



**FISHER COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2016**

**FISHER COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**TABLE OF CONTENTS**

<b><u>Exhibit</u></b>		<b><u>Page</u></b>
	List of Principal County Officials	2
	Independent Auditor's Report	3
	Management's Discussion and Analysis	6
	<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
	<b>Government Wide Statements</b>	
A-1	Statement of Net Position	18
B-1	Statement of Activities	19
	<b>Governmental Fund Financial Statements</b>	
C-1	Balance Sheet	21
C-2	Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	23
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balance	24
C-4	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balance to the Statement of Activities	28
	<b>Fiduciary Fund Financial Statements</b>	
D-1	Statement of Fiduciary Net Position	30
	<b>Notes to the Financial Statements</b>	31
	<b><u>Required Supplementary Information</u></b>	
E-1	Budgetary Comparison Schedule - General Fund	60
E-2	Schedule of the County's Proportionate Share of the Net Pension Liability (TCDRS)	61
E-3	Schedule of the County's Contributions (TCDRS)	62
	<b><u>Combining and Individual Fund Schedules</u></b>	
	Non-major Governmental Funds:	
F-1	Combining Balance Sheet	64
F-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	70
	Agency Funds:	
F-3	Combining Statement of Net Position	76
	<b><u>Reports on Compliance and Internal Controls</u></b>	
	Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	78
	Schedule of Findings and Responses	80
	<b><u>Supplementary Information</u></b>	
G-1	Schedule of Delinquent Taxes Receivable	82

**FISHER COUNTY, TEXAS**

**CURRENT PRINCIPAL COUNTY OFFICIALS**

**As of September 30, 2016**

<b>Ken Holt</b>	<b>County Judge</b>
<b>Gordon Pippin</b>	<b>Commissioner, Precinct 1</b>
<b>Billy Henderson</b>	<b>Commissioner, Precinct 2</b>
<b>Preston Martin</b>	<b>Commissioner, Precinct 3</b>
<b>Scott Feagan</b>	<b>Commissioner, Precinct 4</b>
<b>Jonnye Gibson</b>	<b>Tax Assessor-Collector</b>
<b>Rudy Hamric</b>	<b>County Attorney</b>
<b>Gina Pasley</b>	<b>District Clerk</b>
<b>Pat Thomson</b>	<b>County Clerk</b>
<b>Betty Joy Vaught</b>	<b>County Treasurer</b>
<b>J.A. Robinson</b>	<b>County Sheriff</b>
<b>Becky Mauldin</b>	<b>County Auditor</b>
<b>Tammy Morton</b>	<b>Justice of the Peace #1</b>

---

# James E. Rodgers and Company, P.C.

Certified Public Accountants

20 Southwest Third Street • PO Box 669 • Hamlin, Texas 79520 • Tel: 325-576-2356 • Fax: 325-576-3525

E-mail: [rodgerscpa@att.net](mailto:rodgerscpa@att.net)

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

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

---

July 27, 2017

**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, 2016, 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, 2016, 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 2015, the County adopted new accounting guidance prescribed by GASB #68 for its pension plan a multiple-employer, cost-sharing, defined benefit pension plan. Because GASB #68 implements new measurement criteria and reporting provision, significant information has been added to the Government Wide Statements. Exhibit A-1 discloses the County's Net Pension Liability and some deferred resource outflows and deferred resource inflows related to the County's pension plan. Exhibit B-1 discloses the adjustment to the net pension expense. 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 pension liability and contributions 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***

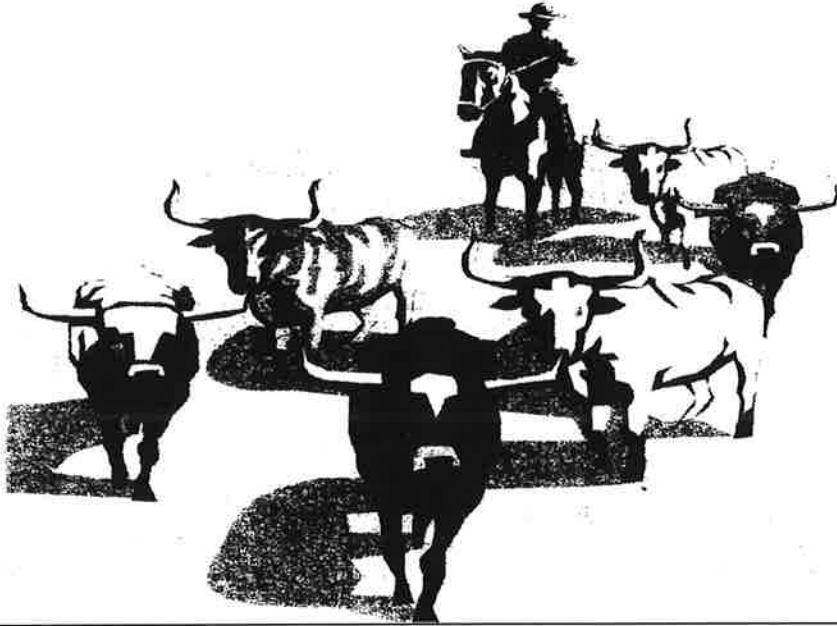
In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other 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, 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, 2016. 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	\$	3,560,230
Total County Revenues for the Current Fiscal Year	\$	4,162,890
Total County Expenses for the Current Fiscal Year	\$	3,646,093
Fund Balance in the General Fund at the End of Year	\$	1,638,463

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

	Increase (Decrease)	
	\$	%
<b><u>Change in Net Position:</u></b>		
Change in the County's Total Net Position	\$ 516,797	16.98%
<b><u>Revenue Changes:</u></b>		
Change in the County's Total Revenues	\$ 474,600	12.87%
Change in the County's Property Tax Revenues	\$ 466,848	12.66%
<b><u>Expense Changes:</u></b>		
Change in the County's Total Expenses	\$ (35,972)	-0.98%
<b><u>Other Information:</u></b>		
Change in the County's General Fund Balance	\$ 383,909	55.34%
Excess (Deficit) of Actual Revenue over Budgeted Revenue - General Fund	\$ 91,488	3.17%

**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.

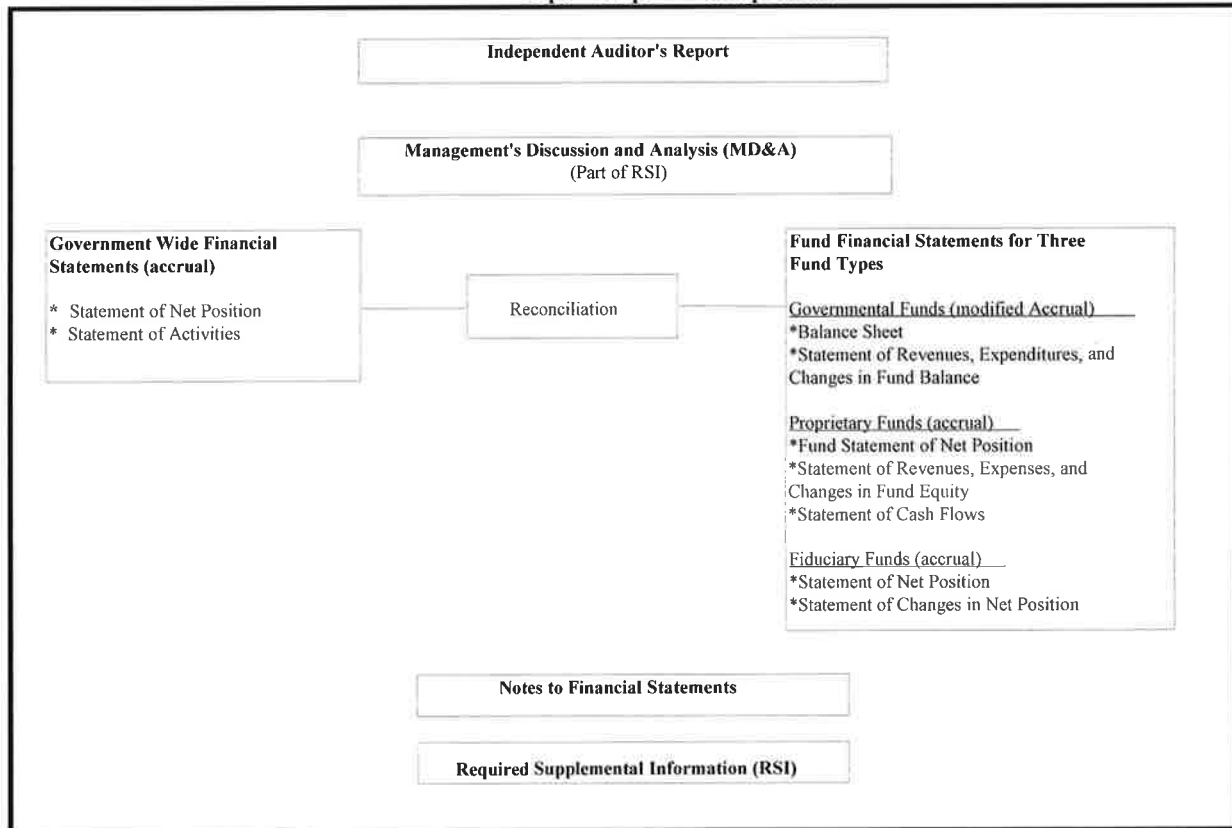
Fund financial statements (Series C and D Exhibits in the Basic Financial Statements section) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services 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, 2016.

