



**FISHER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2018**

**FISHER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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FISHER COUNTY, TEXAS

CURRENT PRINCIPAL COUNTY OFFICIALS

As of September 30, 2018

Ken Holt	County Judge
Gordon Pippin	Commissioner, Precinct 1
Billy Henderson Dexter Elrod 1-2019	Commissioner, Precinct 2
Preston Martin	Commissioner, Precinct 3
Scott Feagan Kevin Stuart 1-2019	Commissioner, Precinct 4
Jonnye Gibson	Tax Assessor-Collector
Michael Hall	County Attorney
Gina Pasley	District Clerk
Pat Thomson	County Clerk
Shana Hass Jeanna Parks 10-2018	County Treasurer
Allan Arnwine	County Sheriff
Becky Mauldin	County Auditor
Angie Pippin	Justice of the Peace #1

James E. Rodgers and Company, P.C.

Certified Public Accountants

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E-mail: rodgerscpa@att.net

Member of Texas Society of CPA's and American Institute of CPA's

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

May 28, 2019

Unmodified Report on Financial Statements Issued in Accordance with Government Auditing Standards Accompanied by Required Supplementary Information, Supplementary Information, and Other Information

Independent Auditor's Report

Commissioners Court of Fisher County, Texas
Fisher County, Texas
Roby, Texas 79543

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fisher County, Texas (the County) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

James E. Rodgers and Company, P.C.

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 Fisher County, Texas, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in notes to the financial statements, in 2018, the District adopted new accounting guidance prescribed by GASB 75 for its other post-employment benefit plan (OPEB), a multiple-employer, public employee retirement life insurance plan. Because GASB 75 implements new measurement criteria and reporting provisions, significant information has been added to the Government Wide Statements. Exhibit A-1 discloses the County's OPEB liability and some deferred resource outflows and deferred resource inflows related to the County's OPEB plan. Exhibit B-1 discloses the adjustment to the County's Beginning Net Position. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and GASB 68 and 75 pension/life insurance liabilities and contribution schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

James E. Rodgers and Company, P.C.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

Respectfully submitted,

James E. Rodgers and Company

James E. Rodgers and Company, P.C.

FISHER COUNTY, TEXAS



Management's Discussion and Analysis

In this section of the Annual Financial and Compliance Report, we, the administration of FISHER COUNTY, TEXAS discuss and analyze the County's financial performance for the fiscal year ended September 30, 2018. Please read it in conjunction with the independent auditor's report which precedes this analysis and the County's Basic Financial Statements which begin following this analysis.

FINANCIAL HIGHLIGHTS

Highlights of Current Fiscal Year Finances

County's Total Net Position at the end of the Year	\$	4,880,069
Total County Revenues for the Current Fiscal Year	\$	4,660,248
Total County Expenses for the Current Fiscal Year	\$	4,145,356
Fund Balance in the General Fund at the End of Year	\$	2,534,762

Changes in the County's Finances from the Previous Fiscal Year

	Increase (Decrease)	
	\$	%
<u>Change in Net Position:</u>		
Change in the County's Total Net Position	\$ 382,681	8.51%
<u>Revenue Changes:</u>		
Change in the County's Total Revenues	\$ (120,793)	-2.53%
Change in the County's Property Tax Revenues	\$ 15,044	0.31%
<u>Expense Changes:</u>		
Change in the County's Total Expenses	\$ 301,473	7.84%
<u>Other Information:</u>		
Change in the County's General Fund Balance	\$ 525,785	75.78%
Excess (Deficit) of Actual Revenue over Budgeted Revenue - General Fund	\$ 151,321	5.64%

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (Exhibits A-1 and B-1 in the Basic Financial Statements section). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

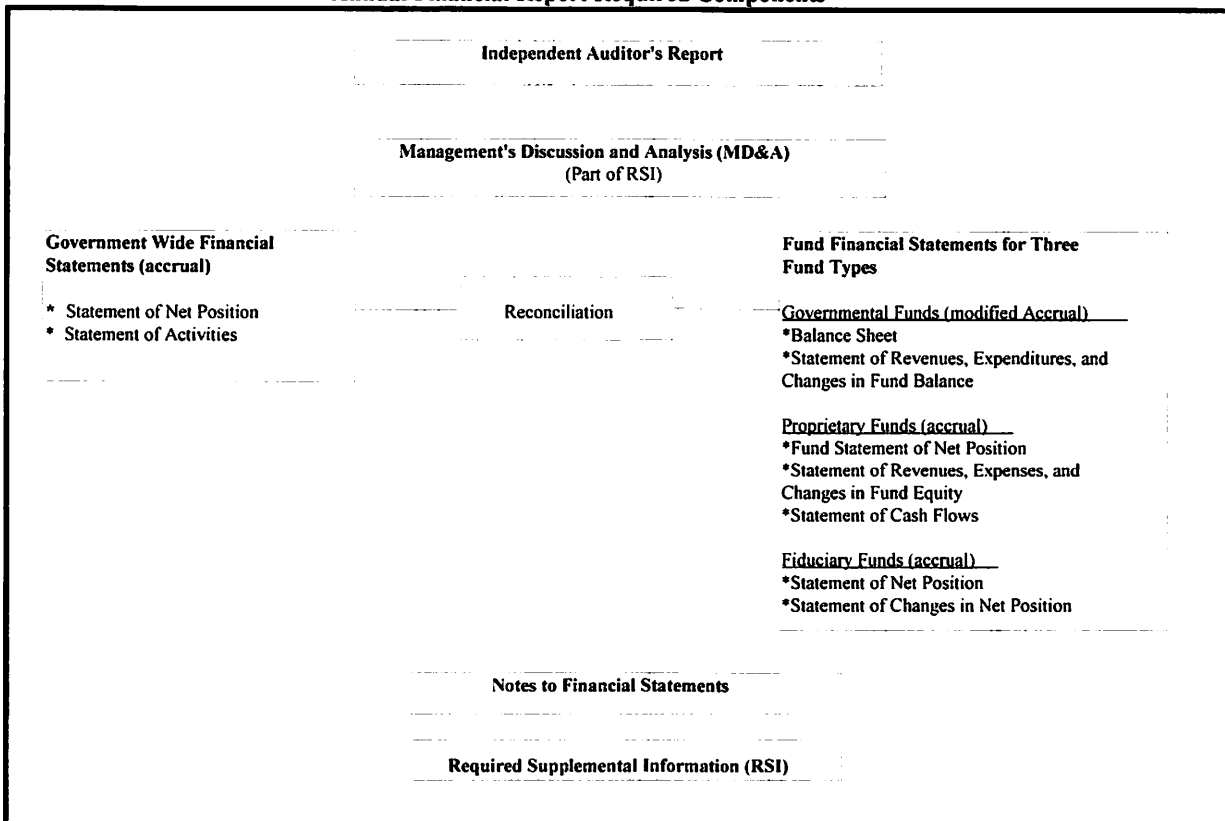
Fund financial statements (Series C and D Exhibits in the Basic Financial Statements section) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for intergovernmental revenue assessments and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the County were sold to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the County acts solely as a trustee or agent.

The notes to the financial statements (the last document in the Basic Financial Statements section) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major funds contain even more information about the County's individual funds.

The following chart illustrates the required components of an annual financial report prepared in compliance with current governmental accounting and reporting standards.

Annual Financial Report Required Components



Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins in the first part of the Basic Financial Statements section. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who share the costs of some programs, such as revenues provided by user fees, licenses, permits, or revenues from other governments (intergovernmental revenues), grants provided by the State of Texas (operating grants and contributions), or property taxes and other miscellaneous revenues (general revenues). All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's net position and changes in them. The County's net position (the difference between assets and liabilities) provides one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider nonfinancial factors as well, such as changes in the County's population, its property tax base, and the condition of the County's facilities and infrastructure.

In the Statement of Net Position and the Statement of Activities, we divide the County into two kinds of activities:

- Governmental activities—Most of the County's basic services are reported here, including general administration, public safety, judicial, health and social services, and infrastructure (roads and bridges). Property taxes, intergovernmental revenues, user fees, and state and federal grants finance most of these activities.
- Business-type activities—The County does not currently have any business type activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements (which begin after the government wide statements) provide detailed information about the most significant funds—not the County as a whole. Laws and contracts require the County to establish some funds, such as potential grants received. The County's administration establishes other funds to help it control and manage money for particular purposes (like juvenile probation activities). The County utilizes only one kind of fund—governmental. The County does not presently utilize proprietary type funds, such as internal service funds, which use a different accounting approach.

- Governmental funds—Almost all of the County's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds—The County does not have any proprietary funds.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for various funds collected for other government entities such as the State of Texas and various funds held for minors as required by court order. The County performs collection activities and disburses such funds on a routine basis. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position (Exhibit D-1). We exclude these resources from the County's other financial statements because the County cannot use these assets to finance its operations. The County is only responsible for ensuring that the assets reported in these funds are collected and distributed properly.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our government-wide analysis focuses on the net position (Table I) and changes in net position (Table II) of the County's governmental and business-type activities for the year ended September 30, 2018.

Net position and changes in net position of the County for the current and previous year are as follows:

**Table I
FISHER COUNTY, TEXAS
Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$ 2,702,281	\$ 3,442,553	\$ -	\$ -	\$ 2,702,281	\$ 3,442,553
Capital assets	8,566,690	8,158,762	-	-	8,566,690	8,158,762
Deferred Outflows- Pension & OPEB	303,612	151,763	-	-	303,612	151,763
Total Assets & Deferred Outflows	\$ 11,572,583	\$ 11,753,078	\$ -	\$ -	\$ 11,572,583	\$ 11,753,078
Long-term liabilities	\$ 7,058,718	\$ 6,601,510	\$ -	\$ -	\$ 7,058,718	\$ 6,601,510
Other liabilities	16,477	106,318	-	-	16,477	106,318
Deferred Inflows- Pension & OPEB	-	165,181	-	-	-	165,181
Total Liabilities & Deferred Inflows	\$ 7,075,195	\$ 6,873,009	\$ -	\$ -	\$ 7,075,195	\$ 6,873,009
Net Position:						
Net Investment in capital assets	\$ 1,653,822	\$ 1,744,417	\$ -	\$ -	\$ 1,653,822	\$ 1,744,417
Restricted	384,162	282,087	-	-	384,162	282,087
Unrestricted	2,459,404	2,853,565	-	-	2,459,404	2,853,565
Total Net Position	\$ 4,497,388	\$ 4,880,069	\$ -	\$ -	\$ 4,497,388	\$ 4,880,069

Table II
FISHER COUNTY, TEXAS
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2017	2018	2017	2018	2017	2018
Program Revenues:						
Charges for Services	\$ 761,482	\$ 546,514	\$ -	\$ -	\$ 761,482	\$ 546,514
Operating Grant and Contributions	341,786	258,395	-	-	341,786	258,395
General Revenues:						
Property Taxes	3,670,586	3,685,630	-	-	3,670,586	3,685,630
Investment Earnings	3,582	44,553	-	-	3,582	44,553
Miscellaneous	3,605	125,156	-	-	3,605	125,156
Total Revenues	\$ 4,781,041	\$ 4,660,248	\$ -	\$ -	\$ 4,781,041	\$ 4,660,248
Expenses						
General Government - Administration	\$ 538,272	\$ 454,341	\$ -	\$ -	\$ 538,272	\$ 454,341
General Government - Financial	323,242	357,523	-	-	323,242	357,523
General Government - Maintenance & Building	91,961	102,099	-	-	91,961	102,099
Public Safety	910,828	1,117,784	-	-	910,828	1,117,784
Judicial and Legal	615,885	548,043	-	-	615,885	548,043
Social and Health Services	119,887	120,543	-	-	119,887	120,543
Infrastructure and Environmental Services	1,058,061	1,123,334	-	-	1,058,061	1,123,334
Intergovernmental	27,718	45,926	-	-	27,718	45,926
Interest on Long-Term Debt	158,029	275,763	-	-	158,029	275,763
Total Expenses	\$ 3,843,883	\$ 4,145,356	\$ -	\$ -	\$ 3,843,883	\$ 4,145,356
Increase in Net Position before transfers and special items	\$ 937,158	\$ 514,892	\$ -	\$ -	\$ 937,158	\$ 514,892
Transfers	-	-	-	-	-	-
Extraordinary, Special Items, & Prior Period	-	(132,211)	-	-	-	(132,211)
Net Position at 10/1/2017	3,560,230	4,497,388	-	-	3,560,230	4,497,388
Total Net Position	\$ 4,497,388	\$ 4,880,069	\$ -	\$ -	\$ 4,497,388	\$ 4,880,069

