

Erath County, Texas

Annual Financial Report For the Year Ended September 30, 2021

Kent Reeves
County Auditor

ERATH COUNTY, TEXAS
Annual Financial Report
For the Year Ended September 30, 2021

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INTRODUCTORY SECTION



ERATH COUNTY
OFFICE OF THE COUNTY AUDITOR

KENT B. REEVES
COUNTY AUDITOR
auditor@co.erath.tx.us

County Courthouse
100 W Washington
254-965-1484

February 18, 2023

To the Honorable District Judge, Commissioners Court Members, Citizens of Erath County and the Financial Community:

Texas Local Government Code, §114.025 requires that the County Auditor publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Financial Report of the County of Erath, Texas for the fiscal year ended September 30, 2021.

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, 2021, 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 statements for the fiscal year ended September 30, 2021, 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.

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.

Respectfully submitted,



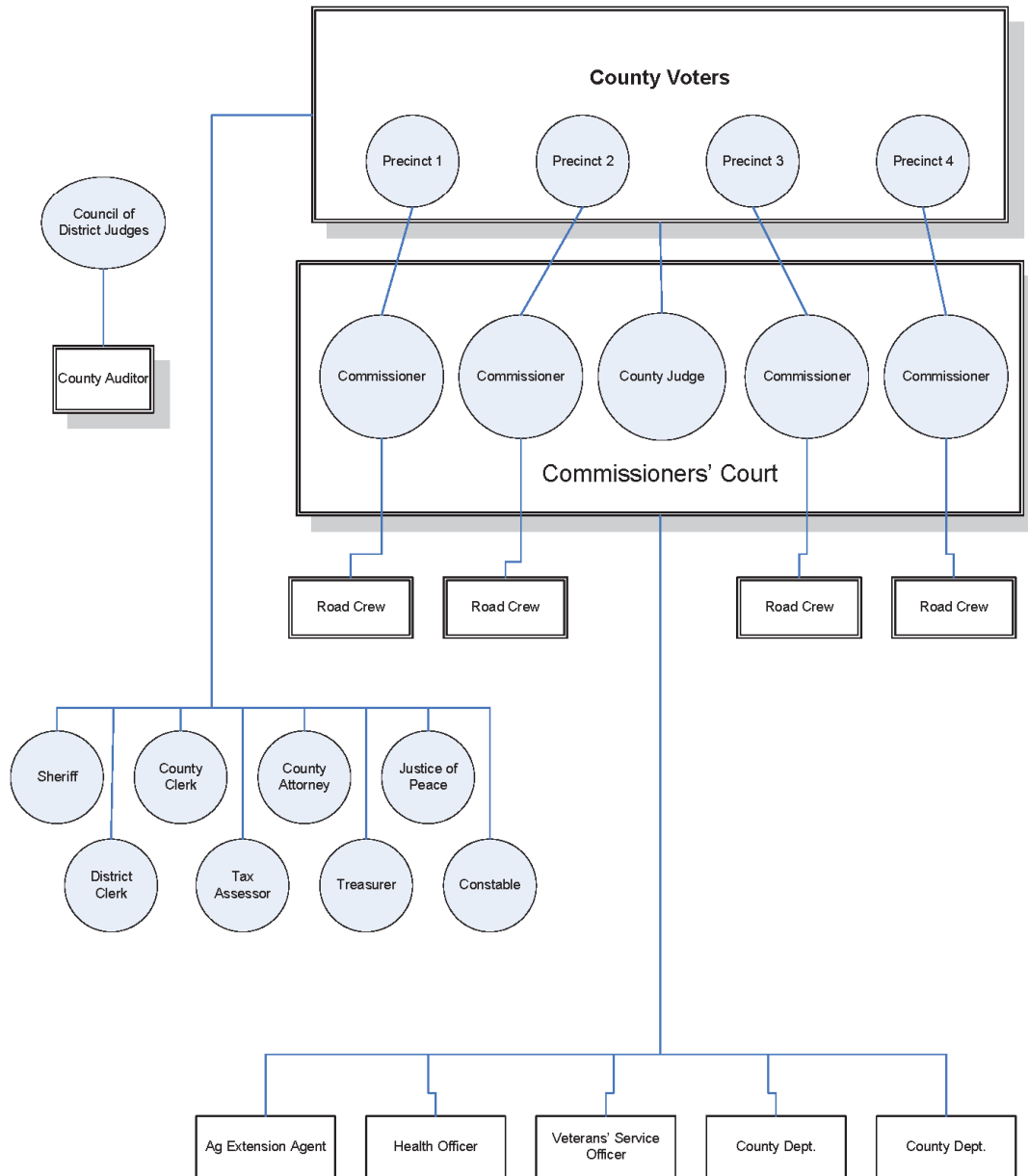
Kent Reeves
Erath County Auditor

**ERATH COUNTY, TEXAS
PRINCIPAL OFFICERS**

as of September 30, 2021

Title	Name
County Judge	Alfonso Campos
Commissioner, Precinct 1	Dee Stephens
Commissioner, Precinct 2	Albert Ray
Commissioner, Precinct 3	Joe Brown
Commissioner, Precinct 4	Jim Buck
County Auditor	Kent Reeves
County Treasurer	Kimberly Barrier
Tax Assessor-Collector	Jennifer Carey
County Clerk	Gwinda Jones
District Judge	Jason Cashon
District Clerk	Wanda Pringle
Sheriff	Matt Coates

Organization of County Government in Texas





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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as 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, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the basic financial statements, the County adjusted its beginning net position as of September 30, 2020, to reflect the impact of the implementation of Government Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to the change.

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 20, and pages 56 through 73, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing

and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section has 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 it.

Boucher, Morgan & Young

Stephenville, Texas
March 8, 2023

Management's Discussion and Analysis

As management of Erath County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

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, 2021. 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 FY2021. The fiscal year 2021 net position was \$49,518,820 compared to the fiscal 2020 net position of \$44,887,158. The net increase was \$4,631,663.

Governmental Funds Financial Statements

The County's governmental funds reported combined fund balances of \$26,149,068 ; compared to \$27,011,298 of prior year.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$12,473,876 or 67% 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 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 thirty-nine individual governmental funds (excluding fiduciary funds) made up of thirty-two special revenue funds, one capital projects fund, 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, Road & Bridge Fund, Capital Projects Fund and Grants 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 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 the TCDRS pension 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, 2021 and 2020 are summarized as follows:

Erath County's Net Position			
Governmental Activities			
2021-2020 Increase (Decrease)			
	2021	2020	Increase (Decrease)
Current and other assets	\$ 32,263,354	\$ 29,854,125	\$ 2,409,229
Net pension asset	1,372,890	-	1,372,890
Capital assets (net of depreciation)	23,111,329	21,583,463	1,527,866
Deferred outflows	<u>2,564,149</u>	<u>744,853</u>	<u>1,819,296</u>
Total assets and deferred outflows	<u>\$ 59,311,722</u>	<u>\$ 52,182,441</u>	<u>\$ 3,347,162</u>
Current and other liabilities	\$ 1,535,371	\$ 3,138,214	\$ (1,602,843)
Noncurrent liabilities	2,576,664	3,016,357	(439,693)
Deferred inflows	<u>5,680,867</u>	<u>1,140,712</u>	<u>4,540,155</u>
Total liabilities and deferred inflows	<u>\$ 9,792,902</u>	<u>\$ 7,295,283</u>	<u>\$ 2,497,619</u>
Net investment in capital asset	\$ 20,779,188	\$ 19,198,463	\$ 1,580,725
Restricted	3,233,991	2,285,307	948,684
Unrestricted	<u>25,505,641</u>	<u>23,403,388</u>	<u>2,102,253</u>
Total net position	<u>\$ 49,518,820</u>	<u>\$ 44,887,158</u>	<u>\$ 4,631,662</u>

The current financial reporting model focusing on net position serves as a useful indicator of a Government's financial position. Net position is unrestricted, subject to external restrictions as to how they may be used or are invested in capital assets less any related outstanding debt used to acquire those assets. Total net position exceeded liabilities by \$49,518,820 at the close of the most recent fiscal year, representing an 10% increase from the prior year. The largest portion of net position (52%) may be used to meet the government's commitments and on-going obligations to citizens and creditors. An additional portion of net position (6%) 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* (42%) reflects net 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, 2021 and 2020 are as follows:

Erath County's Changes in Net Position			
	2021	2020	Increase (Decrease)
Revenue			
Program revenue:			
Charges for service	\$ 200,667	\$ 267,043	\$ (66,376)
Fines and fees	2,862,252	2,560,335	301,917
Operating grants and contributions	823,437	381,657	441,780
Capital grants and contributions	-	43,226	(43,226)
General revenues:			
Property taxes	17,216,036	16,473,873	742,163
Other taxes	3,963,958	3,280,378	683,580
Misc revenue	440,412	327,637	112,775
Investment earnings	24,423	319,740	(295,317)
Gain (loss) on sales of capital assets	<u>250,166</u>	<u>(905,274)</u>	<u>1,155,440</u>
Total Revenues	\$ <u>25,781,351</u>	\$ <u>22,748,615</u>	\$ <u>3,032,736</u>
Expenses			
General administration	6,168,793	4,198,088	1,970,705
Judicial administration	2,465,190	3,168,719	(703,529)
Public safety and law enforcement	4,898,971	6,746,551	(1,847,580)
Road and bridge	4,910,736	4,152,907	757,829
Health and welfare	2,646,255	1,754,979	891,276
Interest on long-term debt	<u>59,743</u>	<u>81,712</u>	<u>(21,969)</u>
Total Expenses	\$ <u>21,149,688</u>	\$ <u>20,102,956</u>	\$ <u>1,046,732</u>
Change in net position	4,631,663	2,645,659	1,986,004
Net position - beginning	<u>44,887,157</u>	<u>42,241,498</u>	<u>2,645,659</u>
Net position - ending	\$ <u><u>49,518,820</u></u>	\$ <u><u>44,887,157</u></u>	\$ <u><u>4,631,663</u></u>

General Revenues and Program Revenues

General revenues are revenues that are not assigned to support a specific function but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes, other tax-related revenues, interest earned from investments, and miscellaneous income. Total revenues (including program revenues) were \$25,781,351 compared to \$22,748,615 for prior fiscal year or 13% increase. Revenues increased \$3,032,736 from the prior fiscal period.

Property taxes increased by \$742,163 during the year. The change is due to increased taxable assessed values.

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 2021, net (expense) revenue was (\$17,263,328) compared to (\$16,884,185) in FY 2020.

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 frameworks of the County's strong fiscal management and accountability.

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

The County's aggregate governmental funds were decreased by \$862,230 in the current fiscal year to \$26,149,068.

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 \$12,473,876 in contrast to \$19,675,855 in the prior year.

Grant funds represent federal and state awards. The following table presents the amount of revenues from various sources, as well as increases or decreases from the prior year.

Governmental Funds - Revenue Classified By Source

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percentage of Change</u>
Taxes and registrations	\$ 21,948,794	\$ 20,688,861	\$ 1,259,933	6.09%
Intergovernmental	1,356,470	822,090	534,380	65.00%
Fines, fees and charges for service	1,727,325	1,428,830	298,495	20.89%
Interest	24,423	319,740	(295,317)	-92.36%
Other Revenue	440,408	327,637	112,771	34.42%
Total	<u>\$ 25,497,420</u>	<u>\$ 23,587,158</u>	<u>\$ 1,910,262</u>	

- **Taxes and registrations** – increased by \$1,259,933
Property values and new construction accounted for the increase in property tax revenue. Increased sales of taxable personal property fueled the increase in sales tax revenue.

