,019,395
Equipment repair	35,878	104,096	59,609	54,318	22,785	276,686
Fuel	44,775	56,358	40,518	54,660	4,322	200,633
Road expense	116,002	128,049	175,176	145,453	-	564,680
Operating	15,214	32,166	19,154	18,877	30,543	115,954
<b>Total Expenditures</b>	<b>729,817</b>	<b>1,043,176</b>	<b>1,017,923</b>	<b>988,201</b>	<b>250,449</b>	<b>4,029,566</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	201,799	60,596	210,996	103,899	(249,363)	327,927
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	200,000	200,000
Proceeds from sale of assets	-	-	85	-	-	85
Transfers out	(50,000)	(50,000)	(50,000)	(50,000)	-	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(49,915)</b>	<b>(50,000)</b>	<b>200,000</b>	<b>85</b>
Net Changes in Fund Balances	151,799	10,596	161,081	53,899	(49,363)	328,012
Fund Balance-Beginning	555,536	914,847	1,276,748	742,913	2,843	3,492,887
Fund Balance-Ending	\$ 707,335	\$ 925,443	\$ 1,437,829	\$ 796,812	\$ (46,520)	\$ 3,820,899

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, 2015**

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property taxes				
Current	\$ 3,105,656	\$ 3,105,656	\$ 2,603,696	\$ (501,960)
Delinquent	268,000	268,000	571,645	303,645
Penalty & Interest	33,300	33,300	40,059	6,759
Other taxes	126,500	126,500	35,826	(90,674)
Auto registrations	887,400	887,400	1,037,772	150,372
Interest	4,750	4,750	6,668	1,918
Miscellaneous	-	-	61,827	61,827
Total Revenues	<u>4,425,606</u>	<u>4,425,606</u>	<u>4,357,493</u>	<u>(68,113)</u>
<b>EXPENDITURES:</b>				
Salaries	1,940,808	1,949,439	1,852,218	97,221
Equipment	1,005,208	1,173,956	1,019,395	154,561
Equipment Repair	299,300	309,346	276,686	32,660
Fuel	392,400	307,287	200,633	106,654
Road Expense	760,098	651,717	564,680	87,037
Operating	148,232	154,301	115,954	38,347
Total Expenditures	<u>4,546,046</u>	<u>4,546,046</u>	<u>4,029,566</u>	<u>516,480</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(120,439)</u>	<u>(120,439)</u>	<u>327,927</u>	<u>448,366</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	256,302	256,302	200,000	(56,302)
Proceeds from Sale of Assets	99,144	99,144	85	(99,059)
Transfers Out	<u>(256,302)</u>	<u>(256,302)</u>	<u>(200,000)</u>	<u>56,302</u>
Total Other Financing Sources (Uses)	<u>99,144</u>	<u>99,144</u>	<u>85</u>	<u>(99,059)</u>
Net Changes in Fund Balances	(21,296)	(21,296)	328,012	349,308
Fund Balance-Beginning	<u>3,492,887</u>	<u>3,492,887</u>	<u>3,492,887</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 3,471,591</u>	<u>\$ 3,471,591</u>	<u>\$ 3,820,899</u>	<u>\$ 349,308</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
<b>ASSETS</b>				
Cash and investments	\$ 54,198	\$ 7,237	\$ 8,277	\$ 19,016
Receivables (net of Allowance for Uncollectible)	360	278	24	130
Due from other funds	-	-	-	-
<b>Total Assets</b>	<b>\$ 54,558</b>	<b>\$ 7,515</b>	<b>\$ 8,301</b>	<b>\$ 19,146</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 712	\$ 76	\$ -	\$ 1,608
Salary payable	-	-	-	-
<b>Total Liabilities</b>	<b>712</b>	<b>76</b>	<b>-</b>	<b>1,608</b>
<b>Deferred inflows:</b>				
Deferred property taxes	-	-	-	-
<b>Fund Balances:</b>				
<b>Restricted</b>				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	8,301	17,538
Judicial	53,846	7,439	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	-	-	-	-
<b>Total Fund Balances</b>	<b>53,846</b>	<b>7,439</b>	<b>8,301</b>	<b>17,538</b>
<b>Total Liabilities, Deferred inflows, and Fund Balances</b>	<b>\$ 54,558</b>	<b>\$ 7,515</b>	<b>\$ 8,301</b>	<b>\$ 19,146</b>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
<b>ASSETS</b>				
Cash and investments	\$ 22,256	\$ 74,609	\$ 50,985	\$ 249,592
Receivables (net of Allowance for Uncollectible)	-	500	560	636
Due from other funds	-	-	-	-
<b>Total Assets</b>	<b>\$ 22,256</b>	<b>\$ 75,109</b>	<b>\$ 51,545</b>	<b>\$ 250,228</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows:</b>				
Deferred property taxes	-	-	-	-
<b>Fund Balances:</b>				
<b>Restricted</b>				
Debt service	-	-	-	-
Election	22,256	-	-	-
General administration	-	-	-	-
Judicial	-	75,109	-	-
Legal	-	-	51,545	-
Public safety	-	-	-	250,228
Records management	-	-	-	-
<b>Total Fund Balances</b>	<b>22,256</b>	<b>75,109</b>	<b>51,545</b>	<b>250,228</b>
<b>Total Liabilities, Deferred inflows, and Fund Balances</b>	<b>\$ 22,256</b>	<b>\$ 75,109</b>	<b>\$ 51,545</b>	<b>\$ 250,228</b>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management	County Clerk Records Preservation
<b>ASSETS</b>				
Cash and investments	\$ 11,510	\$ 917	\$ 364,197	\$ 219,219
Receivables (net of Allowance for Uncollectible)	40	23	942	665
Due from other funds	-	-	-	-
Total Assets	<u>\$ 11,550</u>	<u>\$ 940</u>	<u>\$ 365,139</u>	<u>\$ 219,884</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 6,731	\$ -
Salary payable	-	-	526	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>7,257</u>	<u>-</u>
<b>Deferred inflows:</b>				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Restricted</b>				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	<u>11,550</u>	<u>940</u>	<u>357,882</u>	<u>219,884</u>
Total Fund Balances	<u>11,550</u>	<u>940</u>	<u>357,882</u>	<u>219,884</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 11,550</u>	<u>\$ 940</u>	<u>\$ 365,139</u>	<u>\$ 219,884</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check	District Attorney Forfeiture
<b>ASSETS</b>				
Cash and investments	\$ 1,641	\$ 31,974	\$ 8,204	\$ 41,869
Receivables (net of Allowance for Uncollectible)	16	-	-	-
Due from other funds	-	-	-	-
<b>Total Assets</b>	<u>\$ 1,657</u>	<u>\$ 31,974</u>	<u>\$ 8,204</u>	<u>\$ 41,869</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 949	\$ 298
Salary payable	-	369	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>369</u>	<u>949</u>	<u>298</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	7,255	41,571
Legal	-	31,605	-	-
Public safety	-	-	-	-
Records management	<u>1,657</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>1,657</u>	<u>31,605</u>	<u>7,255</u>	<u>41,571</u>
<b>Total Liabilities, Deferred inflows, and Fund Balances</b>	<u>\$ 1,657</u>	<u>\$ 31,974</u>	<u>\$ 8,204</u>	<u>\$ 41,869</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	Sheriff Forfeiture	Sheriff Special DEA Forfeiture	Total Special Revenue Funds
<b>ASSETS</b>			
Cash and investments	\$ 37,672	\$ 1,862	\$ 1,205,235
Receivables (net of Allowance for Uncollectible)	-	-	4,174
Due from other funds	-	-	-
Total Assets	<u>\$ 37,672</u>	<u>\$ 1,862</u>	<u>\$ 1,209,409</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,970	\$ -	\$ 12,344
Salary payable	-	-	895
Total Liabilities	<u>1,970</u>	<u>-</u>	<u>13,239</u>
Deferred inflows:			
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted			
Debt service	-	-	-
Election	-	-	22,256
General administration	-	-	25,839
Judicial	35,702	1,862	222,784
Legal	-	-	83,150
Public safety	-	-	250,228
Records management	-	-	591,913
Total Fund Balances	<u>35,702</u>	<u>1,862</u>	<u>1,196,170</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 37,672</u>	<u>\$ 1,862</u>	<u>\$ 1,209,409</u>