An analysis of the changes in net position for governmental activities is as follows:

Excess of Revenues Over Expenditures for Governmental Funds	\$ 477,231
Current Year Purchases of Capital Assets	41,500
Current Year Debt Principal Payments	476,800
Depreciation	(449,428)
Net Pension & OPEB Expense for GASB 68 & 75 Adjustments	(79,852)
Other Modified to Full Accrual Adjustments	48,641
Change in Net Position of Governmental Activities	<u>\$ 514,892</u>

THE COUNTY'S FUNDS

A financial summary of the County's governmental funds for the current year is as follows:

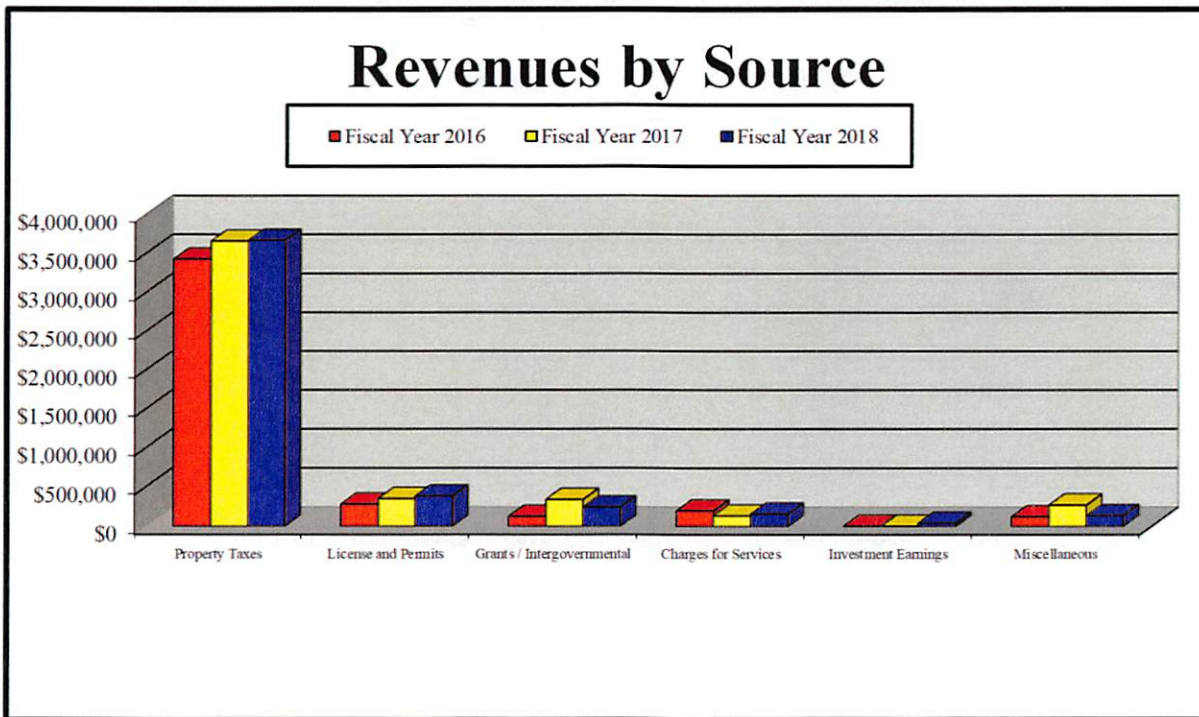
<u>Governmental Fund Financial Statements</u> <u>(Modified Accrual Basis for Budgetary & Control Purposes)</u>			
	General Fund	Other Funds	Total All Funds
Revenues	\$ 2,833,167	\$ 1,811,645	\$ 4,644,812
Expenditures	(2,243,022)	(1,924,557)	(4,167,579)
Other Financing Sources	1,694	246,948	248,642
Other Financing Uses	(66,054)	(182,590)	(248,644)
Net Change in Fund Balance	\$ 525,785	\$ (48,554)	\$ 477,231
Beginning of Year Fund Balance	2,008,977	583,154	2,592,131
Ending Fund Balance-All Governmental Funds	\$ 2,534,762	\$ 534,600	\$ 3,069,362

The following chart illustrates the County's revenue by source for the last three fiscal years:

FISHER COUNTY, TEXAS

REVENUES BY SOURCE

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Property Taxes	\$3,427,630	\$3,658,607	\$3,670,194
License and Permits	284,257	354,481	386,834
Grants / Intergovernmental	128,040	341,785	246,292
Charges for Services	199,096	135,461	159,681
Investment Earnings	5,168	3,580	44,553
Miscellaneous	123,966	271,543	137,258
Totals	\$4,168,157	\$4,765,457	\$4,644,812



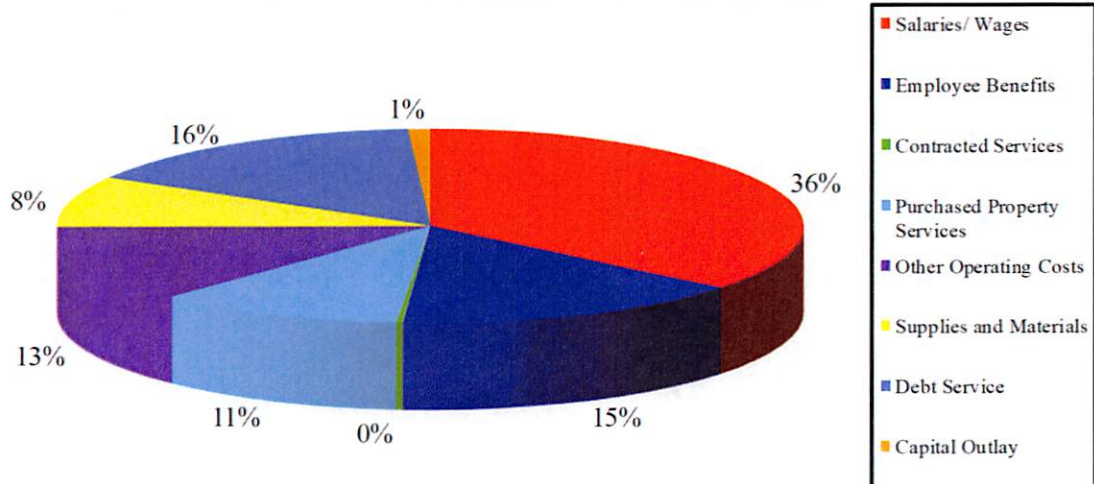
The County's operating expenditures largely consist of personal services (both salaries and benefits) cost for personnel. The following charts illustrate the significance of the County's expenditures by type for the last two fiscal years:

FISHER COUNTY, TEXAS

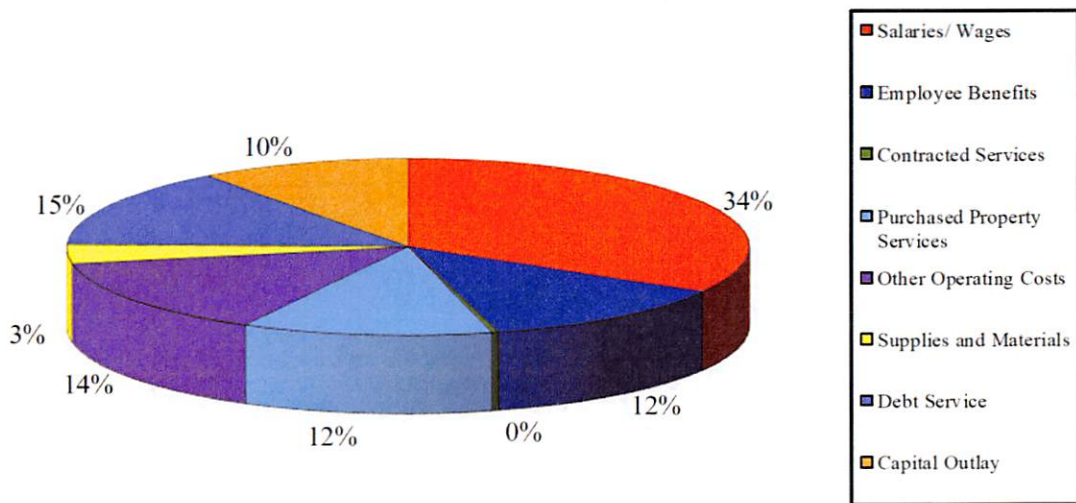
EXPENDITURES BY TYPE

	Fiscal Year 2017	Fiscal Year 2018
Salaries/ Wages	\$1,463,567	\$1,496,704
Employee Benefits	530,739	635,701
Contracted Services	13,785	12,335
Purchased Property Services	515,868	444,170
Other Operating Costs	617,806	535,157
Supplies and Materials	150,217	352,571
Debt Service	630,971	649,441
Capital Outlay	436,553	41,500
Total	\$4,359,506	\$4,167,579

Fiscal Year 2018 Expenditures by Type



Fiscal Year 2017 Expenditures by Type



Budget Amendments

Over the course of the year, the Commissioner’s Court revised the County’s budget numerous times, although none of those amendments were significant.

Capital Assets

At the end of fiscal year 2018, the County had \$12,749,296 invested in capital assets, including land, buildings and improvements, machinery and equipment, and roads and bridges infrastructure.

This year’s major additions included:

Current Year Capital Asset Additions		
2013 International 8600 Truck	\$	19,000
2016 ADX Bottom Dump Trailer		22,500
Total:	\$	41,500

More detailed information about the County’s capital assets is presented in Note IV.F to the financial statements.

Debt

The County's long-term debt at September 30, 2018 consists of the following:

<u>DESCRIPTION</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Payable Amounts Outstanding 10/1/2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Payable Amounts Outstanding 9/30/2018</u>	<u>Next Fiscal Year Debt Service Requirement</u>
<u>Governmental Activities</u>							
Note Payable - John Deere Financial	2.74%	\$ 216,000	\$ 11,482	\$ -	\$ 11,482	\$ -	\$ -
Note Payable - John Deere Financial	2.95%	\$ 222,500	72,858	-	27,624	45,234	28,439
Equipment Note Payable - First Fin. Bank	3.00%	\$ 204,672	39,628	-	39,628	-	-
2015 Series General Obligation Bonds	2-00-3.125%	\$6,745,000	6,245,000	-	300,000	5,945,000	305,000
Equipment Note Payable - First Fin. Bank	4.00%	\$ 48,500	48,500	-	48,500	-	-
Note Payable - John Deere Financial	2.75%	\$ 202,510	202,510	-	41,287	161,223	38,660
Equipment Note Payable - First Fin. Bank	3.50%	\$ 58,818	58,818	-	19,760	39,058	19,161
<u>Business-Type Activities</u>							
None		\$ -	-	-	-	-	-
TOTAL		\$7,698,000	\$6,678,796	\$ -	\$488,281	\$6,190,515	\$ 391,260

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's officials considered many factors when setting the fiscal year 2019 budget and tax rates. Some of those factors were the economy, population data, property tax base valuation, and other factors.

These indicators were taken into account when adopting the General Fund budget for 2019. The County's General Fund budgeted expenditures for fiscal year 2019 total \$2,477,223. This represents a decrease of \$33,304 from the final amended fiscal year 2018 budget. The County will use its revenues to finance programs and services it currently offers. The County has added no major new programs or services to the 2019 budget.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, elected officials, 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 Auditor's office, at Fisher County Auditor, PO Box 126, Roby, Texas 79543; (325) 776-3255.

