

EDWARDS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

BEYER & CO.

CERTIFIED PUBLIC ACCOUNTANTS

442 WEST OAKLAWN
P.O. BOX 366 830/569-8781 FAX 830 569-6776
PLEASANTON, TEXAS 78064

111 NORTH ODEN
830/569-8781 FAX 830 569-6776
SINTON, TEXAS 78387



BEYER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

111 North Odem
Sinton, Texas 78387
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

To the Commissioners' Court
Edwards County, Texas

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edwards County, Texas as of and for the year ended September 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered Edwards County, Texas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Edwards County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Edwards County, Texas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in Edwards County, Texas' internal control to be material weaknesses:

1. Financial Statement Preparation

Internal controls should be in place that provides reasonable assurance that the County has an individual on staff that is familiar with GAAP and who can apply Generally Accepted Accounting Principles to the County's financial statements.



A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Edwards County, Texas' internal control to be significant deficiencies:

2. Segregation of Duties/ Review and Initialing

Segregation of Duties - due to the limited number of people working in the office, many critical duties are combined and given to the available employees. To the extent possible, duties should be segregated to serve as a check and balance on the employee's integrity and to maintain the best control system as possible. The County should work to eliminate the lack of segregation of duties through a process of review and initialing.

This communication is intended solely for the information and use of management, the Commissioners' Court, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,



BEYER & CO.
Certified Public Accountants
Pleasanton, Texas
June 8, 2013



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Honorable Judge Shanklin
and Commissioners' Court
Edwards County
Rocksprings, Texas 78880

As a result of our observations concerning the accounting and financial aspects of the records of the Edwards County, Texas, during our audit for the year ended September 30, 2012, we submit the following recommendations for your consideration:

County / District Clerk

Finding:

1. The County / District Clerk bank account has excess monies of unknown origin in the amount of \$15,029.91.

Recommendation:

We recommend that the County / District Clerk deposit the monies with the Treasurer for a period of seven (7) years or until ownership is determined.

Sheriff's Office

Finding:

1. We noted that the Sheriff's Office does not submit reports to the Treasurer.

Recommendation:

We recommend that the Sheriff's Office submit reports to the Treasurer on a monthly basis.

Finding:

2. We noted that the Sheriff's Office has excess monies in the amount of \$186.77 in its Inmate Trust Fund.

Recommendation:

We recommend that the Sheriff's Office determine what makes up this balance and return it to the respective owner(s), escheat it to the state, or remit it to the general fund.



Finding:

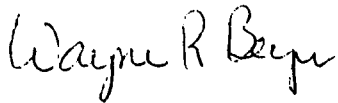
3. We were unable to obtain an Inmate Balance Report run as of September 30, 2012; therefore, we were unable to determine the exact amount in inmates' accounts.

Recommendation:

We recommend that the Sheriff's Office run an Inmate Balance Report each year on September 30, 2012 in order to determine the exact amount in inmates' accounts at year end.

These comments and recommendations are made in a constructive spirit and in the best interest of Edwards County, Texas. We will be glad to review and discuss them in more detail with the County at your request.

Sincerely,



BEYER & CO.
Certified Public Accountants
June 8, 2013



EDWARDS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 2012



Edwards County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2012

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners' Court
Edwards County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edwards County, Texas, as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Edwards County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

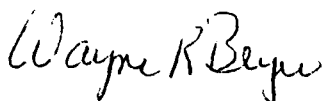
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Edwards County, Texas as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress for the Public Employees Retirement System on pages 3 through 10 and 41, respectively, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Edwards County, Texas' financial statements as a whole. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,



BEYER & COMPANY
Certified Public Accountants
Pleasanton, Texas
June 8, 2013

Management's Discussion and Analysis

Financial Highlights

The assets of Edwards County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$2,591,863 (net assets). Of this amount, \$167,427 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets decreased by \$263,777. This decrease is a result of a decrease in grant revenue of \$228,988.

