

Erath County, Texas

Comprehensive Annual Financial Report For the Year Ended September 30, 2016

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

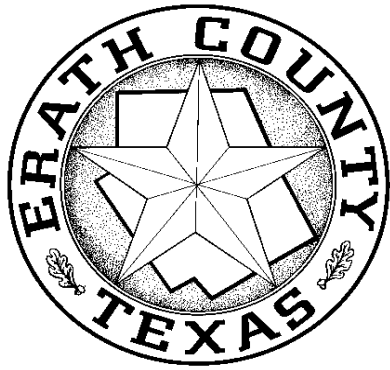
ERATH COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Year Ended September 30, 2016

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INTRODUCTORY SECTION



The Honorable District Judge Jason Cashion, 266th Judicial District
The Honorable Commissioners' Court, Erath County, Texas
Mr. Tab Thompson County Judge
Mr. Dee Stephens County Commissioner, Precinct 1
Mr. Herbert Brown County Commissioner, Precinct 2
Mr. Joe Brown County Commissioner, Precinct 3
Mr. Scot Jackson County Commissioner, Precinct 4

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

The County's financial statements have been audited by Boucher, Morgan and Young, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded; based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statement for the fiscal year ended September 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

CAFR transmittal letter, page 2

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

Respectfully submitted,

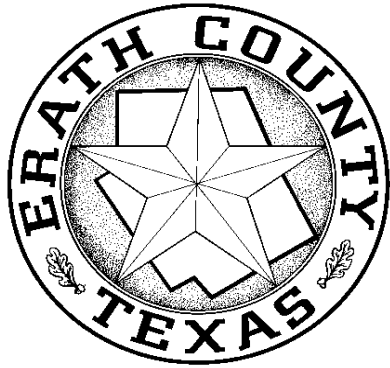
Janet S. Martin, CPA, CFE
Erath County Auditor

ERATH COUNTY, TEXAS
PRINCIPAL OFFICIALS

as of September 30, 2016

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

Organization Chart Placeholder



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, 2016, 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, 2016, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Erath County's financial statements as a whole. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Boucher, Morgan & Young

Stephenville, Texas
September 25, 2017

ERATH COUNTY, TEXAS MANAGEMENT'S DISCUSSION & ANALYSIS For the Year Ended September 30, 2016

Profile of the County

With an estimated population of 41,659 according to the United States Census Bureau, Erath County was founded in 1856 and was named for George Bernard Erath, an early surveyor and soldier. The County has experienced an estimated 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

		2016	2015
		Number	
<u>Employer</u>	<u>Type of Business</u>	<u>of Employees</u>	
Tarleton State University *	Education	989	1178
Stephenville ISD	Education	475	478
Schreiber Foods	Cheese Mfg.	472	384
Saint-Gobain Abrasives	Coated Abrasives	453	449
FMC Technologies	Oil Field Products	449	551
Walmart Supercenter	Retail	384	420
Texas Health Harris Methodist	Hospital	265	280
Western Dairy Transport	Milk Transport	200	197
Erath County	Government	194	194
HEB Grocery	Retail	142	149
City of Stephenville **	Government	142	142
Pal-Con	Heavy Equipment Mfg	140	140
EGS Electrical Group	Metal Processing	140	135
Stephenville Medical & Surgical	Health Care	130	130
ABF Packing Inc.	Meat Processing Plant	120	120
Top 15 Employers		4,695	4,947

*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. During fiscal year 2016 the workforce at FMC continued to reduce because of the decline in the oil and gas industry. (Information provided by FMC Technologies)

Grants

Erath County benefits from multiple grants. During fiscal year 2016 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, 2016. 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 FY2016. The fiscal year 2015 net position was \$34,128,262 compared to the fiscal 2016 net position of \$35,908,242. The net increase was \$1,779,980. The total net position are comprised of:

- \$ 1,287,205 - restricted by external regulators
- \$ 780,007 - restricted for debt
- \$ 20,020,826 - unrestricted net position funds that may be used to meet on-going obligations to citizens and creditors
- \$ 13,820,204 – net investment in capital assets

Governmental Funds Financial Statements

The County's governmental funds reported combined fund balances of \$22,766,488; compared to \$22,104,506 of prior year. Components of fund balances are:

- \$ 143,345 – non-spendable
- \$ 2,067,212 – restricted
- \$ 3,984,905 - committed
- \$ 16,571,026 - unassigned

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$16,571,026 or 119% 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 two categories: governmental 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) 18 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.

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning pension benefits for the County and its component unit, and general fund budgetary schedules.

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

Complete financial statements for the VFD may be obtained from:

President

Erath County Volunteer Fire Department

830 A East Road

Stephenville, TX 76401

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County's net position at September 30, 2016 and 2015 are summarized as follows:

Erath County's Net Position					
Governmental Activities					
2016 - 2015 Increase (Decrease)					
	2016	2015	Increase (Decrease)		
Current and other assets	\$ 24,094,478	\$ 23,329,888	\$	764,590	
Capital assets (net of depreciation)	18,075,155	17,338,575		736,580	
Deferred outflows	3,100,566	824,542		2,276,024	
Total assets and deferred outflows	\$ 45,270,199	\$ 41,493,005	\$	3,777,194	
Current and other liabilities	\$ 1,756,757	\$ 1,833,445	\$	(76,688)	
Long-term liabilities	7,327,983	5,531,298		1,796,685	
Deferred inflows	277,217	-		277,217	
Total liabilities and deferred inflows	\$ 9,361,957	\$ 7,364,743	\$	1,997,214	
Net investment in capital assets	\$ 13,820,204	\$ 12,673,575	\$	1,146,629	
Restricted net position	2,067,212	1,979,955		87,257	
Unrestricted net position	20,020,826	19,474,732		546,094	
Total net position	\$ 35,908,242	\$ 34,128,262	\$	1,779,980	

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 \$ 35,908,242 at the close of the most recent fiscal year, representing a 5.22% increase from the prior year. The largest portion of net position (55.76%) may be used to meet the government's commitments and on-going obligations to citizens and creditors. An additional portion of net position (5.76%) 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* (38.49%) 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, 2016 and 2015 are as follows:

Erath County's Changes in Net Position				
				Increase (Decrease)
	2016	2015		
Revenue				
Net program revenue:				
Charges for Services	\$ 202,457	\$ 185,584	\$	16,873
Fines and Fees	3,172,386	3,120,005		52,381
Operating grants and contributions	107,144	752,083		(644,939)
Capital grants and contributions	313,466	-		313,466
General revenues:				
Property taxes	12,681,825	12,143,415		538,410
Other taxes	2,493,050	2,720,972		(227,922)
Misc. Revenue	731,143	552,852		178,291
Investment earnings	113,965	38,557		75,408
Gain on sales of capital assets	56,214	(21,203)		77,417
Total Revenues	\$ 19,871,650	\$ 19,492,265	\$	379,385
Expenses				
General administration	\$ 4,334,019	\$ 3,926,371	\$	407,648
Judicial administration	2,751,586	3,001,956		(250,370)
public safety and law enforcement	5,148,313	4,913,078		235,235
Road and bridge	3,980,774	3,281,985		698,789
Health and welfare	1,698,417	1,472,171		226,246
Interest and fees on long-term debt	178,561	193,883		(15,322)
Total Expenses	\$ 18,091,670	\$ 16,789,444	\$	1,302,226
Change in net position	1,779,980	2,702,821		(922,841)
Prior Period Adjustment	-	(1,129,865)		1,129,865
Net position - beginning	34,128,262	32,555,306		1,572,956
Net position - ending	\$ 35,908,242	\$ 34,128,262	\$	1,779,980

General Revenues and Program Revenues

General revenues are revenues that are not assigned to support a specific function, but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes, other tax related revenues, interest earned from investments, and miscellaneous income. Total revenues (including program revenues) were \$19,871,650 compared to \$19,492,265 for prior fiscal year or 1.95% increase. General revenues increased \$379,385 from the prior fiscal period.

Property taxes increased by \$538,410 during the year. The change is due to increased taxable assessed values. The tax rate assessed for July 25, 2016 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 2016, net (expense) revenue was (\$14,296,217) compared to (\$12,731,772) in FY 2015.

- Employees were able to receive a pay increase equivalent to one “step” based on the recommendation of their elected official or department head. Step increases average 2.7%. The employees are compensated for their tenure through longevity pay.
- The County’s pay matrix was increased by 1.0% for inflation. Retired employees did not received an increase.
- Judicial – Expenditures, in total, were down. Multiple murder trials which caused a spike in the FY15 expenditures did not carry over into FY16. The cost of providing legal assistance for indigent representation increased especially in civil litigation.
- Road and Bridge expenses increased in FY16. 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 and Welfare cost increased. Salaries and general costs of operations increased adding to the total increase.
- Debt service (interest payments) – decreased due to the reduction of the principal balance of certificates of obligation for the County Jail.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted, the County uses *fund accounting* to ensure and demonstrate compliance with finance related legal requirements. Fund accounting budget controls and fiscal responsibility are the framework of the County’s strong fiscal management and accountability.

Governmental funds. The general government functions are reported in the General, Special Revenue and Debt Service. The focus of the County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County’s annual financing and budgeting requirements. In particular, *unassigned, assigned, and committed fund balances* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The County’s aggregate governmental funds were increased by \$661,982 in the current fiscal year to \$22,766,488. The increase is outlined below and the two greatest contributors were an increase in tax revenue and an increase in one time funds from the State.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16,573,230 in contrast to \$16,256,318 in the prior year.

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
		2016	2015	(Decrease)	Change
Taxes and registrations	\$	16,358,097	\$ 16,184,939	\$ 173,158	1.07%
Intergovernmental		941,320	1,278,242	(336,922)	-26.36%
Fines, fees, and charges for services		1,594,386	1,578,226	16,160	1.02%
Interest		113,965	38,381	75,584	196.93%
Other Revenue		731,143	613,719	117,424	19.13%
Total		\$ 19,738,911	\$ 19,693,507	\$ 45,404	0.23%

- **Taxes** – modestly increased by \$173,158 with property taxes increasing.
- **Intergovernmental** - decreased due to no required funding from the State for capital murder trials.
- **Interest**– the increase was the result of participation in the CDARS program.
- **Other Revenue** – the two main components of Other Revenue were money from insurance claims resulting from storm damage and grant funds.

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

Expenditures by Function - Governmental Funds					
				Increase	Percent of
Function:		2016	2015	(Decrease)	Change
General Administration	\$	4,089,513	\$ 4,139,653	\$ (50,140)	-1.21%
Legal		763,917	762,490	1,427	0.19%
Judicial		1,893,789	2,243,070	(349,281)	-15.57%
Road & Bridge		3,576,835	2,967,111	609,724	20.55%
Public Safety		4,600,425	4,490,710	109,715	2.44%
Health & Welfare		1,686,426	1,470,980	215,446	14.65%
Capital Projects		1,849,230	1,546,893	302,337	19.54%
Debt Service - Interest		187,504	203,399	(15,895)	-7.81%
Debt Service - Principal		584,114	543,061	41,053	7.56%
Debt Service - Bank Charges		591	750	(159)	-21.20%
Total		\$ 19,232,344	\$ 18,368,117	\$ 864,227	4.71%

- Salary levels increased approximately 3.5% from prior year and all functions incurred an 8% increase for health insurance cost.

- A lump sum payment of \$575,000 was paid to TCDRS (County retirement system) to reduce our future pension liability.
- Judicial – expenses lessened in 2016 due to the absence of capital murder trials.
- 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.
- Health & Welfare – Cost increase related to an increase of major procedures for indigent citizens.
- Capital Projects – the increase was a combination of heavy equipment replacement and improvements to security and facilities
- Debt service – Increased interest related to vehicle leasing while the interest and principal related to the certificates of obligation used to fund the jail expansion continue to decline.

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY2016 legally adopted cash budget was approved on September 28, 2015 totaling \$15,726,402 an increase of \$683,577 from FY2015 budget. The FY2016 legally adopted budget for all funds totaled \$21,709,229; an increase of \$3,977,666 primarily for upcoming judicial services and facilities expansion to paid from reserves.

Highlights from Erath County FY 2016 Budget include the following:

- The County's property tax rate for valuation date January 1, 2015 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, 2016, the County had certificates of obligation outstanding in the amount of \$4,198,000. 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 FY2016:

		Beginning			Ending	Due Within
		Balance	Increases	Decreases	Balance	One Year
Governmental Activities:						
Compensated Absences		\$ 238,078	\$ -	\$ (48,902)	\$ 189,176	\$ 166,475
Capital leases		78,614	95,451	(117,114)	56,951	28,410
Certificates of Obligation		4,665,000	-	(467,000)	4,198,000	467,000
	Total:	\$4,981,692	\$ 95,451	\$ (633,016)	\$4,444,127	\$ 661,885

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, 2016, net capital assets of the governmental activities totaled \$18,075,155 reflecting a net increase of \$736,580 from the prior fiscal year as a result of asset acquisitions. Depreciation of capital assets is recognized in the government-wide financial statements. FY 2016 depreciation for buildings, improvements, and M&E totaled \$1,108,900.

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 FY2016 Budget meets the key established policy directive of the Commissioners Court. The FY2016 budget process was primarily focused identifying various balancing strategies that impact services provided to the citizens of Erath County as minimally as possible.

Highlights from Erath County FY2016 Budget and anticipated expenses into FY2017 include the following:

- The FY2016 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 declarations allowing the County to qualify for federal assistance.
- The County continues to grow and prosper and that prosperity leads to the need for additional services. Along with County growth, the County as a subdivision of the State is required to provide additional services. Although the leaders of the County had planned to refurbish the Long Hotel they are currently re-evaluating to see if adequate parking exists. If it is decided the facility does not have adequate parking another site for expansion will be sought.
- New voting machines have been budgeted due to equipment "end of life" issues. Due to legislative delays, the budget for the machines may be included in the FY17 budget.
- New positions are being considered in the Jail to make sure Erath County remains in compliance with Texas Jail Standards, as well as additional deputies and multiple offices requesting promotions of current employees to management positions.

- The unassigned reserve balance of \$16,571,261 allows the County to operate with the assurance that financial solvency is not an issue. The State continues to issue “unfunded” mandates for the counties.