- **Intergovernmental** – increased due to more grant money received.
- **Interest** – the decrease was the result of falling interest rates

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

Expenditures by Function - Governmental Funds

Function:	<u>2021</u>	<u>2020</u>	<u>(Decrease)</u>	<u>Change</u>
General Administration	\$ 6,615,363	\$ 3,981,723	\$ 2,633,640	66%
Legal	810,206	846,926	(36,720)	-4%
Judicial	2,261,266	2,211,821	49,445	2%
Road & Bridge	4,809,117	3,415,595	1,393,522	41%
Public Safety	5,134,715	5,700,761	(566,046)	-10%
Health & Welfare	3,065,300	1,742,847	1,322,453	76%
Capital Projects	3,826,679	4,360,420	(533,741)	-12%
Debt Service - Interest	64,805	111,823	(47,018)	-42%
Debt Service - Principal	582,583	492,000	90,583	18%
Debt Service - Bank Charges	-	-	-	0%
Total	<u>\$ 27,170,034</u>	<u>\$ 22,863,916</u>	<u>\$ 4,306,118</u>	

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY2021 legally adopted budget totaled \$20,129,131 , an increase of \$206,002 from FY2020 budget.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-term debt. At September 30, 2021, the County had certificates of obligation outstanding in the amount of \$1,890,000. According to Texas statutes, particularly the Certificate of Obligation Act of 1971, the county has conferred the authority to obtain these certificates. Additional long-term debt consists of capital leases and compensated absences.

The following represents the activity of the long-term debt of the County for FY2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 217,520	\$ 27,003	\$ -	\$ 244,523	\$ 215,180
Capital leases		529,724	87,583	442,141	98,731
Certificate of obligation	2,385,000	-	495,000	1,890,000	485,000
Total Governmental Activities	\$ 2,602,520	\$ 556,727	\$ 582,583	\$2,576,664	\$ 798,911

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, 2021, net capital assets of the governmental activities totaled \$23,111,329. Depreciation of capital assets is recognized in the government-wide financial statements. FY 2021 depreciation for buildings, improvements, and M&E totaled \$2,181,395.

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 FY2021 Budget meets the key established policy directive of the Commissioners Court. The FY2021 budget process was primarily focused on identifying various balancing strategies that impact services provided to the citizens of Erath County as minimally as possible.

Highlights from Erath County FY2021 Budget and anticipated expenses into FY2022 include the following:

- FY2021 property tax rate decreased from .4560/\$100 to .4444/\$100 property valuation.
- FY2021 Debt obligation was decreased by \$495,000 leaving a balance of \$1,405,000
- In November of 2020, the County went live with its new financial accounting software from Tyler Technologies. The next phase of systems implementation will be to replace the judicial and law enforcement software and computer systems county wide. These systems are also a Tyler Technology product by the name of Odyssey. Once conversion is completed in early 2022, the entire county financial, judicial and law enforcement systems will be state of the art and fully compatible being from one of the nations largest and most reliable governmental software providers.
- The county began modernizing the Law Enforcement vehicle fleet by leasing new vehicles at a lower annual cost of maintenance and upfront replacement costs. It is anticipated by

year-end 2022 to have upwards of 25 new lease vehicles in the fleet. Providing new vehicles at a lower annual cost for our law enforcement officers provides safer conditions for our officers and more reliable service to the public.

- A planned reduction of \$3.7 million additional pay down of the retirement liability effectively reducing the annual cost of funding by the county by around \$400,000 took place and significantly reduced the county's liability as well as, utilized excess reserves which will benefit the county for years to come.
- The County began construction on a new \$7.5 million 23,000 square foot multi-purpose facility to house all of the County Clerk's civil operations and the County Tax Assessor's motor vehicle and property tax operations. As of September 30, 2021 expenses of \$281,042 had been made toward the project.

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 County Auditor at 100 W. Washington, Stephenville, TX 76401.

GOVERNMENT -WIDE FINANCIAL STATEMENTS

ERATH COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government Governmental Activities	Component Unit- Erath County Volunteer Fire Department
ASSETS:		
Cash and investments	\$ 30,813,049	\$ 56,839
Receivables (net of allowance for uncollectible)		
Taxes	327,966	-
Other	1,008,290	-
Other assets	114,049	-
Net pension asset	1,372,890	-
Capital Assets (net of accumulated depreciation)		
Land	2,097,627	-
Construction in progress	1,542,648	-
Buildings, net	10,361,358	-
Furniture and equipment, net	9,109,696	12,074
Total Assets	56,747,573	68,913
DEFERRED OUTFLOWS:		
Deferred retirement contributions	576,105	-
Deferred assumption/input changes	1,988,044	-
Total Deferred Outflows	2,564,149	-
LIABILITIES:		
Accounts payable and accrued liabilities	900,088	-
Accrued salaries and wages	169,597	19,365
Accrued interest	18,669	-
Due to other governments	64,233	-
Other liabilities	382,784	-
Noncurrent liabilities		
Due within one year:		
Certificate of obligation-due within one year	485,000	-
Capital lease - due within one year	98,731	-
Accrued compensated absences-due within one year	215,180	-
Due within one year:		
Certificate of obligation-due in more than one year	1,405,000	-
Capital lease-due in more than one year	343,410	-
Accrued compensated absences-due in more than one year	29,343	-
Total Liabilities	4,112,035	19,365
DEFERRED INFLOWS:		
Unearned revenue-grants	4,147,088	-
Deferred actual vs. assumption	98,845	-
Deferred investment experience	1,434,934	-
	5,680,867	-
NET POSITION:		
Net investment in capital assets	20,779,188	-
Restricted for:		
Debt service	68,434	-
Special revenue purposes	3,165,557	6,000
Road & bridge - operations	4,108,705	-
Unrestricted	21,396,936	43,548
Total Net Position	\$ 49,518,820	\$ 49,548

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

ERATH COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Program Activities	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General administration	\$ 6,168,793	\$ 200,667	\$ 71,272
Judicial administration	2,482,008	1,122,153	3,536
Public safety and law enforcement	4,858,989	605,921	748,629
Road and bridge	4,933,896	800,520	-
Health and welfare	2,646,255	333,658	-
Interest and fees on long-term debt	59,743	-	-
Total Governmental Activities	<u>21,149,684</u>	<u>3,062,919</u>	<u>823,437</u>
Total primary government	<u>\$ 21,149,684</u>	<u>\$ 3,062,919</u>	<u>\$ 823,437</u>
Component Unit:			
Erath County Volunteer Fire Department	<u>277,329</u>	<u>-</u>	<u>277,751</u>
Total Primary Government	<u>\$ 277,329</u>	<u>\$ -</u>	<u>\$ 277,751</u>
General Revenues:			
Property taxes, levied for general purposes			
Other taxes			
Gain on disposal of assets			
Miscellaneous revenue			
Investment earnings			
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>	
\$ -	\$ (5,896,854)	\$ -
-	(1,356,319)	-
-	(3,504,439)	-
-	(4,133,376)	-
-	(2,312,597)	-
-	(59,743)	-
<u>\$ -</u>	<u>(17,263,328)</u>	<u>-</u>
	<u>\$ (17,263,328)</u>	<u>\$ -</u>
	-	422
	<u>\$ -</u>	<u>\$ 422</u>
	\$ 17,216,036	\$ -
	3,963,958	-
	250,166	-
	440,408	-
	24,423	-
	<u>21,894,991</u>	<u>-</u>
	4,631,663	422
	44,887,157	49,126
	<u>\$ 49,518,820</u>	<u>\$ 49,548</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, 2021**

	General Fund	Road and Bridge	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 12,816,912	\$ 4,261,996	\$ 6,353,632	\$ 4,684,251	\$ 2,696,258	\$ 30,813,049
Taxes receivable (net of allowance for uncollectible)	192,934	115,730	-	-	19,302	327,966
Other receivable	825,828	-	-	-	-	825,828
Other assets	102,245	10,000	-	-	1,804	114,049
Total Assets and Other Debits	<u>\$ 13,937,919</u>	<u>\$ 4,387,726</u>	<u>\$ 6,353,632</u>	<u>\$ 4,684,251</u>	<u>\$ 2,717,364</u>	<u>\$ 32,080,892</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 582,852	\$ 170,977	\$ 133,381	\$ -	\$ 12,878	\$ 900,088
Wages and salaries payable	138,995	30,393	-	-	209	169,597
Due to other governments	64,233	-	-	-	-	64,233
Other liabilities	382,784	-	-	-	-	382,784
Total Liabilities	<u>1,168,864</u>	<u>201,370</u>	<u>133,381</u>	<u>-</u>	<u>13,087</u>	<u>1,516,702</u>
Deferred inflows:						
Unearned revenue-grants	-	-	-	4,147,088	-	4,147,088
Unavailable revenue-property taxes	192,934	67,651	-	-	7,449	268,034
Total deferred inflows of resources	<u>192,934</u>	<u>67,651</u>	<u>-</u>	<u>4,147,088</u>	<u>7,449</u>	<u>4,415,122</u>
Fund Balances:						
Nonspendable	102,245	10,000	-	-	-	112,245
Restricted						
Debt service	-	-	-	-	68,434	68,434
Elections	-	-	-	-	114,248	114,248
General administration	-	-	-	-	37,248	37,248
Judicial	-	-	-	-	480,016	480,016
Legal	-	-	-	-	374,126	374,126
Public safety	-	-	-	537,163	323,823	860,986
Records management	-	-	-	-	1,298,933	1,298,933
Road & bridge - operations	-	4,108,705	-	-	-	4,108,705
Committed						
General administration - construction	-	-	6,220,251	-	-	6,220,251
Unassigned	12,473,876	-	-	-	-	12,473,876
Total Fund Balances	<u>12,576,121</u>	<u>4,118,705</u>	<u>6,220,251</u>	<u>537,163</u>	<u>2,696,828</u>	<u>26,149,068</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 13,937,919</u>	<u>\$ 4,387,726</u>	<u>\$ 6,353,632</u>	<u>\$ 4,684,251</u>	<u>\$ 2,717,364</u>	<u>\$ 32,080,892</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, 2021

Total Fund Balances- Governmental Funds		\$ 26,149,068
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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	\$45,373,558	
Accumulated depreciation	<u>(22,262,229)</u>	23,111,329

Long-term liabilities, including bonds payable, capital leases and compensated absences, are not due and payable in the current period and therefore are not reported in the fund financial statements.		(2,576,664)
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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.		(18,669)
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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	182,462	
Property taxes	<u>268,034</u>	450,496

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

Net pension asset	1,372,890	
Deferred actual vs. assumption	(98,845)	
Deferred retirement contributions	576,105	
Deferred assumption/input changes	1,988,044	
Deferred investment experience	<u>(1,434,934)</u>	2,403,260

Net Position of Governmental Activities		<u><u>\$ 49,518,820</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, 2021