As of the close of the current fiscal year, Edwards County, Texas' governmental funds reported combined ending fund balances of \$804,036 a decrease of \$118,903 in comparison with the prior year. Approximately 2% of this total amount, \$15,385, is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, the unassigned fund balance for the general fund was \$187,982, or 9 percent of total general fund expenditures and the total fund balance for the road and bridge fund was \$173,763, or 34 percent of total road and bridge fund

Edwards County, Texas' total debt decreased by \$27,648 (2.15 percent) during the current fiscal year. The key factor in this decrease was the payment of Certificates of Obligation of \$16,000 and payment of \$9,682 on capital leases.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to Edwards County, Texas' financial statements. Edwards County, Texas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Edwards County, Texas' finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Edwards County, Texas' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Edwards County, Texas is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of Edwards County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Edwards County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation.

The government-wide financial statements include only Edwards County, Texas itself (known as the primary government).

The government-wide financial statements can be found on pages 11-12 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Edwards County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Edwards County, Texas are governmental funds.

Governmental funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 this comparison between governmental funds and governmental activities.

Edwards County, Texas maintains fifteen (15) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge fund, the Nutrition Center, and the Interest and Sinking fund all of which are considered to be major funds. Data from the other eleven (11) 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 elsewhere in this report.

Edwards County, Texas adopts an annual appropriated budget for its General fund, the Nutrition Center, and the Road and Bridge funds. There were no budgets for any other funds of the County.

The basic governmental fund financial statements can be found on pages 13-20 of this report.

Proprietary funds:

Edwards County, Texas does not maintain any type of proprietary fund.

Agency funds:

Edwards County, Texas also has one agency fund. This fund is not included in the county wide statement but is shown separately on page 21.

Notes to the 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. The notes to the financial statements can be found on pages 22-40 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Edwards County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 41 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 42-45 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Edwards County, Texas, assets exceeded liabilities by \$2,591,863 at the close of the most recent fiscal year.

A major portion of Edwards County, Texas' net assets (61 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. Edwards County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Edwards County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**EDWARDS COUNTY, TEXAS
NET ASSETS**

	Governmental Activities		Total	
	2012	2011	2012	2011
Current and Other Assets	\$1,103,647	\$1,280,245	\$1,103,647	\$1,280,245
Capital Assets	2,812,140	3,041,842	2,812,140	3,041,842
Total Assets	3,915,787	4,322,087	3,915,787	4,322,087
Long-Term Liabilities	1,257,516	1,285,164	1,257,516	1,285,164
Other Liabilities	66,408	181,283	66,408	181,283
Total Liabilities	1,323,924	1,466,447	1,323,924	1,466,447
Invested in Capital Assets, Net of Related Debt	1,568,140	1,772,160	1,568,140	1,772,160
Restricted	856,296	746,880	856,296	746,880
Unrestricted	167,427	336,600	167,427	336,600
Total Net Assets	\$2,591,863	\$2,855,640	\$2,591,863	\$2,855,640

An additional portion of Edwards County, Texas' net assets (33 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$167,427, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Edwards County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Edwards County, Texas reported positive balances in net assets, both for the government as a whole, as well as for its separate governmental activities.

Governmental activities:

Governmental activities decreased Edwards County, Texas' net assets by \$263,777, thereby accounting for 100 percent of the total decrease in the net assets of Edwards County, Texas.

**EDWARDS COUNTY, TEXAS
CHANGE IN NET ASSETS**

	Governmental Activities		Total	
	2012	2011	2012	2011
Revenues:				
Program Revenues:				
Charges for Services	\$229,489	\$222,970	\$229,489	\$222,970
Operating Grants and Contributions	140,390	270,163	140,390	270,163
Capital Grants and Contributions	0	99,215	0	99,215
General Revenues:				
Maintenance and Operations Taxes	1,967,117	1,810,789	1,967,117	1,810,789
License and Permits	165,321	161,176	165,321	161,176
Unrestricted Investment Earnings	11,889	23,003	11,889	23,003
Miscellaneous	116,583	124,695	116,583	124,695
Total Revenue	2,630,789	2,712,011	2,630,789	2,712,011
Expenses:				
General Administration	712,626	683,757	712,626	683,757
Legal	93,092	93,990	93,092	93,990
Judicial	233,413	243,464	233,413	243,464
Financial Administration	168,185	176,764	168,185	176,764
Public Facilities	66,870	65,795	66,870	65,795
Public Safety	677,747	868,298	677,747	868,298
Public Transportation	669,762	634,319	669,762	634,319
Culture and Recreation	9,047	10,847	9,047	10,847
Health and Welfare	107,082	148,485	107,082	148,485
Conservation - Agriculture	104,496	99,851	104,496	99,851
Interest and Fiscal Charges	52,246	54,756	52,246	54,756
Total Expenses	2,894,566	3,080,326	2,894,566	3,080,326
Increase in Net Assets Before Transfers and Special Items	(263,777)	(368,315)	(263,777)	(368,315)
Transfers	0	0	0	0
Increase in Net Assets	(263,777)	(368,315)	(263,777)	(368,315)
Net Assets at 09/30/2011 - Restated	2,855,640	3,223,955	2,855,640	3,223,955
Net Assets at 09/30/2012	\$2,591,863	\$2,855,640	\$2,591,863	\$2,855,640