BASIC FINANCIAL STATEMENTS

Government Wide Statements

FISHER COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1010 Cash and Cash Equivalents	\$ 2,155,327
1030 Investments - Current	1,014,548
1050 Taxes Receivable, Net	109,109
1260 Due from Other Governments	5,800
1390 Due from Others	4
Capital Assets:	
1710 Land Purchase and Improvements	79,868
1720 Infrastructure, Net	29,476
1730 Buildings, Net	6,744,502
1750 Furniture and Equipment, Net	1,304,916
1800 Net Pension Asset	157,765
1000 Total Assets	11,601,315
DEFERRED OUTFLOWS OF RESOURCES	
1997 Deferred Outflow Related to Pension Plan	128,106
1998 Deferred Outflow Related to OPEB Plan	23,657
1500 Total Deferred Outflows of Resources	151,763
LIABILITIES	
2010 Accounts Payable	6,527
2090 Due to Others	67,396
2270 Other Current Liabilities	32,395
Noncurrent Liabilities:	
2501 Debt Due Within One Year	513,816
2502 Debt Due in More Than One Year	5,900,528
2580 Net OPEB Liability	187,166
2000 Total Liabilities	6,707,828
DEFERRED INFLOWS OF RESOURCES	
2602 Deferred Inflow Related to Pension Plan	156,091
2603 Deferred Inflow Related to OPEB Plan	9,090
2500 Total Deferred Inflows of Resources	165,181
NET POSITION	
3200 Net Investment in Capital Assets	1,744,417
Restricted for:	
3810 Restricted for State & Federal Grants	4,008
3820 Restricted for State Programs	100,795
3860 Restricted for Debt Service	177,284
3900 Unrestricted	2,853,565
3000 Total Net Position	\$ 4,880,069

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

FISHER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT B-1

Data Control Codes	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
100	General Government	\$ 328,285	\$ -	\$ 18,119	\$ (310,166)
120	Judicial	548,043	210,149	60,944	(276,950)
130	Executive	125,607	-	20,200	(105,407)
140	Elections	447	-	1,486	1,039
150	Financial Administration	357,523	-	-	(357,523)
190	Other General Government Functions	102,099	9,581	-	(92,518)
200	Public Safety	1,111,798	9,581	-	(1,102,217)
290	Other Public Safety	2,100	3,868	1,495	3,263
300	Public Works	3,888	3,868	-	(20)
310	Highways and Streets	1,123,334	309,467	92,846	(721,021)
400	Health and Welfare	120,543	-	46,202	(74,341)
660	Economic Opportunity	45,926	-	-	(45,926)
720	Interest on Debt	275,413	-	-	(275,413)
790	Other Debt Service	350	-	-	(350)
	TOTAL PRIMARY GOVERNMENT	\$ 4,145,356	\$ 546,514	\$ 241,292	(3,357,550)
Data Control Codes	General Revenues:				
	Taxes:				
5010	Property Taxes, Levied for General Purposes			2,879,488	
5011	Property Taxes, Levied for Debt Service			467,392	
5180	Other Taxes			338,750	
5600	Grants and Contributions			17,103	
5700	Miscellaneous Revenue			125,156	
5800	Investment Earnings			44,553	
	Total General Revenues			3,872,442	
	Change in Net Position			514,892	
	Net Position-- Beginning			4,497,388	
	Prior Period Adjustment Pension & OPEB			(132,211)	
	Net Position - Ending			\$ 4,880,069	

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

Governmental Fund Financial Statements

FISHER COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

Data Control Codes	General Fund	State Criminal & Civil Fees Fd	Debt Service Fund
ASSETS			
1010 Cash and Cash Equivalents	\$ 1,419,724	\$ 92,387	\$ 310,886
1030 Investments - Current	1,014,548	-	-
1050 Taxes Receivable	117,265	-	16,800
1051 Allowance for Uncollectible Taxes (credit)	(29,314)	-	(4,202)
1260 Due from Other Governments	5,800	-	-
1300 Due from Other Funds	158,971	-	25,369
1390 Due from Others	4	-	-
1000 Total Assets	<u>\$ 2,686,998</u>	<u>\$ 92,387</u>	<u>\$ 348,853</u>
LIABILITIES			
2010 Accounts Payable	\$ 3,236	\$ -	\$ -
2080 Due to Other Funds	28,654	-	158,971
2090 Due to Others	-	67,396	-
2270 Other Current Liabilities	32,395	-	-
2000 Total Liabilities	<u>64,285</u>	<u>67,396</u>	<u>158,971</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	87,951	-	12,598
2600 Total Deferred Inflows of Resources	<u>87,951</u>	<u>-</u>	<u>12,598</u>
FUND BALANCES			
3450 Federal or State Funds Grant Restriction	-	-	-
3480 Retirement of Long-Term Debt	-	-	177,284
3490 Other Restricted Fund Balance	-	24,991	-
3545 Other Committed Fund Balance	-	-	-
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	2,534,762	-	-
3000 Total Fund Balances	<u>2,534,762</u>	<u>24,991</u>	<u>177,284</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,686,998</u>	<u>\$ 92,387</u>	<u>\$ 348,853</u>

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

Other Funds	Total Governmental Funds
\$ 332,330	\$ 2,155,327
-	1,014,548
11,412	145,477
(2,852)	(36,368)
-	5,800
3,285	187,625
-	4
<u>\$ 344,175</u>	<u>\$ 3,472,413</u>
\$ 3,290	\$ 6,526
-	187,625
-	67,396
-	32,395
<u>3,290</u>	<u>293,942</u>
<u>8,560</u>	<u>109,109</u>
<u>8,560</u>	<u>109,109</u>
4,008	4,008
-	177,284
75,804	100,795
243,066	243,066
9,447	9,447
-	2,534,762
<u>332,325</u>	<u>3,069,362</u>
<u>\$ 344,175</u>	<u>\$ 3,472,413</u>

FISHER COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2018

Total Fund Balances - Governmental Funds	\$	3,069,362
<p>The County does not use internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other governmental funds. There are no assets and liabilities for the internal service funds and therefore are not included in governmental activities in the statement of net assets. The net effect of this consolidation is to Increase (decrease) net position.</p>		
		-0-
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.</p>		
		1,653,822
<p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2018 capital outlays and debt principal payments is to increase (decrease) net position.</p>		
		518,300
<p>This is the fourth year of the implementation of GASB 68 for the TCDRS Pension plan. This fiscal year required that the County report their net pension liability in the Government Wide Statement of Net Position. The items reported as a result of this implementation included a net pension asset of \$157,765 and a Deferred Resource Outflow of \$128,106 and a Deferred Resource Inflow of \$156,091. The net effect of these was to increase the ending net position by \$129,780.</p>		
		129,780
<p>This is the first year of the implementation of GASB 75 for the TCDRS OPEB plan. This fiscal year required that the County report their net OPEB liability in the Government Wide Statement of Net Position. The items reported as a result of this implementation included a net pension liability of \$187,166 and a Deferred Resource Outflow of \$23,657 and a Deferred Resource Inflow of \$9,090. The net effect of these was to decrease the ending net position by \$172,599.</p>		
		(172,599)
<p>The 2018 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.</p>		
		(449,428)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.</p>		
		130,832
Net Position of Governmental Activities	\$	4,880,069

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

FISHER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Data Control Codes	General Fund	State Criminal & Civil Fees Fd	Debt Service Fund
REVENUES:			
Taxes:			
5110 Property Taxes	\$ 2,109,270	\$ -	\$ 467,392
5180 Other Taxes	338,750	-	-
5200 Licenses and Permits	-	69,533	-
5300 Intergovernmental Revenue and Grants	66,652	132	-
5400 Charges for Services	159,681	-	-
5610 Investment Earnings	42,342	-	-
5620 Rents and Royalties	589	-	-
5640 Contributions & Donations from Private Sources	-	-	-
5700 Other Revenue	115,883	440	-
5020 Total Revenues	<u>2,833,167</u>	<u>70,105</u>	<u>467,392</u>
EXPENDITURES:			
Current:			
0100 General Government	309,976	-	-
0120 Judicial	429,193	45,114	-
0130 Executive	121,178	-	-
0140 Elections	-	-	-
0150 Financial Administration	350,194	-	-
0190 Other General Government Functions	98,669	-	-
0200 Public Safety	889,141	-	-
0290 Other Public Safety	-	-	-
0300 Public Works	-	-	-
0310 Highways and Streets	-	-	-
0400 Health and Welfare	-	-	-
Conservation and Development:			
0660 Economic Opportunity	44,673	-	-
Debt Service:			
0700 Debt Service	-	-	462,819
6030 Total Expenditures	<u>2,243,024</u>	<u>45,114</u>	<u>462,819</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>590,143</u>	<u>24,991</u>	<u>4,573</u>
OTHER FINANCING SOURCES (USES):			
7915 Transfers In	1,696	-	-
8911 Transfers Out (Use)	(66,054)	-	-
7080 Total Other Financing Sources (Uses)	<u>(64,358)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	525,785	24,991	4,573
0100 Fund Balance - October 1 (Beginning)	<u>2,008,977</u>	<u>-</u>	<u>172,711</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ 2,534,762</u>	<u>\$ 24,991</u>	<u>\$ 177,284</u>

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

Other Funds	Total Governmental Funds
\$ 754,782	\$ 3,331,444
-	338,750
317,301	386,834
179,508	246,292
-	159,681
2,211	44,553
-	589
12,103	12,103
8,243	124,566
<u>1,274,148</u>	<u>4,644,812</u>
-	309,976
54,475	528,782
-	121,178
447	447
-	350,194
-	98,669
-	889,141
2,100	2,100
3,819	3,819
1,242,614	1,242,614
113,169	113,169
-	44,673
-	462,819
<u>1,416,624</u>	<u>4,167,581</u>
<u>(142,476)</u>	<u>477,231</u>
246,948	248,644
<u>(182,590)</u>	<u>(248,644)</u>
64,358	-
<u>(78,118)</u>	477,231
410,443	2,592,131
<u>\$ 332,325</u>	<u>\$ 3,069,362</u>

FISHER COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

Total Net Change in Fund Balances - Governmental Funds	\$	477,231
The county does not use internal service funds to charge the costs of certain activities primarily to the governmental funds. The net income (loss) of these internal service funds are not reported with governmental activities. The net effect of this consolidation is to increase (decrease) the change in net position.		-0-
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2018 capital outlays and debt principal payments is to increase (decrease) the change in net position.		518,300
The implementation of the requirements of GASB 68 for this fiscal year resulted in a prior period adjustment to record the retroactive impact. This is NOT included in the explanation as to why the CHANGE in net position is different on Exhibit B-1 than the change in fund balance on Exhibit C-3. The entries required by GASB 68 did require that some expenses on B-1 be adjusted. Total debits to expenses were \$74,926. The net effect on the change in net position on Exhibit B-1 is an decrease of \$74,926.		(74,926)
The implementation of the requirements of GASB 75 for this fiscal year resulted in a prior period adjustment to record the retroactive impact. This is NOT included in the explanation as to why the CHANGE in net position is different on Exhibit B-1 than the change in fund balance on Exhibit C-3. The entries required by GASB 75 did require that some expenses on B-1 be adjusted. Total debits to expenses were \$4,926. The net effect on the change in net position on Exhibit B-1 is a decrease of \$4,926.		(4,926)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(449,428)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.		48,641
Change in Net Position of Governmental Activities	\$	514,892

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

Fiduciary Fund Financial Statements

FISHER COUNTY, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 180,292
Total Assets	<u>\$ 180,292</u>
LIABILITIES	
Intergovernmental Payable	\$ 178,177
Due to Others	2,115
Total Liabilities	<u>\$ 180,292</u>

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

FISHER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Fisher County, Texas (the "County"), is a public corporation and political subdivision organized and existing under the Constitution and laws of the State of Texas. It was established in 1886. The County is located in West Texas and comprises a land area of 901 square miles. The County is governed by an elected Commissioners Court composed of the County Judge and four County Commissioners. It provides services involving public safety, health and social welfare, culture and recreation, conservation, and the construction, improvement, maintenance, and acquisition of roads, bridges, and rights-of-way, in addition to general administration.

The County prepares its basic financial statements in conformity with generally accepted accounting principles of the United States promulgated by the Governmental Accounting Standards Council and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of the State of Texas uniform accounting requirements and the requirements of contracts and grants of agencies from which it receives funds.