	General Fund	Road and Bridge	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE:						
Taxes:						
Property taxes	\$ 12,406,922	\$ 4,232,430	\$ -	\$ -	\$ 544,964	\$ 17,184,316
General sales and other taxes	3,963,958	-	-	-	-	3,963,958
Auto registrations	-	800,520	-	-	-	800,520
Intergovernmental revenue and grants	536,569	71,272	-	748,629	-	1,356,470
Charges for services	253,464	-	-	-	79,710	333,174
Fines and fees	1,030,014	-	-	-	352,622	1,382,636
Forfeitures	-	-	-	-	11,515	11,515
Investment earnings	17,502	4,177	2,438	296	10	24,423
Other revenue	419,412	1,407	-	-	19,589	440,408
Total Revenues	<u>18,627,841</u>	<u>5,109,806</u>	<u>2,438</u>	<u>748,925</u>	<u>1,008,410</u>	<u>25,497,420</u>
EXPENDITURES:						
Current:						
General Government:						
Public finance	1,957,501	-	-	-	-	1,957,501
General administration	4,641,814	-	-	-	16,048	4,657,862
Judicial	2,032,522	-	-	-	228,744	2,261,266
Legal	787,875	-	-	-	22,331	810,206
Public safety	5,063,447	-	-	54,522	16,746	5,134,715
Health and welfare	3,065,300	-	-	-	-	3,065,300
Road and bridge	-	4,809,117	-	-	-	4,809,117
Debt Service:						
Principal	67,069	20,514	-	-	495,000	582,583
Interest	14,710	2,646	-	-	47,449	64,805
Capital Outlay:						
Capital outlay	988,161	1,236,738	1,582,187	-	19,593	3,826,679
Total Expenditures	<u>18,618,399</u>	<u>6,069,015</u>	<u>1,582,187</u>	<u>54,522</u>	<u>845,911</u>	<u>27,170,034</u>
Over (Under) Expenditures	<u>9,442</u>	<u>(959,209)</u>	<u>(1,579,749)</u>	<u>694,403</u>	<u>162,499</u>	<u>(1,672,614)</u>
OTHER FINANCING SOURCES (USES):						
Proceeds on sale of assets	212,911	67,745	-	-	-	280,656
Proceeds from financing	446,937	82,791	-	-	-	529,728
Transfers in	2,209,039	320,000	7,800,000	-	391,782	10,720,821
Transfers out	(10,100,821)	(320,000)	-	(300,000)	-	(10,720,821)
Total Other Financing Sources (Uses)	<u>(7,231,934)</u>	<u>150,536</u>	<u>7,800,000</u>	<u>(300,000)</u>	<u>391,782</u>	<u>810,384</u>
Net Change in Fund Balances	(7,222,492)	(808,673)	6,220,251	394,403	554,281	(862,230)
Fund Balances - Beginning	19,798,613	4,927,378	-	142,760	2,142,547	27,011,298
Fund Balances - Ending	<u>\$ 12,576,121</u>	<u>\$ 4,118,705</u>	<u>\$ 6,220,251</u>	<u>\$ 537,163</u>	<u>\$ 2,696,828</u>	<u>\$ 26,149,068</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, 2021

Net Change in Fund Balances-Total Governmental Funds	\$ (862,230)
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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.	3,739,751
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Depreciation expense on capital asses is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(2,181,395)
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Governmental funds recognize all amounts received on the sale of fixed assets as a gain. However, in the statement of activities, the gain or loss is offset by the remaining net book value of the asset.	(30,490)
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The issuance of long-term debt, including bonds, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.

Proceeds from capital leases	(529,724)	
Principal payments	582,583	
Increase in compensated absences	<u>(27,003)</u>	<u>25,856</u>

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.	5,062
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Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Office fees	4,425	
Property taxes	<u>31,720</u>	36,145

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.	<u>3,898,964</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 4,631,663</u></u>
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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, 2021

	Custodial Funds
	<hr/>
ASSETS	
Cash, cash equivalents, and investments	\$ 2,346,069
Total Assets	<hr/> 2,346,069 <hr/>
LIABILITIES	
Held for others	-
Due to other governmental agencies	<hr/> -
Total Liabilities	<hr/> - <hr/>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<hr/> 2,346,069
Total net position	<hr/> \$ 2,346,069 <hr/>

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

ERATH COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds
<u>ADDITIONS</u>	
Property tax collections for other governments	\$ 66,454,907
Vehicle registration fees collected for state	8,878,612
Judicial/statutory ordered collections due to others	4,103,564
Collateral/escrow deposits from bondsmen	203,098
Inmate commissary deposits	366,232
State grant/program revenue	345,762
Interest earnings	319
Total earnings	<u>80,352,494</u>
<u>DEDUCTIONS</u>	
Property taxes due to other governments	66,468,133
Vehicle registration due to state	8,877,545
Payments due under judicial order/statute	4,167,753
Release of collateral/escrow held for bondsmen	179,839
Inmate commissary funds	321,163
State grant/program revenue	<u>250,170</u>
Total deductions	<u>80,264,603</u>
Net increase in fiduciary net position	87,891
Net position-beginning of year, as previously reported	-
Restatement adjustment (Note 10)	<u>2,258,178</u>
Net position-beginning, as restated	<u>2,258,178</u>
Net position - ending	<u><u>\$ 2,346,069</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021

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 - These 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.

Capital Project Fund - This fund is used to account for resources that have been committed for the payment of capital projects.

Grant Fund - This fund is used to account for the receipt and disbursement of restricted grant funds.

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, 2021

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 are restricted for the use of third parties). 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, 2021

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 (\$122,809 General Fund, \$42,825 Road and Bridge Fund and \$4,987 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 based on 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. Beginning with the 2020 property tax year and effective for the 2021 County budget year, a county may not raise the calculated tax rate which produces "No-New Revenue" from the previous tax year by more than 3.5% or the rate must be approved by the voters. The new terminology adopted by the State of Texas related to this Truth in Taxation bill is called "No-New Revenue" and "Voter-Approval" tax rates. In previous years these rates were called "Effective Tax" and "Roll-Back" tax rates. Debt service is not a component of the calculations when considering the Voter-Approval rates as the public already approved the debt rate through a vote.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Per Article 8 Section 9 of the Texas Constitution - No county, city or town shall levy a tax rate in excess of Eighty Cents (\$.80) on the One Hundred Dollars (\$100) valuation in any one (1) year for general fund, permanent improvement fund, road and bridge fund and jury fund purposes.

The County's taxes on real property are a lien against the 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, 2021, to finance maintenance and operations of the county, service debt of the County, and Road and Bridge were \$0.3209, \$.0139, and \$0.1096 respectively, for a total of \$0.4444 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, 2021

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 a 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 benefits 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, 2021, the value of accumulated vacation benefits was \$188,625 and the value of accumulated sick pay benefits was approximately \$55,898 for a total of \$244,523.

The portion of accrued vacation pay and sick pay that has been classified as current is \$215,180.

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, 2021

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 are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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, 2021

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 not in a spendable form.

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, the retirement of long-term debt, and construction

- a. The aggregate fund balance of the debt service fund is legally restricted for the payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.
- b. The proceeds of specific revenue sources that are restricted to expenditures for specified purposes as designated by grantors, contributors, by a 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 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 the 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 provisions, or enabling legislation.

Assigned Fund Balance – represents amounts that 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 that 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, 2021

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

When an expenditure is incurred for a purpose for 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 having 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 the 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 to be used for debt service based on contractual obligations.

NOTE 2: 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, 2021, consist of the following:

Cash on hand	\$ 8,550
Deposits with financial institutions	5,290,539
Short-term investments	<u>25,513,960</u>
	<u><u>\$ 30,813,049</u></u>

A. Cash Deposits

At September 30, 2021, 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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2: Deposits and Investments (cont.)

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, 2021, consisted of the following:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
TexPool	\$ 25,513,960	49 days

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2: Deposits and Investments (cont.)

The County is a voluntary participant in the TexPool external investment pool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool Shares.

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

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

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

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk because its deposits at year-end and during the year ended September 30, 2021, 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, and its agencies; repurchase agreements; and no-load AAAM money market mutual funds registered with the SEC.

As of September 30, 2021, TexPool's investment credit quality rating was AAAM (Standard & Poor's). The certificates of deposit are not rated.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2: Deposits and Investments (cont.)

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

NOTE 3: Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	October 1, 2020	Increase	Decrease	September 30, 2021
Government activities capital assets:				
Non-depreciable assets:				
Land	\$ 2,068,512	\$ 29,115	\$ -	\$ 2,097,627
Construction in progress	142,364	1,400,284	-	\$ 1,542,648
Total non-depreciable assets	<u>2,210,876</u>	<u>1,429,399</u>	<u>-</u>	<u>3,640,275</u>
Depreciable assets:				
Buildings	18,868,565	97,136	-	\$ 18,965,701
Furniture and equipment	21,316,412	2,213,216	(762,046)	\$ 22,767,582
Total depreciable assets	<u>40,184,977</u>	<u>2,310,352</u>	<u>(762,046)</u>	<u>41,733,283</u>
Totals at historic cost	<u>42,395,853</u>	<u>3,739,751</u>	<u>(762,046)</u>	<u>45,373,558</u>
Less accumulated depreciation:				
Buildings	(8,119,883)	(484,460)	-	\$ (8,604,343)
Furniture and equipment	(12,692,507)	(1,696,935)	731,556	\$ (13,657,886)
Total accumulated depreciation	<u>(20,812,390)</u>	<u>(2,181,395)</u>	<u>731,556</u>	<u>(22,262,229)</u>
Total capital assets, being depreciated, net	<u>19,372,587</u>	<u>128,957</u>	<u>(30,490)</u>	<u>19,471,054</u>
Governmental capital assets, net	<u>\$ 21,583,463</u>	<u>\$ 1,558,356</u>	<u>\$ (30,490)</u>	<u>\$ 23,111,329</u>

Infrastructure assets (roads and bridges) acquired prior to the 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	\$ 225,422
Justice	96,319
Public safety	1,069,966
Public transportation	789,688
Total depreciation expense	<u>\$ 2,181,395</u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4: Interfund Transactions

Transfers were made from the General Fund to the Judicial Fund in the amount of \$391,782 and to the Capital Project Fund in the amount of \$7,800,000. These two new funds were created to provide better tracking of expenditures which are typically a part of the General Fund.

Transfers from each of the Precincts in the amount of \$70,000 for a total of \$280,000 to the Road & Bridge Maintenance Fund were made thus sharing the cost of common equipment owned by all four.

NOTE 5: Long-Term Obligations

The County is obligated for the following outstanding leases at September 30, 2021:

On June 1, 2020, the County entered into an equipment lease-purchase agreement to finance the acquisition of one police vehicles valued at \$ 32,072. The lease agreement is due in 60 monthly payments of \$602 including principal and interest at 4.8%.	\$ 24,251
On August 1, 2020, the County entered into an equipment lease-purchase agreement to finance the acquisition of one police vehicles valued at \$ 30,895. The lease agreement is due in 48 monthly payments of \$576 including principal and interest at 4.5%.	24,293
On August 1, 2020, the County entered into an equipment lease-purchase agreement to finance the acquisition of one police vehicles valued at \$ 43,692. The lease agreement is due in 48 monthly payments of \$996 including principal and interest at 4.5%.	31,748
On October 1, 2020, the County entered into an equipment lease-purchase agreement to finance the acquisition of one police vehicles valued at \$ 35,060. The lease agreement is due in 60 monthly payments of \$640 including principal and interest at 3.65%.	28,548
On October 1, 2020, the County entered into an equipment lease-purchase agreement to finance the acquisition of one police vehicles valued at \$ 36,983. The lease agreement is due in 48 monthly payments of \$829 including principal and interest at 3.65%.	28,235
On March 1, 2021, the County entered into an equipment lease-purchase agreements to finance the acquisition of seven police vehicles valued at \$ 43,602. The lease agreements are due in 60 monthly payments of \$796 including principal and interest at 3.69%.	271,024
On September 1, 2020, the County entered into an equipment lease-purchase agreement to finance the acquisition of one police vehicles valued at \$ 48,808. The lease agreement is due in 48 monthly payments of \$1,026 including principal and interest at 3.61%.	<u>34,042</u>
	\$ <u>442,141</u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5: Long-Term Obligations (cont.)

Year Ending September 30,	Remaining Payments
2022	\$ 122,958
2023	122,958
2024	119,939
2025	85,177
2026	26,792
Total amount of minimum lease payments	\$ 477,824
Less amount representing interest	(35,683)
Present value of minimum lease payments	<u>\$ 442,141</u>

Equipment and related accumulated amortization under capital leases are as follows:

	Governmental Activities
Furniture and equipment	\$ 529,728
Less: accumulated depreciation	(112,270)
Total	<u>\$ 417,458</u>

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 County issued the General Obligation Refunding Bonds, Series 2020 dated January 1, 2020, due in annual installments through April 1, 2025, bearing an interest rate of 1.99%.