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	
	2015	2016	2015	2016	2015	2016
Current and other assets	\$ 5,514,080	\$ 2,204,533	\$ -	\$ -	\$ 5,514,080	\$ 2,204,533
Capital assets	5,444,248	8,312,610	-	-	5,444,248	8,312,610
Deferred Outflows- Pension Plan	-	323,783	-	-	-	323,783
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$ 10,958,328</b>	<b>\$ 10,840,926</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,958,328</b>	<b>\$ 10,840,926</b>
Long-term liabilities	\$ 7,390,250	\$ 7,279,282	\$ -	\$ -	\$ 7,390,250	\$ 7,279,282
Other liabilities	649,148	2	-	-	649,148	2
Deferred Inflows- Pension Plan	8,470	1,411	-	-	8,470	1,411
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>\$ 8,047,868</b>	<b>\$ 7,280,695</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,047,868</b>	<b>\$ 7,280,695</b>
Net Position:						
Net Investment in capital assets	\$ 1,360,863	\$ 1,647,940	\$ -	\$ -	\$ 1,360,863	\$ 1,647,940
Restricted	218,574	100,903	-	-	218,574	100,903
Unrestricted	1,463,996	1,811,387	-	-	1,463,996	1,811,387
<b>Total Net Position</b>	<b>\$ 3,043,433</b>	<b>\$ 3,560,230</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,043,433</b>	<b>\$ 3,560,230</b>

**Table II**  
**FISHER COUNTY, TEXAS**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2015	2016	2015	2016	2015	2016
<b>Program Revenues:</b>						
Charges for Services	\$ 520,009	\$ 483,354	\$ -	\$ -	\$ 520,009	\$ 483,354
Operating Grant and Contributions	74,314	81,865	-	-	74,314	81,865
Grants and Contributions Not Restricted	48,464	61,232	-	-	48,464	61,232
<b>General Revenues:</b>						
Property Taxes	2,963,256	3,430,104	-	-	2,963,256	3,430,104
Investment Earnings	8,040	5,168	-	-	8,040	5,168
Miscellaneous	74,207	101,167	-	-	74,207	101,167
<b>Total Revenues</b>	<b>\$ 3,688,290</b>	<b>\$ 4,162,890</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,688,290</b>	<b>\$ 4,162,890</b>
<b>Expenses</b>						
General Government - Administration	\$ 631,959	\$ 647,282	\$ -	\$ -	\$ 631,959	\$ 647,282
General Government - Financial	243,756	228,966	-	-	243,756	228,966
General Government - Maintenance & Building	97,417	33,502	-	-	97,417	33,502
Public Safety	814,756	787,232	-	-	814,756	787,232
Judicial and Legal	467,815	322,632	-	-	467,815	322,632
Social and Health Services	148,808	121,484	-	-	148,808	121,484
Infrastructure and Environmental Services	1,105,402	1,214,103	-	-	1,105,402	1,214,103
Intergovernmental	39,039	34,025	-	-	39,039	34,025
Interest on Long-Term Debt	133,113	256,867	-	-	133,113	256,867
<b>Total Expenses</b>	<b>\$ 3,682,065</b>	<b>\$ 3,646,093</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,682,065</b>	<b>\$ 3,646,093</b>
<b>Increase in Net Position before transfers and special items</b>	<b>\$ 6,225</b>	<b>\$ 516,797</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,225</b>	<b>\$ 516,797</b>
Transfers	-	-	-	-	-	-
Extraordinary, Special Items, & Prior Period	60,853	-	-	-	60,853	-
Net Position at 10/1	2,976,355	3,043,433	-	-	2,976,355	3,043,433
<b>Total Net Position</b>	<b>\$ 3,043,433</b>	<b>\$ 3,560,230</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,043,433</b>	<b>\$ 3,560,230</b>

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

Excess of Revenues Over Expenditures for Governmental Funds	\$ (2,927,527)
Current Year Purchases of Capital Assets	3,485,250
Current Year Debt Principal Payments	373,976
Depreciation	(324,367)
Net Pension Expense for GASB 68 Adjustments	108,041
Other Modified to Full Accrual Adjustments	(198,576)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 516,797</b>

**THE COUNTY'S FUNDS**

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

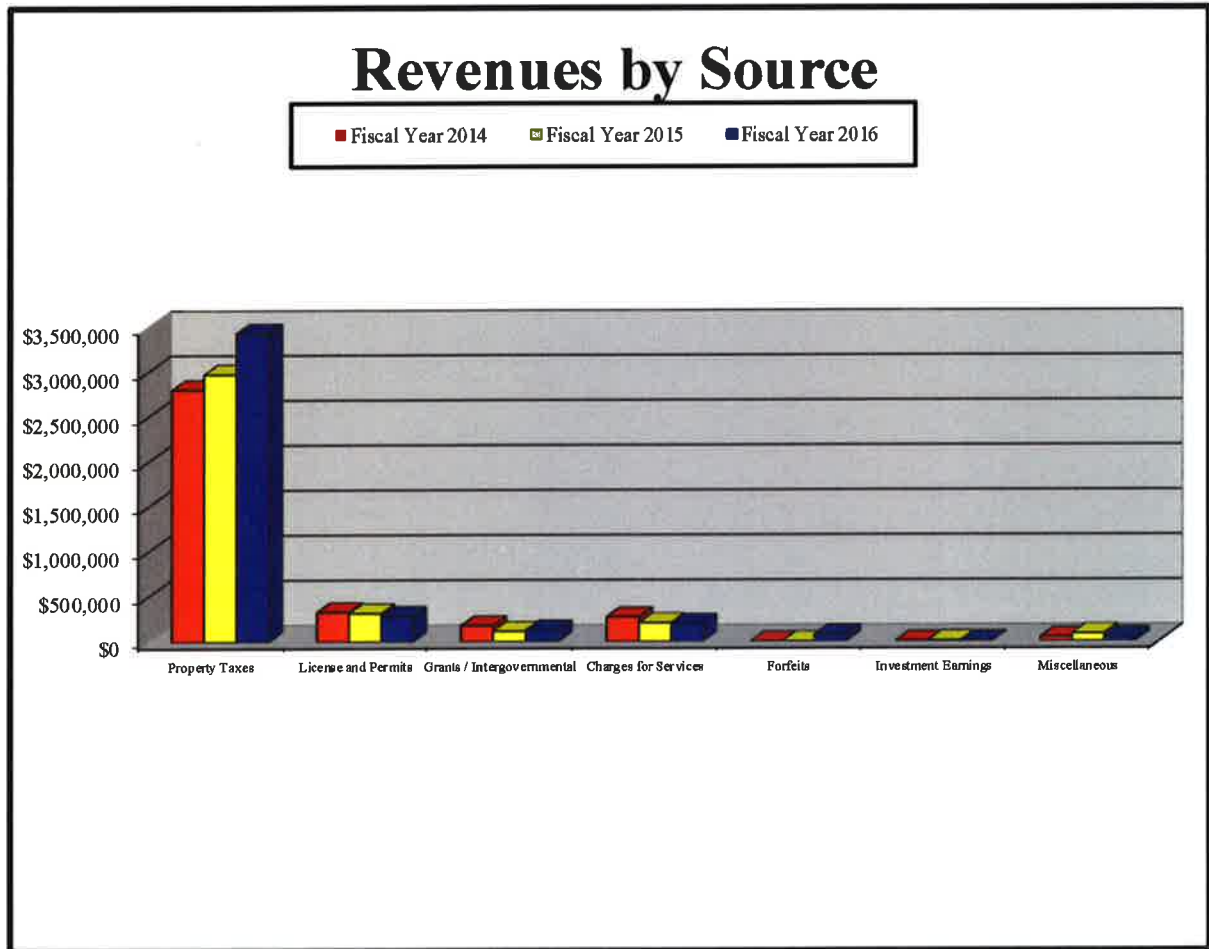
<u>Governmental Fund Financial Statements</u> <u>(Modified Accrual Basis for Budgetary &amp; Control Purposes)</u>			
	General Fund	Other Funds	Total All Funds
Revenues	\$ 2,978,595	\$ 1,189,562	\$ 4,168,157
Expenditures	(1,890,692)	(5,291,448)	(7,182,140)
Other Financing Sources	26,456	999,295	1,025,751
Other Financing Uses	(730,450)	(208,845)	(939,295)
Net Change in Fund Balance	\$ 383,909	\$ (3,311,436)	\$ (2,927,527)
Beginning of Year Fund Balance	1,254,554	3,537,485	4,792,039
Ending Fund Balance-All Governmental Funds	\$ 1,638,463	\$ 226,049	\$ 1,864,512

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

## FISHER COUNTY, TEXAS

### REVENUES BY SOURCE

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
<b>Property Taxes</b>	\$2,801,650	\$2,970,771	\$3,427,630
<b>License and Permits</b>	328,374	314,872	284,257
<b>Grants / Intergovernmental</b>	175,515	113,278	128,040
<b>Charges for Services</b>	271,661	205,139	199,096
<b>Forfeits</b>	0	0	73,786
<b>Investment Earnings</b>	3,379	8,040	5,168
<b>Miscellaneous</b>	45,585	83,705	50,180
<b>Totals</b>	<b>\$3,626,164</b>	<b>\$3,695,805</b>	<b>\$4,168,157</b>