The Commissioners Court (the "Court") is elected by voters within Fisher County and has the authority to make decisions and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the County is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information for all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements.

In the Statement of Net Position, activities of the primary government may be classified either as *governmental activities* or *business-type activities*. Governmental activities, which are normally supported by taxes and inter-governmental 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 how other people or entities that participate in programs the County operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. The grants and contributions columns include amounts paid by organizations outside the County to help meet the operational or capital requirements of a given function. If a revenue source is not a program revenue, it is general revenue used to support all of the County's functions. Taxes are always general revenues.

Inter-fund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All inter-fund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as inter-fund transfers. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use 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 use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The County considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The County considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The County applies all GASB pronouncements as well as the Financial Accounting Standards Council pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net assets, and unrestricted net assets.

D. FUND ACCOUNTING

The County reports the following major governmental funds:

1. **The General Fund** – The general fund is the County's primary operating fund. This fund accounts for all financial resources except those required to be accounted for in another fund.
2. **Other Governmental Funds** – The County's other funds that are major governmental funds during the current fiscal year that met the applicable criteria for major funds was the State Criminal & Civil Fees fund and the debt service fund.

The County reports the following major enterprise fund(s):

1. The County has no major enterprise funds.

Additionally, the County reports the following fund type(s):

Governmental Funds:

1. **Special Revenue Funds** – The County accounts for resources restricted to, or designated for, specific purposes by the County or a grantor in special revenue funds. Most Federal and some State financial assistance are accounted for in a Special Revenue Fund and occasionally, unused balances must be returned to the grantor at the close of specified project periods.
2. **Debt Service Funds** – The County accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund. The County did maintain Debt Service Funds during the current fiscal year that was a major fund.
3. **Capital Projects Funds** – Proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund. The County did not maintain a non-major Capital Projects Fund during the current fiscal year.

- 4. Permanent Funds** – The County accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the County's programs. The County did not maintain Permanent Funds during the current fiscal year.

Proprietary Funds:

- 5. Enterprise Funds** – The County's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The County did not maintain an Enterprise Fund during the current year.
- 6. Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the County on a cost reimbursement basis are accounted for in an internal service fund. The County did not maintain Internal Service Funds during the current fiscal year.

Fiduciary Funds:

- 7. Private Purpose Trust Funds** – The County accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the County. The County did not maintain Private Purpose Trust Funds during the current fiscal year.
- 8. Pension (and Other Employee Benefit) Trust Funds** – These funds are used to account for local pension and other employee benefit funds that are provided by the County in lieu of or in addition to the Texas County District Retirement System in which the County participates. The County has no Pension Trust Funds.
- 9. Investment Trust Funds** - This fund is one in which the County holds assets in trust for other entities participating in an investment program managed by the County. The County did not have Investment Trust Funds during the current fiscal year.
- 10. Agency Funds** – The County accounts for resources held in the District Clerk and the Tax Assessor – Collector's offices prior to release to the County Treasurer or other individuals or entities in Agency Funds.

Inter-fund Balances and Transfers - The balances due to the various special revenue funds from the general fund resulted from obligations made to provide local funds for the operation of various governmental activities; no balances are not scheduled to be collected in the subsequent year.

All remaining balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the year ended September 30, 2017, the County did not make a one-time transfer of funds from the general fund to the debt service fund to subsidize, in part, the County's obligation of interest and sinking fund requirements.

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary funds, the County considers highly liquid investments to be cash equivalents if they have maturity of three months or less when purchased.
2. The County reports inventories of supplies using first-in, first-out cost including consumable maintenance and office supply items. Under the purchase method, supplies are recorded as expenditures when purchased.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts 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 current year expense.

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.

4. The County maintains a vacation and sick leave policy available only to full-time employees. Full-time employees are entitled to one-week paid vacation after six months of full time employment, 2 weeks after one year of full time employment, and three weeks after ten years of full time continuous employment. This compensation is not allowed to accumulate. Full time employees are also entitled to sick leave accruing at a rate of one day per month of employment. Sick leave days may accumulate up to a maximum of 60 days and can only be taken for actual sick leave. The County has no liability for unused sick leave at termination of employment.
5. Capital assets include land, buildings, furniture and equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the County are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building Improvements	30
Infrastructure	40
Vehicles	10
Office Equipment	10
Computer Equipment	10

6. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the County as a whole.
7. The County does not maintain any restricted assets at this time.
8. The County purchases workers' compensation insurance through the Texas Association of Counties Workers Compensation Fund.

9. Net Position and Fund Balances:

Government-wide and Proprietary Fund Net Position:

Government-wide and proprietary fund net positions are divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position—consist of assets that are restricted by the County's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

Governmental Fund Balances:

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable—Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the County's state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by Commissioners' Court ordinance.
- Assigned—Amounts that are designated by the County Judge for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Commissioners' Court.
- Unassigned—All amounts not included in other spendable classifications.

10. Use of Restricted Resources:

When an expenditure/expense is incurred that can be paid using either restricted or unrestricted resources (net position), the County's policy is to first apply the expenditure/expense toward restricted resources and then toward unrestricted resources. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

11. Deferred Outflows of Resources:

The County reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The deferred outflow of resources reported in this year's financial statements arise from the net pension and OPEB liabilities with TCDRS.

12. Deferred Inflows of Resources:

The County's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). The County will not recognize the related revenues until a future event occurs. The County has only one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes and grants are reported in the governmental funds balance sheet. The County did have deferred inflows of resources from the net pension and OPEB liabilities with TCDRS to report in its government-wide fund financial statements; however, no amounts are reportable for proprietary fund financial statements for the current year.

13. Pensions:

The fiduciary net position of the Texas County District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Change in Accounting Principle:

As discussed in Note U to the financial statements, the County adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*.

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 POSITION

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the Net Position for governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.

The details of capital assets and long-term debt at the beginning of the year were as follows:

Governmental Funds Only				
Capital Assets at the Beginning of the Year	Historical Cost	Accumulated Depreciation	Net Value at the Beginning of the Year	Change in Net Position
Land	\$ 79,868	\$ -	\$ 79,868	
Buildings and Improvements	8,239,530	1,334,681	6,904,849	
Vehicles, Furniture and Equipment	4,143,075	2,592,376	1,550,699	
Infrastructure	245,323	214,049	31,274	
Construction in Progress	-	-	-	
Change in Net Position				\$ 8,566,690
Long-term Liabilities at the Beginning of the Year			Payable at the Beginning of the Year	
General Obligations Bonds Payable			\$ 6,245,000	
Unamortized Premium on Bonds			107,603	
Other Long-Term Debt- Notes and Capital Leases			433,796	
Accrued Interest			126,469	
Change in Net Position				6,912,868
Net Adjustment to Net Position				\$ 1,653,822

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

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in net position.

The details of this adjustment are as follows:

Governmental Funds Only			
	Amount	Adjustments To Changes in Net Position	Adjustments to Net Position
Current Year Capital Outlay			
Land	\$ -		
Buildings & Improvements	-		
Vehicles, Furniture & Equipment	41,500		
Construction in Progress	-		
Total Capital Outlay	<u>41,500</u>	41,500	41,500
Debt Principal Payments			
Bond Principal	300,000		
Equipment Notes Principal	96,407		
Capital Lease Principal	80,393		
Other Adjustments	-		
Total Principal Payments	<u>476,800</u>	476,800	476,800
Total Adjustment to Net Position		\$ 518,300	\$ 518,300

Another element of the reconciliation on Exhibits C-2 and C-4 are described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element is as follows:

	Amount	Adjustments to Change in Net Position	Adjustments to Net Position
Adjustments to Revenue and Unearned Revenue			
Beginning of Year Unavailable Tax Revenue	\$ 93,673		93,673
Property tax adjustments to convert from the modified accrual basis to the full accrual basis of accounting	15,436	15,436	15,436
Other Revenue Adjustments		-	-
Other Adjustments	11,482		(11,482)
Reclassify Proceeds of Bonds, Loans & Capital Leases			
General Obligation Bonds Issued	-	-	-
Discount (Premium) Issuance of Bonds	-	-	-
Equipment Financing Proceeds	-	-	-
Reclassify Liabilities Incurred but not Liquidated This Year			
Pension Liability Adjustment	-	-	-
Reclassify Certain Expenditures to Full Accrual From Modified Accrual			
Adjust Interest Expense on Long Term Financing	33,205	33,205	33,205
Asset Basis on Disposition of Capital Assets	-	-	-
Totals		\$ 48,641	\$ 130,832

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Commissioners' Court adopts an "appropriated budget" for the General Fund and Special Revenue Funds. The County is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The County compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit E-1.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to September 30th, the County prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Commissioners Court is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.

3. Prior to October 1st, the budget is legally enacted through passage of a resolution by the Commissioners Court. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Commissioners Court. Amendments are presented to the Commissioners Court at its regular meetings. Each amendment must have Commissioners Court approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Commissioners Court and are not made after fiscal year end. Because the County has a policy of careful budgetary control, several amendments were necessary during the year. None of those were significant.
4. Each budget is controlled at the department level for applicable revenue and expenditure function/object level. Budgeted amounts are as amended by the Commissioners Court. All budget appropriations lapse at year end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

	September 30, 2018 Fund Balance
Appropriated Budget Funds	\$ 357,316
Non-appropriated Budget Funds	-
All Special Revenue Funds	\$ 357,316

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures did not materially exceed budget appropriations during the current fiscal year in the general fund or special revenue funds.

C. DEFICIT FUND EQUITY

The County did not incur deficit fund balances at any time during the current fiscal year.

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

The carrying amount of the County's cash and temporary investments at the end of the fiscal year follows:

CASH AND INVESTMENTS - BY ACCOUNT TYPE	September 30, 2018
Cash in Bank - Including Money Market Accounts	\$ 2,307,041
Certificates of Deposit	1,014,548
Investment Pools	-
Total Cash and Investments	\$ 3,321,589

CASH AND INVESTMENTS - BY FUND	
Cash and Investments - General Fund	\$ 2,434,272
Cash and Investments - Major Governmental Funds	403,273
Cash and Investments - Non-Major Governmental	332,330
Cash and Investments - Enterprise	-
Cash and Investments - Internal Service	-
Cash and Investments - Agency	151,714
Cash and Investments - Trusts	-
Cash and Investments - Other	-
Total Cash and Investments	\$ 3,321,589

County Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The County's cash deposits at year end and at the date of the highest cash balance were entirely covered by FDIC insurance and/or pledged collateral or bond held by the County's agent bank in the County's name, and therefore, the County was not exposed to custodial credit risk during the current year.

Foreign Currency Risk: The County limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by limiting all deposits denominated in a foreign currency to less than 5% of all deposits.

As of the end of the current fiscal year, the following are the County's cash and cash equivalents with respective maturities and credit rating:

Type of Deposit for Cash and Cash Equivalents	Fair Value	%	Maturity < 1 Year	Maturity 1 - 10 Years	Maturity in Over 10 Years	Credit Rating
Cash in Demand Deposit Accounts (FDIC Insured)	\$ 2,307,041	69.46%	\$2,307,041	\$ -	\$ -	n/a
Money Markets and FDIC Insured Accounts	-	0.00%	-	-	-	n/a
Certificates of Deposit	1,014,548	30.54%	1,014,548	-	-	n/a
Total Cash and Cash Equivalents	\$ 3,321,589	100.00%	\$ 3,321,589	\$ -	\$ -	

Investments

County Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

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 a governmental entity 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 entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

Additional policies and contractual provisions governing investments for the County are specified below:

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the County limits investments in (commercial paper, corporate bonds, mutual bond funds) to the top (or top 2 or 3) ratings issued by nationally recognized statistical rating organizations (NRSROs). As of the current fiscal year, the County's only investments were in certificates of deposit and therefore a credit quality disclosure is not required.

Custodial Credit Risk for Investments: To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the County requires counterparties to register the securities in the name of the County and hand them over to the County or its designated agent. This includes securities in securities lending transactions. All of the securities are in the County's name and held by the County or its agent.