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

**ERATH COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	Certificates of Obligation	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
Cash and investments	\$ 134,884	\$ 1,340,119
Receivables (net of Allowance for Uncollectible)	5,765	9,939
Due from other funds	647,568	647,568
Total Assets	<u>\$ 788,217</u>	<u>\$ 1,997,626</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ -	\$ 12,344
Salary payable	-	895
Total Liabilities	<u>-</u>	<u>13,239</u>
Deferred inflows:		
Deferred property taxes	<u>4,432</u>	<u>4,432</u>
Fund Balances:		
Restricted		
Debt service	783,785	783,785
Election	-	22,256
General administration	-	25,839
Judicial	-	222,784
Legal	-	83,150
Public safety	-	250,228
Records management	-	591,913
Total Fund Balances	<u>783,785</u>	<u>1,979,955</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 788,217</u>	<u>\$ 1,997,626</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, 2015**

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	7,607	1,435	1,480	4,410
Interest	100	13	13	30
Total Revenues	<u>7,707</u>	<u>1,448</u>	<u>1,493</u>	<u>4,440</u>
<b>EXPENDITURES:</b>				
Supplies	-	-	-	-
Equipment	4,974	794	-	1,608
Software/hardware maintenance	-	-	-	-
Schools & dues	-	-	-	-
Professional fees	2,722	194	-	-
Courthouse security	-	-	-	-
Salary	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	-
Telephone	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>7,696</u>	<u>988</u>	<u>-</u>	<u>1,608</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>11</u>	<u>460</u>	<u>1,493</u>	<u>2,832</u>
Net Change in Fund Balance	11	460	1,493	2,832
Fund Balance-Beginning	<u>53,835</u>	<u>6,979</u>	<u>6,808</u>	<u>14,706</u>
Fund Balance-Ending	<u>\$ 53,846</u>	<u>\$ 7,439</u>	<u>\$ 8,301</u>	<u>\$ 17,538</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, 2015**

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	4,050	-	-	-
Fines and fees	3,450	5,020	20,055	20,858
Interest	33	134	72	186
Total Revenues	<u>7,533</u>	<u>5,154</u>	<u>20,127</u>	<u>21,044</u>
<b>EXPENDITURES:</b>				
Supplies	-	2,219	-	-
Equipment	-	190	-	-
Software/hardware maintenance	8,000	-	-	-
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Courthouse security	-	-	-	15,806
Salary	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	1,490	-	-
Records preservation	-	-	-	-
Telephone	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>8,000</u>	<u>3,899</u>	<u>-</u>	<u>15,806</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(467)</u>	<u>1,255</u>	<u>20,127</u>	<u>5,238</u>
Net Change in Fund Balance	(467)	1,255	20,127	5,238
Fund Balance-Beginning	<u>22,723</u>	<u>73,854</u>	<u>31,418</u>	<u>244,990</u>
Fund Balance-Ending	<u>\$ 22,256</u>	<u>\$ 75,109</u>	<u>\$ 51,545</u>	<u>\$ 250,228</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, 2015**

	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management	County Clerk Records Preservation
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	2,550	243	158,157	21,930
Interest	-	-	308	215
Total Revenues	<u>2,550</u>	<u>243</u>	<u>158,465</u>	<u>22,145</u>
<b>EXPENDITURES:</b>				
Supplies	-	-	2,264	-
Equipment	-	-	2,756	-
Software/hardware maintenance	-	-	25,481	5,500
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	-	11,832	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	18,437	-
Telephone	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>60,770</u>	<u>5,500</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>2,550</u>	<u>243</u>	<u>97,695</u>	<u>16,645</u>
Net Change in Fund Balance	2,550	243	97,695	16,645
Fund Balance-Beginning	<u>9,000</u>	<u>697</u>	<u>260,187</u>	<u>203,239</u>
Fund Balance-Ending	<u>\$ 11,550</u>	<u>\$ 940</u>	<u>\$ 357,882</u>	<u>\$ 219,884</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, 2015**

	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check	District Attorney Forfeiture
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	164	9,895	-	469
Interest	-	63	15	82
Total Revenues	<u>164</u>	<u>9,958</u>	<u>15</u>	<u>551</u>
<b>EXPENDITURES:</b>				
Supplies	-	-	-	969
Equipment	-	-	-	1,629
Software/hardware maintenance	-	6,620	-	-
Schools & dues	-	235	949	725
Professional fees	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	12,204	-	-
Fuel	-	-	-	1,403
Parts & repairs	-	-	-	391
Records preservation	-	-	-	-
Telephone	-	168	-	-
Donations	-	-	-	443
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>-</u>	<u>19,227</u>	<u>949</u>	<u>5,560</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>164</u>	<u>(9,269)</u>	<u>(934)</u>	<u>(5,009)</u>
Net Change in Fund Balance	164	(9,269)	(934)	(5,009)
Fund Balance-Beginning	<u>1,493</u>	<u>40,874</u>	<u>8,189</u>	<u>46,580</u>
Fund Balance-Ending	<u>\$ 1,657</u>	<u>\$ 31,605</u>	<u>\$ 7,255</u>	<u>\$ 41,571</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, 2015**

	Sheriff Forfeiture	Sheriff Special DEA Forfeiture	Total Special Revenue Funds
<b>REVENUES:</b>			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Charges for services	-	-	4,050
Fines and fees	-	-	257,723
Interest	68	-	1,332
Total Revenues	<u>68</u>	<u>-</u>	<u>263,105</u>
<b>EXPENDITURES:</b>			
Supplies	-	-	5,452
Equipment	-	-	11,951
Software/hardware maintenance	-	-	45,601
Schools & dues	-	-	1,909
Professional fees	-	-	2,916
Courthouse security	-	-	15,806
Salary	-	-	24,036
Fuel	-	-	1,403
Parts & repairs	-	-	1,881
Records preservation	-	-	18,437
Telephone	-	-	168
Donations	-	-	443
Bank service charge	-	-	-
Interest payment	-	-	-
Principal payment	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>130,003</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>68</u>	<u>-</u>	<u>133,102</u>
Net Change in Fund Balance	68	-	133,102
Fund Balance-Beginning	<u>35,634</u>	<u>1,862</u>	<u>1,063,068</u>
Fund Balance-Ending	<u>\$ 35,702</u>	<u>\$ 1,862</u>	<u>\$ 1,196,170</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, 2015**