The primary reason for the decrease in the net assets is as follows:

Capital grants decreased by \$99,215 and operating grants decreased by \$129,773 while Ad Valorem increased by \$156,328. Expenses decreased by \$185,760. The major decrease came in the public safety function which decreased by \$190,551.

Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$712,626	\$48,369	\$10,009	\$0
Legal	93,092		41,667	
Judicial	233,413	125,873		
Financial Administration	168,185			
Public Facilities	66,870			
Public Safety	677,747	55,247		
Public Transportation	669,762		18,808	
Culture and Recreation	9,047			
Health and Welfare	107,082		69,906	
Conservation - Agriculture	104,496			
Interest and Fiscal Charges	52,246			
Total Government Activities	\$2,894,566	\$229,489	\$140,390	\$0

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$229,489	8.72%
Operating Grants and Contributions	140,390	5.34%
Maintenance and Operations Taxes	1,967,117	74.77%
License and Permits	165,321	6.28%
Unrestricted Investment Earnings	11,889	0.45%
Miscellaneous	116,583	4.43%
	\$2,630,789	100.00%

Financial Analysis of the Government's Funds

As noted earlier, Edwards County, Texas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

The focus of Edwards County, Texas' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Edwards County, Texas' financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Edwards County, Texas' governmental funds reported combined ending fund balances of \$804,036, a decrease of \$118,903 in comparison with the prior year. Approximately 2 percent of this total amount, \$52,260, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed. See page 27 and 28 of the notes.

The general fund is the chief operating fund of Edwards County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$187,982, while total fund balance reached \$503,496. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9 percent of total general fund expenditures, while total fund balance represents 25 percent of that same amount.

The fund balance of Edwards County, Texas' general fund decreased by \$154,615 during the current fiscal year. Key factors in this increase are as follows:

- . The general fund expenditures increased by \$309,966.

At the end of the current fiscal year, restricted fund balance of the road and bridge fund was \$173,763, while total fund balance reached \$173,763. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 34 percent of total road and bridge fund expenditures, while total fund balance represents 34 percent of that same amount.

The fund balance of Edwards County, Texas' road and bridge fund increased by \$40,175 during the current fiscal year. Key factors in this increase are as follows:

- . The road and bridge fund ad valorem taxes increased by \$32,096.

At the end of the current fiscal year, unassigned fund balance of the nutrition fund was a minus \$172,597, while total fund balance reached a minus \$172,597. As a measure of the nutrition fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 0 percent of total nutrition fund expenditures, while total fund balance represents 0 percent of that same amount.

The fund balance of Edwards County, Texas' nutrition fund decreased by \$6,059 during the current fiscal year. Key factors in this decrease are as follows:

- . The amount being transferred into the nutrition fund from the general fund is insufficient to cover the excess of expenditures over revenues.

The Interest and Sinking fund is not discussed above for the following reason: The interest and sinking fund is an imprest fund used to service the debt.

Budgetary Highlights

There were no changes between the original budget and the final amended budget for the general fund, the road and bridge fund, and nutrition funds. There was no budget for the Interest and Sinking fund.

Capital Asset and Debt Administration

Capital assets

Edwards County, Texas' investment in capital assets for its governmental activities as of September 30, 2012, amounts to \$2,812,140 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total decrease in Edwards County, Texas' investment in capital assets for the current fiscal year was 8 percent. The County had no major construction projects during the 2011-2012 year. The County has procured a historical grant from the state of Texas for Courthouse Restoration and upgraded its jail facility.

