

The Survey Response and Data Issues

1. Survey Responses. The ten page financial survey form was printed by the Census Bureau and copies for the counties were received at TAC in mid-April 2000. An instruction manual, "The Manual of Accounts for Texas Counties," was prepared by the Advisory Committee and the CIP to assist the counties in completing the survey report. On April 18th a form and instruction manual were mailed to each County Auditor (or County Treasurer in counties without an auditor). An Excel97 version of the survey form was also made available and was used by many of the reporting counties to submit their survey data. Counties were asked to provide the requested financial information and return the forms by May 15, 2000.

As of June 6th (data cut-off date for this Preliminary Report), the CIP had been contacted by approximately 101 counties regarding the survey, with some counties indicating they would be sending in the survey data after the requested May 15th date. The CIP received survey forms from 73 counties and was able to adequately resolve data problems in 68 of those counties in time to include them in the initial analysis of data. County surveys received too far after the requested date or with data problems still to be resolved were reviewed for inclusion in the final report analysis of the survey data.

Of the 68 counties to be included in the initial analysis three counties did not originally submit a Combined Statement of Revenues, Expenditures and Changes in Fund Balances. One of these three counties, San Jacinto, has since returned a Combined Statement in time for inclusion in the final report. Two more counties, Loving and Franklin, were not included in the preliminary or final report. Franklin County was removed since all of its expenditures were reported in the General Government category of the survey. Loving was not considered due to its extreme highs in Per Capita calculations caused by its very small estimated 1999 population of 95 people. Therefore, only 63 counties are represented in the majority of the separate areas presented in the analysis.

Three additional counties (Henderson, Karnes and San Jacinto) were added for data analysis after the Preliminary Report (the initial analysis) was published. The 63 original counties are considered to be the "Summary Group" since they were used to analyze data from the "Combined" survey data sheets. The 66 counties are considered to be the "Operations Group" since their survey "Operations" data were used to produce analysis used in several places in the Final Report.

The 66 counties included in the Final Report cover the state geographically. A map locating the survey counties is shown on the following page. The survey counties also cover the various state population ranges. The first map in Section IV shows population ranges for every county in Texas.¹ Survey counties are present in all four of the ranges shown. See Exhibit 4 - Population and Other County Data for the estimated 1999 population numbers of all Texas counties with the survey counties highlighted.

The survey counties are representative of the state in other areas as well. Three of the counties in the survey had 1999 tax rates among the 20 highest in the state, while 7 had tax rates among the 20 lowest. Seven of the counties had 1999 tax levies among the highest 20 and six among the lowest 20. There was one county among the 20 highest in per capita tax levies and nine among the 20 lowest in 1999².

¹ Texas State Data Center.

² *County Report of Property Value* – 1999, Texas Comptroller of Public Accounts. (2000).

2. Data Quality. The CIP reviewed the financial data submitted by the survey counties to determine where counties obtain their normal operating revenue resources and what areas account for most of the normal operating expenditures for these counties. While we cannot vouch for the accuracy of the information submitted on the survey forms a significant effort was made to confirm that the total of detail amounts was equal to totals entered for rows and columns of data wherever possible. When data seemed illogical and a Comprehensive Annual Financial Report (CAFR) was available for a county, information in the survey was compared to the CAFR. Counties were frequently contacted to resolve or attempt to resolve data problems detected during data entry or later by software programs designed to highlight potential problems.
3. Data Problems. A variety of problems were encountered by CIP in attempting to process the survey data, enter the data into a central database, and analyze the data. The most significant of these problems were as follows:
 - Texas counties are on different fiscal years (October, January, March)
 - Different accounting methods (cash, modified accrual, full accrual, unknown) are used throughout the state and even within a county different methods may be used
 - Some counties are not GAAP/GASB compliant with their CAFR or accounting systems
 - The survey Manual of Accounts was not followed or was not adequate in detail
 - Survey form data entry errors were encountered
 - Survey form did not include certain fund groups that should have been included causing counties to create extra columns (fund groups)
 - Survey form did not include places to code certain expense/revenue details causing counties to create extra rows for missing accounts
 - Counties were not consistent in the way they reported Component Units, Special Revenue Funds, Enterprise and Internal Service Fund types
 - Counties did not identify and track assets in the same manner
 - Counties did not have a consistent organizational structure
 - Counties merged certain functions like County Clerk/District Clerk and were not able to report related expenses separately
 - Many counties submitted copies of the survey form filled out by hand making numbers difficult to read
 - Many counties were not able to take advantage of the electronic (MS Excel) version of the survey form made available by CIP - county staff did not have access to a PC, did not have MS Excel or compatible software, or did not have e-mail capability
 - Some counties submitted a copy of their Comprehensive Annual Financial Report (CAFR) rather than a completed survey form causing the county to be excluded from the initial analysis pending extraction of the survey data from their CAFR (where possible)
 - Some counties submitted combined financial statements (Part II of the Survey), but no detail data (Parts III and IV)
 - Some counties submitted survey detail data (Parts III and IV), but no combined financial statement (Part II)
4. Adjustments to the Data.
 - a. *Elimination of Certain Fund Groups.* The majority of the reporting counties did not have entries for Component Unit Funds, Trust & Agency Funds and Proprietary Fund Types (Enterprise and Internal Service). When present, the separate amounts for these fund types for revenue and expenditures often tended to be large compared to other types of revenue and expenditures while their net impact of revenue over expense was usually not significant for the reporting county. For this reason the CIP decided to concentrate the initial survey analysis on amounts entered as Government Fund Types as they were common to all reporting counties.

The following table is a brief review of the fund types eliminated from this analysis and the impact of their total of revenues over expenditures for the Final Report survey counties:

Fund Type	Survey Counties Reporting	Net Financial Impact
Trust and Agency	18	\$ 4,356,627
Component Unit	8	\$ 2,560,954
Enterprise	13	\$ 2,133,679
Internal Service	16	(\$ 6,151,117)

b. *Elimination of Certain Expenditure Categories.* In addition to the exclusion of certain fund types the CIP determined that the majority of the reporting counties did not post amounts in all of the major expenditure areas and, therefore, limited the initial analysis to the following major expenditure categories:

- General Government
- Administration of Justice
- Public Safety
- Public Works
- Public Health and Welfare

The operating expenditure categories excluded from the preliminary report were:

- Culture/Recreation/Education
- Resource Development
- Debt Service
- Intergovernmental
- Capital Outlay