	Certificates of Obligation	Total Nonmajor Governmental Funds
<b>REVENUES:</b>		
Taxes:		
Property taxes	\$ 663,029	\$ 663,029
Charges for services	-	4,050
Fines and fees	-	257,723
Interest	68	1,400
Total Revenues	<u>663,097</u>	<u>926,202</u>
<b>EXPENDITURES:</b>		
Supplies	-	5,452
Equipment	-	11,951
Software/hardware maintenance	-	45,601
Schools & dues	-	1,909
Professional fees	-	2,916
Courthouse security	-	15,806
Salary	-	24,036
Fuel	-	1,403
Parts & repairs	-	1,881
Records preservation	-	18,437
Telephone	-	168
Donations	-	443
Bank service charge	750	750
Interest payment	197,582	197,582
Principal payment	467,000	467,000
Total Expenditures	<u>665,332</u>	<u>795,335</u>
Excess (Deficiency) of Revenues Over (Under)		
Expenditures	<u>(2,235)</u>	<u>130,867</u>
Net Change in Fund Balance	(2,235)	130,867
Fund Balance-Beginning	<u>786,020</u>	<u>1,849,088</u>
Fund Balance-Ending	<u>\$ 783,785</u>	<u>\$ 1,979,955</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, 2015

	BALANCE OCTOBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
Tax Assessor Collector - Dublin				
Assets:				
Cash and cash equivalents	\$ 5,024	\$ 3,157,111	\$ 3,161,862	\$ 273
Liabilities:				
Due to others	\$ 5,024	\$ 3,157,111	\$ 3,161,862	\$ 273
Tax Assessor Collector - Sales Tax				
Assets:				
Cash and cash equivalents	\$ 396,373	\$ 5,097,167	\$ 5,031,185	\$ 462,355
Liabilities:				
Due to others	\$ 396,373	\$ 5,097,167	\$ 5,031,185	\$ 462,355
Tax Assessor Collector - Escrow Payments				
Assets:				
Cash and cash equivalents	\$ 29,951	\$ 137,215	\$ 128,538	\$ 38,628
Liabilities:				
Due to others	\$ 29,951	\$ 137,215	\$ 128,538	\$ 38,628
Tax Assessor Collector - Auto Fund				
Assets:				
Cash and cash equivalents	\$ 60,495	\$ 7,937,713	\$ 7,944,255	\$ 53,953
Liabilities:				
Due to others	\$ 60,495	\$ 7,937,713	\$ 7,944,255	\$ 53,953
Tax Assessor Collector - State				
Assets:				
Cash and cash equivalents	\$ 13,818	\$ 12,587,646	\$ 12,590,847	\$ 10,617
Liabilities:				
Due to others	\$ 13,818	\$ 12,587,646	\$ 12,590,847	\$ 10,617
Tax Assessor Collector - District Account				
Assets:				
Cash and cash equivalents	\$ 134,501	\$ 45,924,335	\$ 45,976,323	\$ 82,513
Liabilities:				
Due to others	\$ 134,501	\$ 45,924,335	\$ 45,976,323	\$ 82,513
Tax Assessor Collector - Motor Vehicle Internet				
Assets:				
Cash and cash equivalents	\$ 1,203	\$ 84,970	\$ 85,718	\$ 455
Liabilities:				
Due to others	\$ 1,203	\$ 84,970	\$ 85,718	\$ 455

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, 2015

	BALANCE OCTOBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
Tax Assessor Collector - Motor Vehicle Escrow				
Assets:				
Cash and cash equivalents	<u>\$ 130,653</u>	<u>\$ 185,061</u>	<u>\$ 179,833</u>	<u>\$ 135,881</u>
Liabilities:				
Due to others	<u>\$ 130,653</u>	<u>\$ 185,061</u>	<u>\$ 179,833</u>	<u>\$ 135,881</u>
Justice of the Peace #2 - Dublin				
Assets:				
Cash and cash equivalents	<u>\$ 5,340</u>	<u>\$ 58,124</u>	<u>\$ 57,913</u>	<u>\$ 5,551</u>
Liabilities:				
Due to others	<u>\$ 5,340</u>	<u>\$ 58,124</u>	<u>\$ 57,913</u>	<u>\$ 5,551</u>
Treasurer - Credit Card				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 237,888</u>	<u>\$ 217,032</u>	<u>\$ 20,856</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 237,888</u>	<u>\$ 217,032</u>	<u>\$ 20,856</u>
Treasurer - Bail Bond Board				
Assets:				
Cash and cash equivalents	<u>\$ 7,980</u>	<u>\$ 3,410</u>	<u>\$ -</u>	<u>\$ 11,390</u>
Liabilities:				
Due to others	<u>\$ 7,980</u>	<u>\$ 3,410</u>	<u>\$ -</u>	<u>\$ 11,390</u>
Treasurer - Civil E Filing				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 30,067</u>	<u>\$ 25,606</u>	<u>\$ 4,461</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 30,067</u>	<u>\$ 25,606</u>	<u>\$ 4,461</u>
County Attorney - Hot Check Fund				
Assets:				
Cash and cash equivalents	<u>\$ 35,147</u>	<u>\$ 76,887</u>	<u>\$ 89,055</u>	<u>\$ 22,979</u>
Liabilities:				
Due to others	<u>\$ 35,147</u>	<u>\$ 76,887</u>	<u>\$ 89,055</u>	<u>\$ 22,979</u>
Sheriff - Jail Inmate Fund				
Assets:				
Cash and cash equivalents	<u>\$ 7,456</u>	<u>\$ 103,116</u>	<u>\$ 106,736</u>	<u>\$ 3,836</u>
Liabilities:				
Due to others	<u>\$ 7,456</u>	<u>\$ 103,116</u>	<u>\$ 106,736</u>	<u>\$ 3,836</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, 2015

