

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

BEYER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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Wayne R. Beyer, C.P.A.

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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,

A handwritten signature in cursive script, reading "Wayne R Beyer".

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:

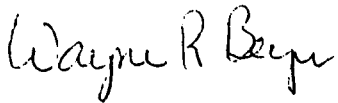
3. We were unable to obtain an Inmate Balance Report run as of September 30, 2012; therefore, we were unable to determine the exact amount in inmates' accounts.

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.

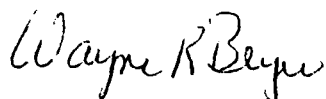
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, 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	<u>\$2,591,863</u>	<u>\$2,855,640</u>	<u>\$2,591,863</u>	<u>\$2,855,640</u>

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	<u>\$2,894,566</u>	<u>\$229,489</u>	<u>\$140,390</u>	<u>\$0</u>

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%
	<u>\$2,630,789</u>	<u>100.00%</u>

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	<u>\$2,812,140</u>	<u>\$3,041,842</u>	<u>\$2,812,140</u>	<u>\$3,041,842</u>

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
<u>Governmental Activities:</u>						
Certificate of Obligation	\$1,260,000	\$0	\$16,000	\$1,244,000	\$16,000	\$1,228,000
Grand Total	<u>\$1,260,000</u>	<u>\$0</u>	<u>\$16,000</u>	<u>\$1,244,000</u>	<u>\$16,000</u>	<u>\$1,228,000</u>

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	<u>1,228,000</u>	<u>1,228,000</u>
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	<u>167,427</u>	<u>167,427</u>
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.	(1,263,930)
Net assets of governmental activities - statement of net assets	<u>\$2,591,863</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	1,857,441	556,459	78,679	66,912	14,204	2,573,695
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	1,992,056	516,284	104,738	67,645	11,875	2,692,598
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)	(20,000)	0	20,000	0	0	0
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	\$503,496	\$173,763	(\$172,597)	\$212,813	\$86,561	\$804,036

The accompanying notes are an integral part of this statement.

30,000
311,000
10,000
included

160,644
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>(\$263,777)</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	Variance with Final Budget - Positive (Negative)
	Original	Final	Basis	
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	559,097	559,097	556,459	(2,638)
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	559,064	559,064	534,920	24,144
Total Expenditures	559,064	559,064	534,920	24,144
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)	0	0	0	0
Net Changes in Fund Balances - Budgetary Basis	\$33	\$33	21,539	\$21,506
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			40,175	
Fund Balances - Beginning			133,588	
Fund Balances - Ending			\$173,763	

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 - Positive (Negative)
	Original	Final		
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	<u>(\$11,752)</u>	<u>(\$11,752)</u>	(9,626)	<u>\$2,126</u>
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			<u>(\$172,597)</u>	

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

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

EDWARDS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

I. Summary of Significant Accounting Policies

A. Reporting entity

Edwards County operates under a County Judge – Commissioner's Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The road and bridge fund accounts for the activities of the government's road and bridge operations.

The Nutrition Center fund is used to administer monies from Title III used for meals and transportation for the elderly.

The Interest and Sinking fund is used to administer monies used for emergency operations.

REQUIRED SUPPLEMENTARY INFORMATION

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The agency funds are ministerial in nature and are shown because Edwards County is responsible for these funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value.

D. Assets, Liabilities, and Net Assets or Equity (continued)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2012 and 10 percent of the delinquent outstanding property taxes at September 30, 2012.

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are considered to be expenditures at the time of purchase. There were no inventory items at September 30, 2012.

There were no prepaid items at September 30, 2012. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

There were no restricted assets at September 30, 2012.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure items such as roads, highways, and bridges are not included.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County has procured a historical grant from the state of Texas for Courthouse Restoration and upgraded its jail facility. On February 14, 2012, it was announced that the county was awarded \$1,332,814, or 85%, of the funds requested for the Courthouse Preservation Project. The county amount will be \$400,000.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings	50
Building Improvements	20
System Infrastructure	30
Vehicles	5
Office Equipment	5
Computer Equipment	5

6. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Balances – Governmental Funds

As of September 30, 2012, fund balances of the governmental funds are classified as follows:

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Unassigned — all other spendable amounts.