The following are certificates outstanding at September 30, 2021:

	Interest Rate	Date of Issue	Date of Maturity	Amount of Bond Outstanding
Certificates of obligation, Series 2020	1.99%	2020	2025	\$ 1,890,000

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

	Governmental Activities		
Year Ending September 30,	Principal	Interest	Total
2022	485,000	37,612	522,612
2023	480,000	27,960	507,960
2024	470,000	18,408	488,408
2025	455,000	9,054	464,054
	<u>\$ 1,890,000</u>	<u>\$ 93,034</u>	<u>\$ 1,983,034</u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5: Long-Term Obligations (cont.)

Long-term obligations include debt and compensated absences. Changes in long-term obligations for the period ended September 30, 2021, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 217,520	\$ 27,003	\$ -	\$ 244,523	\$ 215,180
Capital leases	-	529,724	87,583	442,141	98,731
Certificate of obligation	2,385,000	-	495,000	1,890,000	485,000
Total Governmental Activities	<u>\$ 2,602,520</u>	<u>\$ 556,727</u>	<u>\$ 582,583</u>	<u>\$ 2,576,664</u>	<u>\$ 798,911</u>

NOTE 6: 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, 2021, the employees of the County were covered by a health insurance plan. Employees had the option of participating in PPO provider plan. Employees, at their option, authorize payroll withholdings to pay remaining premiums for dependents. All premiums were paid to a licensed insurer. The plan was authorized by Article 3.51.2 of the Texas Insurance Code and was documented by contractual agreement.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7: 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 the 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 on a calendar year basis. The ACFR 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 20 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.

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, 2020 valuation and measurement date, the following employees were covered by the terms of the benefits:

Inactive employees of beneficiaries currently receiving benefits	119
Inactive employees entitled to but not yet receiving benefits	44
Active employees	<u>214</u>
	<u><u>377</u></u>

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7: Pension Plan (cont.)

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 8.00% for the calendar year ending in 2021. The deposit rate payable by the employee members for the calendar year 2021 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 (Asset)

The employer's Net Pension Liability (Asset) (NPL) for the year ended September 30, 2021, was measured as of December 31, 2020, and the Total Pension Liability (TPL) was used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3% per year
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation

The annual salary increases rates assumed for individual members vary by length of service and by the entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and .5% productivity increase assumptions) and merit, promotion, and longevity component that on average approximates 1.6% per year for a career employee.

Mortality rates for depositing members were based on 90% of the RP-2014 Active Employee Mortality Table for males and females as appropriate, both projected with 110% of the MP-2014 Ultimate scale after 2014. Service retirees, beneficiaries, and non-depositing members were based on the RP-2014 Healthy Annuitant Mortality Table, at 130% males and 110% females as appropriate, with adjustments, both projected with 110% of the MP-2014 Ultimate scale after 2014. Disabled retirees were based on the RP-2014 Disabled Annuitant Mortality Table, at 130% for males and 110% for females as appropriate, with adjustments, both projected with 110% of the MP-2014 Ultimate scale after 2014.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7: Pension Plan (cont.)

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 capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10-year time horizon. Note that the valuation assumption for the long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	11.5%	4.25%
Global Equities	MSCI World (net) Index	2.5%	4.55%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.0%	4.25%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.0%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.0%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.0%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.0%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.0%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.0%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.0%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture	25.0%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.0%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.0%	-0.70%
Total		100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 7.6%. 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, if applicable.

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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7: Pension Plan (cont.)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2019	\$ 42,979,060	\$ 41,879,215	\$ 1,099,845
Changes for the year:			
Service cost	1,109,757	-	1,109,757
Interest on total pension liability	3,487,566	-	3,487,566
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(98,371)	-	(98,371)
Effect of assumptions changes or inputs	2,650,725	-	2,650,725
Refund of contributions	(211,886)	(211,886)	-
Benefit payments	(1,894,005)	(1,894,005)	-
Administrative expenses	-	(36,144)	36,144
Member contributions	-	638,165	(638,165)
Net investment income	-	4,332,786	(4,332,786)
Employer contributions	-	4,591,033	(4,591,033)
Other	-	96,572	(96,572)
Net changes	\$ 5,043,786	\$ 7,516,521	\$ (2,472,735)
Balance at 12/31/2020	\$ 48,022,846	\$ 49,395,736	\$ (1,372,890)

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

The following presents the net pension liability (asset) of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.6%) or 1-percentage point higher (8.6%) than the current rate:

	1% Decrease in Discount Rate (6.60%)	Discount Rate 7.60%	1% Increase in Discount Rate (8.60%)
Total pension liability	\$ 54,112,855	\$ 48,022,845	\$ 42,900,422
Fiduciary net position	49,395,735	49,395,735	49,395,735
Net pension liability (asset)	\$ 4,717,120	\$ (1,372,890)	\$ (6,495,313)

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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7: Pension Plan (cont.)

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

For the year ended September 30, 2021, the County recognized a pension expense of \$566,222.

As of September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 101,666	\$ 2,821
Changes of assumptions	-	1,988,044
Net difference between projected and actual earnings	1,434,934	-
Contributions subsequent to the measurement date	-	576,105
Total	\$ 1,536,600	\$ 2,566,970

\$576,105 is reported as deferred outflows of resources related to pensions resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. 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:	
2021	\$ 166,620
2022	583,323
2023	(132,851)
2024	(162,827)
2025	-
Thereafter	-

NOTE 8: 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, 2021, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations 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.

See independent auditors' report.

ERATH COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 9: Tax Abatements

As of September 30, 2021, Erath County provides tax abatements through the Texas Property Redevelopment and Tax Abatement Act, V.A.T.S Tax Code Chapter 312:

The Texas Property Redevelopment and Tax Abatement Act Chapter 312 of the Tax Code authorizes local taxing units, other than school districts, at their discretion to offer temporary property tax exemptions for improvements to existing property. For Texas Counties, property may be exempted for up to 10 years with property tax exemptions at an amount up to 100%.

Texas Law - Article VIII, Section 1-g (a) The Legislature by general law may authorize cities, towns, and other taxing units to grant exemptions or other relief from ad valorem taxes on property located in a reinvestment zone for the purpose of encouraging development or redevelopment and improvement of the property.

Erath County has two such abatements as of September 30, 2021:

EQUIBRAND PRODUCTS GROUP LP

Established – 2018

Expiration – 2026

Term – 9 years

Abated Value of Real Property - \$3,529,170

Abated Value of Personal Property - \$1,646,690

Property Taxes Abated- - \$ 17,002

Abatement percent Real Property – Variable 100% in year one to 25% in year nine

Abatement percent Equipment – Variable 100% in year one to 25% in year nine

FMC TECHNOLOGIES, INC (FMCTECHNIP)

Established – 2012

Expiration – 2022

Term – 10 years

Abated Value of Real Property - \$2,500,000

Abated Value of Personal Property - \$3,000,000

Property Taxes Abated- - \$ 18,067

Abatement percent Real Property – Variable 100% in year one to 20% in year ten

Abatement percent Equipment – Variable 100% in year one to 25% in year ten

NOTE 10: Implementation of New Standard

GASB Statement No. 84, Fiduciary Activities, was implemented in the current year. The required changes are reflected in the County's financial statements and notes to those statements. Implementation of GASB Statement No. 84 resulted in a restatement of the prior period net position of Fiduciary Activities:

Net Position at September 30, 2020, as previously reported	\$ -
Addition of Net Position as calculated pursuant to GASB 84	<u>2,258,178</u>
Net Position at September 30, 2020, as restated	<u><u>\$ 2,258,178</u></u>

See independent auditors' report.



REQUIRED SUPPLEMENTARY INFORMATION

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
REVENUES:				
Taxes:				
Current taxes	\$ 12,189,154	\$ 12,189,154	\$ 12,164,370	\$ (24,784)
Delinquent taxes	60,000	60,000	119,743	59,743
Penalty & interest	-	-	109,000	109,000
Mixed drink tax	100,000	100,000	144,112	44,112
Sales tax	2,500,000	2,500,000	3,595,096	1,095,096
Tax certificate	192,500	192,500	224,750	32,250
Late rendition penalty	5,000	5,000	13,809	8,809
Total Taxes	15,046,654	15,046,654	16,370,880	1,324,226
General County				
Interest	230,000	230,000	17,502	(212,498)
State juror reimbursement	8,000	8,000	3,536	(4,464)
Grant revenues	-	-	9,267	9,267
General county miscellaneous	56,800	94,509	372,271	277,762
Total General County	294,800	332,509	402,576	70,067
County Clerk				
Drug court cost	400,000	400,000	453,070	53,070
Fees	25,200	25,200	25,200	-
Other revenue	-	-	-	-
Total County Clerk	425,200	425,200	478,270	53,070
Tax Collector/Assessor				
Total Tax Collector/Assessor	-	-	-	-
Sanitation				
Fees	60,000	60,000	73,315	13,315
Total Sanitation	60,000	60,000	73,315	13,315

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Election				
Reimbursed election expense	40,000	40,000	15,679	(24,321)
Total Election	40,000	40,000	15,679	(24,321)
Volunteer Fire Department				
Grant revenue	-	-	-	-
Total Volunteer Fire Department	-	-	-	-
911 Emergency				
COG reimbursement 911	-	-	-	-
Total 911 Emergency	-	-	-	-
District Clerk				
Restitution	148,000	148,000	132,231	(15,769)
Total District Clerk	148,000	148,000	132,231	(15,769)
District Attorney				
Judicial district apportionment	-	-	2,140	2,140
Total District Attorney	-	-	2,140	2,140

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
District Court				
Appointed attorney	-	-	-	-
Total District Court	-	-	-	-
County Attorney				
State salary allocation	84,000	84,000	168,000	84,000
Court apportionment	5,000	5,000	127	(4,873)
Total County Attorney	89,000	89,000	168,127	79,127
Court At Law				
State salary allocation	84,000	84,000	84,000	-
Probate fees	-	-	22	22
Total Court At Law	84,000	84,000	84,022	22
Justice of The Peace #1				
Judicial fee	156,000	156,000	145,973	(10,027)
Total Justice of The Peace #1	156,000	156,000	145,973	(10,027)
Justice of The Peace #2				
Judicial fee	40,000	40,000	35,433	(4,567)
Total Justice of The Peace #2	40,000	40,000	35,433	(4,567)

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Sheriff				
Fees	137,000	137,000	117,367	(19,633)
Estray cattle	-	-	7,651	7,651
City of Stephenville inmates	142,000	142,000	216,273	74,273
Inmate phone commission	50,000	50,000	37,674	(12,326)
Insurance claim reimbursement	55,000	55,000	81,041	26,041
Total Sheriff	384,000	384,000	460,006	76,006
Constable #1				
Fees	-	-	-	-
Total Constable #1	-	-	-	-
Constable #2				
Fees	10,000	10,000	3,975	(6,025)
Total Constable #2	10,000	10,000	3,975	(6,025)
Pretrial Diversion				
Interlock fees	-	-	1,750	1,750
Total Pretrial Diversion	-	-	1,750	1,750
Emergency Medical Services				
Charges for services	200,000	200,000	253,464	53,464
Total Emergency Medical Services	200,000	200,000	253,464	53,464
Indigent Healthcare				
Interest	-	-	-	-
Total Indigent Healthcare	-	-	-	-
TOTAL REVENUES	16,977,654	17,015,363	18,627,841	1,612,478

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
EXPENDITURES:				
County Judge				
Salary	200,109	202,545	200,030	2,515
Operating	5,300	6,615	5,341	1,274
Supplies	2,100	1,985	1,831	154
Schools & dues	8,250	7,350	6,233	1,117
Total County Judge	215,759	218,495	213,435	5,060
County Clerk				
Salary	532,415	543,982	475,499	68,483
Operating	3,500	3,500	22	3,478
Supplies	9,650	12,150	11,305	845
Schools & dues	8,500	6,000	1,384	4,616
Software/hardware maintenance	23,500	23,500	22,826	674
Total County Clerk	577,565	589,132	511,036	78,096
County Auditor				
Salary	350,184	350,721	352,437	(1,716)
Operating	1,900	1,900	1,741	159
Supplies	4,000	4,000	3,578	422
Schools & dues	10,000	10,000	1,760	8,240
Equipment	3,000	3,000	630	2,370
Software/hardware maintenance	5,000	5,000	2,665	2,335
Total County Auditor	374,084	374,621	362,811	11,810
County Treasurer				
Salary	280,851	282,531	249,699	32,832
Operating	1,500	1,500	1,360	140
Supplies	2,000	2,000	1,144	856
Schools & dues	7,000	7,000	4,381	2,619
Software/hardware maintenance	-	250	225	25
Total County Treasurer	291,351	293,281	256,809	36,472