EDWARDS COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2012	2011	2012	2011
Land	\$116,045	\$116,045	\$116,045	\$116,045
Construction in Progress	136,903	197,208	136,903	197,208
Building and Improvements	2,028,279	2,078,751	2,028,279	2,078,751
Machinery and Equipment	445,365	633,686	445,365	633,686
Intangible	85,548	16,152	85,548	16,152
Infrastructure	0	0	0	0
Total	\$2,812,140	\$3,041,842	\$2,812,140	\$3,041,842

Additional information on Edwards County, Texas' capital assets can be found in note IV C on page 33 of this report.

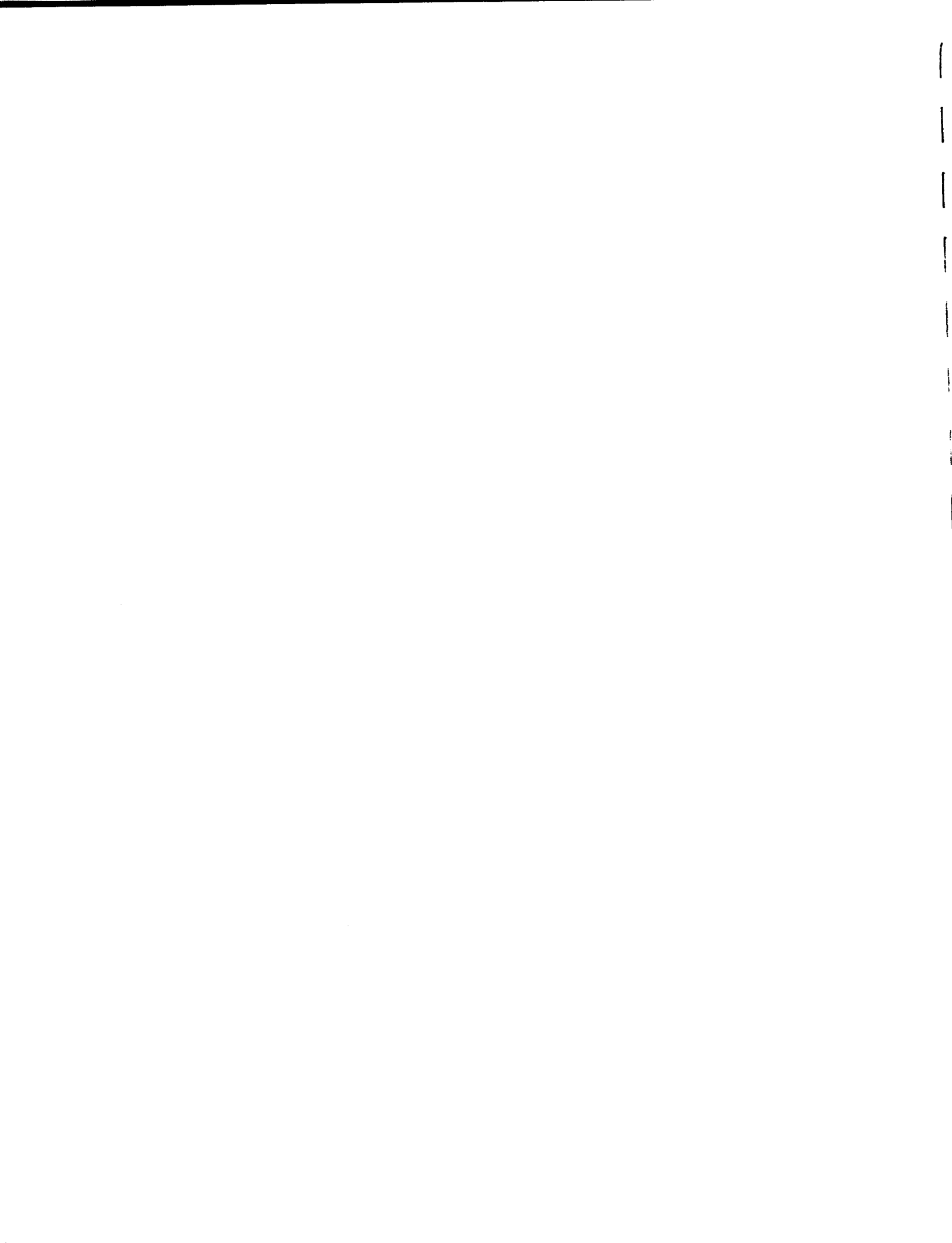
Long-term debt:

At the end of the current fiscal year, Edwards County, Texas had Certificates of Obligation outstanding of \$1,244,000. All of which comprises debt backed by the full faith and credit of Edwards County, Texas. Additional information on Edwards County, Texas' long term debt can be found in note IV F on pages 35 through 36 of this report.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Certificate of Obligation	\$1,260,000	\$0	\$16,000	\$1,244,000	\$16,000	\$1,228,000
Grand Total	\$1,260,000	\$0	\$16,000	\$1,244,000	\$16,000	\$1,228,000

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors 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 or need additional financial information, contact the County's business office, at Edwards County, Texas, P.O. Box 348, Rocksprings, Texas 78880.