Concentration of Credit Risk: To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the County limits investments to less than 5% of its total investments. The County further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. Usually this limitation is 20%.

Interest Rate Risk: To limit the risk that changes in interest rates will adversely affect the fair value of investments, the County requires at least half of the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

Foreign Currency Risk for Investments: The County limits the risk that changes in exchange rates will adversely affect the fair value of an investment by avoiding all investments denominated in a foreign currency.

The County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. the hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of the end of the current fiscal year, the County had no investments subject to the fair value measurement.

The County also has no investments measured at the Net Asset Value (NAV) per Share (or its equivalent).

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1st for all real and business personal property located in the County in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On January 31st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the county fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy of that taxing unit. Delinquent property taxes are cancelled and removed from the roll for real property assessments that are more than 20 years old and personal property assessments that are more than 10 years old.

D. INTERFUND BALANCES AND TRANSFERS

Inter-fund balances at September 30, 2018 consisted of the following amounts:

FUND	Due From Other Funds	Due To Other Funds
General Fund		
Major Governmental Funds	\$ 158,971	\$ 25,369
Non-major Governmental Funds	-	3,285
Proprietary Funds	-	-
All Others	-	-
Total General Fund	<u>\$ 158,971</u>	<u>\$ 28,654</u>
Major Governmental Funds		
General Fund	\$ 25,369	\$ 158,971
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total Major Governmental Funds	<u>\$ 25,369</u>	<u>\$ 158,971</u>
Non-major Governmental Funds		
General Fund	\$ 3,285	\$ -
Other Major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total Non-major Governmental Funds	<u>\$ 3,285</u>	<u>\$ -</u>
Proprietary Funds		
General Fund	\$ -	\$ -
Major Governmental Fund	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total Proprietary Funds	<u>\$ -</u>	<u>\$ -</u>
All Other Funds		
General Fund	\$ -	\$ -
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
Total All Other Funds	<u>\$ -</u>	<u>\$ -</u>
Total Interfund Receivables / Payables	<u>\$ 187,625</u>	<u>\$ 187,625</u>

The balance of \$3,285 from the general fund to various special revenue funds resulted from obligations made to maintain local funds or finance the operation of each special revenue fund for various governmental activities; \$0 of the balance is not scheduled to be collected in the subsequent year. The balance of \$158,971 and \$25,369 from and to the debt service fund to the general fund and the road and bridge special revenue funds resulted from corrections to the property tax split; \$0 of the balance is not scheduled to be collected in the subsequent year.

Inter-fund transfers for the year ended September 30, 2018 were as follows:

FUND	Transfers In	Transfers Out
General Fund		
Major Governmental Funds	\$ -	\$ -
Non-major Governmental Funds	1,696	66,054
Proprietary Funds	-	-
All Others	-	-
Total General Fund	<u>\$ 1,696</u>	<u>\$ 66,054</u>
Major Governmental Funds		
General Fund	\$ -	\$ -
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total Major Governmental Funds	<u>\$ -</u>	<u>\$ -</u>
Non-major Governmental Funds		
General Fund	\$ 66,054	\$ 1,696
Other Major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	180,894	180,894
Total Non-major Governmental Funds	<u>\$ 246,948</u>	<u>\$ 182,590</u>
Proprietary Funds		
General Fund	\$ -	\$ -
Major Governmental Fund	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total Proprietary Funds	<u>\$ -</u>	<u>\$ -</u>
All Other Funds		
General Fund	\$ -	\$ -
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
Total All Other Funds	<u>\$ -</u>	<u>\$ -</u>
Total Interfund Transfers	<u>\$ 248,644</u>	<u>\$ 248,644</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the current year ended September 30, 2018, the County did not make a one-time transfer of funds from the general fund to the debt service fund to subsidize, in part, the County's obligation of interest and sinking fund requirements.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at September 30, 2018 were as follows:

	Property Taxes	Due From Other Funds	Other	Total Receivables
Governmental Activities:				
General Fund	\$ 117,265	\$ 158,971	\$ 5,804	\$ 282,040
Major Governmental Funds	-	-	-	-
Major Governmental Funds - Debt Service	16,800	25,369	-	42,169
Non-major Governmental Funds	11,412	3,285	-	14,697
Other Governmental Funds	-	-	-	-
Total Governmental Activities	\$ 145,477	\$ 187,625	\$ 5,804	\$ 338,906
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -

Payables at September 30, 2018 were as follows:

	Accounts Payable	Loans, Leases and Bonds Payable- Current Year	Other Current Liabilities	Due To Other Funds	Due To Other Government s	Due to Others	Total Payables
Governmental Activities:							
General Fund	\$ 3,236	\$ -	\$ 32,395	\$ 28,654	\$ -	\$ -	\$ 64,285
Major Gov't Fund - State Fees	-	-	-	-	-	67,396	-
Major Gov't Fund - Debt Service	-	-	-	158,971	-	-	158,971
Non-major Governmental Funds	3,290	-	-	-	-	-	3,290
Other Governmental Funds	-	-	-	-	-	-	-
Total Governmental Activities	\$ 6,526	\$ -	\$ 32,395	\$ 187,625	\$ -	\$ 67,396	\$ 293,942
Amounts not scheduled for payment during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the County for the year ended September 30, 2018 was as follows:

Primary Government				
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated-				
Land	\$ 79,868	\$ -	\$ -	\$ 79,868
Construction in Progress	-	-	-	-
Capital Assets Being Depreciated-				
Buildings and Improvements	8,239,530	-	-	8,239,530
Vehicles, Furniture, and Equipment	4,143,075	41,500	-	4,184,575
Infrastructure Assets	245,323	-	-	245,323
Totals at Historic Cost	\$ 12,707,796	\$ 41,500	\$ -	\$ 12,749,296
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 1,334,681	\$ 160,347	\$ -	\$ 1,495,028
Vehicles, Furniture, and Equipment	2,592,376	287,283	-	2,879,659
Infrastructure Assets	214,049	1,798	-	215,847
Total Accumulated Depreciation	\$ 4,141,106	\$ 449,428	\$ -	\$ 4,590,534
Govt. Activities Capital Assets, Net	\$ 8,566,690	\$ (407,928)	\$ -	\$ 8,158,762
Business-type Activities:				
Capital Assets Being Depreciated-				
Buildings and Improvements	\$ -	\$ -	\$ -	-
Vehicles, Furniture, and Equipment	-	-	-	-
Totals at Historic Cost	\$ -	\$ -	\$ -	\$ -
Less Accumulated Depreciation				
Buildings and Improvements	\$ -	\$ -	\$ -	-
Vehicles, Furniture, and Equipment	-	-	-	-
Total Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
Business-type Activities Capital Assets, Net	\$ -	\$ -	\$ -	\$ -

Depreciation expense was charged to governmental functions as follows:

Administration - Judicial	\$ 4,137
Administration - Financial Administration	1,445
General Government	18,309
Public Safety	199,337
Health and Welfare	4,526
Roads and Bridges	221,674
Total Depreciation Expense	\$ 449,428

G. SHORT-TERM DEBT PAYABLE

The County accounts for short-term debts for maintenance purposes through the General Fund. Short-term debts include notes made in accordance with the provisions of the Local Government code. The County was not liable for any short-term debt during the current fiscal year.

H. BONDS, LONG-TERM NOTES PAYABLE, AND OTHER LONG-TERM OBLIGATIONS

Bonded indebtedness, long-term notes payable, and other long-term obligations of the County are reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the appropriate funds and departments based on the use of the original debt proceeds. The following is a summary of the County's long-term debt for the year ended September 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$6,245,000	\$0	\$300,000	\$5,945,000	\$305,000
Premium on Bond Issuance	107,603	0	6,330	101,273	
Maint. Tax Notes/Gov. Loans	146,946	0	107,888	39,058	19,160
Capital Leases	286,850	0	80,393	206,457	67,100
Total Bonds and Notes Payable	\$6,786,399	\$0	\$494,611	\$6,291,788	\$391,260
Other Liabilities:					
Compensated Absences	\$0	\$0	\$0	\$0	\$0
Accrued Interest Payable	126,469	122,556	126,469	122,556	122,556
Total Other Liabilities	\$126,469	\$122,556	\$126,469	\$122,556	\$122,556
Long-Term Liabilities	\$6,912,868	\$122,556	\$621,080	\$6,414,344	\$513,816
Business-type Activities:					
Bonds and Notes Payable:					
N/A	\$0	\$0	\$0	\$0	\$0
Total Bonds & Notes Payable	\$0	\$0	\$0	\$0	\$0
Other Liabilities:					
Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0
Total Other Liabilities	\$0	\$0	\$0	\$0	\$0
Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0

Debt Payable - Governmental Activities:

<u>Description</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Interest Current Year</u>	<u>Beginning Balance 10/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 9/30/2018</u>
General Obligation Bonds Payable:							
	2.00%-						
2015 Series Bonds	3.125%	\$6,745,000	\$162,469	\$6,245,000	\$0	\$300,000	\$5,945,000
Total General Obligation Bonds			\$162,469	\$6,245,000	\$0	\$300,000	\$5,945,000
Premium on Bond Issuance				\$107,603	\$0	\$6,330	\$101,273
Maintenance Tax Notes/Governmental Loans Payable:							
2017 First Financial Bank	4.00%	\$48,500	\$1,193	\$48,500	\$0	\$48,500	\$0
2013 First Financial Bank	3.00%	\$204,672	\$3,850	\$39,628	\$0	\$39,628	\$0
2017 FNB Rotan	3.50%	\$58,818	\$767	\$58,818	\$0	\$19,760	\$39,058
Total Maintenance Tax Notes/Governmental Loans			\$5,810	\$146,946	\$0	\$107,888	\$39,058
Capital Leases Payable:							
2012 John Deere Financial	2.74%	\$216,000	\$0	\$11,482	\$0	\$11,482	\$0
2011 John Deere Financial	2.95%	\$222,500	\$2,150	\$72,858	\$0	\$27,624	\$45,234
2017 John Deere Financial	2.75%	\$202,510	\$1,863	\$202,510	\$0	\$41,287	\$161,223
Total Capital Leases			\$4,013	\$286,850	\$0	\$80,393	\$206,457
Total Debt Payable - Governmental Activities			\$172,292	\$6,786,399	\$0	\$494,611	\$6,291,788

The following table summarizes the annual debt service requirements of the District's Governmental Activities long-term debt September 30, 2018:

	General Obligation Bonds		Maintenance Tax Notes		Capital Leases		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 305,000	\$ 156,419	\$ 19,160	\$ 1,367	\$ 67,100	\$ 5,825	\$ 391,260	\$ 163,611
2020	315,000	150,219	19,898	630	56,531	3,908	391,429	154,757
2021	320,000	143,869	-	-	40,844	2,307	360,844	146,176
2022	325,000	137,419	-	-	41,982	1,169	366,982	138,588
2023	335,000	130,818	-	-	-	-	335,000	130,818
2024-2028	1,800,000	519,119	-	-	-	-	1,800,000	519,119
2029-2033	2,090,000	231,594	-	-	-	-	2,090,000	231,594
2034-2038	455,000	7,109	-	-	-	-	455,000	7,109
2039-2043	-	-	-	-	-	-	-	-
Totals	\$ 5,945,000	\$ 1,476,566	\$ 39,058	\$ 1,997	\$ 206,457	\$ 13,209	\$ 6,190,515	\$ 1,491,772

In prior years, the County has not defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, there are no trust account assets and liabilities for the defeased bonds that are not included in the County's financial statements. On September 30, 2018, \$0 of bonds considered defeased are still outstanding.

I. COMMITMENTS UNDER OPERATING LEASES

Commitments under operating (non-capitalized) lease agreements for equipment provide for minimum future rental payments as of September 30, 2018, as follows:

Year Ending September 30	
2019	\$ -
2020	-
2021	-
2022	-
2023	-
2024-2029	-
2030-2034	-
Total Minimum Rentals	\$ -
Rental Expenditures in Fiscal Year 2018	\$ -

J. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

The County maintains a vacation and sick leave policy for its full-time staff. The policy provides that full time employees earn 10 days' vacation (15 days after 10 years of service) per year. Vacation benefits are lost at the end of the year if not taken, thus, no accumulation is allowed under the plan. Employees also earn sick leave time of 12 days per year accumulated up to a maximum of 60 days. No unused sick leave benefits are paid upon termination of employment for any reason. As such, no liability is maintained for accumulated vacation or sick leave benefits.