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Tax Assessor/Collector				
Salary	734,691	736,405	710,780	25,625
Operating	100,800	99,381	63,823	35,558
Advertising	-	1,469	1,468	1
Supplies	20,000	22,000	20,861	1,139
Schools & dues	5,000	5,000	4,000	1,000
Equipment	6,150	6,100	2,915	3,185
Software/hardware maintenance	17,500	21,000	18,414	2,586
Data processing	16,000	12,500	9,597	2,903
Total Tax Assessor/Collector	900,141	903,855	831,858	71,997
Veteran's Service				
Salary	34,029	32,629	27,794	4,835
Operating	2,170	2,170	1,368	802
Supplies	800	800	430	370
Advertising	150	1,800	1,710	90
Software/hardware maintenance	450	700	674	26
Total Veteran's Service	37,599	38,099	31,976	6,123
Sanitation				
Salary	129,619	130,031	127,016	3,015
Operating	3,300	3,300	1,541	1,759
Supplies	1,500	1,500	1,150	350
Schools & dues	2,000	2,000	1,398	602
Equipment	1,200	1,200	790	410
Fuel	3,500	3,500	1,432	2,068
Professional fees	3,000	3,000	2,300	700
Total Sanitation	144,119	144,531	135,627	8,904
Elections				
Salary	30,695	41,820	39,658	2,162
Operating	3,500	2,300	1,894	406
Supplies	38,000	4,000	3,769	231
Advertising	-	1,000	907	93
Software/hardware maintenance	32,920	37,020	36,965	55
Professional services	-	31,500	31,499	1
Total Elections	105,115	117,640	114,692	2,948

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Fire Suppression				
Salary	73,775	74,132	74,460	(328)
Operating	53,420	82,320	61,720	20,600
Schools and dues	5,750	5,750	3,574	2,176
Equipment	345,000	326,900	6,714	320,186
Software/hardware maintenance	7,430	7,136	7,135	1
Fuel	1,000	1,200	1,076	124
Volunteer fire departments	391,672	392,920	387,153	5,767
Total Fire Suppression	878,047	890,358	541,832	348,526
Non-Departmental				
Salary	2,740,000	2,714,500	2,706,927	7,573
Operating	894,500	865,283	152,807	712,476
Supplies	10,000	10,804	6,431	4,373
Advertising	55,000	55,000	44,810	10,190
Professional services	80,100	120,100	102,793	17,307
Software/hardware maintenance	177,750	192,750	192,027	723
Highway right of purchase	6,000	6,000	6,000	-
Pauper burials	8,000	38,747	34,496	4,251
Autopsies	110,000	123,253	123,252	1
Historical society	500	500	153	347
Erath county senior citizens	20,400	20,400	20,400	-
Central appraisal district allocation	450,000	450,000	412,417	37,583
Erath county trapper	38,400	41,600	41,600	-
Humane society	18,000	18,000	18,000	-
Capital projects	2,500	2,500	416	2,084
Total Non-Departmental	4,611,150	4,659,437	3,862,529	796,908

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
District Clerk				
Salary	294,418	295,034	286,971	8,063
Operating	3,000	3,000	2,523	477
Supplies	6,500	6,500	4,965	1,535
Schools & dues	5,500	5,500	4,166	1,334
Software/hardware maintenance	29,000	29,000	27,326	1,674
Total District Clerk	338,418	339,034	325,951	13,083
District Attorney				
Salary	387,022	390,303	383,833	6,470
Operating	31,490	30,890	9,625	21,265
Supplies	8,000	8,000	6,664	1,336
Schools & dues	10,000	8,500	2,156	6,344
Software/hardware maintenance	14,600	14,600	14,510	90
Fuel	1,800	1,800	1,126	674
Professional fees	10,000	10,000	5,908	4,092
Total District Attorney	462,912	464,093	423,822	40,271
District Court				
Administration	328,061	338,195	334,188	4,007
Court Expense	5,000	5,000	3,769	1,231
Equipment	4,500	5,000	2,008	2,992
Professional fees	7,000	3,800	1,646	2,154
Total District Court	344,561	351,995	341,611	10,384
County Attorney				
Salary	408,847	409,890	339,606	70,284
Operating	1,800	1,800	1,750	50
Supplies	2,500	3,500	3,383	117
Schools & dues	3,500	3,500	1,357	2,143
Equipment	2,000	1,000	897	103
Software/hardware maintenance	15,000	15,000	14,735	265
Court expense	12,100	12,300	3,222	9,078
Total County Attorney	445,747	446,990	364,950	82,040

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Court At Law				
Salary	290,825	291,655	282,813	8,842
Operating	840	840	840	-
Supplies	1,000	1,200	1,104	96
Schools & dues	2,200	2,200	920	1,280
Equipment	5,500	5,100	-	5,100
Software/hardware maintenance	5,000	5,000	2,820	2,180
Total Court At Law	305,365	305,995	288,497	17,498
Justice of The Peace #1				
Salary	268,261	269,381	259,388	9,993
Operating	650	650	610	40
Supplies	3,500	3,357	1,703	1,654
Schools & dues	2,500	2,300	335	1,965
Software/hardware maintenance	10,600	11,643	11,643	-
Total Justice of the Peace #1	285,511	287,331	273,679	13,652
Justice of the Peace #2				
Salary	157,667	157,872	156,665	1,207
Operating	1,450	1,458	1,448	10
Supplies	1,000	1,900	1,279	621
Schools & dues	2,500	2,234	560	1,674
Software/hardware maintenance	10,600	11,643	11,643	-
Total Justice of the Peace #2	173,217	175,107	171,595	3,512

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Facilities				
Salary	163,340	224,787	196,828	27,959
Operating	756,150	804,650	607,575	197,075
Equipment	23,000	65,000	59,722	5,278
Fuel	500	2,000	1,383	617
Total Facilities	942,990	1,096,437	865,508	230,929
Sheriff				
Salary	2,077,880	2,080,547	2,022,996	57,551
Operating	268,900	267,060	250,335	16,725
Estray cattle	15,000	15,000	9,826	5,174
Supplies	16,000	20,500	20,074	426
Schools & dues	32,000	41,000	37,333	3,667
Equipment	130,000	153,044	571,126	(418,082)
Fuel	100,000	100,148	100,113	35
Software/hardware maintenance	75,000	82,000	81,943	57
Total Sheriff	2,714,780	2,759,299	3,093,746	(334,447)
Jail				
Salary	1,793,004	1,737,448	1,611,538	125,910
Operating	40,300	39,078	17,128	21,950
Utilities	-	-	-	-
Supplies	43,000	48,715	47,015	1,700
Fuel	2,500	2,500	491	2,009
Schools & dues	40,000	32,794	19,975	12,819
Equipment	32,000	32,000	22,635	9,365
Building repair/maintenance	-	600	234	366
Inmate housing	18,000	18,000	16,500	1,500
Prisoner Food	150,000	154,500	128,852	25,648
Software/hardware maintenance	5,000	5,000	600	4,400
Total Jail	2,123,804	2,070,635	1,864,968	205,667
Highway Patrol				
Salary	58,621	59,401	58,793	608
Supplies	850	750	744	6
Total Highway Patrol	59,471	60,151	59,537	614

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Constable #1				
Salary	74,022	74,022	74,877	(855)
Operating	15,220	15,220	14,232	988
Supplies	500	500	197	303
Schools & dues	500	500	113	387
Software/hardware maintenance	-	250	250	-
Fuel	3,500	3,500	1,891	1,609
Equipment	17,100	17,100	14,921	2,179
Total Constable #1	110,842	111,092	106,481	4,611
Constable #2				
Salary	67,897	67,897	68,772	(875)
Operating	3,300	3,300	2,611	689
Supplies	500	500	309	191
Schools & dues	2,500	2,500	1,598	902
Software/hardware maintenance	-	250	250	-
Fuel	3,500	3,500	1,353	2,147
Equipment	11,100	11,100	12,549	(1,449)
Total Constable #2	88,797	89,047	87,442	1,605
County Extension Agents				
Salary	161,631	162,396	142,475	19,921
Operating	3,100	3,100	3,060	40
Livestock show	13,000	7,000	4,051	2,949
Supplies	4,260	9,560	8,003	1,557
Schools & dues	2,000	7,600	4,210	3,390
Travel	16,000	11,000	1,685	9,315
Total County Extension Agents	199,991	200,656	163,484	37,172
Pretrial Diversion				
Salary	69,678	69,904	70,762	(858)
Operating	1,420	1,420	1,391	29
Supplies	1,000	1,000	153	847
Schools & dues	1,000	1,000	990	10
Total Pretrial Diversion	73,098	73,324	73,296	28

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget -
			(See Note)	Positive
				(Negative)
Information Technology				
Salary	77,872	78,127	78,306	(179)
Supplies	-	-	-	-
Operating	500	750	594	156
Schools & dues	800	800	774	26
Software/hardware maintenance	-	-	-	-
Total Information Technology	<u>79,172</u>	<u>79,677</u>	<u>79,674</u>	<u>3</u>
Emergency Medical Services				
Salary	1,138,114	1,141,244	1,142,427	(1,183)
Operating	51,300	57,100	38,412	18,688
Supplies	35,000	38,866	38,160	706
Schools & dues	7,500	7,500	1,408	6,092
Equipment	375,000	375,000	318,390	56,610
Software/hardware maintenance	5,000	5,000	1,495	3,505
Fuel	15,000	15,000	8,727	6,273
Dublin ambulance service	45,000	61,500	59,950	1,550
Total Emergency Medical Services	<u>1,671,914</u>	<u>1,701,210</u>	<u>1,608,969</u>	<u>92,241</u>
Emergency Management				
Salary	743,917	749,332	654,449	94,883
Operating	175,919	170,343	142,712	27,631
Supplies	8,000	8,000	5,369	2,631
Schools & dues	-	-	-	-
Equipment	55,000	62,412	62,412	-
Software/hardware maintenance	-	-	-	-
Fuel	2,500	2,500	1,124	1,376
Total Emergency Management	<u>985,336</u>	<u>992,587</u>	<u>866,066</u>	<u>126,521</u>

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
Indigent Healthcare				
Salary	70,714	70,724	71,204	(480)
Supplies	2,450	2,450	1,368	1,082
Healthcare - jail	1,900	1,900	1,884	16
Healthcare	348,210	525,879	503,864	22,015
Professional fees	150,000	142,321	107,608	34,713
Software/hardware maintenance	15,000	15,000	10,590	4,410
Total Indigent Healthcare	588,274	758,274	696,518	61,756
TOTAL EXPENDITURES	20,129,131	20,592,383	18,618,399	1,973,984
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,151,477)	(3,577,021)	9,442	3,586,463
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	16,901	212,911	(196,010)
Proceeds from financing	-	-	446,937	(446,937)
Transfers in	-	300,000	2,209,039	(1,909,039)
Transfers out	(8,191,782)	(8,191,782)	(10,100,821)	1,909,039
Total Other Financing Sources (Uses)	(8,191,782)	(7,874,881)	(7,231,934)	(642,947)
Net Change in Fund Balance	(11,343,259)	(11,451,902)	(7,222,492)	4,229,410
Fund Balance-Beginning	19,798,613	19,798,613	19,798,613	-
Fund Balance-Ending	\$ 8,455,354	\$ 8,346,711	\$ 12,576,121	\$ 4,229,410