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

EDWARDS COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

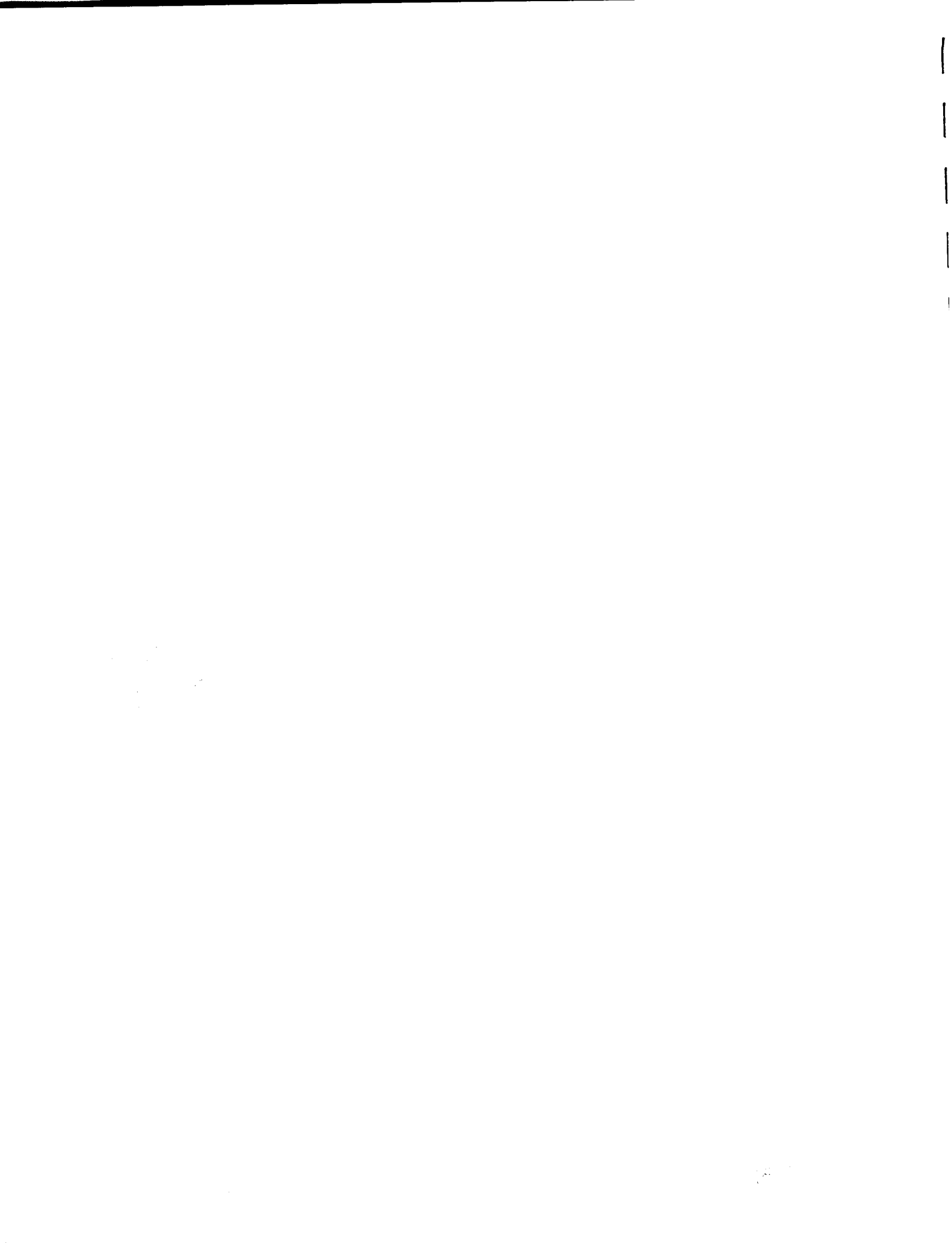
	Primary Governmental	
	Activities	Total
ASSETS		
Cash and Cash Equivalents	\$848,291	\$848,291
Receivables (net of allowance for uncollectibles)	255,356	255,356
Capital assets not being depreciated:		
Land	116,045	116,045
Construction in Progress	136,903	136,903
Total Capital assets being depreciated, net		
Building and Improvements	2,028,279	2,028,279
Machinery, Equipment, and Vehicles	445,365	445,365
Intangible	85,548	85,548
Infrastructure	0	0
Total Assets	<u>\$3,915,787</u>	<u>\$3,915,787</u>
LIABILITIES:		
Accounts Payable	\$36,850	\$36,850
Accrued Wages	23,144	23,144
Accrued Interest Payable	6,414	6,414
Noncurrent Liabilities:		
Due within one year	29,516	29,516
Due in more than one year	1,228,000	1,228,000
Total Liabilities	<u>1,323,924</u>	<u>1,323,924</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,568,140	1,568,140
Restricted		
Administration	108	108
Archives	24,950	24,950
Construction	33,244	33,244
Debt Service	280,458	280,458
Judicial	9,733	9,733
Public Safety	331,291	331,291
Public Transportation	176,512	176,512
Unrestricted	167,427	167,427
Total Net Assets	<u>\$2,591,863</u>	<u>\$2,591,863</u>

