

ERATH COUNTY, TEXAS



**ERATH COUNTY
FY 2017 Comprehensive
Annual Financial Report**

Erath County, Texas

Comprehensive Annual Financial Report For the Year Ended September 30, 2017

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

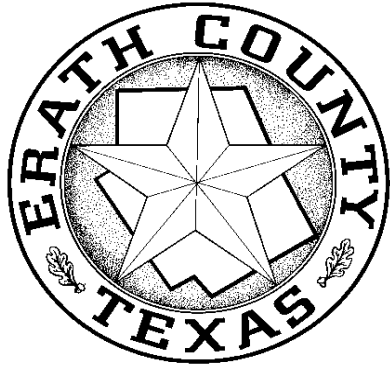
ERATH COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Year Ended September 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
Introductory Section:	
County Auditor's Letter of Transmittal	4
Principal Officials	6
Erath County Organization Chart	7
Financial Section:	
Independent Auditors' Report	9
Management's Discussion and Analysis	12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	27
Governmental Fund Financial Statements:	
Balance Sheet-Governmental Funds	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	31
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	32
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	33
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position-Fiduciary Funds	35
Notes to the Basic Financial Statements	37
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund	58
Schedule of Changes in Net Pension Liability and Related Ratios	70
Schedule of Employer Contributions	71
Notes to the Required Supplementary Information	72

TABLE OF CONTENTS (cont.)

	<u>Page</u>
Combining Fund Statements:	
Road and Bridge Funds:	
Combining Balance Sheet-Road and Bridge Fund Governmental Funds	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Road and Bridge Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-Road and Bridge	77
Nonmajor Funds:	
Combining Balance Sheet-Nonmajor Governmental Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds	83
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	88
Statistical Section:	
Financial Trends:	
Net Position Comparison	99
Changes in Net Position	101
Fund Balances, Governmental Funds	103
Changes in Fund Balances, Governmental Funds	105
Revenue Capacity:	
Taxable Value and Estimated Actual Value of Taxable Property	108
Direct and Overlapping Property Tax Rates	109
Principal Property Taxpayers	111
Property Tax Levies and Collections	113
Debt Capacity:	
Legal Debt Margin Information	115
Ratios of Outstanding Debt by Type	117
Direct and Overlapping Governmental Activities Debt	118
Pledged – Revenue Coverage	119
Demographic and Economic Information:	
Demographic and Economic Statistics	121
Principal Employers	122
Operating Information:	
County Employees by Function/Department	124
Operating Indicators by Function/Program	125
Capital Assets and Infrastructure Statistics	126



INTRODUCTORY SECTION

CAFR transmittal letter, page 2

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the 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 first assistant auditor, Kay McLearn.

Respectfully submitted,

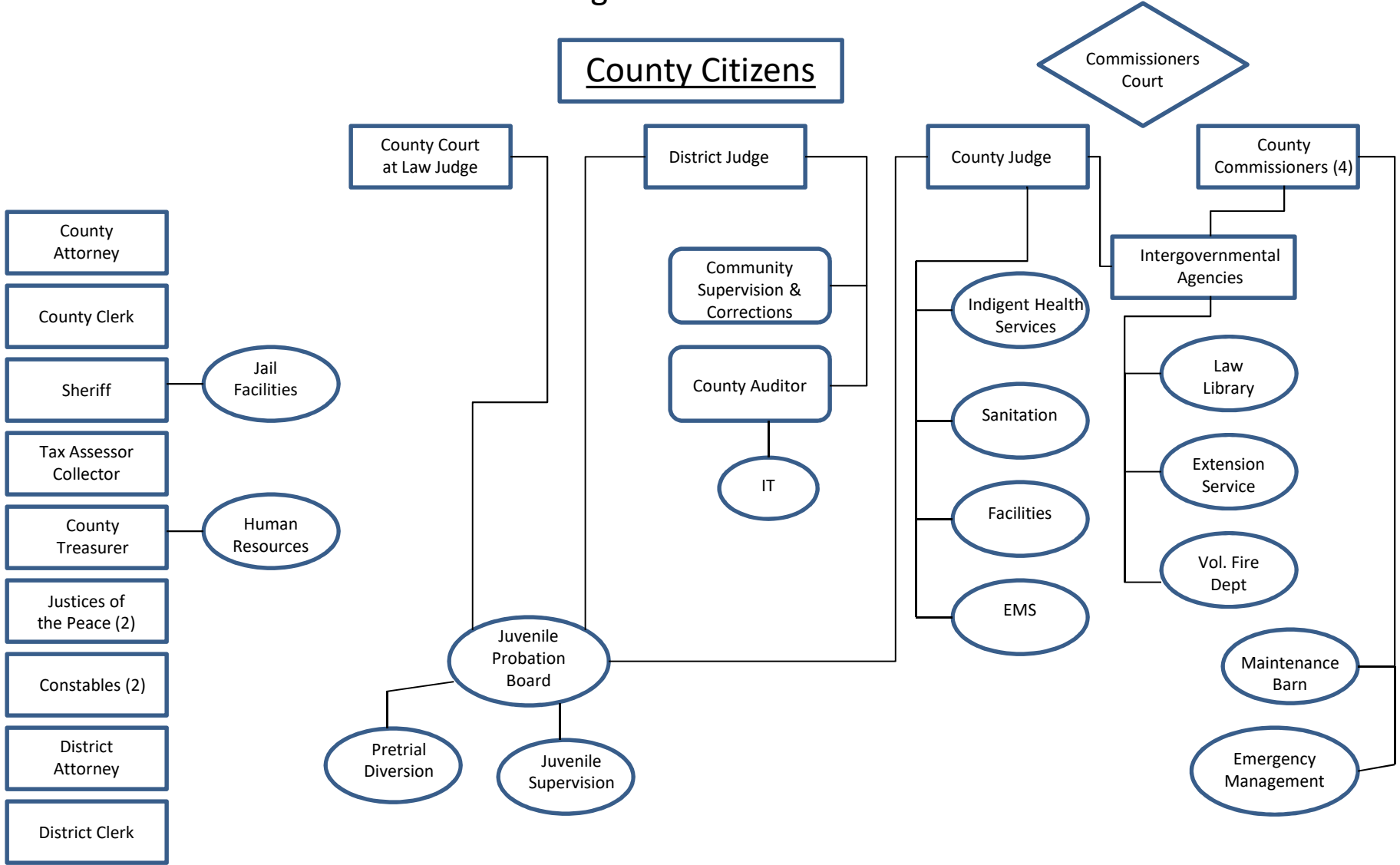
Janet S. Martin, CPA, CFE
Erath County Auditor

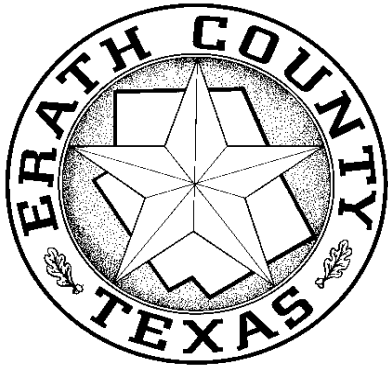
ERATH COUNTY, TEXAS
PRINCIPAL OFFICIALS

as of September 30, 2017

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

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, 2017, 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, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Texas County and District Retirement System pension schedules on pages 12 through 24, and pages 58 through 73, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Erath County's financial statements. 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 basic 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. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 combining nonmajor fund financial statements are 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
January 22, 2019

ERATH COUNTY, TEXAS

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year Ended September 30, 2017

Profile of the County

Thirty pioneers settled Erath County led by surveyor George Bernard Erath in 1855. Erath was also a Texas Ranger and soldier in the Battle of San Jacinto. Today Erath County has an estimated population of 41,659 according to the United States Census Bureau. The County has experienced an estimated growth in population of just under 10% 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 within our four precincts.

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

		2017	2016
		Number	
<u>Employer</u>	<u>Type of Business</u>	<u>of Employees</u>	
Tarleton State University *	Education	1055	989
Stephenville ISD	Education	492	475
Schreiber Foods	Cheese Mfg.	480	472
Saint-Gobain Abrasives	Coated Abrasives	482	453
FMC Technologies	Oil Field Products	642	449
Walmart Supercenter	Retail	385	384
Texas Health Harris Methodist	Hospital	275	265
Western Dairy Transport	Milk Transport	195	200
Erath County	Government	166	194
HEB Grocery	Retail	158	142
City of Stephenville **	Government	149	142
Fibergrate Composite Structures	Fiber Glass Products	145	0
EGS Electrical Group	Metal Processing	140	140
Stephenville Medical & Surgical	Health Care	129	130
ABF Packing Inc.	Meat Processing Plant	129	120
Top 15 Employers		5,022	4,555

*Tarleton State University also employs approximately 1038 part-time student workers

**City of Stephenville also employs over 170 seasonal part-time employees

(Source - 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 was 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 December 31, 2016 asset additions total \$28.2 million which exceed the original projection. As 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.

Grants

Erath County benefits from multiple grants. During fiscal year 2017 the County received the following grant funds:

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

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, 2017. 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 in FY2017. The fiscal year 2016 net position was \$35,908,242 compared to the fiscal 2017 net position of \$38,132,641. The net increase was \$2,224,399. The total net position is comprised of:

- \$ 1,441,446 - restricted by external regulators
- \$ 708,985 - restricted for debt service
- \$ 21,448,390 - unrestricted net position funds that may be used to meet on-going obligations to citizens and creditors
- \$ 14,533,820 – net investment in capital assets

Governmental Funds Financial Statements

The County's governmental funds reported combined fund balances of \$24,624,675; compared to \$22,766,488 of prior year. Components of fund balances are:

- \$ 127,299 – non-spendable
- \$ 2,150,431 – restricted
- \$ 4,855,692 - committed
- \$ 17,491,253 - unassigned

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$17,479,090 or 131% of general fund expenditures (excluding other financing sources).

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the County's basic financial statements.

The County's basic financial statements are comprised of three components:

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

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

Government-wide financial statements

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

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

The *statement of activities* presents information showing how net position changed during the most recent fiscal year using full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, public safety and law enforcement, road and bridge, and health and welfare.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. In particular, unassigned, assigned, and committed

fund balances may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintains 25 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 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. In previous years included in proprietary funds was money for our self-funded disability pool. The pool has been dissolved and disability is now provided through the Texas Associations of Counties.

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, 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, 2017 and 2016 are summarized as follows:

Erath County's Net Position				
Governmental Activities				
2017 - 2016 Increase (Decrease)				
	2017	2016	Increase (Decrease)	
Current and other assets	\$ 26,186,852	\$ 24,094,478	\$	2,092,374
Capital assets (net of depreciation)	18,293,360	18,075,155		218,205
Deferred outflows	2,608,956	3,100,566		(491,610)
Total assets and deferred outflows	\$ 47,089,168	\$ 45,270,199	\$	1,818,969
Current and other liabilities	\$ 1,913,574	\$ 1,756,757	\$	156,817
Long-term liabilities	6,989,931	7,327,983		(338,052)
Deferred inflows	53,022	277,217		(224,195)
Total liabilities and deferred inflows	\$ 8,956,527	\$ 9,361,957	\$	(405,430)
Net investment in capital assets	\$ 14,533,820	\$ 13,820,204	\$	713,616
Restricted net position	2,150,431	2,067,212		83,219
Unrestricted net position	21,448,390	20,020,826		1,427,564
Total net position	\$ 38,132,641	\$ 35,908,242	\$	2,224,399

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 \$ 38,132,641 at the close of the most recent fiscal year, representing a 6.19% increase from the prior year. The largest portion of net position (56.25%) may be used to meet the government's commitments and on-going obligations to citizens and creditors. An additional portion of net position (5.64%) 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* (38.11%) reflects investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related and outstanding debt used to acquire those assets. The County uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although investments in capital assets are reported net of related debt and the County's philosophy is "pay-as-you-go", it should be noted that the resources needed to repay any necessary

debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental activities. Program revenues and expenses are presented net of inter-fund eliminations. Key elements for the years ended September 30, 2017 and 2016 are as follows:

Erath County's Changes in Net Position				
		2017	2016	Increase (Decrease)
Revenue				
Program revenue:				
Charges for Services	\$	221,516	\$ 202,457	\$ 19,059
Fines and Fees		3,128,380	3,172,386	(44,006)
Operating grants and contributions		146,194	107,144	39,050
Capital grants and contributions		1,014,107	313,466	700,641
General revenues:				
Property taxes		13,247,503	12,681,825	565,678
Other taxes		2,482,873	2,493,050	(10,177)
Misc. Revenue		274,604	731,143	(456,539)
Investment earnings		168,463	113,965	54,498
Gain on sales of capital assets		364,168	56,214	307,954
Total Revenues	\$	21,047,808	\$ 19,871,650	\$ 1,176,158
Expenses				
General administration	\$	3,979,356	\$ 4,334,019	\$ (354,663)
Judicial administration		2,729,686	2,751,586	(21,900)
public safety and law enforcement		5,238,509	5,148,313	90,196
Road and bridge		4,576,546	3,980,774	595,772
Health and welfare		2,144,881	1,698,417	446,464
Interest and fees on long-term debt		154,431	178,561	(24,130)
Total Expenses	\$	18,823,409	\$ 18,091,670	\$ 731,739
Change in net position		2,224,399	1,779,980	444,419
Net position - beginning		35,908,242	34,128,262	1,779,980
Net position - ending	\$	38,132,641	\$ 35,908,242	\$ 2,224,399

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 \$21,047,808 compared to \$19,871,650 for prior fiscal year or 5.92% increase. Revenues increased \$1,176,158 from the prior fiscal period.

Property taxes increased by \$565,678 during the year. The change is due to increased taxable assessed values. The tax rate assessed for July 25, 2017 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 2017, net (expense) revenue was \$14,313,212 compared to \$14,296,217 in FY 2016.

- 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 2.0% for inflation. Retired employees did not receive an increase.
- General administration – Decreased due to non-recurring \$575,000 lump sum retirement payment in FY16
- Judicial – Expenditures, in total, were down. The cost of providing legal assistance for indigent representation increased slightly in civil litigation.
- Road and Bridge expenses increased \$595,772 in FY17. Fiscal year 2015 brought floods and draught delaying road maintenance. Maintenance began to increase in FY16 until the second calendar quarter. From March 2016 through June 2016 Erath County experienced additional storms with tornadoes, lightning damage, and additional flooding. Road and bridge expenses increased due to the massive amount of repair and maintenance work necessary following two years of weather related erosion.
- Health & Welfare – The two main factors responsible for the increase in Health & Welfare were equipment purchases and jail indigent health costs.
- 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 \$1,858,187 in the current fiscal year to \$24,624,675. 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 \$17,479,090 in contrast to \$16,303,652 in the prior year.

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

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

Governmental Funds - Revenues Classified By source					
				Increase	Percent of
	2017	2016		(Decrease)	Change
Taxes and registrations	\$ 16,903,614	\$ 16,358,097	\$	545,517	3.33%
Intergovernmental	1,684,750	941,320		743,430	78.98%
Fines, fees, and charges for services	1,606,704	1,594,386		12,318	0.77%
Interest	168,463	113,965		54,498	47.82%
Other Revenue	293,703	731,143		(437,440)	-59.83%
Total	\$ 20,657,234	\$ 19,738,911	\$	918,323	4.65%

- **Taxes and registrations** – increased by \$545,517 with increasing property values.
- **Intergovernmental** – increased from grant money from the 2015 and 2016 storm damage. A portion of the money for the disasters was received in fiscal year 2017.
- **Fines, fees, and charges for services** – remained static
- **Interest**– the increase was the result of participation in the CDARS program and a slight increase in interest rates.
- **Other Revenue** – the reduction is the result no additional insurance claim money received in fiscal 2017.