REQUEST FOR INFORMATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ERATH COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	<u>Primary Government Governmental Activities</u>	<u>Component Unit- Erath County Volunteer Fire Department</u>
ASSETS:		
Cash and investments	\$ 22,882,048	\$ 37,605
Receivables (net of allowance for uncollectible)		
Taxes	812,800	-
Other	238,336	-
Other assets	145,294	
Restricted assets		
Cash and cash equivalents	16,000	-
Capital Assets (net of accumulated depreciation)		
Land	831,055	-
Buildings, net	12,489,263	-
Furniture and equipment, net	4,754,837	34,878
	<hr/>	<hr/>
Total Assets	42,169,633	72,483
DEFERRED OUTFLOWS:		
Deferred retirement contributions	599,679	-
Deferred assumption/input changes	254,246	-
Deferred investment experience	2,246,641	-
Total deferred outflows	3,100,566	-
	<hr/>	<hr/>
Total assets and deferred outflows	\$ 45,270,199	\$ 72,483
	<hr/>	<hr/>
LIABILITIES:		
Accounts payable and accrued liabilities	624,051	-
Accrued salaries and wages	329,863	7,048
Accrued interest	81,899	-
Due to other governments	25,340	-
Other liabilities	33,719	-
Certificate of obligation-due within one year	467,000	-
Capital lease-due within one year	28,410	
Accrued compensated absences-due in more than one year	166,475	-
Noncurrent liabilities		
Certificate of obligation-due in more than one year	3,731,000	-
Capital lease-due in more than one year	28,541	
Accrued compensated absences-due in more than one year	22,701	-
Net pension liability	3,545,741	-
	<hr/>	<hr/>
Total Liabilities	9,084,740	7,048
	<hr/>	<hr/>
DEFERRED INFLOWS:		
Deferred actual vs. assumption	277,217	
NET POSITION:		
Net investment in capital assets	13,820,204	-
Restricted for:		
Debt service	780,007	-
Special revenue purposes	1,287,205	-
Unrestricted	20,020,826	65,435
	<hr/>	<hr/>
Total Net Position	\$ 35,908,242	\$ 65,435
	<hr/>	<hr/>

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

ERATH COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Program Activities	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General administration	\$ 4,334,019	\$ 223,884	\$ 56,124
Judicial administration	2,751,586	1,181,153	10,404
Public safety and law enforcement	5,148,313	681,052	40,616
Road and bridge	3,980,774	1,044,207	-
Health and welfare	1,698,417	244,547	-
Interest and fees on long-term debt	178,561	-	-
Total Governmental Activities	<u>18,091,670</u>	<u>3,374,843</u>	<u>107,144</u>
Total primary government	<u>\$ 18,091,670</u>	<u>\$ 3,374,843</u>	<u>\$ 107,144</u>
Component Unit:			
Erath County Volunteer Fire Department	307,199		277,876
Total Primary Government	<u>\$ 307,199</u>	<u>\$ -</u>	<u>\$ 277,876</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>		
\$ -	\$ (4,054,011)	\$ -
-	(1,560,029)	-
-	(4,426,645)	-
313,466	(2,623,101)	-
-	(1,453,870)	-
-	(178,561)	-
<u>\$ 313,466</u>	<u>(14,296,217)</u>	<u>-</u>
	<u>\$ (14,296,217)</u>	<u>\$ -</u>
	-	(29,323)
	<u>\$ -</u>	<u>\$ (29,323)</u>
	\$ 12,548,831	\$ -
	2,493,050	-
	132,994	-
	731,143	-
	113,965	-
	56,214	-
	<u>16,076,197</u>	<u>-</u>
	1,779,980	(29,323)
	34,128,262	94,758
	<u>\$ 35,908,242</u>	<u>\$ 65,435</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, 2016

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 17,267,367	\$ 4,202,738	\$ 1,411,943	\$ 22,882,048
Taxes receivable	714,663	90,397	7,740	812,800
Due from other fund	-	-	647,568	647,568
Other receivable	19,094	-	8,688	27,782
Other assets	143,345	-	1,949	145,294
Restricted cash and cash equivalents	16,000	-	-	16,000
Total Assets and Other Debits	<u>\$ 18,160,469</u>	<u>\$ 4,293,135</u>	<u>\$ 2,077,888</u>	<u>\$ 24,531,492</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 406,001	\$ 215,738	\$ 2,312	\$ 624,051
Wages and salaries payable	262,081	67,158	624	329,863
Due to other fund	647,568	-	-	647,568
Due to other governments	25,340	-	-	25,340
Other liabilities	33,719	-	-	33,719
Total Liabilities	<u>1,374,709</u>	<u>282,896</u>	<u>2,936</u>	<u>1,660,541</u>
Deferred inflows:				
Deferred property taxes	<u>69,185</u>	<u>27,538</u>	<u>7,740</u>	<u>104,463</u>
Fund Balances:				
Nonspendable	143,345	-	-	143,345
Restricted				
Debt service	-	-	780,007	780,007
Election	-	-	24,288	24,288
General administration	-	-	28,660	28,660
Judicial	-	-	212,599	212,599
Legal	-	-	99,969	99,969
Public safety	-	-	248,280	248,280
Records management	-	-	673,409	673,409
Committed				
Road & bridge	-	3,984,905	-	3,984,905
Unassigned	16,573,230	(2,204)	-	16,571,026
Total Fund Balances	<u>16,716,575</u>	<u>3,982,701</u>	<u>2,067,212</u>	<u>22,766,488</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 18,160,469</u>	<u>\$ 4,293,135</u>	<u>\$ 2,077,888</u>	<u>\$ 24,531,492</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, 2016

Total Fund Balances- Governmental Funds	\$ 22,766,488
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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	\$ 34,873,752	
Accumulated depreciation	<u>(16,798,597)</u>	18,075,155

Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(4,444,127)
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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.	(81,899)
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Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.

Office fees	210,554	
Property taxes	<u>104,463</u>	315,017

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	(3,545,741)	
Deferred actual vs. assumption	(277,217)	
Deferred retirement contributions	599,679	
Deferred assumption/input changes	254,246	
Deferred investment experience	<u>2,246,641</u>	(722,392)

Net Position of Governmental Activities	<u><u>\$ 35,908,242</u></u>
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The accompanying notes are an integral part of the financial statements.

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE:				
Taxes:				
Property taxes	\$ 8,676,474	\$ 3,319,614	\$ 643,066	\$ 12,639,154
General sales and other taxes	2,493,050	-	-	2,493,050
Auto registrations	181,686	1,044,207	-	1,225,893
Intergovernmental revenue and grants	592,041	349,279	-	941,320
Charges for services	194,487	-	7,970	202,457
Fines and fees	1,141,020	-	243,882	1,384,902
Forfeitures	7,027	-	-	7,027
Investment earnings	97,114	13,407	3,444	113,965
Other revenue	729,896	1,247	-	731,143
Total Revenues	<u>14,112,795</u>	<u>4,727,754</u>	<u>898,362</u>	<u>19,738,911</u>
EXPENDITURES:				
Current:				
General Government:				
Public finance	1,649,184	-	92,466	1,741,650
General administration	2,316,162	-	31,701	2,347,863
Judicial	1,884,432	-	9,357	1,893,789
Legal	742,814	-	21,103	763,917
Public safety	4,591,141	-	9,284	4,600,425
Health and welfare	1,686,426	-	-	1,686,426
Road and bridge	-	3,576,835	-	3,576,835
Debt Service:				
Bank charges	-	-	591	591
Principal	117,114	-	467,000	584,114
Interest	7,901	-	179,603	187,504
Capital Outlay:				
Capital outlay	950,284	898,946	-	1,849,230
Total Expenditures	<u>13,945,458</u>	<u>4,475,781</u>	<u>811,105</u>	<u>19,232,344</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>167,337</u>	<u>251,973</u>	<u>87,257</u>	<u>506,567</u>
OTHER FINANCING SOURCES (USES):				
Proceeds on sale of assets	9,407	50,557	-	59,964
Proceeds on issuance of capital lease	95,451	-	-	95,451
Transfers in	140,728	280,000	-	420,728
Transfers out	-	(420,728)	-	(420,728)
Total Other Financing Sources (Uses)	<u>245,586</u>	<u>(90,171)</u>	<u>-</u>	<u>155,415</u>
Net Change in Fund Balances	412,923	161,802	87,257	661,982
Fund Balances - Beginning	16,303,652	3,820,899	1,979,955	22,104,506
Fund Balances - Ending	<u>\$ 16,716,575</u>	<u>\$ 3,982,701</u>	<u>\$ 2,067,212</u>	<u>\$ 22,766,488</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, 2016

Net Change in Fund Balances-Total Governmental Funds		\$	661,982
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.			
			1,849,230
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.			
			(1,108,900)
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.			
			(3,750)
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.			
Issuance of capital lease	(95,451)		
Principal payments	584,114		
Decrease in compensated absences	48,902		
			537,565
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.			
			9,534
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	33,854		
Property taxes	42,671		
			76,525
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.			
			(242,206)
Change in Net Position of Governmental Activities		\$	1,779,980

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, 2016

	Agency Funds
	<hr/>
ASSETS	
Cash and short-term investments	\$ 1,270,294
Total Assets	<u>\$ 1,270,294</u>
LIABILITIES	
Due to others	\$ 1,270,294
Total Liabilities	<u>\$ 1,270,294</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, 2016

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, 2016

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, 2016

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, 2016

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 (\$172,864 General Fund, \$66,474 Road and Bridge Fund and \$12,823 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, 2016

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, 2016 to finance maintenance and operations of the County, Debt Service, and Road and Bridge were \$0.3222, \$0.0239, and \$0.1239 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, 2016

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, 2016, the value of accumulated vacation benefits was \$135,230 and the value of accumulated sick pay benefits was approximately \$53,946 for a total of \$189,176.

The portion of accrued vacation pay and sick pay that has been classified as current is \$166,475.

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, 2016

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, 2016

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, 2016

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

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

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

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

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

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

NOTE 2: Compliance and Accountability

Finance-Related Legal and Contractual Provisions - In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions are to be disclosed along with actions required to address such violations are to be disclosed. The County did not have any such violations during fiscal year 2016.

NOTE 3: Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash and investments as of September 30, 2016 consist of the following:

Cash on hand	\$ 5,300
Deposits with financial institutions	6,439,010
Short-term investments	5,269,338
Certificates of deposit	<u>11,184,400</u>
	<u><u>\$ 22,898,048</u></u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3: Deposits and Investments (cont.)

A. Cash Deposits

At September 30, 2016, 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, 2016 consisted of the following:

Investment Type	Amount	Weighted Average Maturity
Texpool	\$ 5,269,338	44 days
Certificates of deposit	<u>11,184,400</u>	180 days
	<u><u>\$ 16,453,738</u></u>	

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

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3: Deposits and Investments (cont.)

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

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

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

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk because its deposits at year-end and during the year ended September 30, 2016 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, 2016, TexPool's investment credit quality rating was AAAM (Standard & Poor's). The certificates of deposit are not rated.

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

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 4: Capital Assets

Capital asset activity for the year ended September 30, 2016 was as follows:

	October 1, 2015	Increase	Decrease	September 30, 2016
Government activities capital assets:				
Non-depreciable assets:				
Land	\$ 831,055	\$ -	\$ -	\$ 831,055
Total non-depreciable assets	<u>831,055</u>	<u>-</u>	<u>-</u>	<u>831,055</u>
Depreciable assets:				
Buildings	18,717,307	-	-	18,717,307
Furniture and equipment	13,610,695	1,849,230	(134,535)	15,325,390
Total depreciable assets	<u>32,328,002</u>	<u>1,849,230</u>	<u>(134,535)</u>	<u>34,042,697</u>
Totals at historic cost	<u>33,159,057</u>	<u>1,849,230</u>	<u>(134,535)</u>	<u>34,873,752</u>
Less accumulated depreciation:				
Buildings	(5,756,827)	(471,217)	-	(6,228,044)
Furniture and equipment	(10,063,655)	(637,683)	130,785	(10,570,553)
Total accumulated depreciation	<u>(15,820,482)</u>	<u>(1,108,900)</u>	<u>130,785</u>	<u>(16,798,597)</u>
Total capital assets, being depreciated, net	<u>16,507,520</u>	<u>740,330</u>	<u>(3,750)</u>	<u>17,244,100</u>
Governmental capital assets, net	<u>\$ 17,338,575</u>	<u>\$ 740,330</u>	<u>\$ (3,750)</u>	<u>\$ 18,075,155</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	\$ 128,302
Justice	75,399
Public safety	506,755
Public transportation	398,444
Total depreciation expense	<u>\$ 1,108,900</u>

NOTE 5: Interfund Transactions

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

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 5: Interfund Transactions (cont.)

During the year ended September 30, 2016, Road and Bridge performed an interfund transfer to fund operations of the Maintenance Barn in the amount of \$280,000. In addition, the Road and Bridge Fund transferred \$140,728 to the General Fund to reimburse road repairs paid for in previous years.

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, 2016:

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

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

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2017	\$ 467,000	\$ 152,633	\$ 619,633
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
2022-2026	1,863,000	143,163	2,006,163
	<u>\$ 4,198,000</u>	<u>\$ 726,534</u>	<u>\$ 4,924,534</u>

Long-term obligations include debt and compensated absences. Changes in long-term obligations for the period ended September 30, 2016, are as follows:

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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	\$ 238,078	\$ -	\$ 48,902	\$ 189,176	\$ 166,475
Certificate of obligation	4,665,000	-	467,000	4,198,000	467,000
Capital lease	<u>78,614</u>	<u>95,451</u>	<u>117,114</u>	<u>56,951</u>	<u>28,410</u>
Total Governmental Activities	<u>\$ 4,981,692</u>	<u>\$ 95,451</u>	<u>\$ 633,016</u>	<u>\$ 4,444,127</u>	<u>\$ 661,885</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 \$342,276 and amortized value of \$245,547. Amortization expense has been included in depreciation expense for the year ended September 30, 2016.