ERATH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GRANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget
			(See Note)	Positive
				(Negative)
REVENUES:				
Taxes:				
Property taxes				
Current	\$ -	\$ -	\$ -	\$ -
Delinquent	-	-	-	-
Penalty & Interest	-	-	-	-
Intergovernmental	-	748,924	748,629	(295)
Auto registrations	-	-	-	-
Interest	-	-	296	296
Miscellaneous	-	-	-	-
Total Revenues	-	748,924	748,925	1
EXPENDITURES:				
Salaries	-	-	-	-
Equipment	-	-	-	-
Equipment Repair	-	-	-	-
Fuel	-	-	-	-
Road Expense	-	-	-	-
Operating	115,000	563,924	54,522	509,402
Total Expenditures	115,000	563,924	54,522	509,402
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(115,000)	185,000	694,403	509,403
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-
Transfers Out	-	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	-	(300,000)	(300,000)	-
Net Changes in Fund Balances	(115,000)	(115,000)	394,403	509,403
Fund Balance-Beginning	142,760	142,760	142,760	-
Fund Balance-Ending	\$ 27,760	\$ 27,760	\$ 537,163	\$ 509,403

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

Total Pension Liability	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 1,109,757	\$ 991,279	\$ 991,086	\$ 1,082,729	\$ 1,061,170	\$ 909,594	\$ 917,752
Interest on total pension liability	3,487,566	3,296,393	3,096,296	2,924,113	2,686,025	2,503,916	2,291,796
Effect of plan changes	-	-	154,655	-	-	664,792	-
Effect of assumption changes or inputs	2,650,725	-	-	171,604	-	338,995	-
Effect of economic/demographic (gains) or losses	(98,371)	(55,778)	11,290	(261,794)	180,055	(395,640)	39,025
Benefit payments/refunds of contributions	(2,105,892)	(1,878,942)	(1,691,087)	(1,707,180)	(1,399,555)	(1,313,254)	(930,118)
Net Change in Total Pension Liability	5,043,785	2,352,952	2,562,240	2,209,472	2,527,695	2,708,403	2,318,455
Total Pension Liability, beginning	42,979,061	40,626,109	38,063,869	35,854,397	33,326,702	30,618,299	28,299,844
Total Pension Liability, ending (a)	\$48,022,846	\$42,979,061	\$40,626,109	\$38,063,869	\$35,854,397	\$33,326,702	\$30,618,299
Fiduciary Net Position							
Employer contributions	\$ 4,591,033	\$ 894,716	\$ 1,645,365	\$ 841,433	\$ 862,429	\$ 1,354,107	\$ 1,285,545
Member contributions	638,165	603,956	564,644	547,908	541,435	513,054	508,998
Investment income net of investment expenses	4,332,786	5,966,791	(674,137)	4,688,430	2,208,516	(120,627)	1,852,972
Benefit payments/refunds of contributions	(2,105,892)	(1,878,942)	(1,691,087)	(1,707,180)	(1,399,555)	(1,313,254)	(930,118)
Administrative expenses	(36,144)	(31,914)	(29,182)	(24,272)	(24,004)	(21,304)	(21,569)
Other	96,572	(7,185)	19,125	(4,488)	185,453	55,414	(1,334)
Net Change in Fiduciary Net Position	7,516,520	5,547,422	(165,272)	4,341,831	2,374,274	467,390	2,694,494
Fiduciary Net Position, beginning	41,879,216	36,331,794	36,497,066	32,155,235	29,780,961	29,313,571	26,619,077
Fiduciary Net Position, ending (b)	\$49,395,736	\$41,879,216	\$36,331,794	\$36,497,066	\$32,155,235	\$29,780,961	\$29,313,571
Net Pension Liability (Asset), ending = (a) - (b)	\$ (1,372,890)	\$ 1,099,845	\$ 4,294,315	\$ 1,566,803	\$ 3,699,162	\$ 3,545,741	\$ 1,304,728
Fiduciary net position as a % of total pension liability	102.86%	97.44%	89.43%	95.88%	89.68%	89.36%	95.74%
Pensionable covered payroll	\$ 9,116,644	\$ 8,627,939	\$ 8,066,342	\$ 7,827,256	\$ 7,734,783	\$ 7,329,338	\$ 7,064,263
Net pension liability as a % of covered payroll	-15.06%	12.75%	53.24%	20.02%	47.83%	48.38%	18.47%

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

ERATH COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Fiscal Years

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	698,234	698,234	-	6,975,380	10.0%
2013	755,633	755,633	-	7,251,806	10.4%
2014	745,200	745,200	-	6,893,642	10.8%
2015	785,545	1,285,545	(500,000)	7,064,263	18.2%
2016	779,107	1,354,107	(575,000)	7,329,338	18.5%
2017	862,429	862,429	-	7,734,783	11.2%
2018	841,433	841,433	-	7,827,256	10.8%
2019	895,365	1,645,365	(750,000)	8,066,342	20.4%
2020	894,716	894,716	-	8,627,939	10.4%
2021	1,011,036	4,591,033	(3,579,997)	9,116,644	50.4%

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, 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 the budget request and holds an informal hearing when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held, and the Commissioners' Court acts 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 the 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 County'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	20.0 years (based on contribution rate calculated in 12/31/20 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and 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	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: Employer contributions reflect that a 100% CPI COLA was adopted. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: Employer contributions reflect that a 50% CPI COLA was adopted. 2020: No changes in plan provisions were reflected in the Schedule.

**Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to the Schedule.*



COMBINING FUND STATEMENTS

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
ROAD AND BRIDGE FUNDS
SEPTEMBER 30, 2021

	Precinct #1	Precinct #2	Precinct #3	Precinct #4	Maintenance Barn	Total Road and Bridge Funds
ASSETS						
Cash and investments	\$ 961,072	\$ 1,116,549	\$ 1,483,867	\$ 596,759	\$ 103,749	\$ 4,261,996
Receivables (net of allowance for uncollectible)	26,920	29,431	30,680	28,699	-	115,730
Other assets	2,500	2,500	2,500	2,500	-	10,000
Total Assets	<u>\$ 990,492</u>	<u>\$ 1,148,480</u>	<u>\$ 1,517,047</u>	<u>\$ 627,958</u>	<u>\$ 103,749</u>	<u>\$ 4,387,726</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 18,473	\$ 44,577	\$ 37,484	\$ 66,295	\$ 4,148	\$ 170,977
Salary payable	6,538	8,216	6,731	6,671	2,237	30,393
Total Liabilities	<u>25,011</u>	<u>52,793</u>	<u>44,215</u>	<u>72,966</u>	<u>6,385</u>	<u>201,370</u>
Deferred inflows:						
Deferred property taxes	<u>15,127</u>	<u>17,366</u>	<u>18,480</u>	<u>16,678</u>	<u>-</u>	<u>67,651</u>
Fund Balances:						
Restricted	<u>950,354</u>	<u>1,078,321</u>	<u>1,454,352</u>	<u>538,314</u>	<u>97,364</u>	<u>\$ 4,118,705</u>
Total Fund Balances	<u>950,354</u>	<u>1,078,321</u>	<u>1,454,352</u>	<u>538,314</u>	<u>97,364</u>	<u>4,118,705</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 990,492</u>	<u>\$ 1,148,480</u>	<u>\$ 1,517,047</u>	<u>\$ 627,958</u>	<u>\$ 103,749</u>	<u>\$ 4,387,726</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, 2021

	Precinct #1	Precinct #2	Precinct #3	Precinct #4	Maintenance Barn	Total Road and Bridge Funds
REVENUES:						
Taxes:						
Property taxes						
Current	\$ 896,525	\$ 1,075,015	\$ 1,148,076	\$ 1,037,761	\$ -	\$ 4,157,377
Delinquent	9,154	760	11,720	10,594	-	32,228
Penalty & interest	9,260	10,997	11,853	10,715	-	42,825
Intergovernmental	15,408	18,302	19,728	17,834	-	71,272
Auto registrations	173,169	205,541	221,499	200,311	-	800,520
Interest	1,062	1,060	1,441	614	-	4,177
Miscellaneous	366	44	997	-	-	1,407
	<u>1,104,944</u>	<u>1,311,719</u>	<u>1,415,314</u>	<u>1,277,829</u>	<u>-</u>	<u>5,109,806</u>
Total Revenues						
EXPENDITURES:						
Salaries	707,680	805,814	727,271	720,517	163,041	3,124,323
Equipment	216,462	64,059	462,585	408,103	2,738	1,153,947
Equipment repair	81,829	79,018	45,359	70,513	24,894	301,613
Fuel	63,996	90,040	50,368	87,934	2,238	294,576
Road expense	206,442	213,532	151,008	277,135	-	848,117
Operating	33,805	93,741	47,912	53,575	34,615	263,648
	<u>1,310,214</u>	<u>1,346,204</u>	<u>1,484,503</u>	<u>1,617,777</u>	<u>227,526</u>	<u>5,986,224</u>
Total Expenditures						
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(205,270)</u>	<u>(34,485)</u>	<u>(69,189)</u>	<u>(339,948)</u>	<u>(227,526)</u>	<u>(876,418)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	40,000	280,000	320,000
Proceeds from sale of assets	-	-	-	67,745	-	67,745
Transfers out	<u>(110,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>	<u>(320,000)</u>
Total Other Financing Sources (Uses)	<u>(110,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>37,745</u>	<u>280,000</u>	<u>67,745</u>
Net Changes in Fund Balances	(315,270)	(104,485)	(139,189)	(302,203)	52,474	(808,673)
Fund Balance-Beginning	1,265,624	1,182,806	1,593,541	840,517	44,890	4,927,378
Fund Balance-Ending	<u>\$ 950,354</u>	<u>\$ 1,078,321</u>	<u>\$ 1,454,352</u>	<u>\$ 538,314</u>	<u>\$ 97,364</u>	<u>\$ 4,118,705</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, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS	Final Budget
			(See Note)	Positive
				(Negative)
REVENUES:				
Taxes:				
Property taxes				
Current	\$ 4,150,367	\$ 4,150,367	\$ 4,157,377	\$ 7,010
Delinquent	32,500	32,500	32,228	(272)
Penalty & Interest	40,800	40,800	42,825	2,025
Intergovernmental	36,000	36,000	71,272	35,272
Auto registrations	788,000	788,000	800,520	12,520
Interest	62,000	62,000	4,177	(57,823)
Miscellaneous	-	-	1,407	1,407
Total Revenues	<u>5,109,667</u>	<u>5,109,667</u>	<u>5,109,806</u>	<u>139</u>
EXPENDITURES:				
Salaries	3,393,471	3,393,135	3,124,323	268,812
Equipment	1,100,000	1,374,462	1,236,738	137,724
Equipment Repair	418,600	390,993	301,613	89,380
Fuel	355,000	352,800	294,576	58,224
Road Expense	1,422,000	1,439,539	848,117	591,422
Operating	240,780	324,927	263,648	61,279
Total Expenditures	<u>6,929,851</u>	<u>7,275,855</u>	<u>6,069,015</u>	<u>1,206,840</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(1,820,184)</u>	<u>(2,166,188)</u>	<u>(959,209)</u>	<u>1,206,979</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	280,000	280,000	320,000	40,000
Proceeds from financing	-	-	82,791	82,791
Proceeds from Sale of Assets	-	67,745	67,745	-
Transfers Out	<u>(280,000)</u>	<u>(280,000)</u>	<u>(320,000)</u>	<u>(40,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>67,745</u>	<u>150,536</u>	<u>82,791</u>
Net Changes in Fund Balances	<u>(1,820,184)</u>	<u>(2,098,443)</u>	<u>(808,673)</u>	<u>1,289,770</u>
Fund Balance-Beginning	<u>4,927,378</u>	<u>4,927,378</u>	<u>4,927,378</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 3,107,194</u>	<u>\$ 2,828,935</u>	<u>\$ 4,118,705</u>	<u>\$ 1,289,770</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 - CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes				
Current	\$ -	\$ -	\$ -	\$ -
Delinquent	-	-	-	-
Penalty & Interest	-	-	-	-
Intergovernmental	-	-	-	-
Auto registrations	-	-	-	-
Interest	-	-	2,438	2,438
Miscellaneous	-	-	-	-
Total Revenues	-	-	2,438	2,438
EXPENDITURES:				
Salaries	-	-	-	-
Equipment	7,800,000	7,800,000	1,582,187	6,217,813
Equipment Repair	-	-	-	-
Fuel	-	-	-	-
Road Expense	-	-	-	-
Operating	-	-	-	-
Total Expenditures	7,800,000	7,800,000	1,582,187	6,217,813
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(7,800,000)	(7,800,000)	(1,579,749)	6,220,251
OTHER FINANCING SOURCES (USES):				
Transfers In	7,800,000	7,800,000	7,800,000	-
Proceeds from Sale of Assets	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	7,800,000	7,800,000	7,800,000	-
Net Changes in Fund Balances	-	-	6,220,251	6,220,251
Fund Balance-Beginning	-	-	-	-
Fund Balance-Ending	\$ -	\$ -	\$ 6,220,251	\$ 6,220,251