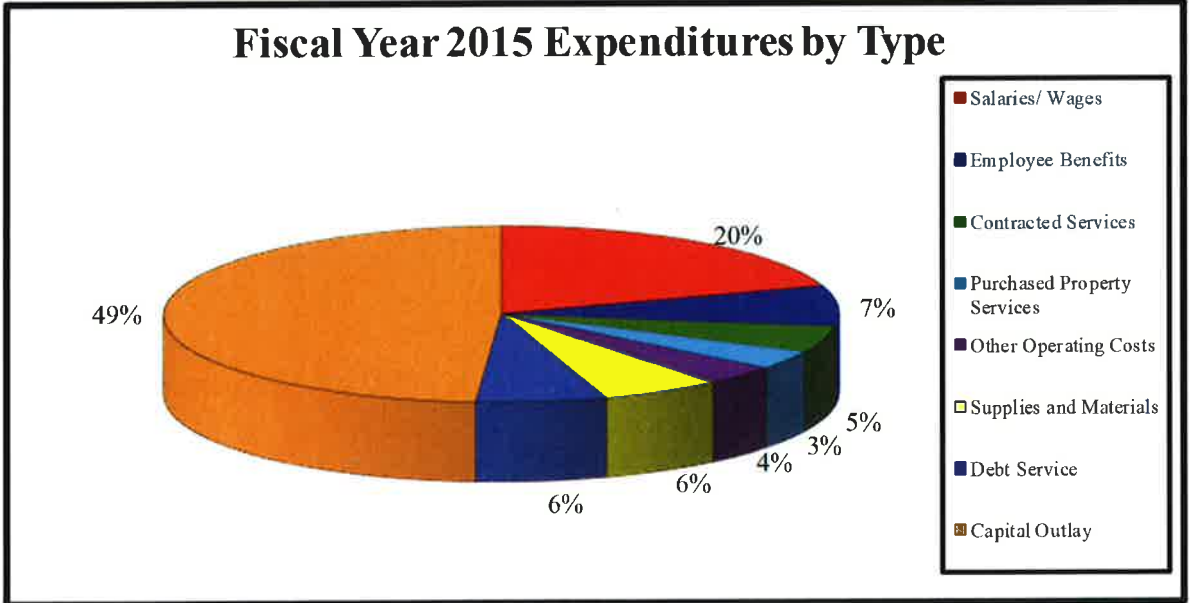
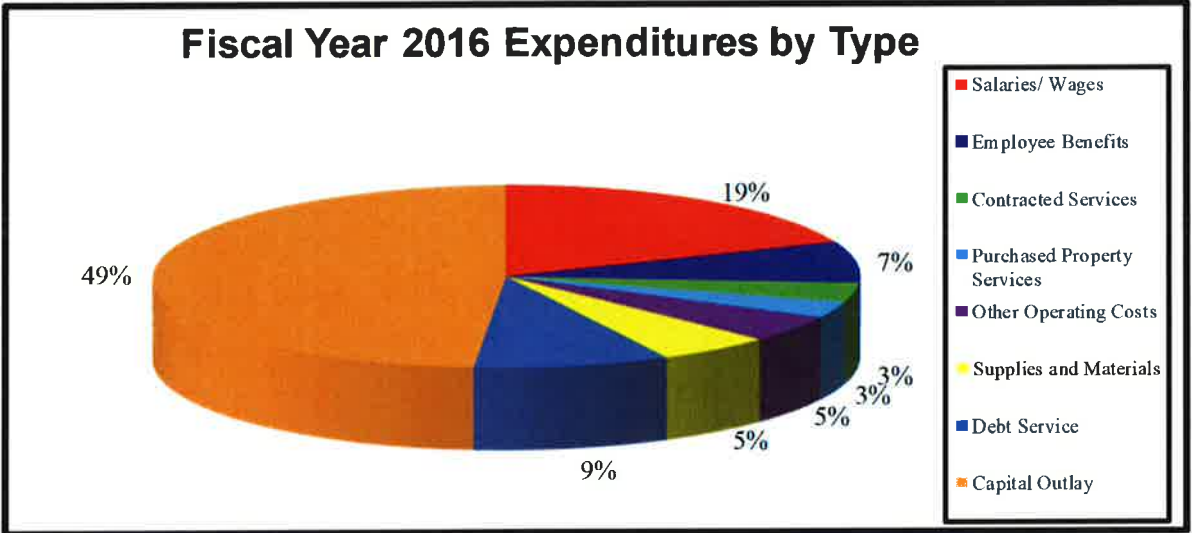


The County's operating expenditures largely consist of personal services (both salaries and benefits) cost for personnel. The following charts illustrate the significance of the County's expenditures by type for the last two fiscal years:

**FISHER COUNTY, TEXAS**

**EXPENDITURES BY TYPE**

	Fiscal Year 2015	Fiscal Year 2016
Salaries/ Wages	\$1,422,998	\$1,365,329
Employee Benefits	531,398	519,375
Contracted Services	342,441	252,286
Purchased Property Services	241,563	202,956
Other Operating Costs	253,645	338,411
Supplies and Materials	408,093	376,367
Debt Service	443,458	642,165
Capital Outlay	3,468,455	3,485,251
<b>Total</b>	<b>\$7,112,051</b>	<b>\$7,182,140</b>



### **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 except for new jail facility amendments.

### **Capital Assets**

At the end of fiscal year 2016, the County had \$12,307,693 invested in capital assets, including land, buildings and improvements, machinery and equipment, and roads and bridges infrastructure.

This year's major additions included:

<b>Current Year Capital Asset Additions</b>		
Jail Building - New	\$	3,196,046
2007 Freightliner Truck		19,500
2007 Freightliner Truck		19,500
1996 Freightliner/CPS Trailer		21,000
2016 Chevrolet 2500 Pickup		28,454
1984 Ingersoll		15,000
Jail Equipment		185,750
<b>Total:</b>	<b>\$</b>	<b>3,485,250</b>

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, 2016 consists of the following:

<b>County Long-Term Debt</b>							
DESCRIPTION	Interest Rate Payable	Amounts Original Issue	Payable Amounts Outstanding 10/1/2015	Issued	Retired	Payable Amounts Outstanding 9/30/2016	Next Fiscal Year Debt Service Requirement
<b><u>Governmental Activities</u></b>							
Note Payable - John Deere Financial	2.74%	\$ 216,000	\$ 72,757	-	\$ 43,956	\$ 28,801	\$ 28,801
Note Payable - John Deere Financial	2.95%	\$ 222,500	114,144	-	18,149	95,995	95,995
Note Payable - John Deere Financial	3.25%	\$ 143,000	30,624	-	30,624	-	-
Equipment Note Payable - First Fin. Bank	3.00%	\$ 39,626	20,138	-	9,905	10,233	10,233
Equipment Note Payable - First Fin. Bank	3.00%	\$ 204,672	122,803	-	39,699	83,104	40,985
Equipment Note Payable - First Fin. Bank	3.00%	\$ 122,505	26,644	-	26,644	-	-
Equipment Note Payable - First Nat. Bank	4.50%	\$ 39,000	-	39,000	-	39,000	12,752
Equipment Note Payable - First Nat. Bank	4.50%	\$ 21,000	-	21,000	-	21,000	6,931
2015 Series General Obligation Bonds	2-00-3.125%	\$ 6,745,000	6,745,000	-	205,000	6,540,000	295,000
<b><u>Business-Type Activities</u></b>							
None		\$ -	-	-	-	-	-
<b>TOTAL</b>		<b>\$ 7,753,303</b>	<b>\$ 7,132,110</b>	<b>\$ 60,000</b>	<b>\$ 373,977</b>	<b>\$ 6,818,133</b>	<b>\$ 490,696</b>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County's officials considered many factors when setting the fiscal year 2017 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 2017. The County's General Fund budgeted expenditures for fiscal year 2017 total \$2,162,867. This represents a decrease of \$16,823 from the final amended fiscal year 2016 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 2017 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, 2016

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
<b>ASSETS</b>	
1010 Cash and Cash Equivalents	\$ 1,858,759
1150 Receivables (net of allowance for uncollectibles)	87,449
Capital Assets:	
1710 Land	79,868
1720 Infrastructure, net	33,072
1730 Buildings, net	7,065,197
1750 Machinery and Equipment, net	1,392,797
1000 Total Assets	10,517,142
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
1997 Deferred Outflow Related to Pension Plan	323,783
1500 Total Deferred Outflows of Resources	323,783
<b>LIABILITIES</b>	
2020 Accounts Payable	2
Noncurrent Liabilities	
2501 Due Within One Year	736,588
2502 Due in More Than One Year	6,327,451
2580 Net Pension Liability	215,243
2000 Total Liabilities	7,279,284
<b>DEFERRED INFLOW OF RESOURCES</b>	
2602 Deferred Inflow Related to Pension Plan	1,411
2500 Total Deferred Inflows of Resources	1,411
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	1,647,940
Restricted for:	
3810 Restricted for Federal or State Grants	3,760
3820 Restricted for Capital Acquisition	25
3830 Restricted for Other State Revenue	77,779
3840 Restricted for Retirement of Long-Term Debt	19,339
3900 Unrestricted Net Position	1,811,387
3000 Total Net Position	\$ 3,560,230

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, 2016

EXHIBIT B-1

Net (Expense)  
Revenue and  
Changes in Net  
Position

Data Control Codes	Program Revenues			Primary Gov.
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
11 Administration - County Judge	\$ 117,399	\$ -	-	\$ (117,399)
12 Administration - County Clerk	131,165	72,775	-	(58,390)
14 Administration - Non-Departmental	398,718	-	-	(398,718)
16 Financial - County Auditor	76,878	-	-	(76,878)
17 Financial - County Treasurer	56,536	-	-	(56,536)
18 Financial - Tax Assessor Collector	95,552	19,058	-	(76,494)
19 Maintenance, Building, and Grounds	33,502	2,882	-	(30,620)
21 County Sheriff Department	749,892	11,776	-	(738,116)
24 Drug Forfeiture	36,366	-	-	(36,366)
25 LEOSE Funds	974	-	1,275	301
30 Justice System	2	-	-	(2)
32 County and District Court	31,375	1,991	7,333	(22,051)
33 32nd Judicial District	26,520	-	-	(26,520)
34 District Clerk	68,009	17,787	-	(50,222)
35 Justice of the Peace #1	69,787	30,493	-	(39,294)
36 Justice of the Peace #2	8,948	-	-	(8,948)
37 District Attorney	42,867	-	-	(42,867)
38 County Attorney	74,706	2,882	23,275	(48,549)
39 Other Judicial	418	1,271	-	853
43 Senior Citizens	121,484	-	49,982	(71,502)
51 Roads and Bridges	1,181,054	284,256	-	(896,798)
52 Airport	2,869	-	-	(2,869)
61 County Extension Agents	30,180	-	-	(30,180)
73 Bond Interest	250,781	-	-	(250,781)
74 Other Debt Interest	5,736	-	-	(5,736)
75 Fiscal Agent's Fees	350	-	-	(350)
90 Intergovernmental	34,025	38,183	-	4,158
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 3,646,093</b>	<b>\$ 483,354</b>	<b>\$ 81,865</b>	<b>(3,080,874)</b>

Data  
Control  
Codes

General Revenues:

Taxes:

5010	Property Taxes, Levied for General Purposes	2,946,422
5011	Property Taxes, Levied for Debt Service	483,682
5600	Grants and Contributions Not Restricted	61,232
5700	Miscellaneous Revenue	108,908
5800	Investment Earnings	5,168
	Loss of Disposal of Equipment	(7,741)
	<b>Total General Revenues and Transfers</b>	<b>3,597,671</b>
	Change in Net Position	516,797
	Net Position-- Beginning	3,043,433
	<b>Net Position--Ending</b>	<b>\$ 3,560,230</b>

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, 2016

Data Control Codes	General Fund	60 Capital Projects	50 Debt Service Fund
<b>ASSETS</b>			
1010 Cash and Cash Equivalents	\$ 1,629,519	\$ 25	\$ 147,676
1050 Taxes Receivable	87,090	-	8,455
1051 Allowance for Uncollectible Taxes (credit)	(21,773)	-	(2,114)
1150 Receivables (Net)	4	-	-
1260 Intergovernmental Receivables	4,285	-	1,186
1300 Due from Other Funds	4,656	-	-
1000 Total Assets	<u>\$ 1,703,781</u>	<u>\$ 25</u>	<u>\$ 155,203</u>
<b>LIABILITIES</b>			
2010 Accounts Payable	\$ -	\$ -	\$ 1
2080 Due to Other Funds	-	-	129,522
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>129,523</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	65,318	-	6,341
2600 Total Deferred Inflows of Resources	<u>65,318</u>	<u>-</u>	<u>6,341</u>
<b>FUND BALANCES</b>			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	25	-
3480 Retirement of Long-Term Debt	-	-	19,339
3490 Other Restricted Fund Balance	-	-	-
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	1,638,463	-	-
3000 Total Fund Balances	<u>1,638,463</u>	<u>25</u>	<u>19,339</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 1,703,781</u>	<u>\$ 25</u>	<u>\$ 155,203</u>