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, 2016:

2017	\$ 29,679
2018	<u>29,679</u>
	59,358
Less amount representing interest	<u>2,407</u>
Present value of net minimum lease payments	<u>\$ 56,951</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, 2016, as follows:

Year Ending September 30,	
2017	\$ 275
2018	7,572
2019	7,572
2020	<u>631</u>
Total Minimum Future Lease Obligations	<u>\$ 16,050</u>
Rental Expenditures in 2016	<u>\$ 2,425</u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, 2016, 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, 2016

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, 2015 valuation and measurement date, the following employees were covered by the benefits terms:

Inactive employees of beneficiaries currently receiving benefits	91
Inactive employees entitled to but not yet receiving benefits	29
Active employees	191
	<u>311</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 11.14% for the calendar year ending in 2016. The deposit rate payable by the employee members for calendar year 2016 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, 2016, was measured as of December 31, 2015, 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, 2015 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, 2016

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, 2015 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 2016 information for a 7-10 year time horizon and are re-assessed at a minimum every four years, and it is set based on a 30-year time horizon, the most recent analysis was performed in 2013 based on the period January 1, 2009 – December 31, 2013. Best estimates of geometric real rates of return (net of inflation, assumed at 1.7%) for each major asset class included in the target asset allocation (as adopted by the TCDRS board in April 2016) 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	14.5%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	14.0%	8.45%
Global Equities	MSCI World (net) Index	1.5%	5.75%
International Equities - Developed	MSCI World Ex USA (net)	10.0%	5.45%
International Equities - Emerging	MSCI World Ex USA (net)	8.0%	6.45%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.0%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.0%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.0%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.0%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.0%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.0%	4.00%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.0%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	5.0%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.0%	5.25%
Total		100.0%	

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 12/31/2014	\$ 30,618,298	\$ 29,313,570	\$ 1,304,728
Changes for the year:			
Service cost	909,594	-	909,594
Interest on total pension liability	2,503,916	-	2,503,916
Effect of plan changes	664,792	-	664,792
Effect of economic/demographic gains or losses	(395,640)	-	(395,640)
Effect of assumptions changes or inputs	338,995	-	338,995
Refund of contributions	(185,609)	(185,609)	-
Benefit payments	(1,127,645)	(1,127,645)	-
Administrative expenses	-	(21,304)	21,304
Member contributions	-	513,054	(513,054)
Net investment income	-	(120,627)	120,627
Employer contributions	-	1,354,107	(1,354,107)
Other	-	55,414	(55,414)
Net changes	\$ 2,708,403	\$ 467,390	\$ 2,241,013
Balance at 12/31/2015	\$ 33,326,701	\$ 29,780,960	\$ 3,545,741

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
Total pension liability	\$ 37,465,726	\$ 33,326,701	\$ 29,859,803
Fiduciary net position	29,780,960	29,780,960	29,780,960
Net pension liability (asset)	\$ 7,684,766	\$ 3,545,741	\$ 78,843

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, 2016, the County recognized pension expense of \$1,687,245.

As of September 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 296,730	\$ 19,513
Changes of assumptions	-	254,246
Net difference between projected and actual earnings	-	2,246,641
Contributions subsequent to the measurement date	-	599,679
Total	\$ 296,730	\$ 3,120,079

\$599,679 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Valuation year ended December 31:	
2016	\$ 575,163
2017	575,163
2018	565,407
2019	507,936
2020	-
Thereafter	-

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, 2016, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulation governing the respective grant; therefore no provision has been recorded in the accompanying financial statements for such contingencies.

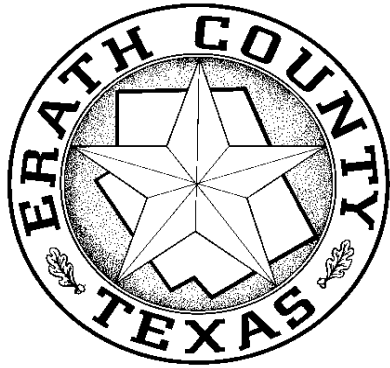
Litigation

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

NOTE 12: New Accounting Pronouncements

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

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



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, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
REVENUES:				
Taxes:				
Current taxes	\$ 8,483,175	\$ 8,483,175	\$ 8,523,306	\$ 40,131
Delinquent taxes	675,000	675,000	58,383	(616,617)
Penalty & interest	86,500	86,500	90,575	4,075
Mixed drink tax	80,000	80,000	103,486	23,486
Sales tax	2,225,000	2,225,000	2,372,934	147,934
Tax certificate	14,000	14,000	16,630	2,630
Late rendition penalty	3,800	3,800	4,210	410
Total Taxes	<u>11,567,475</u>	<u>11,567,475</u>	<u>11,169,524</u>	<u>(397,951)</u>
General County				
Interest	18,400	18,400	94,379	75,979
Tobacco settlement	20,000	20,000	20,311	311
State juror reimbursement	10,000	10,000	10,404	404
Workers comp adjustment	-	-	1,944	1,944
Health insurance reimbursement	-	-	19,213	19,213
Vending machines	-	-	509	509
General county miscellaneous	3,000	3,000	13,527	10,527
Total General County	<u>51,400</u>	<u>51,400</u>	<u>160,287</u>	<u>108,887</u>
County Clerk				
Drug court cost	1,000	1,000	1,296	296
Judicial support fee	250	250	227	(23)
Juror fee	-	-	151	151
Bond forfeiture	6,000	6,000	7,027	1,027
Judges education	500	500	650	150
Fees	527,200	527,200	458,981	(68,219)
5% cash bond	500	500	724	224
State traffic fee	100	100	70	(30)
Indigent legal	100	100	137	37
DPS arrest	1,500	1,500	1,772	272
EMS trauma	1,000	1,000	1,136	136
Other revenue	-	-	2,478	2,478
Total County Clerk	<u>538,150</u>	<u>538,150</u>	<u>474,649</u>	<u>(63,501)</u>
Tax Collector/Assessor				
TERP surcharge fee	1,500	1,500	1,372	(128)
Tax entity commission	36,000	36,000	36,309	309
Auto commission	150,000	150,000	100,751	(49,249)
Motor vehicle titles	40,000	40,000	41,735	1,735
Chapter 19 reimbursement	-	-	2,448	2,448
Total Tax Collector/Assessor	<u>227,500</u>	<u>227,500</u>	<u>182,615</u>	<u>(44,885)</u>
Sanitation				
Fees	<u>35,000</u>	<u>35,000</u>	<u>50,060</u>	<u>15,060</u>
Total Sanitation	<u>35,000</u>	<u>35,000</u>	<u>50,060</u>	<u>15,060</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Election				
Reimbursed election expense	3,000	12,381	32,209	19,828
Total Election	3,000	12,381	32,209	19,828
Volunteer Fire Department				
Workers comp refund	4,000	4,000	16,612	12,612
Grant revenue	-	-	8,400	8,400
Miscellaneous	200,000	200,000	200,000	-
Total Volunteer Fire Department	204,000	204,000	225,012	12,612
911 Emergency				
COG reimbursement 911	45,000	45,000	18,685	(26,315)
Total 911 Emergency	45,000	45,000	18,685	(26,315)
District Clerk				
Restitution	-	-	400	400
Drug court cost	-	-	225	225
Family violence fee	-	-	54	54
Judicial support fee	-	-	40	40
AG citation fee	2,000	2,000	2,349	349
AG motion fee	-	-	188	188
Court appointed attorney	14,000	14,000	19,579	5,579
Fees	125,000	125,000	148,909	23,909
Jury trial fee	750	750	1,850	1,100
Visual recorder	-	-	37	37
5% cash bond	-	-	50	50
Court reporter fee	4,000	4,000	4,500	500
Consolidated court cost	750	750	952	202
DNA testing	-	-	21	21
AG child support	700	700	579	(121)
Time payments	-	-	830	830
EMS trauma	-	-	139	139
Indigent legal	-	-	234	234
Bureau of vital statistics	-	-	154	154
Other	-	-	2,789	2,789
Total District Clerk	147,200	147,200	183,879	36,679
District Attorney				
Judicial district apportionment	28,200	28,200	9,832	(18,368)
Assistant DA longevity	980	980	880	(100)
Miscellaneous	-	-	5,788	5,788
Total District Attorney	29,180	29,180	16,500	(12,680)

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
District Court				
Appointed attorney	30,000	30,000	33,269	3,269
Total District Court	30,000	30,000	33,269	3,269
County Attorney				
State salary allocation	70,000	70,000	70,000	-
Court apportionment	9,220	9,220	10,144	924
Miscellaneous	-	-	240	240
Total County Attorney	79,220	79,220	80,384	1,164
Court At Law				
State salary allocation	84,000	84,000	84,000	-
Court apportionment	35,000	35,000	42,829	7,829
Probate fees	-	-	260	260
Interpreter fees	500	500	700	200
Total Court At Law	119,500	119,500	127,789	8,289
Justice of The Peace #1				
Judicial fee	1,000	1,000	998	(2)
City apportionment	127,398	127,398	127,398	-
Jury fee	700	700	666	(34)
Expungent fee	-	-	120	120
Fees	150,000	150,000	137,074	(12,926)
Defensive driving	2,000	2,000	2,228	228
Traffic	2,000	2,000	2,474	474
Consolidated court cost	6,000	6,000	6,677	677
Indigent legal	4,000	4,000	8,353	4,353
Arrest fee	5,500	5,500	6,336	836
Time payments	1,700	1,700	2,313	613
Motor carrier fee	-	-	5,993	5,993
Child safety seat	-	-	130	130
Total Justice of The Peace #1	300,298	300,298	300,760	462

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Justice of The Peace #2				
Judicial fee	175	175	290	115
Jury fee	-	-	193	193
Fees	32,000	32,000	40,817	8,817
Defensive driving	500	500	907	407
Traffic	500	500	908	408
Consolidated court cost	1,200	1,200	1,932	732
Seatbelt	-	-	20	20
DPS arrest	1,200	1,200	1,888	688
Time payments	-	-	238	238
Total Justice of The Peace #2	35,575	35,575	47,193	11,618
Sheriff				
Crime victim reimbursement	2,300	2,300	1,195	(1,105)
Fees	40,000	40,000	49,789	9,789
Visual recorder fee	1,500	1,500	1,704	204
Bail bond fee	700	700	1,254	554
Estray cattle	3,500	3,500	5,466	1,966
State inmate reimbursement	4,000	4,000	7,370	3,370
City of Dublin inmates	1,500	1,500	2,200	700
City of Stephenville inmates	20,000	20,000	14,100	(5,900)
Inmate phone commission	20,000	20,000	53,239	33,239
Extradition reimbursement	700	700	60	(640)
Inmate SSA	-	-	1,600	1,600
Insurance claim reimbursement	-	238,518	267,734	29,216
Grant revenues	3,500	3,500	3,730	230
Auto claim transport	-	-	17,306	17,306
Inmate housing revenue	50,000	56,956	151,503	94,547
Total Sheriff	147,700	393,174	578,250	185,076
Constable #1				
Fees	15,000	15,000	20,680	5,680
Total Constable #1	15,000	15,000	20,680	5,680
Constable #2				
Fees	3,000	3,000	3,570	570
LEOSE apportionment	-	-	665	665
Total Constable #2	3,000	3,000	4,235	1,235

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Pretrial Diversion				
Fees	1,500	1,500	1,144	(356)
Total Pretrial Diversion	1,500	1,500	1,144	(356)
Emergency Medical Services				
Charges for services	140,000	140,000	194,487	54,487
Insurance reimbursements	-	-	978	978
FEMA grant revenue	-	-	3,402	3,402
Total Emergency Medical Services	140,000	140,000	198,867	58,867
Indigent Healthcare				
Inmate Medical Copay	3,000	3,000	6,312	3,312
Interest	500	500	2,735	2,235
Total Indigent Healthcare	3,500	3,500	9,047	5,547
Non-Departmental				
Reimbursements	-	59,687	197,400	137,713
Miscellaneous	-	-	358	358
Total Indigent Healthcare	-	59,687	197,758	138,071
TOTAL REVENUES	13,723,198	14,037,740	14,112,796	66,656
EXPENDITURES:				
County Judge				
Salary	154,584	154,584	153,378	1,206
Operating	6,040	6,760	6,666	94
Supplies	2,000	3,000	2,815	185
Schools & dues	6,200	5,250	3,572	1,678
Equipment	3,500	2,880	225	2,655
Total County Judge	172,324	172,474	166,656	5,818
County Clerk				
Salary	391,397	391,397	391,007	390
Operating	4,500	4,500	1,801	2,699
Supplies	10,000	9,650	8,925	725
Schools & dues	7,000	3,000	2,959	41
Software/hardware maintenance	23,254	23,254	16,534	6,720
Equipment	-	9,750	6,973	2,777
Total County Clerk	436,151	441,551	428,199	13,352
County Auditor				
Salary	245,963	248,513	230,085	18,428
Operating	2,020	2,020	353	1,667
Supplies	2,900	4,150	3,996	154
Schools & dues	8,000	3,100	2,468	632
Equipment	1,000	2,100	1,609	491
Software/hardware maintenance	15,658	15,658	11,219	4,439
Total County Auditor	275,541	275,541	249,730	25,811

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
County Treasurer				
Salary	207,092	207,092	205,979	1,113
Operating	4,320	4,233	2,654	1,579
Advertising	8,000	12,200	10,774	1,426
Supplies	5,850	5,850	4,071	1,779
Schools & dues	7,500	6,500	4,923	1,577
Equipment	4,500	4,000	3,603	397
Software/hardware maintenance	12,158	12,245	9,581	2,664
Drug screening	5,500	7,200	6,585	615
Total County Treasurer	254,920	259,320	248,170	11,150
Tax Assessor/Collector				
Salary	595,333	594,198	572,431	21,767
Operating	81,050	79,855	71,814	8,041
Advertising	3,200	3,200	2,798	402
Supplies	16,000	16,000	15,470	530
Schools & dues	4,500	5,500	5,486	14
Equipment	2,500	32,020	29,365	2,655
Software/hardware maintenance	12,600	13,235	13,235	-
Data processing	19,000	13,740	12,486	1,254
Total Tax Assessor/Collector	734,183	757,748	723,085	34,663
Veteran's Service				
Salary	38,389	38,389	26,382	12,007
Operating	2,668	2,668	1,666	1,002
Supplies	1,100	675	177	498
Advertising	200	200	30	170
Equipment	500	925	742	183
Total Veteran's Service	42,857	42,857	28,997	13,860
Sanitation				
Salary	60,892	60,892	58,654	2,238
Operating	4,972	4,972	2,704	2,268
Supplies	1,000	1,000	725	275
Schools & dues	500	500	-	500
Equipment	5,258	17,908	15,948	1,960
Software/hardware maintenance	2,000	4,350	4,320	30
Fuel	2,500	2,500	1,344	1,156
Travel	500	500	-	500
Total Sanitation	77,622	92,622	83,695	8,927