	BALANCE OCTOBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
Sheriff's Office Special Account				
Assets:				
Cash and cash equivalents	\$ 1,018	\$ 65,143	\$ 65,143	\$ 1,018
Liabilities:				
Due to others	\$ 1,018	\$ 65,143	\$ 65,143	\$ 1,018
Sheriff - Jail Commissary				
Assets:				
Cash and cash equivalents	\$ 1,158	\$ 15,743	\$ 16,053	\$ 848
Liabilities:				
Due to others	\$ 1,158	\$ 15,743	\$ 16,053	\$ 848
District Clerk - Receiver Acct				
Assets:				
Cash and cash equivalents	\$ 1,359	\$ 15,781	\$ 16,089	\$ 1,051
Liabilities:				
Due to others	\$ 1,359	\$ 15,781	\$ 16,089	\$ 1,051
District Clerk Erath County Trust				
Assets:				
Cash and cash equivalents	\$ 63,121	\$ 667,537	\$ 292,219	\$ 438,439
Liabilities:				
Due to others	\$ 63,121	\$ 667,537	\$ 292,219	\$ 438,439
District Clerk Registry				
Assets:				
Cash and cash equivalents	\$ 19,000	\$ 59,200	\$ 14,700	\$ 63,500
Liabilities:				
Due to others	\$ 19,000	\$ 59,200	\$ 14,700	\$ 63,500
County Clerk Registry				
Assets:				
Cash and cash equivalents	\$ 3,548	\$ 250,541	\$ 162,551	\$ 91,538
Liabilities:				
Due to others	\$ 3,548	\$ 250,541	\$ 162,551	\$ 91,538
County Clerk - Bonds				
Assets:				
Cash and cash equivalents	\$ 97,252	\$ 77,400	\$ 27,369	\$ 147,283
Liabilities:				
Due to others	\$ 97,252	\$ 77,400	\$ 27,369	\$ 147,283

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, 2015

	BALANCE OCTOBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
District Attorney - Escrow				
Assets:				
Cash and cash equivalents	<u>\$ 149</u>	<u>\$ 25,424</u>	<u>\$ 23,472</u>	<u>\$ 2,101</u>
Liabilities:				
Due to others	<u>\$ 149</u>	<u>\$ 25,424</u>	<u>\$ 23,472</u>	<u>\$ 2,101</u>
District Attorney - Forfeiture				
Assets:				
Cash and cash equivalents	<u>\$ 10,032</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 10,050</u>
Liabilities:				
Due to others	<u>\$ 10,032</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 10,050</u>
District Attorney - Drug Education				
Assets:				
Cash and cash equivalents	<u>\$ 740</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 741</u>
Liabilities:				
Due to others	<u>\$ 740</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 741</u>
District Attorney - Individual 1				
Assets:				
Cash and cash equivalents	<u>\$ 1,907</u>	<u>\$ 1</u>	<u>\$ 1,908</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 1,907</u>	<u>\$ 1</u>	<u>\$ 1,908</u>	<u>\$ -</u>
District Attorney - Individual 2				
Assets:				
Cash and cash equivalents	<u>\$ 2,360</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 2,364</u>
Liabilities:				
Due to others	<u>\$ 2,360</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 2,364</u>
District Attorney - Individual 3				
Assets:				
Cash and cash equivalents	<u>\$ 2,269</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 2,273</u>
Liabilities:				
Due to others	<u>\$ 2,269</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 2,273</u>
District Attorney - Individual 4				
Assets:				
Cash and cash equivalents	<u>\$ 2,838</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,843</u>
Liabilities:				
Due to others	<u>\$ 2,838</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,843</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, 2015

	BALANCE OCTOBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
District Attorney - Individual 5				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 1,417</u>	<u>\$ -</u>	<u>\$ 1,417</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 1,417</u>	<u>\$ -</u>	<u>\$ 1,417</u>
District Attorney - Individual 6				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 19,301</u>	<u>\$ 19,301</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 19,301</u>	<u>\$ -</u>	<u>\$ -</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>\$ 53,434</u>	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 53,589</u>
Liabilities:				
Due to others	<u>\$ 53,434</u>	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 53,589</u>
District Clerk - Individual 3				
Assets:				
Cash and cash equivalents	<u>\$ 2,180</u>	<u>\$ -</u>	<u>\$ 2,180</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 2,180</u>	<u>\$ -</u>	<u>\$ 2,180</u>	<u>\$ -</u>
District Clerk - Individual 4				
Assets:				
Cash and cash equivalents	<u>\$ 19,945</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 19,965</u>
Liabilities:				
Due to others	<u>\$ 19,945</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 19,965</u>
District Clerk - Individual 5				
Assets:				
Cash and cash equivalents	<u>\$ 2,242</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 2,249</u>
Liabilities:				
Due to others	<u>\$ 2,242</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 2,249</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, 2015

	BALANCE OCTOBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
District Clerk - Individual 6				
Assets:				
Cash and cash equivalents	<u>\$ 5,515</u>	<u>\$ -</u>	<u>\$ 5,515</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 5,515</u>	<u>\$ -</u>	<u>\$ 5,515</u>	<u>\$ -</u>
District Clerk - Individual 7				
Assets:				
Cash and cash equivalents	<u>\$ 14,513</u>	<u>\$ -</u>	<u>\$ 14,513</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 14,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District Clerk - Individual 8				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 9,466</u>	<u>\$ -</u>	<u>\$ 9,466</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 9,466</u>	<u>\$ -</u>	<u>\$ 9,466</u>
District Clerk - Individual 9				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 3,005</u>	<u>\$ -</u>	<u>\$ 3,005</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 3,005</u>	<u>\$ -</u>	<u>\$ 3,005</u>
District Clerk - Individual 10				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 4,660</u>	<u>\$ -</u>	<u>\$ 4,660</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 4,660</u>	<u>\$ -</u>	<u>\$ 4,660</u>
District Clerk - Individual 11				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 1,505</u>	<u>\$ -</u>	<u>\$ 1,505</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 1,505</u>	<u>\$ -</u>	<u>\$ 1,505</u>
District Clerk - Individual 12				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 30,750</u>	<u>\$ -</u>	<u>\$ 30,750</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 30,750</u>	<u>\$ -</u>	<u>\$ 30,750</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, 2015

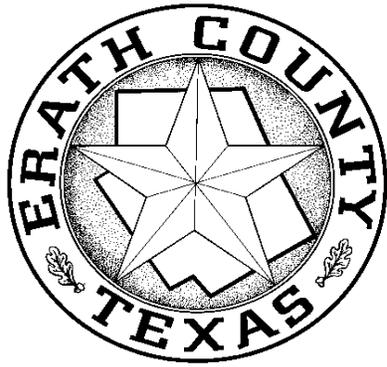
	BALANCE OCTOBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
District Clerk - Individual 13				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 12,004</u>	<u>\$ -</u>	<u>\$ 12,004</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 12,004</u>	<u>\$ -</u>	<u>\$ 12,004</u>
TexPool - R Court 4				
Assets:				
Cash and cash equivalents	<u>\$ 31,222</u>	<u>\$ -</u>	<u>\$ 31,222</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 31,222</u>	<u>\$ -</u>	<u>\$ 31,222</u>	<u>\$ -</u>
TexPool - R Court 11				
Assets:				
Cash and cash equivalents	<u>\$ 28,068</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 28,082</u>
Liabilities:				
Due to others	<u>\$ 28,068</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 28,082</u>
TexPool - R Court 15				
Assets:				
Cash and cash equivalents	<u>\$ 1,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116</u>
Liabilities:				
Due to others	<u>\$ 1,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116</u>
TexPool - R Court 19				
Assets:				
Cash and cash equivalents	<u>\$ 9,503</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 9,507</u>
Liabilities:				
Due to others	<u>\$ 9,503</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 9,507</u>
TexPool - R Court 26				
Assets:				
Cash and cash equivalents	<u>\$ 9,346</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 9,351</u>
Liabilities:				
Due to others	<u>\$ 9,346</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 9,351</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>