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

Expenditures by Function - Governmental Funds					
Function:	2017	2016	Increase (Decrease)	Percent of Change	
General Administration	\$ 3,760,134	\$ 4,089,513	\$ (329,379)	-8.05%	
Legal	720,477	763,917	(43,440)	-5.69%	
Judicial	1,847,848	1,893,789	(45,941)	-2.43%	
Road & Bridge	4,014,578	3,576,835	437,743	12.24%	
Public Safety	4,475,815	4,600,425	(124,610)	-2.71%	
Health & Welfare	2,097,007	1,686,426	410,581	24.35%	
Capital Projects	1,518,138	1,849,230	(331,092)	-17.90%	
Debt Service - Interest	234,713	187,504	47,209	25.18%	
Debt Service - Principal	495,411	584,114	(88,703)	-15.19%	
Debt Service - Bank Charges	641	591	50	8.46%	
Total	\$ 19,164,762	\$ 19,232,344	\$ (67,582)	-0.35%	

- Salary levels increased approximately 2.5% from step increases and 2% for cost of living increase. The cost of health insurance increased 9%.
- General administration – Decreased due to non-recurring \$575,000 lump sum retirement payment in FY16
- Legal and Judicial – Both of these categories decreased slightly due to the nature of the type of cases prosecuted.
- Road & Bridge – The drought and floods in 2015 left roads and bridges needing significant work. From March 2016 through June of 2016 the County experienced more flooding adding to the need for road maintenance and repair. The increase in Road and Bridge expenditures is weather related. Expenditures to repair the weather related damage continued through June of 2018.
- Public Safety – All public safety offices had open positions that they were not able to fill resulting in a reduction of cost.
- Health & Welfare – The two main factors responsible for the increase in Health & Welfare were equipment purchases and jail indigent health costs.
- Capital Projects – Fiscal year 2016 saw an increase in capital expenditures above the average purchases for Erath County. The reduction in fiscal 2017 is a return to more normal expenditure levels.
- Debt service – A minimal interest increase related to vehicle leasing and the timing of an interest payment on the certificates of obligation for the jail construction while the principal reduction is the result of a lower debt obligation for leased vehicles.

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY2017 legally adopted cash budget was approved on September 12, 2016 totaling \$16,260,916 an increase of \$536,558 from FY2016 budget. The FY2017 legally adopted budget for all funds totaled \$24,014,019; an increase of \$2,304,790 primarily for facilities expansion to paid from reserves.

Highlights from Erath County FY 2017 Budget include the following:

- The County’s property tax rate for valuation date January 1, 2016 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, 2017, the County had certificates of obligation outstanding in the amount of \$3,731,000. 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 FY2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 189,176	\$ 33,897	\$ -	\$ 223,073	\$ 196,304
Capital leases	56,951	-	(28,411)	28,540	28,540
Certificates of Obligation	4,198,000	-	(467,000)	3,731,000	467,000
Total:	\$4,444,127	\$ 33,897	\$ (495,411)	\$ 3,982,613	\$ 691,844

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, 2017, net capital assets of the governmental activities totaled \$18,293,360 reflecting a net increase of \$218,205 from the prior fiscal year as a result of asset acquisitions. Depreciation of capital assets is recognized in the government-wide financial statements. FY 2017 depreciation for buildings, improvements, and M&E totaled \$1,298,386.

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 FY2017 Budget meets the key established policy directive of the Commissioners Court. The FY2017 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 FY2017 Budget and anticipated expenses into FY2018 include the following:

- The FY2017 tax rate remained unchanged.
- April and May of 2015 brought flood and related storm damage to Erath County. The damage to buildings, equipment, vehicles, and road infrastructure. March 2016 a tornado damaged the Courthouse and inclement weather continued through June 2016. Buildings, equipment, and vehicles are covered by insurance through the Texas Association of Counties. Erath County has been included in two disaster zone declaration allowing the County to qualify for federal assistance. FEMA paid Erath County in excess of \$984,000 related to the floods. Fiscal 2018 will include an estimated \$250,000 additional expenses and an unknown amount of reimbursement from FEMA.
- The County continues to grow and prosper and that prosperity leads to the need for additional services. Along with County growth, the County as a subdivision of the State is required to provide additional services. The Long Hotel will be sold because of a lack of parking to accommodate citizen and employee parking. The County has purchased a property in walking distance of the historic courthouse and the Donald Jones Justice Center. Renovation should be complete during fiscal 2018 and the cost will be paid from reserves.
- The unassigned fund balance of \$17,491,253 allows the County to operate with the assurance that financial solvency is not an issue, as well as allowing the ability to pay for capital expansion and disasters without the need of additional debt. The State continues to issue “unfunded” mandates for the counties.

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 or County Treasurer) at 100 W. Washington, Stephenville, TX 76401.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**ERATH COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

	<u>Primary Government Governmental Activities</u>	<u>Component Unit- Erath County Volunteer Fire Department</u>
ASSETS:		
Cash and investments	\$ 24,970,965	\$ 41,447
Receivables (net of allowance for uncollectible)		
Taxes	820,552	-
Other	252,036	-
Other assets	127,299	
Restricted assets		
Cash and cash equivalents	16,000	-
Capital Assets (net of accumulated depreciation)		
Land	859,055	-
Buildings, net	12,018,194	-
Furniture and equipment, net	5,416,111	16,875
Total Assets	44,480,212	58,322
DEFERRED OUTFLOWS:		
Deferred retirement contributions	604,127	-
Deferred assumption/input changes	169,497	-
Deferred investment experience	1,835,332	-
Total Deferred Outflows	2,608,956	-
LIABILITIES:		
Accounts payable and accrued liabilities	813,944	-
Accrued salaries and wages	327,620	13,555
Accrued interest	976	-
Due to other governments	68,330	-
Other liabilities	10,860	-
Certificate of obligation-due within one year	467,000	-
Capital lease-due within one year	28,540	-
Accrued compensated absences-due within one year	196,304	-
Noncurrent liabilities		
Certificate of obligation-due in more than one year	3,264,000	-
Accrued compensated absences-due in more than one year	26,769	-
Net pension liability	3,699,162	-
Total Liabilities	8,903,505	13,555
DEFERRED INFLOWS:		
Deferred actual vs. assumption	53,022	
NET POSITION:		
Net investment in capital assets	14,533,820	-
Restricted for:		
Debt service	708,985	-
Special revenue purposes	1,441,446	-
Unrestricted	21,448,390	44,767
Total Net Position	\$ 38,132,641	\$ 44,767

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

**ERATH COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Program Activities	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General administration	\$ 3,979,356	\$ 216,470	\$ 73,058
Judicial administration	2,729,686	1,182,624	10,200
Public safety and law enforcement	5,238,509	691,280	62,936
Road and bridge	4,576,546	998,711	-
Health and welfare	2,144,881	260,811	-
Interest and fees on long-term debt	154,431	-	-
Total Governmental Activities	<u>18,823,409</u>	<u>3,349,896</u>	<u>146,194</u>
Total primary government	<u>\$ 18,823,409</u>	<u>\$ 3,349,896</u>	<u>\$ 146,194</u>
Component Unit:			
Erath County Volunteer Fire Department	281,948		261,280
Total Primary Government	<u>\$ 281,948</u>	<u>\$ -</u>	<u>\$ 261,280</u>

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

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

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>	<u>Component Unit- Erath County Volunteer Fire Department</u>
	<u>Governmental Activities</u>	
\$ -	\$ (3,689,828)	\$ -
-	(1,536,862)	-
-	(4,484,293)	-
1,014,107	(2,563,728)	-
-	(1,884,070)	-
-	(154,431)	-
<u>\$ 1,014,107</u>	<u>(14,313,212)</u>	<u>-</u>
	<u>\$ (14,313,212)</u>	<u>\$ -</u>
	-	(20,668)
	<u>\$ -</u>	<u>\$ (20,668)</u>
	\$ 13,102,916	\$ -
	2,482,873	-
	144,587	-
	274,604	-
	168,463	-
	364,168	-
	<u>16,537,611</u>	<u>-</u>
	2,224,399	(20,668)
	35,908,242	65,435
	<u>\$ 38,132,641</u>	<u>\$ 44,767</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, 2017**

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 18,224,477	\$ 5,248,484	\$ 1,498,004	\$ 24,970,965
Taxes receivable	696,364	118,558	5,630	820,552
Due from other fund	-	-	647,568	647,568
Other receivable	21,305	30	7,925	29,260
Other assets	127,299	-	-	127,299
Restricted cash and cash equivalents	16,000	-	-	16,000
Total Assets and Other Debits	<u>\$ 19,085,445</u>	<u>\$ 5,367,072</u>	<u>\$ 2,159,127</u>	<u>\$ 26,611,644</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 411,348	\$ 400,325	\$ 2,271	\$ 813,944
Wages and salaries payable	259,488	67,337	795	327,620
Due to other fund	647,568	-	-	647,568
Due to other governments	68,330	-	-	68,330
Other liabilities	10,860	-	-	10,860
Total Liabilities	<u>1,397,594</u>	<u>467,662</u>	<u>3,066</u>	<u>1,868,322</u>
Deferred inflows:				
Deferred property taxes	<u>81,462</u>	<u>31,555</u>	<u>5,630</u>	<u>118,647</u>
Fund Balances:				
Nonspendable	127,299	-	-	127,299
Restricted				
Debt service	-	-	708,985	708,985
Election	-	-	27,220	27,220
General administration	-	-	31,563	31,563
Judicial	-	-	211,203	211,203
Legal	-	-	117,239	117,239
Public safety	-	-	259,441	259,441
Records management	-	-	794,780	794,780
Committed				
Road & bridge	-	4,855,692	-	4,855,692
Unassigned	17,479,090	12,163	-	17,491,253
Total Fund Balances	<u>17,606,389</u>	<u>4,867,855</u>	<u>2,150,431</u>	<u>24,624,675</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 19,085,445</u>	<u>\$ 5,367,072</u>	<u>\$ 2,159,127</u>	<u>\$ 26,611,644</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, 2017

Total Fund Balances- Governmental Funds		\$ 24,624,675
Amounts reported in governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds balance sheet.		
Governmental capital assets	\$ 35,709,520	
Accumulated depreciation	<u>(17,416,160)</u>	18,293,360
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.		
		(3,982,613)
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.		
		(976)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.		
Office fees	222,776	
Property taxes	<u>118,647</u>	341,423
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	(3,699,162)	
Deferred actual vs. assumption	(53,022)	
Deferred retirement contributions	604,127	
Deferred assumption/input changes	169,497	
Deferred investment experience	<u>1,835,332</u>	(1,143,228)
Net Position of Governmental Activities		<u><u>\$ 38,132,641</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, 2017

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE:				
Taxes:				
Property taxes	\$ 9,097,932	\$ 3,506,334	\$ 629,053	\$ 13,233,319
General sales and other taxes	2,482,873	-	-	2,482,873
Auto registrations	188,711	998,711	-	1,187,422
Intergovernmental revenue and grants	634,831	1,049,919	-	1,684,750
Charges for services	212,066	-	9,450	221,516
Fines and fees	1,140,036	-	245,152	1,385,188
Forfeitures	19,099	-	-	19,099
Investment earnings	118,199	40,121	10,143	168,463
Other revenue	272,929	30	1,645	274,604
Total Revenues	<u>14,166,676</u>	<u>5,595,115</u>	<u>895,443</u>	<u>20,657,234</u>
EXPENDITURES:				
Current:				
General Government:				
Public finance	1,698,015	-	57,333	1,755,348
General administration	1,984,925	-	19,861	2,004,786
Judicial	1,839,431	-	8,417	1,847,848
Legal	699,950	-	20,527	720,477
Public safety	4,470,815	-	5,000	4,475,815
Health and welfare	2,097,007	-	-	2,097,007
Road and bridge	-	4,014,578	-	4,014,578
Debt Service:				
Bank charges	-	-	641	641
Principal	28,411	-	467,000	495,411
Interest	1,268	-	233,445	234,713
Capital Outlay:				
Capital outlay	482,795	1,035,343	-	1,518,138
Total Expenditures	<u>13,302,617</u>	<u>5,049,921</u>	<u>812,224</u>	<u>19,164,762</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures				
	<u>864,059</u>	<u>545,194</u>	<u>83,219</u>	<u>1,492,472</u>
OTHER FINANCING SOURCES (USES):				
Proceeds on sale of assets	25,755	339,960	-	365,715
Proceeds on issuance of capital lease	-	-	-	-
Transfers in	-	200,000	-	200,000
Transfers out	-	(200,000)	-	(200,000)
Total Other Financing Sources (Uses)	<u>25,755</u>	<u>339,960</u>	<u>-</u>	<u>365,715</u>
Net Change in Fund Balances	889,814	885,154	83,219	1,858,187
Fund Balances - Beginning	16,716,575	3,982,701	2,067,212	22,766,488
Fund Balances - Ending	<u>\$ 17,606,389</u>	<u>\$ 4,867,855</u>	<u>\$ 2,150,431</u>	<u>\$ 24,624,675</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, 2017**

Net Change in Fund Balances-Total Governmental Funds	\$	1,858,187
------------------------------------------------------	----	-----------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.		1,518,138
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-----------

Depreciation expense on capital asses is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(1,298,386)
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-------------

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.		(1,547)
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	---------

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.

Principal payments	495,411		
Decrease in compensated absences	(33,897)		461,514

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.		80,923
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--------

Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Office fees	12,222		
Property taxes	14,184		26,406

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.		(420,836)
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-----------

Change in Net Position of Governmental Activities	\$	2,224,399
---------------------------------------------------	----	-----------

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, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and short-term investments	\$ 1,600,982
Total Assets	<u>\$ 1,600,982</u>
LIABILITIES	
Due to others	\$ 1,600,982
Total Liabilities	<u>\$ 1,600,982</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, 2017

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

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

Financial Statement Presentation

Government-wide financial statements - The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements - The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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.

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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

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 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.

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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

C. Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

For the purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

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

Property taxes are recorded net of the allowance for uncollectible taxes (\$181,600 General Fund, \$70,344 Road and Bridge Fund and \$12,549 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.

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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

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, 2017 to finance maintenance and operations of the County, Debt Service, and Road and Bridge were \$0.3227, \$0.0233, and \$0.1250 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.

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

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

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.

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, 2017, the value of accumulated vacation benefits was \$173,910 and the value of accumulated sick pay benefits was approximately \$49,163 for a total of \$223,073.

The portion of accrued vacation pay and sick pay that has been classified as current is \$196,304.

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.

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

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2017

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, 2017

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.

As of the date of this report, management is unable to determine the amount of expenditures of federal awards as defined by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). At the point in time the expenditures of federal awards are finalized, additional steps, if required, will be taken.

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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3: Deposits and Investments (cont.)