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Elections				
Salary	10,765	12,230	11,465	765
Operating	33,800	41,716	38,122	3,594
Supplies	5,500	5,500	5,191	309
Equipment	4,515	4,515	1,072	3,443
Software/hardware maintenance	14,841	14,841	10,881	3,960
Total Elections	69,421	78,802	66,731	12,071
Fire Suppression				
Salary	420	420	420	-
Operating	72,440	75,940	302,726	(226,786)
Schools and dues	3,000	2,993	2,993	-
Equipment	247,855	148,651	102,456	46,195
EMS	101,742	101,742	101,742	-
Volunteer fire departments	254,220	258,227	262,044	(3,817)
Total Fire Suppression	679,677	587,973	772,381	(184,408)
Non-Departmental				
Salary	610,000	610,000	604,703	5,297
Operating	1,078,830	987,509	536,543	450,966
Advertising	6,000	6,000	3,338	2,662
Schools & dues	2,500	2,500	1,225	1,275
Equipment	98,000	66,000	61,012	4,988
Professional services	61,000	61,000	49,169	11,831
Software/hardware maintenance	67,000	67,000	56,949	10,051
Highway right of way purchase	100,000	80,000	65,533	14,467
Pauper burials	5,000	3,500	1,525	1,975
Autopsies	100,000	105,763	105,763	-
Historical society	1,500	1,500	708	792
Erath county senior citizens	18,000	18,000	18,000	-
Central appraisal district allocation	349,503	356,453	356,426	27
Erath county trapper	32,400	32,400	32,400	-
Humane society	18,000	18,000	18,000	-
Capital projects	1,005,000	968,431	657	967,774
Storm-related repairs	-	-	-	-
Total Non-Departmental	3,552,733	3,384,056	1,911,951	1,472,105
911 Emergency				
Addressing contract	45,000	45,000	45,000	-
Total 911 Emergency	45,000	45,000	45,000	-

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
District Judge				
Salary	291,419	292,344	281,362	10,982
Operating	3,724	3,724	1,924	1,800
Supplies	3,000	2,860	2,625	235
Schools & dues	7,000	7,000	3,571	3,429
Law books/online research	5,500	3,734	1,542	2,192
Equipment	2,000	3,906	139	3,767
Software/hardware maintenance	1,512	1,512	1,134	378
Total District Judge	314,155	315,080	292,297	22,783
District Clerk				
Salary	269,365	269,365	263,454	5,911
Operating	7,600	7,100	5,866	1,234
Supplies	5,800	7,975	7,947	28
Schools & dues	5,000	4,000	3,730	270
Equipment	3,400	3,400	1,647	1,753
Software/hardware maintenance	22,600	21,925	15,056	6,869
Total District Clerk	313,765	313,765	297,700	16,065
District Attorney				
Salary	354,928	355,138	351,518	3,620
Operating	46,914	38,114	7,540	30,574
Supplies	8,000	10,000	9,973	27
Schools & dues	6,000	6,000	4,381	1,619
Equipment	2,000	8,800	5,225	3,575
Law books/online research	2,200	2,200	956	1,244
Software/hardware maintenance	10,975	10,975	7,985	2,990
Professional fees	30,000	30,000	4,629	25,371
Total District Attorney	461,017	461,227	392,207	69,020
District Court				
Administration	3,069	3,069	3,069	-
Transcript	18,000	18,000	10,326	7,674
Court Expense	140,000	164,521	56,769	107,752
Equipment	7,000	7,500	1,620	5,880
Professional fees	15,000	15,000	3,175	11,825
Civil attorney ad litem	40,000	40,000	5,350	34,650
Criminal attorney ad litem	150,000	125,479	88,722	36,757
Petit jury	20,000	19,000	10,219	8,781
Grand jury	6,800	6,800	4,300	2,500
Jury meals	500	500	163	337
Jury commission	500	500	-	500
Crime victims jury	750	560	221	339
Cross timbers jury	3,375	2,945	2,557	388
Erath county child welfare	3,375	4,495	4,495	-
Total District Court	408,369	408,369	190,986	217,383

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
County Attorney				
Salary	325,389	325,389	323,888	1,501
Operating	2,540	681	500	181
Supplies	2,500	3,300	3,288	12
Schools & dues	3,200	1,760	1,408	352
Law books/online research	1,800	1,300	898	402
Equipment	2,100	4,273	3,608	665
Software/hardware maintenance	18,066	18,066	15,405	2,661
Court expense	785	1,612	1,612	-
Total County Attorney	<u>356,380</u>	<u>356,381</u>	<u>350,607</u>	<u>5,774</u>
Court At Law				
Salary	273,092	274,797	262,147	12,650
Operating	24,800	29,675	29,114	561
Supplies	1,000	1,670	1,635	35
Schools & dues	1,500	800	759	41
Law books/online research	1,225	1,250	1,146	104
Attorney ad litem	100,000	98,172	97,047	1,125
Equipment	-	1,200	1,199	1
Petit jury	2,668	1,388	1,388	-
Crime victims	500	243	-	243
Cross timbers	700	700	591	109
Erath county child welfare	1,500	1,550	757	793
Professional fees	5,000	3,200	3,200	-
Software/hardware maintenance	2,851	27,380	27,001	379
Total Court At Law	<u>414,836</u>	<u>442,025</u>	<u>425,984</u>	<u>16,041</u>
Justice of The Peace #1				
Salary	231,629	231,629	228,324	3,305
Operating	2,920	2,920	1,651	1,269
Supplies	5,000	4,813	2,400	2,413
Schools & dues	2,500	2,500	1,140	1,360
Law books/online research	2,000	2,000	1,837	163
Equipment	-	177	177	-
Petit Jury	2,700	2,600	1,290	1,310
Crime victims	150	260	50	210
Cross timbers	900	900	180	720
Erath county child welfare	750	750	360	390
Professional fees	500	500	-	500
Software/hardware maintenance	5,747	5,747	4,310	1,437
Total Justice of the Peace #1	<u>254,796</u>	<u>254,796</u>	<u>241,719</u>	<u>13,077</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Justice of the Peace #2				
Salary	116,348	116,348	115,710	638
Operating	4,400	4,400	1,710	2,690
Supplies	1,700	1,700	898	802
Schools & dues	2,500	2,500	2,129	371
Crime victims	300	300	-	300
Cross timbers	300	300	-	300
Erath county child welfare	300	300	-	300
Software/hardware maintenance	5,747	5,747	4,310	1,437
Total Justice of the Peace #2	131,595	131,595	124,757	6,838
Facilities				
Salary	164,550	164,550	163,272	1,278
Utilities	100,000	100,000	80,285	19,715
Supplies	2,300	2,300	2,075	225
Advertising	-	-	-	-
Operating	62,299	57,399	41,434	15,965
Equipment	15,235	15,235	11,517	3,718
Fuel	335	335	219	116
Building maintenance	244,635	244,135	59,696	184,439
Total Facilities	589,354	583,954	358,498	225,456
Sheriff				
Salary	2,107,182	2,106,676	2,012,109	94,567
Operating	140,542	135,515	125,661	9,854
Estray cattle	12,500	5,500	4,831	669
Supplies	15,680	14,930	14,775	155
Schools & dues	18,000	14,847	13,773	1,074
Equipment	13,196	461,807	451,423	10,384
Fuel	95,520	52,966	33,116	19,850
Software/hardware maintenance	40,000	37,086	31,587	5,499
Principal expense	81,997	125,515	117,114	8,401
Interest expense	-	-	7,901	(7,901)
Total Sheriff	2,524,617	2,954,842	2,812,290	142,552
Jail				
Salary	1,422,616	1,433,064	1,371,056	62,008
Operating	61,632	67,201	56,336	10,865
Utilities	114,800	112,300	106,969	5,331
Supplies	48,000	47,000	42,819	4,181
Schools & dues	14,000	14,000	12,575	1,425
Equipment	2,514	14,670	14,510	160
Building repair/maintenance	38,000	32,300	28,047	4,253
Prisoner Food	113,000	113,000	106,367	6,633
Software/hardware maintenance	3,500	3,500	3,500	-
Total Jail	1,818,062	1,837,035	1,742,179	94,856

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Highway Patrol				
Salary	50,021	51,051	52,802	(1,751)
Supplies	1,350	-	-	-
Weights & measures	250	250	-	250
Equipment	1,615	1,935	1,732	203
Total Highway Patrol	53,236	53,236	54,534	(1,298)
Constable #1				
Salary	63,701	63,701	62,166	1,535
Operating	5,102	5,143	5,606	(463)
Supplies	530	489	-	489
Schools & dues	1,250	1,250	-	1,250
Fuel	3,000	3,000	534	2,466
Equipment	1,000	1,000	-	1,000
Total Constable #1	74,583	74,583	68,306	6,277
Constable #2				
Salary	63,557	63,557	61,623	1,934
Operating	5,173	5,533	3,635	1,898
Supplies	460	100	3	97
Schools & dues	1,250	1,250	100	1,150
Fuel	1,500	1,500	692	808
Equipment	500	500	984	(484)
Total Constable #2	72,440	72,440	67,037	5,403
Probation				
Juvenile probation office rent	18,000	18,000	18,000	-
Operating	2,500	2,500	1,826	674
Equipment	1,800	1,800	1,000	800
Juvenile board fund allocation	52,469	52,469	52,469	-
Total Probation	74,769	74,769	73,295	1,474
County Extension Agents				
Salary	137,397	137,397	130,004	7,393
Operating	2,813	2,813	2,813	-
Livestock show	8,500	8,420	8,391	29
Supplies	2,400	2,800	2,773	27
Schools & dues	2,000	2,050	1,975	75
Equipment	2,100	2,066	2,051	15
Travel	16,000	15,664	13,833	1,831
Demonstration	600	600	510	90
Total County Extension Agents	171,810	171,810	162,350	9,460

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Pretrial Diversion				
Salary	111,557	86,857	65,812	21,045
Operating	3,877	3,877	2,458	1,419
Supplies	1,370	1,370	1,096	274
Schools & dues	1,000	1,000	645	355
Equipment	130	130	107	23
Fuel	1,750	1,750	921	829
Total Pretrial Diversion	119,684	94,984	71,039	23,945
Emergency Medical Services				
Salary	897,529	898,829	822,950	75,879
Operating	76,726	71,726	43,556	28,170
Supplies	38,750	38,750	29,219	9,531
Advertising	200	200	-	200
Schools & dues	11,000	11,000	6,733	4,267
Equipment	5,000	7,000	6,607	393
Software/hardware maintenance	1,500	1,500	-	1,500
Professional services	6,000	6,000	6,000	-
Fuel	13,000	9,000	8,200	800
Dublin ambulance service	28,000	24,300	12,200	12,100
Total Emergency Medical Services	1,077,705	1,068,305	935,465	132,840
Emergency Medical Services				
Salary	88,279	87,279	80,939	6,340
Operating	12,207	11,233	3,007	8,226
Supplies	3,500	2,474	2,312	162
Schools & dues	3,500	3,500	1,088	2,412
Equipment	33,250	109,905	44,826	65,079
Software/hardware maintenance	1,500	500	120	380
Fuel	3,600	2,600	757	1,843
Total Emergency Medical Services	145,836	217,491	133,049	84,442
Indigent Healthcare				
Supplies	2,750	2,750	900	1,850
Healthcare - jail	135,000	139,592	139,591	1
Healthcare	580,113	575,521	207,892	367,629
HOPE Clinic	25,000	25,000	25,000	-
Professional fees	16,423	16,423	15,474	949
Software/hardware maintenance	15,000	15,000	12,708	2,292
Pecan Valley MHMR	25,000	25,000	25,000	-
Total Indigent Healthcare	799,286	799,286	426,565	372,721
TOTAL EXPENDITURES	16,516,724	16,823,917	13,945,459	2,878,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,793,526)	(2,786,177)	167,337	2,945,114
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	2,700	9,407	(6,707)
Proceeds from issuance of capital lease	-	-	95,451	(95,451)
Total Other Financing Sources (Uses)	-	2,700	245,586	(242,886)
Net Change in Fund Balance	(2,793,526)	(2,783,477)	412,923	3,188,000
Fund Balance-Beginning	16,303,652	16,303,652	16,303,652	-
Fund Balance-Ending	\$ 13,510,126	\$ 13,520,175	\$ 16,716,575	\$ 3,188,000

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

Total Pension Liability	2015	2014
Service Cost	\$ 909,594	\$ 917,752
Interest on total pension liability	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	(395,640)	39,025
Benefit payments/refunds of contributions	(1,313,254)	(930,118)
Net Change in Total Pension Liability	2,708,403	2,318,455
Total Pension Liability, beginning	30,618,299	28,299,844
Total Pension Liability, ending (a)	\$ 33,326,702	\$ 30,618,299
Fiduciary Net Position		
Employer contributions	\$ 1,354,107	\$ 1,285,545
Member contributions	513,054	508,998
Investment income net of investment expenses	(120,627)	1,852,972
Benefit payments/refunds of contributions	(1,313,254)	(930,118)
Administrative expenses	(21,304)	(21,569)
Other	55,414	(1,334)
Net Change in Fiduciary Net Position	467,390	2,694,494
Fiduciary Net Position, beginning	29,313,571	26,619,077
Fiduciary Net Position, ending (b)	\$ 29,780,961	\$ 29,313,571
Net Pension Liability (Asset), ending = (a) - (b)	\$ 3,545,741	\$ 1,304,728
Fiduciary net position as a % of total pension liability	89.36%	95.74%
Pensionable covered payroll	\$ 7,329,338	\$ 7,064,263
Net pension liability as a % of covered payroll	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 (will ultimately be displayed)

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2006	422,771	422,771	-	5,555,465	7.6%
2007	527,344	527,344	-	5,898,706	8.9%
2008	562,925	562,925	-	6,261,681	9.0%
2009	629,805	629,805	-	6,772,094	9.3%
2010	698,859	698,859	-	7,023,709	9.9%
2011	698,234	698,234	-	6,975,380	10.0%
2012	755,633	755,633	-	7,251,806	10.4%
2013	745,200	745,200	-	6,893,642	10.8%
2014	785,545	1,285,545	(500,000)	7,064,263	18.2%
2015	779,107	1,354,107	(575,000)	7,329,338	18.5%

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

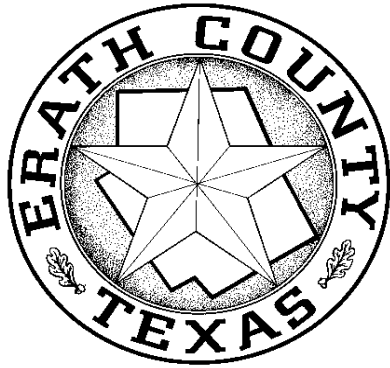
Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later. GASB 68, Paragraph 81.2.b requires that the data in the Schedule of Contributions be presented as of the District's current fiscal year as opposed to the valuation measurement date 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	13.5 years (based on contribution rate calculated in 12/31/15 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	No changes in plan provisions are reflected in the Schedule of Employer Contributions



COMBINING FUND STATEMENTS

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
ROAD AND BRIDGE FUNDS
SEPTEMBER 30, 2016