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, 2015

	BALANCE OCTOBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
TexPool - R Court 31				
Assets:				
Cash and cash equivalents	<u>\$ 22,955</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 22,968</u>
Liabilities:				
Due to others	<u>\$ 22,955</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 22,968</u>
TexPool - R Court 34				
Assets:				
Cash and cash equivalents	<u>\$ 1,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,090</u>
Liabilities:				
Due to others	<u>\$ 1,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,090</u>
TexPool - R Court 35				
Assets:				
Cash and cash equivalents	<u>\$ 6,273</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6,277</u>
Liabilities:				
Due to others	<u>\$ 6,273</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6,277</u>
TexPool - R Court 38				
Assets:				
Cash and cash equivalents	<u>\$ 13,211</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 13,218</u>
Liabilities:				
Due to others	<u>\$ 13,211</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 13,218</u>
TexPool - R Court 39				
Assets:				
Cash and cash equivalents	<u>\$ 14,745</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 14,757</u>
Liabilities:				
Due to others	<u>\$ 14,745</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 14,757</u>
TexPool - R Court 40				
Assets:				
Cash and cash equivalents	<u>\$ 37,095</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 37,115</u>
Liabilities:				
Due to others	<u>\$ 37,095</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 37,115</u>
Total Fiduciary Funds				
Assets:				
Cash and cash equivalents	<u>\$ 1,308,561</u>	<u>\$ 75,033,983</u>	<u>\$ 74,999,932</u>	<u>\$ 1,901,304</u>
Liabilities:				
Due to others	<u>\$ 1,308,561</u>	<u>\$ 75,033,983</u>	<u>\$ 74,999,932</u>	<u>\$ 1,901,304</u>

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



## STATISTICAL SECTION

## STATISTICAL SECTION - TABLE OF CONTENTS

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

<b><u>Contents</u></b>	<b><u>Page Number</u></b>
<b>Financial Trends -</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	106
<b>Revenue Capacity -</b> The schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	115
<b>Debt Capacity -</b> These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	122
<b>Demographic and Economic Information -</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	128
<b>Operating Information -</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs	131

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

## **FINANCIAL TRENDS**

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

---

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 9,221,139	\$ 9,433,508	\$ 9,750,831	\$ 10,676,537
Restricted	2,332,189	750,648	775,234	682,604
Unrestricted	9,382,485	13,282,704	15,306,669	16,087,943
Total Governmental Activities net position	<u>\$ 20,935,813</u>	<u>\$ 23,466,860</u>	<u>\$ 25,832,734</u>	<u>\$ 27,447,084</u>

---

<b>Fiscal Year</b>					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 9,992,400	\$ 9,195,730	\$ 11,536,701	\$ 11,536,701	\$ 11,872,725	\$ 12,673,575
735,563	2,878,367	-	2,329,140	1,849,088	1,979,955
16,258,721	15,067,540	17,342,185	17,224,993	18,833,493	19,474,732
<u>\$ 26,986,684</u>	<u>\$ 27,141,637</u>	<u>\$ 28,878,886</u>	<u>\$ 31,090,834</u>	<u>\$ 32,555,306</u>	<u>\$ 34,128,262</u>

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

	<b>Fiscal Years</b>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>				
Governmental Activities				
General administration	\$ 3,041,188	\$ 2,341,862	\$ 2,590,079	\$ 2,806,471
Judicial administration	1,826,619	1,997,247	2,231,405	2,188,802
Public safety and law enforcement	3,638,725	3,908,117	3,778,540	4,203,061
Road and bridge	2,837,957	2,848,167	4,342,633	3,083,064
Health and welfare	985,136	1,082,979	1,355,413	1,256,650
Debt service	3,592	1,829	-	-
Total governmental activities expenses	<u>12,333,217</u>	<u>12,180,201</u>	<u>14,298,070</u>	<u>13,538,048</u>
<b>Program Revenues</b>				
Governmental Activities				
Fines, fees, and charges for services				
General administration	1,472,891	1,773,828	1,693,031	1,493,881
Judicial administration	167,717	189,995	177,839	149,688
Public safety and law enforcement	471,476	557,705	671,078	809,131
Road and bridge	915,711	872,483	1,014,824	977,425
Health and welfare	405	-	-	-
Operating grants and contributions	887,525	609,428	1,717,261	443,519
Total governmental activities program revenues	<u>3,915,725</u>	<u>4,003,439</u>	<u>5,274,033</u>	<u>3,873,644</u>
<b>Net (Expense) Revenue</b>				
Governmental Activities	(8,417,492)	(8,176,762)	(9,024,037)	(9,664,404)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes	8,609,589	9,713,294	10,827,579	10,976,045
Interest	544,868	736,387	577,446	177,918
Miscellaneous	266,184	126,534	8,815	125,091
Gain on sale of assets	640,368	131,596	(23,928)	(300)
Total Governmental Activities	<u>10,061,009</u>	<u>10,707,811</u>	<u>11,389,912</u>	<u>11,278,754</u>
<b>Change in Net Position</b>				
Governmental activities	<u>\$ 1,643,517</u>	<u>\$ 2,531,049</u>	<u>\$ 2,365,875</u>	<u>\$ 1,614,350</u>

<b>Fiscal Years</b>					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 2,778,714	\$ 3,319,985	\$ 3,052,483	\$ 2,989,517	3,512,914	3,926,371
2,770,334	1,311,514	2,419,262	2,441,237	2,679,974	3,001,956
4,305,811	5,381,582	4,374,804	4,863,971	5,019,906	4,913,078
3,762,110	3,717,380	3,360,630	3,344,005	3,480,171	3,281,985
1,480,815	1,422,235	1,326,306	1,425,203	1,369,860	1,472,171
94,825	259,513	244,833	226,903	209,979	193,883
15,192,609	15,412,209	14,778,318	15,290,836	16,272,804	16,789,444
1,570,267	1,037,202	256,972	354,078	223,749	197,218
160,682	522,516	1,203,326	1,269,773	1,325,061	1,182,890
695,700	273,354	487,131	503,688	549,160	659,985
858,199	837,000	763,512	844,833	1,004,334	1,037,772
-	536,734	511,065	222,967	201,254	227,724
467,659	62,452	146,723	78,712	43,822	752,083
3,752,507	3,269,258	3,368,729	3,274,051	3,347,380	4,057,672
(11,440,102)	(12,142,951)	(11,409,589)	(12,016,785)	(12,925,424)	(12,731,772)
10,797,841	12,116,062	12,918,000	13,558,113	14,117,719	14,864,387
42,597	40,308	139,239	136,048	69,056	38,557
45,385	83,895	275,739	217,338	143,066	552,852
93,881	57,639	56,864	74,230	77,862	(21,203)
10,979,704	12,297,904	13,389,842	13,985,729	14,407,703	15,434,593
\$ (460,398)	\$ 154,953	\$ 1,980,253	\$ 1,968,944	\$ 1,482,279	\$ 2,702,821

**ERATH COUNTY, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
(modified accrual basis of accounting)  
(unaudited)