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

Other Funds	Total Governmental Funds
\$ 81,539	\$ 1,858,759
13,384	108,929
(3,344)	(27,231)
-	4
276	5,747
124,866	129,522
<u>\$ 216,721</u>	<u>\$ 2,075,730</u>
\$ -	\$ 1
-	129,522
<u>-</u>	<u>129,523</u>
10,036	81,695
<u>10,036</u>	<u>81,695</u>
3,760	3,760
-	25
-	19,339
77,779	77,779
125,146	125,146
-	1,638,463
<u>206,685</u>	<u>1,864,512</u>
<u>\$ 216,721</u>	<u>\$ 2,075,730</u>

FISHER COUNTY, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2016

<b>Total Fund Balances - Governmental Funds</b>	\$	1,864,512
<p>The County uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 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. At the beginning of the year, the cost of these assets was \$8,880,577 and the accumulated depreciation was \$3,436,329. 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>		
		(1,946,002)
<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 2016 capital outlays and debt principal payments is to increase (decrease) net position.</p>		
		3,859,226
<p>This is the second 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 liability of \$215,243 and a Deferred Resource Outflow of \$323,783 and a Deferred Resource Inflow of \$1,411. The net effect of these was to increase the ending net position by \$108,041.</p>		
		108,041
<p>The 2016 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.</p>		
		(324,367)
<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 unearned 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>		
		(1,180)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>3,560,230</b>

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



FISHER COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Data Control Codes	General Fund	60 Capital Projects	50 Debt Service Fund
<b>REVENUES:</b>			
Taxes:			
5110 Property Taxes	\$ 2,711,387	\$ -	\$ 484,867
5190 Penalty and Interest on Taxes	36,712	-	-
5200 Licenses and Permits	-	-	-
5300 Intergovernmental Revenue and Grants	56,066	-	-
5400 Charges for Services	125,928	-	-
5520 Forfeits	-	-	-
5610 Investment Earnings	3,045	1,955	-
5620 Rents and Royalties	860	-	-
5640 Contributions & Donations from Private Sources	-	-	-
5700 Other Revenue	44,597	-	-
5020 Total Revenues	<u>2,978,595</u>	<u>1,955</u>	<u>484,867</u>
<b>EXPENDITURES:</b>			
Current:			
General Government:			
0011 Administration - County Judge	117,110	-	-
0012 Administration - County Clerk	107,878	-	-
0014 Administration - Non-Departmental	376,806	-	-
0016 Financial - County Auditor	75,239	-	-
0017 Financial - County Treasurer	56,402	-	-
0018 Financial - Tax Assessor Collector	95,339	-	-
0019 Maintenance, Building, and Grounds	33,502	-	-
Public Safety:			
0021 County Sheriff Department	677,949	-	-
0024 Drug Forfeiture	-	-	-
0025 LEOSE Funds	-	-	-
0030 Justice System	-	3,381,797	-
0032 County and District Court	31,375	-	-
0033 32nd Judicial District	26,451	-	-
0034 District Clerk	67,254	-	-
0035 Justice of the Peace #1	69,620	-	-
0036 Justice of the Peace #2	8,927	-	-
0037 District Attorney	42,777	-	-
0038 County Attorney	73,916	-	-
0039 Other Judicial	-	-	-
Health and Human Services:			
0043 Senior Citizens	-	-	-
Infrastructure and Environmental Services:			
0051 Roads and Bridges	-	-	-
0052 Airport	-	-	-
Community and Economic Development:			
0061 County Extension Agents	30,147	-	-
Debt Service:			
0071 Bond Principal	-	-	205,000
0072 Other Debt Principal	-	-	-
0073 Bond Interest	-	-	260,178
0074 Other Debt Interest	-	-	-
0075 Fiscal Agent's Fees	-	-	350
Intergovernmental:			
0090 Intergovernmental	-	-	-
6030 Total Expenditures	<u>1,890,692</u>	<u>3,381,797</u>	<u>465,528</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,087,903</u>	<u>(3,379,842)</u>	<u>19,339</u>

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

Other Funds	Total Governmental Funds
\$ 194,664	\$ 3,390,918
-	36,712
284,257	284,257
71,974	128,040
73,168	199,096
73,786	73,786
168	5,168
5,355	6,215
15,057	15,057
(15,689)	28,908
<u>702,740</u>	<u>4,168,157</u>
-	117,110
19,520	127,398
-	376,806
-	75,239
-	56,402
-	95,339
-	33,502
2,001	679,950
36,366	36,366
974	974
-	3,381,797
-	31,375
-	26,451
-	67,254
-	69,620
-	8,927
-	42,777
577	74,493
418	418
117,847	117,847
1,052,892	1,052,892
2,866	2,866
-	30,147
-	205,000
168,976	168,976
-	260,178
7,661	7,661
-	350
<u>34,025</u>	<u>34,025</u>
<u>1,444,123</u>	<u>7,182,140</u>
<u>(741,383)</u>	<u>(3,013,983)</u>

FISHER COUNTY, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Data Control Codes	General Fund	60 Capital Projects	50 Debt Service Fund
<b>OTHER FINANCING SOURCES (USES):</b>			
7912 Sale of Real and Personal Property	26,456	-	-
7914 Non-Current Loans	-	-	-
7915 Transfers In	-	73,914	-
8911 Transfers Out (Use)	(730,450)	-	-
7080 Total Other Financing Sources (Uses)	<u>(703,994)</u>	<u>73,914</u>	<u>-</u>
1200 Net Change in Fund Balances	383,909	(3,305,928)	19,339
0100 Fund Balance - October 1 (Beginning)	<u>1,254,554</u>	<u>3,305,953</u>	<u>-</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ 1,638,463</u>	<u>\$ 25</u>	<u>\$ 19,339</u>

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

Other Funds	Total Governmental Funds
-	26,456
60,000	60,000
865,381	939,295
(208,845)	(939,295)
<u>716,536</u>	<u>86,456</u>
(24,847)	(2,927,527)
<u>231,532</u>	<u>4,792,039</u>
<u>\$ 206,685</u>	<u>\$ 1,864,512</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, 2016

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ (2,927,527)
The county uses some 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 reported with governmental activities. The net effect of this consolidation is to increase (decrease) 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 2016 capital outlays and debt principal payments is to increase (decrease) net position.	3,859,226
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 net position.	(324,367)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/15 caused the change in the ending net position to increase. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflow and recorded as a current year expense. This caused a decrease in the change in net position. The County's reported TCDRS net pension expense had to be recorded. The net pension expense decreased the change in net position. The result of these changes are to increase/(decrease) the change in net position by \$108,041.	108,041
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unearned 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) net position.	(198,576)
<b>Change in Net Position of Governmental Activities</b>	\$ 516,797

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, 2016

---

	Agency Funds
<hr/>	
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 222,125
Total Assets	<u>\$ 222,125</u>
<b>LIABILITIES</b>	
Due to Others	\$ 222,125
Total Liabilities	<u>\$ 222,125</u>
<b>NET POSITION</b>	
Unrestricted Net Position	
Total Net Position	

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, 2016**

**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 capital project fund for the construction of a new jail site 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, 2016, 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 District'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 District'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 Board of Trustees' ordinance.
- Assigned—Amounts that are designated by the Superintendent 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 Board of Trustees.
- 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 District'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 liability 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 liability 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.

## 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:

<b>Governmental Funds Only</b>				
<b>Capital Assets at the Beginning of the Year</b>	<b>Historical Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Value at the Beginning of the Year</b>	<b>Change in Net Position</b>
Land	\$ 79,868	\$ -	\$ 79,868	
Buildings and Improvements	1,610,406	1,114,379	496,027	
Vehicles, Furniture and Equipment	3,511,902	2,111,497	1,400,405	
Infrastructure	245,323	210,453	34,870	
Construction in Progress	3,433,078	-	3,433,078	
<b>Change in Net Position</b>				<b>\$ 5,444,248</b>
			<b>Payable at the Beginning of the Year</b>	
<b>Long-term Liabilities at the Beginning of the Year</b>			<b>Payable at the Beginning of the Year</b>	
Notes Payable - Long Term			\$ 7,132,110	
Less Unamortized Discount			120,261	
Net Pension Liability			912	
Accrued Interest - Long-Term Debt			136,967	
<b>Change in Net Position</b>				<b>7,390,250</b>
<b>Net Adjustment to Net Position</b>				<b>\$ (1,946,002)</b>

**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:

<b>Governmental Funds Only</b>			
	<b>Amount</b>	<b>Adjustments To Changes in Net Position</b>	<b>Adjustments to Net Position</b>
<b>Current Year Capital Outlay</b>			
Land	\$ -		
Buildings & Improvements	3,196,046		
Vehicles, Furniture & Equipment	289,204		
Construction in Progress	-		
<b>Total Capital Outlay</b>	<b>3,485,250</b>	<b>3,485,250</b>	<b>3,485,250</b>
<b>Debt Principal Payments</b>			
Bond Principal	205,000		
Equipment Notes Principal	108,977		
Capital Lease Principal	59,999		
Other Adjustments	-		
<b>Total Principal Payments</b>	<b>373,976</b>	<b>373,976</b>	<b>373,976</b>
<b>Total Adjustment to Net Position</b>		<b>\$ 3,859,226</b>	<b>\$ 3,859,226</b>



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
<b>Adjustments to Revenue and Unearned Revenue</b>			
Beginning of Year Unavailable Tax Revenue	\$ 72,879		72,879
Property tax adjustments to convert from the modified accrual basis to the full accrual basis of accounting	8,816	8,816	8,816
Other Revenue Adjustments	-	-	-
Other Adjustments	-	-	-
<b>Reclassify Proceeds of Bonds, Loans &amp; Capital Leases</b>			
General Obligation Bonds Issued	-	-	-
Discount (Premium) Issuance of Bonds	-	-	-
Equipment Financing Proceeds	60,000	(60,000)	(60,000)
<b>Reclassify Liabilities Incurred but not Liquidated This Year</b>			
Pension Liability Adjustment	(124,517)	(124,517)	-
<b>Reclassify Certain Expenditures to Full Accrual From Modified Accrual</b>			
Adjust Interest Expense on Long Term Financing	11,322	11,322	11,322
Asset Basis on Disposition of Capital Assets	34,197	(34,197)	(34,197)
<b>Totals</b>		<b>\$ (198,576)</b>	<b>\$ (1,180)</b>

### **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:

	<b>September 30, 2016 Fund Balance</b>
Appropriated Budget Funds	\$ 206,685
Non-appropriated Budget Funds	-
<b>All Special Revenue Funds</b>	<b>\$ 206,685</b>

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Expenditures did not materially exceed budget appropriations during the current fiscal year in any function expended through the general fund.