As of September 30, 2012, fund balances are composed of the following:

Fund Balances:	
Restricted	
Administration	\$108
Archives	24,950
Construction	33,244
Debt Service	212,813
Judicial	9,733
Public Safety	331,291
Public Transportation	176,512
Unassigned	15,385
Total Fund Balance	<u>\$804,036</u>

When an expenditure is incurred for purposes 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 have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2011, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be at least equal to 25 percent of the subsequent year's budgeted General Fund expenditures.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$1,263,930 difference are as follows:

Certificate of Obligation	\$1,244,000
Accrued Interest Payable	6,414
Compensated Absences	13,516
	<u>\$1,263,930</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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. The details of this \$2,812,140 difference are as follows:

Capital Assets Not Being Depreciated	\$252,948
Capital Assets Being Depreciated	5,646,789
Accumulated Depreciation	(3,087,597)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$2,812,140</u>

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets (continued)

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles.*)" The details of this \$157,805 difference are as follows:

Property Taxes Receivable	\$167,121
Allowance for Doubtful Accounts	<u>(9,316)</u>
Net	<u>\$157,805</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$81,812 difference are as follows:

Fines and Fees Receivable	\$112,770
Allowance for Doubtful Accounts	<u>(30,958)</u>
Net	<u>\$81,812</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this \$229,702 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$8,201
Capital Outlay - Additions - Being Depreciated	83,871
Capital Outlay - Deletions - Net	(1,000)
Depreciation Expense	<u>(320,774)</u>
Net Adjustment to	
Increase Net Changes	
in Fund Balances - Total	
Governmental Funds to	
Arrive at Changes in	
Net Assets of	
Governmental Activities	<u>(\$229,702)</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The original budget is adopted by the Commissioner's Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioner's Court. The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year.

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Treasurer to prepare the annual budget. After being furnished budget guidelines by the Commissioner's Court, the County Treasurer prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioner's Court.

The Commissioner's Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioner's Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Treasurer's estimate of revenues and available cash. The final budget can be legally amended by the Commissioner's Court to whatever extent the Court desires as long as the amended figures do not exceed the County Treasurer's estimate of revenues and available cash. The legal level of control is the fund.

When the Budget has been adopted by the Commissioner's Court, the County Treasurer is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioner's Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund.

Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2012 fiscal year were adopted for the General Fund, the Road and Bridge Fund, and the Nutrition Center. No budgets were adopted for any other funds of the County for the year ended September 30, 2012.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2012, expenditures did not exceed appropriations in any fund.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2012 except for the following: Nutrition Center - \$172,597. This deficit is expected to be liquidated by future resources of the fund.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments

The County has adopted a deposit and investment policy that addresses the following risks:

The County had no investments at September 30, 2012.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does have a deposit policy for custodial credit risk. As of September 30, 2012, the government's bank balance of \$824,913 was not exposed to custodial credit risk because it was fully insured and collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$3,117,773 and the FDIC coverage is \$250,000. The book amount of cash at September 30, 2012 is 848,291.

The County has also placed \$311,000 with the West Texas Rural Counties Association Risk Investment Pool. The County uses this pool to obtain its insurance. The \$311,000 with the pool is not secured by either pledged securities or by FDIC insurance. The viability of the \$311,000 is unknown. Currently there is litigation regarding Edwards County's claim on part or all of the \$311,000. See Note V-D below.

B. Receivables

Receivables as of the year end for the governmental activities in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Road and Bridge	Total
<u>Receivables</u>			
Ad Valorem Taxes	\$137,252	\$29,869	\$167,121
Fees	15,739		15,739
Fines	112,770		112,770
Gross Receivables	265,761	29,869	295,630
Less: Allowance for Uncollectibles	38,620	1,654	40,274
Net Total Receivables	<u>\$227,141</u>	<u>\$28,215</u>	<u>\$255,356</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent Property Taxes Receivable (General Fund)-Net	\$ 129,590
Delinquent Property Taxes Receivable (Road and Bridge Fund)-Net	<u>28,215</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 157,805</u>

There was no other unearned revenue reported in the governmental funds during the year.

C. Capital Assets

Capital asset activity for the year ended September 30, 2012 was as follows:

Governmental Activities:	Beginning			Ending
Capital Assets Not Being Depreciated:	Balances	Increases	Decreases	Balances
Land	\$116,045	\$0	\$0	\$116,045
Construction in Progress	197,208	8,201	68,506	136,903
Total Capital Assets Not Being Depreciated:	313,253	8,201	68,506	252,948
Capital Assets Being Depreciated:				
Building and Improvements	3,154,624	0	0	3,154,624
Machinery and Equipment	2,035,949	60,584	145,152	1,951,381
Intangible	20,191	91,793	0	111,984
Infrastructure	428,800	0	0	428,800
Total Capital Assets Being Depreciated:	5,639,564	152,377	145,152	5,646,789
Less: Accumulated Depreciation for:				
Building and Improvements	1,075,873	50,472	0	1,126,345
Machinery and Equipment	1,402,263	247,905	144,152	1,506,016
Intangible	4,039	22,397	0	26,436
Infrastructure	428,800	0	0	428,800
Total Accumulated Depreciation	2,910,975	320,774	144,152	3,087,597
Total Capital Assets Depreciated, Net	2,728,589	(168,397)	1,000	2,559,192
Governmental Activities Capital Assets, Net	\$3,041,842	(\$160,196)	\$69,506	\$2,812,140

Construction commitments: The County has procured a historical grant from the state of Texas for Courthouse Restoration and upgraded its jail facility. On February 14, 2012, it was announced that the county was awarded \$1,332,814, or 85%, of the funds requested for the Courthouse Preservation Project. The county amount will be \$400,000.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Administration	\$35,654
Judicial	370
Public Facilities	13,825
Public Safety	71,751
Public Transportation	196,774
Health and Welfare	2,400
Total Depreciation Expense - Governmental Activities	<u>\$320,774</u>

D. Interfund Receivables, Payables, and Transfers

There were no due to/from other funds at September 30, 2012.

There were no advances at September 30, 2012.

Transfer to/from other funds was as follows:

<u>TRANSFER IN</u>		
	NUTRI- TION CENTER	
<u>TRANSFER OUT</u>	<u>FUND</u>	<u>TOTAL</u>
GENERAL FUND	\$20,000	\$20,000
TOTALS	<u>\$20,000</u>	<u>\$20,000</u>

The transfer from the general fund to the nutrition fund was recurring and was for meals for the elderly.

E. Leases

Operating Leases

The government leases equipment under noncancelable operating leases. Total costs for such leases were \$5,004 for the year ended September 30, 2012. The future minimum lease payments for these leases are as follows:

<u>Year Ending Sept 30,</u>	<u>Amount</u>
2013	\$ 4,957
2014	4,957
2015	4,313
2016	3,669
2017	<u>917</u>
Total	<u>\$18,813</u>

F. Long-Term Debt

Certificates of Obligation:

The government issues Certificates of Obligation to provide funds for the building of the new County Annex. The total amount of the issuance is \$1,304,000. The rate of interest is 4.125%. The Certificates of Obligation were issued through the USDA.

Certificates of Obligation are direct obligations and pledge the full faith and credit of the government. Certificates of Obligation currently outstanding are as follows:

<u>Purpose</u>	<u>Rates</u>	<u>Amount</u>
Governmental activities	4.125%	\$1,244,000

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2013	\$16,000	\$51,400
2014	17,000	50,700
2015	18,000	50,000
2016	19,000	49,300
2017	19,000	48,500
2018 to 2022	110,000	229,800
2023 to 2027	135,000	205,100
2028 to 2032	165,000	174,900
2033 to 2037	202,000	138,000
2038 to 2042	245,000	92,800
2043 to 2047	298,000	37,700
TOTALS	<u>\$1,244,000</u>	<u>\$1,128,200</u>

The Certificates of Obligation are to be serviced by the General fund.

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
Certificate of Obligation	\$1,260,000	\$0	\$16,000	\$1,244,000	\$16,000	\$1,228,000
Capital Lease	9,682	0	9,682	0	0	0
Compensated Absences	15,482	13,516	15,482	13,516	13,516	0
Grand Total	<u>\$1,285,164</u>	<u>\$13,516</u>	<u>\$41,164</u>	<u>\$1,257,516</u>	<u>\$29,516</u>	<u>\$1,228,000</u>

The general fund, the unit road fund, and the nutrition fund are used to service the compensated absences. The estimated amount due in the 2012-13 year is \$13,516. The total amount of interest expense was \$52,246. No interest was capitalized.

The government-wide statement of activities includes \$29,516 as "noncurrent liabilities, due within one year".

V. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any of the three previous years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

	Year Ended September 30, 2012	Year Ended September 30, 2011
Unpaid claims, beginning of fiscal year	\$0	\$0
Incurred claims (including IBNRs)	0	0
Claim payments	0	0
Unpaid claims, end of fiscal year	<u>\$0</u>	<u>\$0</u>

B. Related Party Transaction

The county purchases fuel from a company owned by the County Treasurer. The County paid 47,520.14 to Shell directly so no monies were paid directly to the County Treasurer. The County accepted and awarded the bid to the Treasurer's company.