	<b>Fiscal Years</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ 19,900
Unreserved	8,598,645	10,213,085	11,834,313	12,617,466
Nonspendable	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 8,598,645</u>	<u>\$ 10,213,085</u>	<u>\$ 11,834,313</u>	<u>\$ 12,637,366</u>
All other governmental funds				
Reserved				
Road & Bridge	\$ 1,108,382	\$ -	\$ -	\$ -
Special Revenue Funds	1,223,807	750,648	775,234	682,604
Capital Projects	-	-	-	-
Unreserved	-	2,285,369	2,642,111	2,669,823
Restricted				
Debt Service	-	-	-	-
Special Revenue Funds	-	-	-	-
Committed				
Jail Construction	-	-	-	-
Road & Bridge	-	-	-	-
Unassigned	-	-	-	-
Total other governmental Funds	<u>\$ 2,332,189</u>	<u>\$ 3,036,017</u>	<u>\$ 3,417,345</u>	<u>\$ 3,352,427</u>

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

<b>Fiscal Years</b>					
<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
\$ 2,932	\$ -	\$ -	\$ -	\$ -	\$ -
13,341,098	-	-	-	-	-
-	-	-	-	41,472	47,334
-	8,781,485	-	-	-	-
-	4,994,301	11,620,874	14,233,626	15,105,815	16,256,318
<b>\$ 13,344,030</b>	<b>\$ 13,775,786</b>	<b>\$ 11,620,874</b>	<b>\$ 14,233,626</b>	<b>\$ 15,147,287</b>	<b>\$ 16,303,652</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
797,568	-	-	-	-	-
6,479,510	-	-	-	-	-
2,161,052	-	-	-	-	-
-	-	-	739,074	859,874	783,785
-	2,878,368	1,668,974	722,551	989,214	1,196,170
-	6,960	-	12	-	-
-	790,013	2,382,141	3,127,701	3,492,887	3,867,419
-	1,022,036	1,055,692	216,168	-	(46,520)
<b>\$ 9,438,130</b>	<b>\$ 4,697,377</b>	<b>\$ 5,106,807</b>	<b>\$ 4,805,506</b>	<b>\$ 5,341,975</b>	<b>\$ 5,800,854</b>

**ERATH COUNTY, TEXAS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
(modified accrual basis of accounting)  
(unaudited)

	<b>Fiscal Years</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>REVENUE</b>				
Taxes	\$ 9,452,265	\$ 10,569,465	\$ 11,649,401	\$ 11,839,769
Intergovernmental	887,525	578,576	1,652,045	415,473
Charges for Services	2,272,900	2,504,256	2,507,394	2,236,636
Interest	528,883	736,389	564,845	174,736
Other Revenue	245,805	175,486	255,575	463,789
Total Revenues	<u>13,387,378</u>	<u>14,564,172</u>	<u>16,629,260</u>	<u>15,130,403</u>
<b>EXPENDITURES</b>				
General administration	2,909,118	2,406,675	2,598,114	2,839,256
Judicial administration	1,773,084	1,931,237	2,151,537	2,234,095
Public safety and law enforcement	3,430,721	3,956,585	3,975,179	4,466,906
Road and bridge	2,529,796	2,921,601	4,595,730	3,673,874
Health and welfare	985,136	1,112,479	1,355,413	1,256,650
Debt service				
Bond Issuance Cost	-	-	-	-
Principal	-	50,095	-	-
Interest	3,592	1,828	-	-
Bank Charges	-	-	-	-
Capital Outlay	974,047	-	-	-
Total Expenditures	<u>12,605,494</u>	<u>12,380,500</u>	<u>14,675,973</u>	<u>14,470,781</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	<u>781,884</u>	<u>2,183,672</u>	<u>1,953,287</u>	<u>659,622</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Issuance of Debt	-	-	-	-
Proceeds from Sale of Capital Assets	134,011	134,596	49,269	78,486
Proceeds from Sale Of Scrap Metal	-	-	-	-
Transfers In	536,603	-	-	-
Transfers Out	(30,246)	-	-	-
Total Other Financing Sources (Uses)	<u>640,368</u>	<u>134,596</u>	<u>49,269</u>	<u>78,486</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 1,422,252</u>	<u>\$ 2,318,268</u>	<u>\$ 2,002,556</u>	<u>\$ 738,108</u>
<b>Debt Service as a Percentage of noncapital expenditures</b>	0.03%	0.42%	0.00%	0.00%

<b>Fiscal Years</b>					
<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
\$ 11,531,772	\$ 13,035,533	\$ 13,009,174	\$ 13,759,389	\$ 15,300,505	\$ 16,184,939
465,378	357,424	438,396	457,303	503,861	1,278,242
2,283,121	2,153,309	3,021,099	2,865,212	1,670,312	1,578,226
41,848	39,820	56,612	33,220	67,706	38,381
255,879	79,410	275,739	191,955	148,568	613,719
14,577,998	15,665,496	16,801,020	17,307,079	17,690,952	19,693,507
2,624,588	3,244,824	2,871,722	2,838,528	3,364,826	4,139,653
2,692,526	1,924,599	2,356,570	2,365,858	2,602,106	3,005,560
4,764,219	3,301,410	4,308,211	4,289,726	4,435,291	4,490,710
3,293,614	4,434,914	2,843,024	2,914,109	3,094,475	2,967,111
1,480,815	1,422,235	1,326,306	1,396,786	1,351,326	1,470,980
23,750	-	-	-	-	-
-	467,000	467,000	467,000	554,151	543,061
-	353,338	242,531	224,551	107,781	203,399
-	500	500	550	499	750
-	4,872,045	4,129,808	557,417	1,062,555	1,546,893
14,879,512	20,020,365	18,545,672	15,054,525	16,573,010	18,368,117
(301,514)	(4,354,869)	(1,744,652)	2,252,554	1,117,942	1,325,390
7,000,000	-	-	-	241,826	-
93,881	57,369	-	58,897	90,362	396
-	4,485	-	-	-	-
1,392,422	5,615,067	4,979,749	1,904,223	219,000	489,458
(1,392,422)	(5,207,000)	(4,979,749)	(1,904,223)	(219,000)	(200,000)
7,093,881	469,921	-	58,897	332,188	289,854
\$ 6,792,367	\$ (3,884,948)	\$ (1,744,652)	\$ 2,311,451	\$ 1,450,130	\$ 1,615,244

0.00%	5.42%	4.93%	4.77%	4.27%	4.44%
-------	-------	-------	-------	-------	-------

## **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>		
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
2015	2,008,207,057	670,575,724	2,552,326,866	0.4700

**Source:** Erath County Appraisal District

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

**ERATH COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

(per \$100 of Assessed Value)

**LAST TEN YEARS**

(unaudited)