K. RETIREMENT PLAN – TEXAS COUNTY DISTRICT RETIREMENT SYSTEM

Plan Description. Fisher County provides pension, disability, and death benefits for all of its full-time employees through a statewide, multiple-employer, public-employee retirement system through the Texas County District Retirement System (the "TCDRS"). The system serves numerous actively participating counties and districts throughout Texas. Each employer has its own defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in the plan. The TCDRS 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 County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 30 years regardless of age, or when the sum of their age and years of service equals 80 or more. A member is vested after 10 years but must leave his 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 County 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.

Contributions. The County has elected the annually determined contribution rate (ADCR) plan provisions if 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.

Employees of Fisher County were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8.23% and 8.23% in calendar years 2017 and 2018, respectively. The County's contributions to TCDRS for the year ended September 30, 2018 were \$115,829 and were equal to the required contributions.

Discount Rate. The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 8.1%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on January 2018 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 - December 31, 2016 for more details.

Asset Class	Benchmark	Target Allocation ^{1, 1}	Geometric Real Rate of Return ^{<2}
U. S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ^{1,31}	16.00%	7.55%
Global Equities	MSCI World (net) Index	1.50%	4.85%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	11.00%	4.55%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	8.00%	5.55%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities Index ^{1,41}	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁵¹	6.00%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	18.00%	4.10%

¹ Target asset allocation adopted at the April 2018 TCDRS Board meeting

^{<2} Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.95%, per Cliffwater's 2018 capital market assumptions.

^{<3} Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

[†] Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

^(s) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Changes in the Net Pension Liability. At September 30, 2018, Fisher County reported a net pension liability (asset) of (\$157,765) which represents the estimated pension liability as of the measurement date of December 31, 2017. The changes in net pension liability (asset) were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/16	\$ 5,158,624	\$ 5,012,774	\$ 145,850
Changes for the year:			
Service cost	161,940		161,940
Interest	414,905		414,905
Change in benefit terms	47,838		47,838
Diff between expected/actual experience	(70,163)		(70,163)
Changes of assumptions	39,431		39,431
Contributions - employer		94,937	(94,937)
Contributions - employee		80,749	(80,749)
Net investment income		728,021	(728,021)
Benefit payments, including refunds of employee contributions	(404,426)	(404,426)	-
Administrative expenses		(3,662)	3,662
Other charges		(2,478)	2,478
Net changes	189,525	493,140	(303,615)
Balance at 12/31/17	\$ 5,348,149	\$ 5,505,914	\$ (157,765)

The net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period. **Discount Rate Sensitivity Analysis.** The following shows the net pension liability calculated using the discount rate of 8.10%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	Increase in Discount Rate (9.1%)
County's net pension liability	\$ 392,387	\$ (157,765)	\$ (629,240)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

For the year ended September 30, 2018, the County recognized pension expense of \$170,566.

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 13,261	\$ 46,775
Changes in actuarial assumptions	\$ 26,287	\$ -
Differences between projected and actual investment earnings (net of current year amortization)	\$ -	\$ 109,316
Contributions subsequent to the measurement date	88,558	
Total	\$ 128,106	\$ 156,091

\$88,558 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	
2019	\$ 17,204
2020	\$ (7,115)
2021	\$ (60,371)
2022	\$ (66,261)
2023	\$ -
Thereafter	\$ -

L. DEFERRED INFLOWS-UNAVAILABLE REVENUE (GOVERNMENTAL FUND STATEMENTS)

Unavailable revenue at year-end consisted of the following:

	General Fund	Major Debt Service Fund	Special Revenue Funds	Total
Net Unavailable Tax Revenue	\$ 87,951	\$ 12,598	\$ -	\$ 100,549
Unearned State Revenues	-	-	8,560	8,560
Grant Revenues	-	-	-	-
Total Unavailable Revenue	\$ 87,951	\$ 12,598	\$ 8,560	\$ 109,109

M. LITIGATION

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There were no un-asserted claims pending against the County as of September 30, 2018.

N. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The County, as of September 30, 2018, has not incurred or made any commitments and/or contingencies in connection with construction or other areas of significance.

O. SUBSEQUENT EVENTS

In preparing the basic financial statements, County administration has evaluated events and transactions for potential recognition or disclosure through May 28, 2019, the date of this report. No material subsequent events had occurred in the period of September 30, 2018 through that date.

P. RELATED PARTY TRANSACTIONS

The County did not incur any reportable related party transactions or balances as of and during the year ended September 30, 2018.

Q. FUND BALANCE ADJUSTMENT

The County had no adjustments to fund balance; however, did have prior period adjustments to net position during the year ended September 30, 2018. During fiscal year 2018, the County adopted GASB Statement No. 75 for *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. With GASB 75, the County accrued their liability associated with group term life insurance provided for employees and retirees administered through the Texas County District Retirement System. Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively. The prior period adjustment totaled (\$132,211) which resulted in a restated beginning net position balance of \$4,365,177.

R. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Total OPEB Liability of the Texas County and District Retirement System (the "TCDRS") and additions to/deductions from TCDRS' Total OPEB Liability have been determined on the same basis as they are reported to TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. It is an unfunded plan, and there are no plan assets.

S. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN – TEXAS COUNTY DISTRICT RETIREMENT SYSTEM

Plan Description. The County provides group term life insurance for all of its full-time employees and retirees through a statewide, multiple-employer, public-employee retirement system through the Texas County District Retirement System (the "TCDRS"). The fund for this benefit is a separate trust administered by TCDRS. The fund receives monthly premiums and pays benefits when due. The obligations of the program are payable only from this fund, and are not an obligation of, or a claim against, the TCDRS Pension Trust Fund. The fund's assets are pooled with those of the Pension Trust Fund under provisions of the TCDRS Act and annually receive an allocation of income based on the fund value. The TCDRS 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.

Current employees of the plan are insured for an amount equivalent to the employee's current annual compensation. Employers may also choose to cover retirees. Retirees are insured for \$5,000. Life insurance proceeds are payable as a lump sum. The coverage provided to retirees is a post-employment benefit other than pension benefits.

Contributions. The County contributes to the program at a contractually required rate. An annual actuarial valuation is performed, and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the County. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The program is voluntary, and the County can cease participation at any time. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers.

Employees for the FISHER COUNTY, TEXAS Were required to contribute 0.00% of their annual gross earnings during the fiscal year. The contribution rates for the County were 1.63% and 1.63% in calendar 2017 and 2018, respectively. The County's contributions to TCDRS for the year ended September 30, 2018 were \$23,926 and were equal to the required contributions.

The County's contributions to TCDRS for the year ended September 30, 2018 were equal to the required contributions.

Actuarial Assumptions. The Group Term Life Fund (GTLF) is an optional cost-sharing multiple-employer defined benefit plan that is administered by the Texas County District Retirement System (TCDRS). It provides death benefits to active and, if elected, retired employees of participating employers. The financing objective of the GTLF is to operate as a group term insured benefit, charging each employer its premium based on current actuarial assumptions and its own demographic membership (number of active and retired members covered by the GTLF). The funding of the GTLF is in accordance with Section 845.406 of the TCDRS statute. Contribution rates are established as a percentage of pay.

The GTLF provides death benefits to both active and retired members. Each participating employer can elect to cover just active members, or active and retired members. The required contribution rates for funding purposes are equal to a premium rate that is individually determined for each participating employer annually and is based on the mortality and service experience of all employees and retirees covered by the fund and the demographics specific to the workforce of the participating employer. The rate is expressed as a percentage of the compensation of members employed by the participating employer. The required contributions are determined using a one-year term cost funding method.

Employers who participate in the TCDRS retirement plan may elect to participate in the GTLF. Employers may elect to cover members who are active employees only or both members who are active employees and retirees and may elect to change or discontinue coverage annually.

The County must have elected the applicable Group Term Life coverage for the calendar year in which a member who is an active employee or retiree dies. If death occurs while the member is actively employed, the benefit is an amount equal to the employee's most recent regular annualized salary. The insurance benefit payable upon the death of a retiree is \$5,000.

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Unit credit cost method
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	N/A
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Plan Provisions	None

Discount Rate. The OPEB plan has been determined to be an unfunded OPEB plan. Therefore, the discount rate used to measure the total OPEB liability was the municipal bond rate of 3.44%. The current discount rate is a decrease from the previous year's discount rate of 3.78%.

Changes in the Total OPEB Liability. At September 30, 2017, the County reported a total OPEB liability of \$13,431. The changes in the total OPEB liability were as follows:

	Increase (Decrease)
	Total OPEB Liability (a)
Balance at 12/31/16	\$184,041
Changes for the year:	
Service cost	7,025
Interest	7,103
Change in benefit terms	-
Diff between expected/actual experience	(11,363)
Changes of assumptions	6,705
Contributions - employer	
Contributions - employee	
Net investment income	
Benefit payments, including refunds of employee contributions	(6,345)
Administrative expenses	
Other charges	
Net changes	\$3,125
Balance at 12/31/17	\$187,166

The total OPEB liability was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date and for the year then ended.

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Discount Rate Sensitivity Analysis. The following shows the total OPEB liability calculated using the discount rate of 3.44%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current rate.

	1% Decrease in Discount Rate (2.44%)	Discount Rate (3.44%)	1% Increase in Discount Rate (4.44%)
Total OPEB liability	\$216,197	\$187,166	\$164,036

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended September 30, 2018, the County recognized OPEB expense of \$13,196.

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ -	\$ 9,090
Changes in actuarial assumptions	\$ 5,364	\$ -
Differences between projected and actual investment earnings (net of current year amortization)	\$ -	\$ -
Contributions subsequent to the measurement date	\$ 18,293	
Total	\$ 23,657	\$ 9,090

\$18,293 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2019	\$ (932)
2020	\$ (932)
2021	\$ (932)
2022	\$ (930)
2023	\$ -
Thereafter	\$ -

FISHER COUNTY

State of Texas



REQUIRED SUPPLEMENTARY INFORMATION

FISHER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
Taxes:					
5110	Property Taxes	\$ 2,099,305	\$ 2,099,305	\$ 2,109,270	\$ 9,965
5180	Other Taxes	338,750	338,750	338,750	-
5300	Intergovernmental Revenue and Grants	48,533	48,533	66,652	18,119
5400	Charges for Services	112,635	112,635	159,681	47,046
5610	Investment Earnings	2,000	2,000	42,342	40,342
5620	Rents and Royalties	900	900	589	(311)
5700	Other Revenue	41,055	79,723	115,883	36,160
5020	Total Revenues	<u>2,643,178</u>	<u>2,681,846</u>	<u>2,833,167</u>	<u>151,321</u>
EXPENDITURES:					
Current:					
0100	General Government	482,065	504,214	309,976	194,238
0120	Judicial	459,154	460,458	429,193	31,265
0130	Executive	127,463	127,543	121,178	6,365
0150	Financial Administration	344,193	355,545	350,194	5,351
0190	Other General Government Functions	98,942	99,559	98,669	890
0200	Public Safety	801,397	916,523	889,141	27,382
Conservation and Development:					
0660	Economic Opportunity	42,932	46,685	44,673	2,012
6030	Total Expenditures	<u>2,356,146</u>	<u>2,510,527</u>	<u>2,243,024</u>	<u>267,503</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>287,032</u>	<u>171,319</u>	<u>590,143</u>	<u>418,824</u>
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	-	1,696	1,696
8911	Transfers Out (Use)	-	-	(66,054)	(66,054)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(64,358)</u>	<u>(64,358)</u>
1200	Net Change	287,032	171,319	525,785	354,466
0100	Fund Balance - October 1 (Beginning)	<u>2,008,977</u>	<u>2,008,977</u>	<u>2,008,977</u>	<u>-</u>
3000	Fund Balance - September 30 (Ending)	<u>\$ 2,296,009</u>	<u>\$ 2,180,296</u>	<u>\$ 2,534,762</u>	<u>\$ 354,466</u>