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	JUDICIAL	LAW LIBRARY	JURY	CONTRACTUAL ELECTIONS
ASSETS				
Cash and investments	\$ 275,735	\$ 151,628	\$ 333	\$ 114,248
Receivables (net of Allowance for Uncollectible)	8,049	140	2	-
Other assets	-	-	-	-
Total Assets	<u>\$ 283,784</u>	<u>\$ 151,768</u>	<u>\$ 335</u>	<u>\$ 114,248</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 10,855	\$ 192	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>10,855</u>	<u>192</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	114,248
General administration	-	-	-	-
Judicial	272,929	-	335	-
Legal	-	151,576	-	-
Public safety	-	-	-	-
Records management	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>272,929</u>	<u>151,576</u>	<u>335</u>	<u>114,248</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 283,784</u>	<u>\$ 151,768</u>	<u>\$ 335</u>	<u>\$ 114,248</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	COURT REPORTER	RECORDS PRESERVATION - COUNTY CLERK	RECORDS MANAGEMENT - COUNTY CLERK	ARCHIVED RECORDS - COUNTY CLERK
ASSETS				
Cash and investments	\$ 463	\$ 243,584	\$ 832,515	\$ 140,823
Receivables (net of Allowance for Uncollectible)	3	60	415	371
Other assets	-	-	-	-
Total Assets	<u>\$ 466</u>	<u>\$ 243,644</u>	<u>\$ 832,930</u>	<u>\$ 141,194</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 5	\$ -
Salary payable	-	-	118	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>123</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	466	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	-	243,644	832,807	141,194
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>466</u>	<u>243,644</u>	<u>832,807</u>	<u>141,194</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 466</u>	<u>\$ 243,644</u>	<u>\$ 832,930</u>	<u>\$ 141,194</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	DIGITIZED RECORDS - COUNTY CLERK	RECORDS PRESERVATION - DISTRICT CLERK	DIGITIZED RECORDS - DISTRICT CLERK	SPECIALTY COURT - COUNTY
ASSETS				
Cash and investments	\$ 26,008	\$ 51,855	\$ 4,645	\$ 7,954
Receivables (net of Allowance for Uncollectible)	30	30	20	38
Other assets	-	-	-	-
Total Assets	<u>\$ 26,038</u>	<u>\$ 51,885</u>	<u>\$ 4,665</u>	<u>\$ 7,992</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,300	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,300</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	-	-	-	-
Judicial	-	-	-	7,992
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	26,038	50,585	4,665	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>26,038</u>	<u>50,585</u>	<u>4,665</u>	<u>7,992</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 26,038</u>	<u>\$ 51,885</u>	<u>\$ 4,665</u>	<u>\$ 7,992</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	TECHNOLOGY - CC	TECHNOLOGY - DC	TECHNOLOGY - JP I	TECHNOLOGY - JP II
ASSETS				
Cash and investments	\$ 4,667	\$ 32,577	\$ 140,603	\$ 29,764
Receivables (net of Allowance for Uncollectible)	4	-	18	-
Other assets	-	-	1,804	-
Total Assets	<u>\$ 4,671</u>	<u>\$ 32,577</u>	<u>\$ 142,425</u>	<u>\$ 29,764</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 366	\$ 16
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>366</u>	<u>16</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	4,671	32,577	-	-
Judicial	-	-	142,059	29,748
Legal	-	-	-	-
Public safety	-	-	-	-
Records management	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>4,671</u>	<u>32,577</u>	<u>142,059</u>	<u>29,748</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 4,671</u>	<u>\$ 32,577</u>	<u>\$ 142,425</u>	<u>\$ 29,764</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	SECURITY - COURTHOUSE	SECURITY - JUSTICE COURT I	SECURITY - JUSTICE COURT II	PRETRIAL INTERVENTION - COUNTY ATTORNEY
ASSETS				
Cash and investments	\$ 261,162	\$ 22,844	\$ 5,131	\$ 104,627
Receivables (net of Allowance for Uncollectible)	86	4	-	-
Other assets	-	-	-	-
Total Assets	<u>\$ 261,248</u>	<u>\$ 22,848</u>	<u>\$ 5,131</u>	<u>\$ 104,627</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	104,627
Public safety	261,248	22,848	5,131	-
Records management	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>261,248</u>	<u>22,848</u>	<u>5,131</u>	<u>104,627</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 261,248</u>	<u>\$ 22,848</u>	<u>\$ 5,131</u>	<u>\$ 104,627</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	SUPPLEMENTAL COURT INITIATED GUARDIANSHIP	CHILD ABUSE APREVENTION - COUNTY	LOCAL TRUANCY PREVENTION DIVERSION	FORFEITURE - COUNTY ATTORNEY
ASSETS				
Cash and investments	\$ 32,753	\$ 53	\$ 12,630	\$ 12,870
Receivables (net of Allowance for Uncollectible)	40	-	15	-
Other assets	-	-	-	-
Total Assets	<u>\$ 32,793</u>	<u>\$ 53</u>	<u>\$ 12,645</u>	<u>\$ 12,870</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	32,793	53	12,645	12,870
Public safety	-	-	-	-
Records management	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>32,793</u>	<u>53</u>	<u>12,645</u>	<u>12,870</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 32,793</u>	<u>\$ 53</u>	<u>\$ 12,645</u>	<u>\$ 12,870</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	FORFETURE - DISTRICT ATTORNEY	FORFETURE - SHERIFF	FORFETURE - BONDS	BAIL BOND
ASSETS				
Cash and investments	\$ 44,695	\$ 7,859	\$ -	\$ 26,487
Receivables (net of Allowance for Uncollectible)	-	-	-	-
Other assets	-	-	-	-
Total Assets	<u>\$ 44,695</u>	<u>\$ 7,859</u>	<u>\$ -</u>	<u>\$ 26,487</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	-	-	\$ -	\$ -
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	-	-	26,487
Legal	44,695	-	-	-
Public safety	-	7,859	-	-
Records management	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>44,695</u>	<u>7,859</u>	<u>-</u>	<u>26,487</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 44,695</u>	<u>\$ 7,859</u>	<u>\$ -</u>	<u>\$ 26,487</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	HOT CHECK - COUNTY ATTORNEY	HOT CHECK - DISTRICT ATTORNEY	LEOSE	TOTAL SPECIAL REVENUE FUNDS
ASSETS				
Cash and investments	\$ 7,364	\$ 7,738	\$ 26,737	\$ 2,630,352
Receivables (net of Allowance for Uncollectible)	-	-	-	9,325
Other assets	-	-	-	1,804
Total Assets	<u>\$ 7,364</u>	<u>\$ 7,738</u>	<u>\$ 26,737</u>	<u>\$ 2,641,481</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 144	\$ -	\$ -	\$ 12,878
Salary payable	91	-	-	209
Total Liabilities	<u>235</u>	<u>-</u>	<u>-</u>	<u>13,087</u>
Deferred inflows:				
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted				
Debt service	\$ -	\$ -	\$ -	\$ -
Election	-	-	-	114,248
General administration	-	-	-	37,248
Judicial	-	-	-	480,016
Legal	7,129	7,738	-	374,126
Public safety	-	-	26,737	323,823
Records management	-	-	-	1,298,933
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>7,129</u>	<u>7,738</u>	<u>26,737</u>	<u>2,628,394</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 7,364</u>	<u>\$ 7,738</u>	<u>\$ 26,737</u>	<u>\$ 2,641,481</u>

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

ERATH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS		
Cash and investments	\$ 65,906	\$ 2,696,258
Receivables (net of Allowance for Uncollectible)	9,977	19,302
Other assets	-	1,804
Total Assets	<u>\$ 75,883</u>	<u>\$ 2,717,364</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 12,878
Salary payable	-	209
Total Liabilities	<u>-</u>	<u>13,087</u>
Deferred inflows:		
Deferred property taxes	<u>7,449</u>	<u>\$ 7,449</u>
Fund Balances:		
Restricted		
Debt service	\$ 68,434	\$ 68,434
Election	-	114,248
General administration	-	37,248
Judicial	-	480,016
Legal	-	374,126
Public safety	-	323,823
Records management		1,298,933
Unassigned	<u>-</u>	<u>-</u>
Total Fund Balances	<u>68,434</u>	<u>2,696,828</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 75,883</u>	<u>\$ 2,717,364</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, 2021

	JUDICIAL	LAW LIBRARY	JURY	CONTRACTUAL ELECTIONS
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	79,710
Fines and fees	38,865	12,103	206	8,806
Grant	-	-	-	-
Other revenue	19,250	-	-	-
Interest	-	-	-	-
Forfeitures	-	-	-	-
Total Revenues	<u>58,115</u>	<u>12,103</u>	<u>206</u>	<u>88,516</u>
EXPENDITURES:				
Supplies	-	-	-	6,281
Equipment	-	-	-	-
Software/hardware maintenance	-	-	-	-
Schools & dues	-	-	-	-
Professional fees	156,419	-	-	9,728
Law books	-	5,047	-	-
Legal research	-	4,284	-	-
Salary	-	-	-	-
Records preservation	3,492	-	-	-
Donations	5,520	-	-	-
Miscellaneous	11,537	-	-	39
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>176,968</u>	<u>9,331</u>	<u>-</u>	<u>16,048</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(118,853)</u>	<u>2,772</u>	<u>206</u>	<u>72,468</u>
OTHER FINANCING SOURCES (USES):				
Transfers	<u>391,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>391,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	272,929	2,772	206	72,468
Fund Balance-Beginning	<u>-</u>	<u>148,804</u>	<u>129</u>	<u>41,780</u>
Fund Balance-Ending	<u>\$ 272,929</u>	<u>\$ 151,576</u>	<u>\$ 335</u>	<u>\$ 114,248</u>
ERATH COUNTY, TEXAS				

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, 2021

	COURT REPORTER	RECORDS PRESERVATION - COUNTY CLERK	RECORDS MANAGEMENT - COUNTY CLERK	ARCHIVED RECORDS - COUNTY CLERK
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	-	4,388	82,959	81,212
Grant	-	-	-	-
Other revenue	259	-	-	-
Interest	-	-	-	1
Forfeitures	-	-	-	-
Total Revenues	<u>259</u>	<u>4,388</u>	<u>82,959</u>	<u>81,213</u>
EXPENDITURES:				
Supplies	-	391	381	-
Equipment	-	-	2,805	-
Software/hardware maintenance	-	6,100	30,302	-
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Law books	-	-	-	-
Legal research	-	-	-	-
Salary	-	-	3,452	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>-</u>	<u>6,491</u>	<u>36,940</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>259</u>	<u>(2,103)</u>	<u>46,019</u>	<u>81,213</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	259	(2,103)	46,019	81,213
Fund Balance-Beginning	<u>207</u>	<u>245,747</u>	<u>786,788</u>	<u>59,981</u>
Fund Balance-Ending	<u>\$ 466</u>	<u>\$ 243,644</u>	<u>\$ 832,807</u>	<u>\$ 141,194</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, 2021