<u>Name of Government</u>	<u>Fiscal Years</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>DIRECT RATE</b>					
<b>County Direct Rate</b>					
General Fund	0.3198	0.3082	0.2862	0.2800	0.3325
Debt Service Fund	-	-	-	-	-
Road & Bridge	0.1154	0.1105	0.1032	0.1100	0.1175
<b>Total Direct Rate</b>	<b>0.4352</b>	<b>0.4187</b>	<b>0.3894</b>	<b>0.3900</b>	<b>0.4500</b>
<b>OVERLAPPING RATE</b>					
<b>City and Town Rate</b>					
City of Stephenville	0.4650	0.4450	0.4350	0.4435	0.4600
City of Dublin	0.6989	0.6990	0.7550	0.9500	0.9900
<b>School District Rate</b>					
Stephenville ISD	1.5199	1.1920	1.1470	1.1470	1.1470
Dublin ISD	1.3335	1.2369	1.2369	1.2369	1.2724
Lingleville ISD	1.3708	1.1062	1.0884	1.0875	1.1079
Bluff Dale ISD	1.3750	1.0962	1.0945	1.0893	1.0921
Morgan Mill ISD	1.2548	1.0400	1.0400	1.0400	1.0400
Gordon ISD	1.4403	1.1024	1.1058	1.0984	1.0932
Huckabay ISD	1.3700	1.0400	1.0400	1.0400	1.0400
Santo ISD	1.5470	1.1953	1.1964	1.1835	1.3162
Three Way ISD	1.1570	1.0400	1.0400	1.0400	1.0400
<b>Water District Rate</b>					
Middle Trinity	0.0150	0.0150	0.0150	0.0150	0.0150
<b>Total Overlapping Rate</b>	<b>13.5472</b>	<b>11.2080</b>	<b>11.1940</b>	<b>11.3711</b>	<b>11.6138</b>
<b>Total Property Tax Rate</b>					
Direct and Overlapping Governments	13.9824	11.6267	11.5834	11.7611	12.0638

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.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
0.3202	0.3165	0.3261	0.3190	0.3207
0.0273	0.0310	0.0214	0.0271	0.0254
0.1225	0.1225	0.1225	0.1239	0.1239
0.4700	0.4700	0.4700	0.4700	0.4700
0.4850	0.4850	0.4850	0.4900	0.4900
1.0883	1.0883	1.1384	1.3120	1.1364
1.1700	1.1700	1.1940	1.2349	1.2349
1.2724	1.2724	1.2624	1.2424	1.2424
1.1091	1.1091	1.1076	1.1189	1.1212
1.0947	1.0947	1.1020	1.0959	1.0980
1.0400	1.0400	1.0400	1.0400	1.0400
1.0920	1.0920	1.0903	1.0898	1.0859
1.0400	1.0400	1.0400	1.0400	1.0400
1.3122	1.3122	1.3006	1.2866	1.2941
1.0400	1.0400	1.0400	1.0400	1.0400
0.0150	0.0145	0.0125	0.0120	0.0115
11.7587	11.7582	11.8128	12.0025	11.8343
12.2287	12.2282	12.2828	12.4725	12.3043



---

<u>Tax Payer</u>	<b>2006</b>	
	<b>Total</b>	<b>Percentage of</b>
	<b>Taxable Value</b>	<b>Total taxable value</b>
Saint Gobain Abrasives INC	\$ 117,659	0.0065%
FMC Technologies	99,138	0.0055%
Rayloc	91,118	0.0051%
Schreiber Foods Inc	68,268	0.0038%
United Telephone of Texas	58,318	0.0032%
Oncor Electric Delivery Co	56,480	0.0031%
United Electric Cooperative Service	27,957	0.0016%
Wal-Mart Stores Texas #01-0610	25,256	0.0014%
DB Bosque LLC	23,152	0.0013%
Fibergrate Composite Sstructures Inc.	22,410	0.0012%
<hr/>		
<b>Total</b>	<b>\$ 589,756</b>	<b>0.0328%</b>

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

(unaudited)

<b>FISCAL YEAR</b>	<b>TAXES LEVIED</b>	<b>COLLECTED WITHIN THE</b>		<b>COLLECTIONS RELATED TO PRIOR YEARS</b>	<b>TOTAL COLLECTIONS</b>	
	<b>WITHIN THE FISCAL YEAR OF THE LEVY</b>	<b>FISCAL YEAR OF THE LEVY</b>	<b>% OF LEVY</b>		<b>AMOUNT</b>	<b>% OF LEVY</b>
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%
2015	11,992,634	11,886,408	99.11%	45,032	11,931,440	99.49%

**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)

	<b>Fiscal Year</b>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 355,696,684	\$ 402,103,587	\$ 429,722,062	\$ 432,048,496	\$ 440,930,548
Total net debt applicable to limit	1,261,729	-	-	-	7,000,000
Legal debt margin	<u>\$ 356,958,413</u>	<u>\$ 402,103,587</u>	<u>\$ 429,722,062</u>	<u>\$ 432,048,496</u>	<u>\$ 447,930,548</u>
Total net debt applicable to the limit as a percentage of debt limit	0.35%	0.00%	0.00%	0.00%	1.56%

- Note:
- (1) Total assessed valuation of real property as certified, and is also presented on Table V less excluded personal property of \$670,575,724
  - (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 2015**

Note 1: Assessed Value	\$ 2,008,207,057
Note 2: Debt Limit(25% assessed value)	502,051,764
Note 3: Debt applicable to limit-	
Gross Bonded Debt	4,665,000
Less: Debt Service Fund	
	4,665,000
Legal Debt Margin	506,716,764

<b>Fiscal Year</b>				
<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
\$ 447,572,284	\$ 584,097,901	\$ 452,091,877	\$ 638,081,717	\$ 502,051,764
4,836,999	5,590,003	5,132,000	5,132,000	4,665,000
\$ 452,409,283	\$ 589,687,904	\$ 457,223,877	\$ 643,213,717	\$ 506,716,764

1.07%	0.96%	1.14%	0.80%	0.93%
-------	-------	-------	-------	-------

**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>			
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
2015	4,665,000	-	81,878	4,746,878	0.36%	115

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

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

**ERATH COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**END OF FISCAL YEAR**  
(unaudited)

<u>Name of Government</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>DIRECT DEBT</b>			
Erath County	\$ 4,746,878	100.00%	\$ 4,665,000
		<b>Total Direct Debt</b>	<b>\$ 4,665,000</b>
<b>OVERLAPPING DEBT</b>			
<b>City and Town Debt</b>			
City of Stephenville	21,995,725	100.00%	\$ 21,995,725
City of Dublin	5,951,322	100.00%	\$ 5,951,322
<b>School District Debt</b>			
Stephenville ISD	15,274,844	100.00%	\$ 15,274,844
Dublin ISD	8,603,500	95.00%	\$ 8,173,325
Lingleville ISD	1,489,044	90.00%	\$ 1,340,140
Bluff Dale ISD	177,875	97.00%	\$ 172,539
		<b>Total Overlapping Debt</b>	<b>\$ 52,907,894</b>
		<b>Total Direct and Overlapping Debt</b>	<b>\$ 57,572,894</b>