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

FISHER COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Plan Year Ended December 31,			
	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 161,940	\$ 147,394	\$ 138,402	\$ 142,150
Interest (on the total pension liability)	414,905	392,073	377,583	361,409
Changes of benefit terms	47,838	-	(18,859)	-
Difference between expected and actual experience	(70,163)	39,781	1,615	(12,705)
Change of assumptions	39,431	-	64,221	-
Benefit payments, including refunds of employee contributions	(404,426)	(370,335)	(362,306)	(262,774)
Net Change in Total Pension Liability	189,525	208,913	200,656	228,080
Total Pension Liability - Beginning	5,158,624	4,949,711	4,749,054	4,520,974
Total Pension Liability - Ending (a)	\$ 5,348,149	\$ 5,158,624	\$ 4,949,710	\$ 4,749,054
Plan Fiduciary Net Position				
Contributions - employer	\$ 94,937	\$ 117,243	\$ 118,768	\$ 114,848
Contributions - employee	80,749	99,721	101,017	97,684
Net investment income	728,021	351,143	67,287	310,150
Benefit payments, including refunds of employee contributions	(404,426)	(370,335)	(362,306)	(262,774)
Administrative expense	(3,662)	(3,805)	(3,408)	(3,556)
Other	(2,478)	84,340	64,967	(4,395)
Net Change in Plan Fiduciary Net Position	493,141	278,307	(13,675)	251,957
Plan Fiduciary Net Position - Beginning	5,012,774	4,734,467	4,748,142	4,496,185
Plan Fiduciary Net Position - Ending (b)	\$ 5,505,915	\$ 5,012,774	\$ 4,734,467	\$ 4,748,142
Net Pension Liability - Ending (a) - (b)	\$ (157,766)	\$ 145,850	\$ 215,243	\$ 912
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.95%	97.17%	95.65%	99.98%
Covered Payroll	\$ 1,153,551	\$ 1,424,585	\$ 1,443,105	\$ 1,395,480
Net Pension Liability as a Percentage of Covered Payroll	-13.68%	10.24%	14.92%	0.07%

FISHER COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Fiscal Year Ended September 30,			
	2018	2017	2016	2015
Actuarially determined contribution	\$ 115,829	\$ 116,339	\$ 111,260	\$ 116,314
Contributions in relation to actuarially determined contribution	<u>(115,829)</u>	<u>(116,339)</u>	<u>(111,260)</u>	<u>(116,314)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,407,404	\$ 1,424,463	\$ 1,338,107	\$ 1,437,726
Contributions as a percentage of covered payroll	8.23%	8.17%	8.31%	8.09%

FISHER COUNTY, TEXAS
NOTES TO SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	1.8 years
Asset Valuation Method	5-yr smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.0%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Other Information:	There were no benefit changes during the year.

FISHER COUNTY, TEXAS
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Plan Year Ended December 31, 2017
Total OPEB Liability	
Service cost	\$ 7,025
Interest (on the total OPEB liability)	7,103
Changes of benefit terms	-
Difference between expected and actual experience	(11,363)
Change of assumptions	6,705
Benefit payments, including refunds of employee contributions	(6,345)
Net Change in Total OPEB Liability	3,125
Total OPEB Liability - Beginning	184,041
Total OPEB Liability - Ending (a)	\$ 187,166
 Covered Payroll	 \$ 1,153,551
 Total OPEB Liability as a Percentage of Covered Payroll	 16.23%

FISHER COUNTY, TEXAS
NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Valuation Date: 31, two years prior to the end of the fiscal year in which contributions are

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Straight-line amortization of expected working life
Remaining Amortization Period	NA
Asset Valuation Method	NA
Inflation	NA
Salary Increases	NA
Investment Rate of Return	of December 28, 2017
Retirement Age	NA
Mortality	See Tables 1 thru 4 in the Milliman Valuation Report
Other Information:	There were no benefit changes during the year.

COMBINING AND INDIVIDUAL FUND SCHEDULES

FISHER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018

Data Control Codes	211 Road & Bridge Pct 1	212 Road & Bridge Pct 2	213 Road & Bridge Pct 3	214 Road & Bridge Pct 4
ASSETS				
1010 Cash and Cash Equivalents	\$ 11,877	\$ 18,537	\$ 13,584	\$ 204
1050 Taxes Receivable	2,853	2,853	2,853	2,853
1051 Allowance for Uncollectible Taxes (credit)	(713)	(713)	(713)	(713)
1300 Due from Other Funds	1,860	475	475	475
1000 Total Assets	<u>\$ 15,877</u>	<u>\$ 21,152</u>	<u>\$ 16,199</u>	<u>\$ 2,819</u>
LIABILITIES				
2010 Accounts Payable	\$ 327	\$ -	\$ -	\$ 679
2000 Total Liabilities	<u>327</u>	<u>-</u>	<u>-</u>	<u>679</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	2,140	2,140	2,140	2,140
2600 Total Deferred Inflows of Resources	<u>2,140</u>	<u>2,140</u>	<u>2,140</u>	<u>2,140</u>
FUND BALANCES				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
3545 Other Committed Fund Balance	13,410	19,012	14,059	-
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>13,410</u>	<u>19,012</u>	<u>14,059</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 15,877</u>	<u>\$ 21,152</u>	<u>\$ 16,199</u>	<u>\$ 2,819</u>

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

221 Lateral Road Pct 1	222 Lateral Road Pct 2	223 Lateral Road Pct 3	224 Lateral Road Pct 4	230 Court Records Preservation	233 City & Dist Court Technology	236 District Court Records Technology	238 FEMA Fund
\$ -	\$ 1,253	\$ -	\$ 1,527	\$ 4,352	\$ 470	\$ 3,697	\$ 529
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,253</u>	<u>\$ -</u>	<u>\$ 1,527</u>	<u>\$ 4,352</u>	<u>\$ 470</u>	<u>\$ 3,697</u>	<u>\$ 529</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	529
-	1,253	-	1,527	-	-	-	-
-	-	-	-	4,352	470	3,697	-
-	-	-	-	-	-	-	-
-	1,253	-	1,527	4,352	470	3,697	529
<u>\$ -</u>	<u>\$ 1,253</u>	<u>\$ -</u>	<u>\$ 1,527</u>	<u>\$ 4,352</u>	<u>\$ 470</u>	<u>\$ 3,697</u>	<u>\$ 529</u>

FISHER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018

Data Control Codes	239 Commissary Fund	240 Election Services Fund	243 County Escrow Fund	250 County Clerk Archives	
ASSETS					
1010	Cash and Cash Equivalents	\$ 2,117	\$ 964	\$ 18,679	\$ 74,791
1050	Taxes Receivable	-	-	-	-
1051	Allowance for Uncollectible Taxes (credit)	-	-	-	-
1300	Due from Other Funds	-	-	-	-
1000	Total Assets	<u>\$ 2,117</u>	<u>\$ 964</u>	<u>\$ 18,679</u>	<u>\$ 74,791</u>
LIABILITIES					
2010	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
3250	Federal or State Funds Grant Restriction	-	-	-	-
3290	Other Restricted Fund Balance	-	-	18,679	-
3445	Other Committed Fund Balance	2,117	964	-	74,791
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>2,117</u>	<u>964</u>	<u>18,679</u>	<u>74,791</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,117</u>	<u>\$ 964</u>	<u>\$ 18,679</u>	<u>\$ 74,791</u>

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

253 Judicial Training Fund	256 County Clerk Preservation	258 County Clerk Pre-Trial Fees	260 Law Library	263 District Clerk Preservation	266 Courthouse Security	268 County Preservation	272 Hot Check Fund
\$ 846	\$ 14,576	\$ 9,180	\$ 10,037	\$ 1,316	\$ 23,118	\$ 2,830	\$ 2,708
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 846</u>	<u>\$ 14,576</u>	<u>\$ 9,180</u>	<u>\$ 10,037</u>	<u>\$ 1,316</u>	<u>\$ 23,118</u>	<u>\$ 2,830</u>	<u>\$ 2,708</u>
\$ -	\$ 2,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,253	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,708
846	12,323	-	10,037	1,316	23,118	2,830	-
-	-	9,180	-	-	-	-	-
<u>846</u>	<u>12,323</u>	<u>9,180</u>	<u>10,037</u>	<u>1,316</u>	<u>23,118</u>	<u>2,830</u>	<u>2,708</u>
<u>\$ 846</u>	<u>\$ 14,576</u>	<u>\$ 9,180</u>	<u>\$ 10,037</u>	<u>\$ 1,316</u>	<u>\$ 23,118</u>	<u>\$ 2,830</u>	<u>\$ 2,708</u>

FISHER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018

Data Control Codes	274 Bail Bond Fund	278 Senior Citizens Fund	280 LEOSE Grant Fund	282 Justice Court Technology	
ASSETS					
1010	Cash and Cash Equivalents	\$ 34,539	\$ 298	\$ 3,479	\$ 6,954
1050	Taxes Receivable	-	-	-	-
1051	Allowance for Uncollectible Taxes (credit)	-	-	-	-
1300	Due from Other Funds	-	-	-	-
1000	Total Assets	<u>\$ 34,539</u>	<u>\$ 298</u>	<u>\$ 3,479</u>	<u>\$ 6,954</u>
LIABILITIES					
2010	Accounts Payable	\$ -	\$ 31	\$ -	\$ -
2000	Total Liabilities	<u>-</u>	<u>31</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
3250	Federal or State Funds Grant Restriction	-	-	3,479	-
3290	Other Restricted Fund Balance	-	-	-	-
3445	Other Committed Fund Balance	34,539	-	-	6,954
3590	Other Assigned Fund Balance	-	267	-	-
3000	Total Fund Balances	<u>34,539</u>	<u>267</u>	<u>3,479</u>	<u>6,954</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 34,539</u>	<u>\$ 298</u>	<u>\$ 3,479</u>	<u>\$ 6,954</u>

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

284 Drug Forfeiture Fund	286 CETRZ Grant Fund	288 Airport Fund	290 Court Reporter Fund	294 Grant Fund	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 51,637	\$ -	\$ 18,231	\$ -	\$ -	\$ 332,330	\$ 332,330
-	-	-	-	-	11,412	11,412
-	-	-	-	-	(2,852)	(2,852)
-	-	-	-	-	3,285	3,285
<u>\$ 51,637</u>	<u>\$ -</u>	<u>\$ 18,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,175</u>	<u>\$ 344,175</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,290	\$ 3,290
-	-	-	-	-	3,290	3,290
-	-	-	-	-	8,560	8,560
-	-	-	-	-	8,560	8,560
-	-	-	-	-	4,008	4,008
51,637	-	-	-	-	75,804	75,804
-	-	18,231	-	-	243,066	243,066
-	-	-	-	-	9,447	9,447
<u>51,637</u>	<u>-</u>	<u>18,231</u>	<u>-</u>	<u>-</u>	<u>332,325</u>	<u>332,325</u>
<u>\$ 51,637</u>	<u>\$ -</u>	<u>\$ 18,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,175</u>	<u>\$ 344,175</u>

FISHER COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

Data Control Codes	211 Road & Bridge Pct 1	212 Road & Bridge Pct 2	213 Road & Bridge Pct 3	214 Road & Bridge Pct 4
REVENUES:				
Taxes:				
5110 Property Taxes	\$ 188,664	\$ 189,076	\$ 188,521	\$ 188,521
5200 Licenses and Permits	76,829	76,829	76,829	76,829
5300 Intergovernmental Revenue and Grants	117	3,043	580	9,669
5610 Investment Earnings	-	-	-	-
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	13	13	13	13
5020 Total Revenues	<u>265,623</u>	<u>268,961</u>	<u>265,943</u>	<u>275,032</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	-	-	-	-
Public Safety:				
0290 Other Public Safety	-	-	-	-
0300 Public Works	-	-	-	-
0310 Highways and Streets	251,104	292,032	329,072	359,002
0400 Health and Welfare	-	-	-	-
6030 Total Expenditures	<u>251,104</u>	<u>292,032</u>	<u>329,072</u>	<u>359,002</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,519</u>	<u>(23,071)</u>	<u>(63,129)</u>	<u>(83,970)</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	745	42,423	77,188	68,065
8911 Transfers Out (Use)	<u>(1,854)</u>	<u>(340)</u>	-	<u>(1,400)</u>
7080 Total Other Financing Sources (Uses)	<u>(1,109)</u>	<u>42,083</u>	<u>77,188</u>	<u>66,665</u>
1200 Net Change in Fund Balance	13,410	19,012	14,059	(17,305)
0100 Fund Balance - October 1 (Beginning)	-	-	-	<u>17,305</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ 13,410</u>	<u>\$ 19,012</u>	<u>\$ 14,059</u>	<u>\$ -</u>