	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	\$ 827,052	\$ 1,131,294	\$ 1,553,408	\$ 675,988	\$ 14,996	\$ 4,202,738
Receivables (net of Allowance for Uncollectible)	19,613	23,289	25,108	22,387	-	90,397
Total Assets	<u>\$ 846,665</u>	<u>\$ 1,154,583</u>	<u>\$ 1,578,516</u>	<u>\$ 698,375</u>	<u>\$ 14,996</u>	<u>\$ 4,293,135</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 16,654	\$ 45,240	\$ 113,825	\$ 27,627	\$ 12,392	\$ 215,738
Salary payable	13,579	18,773	15,995	14,003	4,808	67,158
Total Liabilities	<u>30,233</u>	<u>64,013</u>	<u>129,820</u>	<u>41,630</u>	<u>17,200</u>	<u>282,896</u>
Deferred inflows:						
Deferred property taxes	<u>5,976</u>	<u>7,132</u>	<u>7,628</u>	<u>6,802</u>	<u>-</u>	<u>27,538</u>
Fund Balances:						
Committed	810,456	1,083,438	1,441,068	649,943	-	3,984,905
Unassigned	-	-	-	-	(2,204)	(2,204)
Total Fund Balances	<u>810,456</u>	<u>1,083,438</u>	<u>1,441,068</u>	<u>649,943</u>	<u>(2,204)</u>	<u>3,982,701</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 846,665</u>	<u>\$ 1,154,583</u>	<u>\$ 1,578,516</u>	<u>\$ 698,375</u>	<u>\$ 14,996</u>	<u>\$ 4,293,135</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, 2016

	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	\$ 707,472	\$ 838,161	\$ 907,052	\$ 808,656	\$ -	\$ 3,261,341
Delinquent	4,832	5,793	6,153	5,497	-	22,275
Penalty & interest	7,856	9,316	9,916	8,910	-	35,998
Intergovernmental	102,162	70,399	124,083	52,635	-	349,279
Auto registrations	226,522	268,359	290,413	258,913	-	1,044,207
Interest	2,492	3,403	4,597	2,915	-	13,407
Miscellaneous	-	250	997	-	-	1,247
	<u>-</u>	<u>250</u>	<u>997</u>	<u>-</u>	<u>-</u>	<u>1,247</u>
Total Revenues	<u>1,051,336</u>	<u>1,195,681</u>	<u>1,343,211</u>	<u>1,137,526</u>	<u>-</u>	<u>4,727,754</u>
EXPENDITURES:						
Salaries	420,053	517,347	489,034	380,124	146,775	1,953,333
Equipment	188,443	117,611	252,829	384,099	20,521	963,503
Equipment repair	56,964	86,625	74,569	50,407	35,025	303,590
Fuel	39,639	62,908	48,185	59,495	3,529	213,756
Road expense	107,046	172,094	348,291	286,380	-	913,811
Operating	20,380	35,162	22,659	19,328	30,259	127,788
	<u>832,525</u>	<u>991,747</u>	<u>1,235,567</u>	<u>1,179,833</u>	<u>236,109</u>	<u>4,475,781</u>
Total Expenditures	<u>832,525</u>	<u>991,747</u>	<u>1,235,567</u>	<u>1,179,833</u>	<u>236,109</u>	<u>4,475,781</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>218,811</u>	<u>203,934</u>	<u>107,644</u>	<u>(42,307)</u>	<u>(236,109)</u>	<u>251,973</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	280,000	280,000
Proceeds from sale of assets	-	35,000	15,132	-	425	50,557
Transfers out	(115,690)	(80,939)	(119,537)	(104,562)	-	(420,728)
Total Other Financing Sources (Uses)	<u>(115,690)</u>	<u>(45,939)</u>	<u>(104,405)</u>	<u>(104,562)</u>	<u>280,425</u>	<u>(90,171)</u>
Net Changes in Fund Balances	103,121	157,995	3,239	(146,869)	44,316	161,802
Fund Balance-Beginning	707,335	925,443	1,437,829	796,812	(46,520)	3,820,899
Fund Balance-Ending	<u>\$ 810,456</u>	<u>\$ 1,083,438</u>	<u>\$ 1,441,068</u>	<u>\$ 649,943</u>	<u>\$ (2,204)</u>	<u>\$ 3,982,701</u>

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

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - ROAD AND BRIDGE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget
			(See Note)	Positive
				(Negative)
REVENUES:				
Taxes:				
Property taxes				
Current	\$ 3,206,694	\$ 3,206,694	\$ 3,261,341	\$ 54,647
Delinquent	498,000	498,000	22,275	(475,725)
Penalty & Interest	33,975	33,975	35,998	2,023
Other taxes	-	-	349,279	349,279
Auto registrations	996,000	996,000	1,044,207	48,207
Interest	5,900	5,900	13,407	7,507
Miscellaneous	-	-	1,247	1,247
Total Revenues	<u>4,740,569</u>	<u>4,740,569</u>	<u>4,727,754</u>	<u>(12,815)</u>
EXPENDITURES:				
Salaries	2,112,922	2,124,665	1,953,333	171,332
Equipment	1,031,000	1,250,791	963,503	287,288
Equipment Repair	306,561	429,844	303,590	126,254
Fuel	390,696	304,869	213,756	91,113
Road Expense	942,100	978,415	913,811	64,604
Operating	143,838	147,813	127,788	20,025
Total Expenditures	<u>4,927,117</u>	<u>5,236,397</u>	<u>4,475,781</u>	<u>760,616</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(186,548)</u>	<u>(495,828)</u>	<u>251,973</u>	<u>747,801</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	260,852	260,852	280,000	19,148
Proceeds from Sale of Assets	-	15,000	50,557	35,557
Transfers Out	<u>(260,852)</u>	<u>(280,000)</u>	<u>(420,728)</u>	<u>(140,728)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,148)</u>	<u>(90,171)</u>	<u>(86,023)</u>
Net Changes in Fund Balances	(186,548)	(499,976)	161,802	661,778
Fund Balance-Beginning	<u>3,820,899</u>	<u>3,820,899</u>	<u>3,820,899</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 3,634,351</u>	<u>\$ 3,320,923</u>	<u>\$ 3,982,701</u>	<u>\$ 661,778</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	JP#1 Technology Fund	JP#2 Technology Fund	County Clerk Technology Fund	District Clerk Technology Fund
ASSETS				
Cash and investments	\$ 57,218	\$ 9,012	\$ 7,089	\$ 21,249
Receivables (net of Allowance for Uncollectible)	394	173	55	267
Other assets	94	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 57,706</u>	<u>\$ 9,185</u>	<u>\$ 7,144</u>	<u>\$ 21,516</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 508	\$ 64	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>508</u>	<u>64</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	7,144	21,516
Judicial	57,198	9,121	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	-	-	-	-
Total Fund Balances	<u>57,198</u>	<u>9,121</u>	<u>7,144</u>	<u>21,516</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 57,706</u>	<u>\$ 9,185</u>	<u>\$ 7,144</u>	<u>\$ 21,516</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
ASSETS				
Cash and investments	\$ 24,288	\$ 76,945	\$ 70,169	\$ 247,473
Receivables (net of Allowance for Uncollectible)	-	500	1,330	807
Other assets	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 24,288</u>	<u>\$ 77,445</u>	<u>\$ 71,499</u>	<u>\$ 248,280</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 825	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>825</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	24,288	-	-	-
General administration	-	-	-	-
Judicial	-	76,620	-	-
Legal	-	-	71,499	-
Public safety	-	-	-	248,280
Records management	-	-	-	-
Total Fund Balances	<u>24,288</u>	<u>76,620</u>	<u>71,499</u>	<u>248,280</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 24,288</u>	<u>\$ 77,445</u>	<u>\$ 71,499</u>	<u>\$ 248,280</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	County Clerk Digitized Records	District Clerk Digitized Records	County Clerk Records Management	County Clerk Records Preservation
ASSETS				
Cash and investments	\$ 14,170	\$ 940	\$ 428,782	\$ 224,230
Receivables (net of Allowance for Uncollectible)	150	-	2,458	1,130
Other assets	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 14,320</u>	<u>\$ 940</u>	<u>\$ 431,240</u>	<u>\$ 225,360</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	276	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>276</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	<u>14,320</u>	<u>940</u>	<u>430,964</u>	<u>225,360</u>
Total Fund Balances	<u>14,320</u>	<u>940</u>	<u>430,964</u>	<u>225,360</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 14,320</u>	<u>\$ 940</u>	<u>\$ 431,240</u>	<u>\$ 225,360</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	District Clerk Records Preservation	County Attorney Hot Check	District Attorney Hot Check	District Attorney Forfeiture
ASSETS				
Cash and investments	\$ 1,801	\$ 26,963	\$ 7,347	\$ 36,745
Receivables (net of Allowance for Uncollectible)	24	-	-	-
Other assets	-	1,855	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 1,825</u>	<u>\$ 28,818</u>	<u>\$ 7,347</u>	<u>\$ 36,745</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 915
Salary payable	-	348	-	-
Total Liabilities	<u>-</u>	<u>348</u>	<u>-</u>	<u>915</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	7,347	35,830
Legal	-	28,470	-	-
Public safety	-	-	-	-
Records management	<u>1,825</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,825</u>	<u>28,470</u>	<u>7,347</u>	<u>35,830</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 1,825</u>	<u>\$ 28,818</u>	<u>\$ 7,347</u>	<u>\$ 36,745</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Sheriff Forfeiture	Sheriff Special DEA Forfeiture	Total Special Revenue Funds
ASSETS			
Cash and investments	\$ 26,483	\$ -	\$ 1,280,904
Receivables (net of Allowance for Uncollectible)	-	-	7,288
Other assets	-	-	1,949
Due from other funds	-	-	-
	<u>\$ 26,483</u>	<u>\$ -</u>	<u>\$ 1,290,141</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 2,312
Salary payable	-	-	624
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,936</u>
Deferred inflows:			
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted			
Debt service	-	-	-
Election	-	-	24,288
General administration	-	-	28,660
Judicial	26,483	-	212,599
Legal	-	-	99,969
Public safety	-	-	248,280
Records management	<u>-</u>	<u>-</u>	<u>673,409</u>
Total Fund Balances	<u>26,483</u>	<u>-</u>	<u>1,287,205</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 26,483</u>	<u>\$ -</u>	<u>\$ 1,290,141</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Certificates of Obligation	Total Nonmajor Governmental Funds
ASSETS		
Cash and investments	\$ 131,039	\$ 1,411,943
Receivables (net of Allowance for Uncollectible)	9,140	16,428
Other assets	-	1,949
Due from other funds	647,568	647,568
	<u> </u>	<u> </u>
Total Assets	<u>\$ 787,747</u>	<u>\$ 2,077,888</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 2,312
Salary payable	<u>-</u>	<u>624</u>
Total Liabilities	<u>-</u>	<u>2,936</u>
Deferred inflows:		
Deferred property taxes	<u>7,740</u>	<u>7,740</u>
Fund Balances:		
Restricted		
Debt service	780,007	780,007
Election	-	24,288
General administration	-	28,660
Judicial	-	212,599
Legal	-	99,969
Public safety	-	248,280
Records management	<u>-</u>	<u>673,409</u>
Total Fund Balances	<u>780,007</u>	<u>2,067,212</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 787,747</u>	<u>\$ 2,077,888</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, 2016

	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	9,634	1,932	1,508	3,935
Interest	124	19	18	43
Total Revenues	<u>9,758</u>	<u>1,951</u>	<u>1,526</u>	<u>3,978</u>
EXPENDITURES:				
Supplies	-	-	-	-
Equipment	2,535	-	2,683	-
Software/hardware maintenance	-	-	-	-
Schools & dues	-	-	-	-
Professional fees	3,871	269	-	-
Law books	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>6,406</u>	<u>269</u>	<u>2,683</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>3,352</u>	<u>1,682</u>	<u>(1,157)</u>	<u>3,978</u>
Net Change in Fund Balance	3,352	1,682	(1,157)	3,978
Fund Balance-Beginning	<u>53,846</u>	<u>7,439</u>	<u>8,301</u>	<u>17,538</u>
Fund Balance-Ending	<u>\$ 57,198</u>	<u>\$ 9,121</u>	<u>\$ 7,144</u>	<u>\$ 21,516</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, 2016

	Contractual Elections	County Attorney Intervention	Law Library	Courthouse Security
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	7,970	-	-	-
Fines and fees	2,019	5,950	20,055	21,056
Interest	43	168	145	697
Total Revenues	<u>10,032</u>	<u>6,118</u>	<u>20,200</u>	<u>21,753</u>
EXPENDITURES:				
Supplies	-	1,960	-	-
Equipment	-	1,825	-	-
Software/hardware maintenance	8,000	-	-	-
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Law books	-	-	246	-
Courthouse security	-	-	-	23,701
Salary	-	-	-	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	822	-	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>8,000</u>	<u>4,607</u>	<u>246</u>	<u>23,701</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>2,032</u>	<u>1,511</u>	<u>19,954</u>	<u>(1,948)</u>
Net Change in Fund Balance	2,032	1,511	19,954	(1,948)
Fund Balance-Beginning	<u>22,256</u>	<u>75,109</u>	<u>51,545</u>	<u>250,228</u>
Fund Balance-Ending	<u>\$ 24,288</u>	<u>\$ 76,620</u>	<u>\$ 71,499</u>	<u>\$ 248,280</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, 2016

	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	2,770	-	149,036	20,381
Interest	-	-	1,011	595
Total Revenues	<u>2,770</u>	<u>-</u>	<u>150,047</u>	<u>20,976</u>
EXPENDITURES:				
Supplies	-	-	893	-
Equipment	-	-	868	-
Software/hardware maintenance	-	-	26,066	5,500
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Law books	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	-	14,062	-
Auto insurance	-	-	-	-
Fuel	-	-	-	-
Parts & repairs	-	-	-	-
Records preservation	-	-	35,076	10,000
Donations	-	-	-	-
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>76,965</u>	<u>15,500</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>2,770</u>	<u>-</u>	<u>73,082</u>	<u>5,476</u>
Net Change in Fund Balance	2,770	-	73,082	5,476
Fund Balance-Beginning	<u>11,550</u>	<u>940</u>	<u>357,882</u>	<u>219,884</u>
Fund Balance-Ending	<u>\$ 14,320</u>	<u>\$ 940</u>	<u>\$ 430,964</u>	<u>\$ 225,360</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, 2016