**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 District's cash and temporary investments at the end of the fiscal year follows:

<b>CASH AND INVESTMENTS - BY ACCOUNT TYPE</b>	<b>September 30, 2016</b>
Cash in Bank - Including Money Market Accounts	\$ 1,246,775
Certificates of Deposit	752,569
Investment Pools	-
<b>Total Cash and Investments</b>	<b>\$ 1,999,344</b>

<b>CASH AND INVESTMENTS - BY FUND</b>	
Cash and Investments - General Fund	\$ 1,629,519
Cash and Investments - Major Governmental Funds	147,701
Cash and Investments - Non-Major Governmental	81,539
Cash and Investments - Enterprise	-
Cash and Investments - Internal Service	-
Cash and Investments - Agency	140,585
Cash and Investments - Trusts	-
Cash and Investments - Other	-
<b>Total Cash and Investments</b>	<b>\$ 1,999,344</b>

**District 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 District'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 District's agent bank in the District's name, and therefore, the District was not exposed to custodial credit risk during the current year.

**Foreign Currency Risk:** The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by (state an appropriate policy, such as, 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 District's cash and cash equivalents with respective maturities and credit rating:

<b>Type of Deposit for Cash and Cash Equivalents</b>	<b>Fair Value</b>	<b>%</b>	<b>Maturity &lt; 1 Year</b>	<b>Maturity 1 - 10 Years</b>	<b>Maturity in Over 10 Years</b>	<b>Credit Rating</b>
Cash in Demand Deposit Accounts (FDIC Insured)	\$ 1,022,972	51.17%	\$ 1,022,972	\$ -	\$ -	n/a
Money Markets and FDIC Insured Accounts	223,803	11.19%	223,803	-	-	n/a
Certificates of Deposit	752,569	37.64%	752,569	-	-	n/a
<b>Total Cash and Cash Equivalents</b>	<b>\$ 1,999,344</b>	<b>100.00%</b>	<b>\$ 1,999,344</b>	<b>\$ -</b>	<b>\$ -</b>	

## **Investments**

### **District 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 District is in substantial compliance with the requirements of the Act and with local policies.

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

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in (list investments covered by the district's credit risk policy, such as 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 district's investments in (category such as commercial paper) were rated (give appropriate information, for example, A1 by Standard & Poor's, F-1 by Fitch Ratings, etc.) (If a credit quality disclosure is required and the investment is unrated, the disclosure should indicate that fact.)

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 District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District 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 District limits investments to less than 5% of its total investments. The District 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 District requires (specify some policy guideline such as "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 District 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 District 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 District'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 District had no investments subject to the fair value measurement.

The District 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, 2016 consisted of the following amounts:

FUND	Due From Other Funds	Due To Other Funds
<b>General Fund</b>		
Major Governmental Funds	\$ 4,656	\$ -
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total General Fund	<u>\$ 4,656</u>	<u>\$ -</u>
<b>Major Governmental Funds</b>		
General Fund	\$ -	\$ 4,656
Non-major Governmental Funds	-	124,866
Proprietary Funds	-	-
All Others	-	-
Total Major Governmental Funds	<u>\$ -</u>	<u>\$ 129,522</u>
<b>Non-major Governmental Funds</b>		
General Fund	\$ -	\$ -
Other Major Governmental Funds	124,866	-
Proprietary Funds	-	-
All Others	-	-
Total Non-major Governmental Funds	<u>\$ 124,866</u>	<u>\$ -</u>
<b>Proprietary Funds</b>		
General Fund	\$ -	\$ -
Major Governmental Fund	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total Proprietary Funds	<u>\$ -</u>	<u>\$ -</u>
<b>All Other Funds</b>		
General Fund	\$ -	\$ -
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
Total All Other Funds	<u>\$ -</u>	<u>\$ -</u>
<b>Total Interfund Receivables / Payables</b>	<u><b>\$ 129,522</b></u>	<u><b>\$ 129,522</b></u>

The balance of \$0 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 \$129,522 from 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, 2016 were as follows:

FUND	Transfers In	Transfers Out
<b>General Fund</b>		
Major Governmental Funds	\$ -	\$ -
Non-major Governmental Funds	-	730,450
Proprietary Funds	-	-
All Others	-	-
Total General Fund	<u>\$ -</u>	<u>\$ 730,450</u>
<b>Major Governmental Funds</b>		
General Fund	\$ 73,914	\$ -
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total Major Governmental Funds	<u>\$ 73,914</u>	<u>\$ -</u>
<b>Non-major Governmental Funds</b>		
General Fund	\$ 865,381	\$ 208,845
Other Major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total Non-major Governmental Funds	<u>\$ 865,381</u>	<u>\$ 208,845</u>
<b>Proprietary Funds</b>		
General Fund	\$ -	\$ -
Major Governmental Fund	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total Proprietary Funds	<u>\$ -</u>	<u>\$ -</u>
<b>All Other Funds</b>		
General Fund	\$ -	\$ -
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
Total All Other Funds	<u>\$ -</u>	<u>\$ -</u>
<b>Total Inte fund Transfers</b>	<u><b>\$ 939,295</b></u>	<u><b>\$ 939,295</b></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, 2016, 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 District's obligation of interest and sinking fund requirements.



**E. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at September 30, 2016 were as follows:

	Property Taxes	Users / Customers	Due From Other Funds	Other	Total Receivables
<b>Governmental Activities:</b>					
General Fund	\$ 87,090	\$ -	\$ 4,656	\$ 4,289	\$ 96,035
Other Major Governmental Funds	8,455	-	-	1,186	9,641
Non-major Governmental Funds	13,384	-	124,866	276	138,526
Other Governmental Funds	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 108,929</b>	<b>\$ -</b>	<b>\$ 129,522</b>	<b>\$ 5,751</b>	<b>\$ 244,202</b>
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

Payables at September 30, 2016 were as follows:

	Accounts Payable	Loans, Leases and Bonds Payable- Current Year	Customer Deposits	Due To Other Funds	Due To Other Governments	Other	Total Payables
<b>Governmental Activities:</b>							
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Major Governmental Funds	-	-	-	129,522	-	-	129,522
Non-major Governmental Funds	-	-	-	-	-	-	-
Other Governmental Funds	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,522</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,522</b>
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, 2016 was as follows:

	<b>Primary Government</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
<b>Capital Assets Not Being Depreciated-</b>				
Land	\$ 79,868	\$ -	\$ -	\$ 79,868
Construction in Progress	3,433,078		3,433,078	-
<b>Capital Assets Being Depreciated-</b>				
Buildings and Improvements	1,610,406	6,629,124	-	8,239,530
Vehicles, Furniture, and Equipment	3,511,902	289,204	58,133	3,742,973
Infrastructure Assets	245,323	-	-	245,323
<b>Totals at Historic Cost</b>	<b>\$ 8,880,577</b>	<b>\$ 6,918,328</b>	<b>\$ 3,491,211</b>	<b>\$ 12,307,694</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	\$ 1,114,379	\$ 59,954	\$ -	\$ 1,174,333
Vehicles, Furniture, and Equipment	2,111,497	262,615	23,936	2,350,176
Infrastructure Assets	210,453	1,798	-	212,251
<b>Total Accumulated Depreciation</b>	<b>\$ 3,436,329</b>	<b>\$ 324,367</b>	<b>\$ 23,936</b>	<b>\$ 3,736,760</b>
<b>Govt. Activities Capital Assets, Net</b>	<b>\$ 5,444,248</b>	<b>\$ 6,593,961</b>	<b>\$ 3,467,275</b>	<b>\$ 8,570,934</b>
<b>Business-type Activities:</b>				
<b>Capital Assets Being Depreciated-</b>				
Buildings and Improvements	\$ -	\$ -	\$ -	\$ -
Vehicles, Furniture, and Equipment	-	-	-	-
<b>Totals at Historic Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	\$ -	\$ -	\$ -	\$ -
Vehicles, Furniture, and Equipment	-	-	-	-
<b>Total Accumulated Depreciation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Depreciation expense was charged to governmental functions as follows:</b>				
Administration - County Clerk			\$	3,537
Administration - County Auditor				1,445
Administration - District Clerk				600
Administration - Non-Departmental				21,912
Financial - Tax Assessor Collector				-
Public Safety - County Sheriff				97,202
Other Public Safety - Fire Department				-
Senior Citizens				3,475
Roads and Bridges				196,196
<b>Total Depreciation Expense</b>			<b>\$</b>	<b>324,367</b>

## 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.

## 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. A summary of changes in general long-term debt for the year ended September 30, 2016 is as follows:

DESCRIPTION	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable			Payable Amounts Outstanding 9/30/2016
				Amounts Outstanding 10/1/2015	Issued	Retired	
<b>Governmental Type Activities</b>							
Notes Payable - John Deere Fin.	2.74%	\$ 216,000	\$ 2,482	\$ 72,757	\$ -	\$ 43,956	\$ 28,801
Notes Payable - John Deere Fin.	2.95%	222,500	-	114,144	-	18,149	95,995
Notes Payable - John Deere Fin.	3.25%	143,000	-	30,624	-	30,624	-
Equipment Note Payable - First Fin. Bank	3.00%	39,626	634	20,138	-	9,905	10,233
Equipment Note Payable - First Fin. Bank	3.00%	204,672	3,776	122,803	-	39,699	83,104
Equipment Note Payable - First Fin. Bank	3.00%	122,505	3,027	26,644	-	26,644	-
Equipment Note Payable - First Nat. Bank	4.50%	39,000	-	-	39,000	-	39,000
Equipment Note Payable - First Nat. Bank	4.50%	21,000	-	-	21,000	-	21,000
2015 Series General Obligation Bonds	2.00-3.125%	6,745,000	260,178	6,745,000	-	205,000	6,540,000
<b>Business Type Activities</b>							
None		-	-	-	-	-	-
<b>TOTAL</b>		\$ 7,753,303	\$ 270,097	\$ 7,132,110	\$ 60,000	\$ 373,977	\$ 6,818,133

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, 2016, **\$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, 2016, as follows:

<b>Year Ending September 30</b>	
2017	\$ -
2018	-
2019	-
2020	-
2021	-
2022-2027	-
2028-2032	-
<b>Total Minimum Rentals</b>	<b>\$ -</b>
Rental Expenditures in Fiscal Year 2016	\$ 2,314

**J. DEBT SERVICE REQUIREMENTS – BONDS, CAP LEASES, & OTHER LONG-TERM DEBT**

Debt service requirements for bonds and notes payable are as follows:

<b>Bonds Payable and Equipment Acquisition Notes Payable</b>			
<b>Year Ended September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirements</b>
2017	\$ 490,697	\$ 173,980	\$ 664,677
2018	361,790	165,640	527,430
2019	325,646	157,259	482,905
2020	315,000	150,219	465,219
2021	320,000	143,869	463,869
Subsequent	5,005,000	1,026,059	6,031,059
<b>Totals</b>	<b>\$ 6,818,133</b>	<b>\$ 1,817,026</b>	<b>\$ 8,635,159</b>

## **Capital Leases**

The County has no capital lease obligations for the year ended September 30, 2016.