	DIGITIZED RECORDS - COUNTY CLERK	RECORDS PRESERVATION - DISTRICT CLERK	DIGITIZED RECORDS - DISTRICT CLERK	SPECIALTY COURT - COUNTY
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	90	10,295	(25)	4,453
Grant	-	-	-	-
Other revenue	-	-	-	-
Interest	-	-	-	-
Forfeitures	-	-	-	-
Total Revenues	<u>90</u>	<u>10,295</u>	<u>(25)</u>	<u>4,453</u>
EXPENDITURES:				
Supplies	-	-	-	-
Equipment	-	-	-	-
Software/hardware maintenance	-	-	-	-
Schools & dues	-	-	-	-
Professional fees	-	1,800	-	-
Law books	-	-	-	-
Legal research	-	-	-	-
Salary	32	-	-	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>32</u>	<u>1,800</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>58</u>	<u>8,495</u>	<u>(25)</u>	<u>4,453</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	58	8,495	(25)	4,453
Fund Balance-Beginning	<u>25,980</u>	<u>42,090</u>	<u>4,690</u>	<u>3,539</u>
Fund Balance-Ending	<u>\$ 26,038</u>	<u>\$ 50,585</u>	<u>\$ 4,665</u>	<u>\$ 7,992</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, 2021

	TECHNOLOGY - COUNTY CLERK	TECHNOLOGY - DISTRICT CLERK	TECHNOLOGY - JP I	TECHNOLOGY - JP II
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	355	174	7,502	1,517
Grant	-	-	-	-
Other revenue	-	-	-	-
Interest	-	-	-	-
Forfeitures	-	-	-	-
Total Revenues	<u>355</u>	<u>174</u>	<u>7,502</u>	<u>1,517</u>
EXPENDITURES:				
Supplies	-	-	-	-
Equipment	3,006	2,827	-	-
Software/hardware maintenance	1,500	1,502	901	900
Schools & dues	-	-	-	-
Professional fees	-	-	4,276	672
Law books	-	-	-	-
Legal research	-	-	-	-
Salary	-	-	-	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>4,506</u>	<u>4,329</u>	<u>5,177</u>	<u>1,572</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(4,151)</u>	<u>(4,155)</u>	<u>2,325</u>	<u>(55)</u>
OTHER FINANCING SOURCES (USES):				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(4,151)	(4,155)	2,325	(55)
Fund Balance-Beginning	<u>8,822</u>	<u>36,732</u>	<u>139,734</u>	<u>29,803</u>
Fund Balance-Ending	<u>\$ 4,671</u>	<u>\$ 32,577</u>	<u>\$ 142,059</u>	<u>29,748</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, 2021

	COURTHOUSE SECURITY	SECURITY - JUSTICE COURT I	SECURITY - JUSTICE COURT II	PRETRIAL INTERVENTION - COUNTY ATTORNEY
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	21,017	1,916	407	22,436
Grant	-	-	-	-
Other revenue	-	-	-	-
Interest	-	-	-	-
Forfeitures	-	-	-	-
Total Revenues	<u>21,017</u>	<u>1,916</u>	<u>407</u>	<u>22,436</u>
EXPENDITURES:				
Supplies	9,190	-	-	1,431
Equipment	1,075	-	-	-
Software/hardware maintenance	3,155	-	-	-
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Law books	-	-	-	-
Legal research	-	-	-	-
Salary	-	-	-	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>13,420</u>	<u>-</u>	<u>-</u>	<u>1,431</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>7,597</u>	<u>1,916</u>	<u>407</u>	<u>21,005</u>
OTHER FINANCING SOURCES (USES):				
Transfers	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	7,597	1,916	407	21,005
Fund Balance-Beginning	<u>253,651</u>	<u>20,932</u>	<u>4,724</u>	<u>83,622</u>
Fund Balance-Ending	<u>\$ 261,248</u>	<u>\$ 22,848</u>	<u>\$ 5,131</u>	<u>\$ 104,627</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, 2021

	SUPPLEMENTAL COURT INITIATED GUARDIANSHIP	CHILD ABUSE APREVENTION - COUNTY	LOCAL TRUANCY - PREVENTION DIVERSION	FORFEITURE COUNTY ATTORNEY
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	3,623	33	9,442	-
Grant	-	-	-	-
Other revenue	-	-	80	-
Interest	-	-	-	1
Forfeitures	-	-	-	11,515
Total Revenues	<u>3,623</u>	<u>33</u>	<u>9,522</u>	<u>11,516</u>
EXPENDITURES:				
Supplies	-	-	-	1,182
Equipment	-	-	-	-
Software/hardware maintenance	-	-	-	-
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Law books	-	-	-	-
Legal research	-	-	-	-
Salary	-	-	-	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,182</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>3,623</u>	<u>33</u>	<u>9,522</u>	<u>10,334</u>
OTHER FINANCING SOURCES (USES):				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,905)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,905)</u>
Net Change in Fund Balance	3,623	33	9,522	4,429
Fund Balance-Beginning	<u>29,170</u>	<u>20</u>	<u>3,123</u>	<u>8,441</u>
Fund Balance-Ending	<u>\$ 32,793</u>	<u>\$ 53</u>	<u>\$ 12,645</u>	<u>\$ 12,870</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, 2021

	FORFEITURE - DISTRICT ATTORNEY	FORFEITURE - SHERIFF	FORFEITURE - BONDS	BAIL BOND
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and fees	14,496	6,879	-	12,673
Grant	-	-	-	-
Other revenue	-	-	-	-
Interest	-	-	-	-
Forfeitures	-	-	-	-
Total Revenues	<u>14,496</u>	<u>6,879</u>	<u>-</u>	<u>12,673</u>
EXPENDITURES:				
Supplies	-	59	-	-
Equipment	-	12,685	-	-
Software/hardware maintenance	-	-	-	-
Schools & dues	-	-	-	-
Professional fees	-	-	-	-
Law books	-	-	-	-
Legal research	-	-	-	-
Salary	-	-	-	-
Records preservation	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>-</u>	<u>12,744</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>14,496</u>	<u>(5,865)</u>	<u>-</u>	<u>12,673</u>
OTHER FINANCING SOURCES (USES):				
Transfers	-	5,905	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,905</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	14,496	40	-	12,673
Fund Balance-Beginning	<u>30,199</u>	<u>7,819</u>	<u>-</u>	<u>13,814</u>
Fund Balance-Ending	<u>\$ 44,695</u>	<u>\$ 7,859</u>	<u>\$ -</u>	<u>\$ 26,487</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, 2021

	HOT CHECK - COUNTY ATTORNEY	HOT CHECK - DISTRICT ATTORNEY	LEOSE	Total Special Revenue Funds
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	79,710
Fines and fees	875	-	5,925	352,622
Grant	-	-	-	-
Other revenue	-	-	-	19,589
Interest	-	-	-	2
Forfeitures	-	-	-	11,515
Total Revenues	<u>875</u>	<u>-</u>	<u>5,925</u>	<u>463,438</u>
EXPENDITURES:				
Supplies	836	-	-	19,751
Equipment	-	-	-	22,398
Software/hardware maintenance	-	-	-	44,360
Schools & dues	-	-	4,002	4,002
Professional fees	-	-	-	172,895
Law books	-	-	-	5,047
Legal research	-	-	-	4,284
Salary	6,653	-	-	10,137
Records preservation	-	-	-	3,492
Donations	-	-	-	5,520
Miscellaneous	-	-	-	11,576
Interest payment	-	-	-	-
Principal payment	-	-	-	-
Total Expenditures	<u>7,489</u>	<u>-</u>	<u>4,002</u>	<u>303,462</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(6,614)</u>	<u>-</u>	<u>1,923</u>	<u>159,976</u>
OTHER FINANCING SOURCES (USES):				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,782</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,782</u>
Net Change in Fund Balance	(6,614)	-	1,923	551,758
Fund Balance-Beginning	<u>13,743</u>	<u>7,738</u>	<u>24,814</u>	<u>2,076,636</u>
Fund Balance-Ending	<u>\$ 7,129</u>	<u>\$ 7,738</u>	<u>\$ 26,737</u>	<u>\$ 2,628,394</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, 2021

	DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:		
Taxes:		
Property taxes	\$ 544,964	\$ 544,964
Charges for services	-	79,710
Fines and fees	-	352,622
Grant	-	-
Other revenue	-	19,589
Interest	8	10
Forfeitures	-	11,515
Total Revenues	<u>544,972</u>	<u>1,008,410</u>
EXPENDITURES:		
Supplies	-	19,751
Equipment	-	22,398
Software/hardware maintenance	-	44,360
Schools & dues	-	4,002
Professional fees	-	172,895
Law books	-	5,047
Legal research	-	4,284
Salary	-	10,137
Records preservation	-	3,492
Donations	-	5,520
Miscellaneous	-	11,576
Interest payment	47,449	47,449
Principal payment	495,000	495,000
Total Expenditures	<u>542,449</u>	<u>845,911</u>
Excess (Deficiency) of Revenues Over (Under)		
Expenditures	<u>2,523</u>	<u>162,499</u>
OTHER FINANCING SOURCES (USES):		
Transfers	-	391,782
Total Other Financing Sources (Uses)	<u>-</u>	<u>391,782</u>
Net Change in Fund Balance	2,523	554,281
Fund Balance-Beginning	<u>65,911</u>	<u>2,142,547</u>
Fund Balance-Ending	<u>\$ 68,434</u>	<u>\$ 2,696,828</u>

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

ERATH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	State Comptroller	Other Custodial	Custodial Funds
ASSETS			
Cash, cash equivalents, and investments	\$ 665,174	\$ 1,680,895	\$ 2,346,069
Total Assets	665,174	1,680,895	2,346,069
LIABILITIES			
Held for others	-	-	-
Due to other governmental agencies	-	-	-
Total Liabilities	-	-	-
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	665,174	1,680,895	2,346,069
Total net position	665,174	1,680,895	2,346,069

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

ERATH COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	State Comptroller	Other Custodial	Total
<u>ADDITIONS</u>			
Property tax collections for other governments	\$ -	\$ 66,454,907	\$ 66,454,907
Vehicle registration fees collected for state	8,878,612	-	8,878,612
Judicial/statutory ordered collections due to others	-	4,103,564	4,103,564
Collateral/escrow deposits from bondsmen	-	203,098	203,098
Inmate commissary deposits	-	366,232	366,232
Seizures by law enforcement agencies	-	-	-
State grant/program revenue	-	345,762	345,762
Interest earnings	-	319	319
Total earnings	<u>\$ 8,878,612</u>	<u>\$ 71,473,882</u>	<u>\$ 80,352,494</u>
<u>DEDUCTIONS</u>			
Property taxes due to other governments	-	66,468,133	66,468,133
Vehicle registration due to state	8,877,545	-	8,877,545
Payments due under judicial order/statute	-	4,167,753	4,167,753
Release of collateral/escrow held for bondsmen	-	179,839	179,839
Inmate commissary funds	-	321,163	321,163
State grant/program revenue	-	250,170	250,170
Total deductions	<u>8,877,545</u>	<u>71,387,058</u>	<u>80,264,603</u>
Net increase (decrease) in fiduciary net position	1,067	86,824	87,891
Net position-beginning of year, as previously reported	-	-	-
Restatement adjustment	664,107	1,594,071	2,258,178
Net position-beginning, as restated	<u>664,107</u>	<u>1,594,071</u>	<u>2,258,178</u>
Net position - ending	<u>\$ 665,174</u>	<u>\$ 1,680,895</u>	<u>\$ 2,346,069</u>

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