Cash and investments as of September 30, 2017 consist of the following:

Cash on hand	\$ 5,300
Deposits with financial institutions	5,977,210
Short-term investments	9,880,063
Certificates of deposit	<u>9,124,392</u>
	<u><u>\$ 24,986,965</u></u>

A. Cash Deposits

At September 30, 2017, 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, 2017 consisted of the following:

Investment Type	Amount	Weighted Average Maturity
Texpool	\$ 9,880,063	37 days
Certificates of deposit	<u>9,124,392</u>	180 days
	<u><u>\$ 19,004,455</u></u>	

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3: Deposits and Investments (cont.)

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.

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, 2017 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, 2017, TexPool's investment credit quality rating was AAAM (Standard & Poor's). The certificates of deposit are not rated.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3: Deposits and Investments (cont.)

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

NOTE 4: Capital Assets

Capital asset activity for the year ended September 30, 2017 was as follows:

	October 1, 2016	Increase	Decrease	September 30, 2017
Government activities capital assets:				
Non-depreciable assets:				
Land	\$ 831,055	\$ 28,000	\$ -	\$ 859,055
Total non-depreciable assets	<u>831,055</u>	<u>28,000</u>	<u>-</u>	<u>859,055</u>
Depreciable assets:				
Buildings	18,717,307	-	-	18,717,307
Furniture and equipment	15,325,390	1,490,138	(682,370)	16,133,158
Total depreciable assets	<u>34,042,697</u>	<u>1,490,138</u>	<u>(682,370)</u>	<u>34,850,465</u>
Totals at historic cost	<u>34,873,752</u>	<u>1,518,138</u>	<u>(682,370)</u>	<u>35,709,520</u>
Less accumulated depreciation:				
Buildings	(6,228,044)	(471,069)	-	(6,699,113)
Furniture and equipment	(10,570,553)	(827,317)	680,823	(10,717,047)
Total accumulated depreciation	<u>(16,798,597)</u>	<u>(1,298,386)</u>	<u>680,823</u>	<u>(17,416,160)</u>
Total capital assets, being depreciated, net	<u>17,244,100</u>	<u>191,752</u>	<u>(1,547)</u>	<u>17,434,305</u>
Governmental capital assets, net	<u>\$ 18,075,155</u>	<u>\$ 219,752</u>	<u>\$ (1,547)</u>	<u>\$ 18,293,360</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	\$ 140,748
Justice	70,404
Public safety	626,457
Public transportation	460,777
Total depreciation expense	<u>\$ 1,298,386</u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 5: Interfund Transactions (cont.)

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, 2017, Road and Bridge performed an interfund transfer to fund operations of the Maintenance Barn in the amount of \$200,000.

NOTE 6: Long-Term Obligations

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

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

The following are certificates outstanding at September 30, 2017:

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

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

Year Ending September 30,	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	467,000	134,654	\$ 601,654
2019	467,000	116,674	583,674
2020	467,000	98,695	565,695
2021	467,000	80,715	547,715
2022	467,000	62,736	529,736
2022-2026	1,396,000	80,426	1,476,426
	<u>\$ 3,731,000</u>	<u>\$ 573,900</u>	<u>\$ 4,304,900</u>

Long-term obligations include debt and compensated absences. Changes in long-term obligations for the period ended September 30, 2017, are as follows:

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6: Long-Term Obligations (cont.)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 189,176	\$ 33,897	\$ -	\$ 223,073	\$ 196,304
Certificate of obligation	4,198,000	-	467,000	3,731,000	467,000
Capital lease	56,951	-	28,411	28,540	28,540
Total Governmental Activities	<u>\$ 4,444,127</u>	<u>\$ 33,897</u>	<u>\$ 495,411</u>	<u>\$ 3,982,613</u>	<u>\$ 691,844</u>

NOTE 7: Commitments Under Capital Lease

The County has entered into capital leases. The leased property under capital leases is classified as furniture and equipment with a total capitalized cost of \$95,451 and amortized value of \$76,361. Amortization expense has been included in depreciation expense for the year ended September 30, 2017.

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, 2017:

2018	<u>\$ 29,679</u>
	29,679
Less amount representing interest	<u>1,139</u>
Present value of net minimum lease payments	<u>\$ 28,540</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, 2017, as follows:

Year Ending September 30,	
2018	\$ 7,572
2019	7,572
2020	<u>631</u>
Total Minimum Future Lease Obligations	<u>\$ 15,775</u>
 Rental Expenditures in 2017	 <u>\$ 3,766</u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2017, 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, 2017

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, 2016 valuation and measurement date, the following employees were covered by the benefits terms:

Inactive employees of beneficiaries currently receiving benefits	101
Inactive employees entitled to but not yet receiving benefits	25
Active employees	206
	<u>332</u>

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 10.75% for the calendar year ending in 2017. The deposit rate payable by the employee members for calendar year 2017 is the rate of 7% 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, 2017, was measured as of December 31, 2016, 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, 2016 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, 2017

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, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale thereafter. Service retirees, beneficiaries and non-depositing members were based on RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale thereafter, for males and females as appropriate, with adjustments. Disabled retirees were based on RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale thereafter, for males and females as appropriate, with adjustments.

As described above, updated mortality assumptions were adopted in 2015. All other actuarial assumptions used in the December 31, 2016 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 2017 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, 2012. 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 2017) 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	13.5%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	16.0%	7.70%
Global Equities	MSCI World (net) Index	1.5%	5.00%
Int'l Equities - Developed Markets	MSCI World Ex USA (net)	10.0%	4.70%
Int'l Equities - Emerging Markets	MSCI EM Standard (net)	7.0%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.0%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.0%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.0%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index	3.0%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.0%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.0%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.0%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.0%	3.85%
Total		100.0%	

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2015	\$ 33,326,701	\$ 29,780,960	\$ 3,545,741
Changes for the year:			
Service cost	1,061,170	-	1,061,170
Interest on total pension liability	2,686,025	-	2,686,025
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	180,055	-	180,055
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(30,415)	(30,415)	-
Benefit payments	(1,369,140)	(1,369,140)	-
Administrative expenses	-	(24,004)	24,004
Member contributions	-	541,435	(541,435)
Net investment income	-	2,208,516	(2,208,516)
Employer contributions	-	862,429	(862,429)
Other	-	185,453	(185,453)
Net changes	\$ 2,527,695	\$ 2,374,274	\$ 153,421
Balance at 12/31/2016	\$ 35,854,396	\$ 32,155,234	\$ 3,699,162

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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:

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ 40,276,494	\$ 35,854,396	\$ 32,148,036
Fiduciary net position	32,155,234	32,155,234	32,155,234
Net pension liability (asset)	\$ 8,121,260	\$ 3,699,162	\$ (7,198)

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.

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

For the year ended September 30, 2017, the County recognized pension expense of \$1,287,713.

As of September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 197,820	\$ 144,798
Changes of assumptions	-	169,497
Net difference between projected and actual earnings	-	1,835,332
Contributions subsequent to the measurement date	-	604,127
Total	\$ 197,820	\$ 2,753,754

\$604,127 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, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Valuation year ended December 31:	
2017	\$ 662,242
2018	652,486
2019	595,015
2020	42,064
2021	-
Thereafter	-

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

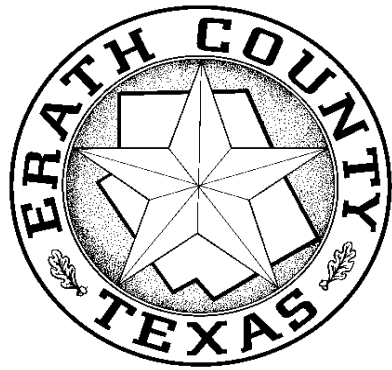
NOTE 11: Commitments and Contingencies

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, 2017, 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.



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, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
REVENUES:				
Taxes:				
Current taxes	\$ 8,910,356	\$ 8,910,356	\$ 8,888,611	\$ (21,745)
Delinquent taxes	685,000	685,000	109,358	(575,642)
Penalty & interest	86,500	86,500	94,572	8,072
Mixed drink tax	85,000	85,000	109,998	24,998
Sales tax	2,235,000	2,235,000	2,356,135	121,135
Tax certificate	15,000	15,000	16,740	1,740
Late rendition penalty	5,000	5,000	5,391	391
Total Taxes	12,021,856	12,021,856	11,580,805	(441,051)
General County				
Interest	45,600	45,600	109,133	63,533
Tobacco settlement	20,000	20,000	37,246	17,246
State juror reimbursement	10,000	10,000	10,200	200
Workers comp adjustment	-	-	1,002	1,002
Health insurance reimbursement	-	-	5,273	5,273
Vending machines	-	-	392	392
General county miscellaneous	3,000	3,000	87,969	84,969
Total General County	78,600	78,600	251,215	172,615
County Clerk				
Drug court cost	1,200	1,200	1,042	(158)
Judicial support fee	250	250	174	(76)
Juror fee	-	-	116	116
Bond forfeiture	6,000	6,000	12,690	6,690
Judges education	500	500	668	168
Fees	527,600	527,600	457,828	(69,772)
5% cash bond	500	500	1,082	582
State traffic fee	100	100	54	(46)
Indigent legal	100	100	141	41
DPS arrest	1,500	1,500	1,425	(75)
EMS trauma	1,000	1,000	1,013	13
Other revenue	-	-	3,219	3,219
Total County Clerk	538,750	538,750	479,452	(59,298)
Tax Collector/Assessor				
TERP surcharge fee	1,700	1,700	1,443	(257)
Tax entity commission	38,000	38,000	36,698	(1,302)
Auto commission	150,000	150,000	106,145	(43,855)
Motor vehicle titles	40,000	40,000	44,425	4,425
Chapter 19 reimbursement	-	-	1,160	1,160
Total Tax Collector/Assessor	229,700	229,700	189,871	(39,829)
Sanitation				
Fees	45,000	45,000	48,745	3,745
Total Sanitation	45,000	45,000	48,745	3,745

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Election				
Reimbursed election expense	13,000	13,000	16,994	3,994
Total Election	13,000	13,000	16,994	3,994
Volunteer Fire Department				
Workers comp refund	5,000	5,000	4,281	(719)
Grant revenue	-	-	4,966	4,966
Miscellaneous	-	-	8,660	8,660
Total Volunteer Fire Department	5,000	5,000	17,907	(719)
911 Emergency				
COG reimbursement 911	35,000	35,000	31,142	(3,858)
Total 911 Emergency	35,000	35,000	31,142	(3,858)
District Judge				
Reimbursements	-	-	335	335
Total 911 Emergency	-	-	335	335
District Clerk				
Restitution	-	-	395	395
Drug court cost	-	-	222	222
Family violence fee	-	-	214	214
Judicial support fee	-	-	40	40
AG citation fee	2,000	2,000	6,921	4,921
AG motion fee	-	-	530	530
Court appointed attorney	16,000	16,000	15,953	(47)
Fees	135,000	135,000	140,753	5,753
Jury trial tee	1,200	1,200	1,647	447
Visual recorder	-	-	1	1
5% cash bond	-	-	150	150
Court reporter fee	4,500	4,500	5,325	825
Consolidated court cost	750	750	932	182
DNA testing	-	-	7	7
AG child support	700	700	653	(47)
Time payments	500	500	827	327
EMS trauma	100	100	128	28
Indigent legal	200	200	252	52
Bureau of vital statistics	125	125	193	68
Other	-	-	2	2
Total District Clerk	161,075	161,075	175,145	14,070

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
District Attorney				
Judicial district apportionment	28,200	28,200	55,683	27,483
Assistant DA longevity	980	980	1,180	200
Miscellaneous	1,200	1,200	4,653	3,453
Total District Attorney	<u>30,380</u>	<u>30,380</u>	<u>61,516</u>	<u>31,136</u>
District Court				
Appointed attorney	30,000	30,000	25,722	(4,278)
Total District Court	<u>30,000</u>	<u>30,000</u>	<u>25,722</u>	<u>(4,278)</u>
County Attorney				
State salary allocation	70,000	70,000	64,167	(5,833)
Court apportionment	9,300	9,300	7,951	(1,349)
Miscellaneous	-	110	1,014	904
Total County Attorney	<u>79,300</u>	<u>79,410</u>	<u>73,132</u>	<u>(6,278)</u>
Court At Law				
State salary allocation	84,000	84,000	84,000	-
Court apportionment	35,000	35,000	34,694	(306)
Probate fees	-	-	266	266
Interpreter fees	700	700	300	(400)
Total Court At Law	<u>119,700</u>	<u>119,700</u>	<u>119,260</u>	<u>(440)</u>
Justice of The Peace #1				
Judicial fee	1,000	1,000	1,045	45
City apportionment	130,548	130,548	130,548	-
Jury fee	700	700	697	(3)
Expungent fee	-	-	240	240
Fees	119,600	119,600	146,573	26,973
Defensive driving	2,000	2,000	2,564	564
Traffic	2,000	2,000	2,827	827
Consolidated court cost	6,200	6,200	6,979	779
Child safety	-	-	673	673
Indigent legal	6,000	6,000	9,643	3,643
Arrest fee	5,500	5,500	6,797	1,297
Time payments	1,800	1,800	2,274	474
Motor carrier fee	-	-	2,000	2,000
Child safety seat	-	-	368	368
Total Justice of The Peace #1	<u>275,348</u>	<u>275,348</u>	<u>313,228</u>	<u>37,880</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Justice of The Peace #2				
Judicial fee	200	200	249	49
Jury fee	-	-	166	166
Fees	36,000	36,000	39,869	3,869
Defensive driving	750	750	643	(107)
Traffic	750	750	807	57
Consolidated court cost	1,500	1,500	1,704	204
Seatbelt	-	-	-	-
Failure to appear	-	-	150	150
DPS arrest	1,500	1,500	1,664	164
Time payments	-	-	226	226
Motor carrier	-	-	500	500
Child safety	-	-	25	25
Total Justice of The Peace #2	40,700	40,700	46,003	5,303
Sheriff				
Crime victim reimbursement	2,000	2,000	4,915	2,915
Fees	48,000	48,000	48,428	428
Visual recorder fee	2,200	2,200	1,520	(680)
Bail bond fee	1,200	1,200	1,494	294
Estray cattle	4,500	4,500	5,457	957
State inmate reimbursement	5,000	5,000	6,763	1,763
City of Dublin inmates	1,500	1,500	4,100	2,600
City of Stephenville inmates	20,000	20,000	15,600	(4,400)
Inmate phone commission	20,000	20,000	46,182	26,182
Extradition reimbursement	600	600	714	114
Inmate SSA	1,000	1,000	3,000	2,000
Insurance claim reimbursement	-	2,267	46,622	44,355
Grant revenues	4,000	4,000	11,857	7,857
Auto claim transport	-	-	6,409	6,409
Inmate housing revenue	50,000	50,000	156,555	106,555
Total Sheriff	160,000	162,267	359,616	197,349
Constable #1				
Fees	15,000	15,000	24,077	9,077
Total Constable #1	15,000	15,000	24,077	9,077
Constable #2				
Fees	3,000	3,000	4,470	1,470
LEOSE apportionment	-	-	-	-
Total Constable #2	3,000	3,000	4,470	1,470