### **K. 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.

### **L. RETIREMENT PLAN – TEXAS COUNTY DISTRICT RETIREMENT SYSTEM**

*Plan Description.* The Fisher County Appraisal District 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 District, 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 District 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 District 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 the Fisher County Appraisal District were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the District were 8.23% and 8.23% in calendar years 2015 and 2016, respectively. The District's contributions to TCDRS for the year ended September 30, 2016 were \$114,242 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 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 April 2016 information for a 7-10 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 2013.

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation<sup>(1)</sup></b>	<b>Geometric Real Rate of Return (Expected Minus Inflation)<sup>(2)</sup></b>
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	5.45%
International Equities - Emerging	MSCI World Ex USA (net)	8.00%	6.45%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

<sup>(1)</sup> Target asset allocation adopted at the April 2016 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 1.6%, per Cliffwater's 2016 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

**Changes in the Net Pension Liability.** At September 30, 2016, the Fisher County Appraisal District reported a net pension liability (asset) of \$215,243, which represents the estimated pension liability as of the measurement date of December 31, 2015. 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 12/31/14	\$ 4,749,054	\$ 4,748,142	\$ 912
Changes for the year:			
Service cost	138,402		138,402
Interest	377,583		377,583
Change in benefit terms	(18,859)		(18,859)
Diff between expected/actual experience	1,615		1,615
Changes of assumptions	64,221		64,221
Contributions - employer		118,768	(118,768)
Contributions - employee		101,017	(101,017)
Net investment income		67,287	(67,287)
Benefit payments, including refunds of employee contributions	(362,306)	(362,306)	-
Administrative expenses		(3,408)	3,408
Other charges		64,967	(64,967)
Net changes	200,656	(13,675)	214,331
Balance at 12/31/15	\$ 4,949,710	\$ 4,734,467	\$ 215,243

The net pension liability was measured as of December 31, 2015 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 District'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%)	1% Increase in Discount Rate (9.1%)
County's proportionate share of the net pension liability:	\$ 729,033	\$ 215,243	\$ (220,435)

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

For the year ended September 30, 2016, the District recognized pension expense of \$85,742.

At September 30, 2016, the District 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 experiences (net of current year amortization)	\$ 404	\$ 1,411
Changes in actuarial assumptions	\$ 16,055	
Differences between projected and actual investment earnings (net of current year amortization)	\$ 223,107	
Contributions subsequent to the measurement date	\$ 84,217	
Total	\$ 323,783	\$ 1,411

\$84,217 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31,	
2016	\$ 72,483
2017	\$ 57,435
2018	\$ 57,437
2019	\$ 50,800
2020	\$ -
Thereafter	\$ -



**M. CHANGES IN LONG-TERM LIABILITIES**

Long-term debt activity for the year ended September 30, 2016 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 6,745,000	\$ -	\$ 205,000	\$ 6,540,000	\$ 295,000
Equipment Acquisition Notes	387,109	60,000	168,976	278,133	195,682
Less Deferred Amount on Refunding	-	-	-	-	-
<b>Total Bonds and Notes Payable</b>	<b>\$ 7,132,109</b>	<b>\$ 60,000</b>	<b>\$ 373,976</b>	<b>\$ 6,818,133</b>	<b>\$ 490,682</b>
Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability	912	214,331	-	215,243	-
Unamortized Bond Premium	120,261	-	6,330	113,931	-
Accrued Interest Payable	136,967	131,975	136,967	131,975	131,975
<b>Total Other Liabilities</b>	<b>\$ 258,140</b>	<b>\$ 346,306</b>	<b>\$ 143,297</b>	<b>\$ 461,149</b>	<b>\$ 131,975</b>
<b>Liabilities</b>	<b>\$ 7,390,249</b>	<b>\$ 406,306</b>	<b>\$ 517,273</b>	<b>\$ 7,279,282</b>	<b>\$ 622,657</b>

**N. DEFERRED INFLOWS-UNAVAILABLE REVENUE (GOVERNMENTAL FUND STATEMENTS)**

Unavailable revenue at year-end consisted of the following:

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Total</b>
Net Unavailable Tax Revenue	\$ 65,318	\$ 10,036	\$ 6,341	\$ 81,695
Unearned State Revenues	-	-	-	-
Grant Revenues	-	-	-	-
<b>Total Unavailable Revenue</b>	<b>\$ 65,318</b>	<b>\$ 10,036</b>	<b>\$ 6,341</b>	<b>\$ 81,695</b>

**O. 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, 2016.

**P. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

The County, as of September 30, 2016, has not incurred or made any commitments and/or contingencies in connection with construction or other areas of significance.

**Q. SUBSEQUENT EVENTS**

In preparing the basic financial statements, County administration has evaluated events and transactions for potential recognition or disclosure through July 27, 2017, the date of this report. No material subsequent events had occurred in the period of September 30, 2016 through that date.

**R. RELATED PARTY TRANSACTIONS**

The County did not incur any reportable related party transactions or balances as of and during the year ended September 30, 2016.

**S. FUND BALANCE ADJUSTMENT**

The County had no adjustments to fund balance or have a prior period adjustment to net position during the year ended September 30, 2016.

**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, 2016

EXHIBIT E-1

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
Taxes:					
5110	Property Taxes	\$ 2,617,236	\$ 2,617,236	\$ 2,711,387	\$ 94,151
5190	Penalty and Interest on Taxes	-	-	36,712	36,712
5200	Licenses and Permits	3,498	3,498	-	(3,498)
5300	Intergovernmental Revenue and Grants	49,016	49,016	56,066	7,050
5400	Charges for Services	146,279	146,279	125,928	(20,351)
5610	Investment Earnings	3,206	3,206	3,045	(161)
5620	Rents and Royalties	4,094	4,094	860	(3,234)
5700	Other Revenue	63,678	63,778	44,597	(19,181)
5020	Total Revenues	2,887,007	2,887,107	2,978,595	91,488
<b>EXPENDITURES:</b>					
Current:					
General Government:					
0011	Administration - County Judge	125,936	125,536	117,110	8,426
0012	Administration - County Clerk	107,425	107,425	107,878	(453)
0014	Administration - Non-Departmental	422,972	387,272	376,806	10,466
0016	Financial - County Auditor	98,177	98,177	75,239	22,938
0017	Financial - County Treasurer	58,562	58,562	56,402	2,160
0018	Financial - Tax Assessor Collector	95,650	95,650	95,339	311
0019	Maintenance, Building, and Grounds	80,600	80,600	33,502	47,098
Public Safety:					
0021	County Sheriff Department	718,589	792,502	677,949	114,553
Justice System:					
0032	County and District Court	45,859	45,859	31,375	14,484
0033	32nd Judicial District	33,240	33,240	26,451	6,789
0034	District Clerk	75,837	75,837	67,254	8,583
0035	Justice of the Peace #1	72,393	72,393	69,620	2,773
0036	Justice of the Peace #2	26,609	26,609	8,927	17,682
0037	District Attorney	43,876	43,876	42,777	1,099
0038	County Attorney	74,270	74,270	73,916	354
Heath and Human Services:					
0041	Indigent Welfare / Child Care	7,200	7,200	-	7,200
Infrastructure and Environmental Services:					
0053	Museums	13,999	13,999	-	13,999
Community and Economic Development:					
0061	County Extension Agents	40,783	40,783	30,147	10,636
6030	Total Expenditures	2,141,977	2,179,790	1,890,692	289,098
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	745,030	707,317	1,087,903	380,586
<b>OTHER FINANCING SOURCES (USES):</b>					
7912	Sale of Real and Personal Property	-	-	26,456	26,456
8911	Transfers Out (Use)	-	(36,000)	(730,450)	(694,450)
7080	Total Other Financing Sources (Uses)	-	(36,000)	(703,994)	(667,994)
1200	Net Change in Fund Balances	745,030	671,317	383,909	(287,408)
0100	Fund Balance - October 1 (Beginning)	1,254,554	1,254,554	1,254,554	-
3000	Fund Balance - September 30 (Ending)	\$ 1,999,584	\$ 1,925,871	\$ 1,638,463	\$ (287,408)

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  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
SEPTEMBER 30, 2016

EXHIBIT E-2

	2016	2015
<b>A. Total Pension Liability</b>		
Service Cost	\$ 138,402	\$ 142,150
Interest (on the Total Pension Liability)	377,583	361,409
Changes of Benefit Terms	(18,859)	-0-
Difference between Expected and Actual Experience	1,615	(12,705)
Changes of Assumptions	64,221	-0-
Benefit Payments, including refunds of employee contributions	(362,306)	(262,774)
Net change in Total Pension Liability	\$ 200,656	\$ 228,080
Total Pension Liability - Beginning	4,749,054	4,520,974
Total Pension Liability - Ending	\$ 4,949,710	\$ 4,749,054
<b>B. Total Fiduciary Net Position</b>		
Contributions - Employer	\$ 118,768	\$ 114,848
Contributions - Employee	101,017	97,684
Net Investment Income	67,287	310,150
Benefit Payments, including refunds of employee contributions	(362,306)	(262,774)
Administrative Expense	(3,408)	(3,556)
Other	64,967	(4,395)
Net Change in Plan Fiduciary Net Position	\$ (13,675)	\$ 251,957
Plan Fiduciary Net Position - Beginning	4,748,142	4,496,185
Plan Fiduciary Net Position - Ending	\$ 4,734,467	\$ 4,748,142
<b>C. Net Pension Liability</b>	\$ 215,243	\$ 912
<b>D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	95.65%	99.98%
<b>E. Covered Employee Payroll</b>	\$ 1,443,105	\$ 1,395,480
<b>F. Net Pension Liability as a Percentage of Covered Employee Payroll</b>	14.92%	0.07%

Note: GASB 68, Paragraph 46, a and b requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

Note: Only two years of data are presented in accordance with GASBS #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

FISHER COUNTY, TEXAS  
 SCHEDULE OF CONTRIBUTIONS  
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
 SEPTEMBER 30, 2016

	2016	2015
Actuarially Determined Contribution	\$ 114,242	\$ 117,826
Contributions in Relation to the Actuarially Determined Contributions	(114,242)	(117,826)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-
Covered Employee Payroll	\$ 1,388,107	\$ 1,437,726
Contributions as a Percentage of Covered Employee Payroll	8.23%	8.20%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31, 2014 for Fiscal Year 2015 and August 31, 2015 for Fiscal Year 2016.