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

221 Lateral Road Pct 1	222 Lateral Road Pct 2	223 Lateral Road Pct 3	224 Lateral Road Pct 4	230 Court Records Preservation	233 Cty & Dist Court Technology	236 District Court Records Technology	238 FEMA Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
5,146	5,146	5,146	5,146	780	65	665	58,854
-	-	-	-	11	-	5	711
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,146</u>	<u>5,146</u>	<u>5,146</u>	<u>5,146</u>	<u>791</u>	<u>65</u>	<u>670</u>	<u>59,565</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,146	5,146	5,146	5,146	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,146</u>	<u>5,146</u>	<u>5,146</u>	<u>5,146</u>	-	-	-	-
-	-	-	-	791	65	670	59,565
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(143,413)
-	-	-	-	-	-	-	(143,413)
-	-	-	-	791	65	670	(83,848)
-	1,253	-	1,527	3,561	405	3,027	84,377
<u>\$ -</u>	<u>\$ 1,253</u>	<u>\$ -</u>	<u>\$ 1,527</u>	<u>\$ 4,352</u>	<u>\$ 470</u>	<u>\$ 3,697</u>	<u>\$ 529</u>

FISHER COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

Data Control Codes	239 Commissary Fund	240 Election Services Fund	243 County Escrow Fund	250 County Clerk Archives
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5200 Licenses and Permits	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	1,486	-	16,415
5610 Investment Earnings	21	-	-	126
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	1,189	-	-	-
5020 Total Revenues	<u>1,210</u>	<u>1,486</u>	-	<u>16,541</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	-	447	-	-
Public Safety:				
0290 Other Public Safety	-	-	-	-
0300 Public Works	-	-	-	-
0310 Highways and Streets	-	-	-	-
0400 Health and Welfare	-	-	-	-
6030 Total Expenditures	<u>-</u>	<u>447</u>	-	-
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,210</u>	<u>1,039</u>	-	<u>16,541</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	(380)	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>(380)</u>	-	-
1200 Net Change in Fund Balance	1,210	659	-	16,541
0100 Fund Balance - October 1 (Beginning)	<u>907</u>	<u>305</u>	<u>18,679</u>	<u>58,250</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ 2,117</u>	<u>\$ 964</u>	<u>\$ 18,679</u>	<u>\$ 74,791</u>

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

253 Judicial Training Fund	256 County Clerk Preservation	258 County Clerk Pre-Trial Fees	260 Law Library	263 District Clerk Preservation	266 Courthouse Security	268 County Preservation	272 Hot Check Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	4,518	972	-
120	16,536	-	-	285	-	-	-
-	391	-	-	137	-	17	58
-	-	-	-	-	-	-	-
-	-	-	2,450	-	-	-	1,152
<u>120</u>	<u>16,927</u>	<u>-</u>	<u>2,450</u>	<u>422</u>	<u>4,518</u>	<u>989</u>	<u>1,210</u>
160	32,805	-	-	-	-	-	1,995
-	-	-	-	-	-	-	-
-	-	-	-	-	700	-	-
-	-	(9,180)	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>160</u>	<u>32,805</u>	<u>(9,180)</u>	<u>-</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>1,995</u>
<u>(40)</u>	<u>(15,878)</u>	<u>9,180</u>	<u>2,450</u>	<u>422</u>	<u>3,818</u>	<u>989</u>	<u>(785)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(40)</u>	<u>(15,878)</u>	<u>9,180</u>	<u>2,450</u>	<u>422</u>	<u>3,818</u>	<u>989</u>	<u>(785)</u>
<u>886</u>	<u>28,201</u>	<u>-</u>	<u>7,587</u>	<u>894</u>	<u>19,300</u>	<u>1,841</u>	<u>3,493</u>
<u>\$ 846</u>	<u>\$ 12,323</u>	<u>\$ 9,180</u>	<u>\$ 10,037</u>	<u>\$ 1,316</u>	<u>\$ 23,118</u>	<u>\$ 2,830</u>	<u>\$ 2,708</u>

FISHER COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

Data Control Codes	274 Bail Bond Fund	278 Senior Citizens Fund	280 LEOSE Grant Fund	282 Justice Court Technology
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5200 Licenses and Permits	915	-	-	-
5300 Intergovernmental Revenue and Grants	-	46,202	1,494	2,613
5610 Investment Earnings	-	-	-	18
5640 Contributions & Donations from Private Sources	-	12,103	-	-
5700 Other Revenue	3,400	-	-	-
5020 Total Revenues	<u>4,315</u>	<u>58,305</u>	<u>1,494</u>	<u>2,631</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	3,506	-	-	-
0140 Elections	-	-	-	-
Public Safety:				
0290 Other Public Safety	-	-	1,400	-
0300 Public Works	-	-	-	-
0310 Highways and Streets	-	-	-	-
0400 Health and Welfare	-	113,169	-	-
6030 Total Expenditures	<u>3,506</u>	<u>113,169</u>	<u>1,400</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>809</u>	<u>(54,864)</u>	<u>94</u>	<u>2,631</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	55,131	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>55,131</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	809	267	94	2,631
0100 Fund Balance - October 1 (Beginning)	<u>33,730</u>	<u>-</u>	<u>3,385</u>	<u>4,323</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ 34,539</u>	<u>\$ 267</u>	<u>\$ 3,479</u>	<u>\$ 6,954</u>

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

284 Drug Forfeiture Fund	286 CETRZ Grant Fund	288 Airport Fund	290 Court Reporter Fund	294 Grant Fund	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 754,782	\$ 754,782
-	-	3,580	-	-	317,301	317,301
-	-	-	-	-	179,508	179,508
716	-	-	-	-	2,211	2,211
-	-	-	-	-	12,103	12,103
-	-	-	-	-	8,243	8,243
<u>716</u>	<u>-</u>	<u>3,580</u>	<u>-</u>	<u>-</u>	<u>1,274,148</u>	<u>1,274,148</u>
16,009	-	-	-	-	54,475	54,475
-	-	-	-	-	447	447
-	-	-	-	-	2,100	2,100
-	-	3,819	-	-	3,819	3,819
-	-	-	-	-	1,242,614	1,242,614
-	-	-	-	-	113,169	113,169
<u>16,009</u>	<u>-</u>	<u>3,819</u>	<u>-</u>	<u>-</u>	<u>1,416,624</u>	<u>1,416,624</u>
<u>(15,293)</u>	<u>-</u>	<u>(239)</u>	<u>-</u>	<u>-</u>	<u>(142,476)</u>	<u>(142,476)</u>
3,396	-	-	-	-	246,948	246,948
<u>(1,135)</u>	<u>(34,068)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(182,590)</u>	<u>(182,590)</u>
<u>2,261</u>	<u>(34,068)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,358</u>	<u>64,358</u>
<u>(13,032)</u>	<u>(34,068)</u>	<u>(239)</u>	<u>-</u>	<u>-</u>	<u>(78,118)</u>	<u>(78,118)</u>
<u>64,669</u>	<u>34,068</u>	<u>18,470</u>	<u>-</u>	<u>-</u>	<u>410,443</u>	<u>410,443</u>
<u>\$ 51,637</u>	<u>\$ -</u>	<u>\$ 18,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,325</u>	<u>\$ 332,325</u>

FISHER COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	BALANCE OCTOBER 1 2017	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2018
INMATE PHONE FUND				
Assets:				
Cash and Cash Equivalents	\$ 895	\$ 18,592	\$ 17,372	\$ 2,115
Liabilities:				
Due to Others	\$ 895	\$ 18,592	\$ 17,372	\$ 2,115
AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 149,599	\$ 1,093,833	\$ 1,065,255	\$ 178,177
Liabilities:				
Due to Other Governments	\$ 149,599	\$ 1,093,833	\$ 1,065,255	\$ 178,177
TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 150,494	\$ 1,112,425	\$ 1,082,627	\$ 180,292
Liabilities:				
Due to Other Governments	\$ 149,599	\$ 1,093,833	\$ 1,065,255	\$ 178,177
Due to Others	895	18,592	17,372	2,115
Total Liabilities	\$ 150,494	\$ 1,112,425	\$ 1,082,627	\$ 180,292

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

REPORTS ON COMPLIANCE AND INTERNAL CONTROLS

James E. Rodgers and Company, P.C.

Certified Public Accountants

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Richard E. Rodgers CPA • Gerald L. Rodgers CPA

May 28, 2019

Government Auditing Standards Report on Internal Control over Financial Reporting and on Compliance and Other Matters—with No Material Weaknesses, Significant Deficiencies, or Reportable Instances of Noncompliance or Other Matters Identified

To the Commissioners Court of Fisher County
Fisher County, Texas
Roby, Texas 79543

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fisher County, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Fisher County, Texas's basic financial statements, and have issued our report thereon dated May 28, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fisher County, Texas's internal control over financial reporting (internal control) to determine the 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 Fisher County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of Fisher County, Texas's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

James E. Rodgers and Company, P.C.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fisher County, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

James E. Rodgers and Company

James E. Rodgers and Company, P.C.

FISHER COUNTY, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

I. Summary of the Auditor's Results:

- | | | |
|--------|---|---------------------------|
| 1. | Type of report issued on the financial statements: | Unmodified opinion |
| 2. (a) | Significant deficiencies in internal control: | No |
| (b) | Significant deficiencies that were material weaknesses: | No |
| 3. | Noncompliance, which is material to the financial statements: | No |

II. Findings Relating to the Financial Statements Which Are Required to Be Reported in Accordance with *Generally Accepted Government Auditing Standards (GAGAS)*.

Finding 2018-001:

- | | | |
|----|-------------------------|------|
| a. | Condition: | None |
| b. | Criteria: | N/A |
| c. | Cause: | N/A |
| d. | Effect: | N/A |
| e. | Recommendation: | N/A |
| f. | County Response: | N/A |

SUPPLEMENTARY INFORMATION

FISHER COUNTY, TEXAS
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED SEPTEMBER 30, 2018

Last 10 Years Ended September 30	Tax Rates		Assessed/Appraised Value for Tax Purposes
	Maintenance	Debt Service	
2009 and prior years	Various	Various	\$ Various
2010	0.81000	0.00000	169,607,186
2011	0.79000	0.00000	178,695,420
2012	0.80000	0.00000	187,850,209
2013	0.77400	0.00000	235,500,432
2014	0.79680	0.00000	274,270,763
2015	0.72400	0.00000	326,108,718
2016	0.68699	0.12852	355,891,430
2017	0.75213	0.17495	356,297,896
2018 (Fiscal year under audit)	0.73667	0.70876	387,764,546
1000 TOTALS			

Beginning Balance October 1, 2017	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance September 30, 2018
\$ 14,244	\$ -	\$ 331	\$ -	\$ 969	\$ 12,944
2,631	-	136	-	-	2,495
2,092	-	163	-	-	1,929
3,550	-	406	-	-	3,144
4,827	-	641	-	-	4,186
6,291	-	919	-	-	5,372
10,426	-	1,880	-	-	8,546
22,370	-	4,973	931	-	16,466
58,466	-	21,226	4,937	14	32,289
-	3,319,536	2,806,954	454,476	-	58,106
<u>\$ 124,897</u>	<u>\$ 3,319,536</u>	<u>\$ 2,837,629</u>	<u>\$ 460,344</u>	<u>\$ 983</u>	<u>\$ 145,477</u>