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Pretrial Diversion				
Fees	1,500	1,500	151	(1,349)
Total Pretrial Diversion	1,500	1,500	151	(1,349)
Emergency Medical Services				
Charges for services	140,000	140,000	212,066	72,066
Insurance reimbursements	-	-	2,140	2,140
FEMA grant revenue	-	-	4,375	4,375
Total Emergency Medical Services	140,000	140,000	218,581	78,581
Emergency Management				
Grant revenues	-	-	12,466	12,466
Total Emergency Management	-	-	12,466	12,466
Indigent Healthcare				
Inmate Medical Copay	3,600	3,600	25,736	22,136
Interest	1,700	1,700	9,066	7,366
Total Indigent Healthcare	5,300	5,300	34,802	29,502
Non-Departmental				
Reimbursements	-	-	82,041	82,041
Total Indigent Healthcare	-	-	82,041	82,041
TOTAL REVENUES	14,028,209	14,030,586	14,166,676	122,464
EXPENDITURES:				
County Judge				
Salary	158,376	158,403	156,960	1,443
Operating	6,140	8,160	4,571	3,589
Supplies	2,000	2,000	1,823	177
Schools & dues	6,250	4,203	2,773	1,430
Equipment	3,500	3,500	370	3,130
Total County Judge	176,266	176,266	166,497	9,769
County Clerk				
Salary	402,902	402,902	401,831	1,071
Operating	4,500	4,265	2,904	1,361
Supplies	9,650	9,526	9,441	85
Schools & dues	7,000	7,000	6,261	739
Software/hardware maintenance	26,000	26,000	24,067	1,933
Equipment	350	709	709	-
Total County Clerk	450,402	450,402	445,213	5,189

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
County Auditor				
Salary	268,373	268,373	253,175	15,198
Operating	2,020	2,020	1,392	628
Supplies	3,200	3,100	2,246	854
Schools & dues	6,000	3,530	3,441	89
Equipment	1,000	3,570	1,590	1,980
Software/hardware maintenance	25,958	22,032	15,247	6,785
Total County Auditor	<u>306,551</u>	<u>302,625</u>	<u>277,091</u>	<u>25,534</u>
County Treasurer				
Salary	244,111	244,115	225,134	18,981
Operating	4,320	4,320	3,323	997
Advertising	10,000	10,000	5,605	4,395
Supplies	5,850	5,845	3,892	1,953
Schools & dues	7,500	7,500	5,942	1,558
Equipment	4,000	4,000	2,047	1,953
Software/hardware maintenance	12,158	13,658	13,112	546
Drug screening	7,000	7,000	5,100	1,900
Total County Treasurer	<u>294,939</u>	<u>296,438</u>	<u>264,155</u>	<u>32,283</u>
Tax Assessor/Collector				
Salary	598,679	598,764	597,005	1,759
Operating	72,850	67,725	57,162	10,563
Advertising	3,200	3,400	3,241	159
Supplies	16,000	16,350	16,311	39
Schools & dues	4,500	5,415	5,350	65
Equipment	3,000	8,600	7,335	1,265
Software/hardware maintenance	14,000	14,000	13,725	275
Data processing	18,000	15,975	11,427	4,548
Total Tax Assessor/Collector	<u>730,229</u>	<u>730,229</u>	<u>711,556</u>	<u>18,673</u>
Veteran's Service				
Salary	29,343	29,343	26,645	2,698
Operating	2,668	2,268	2,265	3
Supplies	1,000	86	14	72
Advertising	200	514	513	1
Equipment	-	1,000	933	67
Total Veteran's Service	<u>33,211</u>	<u>33,211</u>	<u>30,370</u>	<u>2,841</u>
Sanitation				
Salary	64,273	64,273	62,176	2,097
Operating	5,024	5,024	2,992	2,032
Supplies	1,000	1,000	352	648
Schools & dues	500	500	111	389
Equipment	4,298	4,298	1,118	3,180
Software/hardware maintenance	2,000	2,000	400	1,600
Fuel	2,500	2,500	2,063	437
Travel	500	500	-	500
Total Sanitation	<u>80,095</u>	<u>80,095</u>	<u>69,212</u>	<u>10,883</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Elections				
Salary	10,765	10,765	10,195	570
Operating	22,600	21,885	17,620	4,265
Supplies	5,000	5,000	1,322	3,678
Equipment	703,000	703,000	11,433	691,567
Software/hardware maintenance	14,881	15,596	15,596	-
Total Elections	<u>756,246</u>	<u>756,246</u>	<u>56,166</u>	<u>700,080</u>
Fire Suppression				
Salary	420	420	420	-
Operating	72,280	73,809	61,644	12,165
Schools and dues	2,500	450	464	(14)
Equipment	12,000	9,000	7,096	1,904
Software/hardware maintenance	-	357	214	143
EMS	101,742	101,742	101,742	-
Volunteer fire departments	258,220	261,984	243,962	18,022
Total Fire Suppression	<u>447,162</u>	<u>447,762</u>	<u>415,542</u>	<u>32,220</u>
Non-Departmental				
Salary	35,000	35,000	24,019	10,981
Operating	1,415,099	1,034,703	358,318	676,385
Advertising	6,000	6,000	4,850	1,150
Schools & dues	2,500	2,500	1,325	1,175
Equipment	30,000	51,000	30,306	20,694
Professional services	61,000	61,000	48,712	12,288
Software/hardware maintenance	136,500	141,426	140,902	524
Highway right of way purchase	20,000	20,000	18,215	1,785
Pauper burials	5,000	5,000	2,276	2,724
Autopsies	100,000	100,000	88,909	11,091
Historical society	1,500	1,500	495	1,005
Erath county senior citizens	18,000	18,000	18,000	-
Central appraisal district allocation	361,299	361,974	361,973	1
Erath county trapper	32,400	32,400	32,400	-
Humane society	18,000	18,000	18,000	-
Capital projects	1,025,000	997,000	311,345	685,655
Storm-related repairs	-	-	-	-
Total Non-Departmental	<u>3,267,298</u>	<u>2,885,503</u>	<u>1,460,045</u>	<u>1,425,458</u>
911 Emergency				
Addressing contract	45,000	45,000	45,000	-
Total 911 Emergency	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
District Judge				
Salary	297,074	297,074	282,878	14,196
Operating	2,600	2,600	2,383	217
Supplies	3,000	3,000	2,410	590
Schools & dues	7,000	7,000	2,489	4,511
Law books/online research	5,500	5,500	2,290	3,210
Equipment	8,200	10,966	3,766	7,200
Software/hardware maintenance	8,200	8,200	2,539	5,661
Total District Judge	<u>331,574</u>	<u>334,340</u>	<u>298,755</u>	<u>35,585</u>
District Clerk				
Salary	276,653	276,688	272,302	4,386
Operating	7,600	6,782	6,458	324
Supplies	5,800	6,818	6,567	251
Schools & dues	5,000	6,765	6,699	66
Equipment	3,400	2,130	1,926	204
Software/hardware maintenance	25,000	24,270	23,617	653
Total District Clerk	<u>323,453</u>	<u>323,453</u>	<u>317,569</u>	<u>5,884</u>
District Attorney				
Salary	363,003	368,080	330,293	37,787
Operating	39,288	35,313	5,576	29,737
Supplies	8,000	8,000	7,937	63
Schools & dues	8,500	8,500	7,632	868
Equipment	1,000	500	60	440
Law books/online research	2,200	2,200	807	1,393
Software/hardware maintenance	11,931	11,931	11,609	322
Fuel	500	975	896	79
Professional fees	30,000	30,000	6,023	23,977
Total District Attorney	<u>464,422</u>	<u>465,499</u>	<u>370,833</u>	<u>94,666</u>
District Court				
Administration	4,000	4,000	3,160	840
Transcript	18,000	18,000	10,617	7,383
Court Expense	45,000	46,644	2,748	43,896
Equipment	27,000	27,250	1,611	25,639
Professional fees	15,000	15,000	12,577	2,423
Civil attorney ad litem	40,000	40,000	8,285	31,715
Criminal attorney ad litem	125,000	125,000	90,801	34,199
Petit jury	20,000	20,000	7,595	12,405
Grand jury	6,800	6,800	3,682	3,118
Jury meals	560	560	216	344
Jury commission	500	500	-	500
Crime victims jury	750	750	401	349
Cross timbers jury	3,500	3,250	2,014	1,236
Erath county child welfare	3,500	3,500	3,059	441
Total District Court	<u>309,610</u>	<u>311,254</u>	<u>146,766</u>	<u>164,488</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
County Attorney				
Salary	329,070	329,070	303,457	25,613
Operating	2,540	2,040	1,561	479
Supplies	2,500	3,000	2,084	916
Schools & dues	3,200	3,960	3,225	735
Law books/online research	1,800	1,750	1,087	663
Equipment	2,100	2,100	-	2,100
Software/hardware maintenance	20,870	20,870	17,844	3,026
Court expense	785	185	8	177
Total County Attorney	<u>362,865</u>	<u>362,975</u>	<u>329,266</u>	<u>33,709</u>
Court At Law				
Salary	266,967	267,001	261,250	5,751
Operating	24,600	25,101	21,545	3,556
Supplies	800	800	556	244
Schools & dues	1,500	1,190	1,190	-
Law books/online research	1,225	1,629	1,629	-
Attorney ad litem	100,000	101,342	94,531	6,811
Equipment	-	-	-	-
Petit jury	2,000	2,000	370	1,630
Crime victims	500	500	-	500
Cross timbers	700	700	150	550
Erath county child welfare	2,000	2,000	350	1,650
Professional fees	5,000	3,030	850	2,180
Software/hardware maintenance	8,200	8,200	5,259	2,941
Total Court At Law	<u>413,492</u>	<u>413,493</u>	<u>387,680</u>	<u>25,813</u>
Justice of The Peace #1				
Salary	238,388	238,619	235,814	2,805
Operating	2,420	3,065	2,765	300
Supplies	4,500	3,579	2,047	1,532
Schools & dues	2,500	2,469	1,600	869
Law books/online research	2,000	2,000	827	1,173
Equipment	-	276	275	1
Petit Jury	2,700	2,700	520	2,180
Crime victims	650	650	40	610
Cross timbers	500	500	100	400
Erath county child welfare	500	500	145	355
Professional fees	500	500	-	500
Software/hardware maintenance	6,438	6,438	6,265	173
Total Justice of the Peace #1	<u>261,096</u>	<u>261,296</u>	<u>250,398</u>	<u>10,898</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Justice of the Peace #2				
Salary	119,434	119,452	120,467	(1,015)
Operating	4,500	4,500	3,008	1,492
Supplies	1,700	1,700	786	914
Schools & dues	2,500	2,482	1,419	1,063
Crime victims	300	300	-	300
Cross timbers	300	300	-	300
Erath county child welfare	800	800	-	800
Software/hardware maintenance	6,438	6,438	6,265	173
Total Justice of the Peace #2	<u>135,972</u>	<u>135,972</u>	<u>131,945</u>	<u>4,027</u>
Facilities				
Salary	167,821	167,821	155,380	12,441
Utilities	80,000	79,625	68,120	11,505
Supplies	2,300	2,800	2,241	559
Advertising	-	-	-	-
Operating	54,569	54,569	28,416	26,153
Equipment	10,600	10,900	8,623	2,277
Fuel	335	410	308	102
Building maintenance	205,700	205,200	177,824	27,376
Total Facilities	<u>521,325</u>	<u>521,325</u>	<u>440,912</u>	<u>80,413</u>
Sheriff				
Salary	2,170,066	2,170,031	2,016,749	153,282
Operating	144,024	129,564	105,391	24,173
Estray cattle	12,500	15,868	12,370	3,498
Supplies	17,500	18,000	16,722	1,278
Schools & dues	18,800	18,907	16,498	2,409
Equipment	147,505	487,051	181,700	305,351
Fuel	75,000	72,335	72,265	70
Software/hardware maintenance	40,500	41,697	41,163	534
Professional fees	-	34,000	33,850	150
Principal expense	29,680	29,680	28,411	1,269
Interest expense	-	-	1,268	(1,268)
Total Sheriff	<u>2,655,575</u>	<u>3,017,133</u>	<u>2,526,387</u>	<u>490,746</u>
Jail				
Salary	1,454,073	1,453,956	1,340,602	113,354
Operating	65,732	63,549	50,993	12,556
Utilities	114,800	114,800	105,125	9,675
Supplies	48,000	39,000	37,809	1,191
Schools & dues	14,000	11,721	8,219	3,502
Equipment	2,500	6,200	4,613	1,587
Building repair/maintenance	33,000	33,000	31,752	1,248
Prisoner Food	113,000	137,000	135,426	1,574
Software/hardware maintenance	3,800	4,679	4,679	-
Total Jail	<u>1,848,905</u>	<u>1,863,905</u>	<u>1,719,218</u>	<u>144,687</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Highway Patrol				
Salary	51,552	55,751	55,529	222
Supplies	875	770	474	296
Weights & measures	250	250	-	250
Equipment	2,090	2,090	-	2,090
Total Highway Patrol	<u>54,767</u>	<u>58,861</u>	<u>56,003</u>	<u>2,858</u>
Constable #1				
Salary	65,183	65,183	63,855	1,328
Operating	4,997	2,997	2,334	663
Supplies	530	630	539	91
Schools & dues	1,600	1,400	1,076	324
Fuel	3,000	3,000	1,141	1,859
Equipment	40,500	42,600	42,269	331
Total Constable #1	<u>115,810</u>	<u>115,810</u>	<u>111,214</u>	<u>4,596</u>
Constable #2				
Salary	65,040	65,040	63,286	1,754
Operating	5,277	5,247	3,914	1,333
Supplies	500	500	60	440
Schools & dues	1,250	1,250	178	1,072
Fuel	1,000	1,030	1,030	-
Equipment	1,750	1,750	47	1,703
Total Constable #2	<u>74,817</u>	<u>74,817</u>	<u>68,515</u>	<u>6,302</u>
Probation				
Juvenile probation office rent	18,000	18,000	18,000	-
Operating	2,500	2,500	1,918	582
Equipment	1,800	1,800	-	1,800
Juvenile board fund allocation	52,469	52,469	52,469	-
Total Probation	<u>74,769</u>	<u>74,769</u>	<u>72,387</u>	<u>2,382</u>
County Extension Agents				
Salary	143,364	143,364	131,721	11,643
Operating	2,813	2,813	2,813	-
Livestock show	8,500	7,999	7,999	-
Supplies	2,400	2,901	2,726	175
Schools & dues	2,000	2,000	1,829	171
Equipment	2,100	4,600	4,529	71
Travel	16,000	13,500	12,735	765
Demonstration	600	600	591	9
Total County Extension Agents	<u>177,777</u>	<u>177,777</u>	<u>164,943</u>	<u>12,834</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Pretrial Diversion				
Salary	63,512	63,512	60,930	2,582
Operating	3,780	3,831	3,305	526
Supplies	1,370	1,370	617	753
Schools & dues	1,000	949	925	24
Equipment	130	130	-	130
Fuel	1,750	1,750	1,508	242
Total Pretrial Diversion	<u>71,542</u>	<u>71,542</u>	<u>67,285</u>	<u>4,257</u>
Emergency Medical Services				
Salary	926,835	936,080	912,648	23,432
Operating	78,578	87,733	77,081	10,652
Supplies	39,750	39,350	30,527	8,823
Advertising	200	200	-	200
Schools & dues	11,000	7,500	4,075	3,425
Equipment	195,000	198,500	196,482	2,018
Software/hardware maintenance	1,500	1,500	-	1,500
Professional services	6,000	6,000	6,000	-
Fuel	14,000	14,000	8,504	5,496
Dublin ambulance service	28,000	28,000	18,544	9,456
Total Emergency Medical Services	<u>1,300,863</u>	<u>1,318,863</u>	<u>1,253,861</u>	<u>65,002</u>
Emergency Management				
Salary	90,629	90,664	86,068	4,596
Operating	13,883	12,848	3,354	9,494
Supplies	4,000	4,000	2,878	1,122
Schools & dues	3,500	4,500	2,538	1,962
Equipment	49,077	49,077	79,841	(30,764)
Software/hardware maintenance	1,500	1,500	120	1,380
Fuel	4,000	4,000	728	3,272
Total Emergency Management	<u>166,589</u>	<u>166,589</u>	<u>175,527</u>	<u>(8,938)</u>
Indigent Healthcare				
Supplies	2,750	2,750	922	1,828
Healthcare - jail	135,000	245,000	213,952	31,048
Healthcare	609,720	499,720	164,724	334,996
HOPE Clinic	25,000	25,000	25,000	-
Professional fees	30,000	30,000	30,000	-
Software/hardware maintenance	15,000	15,000	12,708	2,292
Pecan Valley MHMR	25,000	25,000	25,000	-
Total Indigent Healthcare	<u>842,470</u>	<u>842,470</u>	<u>472,306</u>	<u>370,164</u>
TOTAL EXPENDITURES	<u>17,095,092</u>	<u>17,115,920</u>	<u>13,302,617</u>	<u>3,813,303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,066,883)</u>	<u>(3,085,334)</u>	<u>864,059</u>	<u>3,935,767</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	25,755	(25,755)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>25,755</u>	<u>(25,755)</u>
Net Change in Fund Balance	(3,066,883)	(3,085,334)	889,814	3,961,522
Fund Balance-Beginning	16,716,575	16,716,575	16,716,575	-
Fund Balance-Ending	<u>\$ 13,649,692</u>	<u>\$ 13,631,241</u>	<u>\$ 17,606,389</u>	<u>\$ 3,961,522</u>