The commissioner of Pct. 4's, son-in-law, owns a Hardware Store where the County purchased items from for the amount of \$10,569.31 in the fiscal year. Any amounts owed to the store at year end are deemed to be immaterial.

C. Subsequent Events

See note D below.

D. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is involved in the following lawsuits:

Cause No. 3877; *Edwards County, Texas vs. West Texas Rural Counties Association, West Texas Rural Counties Association Risk Management Pool, and West Texas Rural Counties Association Self-Insurance Pool*; In the 198th Judicial District of Edwards County, Texas

Edwards County has asserted breach of contract, money had and received, declaratory judgment, temporary injunction, and a request for an accounting. West Texas Rural Counties Association has counterclaimed for breach of contract and a request for a declaratory judgment.

The County has answered West Texas Rural Counties Association's counterclaim. The County has served written discovery on Defendants and have received responses. The depositions of Kathleen Hicks and Judge Charlie Bradley have been taken. The County has filed a response to Defendants' Motion to Transfer Venue. A hearing was scheduled for March 28th on Defendants' Motion to Transfer Venue, Motion to Abate, and Plea to the Jurisdiction.

On October 9, 2012 the County authorized Terry Rhodes to use all means necessary, including litigation, to collect the County's approximate \$311,000.00 in equity & settle all accounts between *Edwards County & West Texas Rural Counties Assn.

At a hearing on March 28, 2013 the court denied WTRCA's Plea to the Jurisdiction and Motion to Transfer Venue. The court granted Edwards County's request for an injunction ordering WTRCA not to transfer funds that Edwards County may be entitled. Mediation is scheduled for June 13, 2013.

E. Other Post employment Benefits

There are no post employment benefits.

F. Commitments

The County had no major commitments at September 30, 2012.

H. Retirement Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide 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 618 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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 ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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 be expected 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.

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions 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 governing body elected to pay a rate of 10.11% for the 2011 year and a rate of 10.29% for the 2012 year that did not exceed the actuarially determined rate as allowed by the provisions of the TCDRS Act.

The contribution rate payable by the employee members for calendar year 2012 is the rate of 7.00% and 7.00 % for the 2011 year as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Actuarial Valuation Information

Actuarial valuation date	12/31/2008	12/31/2009	12/31/2010
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Asset valuation method	SAF: 10-yr smoothed value; ESF: Fund Value	SAF: 10-yr smoothed value; ESF: Fund Value	SAF:10-yr smoothed value; ESF: Fund Value
Amortization period	20.0	20.0	20.0
Actuarial Assumptions			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living Adjustments	0.00%	0.00%	0.00%

Annual Pension Cost

Trend Information

for the Retirement Plan for the Employees of Edwards County, Texas

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09-30-10	95,420	100%	-0-
09-30-11	103,587	100%	-0-
09-30-12	106,981	100%	-0-

ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2011	\$1,692,938	\$1,936,935	\$243,997	87.4%	\$1,037,202	23.5%

The schedule of funding progress presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

H. Prior Period Adjustment

The County has determined that certain transactions were recorded incorrectly in a prior year.

Governmental Activities: In the Government-Wide statements the Fire Department and the EMS Department were separated from Edwards County prior to the 2011-2012 year. This restatement had a corresponding effect on the beginning net assets.

	Net Assets, as Previously Reported	Fire Department Restatement	EMS Fund Restatement	Capital Asset Restatement	GASB 34 Restatement	Net Assets As Restated
Governmental Activities:						
Net Assets		\$2,994,241	(\$22,932)	(\$14,791)	(\$78,181)	(\$22,697) \$2,855,640
Total Governmental Activities		<u>\$2,994,241</u>	<u>(\$22,932)</u>	<u>(\$14,791)</u>	<u>(\$78,181)</u>	<u>(\$22,697) \$2,855,640</u>

Governmental Funds: In the funds the Fire Department and the EMS Department were separated from Edwards County prior to the 2011-2012 year. This restatement had a corresponding effect on the beginning net assets.