Note: In accordance with GASB 68, Paragraph 138, only two years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**COMBINING AND INDIVIDUAL FUND SCHEDULES**



FISHER COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2016

Data Control Codes	20  Airport Fund	61  Road & Bridge Pct 1	62  Road & Bridge Pct 2	63  Road & Bridge Pct 3
<b>ASSETS</b>				
1010	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1050	Taxes Receivable	-	3,346	3,346
1051	Allowance for Uncollectible Taxes (credit)	-	(836)	(836)
1260	Intergovernmental Receivables	-	69	69
1300	Due from Other Funds	-	30,177	31,563
1000	<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 32,756</u>	<u>\$ 34,142</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	Unavailable Revenue - Property Taxes	-	2,509	2,509
2600	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>2,509</u>	<u>2,509</u>
<b>FUND BALANCES</b>				
3450	Federal or State Funds Grant Restriction	-	-	-
3490	Other Restricted Fund Balance	-	-	-
3590	Other Assigned Fund Balance	-	30,247	31,633
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>30,247</u>	<u>31,633</u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ -</u>	<u>\$ 32,756</u>	<u>\$ 34,142</u>

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

64 Road & Bridge Pct 4	65 Court Record Preservation	66 C & D Court Technology	67 Dist Clerk Records Technology	71 Lateral Road Pct 1	72 Lateral Road Pct 2	73 Lateral Road Pct 3	74 Lateral Road Pct 4
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,346	-	-	-	-	-	-	-
(836)	-	-	-	-	-	-	-
69	-	-	-	-	-	-	-
31,563	-	-	-	-	-	-	-
<u>\$ 34,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2,509	-	-	-	-	-	-	-
<u>2,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
31,633	-	-	-	-	-	-	-
<u>31,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 34,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FISHER COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2016

Data Control Codes	75 911 Addressing Fund	76 County Clerk Archive	77 Judicial Education	78 County Clerk Preservation	
<b>ASSETS</b>					
1010	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1050	Taxes Receivable	-	-	-	-
1051	Allowance for Uncollectible Taxes (credit)	-	-	-	-
1260	Intergovernmental Receivables	-	-	-	-
1300	Due from Other Funds	-	-	-	-
1000	<b>Total Assets</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	<b>Total Deferred Inflows of Resources</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>FUND BALANCES</b>					
3250	Federal or State Funds Grant Restriction	-	-	-	-
3290	Other Restricted Fund Balance	-	-	-	-
3590	Other Assigned Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

79	80	81	82	83	84	85	86
Law Library	District Clerk Preservation	Courthouse Security	County Preservation	Inmate Telephone	Hot Check Fund	Bail Bond Fund	State Fines & Fees
\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

FISHER COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2016

Data Control Codes	87 Senior Citizens	88 LEOSE Grant	89 Justice Court Technology	90 Miscellaneous
<b>ASSETS</b>				
1010 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1050 Taxes Receivable	-	-	-	-
1051 Allowance for Uncollectible Taxes (credit)	-	-	-	-
1260 Intergovernmental Receivables	-	-	-	-
1300 Due from Other Funds	-	-	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
3250 Federal or State Funds Grant Restriction	-	-	-	-
3290 Other Restricted Fund Balance	-	-	-	-
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

91 District Attorney Drug Forfeiture	94 Fisher County Grant Association	68 Election System Contract	92 Drug Forfeiture	Total Nonmajor Governmental Funds
\$ -	\$ 3,760	\$ -	\$ 77,779	\$ 81,539
-	-	-	-	13,384
-	-	-	-	(3,344)
-	-	-	-	276
-	-	-	-	124,866
<u>\$ -</u>	<u>\$ 3,760</u>	<u>\$ -</u>	<u>\$ 77,779</u>	<u>\$ 216,721</u>
-	-	-	-	10,036
-	-	-	-	10,036
-	3,760	-	-	3,760
-	-	-	77,779	77,779
-	-	-	-	125,146
-	3,760	-	77,779	206,685
<u>\$ -</u>	<u>\$ 3,760</u>	<u>\$ -</u>	<u>\$ 77,779</u>	<u>\$ 216,721</u>

FISHER COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Data Control Codes	20 Airport Fund	61 Road & Bridge Pct 1	62 Road & Bridge Pct 2	63 Road & Bridge Pct 3
<b>REVENUES:</b>				
Taxes:				
5110 Property Taxes	\$ -	\$ 48,666	\$ 48,666	\$ 48,666
5200 Licenses and Permits	-	70,025	71,411	71,411
5300 Intergovernmental Revenue and Grants	-	-	-	-
5400 Charges for Services	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	-	-	-
5620 Rents and Royalties	5,355	-	-	-
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	-	(5,000)	(3,587)	(3,522)
5020 Total Revenues	<u>5,355</u>	<u>113,691</u>	<u>116,490</u>	<u>116,555</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
0012 Administration - County Clerk	-	-	-	-
Public Safety:				
0021 County Sheriff Department	-	-	-	-
0024 Drug Forfeiture	-	-	-	-
0025 LEOSE Funds	-	-	-	-
Justice System:				
0038 County Attorney	-	-	-	-
0039 Other Judicial	-	-	-	-
Heath and Human Services:				
0043 Senior Citizens	-	-	-	-
Infrastructure and Environmental Services:				
0051 Roads and Bridges	-	296,081	267,288	245,944
0052 Airport	2,866	-	-	-
Debt Service:				
0072 Other Debt Principal	-	43,956	28,054	39,699
0074 Other Debt Interest	-	2,482	634	3,776
Intergovernmental:				
0090 Intergovernmental	-	-	-	-
6030 Total Expenditures	<u>2,866</u>	<u>342,519</u>	<u>295,976</u>	<u>289,419</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,489</u>	<u>(228,828)</u>	<u>(179,486)</u>	<u>(172,864)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7914 Non-Current Loans	-	39,000	21,000	-
7915 Transfers In	-	220,075	190,119	204,497
8911 Transfers Out (Use)	(15,447)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(15,447)</u>	<u>259,075</u>	<u>211,119</u>	<u>204,497</u>

64 Road & Bridge Pct 4	65 Court Record Preservation	66 C & D Court Technology	67 Dist Clerk Records Technology	71 Lateral Road Pct 1	72 Lateral Road Pct 2	73 Lateral Road Pct 3	74 Lateral Road Pct 4
\$ 48,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71,410	-	-	-	-	-	-	-
-	710	-	-	5,146	5,146	5,146	5,146
-	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(3,630)	-	-	-	-	-	-	-
<u>116,446</u>	<u>711</u>	<u>-</u>	<u>-</u>	<u>5,146</u>	<u>5,146</u>	<u>5,146</u>	<u>5,146</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
221,770	-	-	-	6,116	6,865	5,396	3,432
-	-	-	-	-	-	-	-
57,267	-	-	-	-	-	-	-
769	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>279,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,116</u>	<u>6,865</u>	<u>5,396</u>	<u>3,432</u>
(163,360)	711	-	-	(970)	(1,719)	(250)	1,714
-	-	-	-	-	-	-	-
194,993	-	-	-	970	1,719	250	-
-	(2,880)	(334)	(1,437)	-	-	-	(1,714)
<u>194,993</u>	<u>(2,880)</u>	<u>(334)</u>	<u>(1,437)</u>	<u>970</u>	<u>1,719</u>	<u>250</u>	<u>(1,714)</u>
31,633	(2,169)	(334)	(1,437)	-	-	-	-
-	2,169	334	1,437	-	-	-	-
<u>\$ 31,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



FISHER COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Data Control Codes	20  Airport Fund	61 Road & Bridge Pct 1	62 Road & Bridge Pct 2	63 Road & Bridge Pct 3
1200      Net Change in Fund Balance	(12,958)	30,247	31,633	31,633
0100      Fund Balance - October 1 (Beginning)	<u>12,958</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000      Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 30,247</u>	<u>\$ 31,633</u>	<u>\$ 31,633</u>

FISHER COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Data Control Codes	75 911 Addressing Fund	76 County Clerk Archive	77 Judicial Education	78 County Clerk Preservation
<b>REVENUES:</b>				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5200 Licenses and Permits	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	-	-	-
5400 Charges for Services	-	11,719	101	13,020
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	10	-	31
5620 Rents and Royalties	-	-	-	-
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	-	-	-	-
5020 Total Revenues	<u>-</u>	<u>11,729</u>	<u>101</u>	<u>13,051</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
0012 Administration - County Clerk	-	-	-	19,520
Public Safety:				
0021 County Sheriff Department	-	-	-	-
0024 Drug Forfeiture	-	-	-	-
0025 LEOSE Funds	-	-	-	-
Justice System:				
0038 County Attorney	-	-	-	-
0039 Other Judicial	-	-	-	-
Health and Human Services:				
0043 Senior Citizens	-	-	-	-
Infrastructure and Environmental Services:				
0051 Roads and Bridges	-	-	-	-
0052 Airport	-	-	-	-
Debt Service:				
0072 Other Debt Principal	-	-	-	-
0074 Other Debt Interest	-	-	-	-
Intergovernmental:				
0090 Intergovernmental	-	-	-	-
6030 Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,520</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>11,729</u>	<u>101</u>	<u>(6,469)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7914 Non-Current Loans	-	-	-	-
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	<u>(1,757)</u>	<u>(44,544)</u>	<u>(801)</u>	<u>(34,825)</u>
7080 Total Other Financing Sources (Uses)	<u>(1,757)</u>	<u>(44,544)</u>	<u>(801)</u>	<u>(34,825)</u>