The accompanying notes are an integral part of this statement.

EDWARDS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Governmental Activities	Net (Expense) Revenue and Changes in Total
Primary Government						
Government Activities:						
General Administration	\$712,626	\$48,369	\$10,009	\$0	(\$654,248)	(\$654,248)
Legal	93,092		41,667		(51,425)	(51,425)
Judicial	233,413	125,873			(107,540)	(107,540)
Financial Administration	168,185				(168,185)	(168,185)
Public Facilities	66,870				(66,870)	(66,870)
Public Safety	677,747	55,247			(622,500)	(622,500)
Public Transportation	669,762		18,808		(650,954)	(650,954)
Culture and Recreation	9,047				(9,047)	(9,047)
Health and Welfare	107,082		69,906		(37,176)	(37,176)
Conservation - Agriculture	104,496				(104,496)	(104,496)
Interest and Fiscal Charges	52,246				(52,246)	(52,246)
Total Government Activities	2,894,566	229,489	140,390	0	(2,524,687)	(2,524,687)
Total Primary Government	2,894,566	229,489	140,390	\$0	(2,524,687)	(2,524,687)
General Revenues						
Property Taxes, Levies for General Purposes					1,967,117	1,967,117
License and Permits					165,321	165,321
Unrestricted Investment Earnings					11,889	11,889
Miscellaneous					116,583	116,583
Total General Revenues and Transfers					2,260,910	2,260,910
Change in Net Assets					(263,777)	(263,777)
Net Assets - Beginning - Restated					2,855,640	2,855,640
Net Assets - Ending					2,591,863	2,591,863

The accompanying notes are an integral part of this statement.



FUND FINANCIAL STATEMENTS

EDWARDS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General Fund	Road and Bridge	Nutrition Center	Interest and Sinking Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$543,500	\$177,354	\$0	\$212,813	\$86,561	\$1,020,228
Receivables (net of allowance for uncollectibles)	145,329	28,215				173,544
Total Assets	\$688,829	\$205,569	\$0	\$212,813	\$86,561	\$1,193,772
LIABILITIES AND FUND BALANCES:						
Accounts Payable	\$36,672	\$178				\$36,850
Bank Overdraft			171,937			171,937
Accrued Wages	19,071	3,413	660			23,144
Deferred Revenues	129,590	28,215				157,805
Total Liabilities	185,333	31,806	172,597	0	0	389,736
Fund Balances:						
Restricted						
Administration					108	108
Archives					24,950	24,950
Construction					33,244	33,244
Debt Service				212,813		212,813
Judicial					9,733	9,733
Public Safety	315,514				15,777	331,291
Public Transportation		173,763			2,749	176,512
Unassigned	187,982		(172,597)			15,385
Total Fund Balance	503,496	173,763	(172,597)	212,813	86,561	804,036
Total Liabilities and Fund Balances	\$688,829	\$205,569	\$0	\$212,813	\$86,561	\$1,193,772

The accompanying notes are an integral part of this statement.