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

Total Pension Liability	2016	2015	2014
Service Cost	\$ 1,061,170	\$ 909,594	\$ 917,752
Interest on total pension liability	2,686,025	2,503,916	2,291,796
Effect of plan changes	-	664,792	-
Effect of assumption changes or inputs	-	338,995	-
Effect of economic/demographic (gains) or losses	180,055	(395,640)	39,025
Benefit payments/refunds of contributions	(1,399,555)	(1,313,254)	(930,118)
Net Change in Total Pension Liability	2,527,695	2,708,403	2,318,455
Total Pension Liability, beginning	33,326,701	30,618,299	28,299,844
Total Pension Liability, ending (a)	\$ 35,854,396	\$ 33,326,702	\$ 30,618,299
Fiduciary Net Position			
Employer contributions	\$ 862,429	\$ 1,354,107	\$ 1,285,545
Member contributions	541,435	513,054	508,998
Investment income net of investment expenses	2,208,516	(120,627)	1,852,972
Benefit payments/refunds of contributions	(1,399,555)	(1,313,254)	(930,118)
Administrative expenses	(24,004)	(21,304)	(21,569)
Other	185,453	55,414	(1,334)
Net Change in Fiduciary Net Position	2,374,274	467,390	2,694,494
Fiduciary Net Position, beginning	29,780,960	29,313,571	26,619,077
Fiduciary Net Position, ending (b)	\$ 32,155,234	\$ 29,780,961	\$ 29,313,571
Net Pension Liability (Asset), ending = (a) - (b)	\$ 3,699,162	\$ 3,545,741	\$ 1,304,728
Fiduciary net position as a % of total pension liability	89.68%	89.36%	95.74%
Pensionable covered payroll	\$ 7,734,783	\$ 7,329,338	\$ 7,064,263
Net pension liability as a % of covered payroll	47.83%	48.38%	18.47%

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

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2015	779,107	1,354,107	(575,000)	7,329,338	18.5%
2016	862,429	862,429	-	7,734,783	11.2%

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

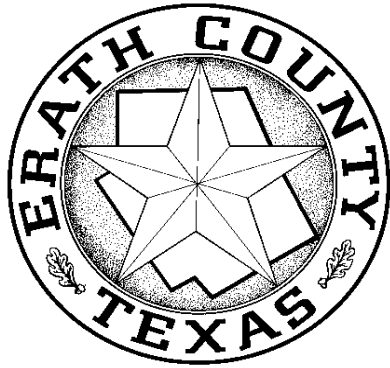
Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later. GASB 68, Paragraph 81.2.b requires that the data in the Schedule of Contributions be presented as of the District's current fiscal year as opposed to the valuation measurement date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

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	13.1 years (based on contribution rate calculated in 12/31/16 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule	In 2016, employer contributions reflect that a 100% CPI COLA was adopted. There were no changes in plan provisions in 2015.



COMBINING FUND STATEMENTS

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
ROAD AND BRIDGE FUNDS
SEPTEMBER 30, 2017**

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Maintenance Barn	Total Road and Bridge Funds
ASSETS						
Cash and investments	\$ 1,142,558	\$ 1,293,926	\$ 1,874,896	\$ 916,789	\$ 20,315	\$ 5,248,484
Receivables (net of Allowance for Uncollectible)	<u>21,158</u>	<u>25,067</u>	<u>48,150</u>	<u>24,183</u>	<u>30</u>	<u>118,588</u>
Total Assets	<u>\$ 1,163,716</u>	<u>\$ 1,318,993</u>	<u>\$ 1,923,046</u>	<u>\$ 940,972</u>	<u>\$ 20,345</u>	<u>\$ 5,367,072</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 33,989	\$ 153,904	\$ 112,842	\$ 96,626	\$ 2,964	\$ 400,325
Salary payable	<u>12,923</u>	<u>17,936</u>	<u>17,119</u>	<u>14,141</u>	<u>5,218</u>	<u>67,337</u>
Total Liabilities	<u>46,912</u>	<u>171,840</u>	<u>129,961</u>	<u>110,767</u>	<u>8,182</u>	<u>467,662</u>
Deferred inflows:						
Deferred property taxes	<u>6,845</u>	<u>8,110</u>	<u>8,776</u>	<u>7,824</u>	<u>-</u>	<u>31,555</u>
Fund Balances:						
Committed	1,109,959	1,139,043	1,784,309	822,381	-	4,855,692
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,163</u>	<u>12,163</u>
Total Fund Balances	<u>1,109,959</u>	<u>1,139,043</u>	<u>1,784,309</u>	<u>822,381</u>	<u>12,163</u>	<u>4,867,855</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 1,163,716</u>	<u>\$ 1,318,993</u>	<u>\$ 1,923,046</u>	<u>\$ 940,972</u>	<u>\$ 20,345</u>	<u>\$ 5,367,072</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, 2017

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Maintenance Barn	Total Road and Bridge Funds
REVENUES:						
Taxes:						
Property taxes						
Current	\$ 743,465	\$ 880,819	\$ 953,222	\$ 849,807	\$ -	\$ 3,427,313
Delinquent	8,902	10,571	11,393	10,161	-	41,027
Penalty & interest	8,311	9,780	10,490	9,413	-	37,994
Intergovernmental	233,622	208,604	295,620	312,073	-	1,049,919
Auto registrations	216,844	256,796	277,629	247,442	-	998,711
Interest	8,516	9,669	13,945	7,991	-	40,121
Miscellaneous	-	-	-	-	30	30
Total Revenues	1,219,660	1,376,239	1,562,299	1,436,887	30	5,595,115
EXPENDITURES:						
Salaries	409,946	585,916	500,991	453,756	150,798	2,101,407
Equipment	216,596	249,121	167,481	417,398	1,706	1,052,302
Equipment repair	70,564	130,532	84,177	54,757	16,664	356,694
Fuel	50,428	77,068	67,261	72,457	4,310	271,524
Road expense	150,477	219,544	464,408	293,646	-	1,128,075
Operating	23,182	38,336	26,104	22,048	30,249	139,919
Total Expenditures	921,193	1,300,517	1,310,422	1,314,062	203,727	5,049,921
Excess (Deficiency) of Revenues Over (Under) Expenditures	298,467	75,722	251,877	122,825	(203,697)	545,194
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	200,000	200,000
Proceeds from sale of assets	51,036	29,883	141,364	99,613	18,064	339,960
Transfers out	(50,000)	(50,000)	(50,000)	(50,000)	-	(200,000)
Total Other Financing Sources (Uses)	1,036	(20,117)	91,364	49,613	218,064	339,960
Net Changes in Fund Balances	299,503	55,605	343,241	172,438	14,367	885,154
Fund Balance-Beginning	810,456	1,083,438	1,441,068	649,943	(2,204)	3,982,701
Fund Balance-Ending	\$ 1,109,959	\$ 1,139,043	\$ 1,784,309	\$ 822,381	\$ 12,163	\$ 4,867,855

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, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes				
Current	\$ 3,442,261	\$ 3,442,261	\$ 3,427,313	\$ (14,948)
Delinquent	498,000	498,000	41,027	(456,973)
Penalty & Interest	28,175	28,175	37,994	9,819
Intergovernmental	-	-	1,049,919	1,049,919
Auto registrations	1,029,000	1,029,000	998,711	(30,289)
Interest	10,500	10,500	40,121	29,621
Miscellaneous	-	-	30	30
Total Revenues	5,007,936	5,007,936	5,595,115	587,179
EXPENDITURES:				
Salaries	2,324,318	2,324,318	2,101,407	222,911
Equipment	1,145,549	1,145,549	1,052,302	93,247
Equipment Repair	360,522	360,522	356,694	3,828
Fuel	310,300	310,300	271,524	38,776
Road Expense	1,138,652	1,138,652	1,128,075	10,577
Operating	140,836	140,836	139,919	917
Total Expenditures	5,420,177	5,420,177	5,049,921	370,256
Excess (Deficiency) of Revenues Over (Under) Expenditures	(412,241)	(412,241)	545,194	957,435
OTHER FINANCING SOURCES (USES):				
Transfers In	251,106	251,106	200,000	(51,106)
Proceeds from Sale of Assets	-	-	339,960	339,960
Transfers Out	(251,104)	(251,104)	(200,000)	51,104
Total Other Financing Sources (Uses)	2	2	339,960	339,958
Net Changes in Fund Balances	(412,239)	(412,239)	885,154	1,297,393
Fund Balance-Beginning	3,982,701	3,982,701	3,982,701	-
Fund Balance-Ending	\$ 3,570,462	\$ 3,570,462	\$ 4,867,855	\$ 1,297,393

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
ASSETS				
Cash and investments	\$ 62,762	\$ 10,600	\$ 7,229	\$ 24,006
Receivables (net of Allowance for Uncollectible)	342	174	20	308
Other assets	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 63,104	\$ 10,774	\$ 7,249	\$ 24,314
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 278	\$ 114	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	278	114	-	-
Deferred inflows:				
Deferred property taxes	-	-	-	-
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	7,249	24,314
Judicial	62,826	10,660	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	-	-	-	-
Total Fund Balances	62,826	10,660	7,249	24,314
Total Liabilities, Deferred inflows, and Fund Balances	\$ 63,104	\$ 10,774	\$ 7,249	\$ 24,314

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
ASSETS				
Cash and investments	\$ 27,220	\$ 74,547	\$ 92,972	\$ 259,602
Receivables (net of Allowance for Uncollectible)	-	675	1,330	635
Other assets	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 27,220</u>	<u>\$ 75,222</u>	<u>\$ 94,302</u>	<u>\$ 260,237</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 708	\$ -	\$ 796
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>708</u>	<u>-</u>	<u>796</u>
Deferred inflows:				
Deferred property taxes	-	-	-	-
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	27,220	-	-	-
General administration	-	-	-	-
Judicial	-	74,514	-	-
Legal	-	-	94,302	-
Public safety	-	-	-	259,441
Records management	-	-	-	-
Total Fund Balances	<u>27,220</u>	<u>74,514</u>	<u>94,302</u>	<u>259,441</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 27,220</u>	<u>\$ 75,222</u>	<u>\$ 94,302</u>	<u>\$ 260,237</u>

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management	County Clerk Records Preservation
ASSETS				
Cash and investments	\$ 17,030	\$ 940	\$ 532,862	\$ 240,074
Receivables (net of Allowance for Uncollectible)	130	-	1,643	948
Other assets	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 17,160	\$ 940	\$ 534,505	\$ 241,022
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 255	\$ -
Salary payable	-	-	584	-
Total Liabilities	-	-	839	-
Deferred inflows:				
Deferred property taxes	-	-	-	-
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	17,160	940	533,666	241,022
Total Fund Balances	17,160	940	533,666	241,022
Total Liabilities, Deferred inflows, and Fund Balances	\$ 17,160	\$ 940	\$ 534,505	\$ 241,022

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check	District Attorney Forfeiture
ASSETS				
Cash and investments	\$ 1,981	\$ 23,148	\$ 7,395	\$ 34,294
Receivables (net of Allowance for Uncollectible)	11	-	-	-
Other assets	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 1,992	\$ 23,148	\$ 7,395	\$ 34,294
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 120
Salary payable	-	211	-	-
Total Liabilities	-	211	-	120
Deferred inflows:				
Deferred property taxes	-	-	-	-
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	7,395	34,174
Legal	-	22,937	-	-
Public safety	-	-	-	-
Records management	1,992	-	-	-
Total Fund Balances	1,992	22,937	7,395	34,174
Total Liabilities, Deferred inflows, and Fund Balances	\$ 1,992	\$ 23,148	\$ 7,395	\$ 34,294

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

**ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	Sheriff Forfeiture	Total Special Revenue Funds	Certificates of Obligation	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 21,634	\$ 1,438,296	\$ 59,708	\$ 1,498,004
Receivables (net of Allowance for Uncollectible)	-	6,216	7,339	13,555
Other assets	-	-	-	-
Due from other funds	-	-	647,568	647,568
Total Assets	<u>\$ 21,634</u>	<u>\$ 1,444,512</u>	<u>\$ 714,615</u>	<u>\$ 2,159,127</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 2,271	\$ -	\$ 2,271
Salary payable	-	795	-	795
Total Liabilities	<u>-</u>	<u>3,066</u>	<u>-</u>	<u>3,066</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>5,630</u>	<u>5,630</u>
Fund Balances:				
Restricted				
Debt service	-	-	708,985	708,985
Election	-	27,220	-	27,220
General administration	-	31,563	-	31,563
Judicial	21,634	211,203	-	211,203
Legal	-	117,239	-	117,239
Public safety	-	259,441	-	259,441
Records management	-	794,780	-	794,780
Total Fund Balances	<u>21,634</u>	<u>1,441,446</u>	<u>708,985</u>	<u>2,150,431</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 21,634</u>	<u>\$ 1,444,512</u>	<u>\$ 714,615</u>	<u>\$ 2,159,127</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, 2017