	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	168	5,363	75	-
Interest	-	65	17	84
Total Revenues	<u>168</u>	<u>5,428</u>	<u>92</u>	<u>84</u>
EXPENDITURES:				
Supplies	-	-	-	185
Equipment	-	-	-	826
Software/hardware maintenance	-	-	-	-
Schools & dues	-	235	-	-
Professional fees	-	-	-	-
Law books	-	-	-	-
Courthouse security	-	-	-	-
Salary	-	8,328	-	-
Auto insurance	-	-	-	476
Fuel	-	-	-	1,034
Parts & repairs	-	-	-	476
Records preservation	-	-	-	-
Donations	-	-	-	2,828
Bank service charge	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>-</u>	<u>8,563</u>	<u>-</u>	<u>5,825</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>168</u>	<u>(3,135)</u>	<u>92</u>	<u>(5,741)</u>
Net Change in Fund Balance	168	(3,135)	92	(5,741)
Fund Balance-Beginning	<u>1,657</u>	<u>31,605</u>	<u>7,255</u>	<u>41,571</u>
Fund Balance-Ending	<u>\$ 1,825</u>	<u>\$ 28,470</u>	<u>\$ 7,347</u>	<u>\$ 35,830</u>

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

ERATH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

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

ERATH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Certificates of Obligation	Total Nonmajor Governmental Funds
REVENUES:		
Taxes:		
Property taxes	\$ 643,066	\$ 643,066
Charges for services	-	7,970
Fines and fees	-	243,882
Interest	350	3,444
Total Revenues	<u>643,416</u>	<u>898,362</u>
EXPENDITURES:		
Supplies	-	3,038
Equipment	-	19,883
Software/hardware maintenance	-	39,566
Schools & dues	-	235
Professional fees	-	4,140
Law books	-	246
Courthouse security	-	23,701
Salary	-	22,390
Auto insurance	-	476
Fuel	-	1,034
Parts & repairs	-	1,298
Records preservation	-	45,076
Donations	-	2,828
Bank service charge	591	591
Interest payment	179,603	179,603
Principal payment	467,000	467,000
Total Expenditures	<u>647,194</u>	<u>811,105</u>
Excess (Deficiency) of Revenues Over (Under)		
Expenditures	<u>(3,778)</u>	<u>87,257</u>
Net Change in Fund Balance	(3,778)	87,257
Fund Balance-Beginning	<u>783,785</u>	<u>1,979,955</u>
Fund Balance-Ending	<u>\$ 780,007</u>	<u>\$ 2,067,212</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, 2016

	BALANCE OCTOBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2016
Tax Assessor Collector - Dublin				
Assets:				
Cash and cash equivalents	<u>\$ 273</u>	<u>\$ 3,123,863</u>	<u>\$ 3,123,860</u>	<u>\$ 276</u>
Liabilities:				
Due to others	<u>\$ 273</u>	<u>\$ 3,123,863</u>	<u>\$ 3,123,860</u>	<u>\$ 276</u>
Tax Assessor Collector - Sales Tax				
Assets:				
Cash and cash equivalents	<u>\$ 462,355</u>	<u>\$ 4,250,170</u>	<u>\$ 4,405,527</u>	<u>\$ 306,998</u>
Liabilities:				
Due to others	<u>\$ 462,355</u>	<u>\$ 4,250,170</u>	<u>\$ 4,405,527</u>	<u>\$ 306,998</u>
Tax Assessor Collector - Escrow Payments				
Assets:				
Cash and cash equivalents	<u>\$ 38,628</u>	<u>\$ 72,125</u>	<u>\$ 90,157</u>	<u>\$ 20,596</u>
Liabilities:				
Due to others	<u>\$ 38,628</u>	<u>\$ 72,125</u>	<u>\$ 90,157</u>	<u>\$ 20,596</u>
Tax Assessor Collector - Auto Fund				
Assets:				
Cash and cash equivalents	<u>\$ 53,953</u>	<u>\$ 7,333,181</u>	<u>\$ 7,293,239</u>	<u>\$ 93,895</u>
Liabilities:				
Due to others	<u>\$ 53,953</u>	<u>\$ 7,333,181</u>	<u>\$ 7,293,239</u>	<u>\$ 93,895</u>
Tax Assessor Collector - State				
Assets:				
Cash and cash equivalents	<u>\$ 10,617</u>	<u>\$ 12,894,390</u>	<u>\$ 12,894,319</u>	<u>\$ 10,688</u>
Liabilities:				
Due to others	<u>\$ 10,617</u>	<u>\$ 12,894,390</u>	<u>\$ 12,894,319</u>	<u>\$ 10,688</u>
Tax Assessor Collector - District Account				
Assets:				
Cash and cash equivalents	<u>\$ 82,513</u>	<u>\$ 46,758,279</u>	<u>\$ 46,726,514</u>	<u>\$ 114,278</u>
Liabilities:				
Due to others	<u>\$ 82,513</u>	<u>\$ 46,758,279</u>	<u>\$ 46,726,514</u>	<u>\$ 114,278</u>
Tax Assessor Collector - Motor Vehicle Internet				
Assets:				
Cash and cash equivalents	<u>\$ 455</u>	<u>\$ 88,835</u>	<u>\$ 89,088</u>	<u>\$ 202</u>
Liabilities:				
Due to others	<u>\$ 455</u>	<u>\$ 88,835</u>	<u>\$ 89,088</u>	<u>\$ 202</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, 2016

	BALANCE OCTOBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2016
Tax Assessor Collector - Motor Vehicle Escrow				
Assets:				
Cash and cash equivalents	<u>\$ 135,881</u>	<u>\$ 170,930</u>	<u>\$ 188,905</u>	<u>\$ 117,906</u>
Liabilities:				
Due to others	<u>\$ 135,881</u>	<u>\$ 170,930</u>	<u>\$ 188,905</u>	<u>\$ 117,906</u>
Justice of the Peace #2 - Dublin				
Assets:				
Cash and cash equivalents	<u>\$ 5,551</u>	<u>\$ 65,380</u>	<u>\$ 66,475</u>	<u>\$ 4,456</u>
Liabilities:				
Due to others	<u>\$ 5,551</u>	<u>\$ 65,380</u>	<u>\$ 66,475</u>	<u>\$ 4,456</u>
Treasurer - Credit Card				
Assets:				
Cash and cash equivalents	<u>\$ 20,856</u>	<u>\$ 299,228</u>	<u>\$ 291,825</u>	<u>\$ 28,259</u>
Liabilities:				
Due to others	<u>\$ 20,856</u>	<u>\$ 299,228</u>	<u>\$ 291,825</u>	<u>\$ 28,259</u>
Treasurer - Bail Bond Board				
Assets:				
Cash and cash equivalents	<u>\$ 11,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,390</u>
Liabilities:				
Due to others	<u>\$ 11,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,390</u>
Treasurer - Civil E Filing				
Assets:				
Cash and cash equivalents	<u>\$ 4,461</u>	<u>\$ 145,618</u>	<u>\$ 135,716</u>	<u>\$ 14,363</u>
Liabilities:				
Due to others	<u>\$ 4,461</u>	<u>\$ 145,618</u>	<u>\$ 135,716</u>	<u>\$ 14,363</u>
County Attorney - Escrow				
Assets:				
Cash and cash equivalents	<u>\$ 22,979</u>	<u>\$ 53,232</u>	<u>\$ 57,444</u>	<u>\$ 18,767</u>
Liabilities:				
Due to others	<u>\$ 22,979</u>	<u>\$ 53,232</u>	<u>\$ 57,444</u>	<u>\$ 18,767</u>
Sheriff - Jail Inmate Fund				
Assets:				
Cash and cash equivalents	<u>\$ 3,836</u>	<u>\$ 99,396</u>	<u>\$ 99,248</u>	<u>\$ 3,984</u>
Liabilities:				
Due to others	<u>\$ 3,836</u>	<u>\$ 99,396</u>	<u>\$ 99,248</u>	<u>\$ 3,984</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, 2016

	BALANCE OCTOBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2016
Sheriff's Office Special Account				
Assets:				
Cash and cash equivalents	<u>\$ 1,018</u>	<u>\$ 95,507</u>	<u>\$ 95,507</u>	<u>\$ 1,018</u>
Liabilities:				
Due to others	<u>\$ 1,018</u>	<u>\$ 95,507</u>	<u>\$ 95,507</u>	<u>\$ 1,018</u>
Sheriff - Jail Commissary				
Assets:				
Cash and cash equivalents	<u>\$ 848</u>	<u>\$ 31,012</u>	<u>\$ 20,013</u>	<u>\$ 11,847</u>
Liabilities:				
Due to others	<u>\$ 848</u>	<u>\$ 31,012</u>	<u>\$ 20,013</u>	<u>\$ 11,847</u>
District Clerk - Receiver Acct				
Assets:				
Cash and cash equivalents	<u>\$ 1,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,051</u>
Liabilities:				
Due to others	<u>\$ 1,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,051</u>
District Clerk Erath County Trust				
Assets:				
Cash and cash equivalents	<u>\$ 438,439</u>	<u>\$ 28,230</u>	<u>\$ 393,648</u>	<u>\$ 73,021</u>
Liabilities:				
Due to others	<u>\$ 438,439</u>	<u>\$ 28,230</u>	<u>\$ 393,648</u>	<u>\$ 73,021</u>
District Clerk Registry				
Assets:				
Cash and cash equivalents	<u>\$ 63,500</u>	<u>\$ 2,000</u>	<u>\$ 15,000</u>	<u>\$ 50,500</u>
Liabilities:				
Due to others	<u>\$ 63,500</u>	<u>\$ 2,000</u>	<u>\$ 15,000</u>	<u>\$ 50,500</u>
County Clerk Registry				
Assets:				
Cash and cash equivalents	<u>\$ 91,538</u>	<u>\$ 36,479</u>	<u>\$ 124,469</u>	<u>\$ 3,548</u>
Liabilities:				
Due to others	<u>\$ 91,538</u>	<u>\$ 36,479</u>	<u>\$ 124,469</u>	<u>\$ 3,548</u>
County Clerk - Bonds				
Assets:				
Cash and cash equivalents	<u>\$ 147,283</u>	<u>\$ 23,200</u>	<u>\$ 77,075</u>	<u>\$ 93,408</u>
Liabilities:				
Due to others	<u>\$ 147,283</u>	<u>\$ 23,200</u>	<u>\$ 77,075</u>	<u>\$ 93,408</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, 2016

	BALANCE OCTOBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2016
District Attorney - Escrow				
Assets:				
Cash and cash equivalents	<u>\$ 2,101</u>	<u>\$ 8,989</u>	<u>\$ 8,990</u>	<u>\$ 2,100</u>
Liabilities:				
Due to others	<u>\$ 2,101</u>	<u>\$ 8,989</u>	<u>\$ 8,990</u>	<u>\$ 2,100</u>
District Attorney - Forfeiture				
Assets:				
Cash and cash equivalents	<u>\$ 10,050</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 10,073</u>
Liabilities:				
Due to others	<u>\$ 10,050</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 10,073</u>
District Attorney - Drug Education				
Assets:				
Cash and cash equivalents	<u>\$ 741</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 743</u>
Liabilities:				
Due to others	<u>\$ 741</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 743</u>
District Attorney - Individual 1				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 8,555</u>	<u>\$ -</u>	<u>\$ 8,555</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 8,555</u>	<u>\$ -</u>	<u>\$ 8,555</u>
District Attorney - Individual 2				
Assets:				
Cash and cash equivalents	<u>\$ 2,364</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,370</u>
Liabilities:				
Due to others	<u>\$ 2,364</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,370</u>
District Attorney - Individual 3				
Assets:				
Cash and cash equivalents	<u>\$ 2,273</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,278</u>
Liabilities:				
Due to others	<u>\$ 2,273</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,278</u>
District Attorney - Individual 4				
Assets:				
Cash and cash equivalents	<u>\$ 2,843</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 2,850</u>
Liabilities:				
Due to others	<u>\$ 2,843</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 2,850</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, 2016

	BALANCE OCTOBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2016
District Attorney - Individual 5				
Assets:				
Cash and cash equivalents	<u>\$ 1,417</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 1,420</u>
Liabilities:				
Due to others	<u>\$ 1,417</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 1,420</u>
District Attorney - Individual 6				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 943</u>	<u>\$ -</u>	<u>\$ 943</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 943</u>	<u>\$ -</u>	<u>\$ 943</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>\$ 53,589</u>	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ 53,745</u>
Liabilities:				
Due to others	<u>\$ 53,589</u>	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ 53,745</u>
District Clerk - Individual 3				
Assets:				
Cash and cash equivalents	<u>\$ 19,965</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 19,977</u>
Liabilities:				
Due to others	<u>\$ 19,965</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 19,977</u>
District Clerk - Individual 4				
Assets:				
Cash and cash equivalents	<u>\$ 2,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,249</u>
Liabilities:				
Due to others	<u>\$ 2,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,249</u>
District Clerk - Individual 5				
Assets:				
Cash and cash equivalents	<u>\$ 9,466</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 9,471</u>
Liabilities:				
Due to others	<u>\$ 9,466</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 9,471</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, 2016

	BALANCE OCTOBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2016
District Clerk - Individual 6				
Assets:				
Cash and cash equivalents	<u>\$ 3,005</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 3,007</u>
Liabilities:				
Due to others	<u>\$ 3,005</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 3,007</u>
District Clerk - Individual 7				
Assets:				
Cash and cash equivalents	<u>\$ 4,660</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 4,663</u>
Liabilities:				
Due to others	<u>\$ 4,660</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 4,663</u>
District Clerk - Individual 8				
Assets:				
Cash and cash equivalents	<u>\$ 1,505</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,506</u>
Liabilities:				
Due to others	<u>\$ 1,505</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,506</u>
District Clerk - Individual 9				
Assets:				
Cash and cash equivalents	<u>\$ 30,750</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 30,746</u>
Liabilities:				
Due to others	<u>\$ 30,750</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 30,746</u>
District Clerk - Individual 10				
Assets:				
Cash and cash equivalents	<u>\$ 12,004</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 12,010</u>
Liabilities:				
Due to others	<u>\$ 12,004</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 12,010</u>
TexPool - R Court 11				
Assets:				
Cash and cash equivalents	<u>\$ 28,082</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 28,163</u>
Liabilities:				
Due to others	<u>\$ 28,082</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 28,163</u>
TexPool - R Court 15				
Assets:				
Cash and cash equivalents	<u>\$ 1,116</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 1,119</u>
Liabilities:				
Due to others	<u>\$ 1,116</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 1,119</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, 2016