EDWARDS COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2012

Total Fund Balances - governmental funds balance sheet

Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	\$804,036
Capital assets used in governmental activities are not reported in the funds.	2,812,140
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	81,812
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	157,805
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,263,930)</u>
Net assets of governmental activities - statement of net assets	<u><u>\$2,591,863</u></u>

The accompanying notes are an integral part of this statement.

EDWARDS COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2012

	General Fund	Road and Bridge	Nutrition Center	Interest and Sinking Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$1,503,803	\$372,330		\$66,912		\$1,943,045
Intergovernmental	51,676	18,808	69,906			140,390
Licenses and Permits		165,321				165,321
Charges for Services	107,290				12,019	119,309
Fines and Forfeitures	77,158					77,158
Interest	11,889					11,889
Miscellaneous	105,625		8,773		2,185	116,583
Total Revenues	<u>1,857,441</u>	<u>556,459</u>	<u>78,679</u>	<u>66,912</u>	<u>14,204</u>	<u>2,573,695</u>
EXPENDITURES						
Current:						
General Administration	683,939				782	684,721
Legal	92,990					92,990
Judicial	231,573				1,470	233,043
Financial Administration	168,088					168,088
Public Facilities	52,825					52,825
Public Safety	638,729				9,623	648,352
Public Transportation		516,284				516,284
Culture and Recreation	9,047					9,047
Health and Welfare			104,738			104,738
Conservation - Agriculture	104,496					104,496
Debt Service						
Principal Retirement	9,682			16,000		25,682
Interest Retirement	687			51,645		52,332
Total Expenditures	<u>1,992,056</u>	<u>516,284</u>	<u>104,738</u>	<u>67,645</u>	<u>11,875</u>	<u>2,692,598</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(134,615)	40,175	(26,059)	(733)	2,329	(118,903)
OTHER FINANCING SOURCES (USES):						
Operating Transfers In			20,000			20,000
Operating Transfers Out	(20,000)					(20,000)
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(154,615)	40,175	(6,059)	(733)	2,329	(118,903)
Fund Balances - Beginning	658,111	133,588	(166,538)	213,546	84,232	922,939
Fund Balances - Ending	<u>\$503,496</u>	<u>\$173,763</u>	<u>(\$172,597)</u>	<u>\$212,813</u>	<u>\$86,561</u>	<u>\$804,036</u>

The accompanying notes are an integral part of this statement.

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30,000*

311,000
to 7100
included

160,000
Transfer
to General

EDWARDS COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 SEPTEMBER 30, 2012

Net Changes in Fund Balances - total governmental funds (\$118,903)

Amounts reported for governmental activities in the statement of net assets
 ("SNA") 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 by which capital outlays exceeded depreciation in the current period.	(229,702)
(Increase) decrease in Compensated absences from beginning of period to end of period.	1,966
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	24,072
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	33,022
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	25,682
(Increase) decrease in Accrued Interest payable from beginning of period to end of period.	86
Change in net assets of governmental activities - statement of activities	<u><u>(\$263,777)</u></u>

The accompanying notes are an integral part of this statement.

EDWARDS COUNTY, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$1,575,401	\$1,575,401	\$1,501,539	(\$73,862)
Intergovernmental	36,000	36,000	51,676	15,676
Charges for Services	65,300	65,300	108,254	42,954
Fines and Forfeitures	80,000	80,000	77,062	(2,938)
Interest	9,000	9,000	11,889	2,889
Miscellaneous	10,000	10,000	88,835	78,835
Total Revenues	1,775,701	1,775,701	1,839,255	63,554

EXPENDITURES

Current:

General Administration				
County and District Clerk	169,511	169,511	147,778	21,733
Non-Departmental	694,937	694,937	573,483	121,454
Legal				
County Attorney	93,876	93,876	93,006	870
Judicial				
County and District Court	248,658	248,658	184,983	63,675
Justice of the Peace	58,550	58,550	47,850	10,700
Financial Administration				
County Treasurer	63,922	63,922	67,328	(3,406)
Tax Assessor-Collector	106,181	106,181	100,621	5,560
Public Facilities				
Courthouse Building	76,409	76,409	52,189	24,220
Public Safety				
Constables	49,744	49,744	53,807	(4,063)
D.P.S.	5,500	5,500	2,533	2,967
Emergency Operations				0
Fire				0
Detention Center	296,281	296,281	283,421	12,860
Sheriff	294,900	294,900	295,094	(194)