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	10,140	1,704	1,158	4,781
Other revenue	-	-	-	-
Interest	420	70	51	162
Total Revenues	<u>10,560</u>	<u>1,774</u>	<u>1,209</u>	<u>4,943</u>
EXPENDITURES:				
Supplies	-	-	-	-
Equipment	947	-	1,104	2,145
Software/hardware maintenance	-	-	-	-
Schools & dues	-	-	-	-
Professional fees	3,985	235	-	-
Law books	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>4,932</u>	<u>235</u>	<u>1,104</u>	<u>2,145</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>5,628</u>	<u>1,539</u>	<u>105</u>	<u>2,798</u>
Net Change in Fund Balance	5,628	1,539	105	2,798
Fund Balance-Beginning	<u>57,198</u>	<u>9,121</u>	<u>7,144</u>	<u>21,516</u>
Fund Balance-Ending	<u>\$ 62,826</u>	<u>\$ 10,660</u>	<u>\$ 7,249</u>	<u>\$ 24,314</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, 2017

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	9,450	-	-	-
Fines and fees	1,315	2,850	22,260	21,287
Other revenue	-	1,645	-	-
Interest	166	468	543	1,736
Total Revenues	<u>10,931</u>	<u>4,963</u>	<u>22,803</u>	<u>23,023</u>
EXPENDITURES:				
Supplies	-	3,653	-	-
Equipment	-	3,056	-	929
Software/hardware maintenance	7,999	360	-	-
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Law books	-	-	-	-
Courthouse security	-	-	-	10,933
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>7,999</u>	<u>7,069</u>	<u>-</u>	<u>11,862</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>2,932</u>	<u>(2,106)</u>	<u>22,803</u>	<u>11,161</u>
Net Change in Fund Balance	2,932	(2,106)	22,803	11,161
Fund Balance-Beginning	<u>24,288</u>	<u>76,620</u>	<u>71,499</u>	<u>248,280</u>
Fund Balance-Ending	<u>\$ 27,220</u>	<u>\$ 74,514</u>	<u>\$ 94,302</u>	<u>\$ 259,441</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, 2017**

	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management	County Clerk Records Preservation
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	2,840	-	150,911	19,856
Other revenue	-	-	-	-
Interest	-	-	3,323	1,606
Total Revenues	<u>2,840</u>	<u>-</u>	<u>154,234</u>	<u>21,462</u>
EXPENDITURES:				
Supplies	-	-	2,245	-
Equipment	-	-	3,341	-
Software/hardware maintenance	-	-	26,971	5,800
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Law books	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	-	13,975	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	5,000	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>51,532</u>	<u>5,800</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>2,840</u>	<u>-</u>	<u>102,702</u>	<u>15,662</u>
Net Change in Fund Balance	2,840	-	102,702	15,662
Fund Balance-Beginning	<u>14,320</u>	<u>940</u>	<u>430,964</u>	<u>225,360</u>
Fund Balance-Ending	<u>\$ 17,160</u>	<u>\$ 940</u>	<u>\$ 533,666</u>	<u>\$ 241,022</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, 2017

	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check	District Attorney Forfeiture
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	167	3,136	-	2,747
Other revenue	-	-	-	-
Interest	-	160	48	228
Total Revenues	<u>167</u>	<u>3,296</u>	<u>48</u>	<u>2,975</u>
EXPENDITURES:				
Supplies	-	-	-	230
Equipment	-	-	-	-
Software/hardware maintenance	-	1,854	-	-
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Law books	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	6,975	-	1,401
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	-
Donations	-	-	-	3,000
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>-</u>	<u>8,829</u>	<u>-</u>	<u>4,631</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>167</u>	<u>(5,533)</u>	<u>48</u>	<u>(1,656)</u>
Net Change in Fund Balance	167	(5,533)	48	(1,656)
Fund Balance-Beginning	<u>1,825</u>	<u>28,470</u>	<u>7,347</u>	<u>35,830</u>
Fund Balance-Ending	<u>\$ 1,992</u>	<u>\$ 22,937</u>	<u>\$ 7,395</u>	<u>\$ 34,174</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, 2017

	Sheriff Forfeiture	Total Special Revenue Funds	Certificates of Obligation	Total Nonmajor Governmental Funds
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ 629,053	\$ 629,053
Charges for services	-	9,450	-	9,450
Fines and fees	-	245,152	-	245,152
Other revenue	-	1,645	-	1,645
Interest	151	9,132	1,011	10,143
Total Revenues	<u>151</u>	<u>265,379</u>	<u>630,064</u>	<u>895,443</u>
EXPENDITURES:				
Supplies	-	6,128	-	6,128
Equipment	-	11,522	-	11,522
Software/hardware maintenance	-	42,984	-	42,984
Schools & dues	-	-	-	-
Professional fees	5,000	9,220	-	9,220
Law books	-	-	-	-
Courthouse security	-	10,933	-	10,933
Salary	-	22,351	-	22,351
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	5,000	-	5,000
Donations	-	3,000	-	3,000
Bank service charge	-	-	641	641
Interest payment	-	-	233,445	233,445
Principal payment	-	-	467,000	467,000
Total Expenditures	<u>5,000</u>	<u>111,138</u>	<u>701,086</u>	<u>812,224</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(4,849)</u>	<u>154,241</u>	<u>(71,022)</u>	<u>83,219</u>
Net Change in Fund Balance	<u>(4,849)</u>	<u>154,241</u>	<u>(71,022)</u>	<u>83,219</u>
Fund Balance-Beginning	<u>26,483</u>	<u>1,287,205</u>	<u>780,007</u>	<u>2,067,212</u>
Fund Balance-Ending	<u>\$ 21,634</u>	<u>\$ 1,441,446</u>	<u>\$ 708,985</u>	<u>\$ 2,150,431</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, 2017

	BALANCE OCTOBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2017
Tax Assessor Collector - Dublin				
Assets:				
Cash and cash equivalents	\$ 276	\$ 3,041,539	\$ 3,034,721	\$ 7,094
Liabilities:				
Due to others	\$ 276	\$ 3,041,539	\$ 3,034,721	\$ 7,094
Tax Assessor Collector - Sales Tax				
Assets:				
Cash and cash equivalents	\$ 306,998	\$ 4,601,624	\$ 4,590,560	\$ 318,062
Liabilities:				
Due to others	\$ 306,998	\$ 4,601,624	\$ 4,590,560	\$ 318,062
Tax Assessor Collector - Escrow Payments				
Assets:				
Cash and cash equivalents	\$ 20,596	\$ 98,356	\$ 65,150	\$ 53,802
Liabilities:				
Due to others	\$ 20,596	\$ 98,356	\$ 65,150	\$ 53,802
Tax Assessor Collector - Auto Fund				
Assets:				
Cash and cash equivalents	\$ 93,895	\$ 7,795,955	\$ 7,777,898	\$ 111,952
Liabilities:				
Due to others	\$ 93,895	\$ 7,795,955	\$ 7,777,898	\$ 111,952
Tax Assessor Collector - State				
Assets:				
Cash and cash equivalents	\$ 10,688	\$ 13,395,158	\$ 13,396,124	\$ 9,722
Liabilities:				
Due to others	\$ 10,688	\$ 13,395,158	\$ 13,396,124	\$ 9,722
Tax Assessor Collector - District Account				
Assets:				
Cash and cash equivalents	\$ 114,278	\$ 48,567,066	\$ 48,575,220	\$ 106,124
Liabilities:				
Due to others	\$ 114,278	\$ 48,567,066	\$ 48,575,220	\$ 106,124
Tax Assessor Collector - Motor Vehicle Internet				
Assets:				
Cash and cash equivalents	\$ 202	\$ 99,578	\$ 98,109	\$ 1,671
Liabilities:				
Due to others	\$ 202	\$ 99,578	\$ 98,109	\$ 1,671

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, 2017

	BALANCE OCTOBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2017
Tax Assessor Collector - Motor Vehicle Escrow				
Assets:				
Cash and cash equivalents	<u>\$ 117,906</u>	<u>\$ 186,453</u>	<u>\$ 176,800</u>	<u>\$ 127,559</u>
Liabilities:				
Due to others	<u>\$ 117,906</u>	<u>\$ 186,453</u>	<u>\$ 176,800</u>	<u>\$ 127,559</u>
Justice of the Peace #2 - Dublin				
Assets:				
Cash and cash equivalents	<u>\$ 4,456</u>	<u>\$ 61,213</u>	<u>\$ 62,053</u>	<u>\$ 3,616</u>
Liabilities:				
Due to others	<u>\$ 4,456</u>	<u>\$ 61,213</u>	<u>\$ 62,053</u>	<u>\$ 3,616</u>
Treasurer - Credit Card				
Assets:				
Cash and cash equivalents	<u>\$ 28,259</u>	<u>\$ 365,996</u>	<u>\$ 370,319</u>	<u>\$ 23,936</u>
Liabilities:				
Due to others	<u>\$ 28,259</u>	<u>\$ 365,996</u>	<u>\$ 370,319</u>	<u>\$ 23,936</u>
Treasurer - Bail Bond Board				
Assets:				
Cash and cash equivalents	<u>\$ 11,390</u>	<u>\$ 2,750</u>	<u>\$ -</u>	<u>\$ 14,140</u>
Liabilities:				
Due to others	<u>\$ 11,390</u>	<u>\$ 2,750</u>	<u>\$ -</u>	<u>\$ 14,140</u>
Treasurer - Civil E Filing				
Assets:				
Cash and cash equivalents	<u>\$ 14,363</u>	<u>\$ 192,104</u>	<u>\$ 192,643</u>	<u>\$ 13,824</u>
Liabilities:				
Due to others	<u>\$ 14,363</u>	<u>\$ 192,104</u>	<u>\$ 192,643</u>	<u>\$ 13,824</u>
County Attorney - Escrow				
Assets:				
Cash and cash equivalents	<u>\$ 18,767</u>	<u>\$ 33,759</u>	<u>\$ 31,385</u>	<u>\$ 21,141</u>
Liabilities:				
Due to others	<u>\$ 18,767</u>	<u>\$ 33,759</u>	<u>\$ 31,385</u>	<u>\$ 21,141</u>
Sheriff - Jail Inmate Fund				
Assets:				
Cash and cash equivalents	<u>\$ 3,984</u>	<u>\$ 130,382</u>	<u>\$ 127,536</u>	<u>\$ 6,830</u>
Liabilities:				
Due to others	<u>\$ 3,984</u>	<u>\$ 130,382</u>	<u>\$ 127,536</u>	<u>\$ 6,830</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, 2017

	BALANCE OCTOBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2017
Sheriff's Office Special Account				
Assets:				
Cash and cash equivalents	\$ 1,018	\$ 17,500	\$ 17,500	\$ 1,018
Liabilities:				
Due to others	\$ 1,018	\$ 17,500	\$ 17,500	\$ 1,018
Sheriff - Jail Commissary				
Assets:				
Cash and cash equivalents	\$ 11,847	\$ 27,029	\$ 16,908	\$ 21,968
Liabilities:				
Due to others	\$ 11,847	\$ 27,029	\$ 16,908	\$ 21,968
District Clerk - Receiver Acct				
Assets:				
Cash and cash equivalents	\$ 1,051	\$ -	\$ -	\$ 1,051
Liabilities:				
Due to others	\$ 1,051	\$ -	\$ -	\$ 1,051
District Clerk Erath County Trust				
Assets:				
Cash and cash equivalents	\$ 73,021	\$ 522,317	\$ 184,914	\$ 410,424
Liabilities:				
Due to others	\$ 73,021	\$ 522,317	\$ 184,914	\$ 410,424
District Clerk Registry				
Assets:				
Cash and cash equivalents	\$ 50,500	\$ 397,527	\$ 426,527	\$ 21,500
Liabilities:				
Due to others	\$ 50,500	\$ 397,527	\$ 426,527	\$ 21,500
County Clerk Registry				
Assets:				
Cash and cash equivalents	\$ 3,548	\$ 28,272	\$ 31,272	\$ 548
Liabilities:				
Due to others	\$ 3,548	\$ 28,272	\$ 31,272	\$ 548
County Clerk - Bonds				
Assets:				
Cash and cash equivalents	\$ 93,408	\$ 51,400	\$ 16,500	\$ 128,308
Liabilities:				
Due to others	\$ 93,408	\$ 51,400	\$ 16,500	\$ 128,308

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, 2017

	BALANCE OCTOBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2017
District Attorney - Escrow				
Assets:				
Cash and cash equivalents	<u>\$ 2,100</u>	<u>\$ 18,207</u>	<u>\$ 12,892</u>	<u>\$ 7,415</u>
Liabilities:				
Due to others	<u>\$ 2,100</u>	<u>\$ 18,207</u>	<u>\$ 12,892</u>	<u>\$ 7,415</u>
District Attorney - Forfeiture				
Assets:				
Cash and cash equivalents	<u>\$ 10,073</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 10,139</u>
Liabilities:				
Due to others	<u>\$ 10,073</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 10,139</u>
District Attorney - Drug Education				
Assets:				
Cash and cash equivalents	<u>\$ 743</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 748</u>
Liabilities:				
Due to others	<u>\$ 743</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 748</u>
District Attorney - Individual 1				
Assets:				
Cash and cash equivalents	<u>\$ 8,555</u>	<u>\$ -</u>	<u>\$ 8,555</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 8,555</u>	<u>\$ -</u>	<u>\$ 8,555</u>	<u>\$ -</u>
District Attorney - Individual 2				
Assets:				
Cash and cash equivalents	<u>\$ 2,370</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 2,385</u>
Liabilities:				
Due to others	<u>\$ 2,370</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 2,385</u>
District Attorney - Individual 3				
Assets:				
Cash and cash equivalents	<u>\$ 2,278</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 2,293</u>
Liabilities:				
Due to others	<u>\$ 2,278</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 2,293</u>
District Attorney - Individual 4				
Assets:				
Cash and cash equivalents	<u>\$ 2,850</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 2,868</u>
Liabilities:				
Due to others	<u>\$ 2,850</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 2,868</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, 2017

	BALANCE OCTOBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2017
District Attorney - Individual 5				
Assets:				
Cash and cash equivalents	<u>\$ 1,420</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 1,430</u>
Liabilities:				
Due to others	<u>\$ 1,420</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 1,430</u>
District Attorney - Individual 6				
Assets:				
Cash and cash equivalents	<u>\$ 943</u>	<u>\$ -</u>	<u>\$ 943</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 943</u>	<u>\$ -</u>	<u>\$ 943</u>	<u>\$ -</u>
District Attorney - Individual 7				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 981</u>	<u>\$ -</u>	<u>\$ 981</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 981</u>	<u>\$ -</u>	<u>\$ 981</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>\$ 53,745</u>	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ 53,901</u>
Liabilities:				
Due to others	<u>\$ 53,745</u>	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ 53,901</u>
District Clerk - Individual 3				
Assets:				
Cash and cash equivalents	<u>\$ 19,977</u>	<u>\$ -</u>	<u>\$ 19,977</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 19,977</u>	<u>\$ -</u>	<u>\$ 19,977</u>	<u>\$ -</u>
District Clerk - Individual 4				
Assets:				
Cash and cash equivalents	<u>\$ 2,249</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,251</u>
Liabilities:				
Due to others	<u>\$ 2,249</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,251</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, 2017