	Fund Balances, as Previously Reported	Fire Department Restatement	EMS Fund Restatement	Fund Balances, As Restated
Governmental Funds:				
Fund Balance	\$960,662	(\$22,932)	(\$14,791)	\$922,939
Total Governmental Funds	<u>\$960,662</u>	<u>(\$22,932)</u>	<u>(\$14,791)</u>	<u>\$922,939</u>

EDWARDS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2012

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2009	\$1,240,558	\$1,478,128	\$237,570	83.4%	\$ 913,835	26.0%
2010	1,469,799	1,738,808	269,009	84.5	973,611	27.6
2011	1,692,938	1,936,935	243,997	87.4	1,037,202	23.5

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

	CLERK TECH- NOLOGY	CONSTABLE TRAINING	COURT- HOUSE SECURITY	EQUIP-		J.P. TECH- NOLOGY	LAW		LAW LIBRARY FUND	RECORDS MANAGE- MENT FUND	WORK ORDER FUND	TOTAL
				MENT GRANT FUND	FEMA FUND		ENFORCE- MENT TRAINING	FORFEI- TURE FUND				
ASSETS												
Cash and Cash Equivalents	\$108	\$585	\$10,338	\$0	\$33,244	\$7,497	\$2,669	\$2,185	\$2,236	\$24,950	\$2,749	\$86,561
Total Assets	\$108	\$585	\$10,338	\$0	\$33,244	\$7,497	\$2,669	\$2,185	\$2,236	\$24,950	\$2,749	\$86,561

LIABILITIES AND FUND BALANCES

Liabilities														\$0
Accounts Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Fund Balances																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															</
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TOTAL LIABILITIES AND FUND BALANCES	\$108	\$585	\$10,338	\$0	\$33,244	\$7,497	\$2,669	\$2,185	\$2,236	\$24,950	\$2,749	\$86,561	
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The notes to the financial statements are an integral part of this statement.

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

	CLERK TECH- NOLOGY	CONSTABLE TRAINING	COURT- HOUSE SECURITY	EQUIP- MENT GRANT FUND	J.P. TECH- NOLOGY FUND	LAW ENFORCE- MENT TRAINING	LAW FORFEI- TURE FUND	RECORDS MANAGE- MENT FUND	WORK ORDER FUND	TOTAL
REVENUES										\$0
Intergovernmental										
Charges for Services	92		2,629		1,232		980	7,086		12,019
Miscellaneous							2,185			2,185
Total Revenues	92	0	2,629	0	1,232	0	2,185	7,086	0	14,204

EXPENDITURES										
Current:										
General Administration								782		782
County and District Clerk										
Judicial							1,470			1,470
Judicial										
Public Safety						1,434	1,411			9,623
Sheriff						1,434	1,411	782	0	11,875
Total Expenditures	0	0	0	6,778	0	0	1,470	782	0	11,875

Excess (Deficiency) of Revenues Over (Under)	92	0	2,629	(6,778)	0	1,232	(1,434)	774	(490)	6,304	0	2,329
Expenditures												

OTHER FINANCING SOURCES (USES):												
Operating Transfers In												0
Operating Transfers Out												0
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0	0	0
Net Changes in Fund Balances	92	0	2,629	(6,778)	0	1,232	(1,434)	774	(490)	6,304	0	2,329
Fund Balances - Beginning	16	585	7,709	6,778	33,244	6,265	4,103	1,411	2,726	18,646	2,749	84,232
Fund Balances - Ending	\$108	\$585	\$10,338	\$0	\$33,244	\$7,497	\$2,669	\$2,185	\$2,236	\$24,950	\$2,749	\$86,561

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

EDWARDS COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	County Officer Accounts	Total
ASSETS		
Cash and Cash Equivalents	\$196,169	\$196,169
Total Assets	<u>\$196,169</u>	<u>\$196,169</u>
LIABILITIES:		
Accounts Payable		
Due to Others	\$196,169	\$196,169
Total Liabilities	<u>\$196,169</u>	<u>\$196,169</u>

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

EDWARDS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

<u>COUNTY OFFICER ACCOUNTS</u>		BALANCE			BALANCE
		10/1/2011	ADDITIONS	DEDUCTIONS	9/30/2012
ASSETS					
Cash and Cash Equivalents		\$184,648	\$11,521		\$196,169
Total Assets		\$184,648	\$11,521	\$0	\$196,169
LIABILITIES:					
Accounts Payable					
Due to Others		\$184,648	\$11,521	\$0	\$196,169
Total Liabilities		\$184,648	\$11,521	\$0	\$196,169
<u>TOTAL</u>		BALANCE			BALANCE
		10/1/2011	ADDITIONS	DEDUCTIONS	9/30/2012
ASSETS					
Cash and Cash Equivalents		\$184,648	\$11,521	\$0	\$196,169
Total Assets		\$184,648	\$11,521	\$0	\$196,169
LIABILITIES:					
Accounts Payable					
Due to Others		\$184,648	\$11,521	\$0	\$196,169
Total Liabilities		\$184,648	\$11,521	\$0	\$196,169

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