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation Libraries, Parks, ETC.	\$7,150	\$7,150	8,861	(\$1,711)
Conservation - Agriculture Agriculture Extension Service	109,824	109,824	105,289	4,535
Debt Service				
Principal Retirement	10,000	10,000	9,682	318
Interest Retirement	1,000	1,000	687	313
Total Expenditures	<u>2,286,443</u>	<u>2,286,443</u>	<u>2,026,612</u>	<u>259,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(510,742)</u>	<u>(510,742)</u>	<u>(187,357)</u>	<u>323,385</u>

OTHER FINANCING SOURCES (USES):

Operating Transfers Out	0	0	(20,000)	(20,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(20,000)</u>	<u>(20,000)</u>
Net Changes in Fund Balances - Budgetary Basis	<u>(510,742)</u>	<u>(510,742)</u>	<u>(207,357)</u>	<u>303,385</u>

Reconciliation from Budgetary Basis to Modified Accrual:

Changes in Officers Fees	12,118
Changes in Accounts Payable	43,922
Changes in Accrued Wages Payable	<u>(3,298)</u>
Net Changes in Fund Balances - Modified Accrual Basis	<u>(154,615)</u>
Fund Balances - Beginning	<u>658,111</u>
Fund Balances - Ending	<u>\$503,496</u>

The notes to the financial statements are an integral part of this statement.

EDWARDS COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$388,097	\$388,097	\$372,330	(\$15,767)
Intergovernmental	21,000	21,000	18,808	(2,192)
Licenses and Permits	150,000	150,000	165,321	15,321
Total Revenues	<u>559,097</u>	<u>559,097</u>	<u>556,459</u>	<u>(2,638)</u>
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	559,064	559,064	534,920	24,144
Total Expenditures	<u>559,064</u>	<u>559,064</u>	<u>534,920</u>	<u>24,144</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	33	33	21,539	21,506
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Budgetary Basis	<u>\$33</u>	<u>\$33</u>	21,539	<u>\$21,506</u>
Reconciliation from Budgetary Basis to Modified Accrual:				
Changes in Accounts Payable			18,303	
Changes in Accrued Wages Payable			333	
Net Changes in Fund Balances - Modified Accrual Basis			<u>40,175</u>	
Fund Balances - Beginning			133,588	
Fund Balances - Ending			<u>\$173,763</u>	

The notes to the financial statements are an integral part of this statement.

EDWARDS COUNTY, TEXAS
NUTRITION CENTER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$87,000	\$87,000	\$69,906	(\$17,094)
Miscellaneous	4,500	4,500	8,772	4,272
Total Revenues	91,500	91,500	78,678	(12,822)
EXPENDITURES				
Current				
Health and Welfare				
Senior Citizens	123,252	123,252	108,304	14,948
Total Expenditures	123,252	123,252	108,304	14,948
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,752)	(31,752)	(29,626)	2,126
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	20,000	20,000	20,000	0
Total Other Financing Sources (Uses)	20,000	20,000	20,000	0
Net Changes in Fund Balances - Budgetary Basis	(\$11,752)	(\$11,752)	(9,626)	\$2,126
Reconciliation from Budgetary Basis to Modified Accrual:				
Changes in Accounts Payable			3,510	
Changes in Accrued Wages Payable			57	
Net Changes in Fund Balances - Modified Accrual Basis			(6,059)	
Fund Balances - Beginning			(166,538)	
Fund Balances - Ending			(\$172,597)	

The notes to the financial statements are an integral part of this statement.



EDWARDS COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2012

	Agency Funds <u>County Officer Accounts</u>
ASSETS	
Cash and Cash Equivalents	\$196,169
Receivables (net of allowance for uncollectibles)	<u>0</u>
Total Assets	<u><u>196,169</u></u>
LIABILITIES:	
Accounts Payable	
Due to Others	<u>196,169</u>
Total Liabilities	<u>196,169</u>
NET ASSETS	
Held in Trust - unexpendable	0
Held in Trust - historical purposes	<u>0</u>
Total Net Assets	<u><u>\$0</u></u>

The notes to the financial statements are an integral part of this statement.