	BALANCE OCTOBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2017
District Clerk - Individual 5				
Assets:				
Cash and cash equivalents	<u>\$ 9,471</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9,480</u>
Liabilities:				
Due to others	<u>\$ 9,471</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9,480</u>
District Clerk - Individual 6				
Assets:				
Cash and cash equivalents	<u>\$ 3,007</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3,010</u>
Liabilities:				
Due to others	<u>\$ 3,007</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3,010</u>
District Clerk - Individual 7				
Assets:				
Cash and cash equivalents	<u>\$ 4,663</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 4,668</u>
Liabilities:				
Due to others	<u>\$ 4,663</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 4,668</u>
District Clerk - Individual 8				
Assets:				
Cash and cash equivalents	<u>\$ 1,506</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,507</u>
Liabilities:				
Due to others	<u>\$ 1,506</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,507</u>
District Clerk - Individual 9				
Assets:				
Cash and cash equivalents	<u>\$ 30,746</u>	<u>\$ -</u>	<u>\$ 30,746</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 30,746</u>	<u>\$ -</u>	<u>\$ 30,746</u>	<u>\$ -</u>
District Clerk - Individual 10				
Assets:				
Cash and cash equivalents	<u>\$ 12,010</u>	<u>\$ -</u>	<u>\$ 12,010</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 12,010</u>	<u>\$ -</u>	<u>\$ 12,010</u>	<u>\$ -</u>
TexPool - R Court 11				
Assets:				
Cash and cash equivalents	<u>\$ 28,163</u>	<u>\$ -</u>	<u>\$ 28,163</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 28,163</u>	<u>\$ -</u>	<u>\$ 28,163</u>	<u>\$ -</u>

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

ERATH COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

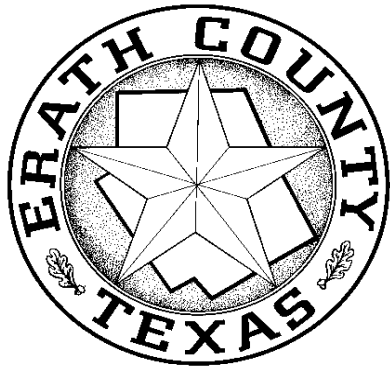
	BALANCE OCTOBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2017
TexPool - R Court 15				
Assets:				
Cash and cash equivalents	<u>\$ 1,119</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 1,127</u>
Liabilities:				
Due to others	<u>\$ 1,119</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 1,127</u>
TexPool - R Court 19				
Assets:				
Cash and cash equivalents	<u>\$ 9,535</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 9,601</u>
Liabilities:				
Due to others	<u>\$ 9,535</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 9,601</u>
TexPool - R Court 30				
Assets:				
Cash and cash equivalents	<u>\$ 912</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 918</u>
Liabilities:				
Due to others	<u>\$ 912</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 918</u>
TexPool - R Court 31				
Assets:				
Cash and cash equivalents	<u>\$ 23,034</u>	<u>\$ 160</u>	<u>\$ -</u>	<u>\$ 23,194</u>
Liabilities:				
Due to others	<u>\$ 23,034</u>	<u>\$ 160</u>	<u>\$ -</u>	<u>\$ 23,194</u>
TexPool - R Court 34				
Assets:				
Cash and cash equivalents	<u>\$ 1,093</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 1,101</u>
Liabilities:				
Due to others	<u>\$ 1,093</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 1,101</u>
TexPool - R Court 35				
Assets:				
Cash and cash equivalents	<u>\$ 6,295</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 6,339</u>
Liabilities:				
Due to others	<u>\$ 6,295</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 6,339</u>
TexPool - R Court 38				
Assets:				
Cash and cash equivalents	<u>\$ 13,256</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ 13,348</u>
Liabilities:				
Due to others	<u>\$ 13,256</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ 13,348</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, 2017

	BALANCE OCTOBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2017
TexPool - R Court 40				
Assets:				
Cash and cash equivalents	<u>\$ 37,222</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ 37,480</u>
Liabilities:				
Due to others	<u>\$ 37,222</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ 37,480</u>
Total Fiduciary Funds				
Assets:				
Cash and cash equivalents	<u>\$ 1,270,294</u>	<u>\$ 77,619,411</u>	<u>\$ 77,651,068</u>	<u>\$ 1,600,982</u>
Liabilities:				
Due to others	<u>\$ 1,270,294</u>	<u>\$ 77,619,411</u>	<u>\$ 77,651,068</u>	<u>\$ 1,600,982</u>

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



STATISTICAL SECTION

STATISTICAL SECTION - TABLE OF CONTENTS

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

<u>Contents</u>	<u>Page Number</u>
Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	99
Revenue Capacity - The schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	108
Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	115
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	121
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs	124

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

FINANCIAL TRENDS

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities				
Net investment in capital assets	\$ 9,750,831	\$ 10,676,537	\$ 9,992,400	\$ 9,195,730
Restricted	775,234	682,604	735,563	2,878,367
Unrestricted	15,306,669	16,087,943	16,258,721	15,067,540
Total Governmental Activities net position	<u>\$ 25,832,734</u>	<u>\$ 27,447,084</u>	<u>\$ 26,986,684</u>	<u>\$ 27,141,637</u>

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 11,536,701	\$ 11,536,701	\$ 11,872,725	\$ 12,673,575	\$ 13,820,204	\$ 14,533,820
-	2,329,140	1,849,088	1,979,955	2,067,212	2,150,431
17,342,185	17,224,993	18,833,493	19,474,732	20,020,826	21,448,390
<u>\$ 28,878,886</u>	<u>\$ 31,090,834</u>	<u>\$ 32,555,306</u>	<u>\$ 34,128,262</u>	<u>\$ 35,908,242</u>	<u>\$ 38,132,641</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses				
Governmental Activities				
General administration	\$ 2,590,079	\$ 2,806,471	\$ 2,778,714	\$ 3,319,985
Judicial administration	2,231,405	2,188,802	2,770,334	1,311,514
Public safety and law enforcement	3,778,540	4,203,061	4,305,811	5,381,582
Road and bridge	4,342,633	3,083,064	3,762,110	3,717,380
Health and welfare	1,355,413	1,256,650	1,480,815	1,422,235
Debt service	-	-	94,825	259,513
Total governmental activities expenses	<u>14,298,070</u>	<u>13,538,048</u>	<u>15,192,609</u>	<u>15,412,209</u>
Program Revenues				
Governmental Activities				
Fines, fees, and charges for services				
General administration	1,693,031	1,493,881	1,570,267	1,037,202
Judicial administration	177,839	149,688	160,682	522,516
Public safety and law enforcement	671,078	809,131	695,700	273,354
Road and bridge	1,014,824	977,425	858,199	837,000
Health and welfare	-	-	-	536,734
Operating grants and contributions	1,717,261	443,519	467,659	62,452
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>5,274,033</u>	<u>3,873,644</u>	<u>3,752,507</u>	<u>3,269,258</u>
Net (Expense) Revenue				
Governmental Activities	(9,024,037)	(9,664,404)	(11,440,102)	(12,142,951)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes	10,827,579	10,976,045	10,797,841	12,116,062
Interest	577,446	177,918	42,597	40,308
Miscellaneous	8,815	125,091	45,385	83,895
Gain on sale of assets and special items	(23,928)	(300)	93,881	57,639
Total Governmental Activities	<u>11,389,912</u>	<u>11,278,754</u>	<u>10,979,704</u>	<u>12,297,904</u>
Change in Net Position				
Governmental activities	<u>\$ 2,365,875</u>	<u>\$ 1,614,350</u>	<u>\$ (460,398)</u>	<u>\$ 154,953</u>

Fiscal Years					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 3,052,483	\$ 2,989,517	\$ 3,512,914	\$ 3,926,371	\$ 4,334,019	\$ 3,979,356
2,419,262	2,441,237	2,679,974	3,001,956	2,751,586	2,729,686
4,374,804	4,863,971	5,019,906	4,913,078	5,148,313	5,238,509
3,360,630	3,344,005	3,480,171	3,281,985	3,980,774	4,576,546
1,326,306	1,425,203	1,369,860	1,472,171	1,698,417	2,144,881
244,833	226,903	209,979	193,883	178,561	154,431
14,778,318	15,290,836	16,272,804	16,789,444	18,091,670	18,823,409
256,972	354,078	223,749	197,218	223,884	216,470
1,203,326	1,269,773	1,325,061	1,182,890	1,181,153	1,182,624
487,131	503,688	549,160	659,985	681,052	691,280
763,512	844,833	1,004,334	1,037,772	1,044,207	998,711
511,065	222,967	201,254	227,724	244,547	260,811
146,723	78,712	43,822	752,083	107,144	146,194
-	-	-	-	313,466	1,014,107
3,368,729	3,274,051	3,347,380	4,057,672	3,795,453	4,510,197
(11,409,589)	(12,016,785)	(12,925,424)	(12,731,772)	(14,296,217)	(14,313,212)
12,918,000	13,558,113	14,117,719	14,864,387	15,174,875	15,730,376
139,239	136,048	69,056	38,557	113,965	168,463
275,739	217,338	143,066	552,852	731,143	274,604
56,864	74,230	77,862	(21,203)	56,214	364,168
13,389,842	13,985,729	14,407,703	15,434,593	16,076,197	16,537,611
\$ 1,980,253	\$ 1,968,944	\$ 1,482,279	\$ 2,702,821	\$ 1,779,980	\$ 2,224,399

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

(modified accrual basis of accounting)
(unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund				
Reserved	\$ -	\$ 19,900	\$ 2,932	\$ -
Unreserved	11,834,313	12,617,466	13,341,098	-
Nonspendable	-	-	-	-
Committed	-	-	-	8,781,485
Unassigned	-	-	-	4,994,301
Total General Fund	<u>\$ 11,834,313</u>	<u>\$ 12,637,366</u>	<u>\$ 13,344,030</u>	<u>\$ 13,775,786</u>
All other governmental funds				
Reserved				
Road & Bridge	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	775,234	682,604	797,568	-
Capital Projects	-	-	6,479,510	-
Unreserved	2,642,111	2,669,823	2,161,052	-
Restricted				
Debt Service	-	-	-	-
Special Revenue Funds	-	-	-	2,878,368
Committed				
Jail Construction	-	-	-	6,960
Road & Bridge	-	-	-	790,013
Unassigned	-	-	-	1,022,036
Total other governmental Funds	<u>\$ 3,417,345</u>	<u>\$ 3,352,427</u>	<u>\$ 9,438,130</u>	<u>\$ 4,697,377</u>

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

Fiscal Years					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	41,472	47,334	143,345	127,299
-	-	-	-	-	-
11,620,874	14,233,626	15,105,815	16,256,318	16,573,230	17,479,090
\$ 11,620,874	\$ 14,233,626	\$ 15,147,287	\$ 16,303,652	\$ 16,716,575	\$ 17,606,389
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	739,074	859,874	783,785	780,007	708,985
1,668,974	722,551	989,214	1,196,170	1,287,205	1,441,446
-	12	-	-	-	-
2,382,141	3,127,701	3,492,887	3,867,419	3,984,905	4,855,692
1,055,692	216,168	-	(46,520)	(2,204)	12,163
\$ 5,106,807	\$ 4,805,506	\$ 5,341,975	\$ 5,800,854	\$ 6,049,913	\$ 7,018,286

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

(modified accrual basis of accounting)
(unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
REVENUE				
Taxes and registrations	\$ 11,649,401	\$ 11,839,769	\$ 11,531,772	\$ 13,035,533
Intergovernmental	1,652,045	415,473	465,378	357,424
Fines, fees & charges for services	2,507,394	2,236,636	2,283,121	2,153,309
Interest	564,845	174,736	41,848	39,820
Other Revenue	255,575	463,789	255,879	79,410
Total Revenues	<u>16,629,260</u>	<u>15,130,403</u>	<u>14,577,998</u>	<u>15,665,496</u>
EXPENDITURES				
General administration	2,598,114	2,839,256	2,624,588	3,244,824
Judicial administration	2,151,537	2,234,095	2,692,526	1,924,599
Public safety	3,975,179	4,466,906	4,764,219	3,301,410
Road and bridge	4,595,730	3,673,874	3,293,614	4,434,914
Health and welfare	1,355,413	1,256,650	1,480,815	1,422,235
Debt service				
Bond Issuance Cost	-	-	23,750	-
Principal	-	-	-	467,000
Interest	-	-	-	353,338
Bank Charges	-	-	-	500
Capital Outlay	-	-	-	4,872,045
Total Expenditures	<u>14,675,973</u>	<u>14,470,781</u>	<u>14,879,512</u>	<u>20,020,365</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>1,953,287</u>	<u>659,622</u>	<u>(301,514)</u>	<u>(4,354,869)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	7,000,000	-
Proceeds from sale of capital assets	49,269	78,486	93,881	57,369
Proceeds on issuance of capital lease	-	-	-	-
Proceeds from sale of scrap metal	-	-	-	4,485
Transfers in	-	-	1,392,422	5,615,067
Transfers out	-	-	(1,392,422)	(5,207,000)
Total Other Financing Sources (Uses)	<u>49,269</u>	<u>78,486</u>	<u>7,093,881</u>	<u>469,921</u>
NET CHANGE IN FUND BALANCES	<u>\$ 2,002,556</u>	<u>\$ 738,108</u>	<u>\$ 6,792,367</u>	<u>\$ (3,884,948)</u>
Debt Service as a Percentage of noncapital expenditures	0.00%	0.00%	0.00%	5.42%

Fiscal Years					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 13,009,174	\$ 13,759,389	\$ 15,300,505	\$ 16,184,939	\$ 16,358,097	\$ 16,903,614
438,396	457,303	503,861	1,278,242	941,320	1,684,750
3,021,099	2,865,212	1,670,312	1,578,226	1,587,359	1,606,704
56,612	33,220	67,706	38,381	113,965	168,463
275,739	191,955	148,568	613,719	738,170	293,703
16,801,020	17,307,079	17,690,952	19,693,507	19,738,911	20,657,234
2,871,722	2,838,528	3,364,826	4,139,653	4,089,513	3,760,134
2,356,570	2,365,858	2,602,106	3,005,560	2,657,706	2,568,325
4,308,211	4,289,726	4,435,291	4,490,710	4,600,425	4,475,815
2,843,024	2,914,109	3,094,475	2,967,111	3,576,835	4,014,578
1,326,306	1,396,786	1,351,326	1,470,980	1,686,426	2,097,007
-	-	-	-	-	-
467,000	467,000	554,151	543,061	584,114	495,411
242,531	224,551	107,781	203,399	187,504	234,713
500	550	499	750	591	641
4,129,808	557,417	1,062,555	1,546,893	1,849,230	1,518,138
18,545,672	15,054,525	16,573,010	18,368,117	19,232,344	19,164,762
(1,744,652)	2,252,554	1,117,942	1,325,390	506,567	1,492,472
-	-	241,826	-	-	-
-	58,897	90,362	396	59,964	365,715
-	-	-	-	95,451	-
-	-	-	-	-	-
4,979,749	1,904,223	219,000	489,458	420,728	200,000
(4,979,749)	(1,904,223)	(219,000)	(200,000)	(420,728)	(200,000)
-	58,897	332,188	289,854	155,415	365,715
\$ (1,744,652)	\$ 2,311,451	\$ 1,450,130	\$ 1,615,244	\$ 661,982	\$ 1,858,187
4.93%	4.77%	4.27%	4.44%	4.44%	4.14%

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>		
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
2016	2,086,614,725	706,488,364	2,793,103,089	0.4700
2017	2,326,882,644	695,721,993	3,022,604,637	0.4700