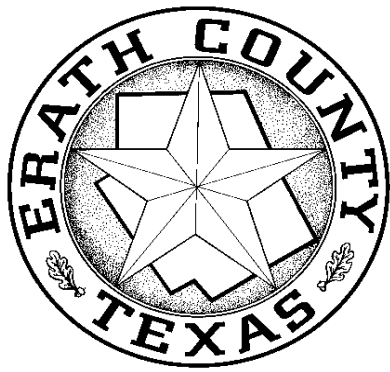
	BALANCE OCTOBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2016
TexPool - R Court 19				
Assets:				
Cash and cash equivalents	<u>\$ 9,507</u>	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 9,535</u>
Liabilities:				
Due to others	<u>\$ 9,507</u>	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 9,535</u>
TexPool - R Court 26				
Assets:				
Cash and cash equivalents	<u>\$ 9,351</u>	<u>\$ -</u>	<u>\$ 9,351</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 9,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TexPool - R Court 30				
Assets:				
Cash and cash equivalents	<u>\$ 909</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 912</u>
Liabilities:				
Due to others	<u>\$ 909</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 912</u>
TexPool - R Court 31				
Assets:				
Cash and cash equivalents	<u>\$ 22,968</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 23,034</u>
Liabilities:				
Due to others	<u>\$ 22,968</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 23,034</u>
TexPool - R Court 34				
Assets:				
Cash and cash equivalents	<u>\$ 1,090</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 1,093</u>
Liabilities:				
Due to others	<u>\$ 1,090</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 1,093</u>
TexPool - R Court 35				
Assets:				
Cash and cash equivalents	<u>\$ 6,277</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 6,295</u>
Liabilities:				
Due to others	<u>\$ 6,277</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 6,295</u>
TexPool - R Court 38				
Assets:				
Cash and cash equivalents	<u>\$ 13,218</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 13,256</u>
Liabilities:				
Due to others	<u>\$ 13,218</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 13,256</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, 2016

	BALANCE OCTOBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2016
TexPool - R Court 39				
Assets:				
Cash and cash equivalents	<u>\$ 14,757</u>	<u>\$ -</u>	<u>\$ 14,757</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 14,757</u>	<u>\$ -</u>	<u>\$ 14,757</u>	<u>\$ -</u>
TexPool - R Court 40				
Assets:				
Cash and cash equivalents	<u>\$ 37,114</u>	<u>\$ 108</u>	<u>\$ -</u>	<u>\$ 37,222</u>
Liabilities:				
Due to others	<u>\$ 37,114</u>	<u>\$ 108</u>	<u>\$ -</u>	<u>\$ 37,222</u>
Total Fiduciary Funds				
Assets:				
Cash and cash equivalents	<u>\$ 1,901,304</u>	<u>\$ 74,539,909</u>	<u>\$ 74,651,131</u>	<u>\$ 1,270,294</u>
Liabilities:				
Due to others	<u>\$ 1,901,304</u>	<u>\$ 74,539,909</u>	<u>\$ 74,651,131</u>	<u>\$ 1,270,294</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.

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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.	101
Revenue Capacity - The schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	110
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.	117
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.	123
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	126

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

FINANCIAL TRENDS

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities				
Net investment in capital assets	\$ 9,433,508	\$ 9,750,831	\$ 10,676,537	\$ 9,992,400
Restricted	750,648	775,234	682,604	735,563
Unrestricted	13,282,704	15,306,669	16,087,943	16,258,721
Total Governmental Activities net position	<u>\$ 23,466,860</u>	<u>\$ 25,832,734</u>	<u>\$ 27,447,084</u>	<u>\$ 26,986,684</u>

Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 9,195,730	\$ 11,536,701	\$ 11,536,701	\$ 11,872,725	\$ 12,673,575	\$ 13,820,204
2,878,367	-	2,329,140	1,849,088	1,979,955	2,067,212
15,067,540	17,342,185	17,224,993	18,833,493	19,474,732	20,020,826
<u>\$ 27,141,637</u>	<u>\$ 28,878,886</u>	<u>\$ 31,090,834</u>	<u>\$ 32,555,306</u>	<u>\$ 34,128,262</u>	<u>\$ 35,908,242</u>

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

(accrual basis of accounting)
(unaudited)

	Fiscal Years			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses				
Governmental Activities				
General administration	\$ 2,341,862	\$ 2,590,079	\$ 2,806,471	\$ 2,778,714
Judicial administration	1,997,247	2,231,405	2,188,802	2,770,334
Public safety and law enforcement	3,908,117	3,778,540	4,203,061	4,305,811
Road and bridge	2,848,167	4,342,633	3,083,064	3,762,110
Health and welfare	1,082,979	1,355,413	1,256,650	1,480,815
Debt service	1,829	-	-	94,825
Total governmental activities expenses	12,180,201	14,298,070	13,538,048	15,192,609
Program Revenues				
Governmental Activities				
Fines, fees, and charges for services				
General administration	1,773,828	1,693,031	1,493,881	1,570,267
Judicial administration	189,995	177,839	149,688	160,682
Public safety and law enforcement	557,705	671,078	809,131	695,700
Road and bridge	872,483	1,014,824	977,425	858,199
Health and welfare	-	-	-	-
Operating grants and contributions	609,428	1,717,261	443,519	467,659
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	4,003,439	5,274,033	3,873,644	3,752,507
Net (Expense) Revenue				
Governmental Activities	(8,176,762)	(9,024,037)	(9,664,404)	(11,440,102)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes	9,713,294	10,827,579	10,976,045	10,797,841
Investments earnings	736,387	577,446	177,918	42,597
Miscellaneous revenue	126,534	8,815	125,091	45,385
Gain on sale of assets and special items	131,596	(23,928)	(300)	93,881
Total Governmental Activities	10,707,811	11,389,912	11,278,754	10,979,704
Change in Net Position				
Governmental activities	\$ 2,531,049	\$ 2,365,875	\$ 1,614,350	\$ (460,398)

Fiscal Years					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 3,319,985	\$ 3,052,483	\$ 2,989,517	\$ 3,512,914	\$ 3,926,371	\$ 4,334,019
1,311,514	2,419,262	2,441,237	2,679,974	3,001,956	2,751,586
5,381,582	4,374,804	4,863,971	5,019,906	4,913,078	5,148,313
3,717,380	3,360,630	3,344,005	3,480,171	3,281,985	3,980,774
1,422,235	1,326,306	1,425,203	1,369,860	1,472,171	1,698,417
259,513	244,833	226,903	209,979	193,883	178,561
15,412,209	14,778,318	15,290,836	16,272,804	16,789,444	18,091,670
1,037,202	256,972	354,078	223,749	197,218	223,884
522,516	1,203,326	1,269,773	1,325,061	1,182,890	1,181,153
273,354	487,131	503,688	549,160	659,985	681,052
837,000	763,512	844,833	1,004,334	1,037,772	1,044,207
536,734	511,065	222,967	201,254	227,724	244,547
62,452	146,723	78,712	43,822	752,083	107,144
-	-	-	-	-	313,466
3,269,258	3,368,729	3,274,051	3,347,380	4,057,672	3,795,453
(12,142,951)	(11,409,589)	(12,016,785)	(12,925,424)	(12,731,772)	(14,296,217)
12,116,062	12,918,000	13,558,113	14,117,719	14,864,387	15,174,875
40,308	139,239	136,048	69,056	38,557	113,965
83,895	275,739	217,338	143,066	552,852	731,143
57,639	56,864	74,230	77,862	(21,203)	56,214
12,297,904	13,389,842	13,985,729	14,407,703	15,434,593	16,076,197
\$ 154,953	\$ 1,980,253	\$ 1,968,944	\$ 1,482,279	\$ 2,702,821	\$ 1,779,980

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

(modified accrual basis of accounting)
(unaudited)

	Fiscal Years			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Reserved	\$ -	\$ -	\$ 19,900	\$ 2,932
Unreserved	10,213,085	11,834,313	12,617,466	13,341,098
Nonspendable	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 10,213,085</u>	<u>\$ 11,834,313</u>	<u>\$ 12,637,366</u>	<u>\$ 13,344,030</u>
All other governmental funds				
Reserved				
Road & Bridge	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	750,648	775,234	682,604	797,568
Capital Projects	-	-	-	6,479,510
Unreserved	2,285,369	2,642,111	2,669,823	2,161,052
Restricted				
Debt Service	-	-	-	-
Special Revenue Funds	-	-	-	-
Committed				
Jail Construction	-	-	-	-
Road & Bridge	-	-	-	-
Unassigned	-	-	-	-
Total other governmental Funds	<u>\$ 3,036,017</u>	<u>\$ 3,417,345</u>	<u>\$ 3,352,427</u>	<u>\$ 9,438,130</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	41,472	47,334	143,345
8,781,485	-	-	-	-	-
4,994,301	11,620,874	14,233,626	15,105,815	16,256,318	16,573,230
<u>\$ 13,775,786</u>	<u>\$ 11,620,874</u>	<u>\$ 14,233,626</u>	<u>\$ 15,147,287</u>	<u>\$ 16,303,652</u>	<u>\$ 16,716,575</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	739,074	859,874	783,785	780,007
2,878,368	1,668,974	722,551	989,214	1,196,170	1,287,205
6,960	-	12	-	-	-
790,013	2,382,141	3,127,701	3,492,887	3,867,419	3,984,905
1,022,036	1,055,692	216,168	-	(46,520)	(2,204)
<u>\$ 4,697,377</u>	<u>\$ 5,106,807</u>	<u>\$ 4,805,506</u>	<u>\$ 5,341,975</u>	<u>\$ 5,800,854</u>	<u>\$ 6,049,913</u>

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

(modified accrual basis of accounting)
(unaudited)

	Fiscal Years			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
REVENUE				
Taxes and registrations	\$ 10,569,465	\$ 11,649,401	\$ 11,839,769	\$ 11,531,772
Intergovernmental	578,576	1,652,045	415,473	465,378
Fines, Fees, and Charges for Services	2,504,256	2,507,394	2,236,636	2,283,121
Interest	736,389	564,845	174,736	41,848
Other Revenue	175,486	255,575	463,789	255,879
Total Revenues	14,564,172	16,629,260	15,130,403	14,577,998
EXPENDITURES				
General administration	2,406,675	2,598,114	2,839,256	2,624,588
Judicial administration	1,931,237	2,151,537	2,234,095	2,692,526
Public safety	3,956,585	3,975,179	4,466,906	4,764,219
Road and bridge	2,921,601	4,595,730	3,673,874	3,293,614
Health and welfare	1,112,479	1,355,413	1,256,650	1,480,815
Debt service				
Bond Issuance Cost	-	-	-	23,750
Principal	50,095	-	-	-
Interest	1,828	-	-	-
Bank Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	12,380,500	14,675,973	14,470,781	14,879,512
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	2,183,672	1,953,287	659,622	(301,514)
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of Debt	-	-	-	7,000,000
Proceeds from Sale of Capital Assets	134,596	49,269	78,486	93,881
Proceeds on Issuance of Capital Lease	-	-	-	-
Proceeds from Sale Of Scrap Metal	-	-	-	-
Transfers In	-	-	-	1,392,422
Transfers Out	-	-	-	(1,392,422)
Total Other Financing Sources (Uses)	134,596	49,269	78,486	7,093,881
NET CHANGE IN FUND BALANCES	\$ 2,318,268	\$ 2,002,556	\$ 738,108	\$ 6,792,367
Debt Service as a Percentage of				
noncapital expenditures	0.42%	0.00%	0.00%	0.00%

Fiscal Years					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 13,035,533	\$ 13,009,174	\$ 13,759,389	\$ 15,300,505	\$ 16,184,939	\$ 16,358,097
357,424	438,396	457,303	503,861	1,278,242	941,320
2,153,309	3,021,099	2,865,212	1,670,312	1,578,226	1,594,386
39,820	56,612	33,220	67,706	38,381	113,965
79,410	275,739	191,955	148,568	613,719	731,143
15,665,496	16,801,020	17,307,079	17,690,952	19,693,507	19,738,911
3,244,824	2,871,722	2,838,528	3,364,826	4,139,653	4,089,513
1,924,599	2,356,570	2,365,858	2,602,106	3,005,560	2,657,706
3,301,410	4,308,211	4,289,726	4,435,291	4,490,710	4,600,425
4,434,914	2,843,024	2,914,109	3,094,475	2,967,111	3,576,835
1,422,235	1,326,306	1,396,786	1,351,326	1,470,980	1,686,426
-	-	-	-	-	-
467,000	467,000	467,000	554,151	543,061	584,114
353,338	242,531	224,551	107,781	203,399	187,504
500	500	550	499	750	591
4,872,045	4,129,808	557,417	1,062,555	1,546,893	1,849,230
20,020,365	18,545,672	15,054,525	16,573,010	18,368,117	19,232,344
(4,354,869)	(1,744,652)	2,252,554	1,117,942	1,325,390	506,567
-	-	-	241,826	-	-
57,369	-	58,897	90,362	396	59,964
-	-	-	-	-	95,451
4,485	-	-	-	-	-
5,615,067	4,979,749	1,904,223	219,000	489,458	420,728
(5,207,000)	(4,979,749)	(1,904,223)	(219,000)	(200,000)	(420,728)
469,921	-	58,897	332,188	289,854	155,415
\$ (3,884,948)	\$ (1,744,652)	\$ 2,311,451	\$ 1,450,130	\$ 1,615,244	\$ 661,982
5.42%	4.93%	4.77%	4.27%	4.44%	4.44%

REVENUE CAPACITY

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

(unaudited)

<u>Fiscal Year</u>	<u>Estimated Actual Value of Taxable Property</u>		<u>Total Taxable Value</u>	<u>Total Direct Tax Rate</u>
	<u>Real Property</u>	<u>Personal Property</u>		
2007	1,608,414,347	430,156,051	2,038,570,398	0.4187
2008	1,718,888,248	494,799,214	2,213,687,462	0.3915
2009	1,728,193,985	582,875,653	2,311,069,638	0.3900
2010	1,763,722,193	503,279,717	2,267,001,910	0.4500
2011	1,790,289,137	514,677,753	2,304,966,890	0.4700
2012	1,810,028,340	592,852,990	2,402,881,330	0.4700
2013	1,808,367,506	704,922,820	2,513,290,326	0.4700
2014	1,926,814,560	608,139,860	2,534,954,420	0.4700
2015	2,008,207,057	670,575,724	2,552,326,866	0.4700
2016	2,086,614,725	706,488,364	2,793,103,089	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 95% of actual values for commercial, industrial, and residential property. Tax rates are per \$100 of assessed value.