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

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

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

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

<b>Certificates of Obligation</b>					
<b><u>Fiscal Years</u></b>	<b><u>Property Tax</u></b>	<b><u>Less: Expenses</u></b>	<b><u>Debt Service</u></b>		<b><u>Coverage</u></b>
			<b><u>Principal</u></b>	<b><u>Interest</u></b>	
<b>2006</b>	-	-	-	-	-
<b>2007</b>	-	-	-	-	-
<b>2008</b>	-	-	-	-	-
<b>2009</b>	-	-	-	-	-
<b>2010</b>	-	23,750	-	-	-
<b>2011</b>	1,696,001	500	467,000	227,578	2.07
<b>2012</b>	717,350	500	467,000	251,521	1.00
<b>2013</b>	682,562	-	467,000	233,541	1.00
<b>2014</b>	687,703	-	467,000	107,781	1.00
<b>2015</b>	663,029	-	467,000	197,582	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 NINE CALENDAR YEARS**  
(unaudited)

---

<b>Year</b>	<b>Population(1)</b>	<b>Personal Income(1)</b>	<b>Per Capita Personal Income(1)</b>	<b>Public School Enrollment(2)</b>	<b>Tarleton State University Enrollment(3)</b>	<b>Unemployment Rate(4)</b>
<b>2007</b>	34,420	\$ 901,769,000	24,805	5,494	7,840	3.60%
<b>2008</b>	35,581	1,004,187,000	27,378	5,461	7,763	3.80%
<b>2009</b>	35,351	1,095,025,000	29,486	5,534	8,242	6.20%
<b>2010</b>	36,061	1,054,305,000	28,045	5,611	8,896	6.60%
<b>2011</b>	37,890	1,133,770,000	29,875	5,570	9,575	6.20%
<b>2012</b>	38,266	1,206,612,000	31,532	5,740	10,279	5.10%
<b>2013</b>	39,321	1,229,432,000	31,267	5,768	10,937	5.50%
<b>2014</b>	40,147	1,316,821,600	32,800	5,804	11,038	3.80%
<b>2015</b>	41,122	1,322,072,300	32,150	5,912	12,326	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	* 1178
FMC Technologies	Oil Field Products	551
Stephenville ISD	Education	478
Saint-Gobain Abrasives	Coated Abrasives	449
Walmart Supercenter	Retail	420
Schreiber Foods	Cheese Mfg.	384
Texas Health Harris Methodist	Hospital	280
Western Dairy Transport	Milk Transport	197
Erath County	Government	194
Tejas Tubular	Oilfield Tubular Products	185
HEB Grocery	Retail	149
City of Stephenville	Government	* 142
Pal-Con	Heavy Equipment Mfg	140
EGS Electrical Group	Metal Processing	135
Outlaw Conversions	Horse Trailer Customization	126
<b>Total for top 15 Employers</b>		<b><u>5,008</u></b>

**Source:** 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 NINE FISCAL YEARS**  
(unaudited)

<b>Function/Department</b>	<b>Fiscal Years</b>								
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>General Administration</b>									
County Judge	2	2	2	2	2	2	2	2	2
County Clerk	9	9	9	8	7	8	6	7	6
Treasurer	3	3	3	3	3	3	3	3	3
Auditor	3	4	4	4	4	4	4	4	4
Tax Office	11	11	11	11	11	11	12	12	12
District Clerk	5	4	5	5	5	4	4	4	4
County Extension Office	4	4	4	4	4	4	5	4	3
Veterans Service	1	1	1	1	1	1	1	1	1
<b>Legal</b>									
County Attorney	4	5	5	5	5	5	4	4	4
District Attorney	6	6	6	7	6	6	6	6	6
<b>Judicial</b>									
County Court at Law	2	2	2	2	2	2	2	2	2
District Judge	4	4	4	4	4	4	4	4	4
Justice of the Peace # 1	4	4	4	4	4	4	4	4	4
Justice of the Peace # 2	2	2	2	2	2	2	2	2	2
<b>Road &amp; Bridge</b>									
Precinct # 1	7	7	7	6	6	7	7	7	7
Precinct # 2	9	7	8	9	9	7	7	7	7
Precinct # 3	8	9	9	9	8	7	7	7	7
Precinct # 4	7	7	7	7	7	6	6	6	6
Maintenance Barn	2	3	2	2	2	2	2	2	2
<b>Facilities</b>									
Facilities Maintenance	3	3	3	3	3	3	3	3	3
<b>Public Safety</b>									
Sheriffs Administration	27	23	23	26	26	24	24	26	24
Dispatch	8	8	8	10	10	11	11	10	10
Jail	22	22	22	22	22	25	26	27	26
Highway Patrol	1	1	1	1	1	1	1	1	1
Constable # 1	1	1	1	1	1	1	1	1	1
Constable # 2	1	1	1	1	1	1	1	1	1
Pretrial Diversion	2	2	2	2	2	2	2	2	2
<b>Health and Welfare</b>									
Sanitation	1	1	1	1	1	1	1	1	1
Emergency Medical Services	21	20	20	22	22	23	23	21	22
<b>Probation</b>									
Juvenile Probation	3	3	3	3	3	4	3	4	3
Community Supervision Corrections	8	7	7	7	7	6	5	5	4
<b>Total County Employees</b>	<b>191</b>	<b>186</b>	<b>187</b>	<b>194</b>	<b>191</b>	<b>191</b>	<b>189</b>	<b>190</b>	<b>184</b>

Source: County Treasurer/ Human Resources

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

<b>Function/Program</b>	<b>Fiscal Years</b>								
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Public Safety</b>									
Sheriff									
Number of Employees	27	23	23	26	26	24	24	29	24
Number of Dispatch Calls	7222	7678	8299	8243	8917	12000	9209	9951	9945
Fire									
Number of Employees (25 volunteer/11 paid)	37	37	37	37	37	38	36	36	36
Number of Dispatch Calls	n/r	534	542	335	488	442	413	457	490
EMS									
Number of Employees	21	20	20	22	22	23	23	21	22
Number of Dispatch Calls	1055	1032	1051	1143	1080	1025	784	777	819
<b>Road &amp; Bridge</b>									
Precinct # 1									
Number of Employees	7	7	7	6	6	7	7	7	7
Miles of Road	181.50	179.03	179.03	179.03	179.03	180.57	180.57	180.57	180.57
Precinct # 2									
Number of Employees	9	7	8	9	9	7	7	7	7
Miles of Road	224.20	229.97	229.97	229.97	229.97	213.92	213.92	213.92	213.92
Precinct # 3									
Number of Employees	8	9	9	9	8	7	7	7	7
Miles of Road	199.80	222.83	222.83	222.83	222.83	231.5	231.5	231.5	231.5
Precinct # 4									
Number of Employees	7	7	7	7	7	6	6	6	6
Miles of Road	191.20	198.32	198.32	198.32	198.32	206.39	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)

<b>Funtion</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>General Administration</b>										
Office Buildings/Courthouses	4	4	4	4	4	4	4	4	4	4
Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Sheriff Administration/Jail	1	1	1	1	1	1	1	1	1	1
Sheriff Vehicles	26	26	26	26	26	26	26	26	28	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	5	5	5	5	5	6	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	2	3	3	3	3	4	4	4	4
<b>Road &amp; Bridge</b>										
Buildings	2	2	2	2	2	2	3	3	4	4
Heavy Equipment	42	42	42	42	42	42	52	52	55	55
Vehicles	14	14	14	14	14	14	21	21	21	21
County Road (miles)	796	796	830	830	830	830	832	832	832	832

**Source:** Various County offices