79	80	81	82	83	84	85	86
Law Library	District Clerk Preservation	Courthouse Security	County Preservation	Inmate Telephone	Hot Check Fund	Bail Bond Fund	State Fines & Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,135	312	2,382	649	-	422	2,541	38,052
-	11	-	1	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,135</u>	<u>323</u>	<u>2,382</u>	<u>650</u>	<u>-</u>	<u>422</u>	<u>2,541</u>	<u>38,052</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,001	-
-	-	-	-	-	-	-	-
-	-	-	-	-	577	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	50	-	-	33,975
-	-	-	-	50	577	2,001	33,975
<u>2,135</u>	<u>323</u>	<u>2,382</u>	<u>650</u>	<u>(50)</u>	<u>(155)</u>	<u>540</u>	<u>4,077</u>
-	-	-	-	-	-	-	-
(5,452)	(1,421)	(16,787)	(1,320)	(4,407)	(3,697)	(28,370)	(34,980)
<u>(5,452)</u>	<u>(1,421)</u>	<u>(16,787)</u>	<u>(1,320)</u>	<u>(4,407)</u>	<u>(3,697)</u>	<u>(28,370)</u>	<u>(34,980)</u>
(3,317)	(1,098)	(14,405)	(670)	(4,457)	(3,852)	(27,830)	(30,903)
<u>3,317</u>	<u>1,098</u>	<u>14,405</u>	<u>670</u>	<u>4,457</u>	<u>3,852</u>	<u>27,830</u>	<u>30,903</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FISHER COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Data Control Codes	75 911 Addressing Fund	76 County Clerk Archive	77 Judicial Education	78 County Clerk Preservation
1200      Net Change in Fund Balance	(1,757)	(32,815)	(700)	(41,294)
0100      Fund Balance - October 1 (Beginning)	<u>1,757</u>	<u>32,815</u>	<u>700</u>	<u>41,294</u>
3000      Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FISHER COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Data Control Codes	87 Senior Citizens	88 LEOSE Grant	89 Justice Court Technology	90 Miscellaneous
<b>REVENUES:</b>				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5200 Licenses and Permits	-	-	-	-
5300 Intergovernmental Revenue and Grants	49,982	1,402	-	-
5400 Charges for Services	-	-	1,125	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	-	-	-
5620 Rents and Royalties	-	-	-	-
5640 Contributions & Donations from Private Sources	15,057	-	-	-
5700 Other Revenue	50	-	-	-
5020 Total Revenues	<u>65,089</u>	<u>1,402</u>	<u>1,125</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
0012 Administration - County Clerk	-	-	-	-
Public Safety:				
0021 County Sheriff Department	-	-	-	-
0024 Drug Forfeiture	-	-	-	-
0025 LEOSE Funds	-	974	-	-
Justice System:				
0038 County Attorney	-	-	-	-
0039 Other Judicial	-	-	418	-
Health and Human Services:				
0043 Senior Citizens	117,847	-	-	-
Infrastructure and Environmental Services:				
0051 Roads and Bridges	-	-	-	-
0052 Airport	-	-	-	-
Debt Service:				
0072 Other Debt Principal	-	-	-	-
0074 Other Debt Interest	-	-	-	-
Intergovernmental:				
0090 Intergovernmental	-	-	-	-
6030 Total Expenditures	<u>117,847</u>	<u>974</u>	<u>418</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(52,758)</u>	<u>428</u>	<u>707</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7914 Non-Current Loans	-	-	-	-
7915 Transfers In	52,758	-	-	-
8911 Transfers Out (Use)	-	(3,572)	(4,256)	-
7080 Total Other Financing Sources (Uses)	<u>52,758</u>	<u>(3,572)</u>	<u>(4,256)</u>	<u>-</u>

91 District Attorney Drug Forfeiture	94 Fisher County Grant Association	68 Election System Contract	92 Drug Forfeiture	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 194,664
-	-	-	-	284,257
-	6	-	-	71,974
-	-	-	-	73,168
(2,130)	-	-	75,916	73,786
-	-	-	114	168
-	-	-	-	5,355
-	-	-	-	15,057
-	-	-	-	(15,689)
<u>(2,130)</u>	<u>6</u>	<u>-</u>	<u>76,030</u>	<u>702,740</u>
-	-	-	-	19,520
-	-	-	-	2,001
-	-	-	36,366	36,366
-	-	-	-	974
-	-	-	-	577
-	-	-	-	418
-	-	-	-	117,847
-	-	-	-	1,052,892
-	-	-	-	2,866
-	-	-	-	168,976
-	-	-	-	7,661
-	-	-	-	34,025
-	-	-	36,366	1,444,123
<u>(2,130)</u>	<u>6</u>	<u>-</u>	<u>39,664</u>	<u>(741,383)</u>
-	-	-	-	60,000
-	-	-	-	865,381
-	-	(844)	-	(208,845)
-	-	(844)	-	716,536
(2,130)	6	(844)	39,664	(24,847)
<u>2,130</u>	<u>3,754</u>	<u>844</u>	<u>38,115</u>	<u>231,532</u>
<u>\$ -</u>	<u>\$ 3,760</u>	<u>\$ -</u>	<u>\$ 77,779</u>	<u>\$ 206,685</u>

FISHER COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Data Control Codes	87  Senior Citizens	88  LEOSE Grant	89  Justice Court Technology	90  Miscellaneous
1200      Net Change in Fund Balance	-	(3,144)	(3,549)	-
0100    Fund Balance - October 1 (Beginning)	-	3,144	3,549	-
3000    Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ -	\$ -

FISHER COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	BALANCE OCTOBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2016
<b>AGENCY FUNDS</b>				
Assets:				
Cash and Cash Equivalents	\$ 186,913	\$ 1,153,564	\$ 1,118,352	\$ 222,125
Liabilities:				
Due to Others	\$ 186,913	\$ 1,153,564	\$ 1,118,352	\$ 222,125
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Cash Equivalents	\$ 186,913	\$ 1,153,564	\$ 1,118,352	\$ 222,125
Liabilities:				
Due to Others	\$ 186,913	\$ 1,153,564	\$ 1,118,352	\$ 222,125

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

20 Southwest Third Street • PO Box 669 • Hamlin, Texas 79520 • Tel: 325-576-2356 • Fax: 325-576-3525

E-mail: [rodgerscpa@att.net](mailto:rodgerscpa@att.net)

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

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

---

July 27, 2017

### **Government Auditing Standards Report on Internal Control over Financial Reporting and on Compliance and Other Matters—with 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, 2016, 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 July 27, 2017.

#### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses number 2016-001 that we consider to be material weaknesses.

**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* and thus is not reported on the *Schedule of Finding and Responses*.

**County's Response to Finding**

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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,

A handwritten signature in blue ink that reads "James E. Rodgers and Company". The signature is written in a cursive, flowing style.

James E. Rodgers and Company, P.C.

FISHER COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**I. Summary of the Auditor's Results:**

- |        |   |                           |
|--------|---|---------------------------|
| 1.     | Type of report issued on the financial statements:            | <b>Unmodified opinion</b> |
| 2. (a) | Significant deficiencies in internal control:                 | <b>Yes</b>                |
|        | (b) Significant deficiencies that were material weaknesses:   | <b>Yes</b>                |
| 3.     | Noncompliance, which is material to the financial statements: | <b>None</b>               |

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

**Finding 2016-001:**

- a. Condition:** The server maintained by the County crashed in October of 2016. The details of all accounting records were lost and several backups were attempted to restore, which all contained the same issues and therefore did not provide detail records. Monthly printed copies were reviewed as well as detail transaction records that had been printed monthly during the current year ended September 30, 2016.
- b. Criteria:** Accounting records are to be maintained in sufficient detail that will provide evidence that all transaction entries have been accounted for and that proper coding has been recorded or reclassified as necessary in order to achieve proper financial reporting.
- c. Cause:** The server maintained by the County crashed in October of 2016 and backups contained the same issues and therefore, details of accounting transactions were lost.
- d. Effect:** Accounting records were not detailed to establish that all transactions were properly recorded.
- e. Recommendation:** Improved backup procedures must be initiated that ensures that accounting records are not lost due to computer malfunctions.
- f. County Response:** The County purchased new accounting software that is being used effective October 1, 2016. The new software (Hill Country Software) uses cloud backup procedures that will enhance the County's local backup procedures.

**SUPPLEMENTARY INFORMATION**

FISHER COUNTY, TEXAS  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Last 10 Years Ended September 30	Tax Rates		Assessed/Appraised Value for Tax Purposes
	Maintenance	Debt Service	
2007 and prior years	Various	Various	\$ Various
2008	0.95000	0.00000	158,234,112
2009	0.82478	0.00000	169,607,186
2010	0.81000	0.00000	178,695,420
2011	0.79000	0.00000	187,850,209
2012	0.80000	0.00000	235,500,432
2013	0.77400	0.00000	274,270,763
2014	0.79680	0.00000	326,108,718
2015	0.72400	0.00000	355,891,430
2016 (Fiscal year under audit)	0.68699	0.12852	383,861,794
1000 TOTALS			

Beginning Balance October 1, 2015	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance September 30, 2016
\$ 11,255	\$ -	\$ 360	\$ -	\$ 585	\$ 10,310
2,642	-	71	-	69	2,502
3,072	-	315	-	330	2,427
3,161	-	152	-	304	2,705
3,763	-	944	-	248	2,571
6,577	-	1,933	-	159	4,485
10,734	-	4,167	-	153	6,414
18,001	-	9,087	-	200	8,714
37,967	-	22,765	-	55	15,147
-	3,130,412	2,591,891	484,867	-	53,654
<u>\$ 97,172</u>	<u>\$ 3,130,412</u>	<u>\$ 2,631,685</u>	<u>\$ 484,867</u>	<u>\$ 2,103</u>	<u>\$ 108,929</u>