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

(per \$100 of Assessed Value)

LAST TEN YEARS

(unaudited)

<u>Name of Government</u>	<u>Fiscal Years</u>				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
DIRECT RATE					
County Direct Rate					
General Fund	0.3082	0.2862	0.2800	0.3325	0.3202
Debt Service Fund	-	-	-	-	0.0273
Road & Bridge	0.1105	0.1032	0.1100	0.1175	0.1225
Total Direct Rate	0.4187	0.3894	0.3900	0.4500	0.4700
OVERLAPPING RATE					
City and Town Rate					
City of Stephenville	0.4450	0.4350	0.4435	0.4600	0.4850
City of Dublin	0.6990	0.7550	0.9500	0.9900	1.0883
School District Rate					
Stephenville ISD	1.1920	1.1470	1.1470	1.1470	1.1700
Dublin ISD	1.2369	1.2369	1.2369	1.2724	1.2724
Lingleville ISD	1.1062	1.0884	1.0875	1.1079	1.1091
Bluff Dale ISD	1.0962	1.0945	1.0893	1.0921	1.0947
Morgan Mill ISD	1.0400	1.0400	1.0400	1.0400	1.0400
Gordon ISD	1.1024	1.1058	1.0984	1.0932	1.0920
Huckabay ISD	1.0400	1.0400	1.0400	1.0400	1.0400
Santo ISD	1.1953	1.1964	1.1835	1.3162	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	0.0150
Total Overlapping Rate	11.2080	11.1940	11.3711	11.6138	11.7587
Total Property Tax Rate					
Direct and Overlapping Governments	11.6267	11.5834	11.7611	12.0638	12.2287

Source: Texas Association of Counties, County Information Program

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

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
0.3165	0.3261	0.3190	0.3207	0.3222
0.0310	0.0214	0.0271	0.0254	0.0239
0.1225	0.1225	0.1239	0.1239	0.1239
0.4700	0.4700	0.4700	0.4700	0.4700
0.4850	0.4850	0.4900	0.4900	0.4650
1.0883	1.1384	1.3120	1.1364	0.6989
1.1700	1.1940	1.2349	1.2349	1.5199
1.2724	1.2624	1.2424	1.2424	1.2424
1.1091	1.1076	1.1189	1.1212	1.3708
1.0947	1.1020	1.0959	1.0980	1.3750
1.0400	1.0400	1.0400	1.0400	1.2548
1.0920	1.0903	1.0898	1.0859	1.3750
1.0400	1.0400	1.0400	1.0400	1.3700
1.3122	1.3006	1.2866	1.2941	1.3750
1.0400	1.0400	1.0400	1.0400	1.1570
0.0145	0.0125	0.0120	0.0115	0.0150
11.7582	11.8128	12.0025	11.8343	13.2188
12.2282	12.2828	12.4725	12.3043	13.6888

ERATH COUNTY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO
(unaudited)

<u>Tax Payer</u>	2016	
	Total	Percentage of
	Taxable Value	Total taxable value
FMC Technologies	\$ 143,938,250	5.6395%
Schreiber Foods Inc	53,675,960	2.1030%
Lone Star Transmission	37,465,030	1.4679%
Saint Gobain Abrasives	32,028,120	1.2549%
Sunoco Pipeline	23,443,750	0.9185%
Pumpco	22,324,510	0.8747%
Oncor Electric Delivery	19,995,037	0.7834%
Mustang Ranch Holding LLC	17,575,190	0.6778%
Tejas Tubular	17,300,530	0.6886%
Atmos Energy/MID Texplane	17,112,070	0.6704%
<hr/>		
	\$ 384,858,447	15.0787%
Total		

Source: Erath County Tax Assessor/Collector

	2007	
	Total	Percentage of
<u>Tax Payer</u>	<u>Taxable Value</u>	<u>Total taxable value</u>
FMC Technologies	\$ 45,634,560	2.2386%
Saint Gobain Abrasives	39,487,495	1.9370%
Schreiber Foods Inc	33,413,151	1.6390%
Oncor Electric Delivery Co	19,037,700	0.9339%
United Telephone of Texas	18,787,330	0.9216%
Rayloc	12,072,980	0.5922%
Fibergrate Composite Structures Inc.	9,845,160	0.4829%
Bosque River Center Realty LLC	9,349,200	0.4586%
United Electric Cooperative Service	8,908,940	0.4370%
Wal-Mart Stores Texas #01-0610	7,926,540	0.3888%
<hr/>		
Total	\$ 204,463,056	10.0297%

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

(unaudited)

FISCAL YEAR	TAXES LEVIED WITHIN THE FISCAL YEAR OF THE LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS RELATED TO PRIOR YEARS	TOTAL COLLECTIONS	
		AMOUNT	% OF LEVY		AMOUNT	% OF LEVY
2007	8,530,221	8,354,927	97.95%	75,087	8,430,014	98.83%
2008	8,652,524	8,458,625	97.76%	70,651	8,529,276	98.58%
2009	9,002,567	8,767,954	97.39%	85,434	8,853,388	98.34%
2010	10,213,977	10,005,897	97.96%	89,259	10,095,155	98.84%
2011	10,819,547	10,463,049	96.71%	63,083	10,526,132	97.29%
2012	10,837,406	10,641,506	98.19%	165,811	10,807,316	99.72%
2013	11,324,588	11,147,399	98.44%	164,105	11,311,504	99.88%
2014	11,798,605	11,633,698	98.60%	173,852	11,807,550	100.08%
2015	11,992,634	11,886,408	99.11%	45,032	11,931,440	99.49%
2016	12,590,109	12,423,444	98.68%	80,263	12,503,707	99.31%

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 402,103,587	\$ 429,722,062	\$ 432,048,496	\$ 440,930,548	\$ 447,572,284
Total net debt applicable to limit	-	-	-	7,000,000	4,836,999
Legal debt margin	<u>\$ 402,103,587</u>	<u>\$ 429,722,062</u>	<u>\$ 432,048,496</u>	<u>\$ 447,930,548</u>	<u>\$ 452,409,283</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	1.56%	1.07%

- Note:
- (1) Total assessed valuation of real property as certified, and is also presented on Table V less excluded personal property of \$706,488,364
 - (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 2016	
Note 1: Assessed Value	\$ 2,086,614,725
Note 2: Debt Limit(25% assessed value)	521,653,681
Note 3: Debt applicable to limit-	
Gross Bonded Debt	4,198,000
Less: Debt Service Fund	
	<u>4,198,000</u>
Legal Debt Margin	<u><u>525,851,681</u></u>

Fiscal Year				
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 584,097,901	\$ 452,091,877	\$ 638,081,717	\$ 502,051,764	\$ 521,653,681
5,590,003	5,132,000	5,132,000	4,665,000	4,198,000
<u>\$ 589,687,904</u>	<u>\$ 457,223,877</u>	<u>\$ 643,213,717</u>	<u>\$ 506,716,764</u>	<u>\$ 525,851,681</u>
0.96%	1.14%	0.80%	0.93%	0.80%

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</u>	<u>Percentage</u>	<u>Per</u>
	<u>Certificates</u>	<u>General</u>	<u>Capital</u>			
	<u>of Obligation</u>	<u>Obligation Bonds</u>	<u>Lease</u>	<u>Government</u>	<u>of Personal</u>	<u>Capita</u>
					<u>Income</u>	
2007	-	-	-	-	0.00%	-
2008	-	-	-	-	0.00%	-
2009	-	-	-	-	0.00%	-
2010	7,000,000	-	-	7,000,000	0.66%	203
2011	6,533,000	-	-	6,533,000	0.58%	190
2012	6,066,000	-	-	6,066,000	0.52%	164
2013	5,599,000	-	-	5,599,000	0.56%	175
2014	5,132,000	-	154,675	5,286,675	0.62%	204
2015	4,665,000	-	81,878	4,746,878	0.36%	118
2016	4,198,000	-	59,358	4,257,358	0.32%	104

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

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

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

<u>Name of Government</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
DIRECT DEBT			
Erath County		100.00%	\$ 4,198,000
		Total Direct Debt	\$ 4,198,000
OVERLAPPING DEBT			
City and Town Debt			
City of Stephenville	16,147,865	100.00%	\$ 16,147,865
City of Dublin	4,395,000	100.00%	\$ 4,395,000
School District Debt			
Bluff Dale ISD	105,000	92.53%	\$ 97,157
De Leon ISD	5,950,000	3.56%	\$ 211,820
Dublin ISD	5,960,000	90.66%	\$ 5,403,336
Gordon ISD	272,000	10.28%	\$ 27,962
Hico ISD	3,460,000	30.58%	\$ 1,058,068
Huckabay ISD	-	97.38%	\$ -
Iredell ISD	65,000	13.66%	\$ 8,879
Lingleville ISD	1,021,000	83.00%	\$ 847,430
Lipan ISD	7,829,307	13.95%	\$ 1,092,188
Morgan Mill ISD	-	100.00%	\$ -
Santo ISD	645,000	4.01%	\$ 25,865
Stephenville ISD	25,785,000	100.00%	\$ 25,785,000
Bluff Dale ISD		97.00%	\$ -
		Total Overlapping Debt	\$ 55,100,569
		Total Direct and Overlapping Debt	\$ 59,298,569

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)

Certificates of Obligation					
<u>Fiscal Years</u>	<u>Property Tax</u>	<u>Less: Expenses</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	23,750	-	-	-
2011	1,696,001	500	467,000	227,578	2.07
2012	717,350	500	467,000	251,521	1.00
2013	682,562	-	467,000	233,541	1.00
2014	687,703	-	467,000	107,781	1.00
2015	663,029	-	467,000	197,582	1.00
2016	643,066	-	467,000	179,603	1.00

Note: Certificates of Obligation were obtained to remodel and expand the County Jail and Sheriff's Administration Building.

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

ERATH COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST 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)
2007	34,420	\$ 901,769,000	24,805	5,494	7,840	3.60%
2008	35,581	1,004,187,000	27,378	5,461	7,763	3.80%
2009	35,351	1,095,025,000	29,486	5,534	8,242	6.20%
2010	36,061	1,054,305,000	28,045	5,611	8,896	6.60%
2011	37,890	1,133,770,000	29,875	5,570	9,575	6.20%
2012	38,266	1,206,612,000	31,532	5,740	10,279	5.10%
2013	39,321	1,229,432,000	31,267	5,768	10,937	5.50%
2014	40,147	1,316,821,600	32,800	5,804	11,038	3.80%
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%

Source:

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

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	*	989
Stephenville ISD	Education		475
Schreiber Foods	Cheese Mfg.		472
Saint-Gobain Abrasives	Coated Abrasives		453
FMC Technologies	Oil Field Products		449
Walmart Supercenter	Retail		384
Texas Health Harris Methodist	Hospital		265
Western Dairy Transport	Milk Transport		200
Erath County	Government		194
HEB Grocery	Retail		142
City of Stephenville	Government	**	142
Pal-Con	Heavy Equipment Mfg		140
EGS Electrical Group	Metal Processing		140
Stephenville Medical & Surgical	Health Care		130
ABF Packing Inc	Meat Processing Plant		120
Total for top 15 Employers			4,695

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	Fiscal Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Administration										
County Judge	2	2	2	2	2	2	2	2	2	2
County Clerk	9	9	9	8	7	8	6	7	6	6
Treasurer	3	3	3	3	3	3	3	3	3	3
Auditor	3	4	4	4	4	4	4	4	4	4
Tax Office	11	11	11	11	11	11	12	12	12	12.5
District Clerk	5	4	5	5	5	4	4	4	4	4
County Extension Office	4	4	4	4	4	4	5	4	3	4
Veterans Service	1	1	1	1	1	1	1	1	1	1
Emergency Management Coordinator										1
Legal										
County Attorney	4	5	5	5	5	5	4	4	4	4
District Attorney	6	6	6	7	6	6	6	6	6	7
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	7	6	6	7	7	7	7	6.5
Precinct # 2	9	7	8	9	9	7	7	7	7	9
Precinct # 3	8	9	9	9	8	7	7	7	7	7
Precinct # 4	7	7	7	7	7	6	6	6	6	7
Maintenance Barn	2	3	2	2	2	2	2	2	2	2
Facilities										
Facilities Maintenance	3	3	3	3	3	3	3	3	3	3
Public Safety										
Sheriff's Administration	27	23	23	26	26	24	24	26	24	25
Dispatch	8	8	8	10	10	11	11	10	10	11
Jail	22	22	22	22	22	25	26	27	26	27
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	2	1
Health and Welfare										
Sanitation	1	1	1	1	1	1	1	1	1	1
Emergency Medical Services	21	20	20	22	22	23	23	21	22	20
Probation										
Juvenile Probation	3	3	3	3	3	4	3	4	3	3.5
Community Supervision Corrections	8	7	7	7	7	6	5	5	4	5
Total County Employees	191	186	187	194	191	191	189	190	184	191.5

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	Fiscal Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Sheriff										
Number of Employees	27	23	23	26	26	24	24	29	24	25
Number of Dispatch Calls	7222	7678	8299	8243	8917	12000	9209	9951	9945	9861
Fire										
Number of Employees (25 volunteer/11 paid)	37	37	37	37	37	38	36	36	36	36
Number of Dispatch Calls	n/r	534	542	335	488	442	413	457	490	631
EMS										
Number of Employees	21	20	20	22	22	23	23	21	22	20
Number of Dispatch Calls	1055	1032	1051	1143	1080	1025	784	777	819	899
Road & Bridge										
Precinct # 1										
Number of Employees	7	7	7	6	6	7	7	7	7	6.5
Miles of Road	181.50	179.03	179.03	179.03	179.03	180.57	180.57	180.57	180.57	180.57
Precinct # 2										
Number of Employees	9	7	8	9	9	7	7	7	7	9
Miles of Road	224.20	229.97	229.97	229.97	229.97	213.92	213.92	213.92	213.92	213.92
Precinct # 3										
Number of Employees	8	9	9	9	8	7	7	7	7	7
Miles of Road	199.80	222.83	222.83	222.83	222.83	231.5	231.5	231.5	231.5	231.5
Precinct # 4										
Number of Employees	7	7	7	7	7	6	6	6	6	7
Miles of Road	191.20	198.32	198.32	198.32	198.32	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)

Funtion	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Administration										
Office Buildings/Courthouses	4	4	4	4	4	4	4	4	4	4
Vehicles	1	1	1	1	1	1	1	1	1	2
Public Safety										
Sheriff Administration/Jail	1	1	1	1	1	1	1	1	1	2
Sheriff Vehicles	26	26	26	26	26	26	26	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	5	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	2	3	3	3	3	4	4	4	4	4
EMC Vehicles										1
Road & Bridge										
Buildings	2	2	2	2	2	3	3	4	4	4
Heavy Equipment	42	42	42	42	42	52	52	55	55	73
Vehicles	14	14	14	14	14	21	21	21	21	2
County Road (miles)	796	830	830	830	830	832	832	832	832	832

Source: Various County offices

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