Source: Erath County Appraisal District

Note: Property in Erath County is re-assessed once every three years on average. The County assesses property at approximately 98% 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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
DIRECT RATE					
County Direct Rate					
General Fund	0.2862	0.2800	0.3325	0.3202	0.3165
Debt Service Fund	-	-	-	0.0273	0.0310
Road & Bridge	0.1032	0.1100	0.1175	0.1225	0.1225
Total Direct Rate	0.3894	0.3900	0.4500	0.4700	0.4700
OVERLAPPING RATE					
City and Town Rate					
City of Stephenville	0.4350	0.4435	0.4600	0.4850	0.4850
City of Dublin	0.7550	0.9500	0.9900	1.0883	1.0883
School District Rate					
Stephenville ISD	1.1470	1.1470	1.1470	1.1700	1.1700
Dublin ISD	1.2369	1.2369	1.2724	1.2724	1.2724
Lingleville ISD	1.0884	1.0875	1.1079	1.1091	1.1091
Bluff Dale ISD	1.0945	1.0893	1.0921	1.0947	1.0947
Morgan Mill ISD	1.0400	1.0400	1.0400	1.0400	1.0400
Gordon ISD	1.1058	1.0984	1.0932	1.0920	1.0920
Huckabay ISD	1.0400	1.0400	1.0400	1.0400	1.0400
Santo ISD	1.1964	1.1835	1.3162	1.3122	1.3122
Three Way ISD	1.0400	1.0400	1.0400	1.0400	1.0400
Water District Rate					
Middle Trinity	0.0150	0.0150	0.0150	0.0150	0.0145
Total Overlapping Rate	11.1940	11.3711	11.6138	11.7587	11.7582
Total Property Tax Rate					
Direct and Overlapping Governments	11.5834	11.7611	12.0638	12.2287	12.2282

Source: Texas Association of Counties, County Information Program

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

Fiscal Years				
<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
0.3261	0.3190	0.3207	0.3207	0.3248
0.0214	0.0271	0.0254	0.0254	0.0202
0.1225	0.1239	0.1239	0.1239	0.1250
0.4700	0.4700	0.4700	0.4700	0.4700
0.4850	0.4900	0.4900	0.4650	0.4899
1.1384	1.3120	1.1364	0.6989	1.1250
1.1940	1.2349	1.2349	1.5199	1.2349
1.2624	1.2424	1.2424	1.2424	1.2424
1.1076	1.1189	1.1212	1.3708	1.1183
1.1020	1.0959	1.0980	1.3750	1.0900
1.0400	1.0400	1.0400	1.2548	1.0200
1.0903	1.0898	1.0859	1.3750	1.0893
1.0400	1.0400	1.0400	1.3700	1.0400
1.3006	1.2866	1.2941	1.3750	1.3080
1.0400	1.0400	1.0400	1.1570	1.0400
0.0125	0.0120	0.0115	0.0150	0.0150
11.8128	12.0025	11.8343	13.2188	11.8128
12.2828	12.4725	12.3043	13.6888	12.2828

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

(unaudited)

<u>Tax Payer</u>	<u>2017</u>	
	<u>Total Taxable Value</u>	<u>Percentage of Total taxable value</u>
FMC Technologies	\$ 140,573,090	4.6507%
Schreiber Foods Inc	52,390,350	1.7333%
Lone Star Transmission	40,836,900	1.3511%
Saint Gobain Abrasives	32,232,455	1.0664%
Lone Star NGL Pipeline	28,637,020	0.9474%
Permian Express Partners	27,112,040	0.8970%
Stephenville CHR Campus Crest LLC	24,028,820	0.7950%
Oncor Electric Delivery Co	23,455,127	0.7760%
Mustang Ranch Holding LLC	20,406,420	0.6751%
Atmos Energy/Mid Texpline	16,033,340	0.5304%
Total	\$ 405,705,562	13.4224%

Source: Erath County Tax Assessor/Collector

	2008	
<u>Tax Payer</u>	<u>Total Taxable Value</u>	<u>Percentage of Total taxable value</u>
FMC Technologies	\$ 60,268,870	2.7226%
Schreiber Foods Inc	36,846,584	1.5944%
Saint Gobain Abrasives	33,652,486	1.4844%
Oncor Electric Delivery Co	20,509,220	0.8898%
Trinity River Energy LLC	18,295,420	0.7614%
United Telephone of Texas	17,470,090	0.6951%
Fibergrate Composite Structures Inc.	10,425,930	0.4113%
Bosque River Center Realty LLC	9,494,910	0.3720%
United Electric Cooperative Service	8,894,470	0.3184%
DB Bosque LLC	8,750,010	0.2895%
<hr/>		
Total	\$ 224,607,990	9.5389%

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

FISCAL YEAR	TAXES LEVIED	COLLECTED WITHIN THE		COLLECTIONS RELATED TO PRIOR YEARS	TOTAL COLLECTIONS	
	WITHIN THE FISCAL YEAR OF THE LEVY	FISCAL YEAR OF THE LEVY	% OF LEVY		AMOUNT	% OF LEVY
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%
2016	12,590,109	12,423,444	98.68%	80,263	12,503,707	99.31%
2017	13,122,253	12,954,393	98.72%	133,160	13,087,553	99.74%

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)

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 429,722,062	\$ 432,048,496	\$ 440,930,548	\$ 447,572,284	\$ 584,097,901
Total net debt applicable to limit	-	-	7,000,000	4,836,999	5,590,003
Legal debt margin	<u>\$ 429,722,062</u>	<u>\$ 432,048,496</u>	<u>\$ 433,930,548</u>	<u>\$ 442,735,285</u>	<u>\$ 578,507,898</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	1.56%	1.07%	0.96%

- Note:
- (1) Total assessed valuation of real property as certified, and is also presented on Table V less excluded personal property of \$695,721,993
 - (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 2017

Note 1: Assessed Value	\$ 2,326,882,644
Note 2: Debt Limit(25% assessed value)	581,720,661
Note 3: Debt applicable to limit-	
Gross Bonded Debt	3,264,000
Less: Debt Service Fund	
	<u>3,264,000</u>
Legal Debt Margin	<u><u>578,456,661</u></u>

Fiscal Year				
<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 452,091,877	\$ 638,081,717	\$ 502,051,764	\$ 521,653,681	\$ 581,720,661
5,132,000	5,132,000	4,665,000	4,198,000	3,264,000
<u>\$ 446,959,877</u>	<u>\$ 632,949,717</u>	<u>\$ 497,386,764</u>	<u>\$ 517,455,681</u>	<u>\$ 578,456,661</u>

1.14%	0.80%	0.93%	0.80%	0.56%
-------	-------	-------	-------	-------

**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>			
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%	118
2016	4,198,000	-	59,358	4,257,358	0.32%	104
2017	3,264,000	-	28,540	3,292,540	0.24%	79

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

In the years 2008-2009 the County held no outstanding debt

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

<u>Name of Government</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
DIRECT DEBT			
Erath County		100.00%	\$ 3,264,000
		Total Direct Debt	\$ 3,264,000
OVERLAPPING DEBT			
City and Town Debt			
City of Stephenville	15,815,850	100.00%	\$ 15,815,850
City of Dublin	4,185,000	100.00%	\$ 4,185,000
School District Debt			
Bluff Dale ISD	50,000	92.53%	\$ 46,265
De Leon ISD	5,950,000	3.56%	\$ 211,820
Dublin ISD	8,511,000	90.37%	\$ 7,691,391
Gordon ISD	206,000	10.28%	\$ 21,177
Hico ISD	3,260,000	22.36%	\$ 728,936
Huckabay ISD	-		\$ -
Iredell ISD	4,700,000	13.66%	\$ 642,020
Lingleville ISD	976,000	83.00%	\$ 810,080
Lipan ISD	7,670,701	13.95%	\$ 1,070,063
Morgan Mill ISD	-		\$ -
Santo ISD	330,000	4.01%	\$ 13,233
Stephenville ISD	24,180,000	100.00%	\$ 24,180,000
		Total Overlapping Debt	\$ 55,415,834
		Total Direct and Overlapping Debt	\$ 58,679,834

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

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

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

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

<u>Fiscal Years</u>	<u>Certificates of Obligation</u>				
	<u>Property Tax</u>	<u>Less: Expenses</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	23,750	-	-	-
2011	1,696,001	500	467,000	227,578	2.44
2012	717,350	500	467,000	251,521	1.00
2013	682,562	-	467,000	233,541	0.97
2014	687,703	-	467,000	107,781	1.20
2015	663,029	-	467,000	197,582	1.00
2016	643,066	-	467,000	179,603	0.99
2017	629,043	-	467,000	233,445	0.90

Note: Certificates of Obligation were obtained to remodel and expand the County Jail and Sheriff's Administration Building.
An extra interest payment was made in fiscal year 2017 as a result of a change in payment requirements of the lender.

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

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

Year	Population(1)	Personal Income(1)	Per Capita Personal Income(1)	Public School Enrollment(2)	Tarleton State University Enrollment(3)	Unemployment Rate(4)
2008	35,581	1,004,187,000	27,378	5,461	7,763	3.80%
2009	35,351	1,095,025,000	29,486	5,534	8,242	6.20%
2010	36,061	1,054,305,000	28,045	5,611	8,896	6.60%
2011	37,890	1,133,770,000	29,875	5,570	9,575	6.20%
2012	38,266	1,206,612,000	31,532	5,740	10,279	5.10%
2013	39,321	1,229,432,000	31,267	5,768	10,937	5.50%
2014	40,147	1,316,821,600	32,800	5,804	11,038	3.80%
2015	41,122	1,322,072,300	32,150	5,912	12,326	3.80%
2016	41,659	1,380,745,896	33,144	5,631	13,052	4.30%
2017	44,129	1,875,145,560	42,492	5,942	13,011	3.90%

Source:

- (1) Statistics Provided by the US Census Bureau
- (2) Enrollment figures provided by Statistical Atlas
- (3) Enrollment figures provided by Tarleton State University
- (4) Unemployment rates provided by the USA Unemployment Rates

**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	* 1055
FMC Technologies	Oil Field Products	642
Stephenville ISD	Education	492
Saint-Gobain Abrasives	Coated Abrasives	482
Schreiber Foods	Cheese Mfg.	480
Walmart Supercenter	Retail	385
Texas Health Harris Methodist	Hospital	275
Western Dairy Transport	Milk Transport	195
Erath County	Government	166
HEB Grocery	Retail	158
City of Stephenville	Government	** 149
Fibergrate Composite Structures	Fiber Glass Products	145
EGS Electrical Group	Metal Processing	140
Stephenville Medical & Surgical	Health Care	129
ABF Packing Inc	Meat Processing Plant	129
Total for top 15 Employers		5,022

Source: Erath County research

* Tarleton State University employs approximately 1038 part time student workers

** City of Stephenville employs over 170 seasonal part time employees

OPERATING INFORMATION

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

Function/Department	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Administration										
County Judge	2	2	2	2	2	2	2	2	2	2
County Clerk	9	9	8	7	8	6	7	6	6	7.5
Treasurer	3	3	3	3	3	3	3	3	3	3.5
Auditor	3	3	3	3	3	3	3	3	3	3
Information Technology	1	1	1	1	1	1	1	1	1	1
Tax Office	11	11	11	11	11	12	12	12	12.5	11.5
District Clerk	4	5	5	5	4	4	4	4	4	4.5
County Extension Office	4	4	4	4	4	5	4	3	4	3.5
Veterans Service	1	1	1	1	1	1	1	1	0.5	0.5
Emergency Management Coordinator									1	1
Legal										
County Attorney	5	5	5	5	5	4	4	4	4	4
District Attorney	6	6	7	6	6	6	6	6	7	6
Judicial										
County Court at Law	2	2	2	2	2	2	2	2	2	2
District Judge	4	4	4	4	4	4	4	4	4	4
Justice of the Peace # 1	4	4	4	4	4	4	4	4	4	4
Justice of the Peace # 2	2	2	2	2	2	2	2	2	2	2
Road & Bridge										
Precinct # 1	7	7	6	6	7	7	7	7	6.5	6
Precinct # 2	7	8	9	9	7	7	7	7	9	9
Precinct # 3	9	9	9	8	7	7	7	7	7	8
Precinct # 4	7	7	7	7	6	6	6	6	7	7
Maintenance Barn	3	2	2	2	2	2	2	2	2	2
Facilities										
Facilities Maintenance	3	3	3	3	3	3	3	3	3	3
Public Safety										
Sheriffs Administration	23	23	26	26	24	24	26	24	25	23
Dispatch	8	8	10	10	11	11	10	10	11	10
Jail	22	22	22	22	25	26	27	26	27	23
Highway Patrol	1	1	1	1	1	1	1	1	1	1
Constable # 1	1	1	1	1	1	1	1	1	1	1
Constable # 2	1	1	1	1	1	1	1	1	1	1
Pretrial Diversion	2	2	2	2	2	2	2	2	1	1
Health and Welfare										
Sanitation	1	1	1	1	1	1	1	1	1	1
Emergency Medical Services	20	20	22	22	23	23	21	22	20	33
Probation										
Juvenile Probation	3	3	3	3	4	3	4	3	3.5	3
Community Supervision Corrections	7	7	7	7	6	5	5	4	5	7
Total County Employees	186	187	194	191	191	189	190	184	191	199

Source: County Treasurer/ Human Resources

Note: Fractional numbers represent part time employees. Temporary or seasonal employees are not listed.

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Sheriff										
Number of Employees	23	23	26	26	24	24	29	24	25	23
Number of Dispatch Calls	7678	8299	8243	8917	12000	9209	9951	9945	9861	10006
Fire										
Number of Employees (26 volunteer/11 paid)	37	37	37	37	38	36	36	36	36	37
Number of Dispatch Calls	534	542	335	488	442	413	457	490	631	572
EMS										
Number of Employees	20	20	22	22	23	23	21	22	20	33
Number of Dispatch Calls	1032	1051	1143	1080	1025	784	777	819	899	872
Road & Bridge										
Precinct # 1										
Number of Employees	7	7	6	6	7	7	7	7	6.5	6
Miles of Road	179.03	179.03	179.03	179.03	180.57	180.57	180.57	180.57	180.57	180.57
Precinct # 2										
Number of Employees	7	8	9	9	7	7	7	7	9	9
Miles of Road	229.97	229.97	229.97	229.97	213.92	213.92	213.92	213.92	213.92	213.92
Precinct # 3										
Number of Employees	9	9	9	8	7	7	7	7	7	8
Miles of Road	222.83	222.83	222.83	222.83	231.5	231.5	231.5	231.5	231.5	231.5
Precinct # 4										
Number of Employees	7	7	7	7	6	6	6	6	7	7
Miles of Road	198.32	198.32	198.32	198.32	206.39	206.39	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.

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Administration										
Office Buildings/Courthouses	4	4	4	4	4	4	4	4	4	5
Vehicles	1	1	1	1	1	1	1	1	2	2
Public Safety										
Sheriff Administration/Jail	1	1	1	1	1	1	1	1	2	2
Sheriff Vehicles	26	26	26	26	26	26	28	28	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	6	6	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	3	3	3	3	4	4	4	4	4	4
EMC Vehicles									1	1
Road & Bridge										
Buildings	2	2	2	2	3	3	4	4	4	4
Heavy Equipment	42	42	42	42	52	52	55	55	73	73
Vehicles	14	14	14	14	21	21	21	21	21	21
County Road (miles)	830	830	830	830	832	832	832	832	832	832

Source: Various County offices

Note: The Office of Emergency Management was added in fiscal year 2016