

FISHER COUNTY, TEXAS

FINANCIAL STATEMENTS

AND

**INDEPENDENT AUDITOR'S
REPORT**

YEAR ENDED

SEPTEMBER 30, 2022



Roberts & McGee CPA

FISHER COUNTY, TEXAS
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INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and
Members of the Commissioners Court of
Fisher County, Texas:

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Fisher County, Texas** (the County) as of and for the year ended September 30, 2022, and the related notes to the financial statement, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 the County as of September 30, 2022, and the respective changes in the 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during our audit.

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 pension and OPEB information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Roberts & McGee, CPA
Roberts & McGee, CPA

Abilene, Texas
May 4, 2023

FISHER COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2022

As management of Fisher County, we offer readers of Fisher County's financial statements this narrative overview and analysis of the financial activities of Fisher County for the fiscal year ended September 30, 2022.

Financial Highlights

Government-Wide Financial Statements

- The assets of Fisher County exceeded its liabilities at the close of the most recent fiscal year by \$8,183,516 (net position). Of this amount, \$4,266,607 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. \$915,259 of the County's equity is restricted for debt service and special revenue funds, and \$3,001,650 is invested in capital assets, net of related debt.
- The County's total debt and leases outstanding at September 30, 2022 is \$5,180,640.
- The total net position (*equity*) of the County increased by \$1,338,508 from operations during the 2022 fiscal year.

Fund Financial Statements

- As of the close of the current fiscal year, Fisher County's governmental funds reported combined ending fund balances of \$4,993,789. Approximately 71% of the total fund balance amount, \$3,540,230, is unassigned and available for spending at the government's discretion.
- The fund balance in the general fund reflects an increase of \$522,631 from the prior year.
- At the end of the current fiscal year, restricted fund balance for debt service, and special revenue funds was \$915,259 which is an increase of \$105,996 from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements reflect functions of Fisher County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Fisher County include general administration, judicial, legal, financial administration, public facilities, public safety, health and welfare, conservation, other supported services, and road and bridge. The government-wide financial statements can be found on pages 10-11 of this report.

FISHER COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2022

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fisher County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Fisher County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fisher County has three governmental fund types which are the general fund, special revenue funds and debt service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge fund, ARPA fund and the debt service fund, which are considered to be major funds. Data from the other non-major governmental funds are combined into the aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 12-16 of this report.

Fisher County adopts an annual budget for its general fund, road and bridge fund, debt service fund, and various other special revenue funds. A budgetary comparison statement has been provided for the general fund, the road and bridge fund, and the ARPA fund on pages 36-38.

Fiduciary funds. Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other governmental units. The County's fiduciary funds are all reported as Agency Funds. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's basic programs. The basic agency fund financial statement can be found on page 16, and the schedule of changes in the agency assets and liabilities can be found on page 63 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-35 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 43-62 of this report.

FISHER COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Fisher County, assets exceeded liabilities by \$8,183,516 at the close of the most recent fiscal year.

Fisher County's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is outstanding of \$3,001,650. Fisher County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Fisher County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Fisher County's Net Position

	Governmental Activities	
	2022	2021
Current assets	\$ 5,802,981	\$ 5,136,768
Capital assets and noncurrent assets	9,206,043	8,027,573
Deferred outflows of resources	362,699	570,144
Total Assets and Deferred outflows of resources	15,371,723	13,734,485
Current liabilities	683,445	591,644
Long-term liabilities	4,960,906	5,424,581
Deferred inflows of resources	1,543,856	871,355
Total Liabilities and deferred inflows of resources	7,188,207	6,887,580
Net investment in capital assets	3,001,650	2,394,459
Restricted	915,259	809,263
Unrestricted	4,266,607	3,643,183
Total net position	\$ 8,183,516	\$ 6,846,905

The government's net position increased by \$1,338,508 from operations during the current fiscal year.

FISHER COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

Fisher County's Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 657,523	\$ 611,892
Operating Grants and Contributions	234,170	433,926
Capital Grants and Contributions	527,657	
General Revenues		
Property and Other Taxes	4,614,056	4,622,656
Investment Income	33,224	8,007
Gain (loss) on disposal of assets	22,000	77,238
Miscellaneous Income	208,096	161,459
Total Revenues	6,296,726	5,915,178
Expenses		
General administration	521,955	635,650
Judicial	585,042	585,876
Legal	214,265	144,812
Financial administration	380,108	355,019
Public facilities	104,390	49,256
Public safety	1,404,841	1,342,985
Health and welfare	176,095	130,491
Economic opportunity	38,923	36,501
Other supported services	105,073	112,938
Highway & street	1,287,008	1,262,190
Interest on long-term debt	140,518	96,416
Total expenditures	4,958,218	4,752,134
Increase in Net Position	1,338,508	1,163,044
Net Position - Beginning of Year, restated	6,845,008	5,681,964
Net Position - End of Year	\$ 8,183,516	\$ 6,845,008

FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

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

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

FISHER COUNTY, TEXAS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

As of the end of the current fiscal year, Fisher County's governmental funds reported combined ending fund balances of \$4,993,789. Approximately 71 percent of this total amount, \$3,540,231 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is assigned, committed or restricted for capital improvements, special revenue and debt service purposes to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the County. \$3,876,022 of the general fund's fund balance is unassigned. The unassigned fund balance represents 78% of the total general fund expenditures or approximately 13 months of operating equity.

Fund Budgetary Highlights

The original budget for the General Fund reflected a budgeted surplus of \$68,874. Budget amendments were approved by the Commissioners and the adjusted budget reflected a budgeted surplus of \$103. The actual expenditures were \$377,654 less than the final budgeted amounts, and actual revenues were \$150,515 more than was budgeted. This resulted in a favorable budget variance of \$522,528 before other financing sources and uses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Fisher County's investment in capital assets for its governmental activities as of September 30, 2022, amounts to \$8,182,290 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, and infrastructure.

**Fisher County's Capital Assets
(net of depreciation)**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Land	\$ 79,868	\$ 79,868
Buildings and improvements	6,111,997	6,277,540
Machinery and equipment	1,458,981	1,646,681
Infrastructure	490,774	23,484
Intangible Right of Use Asset	<u>40,670</u>	<u>53,604</u>
	<u>\$ 8,182,290</u>	<u>\$ 8,081,177</u>

Current year additions to capital outlays amounted to \$665,377 and \$80,000 of capital assets were disposed of. Depreciation and amortization expense was \$556,264 and \$381,616 for the years ended September 30, 2022 and 2021, respectively.

FISHER COUNTY, TEXAS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Debt Administration

The County has long term debt in the form of general obligation bonds, notes payable, and right of use liabilities (leases) within the governmental activities. As of September 30, 2022, the County had long term debt as follows:

Governmental Activities:	
General obligation bonds	\$ 4,680,000
Notes payable	381,777
Lease Liabilities	42,911

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The county adopted a 2022 property tax rate effective for its 2023 fiscal year of 0.648338 per \$100 property valuation. This is compared to the 2021 property tax rate of 0.731907 per \$100 property valuation.
- The County's 2023 fiscal year general fund budget proposed budgeted revenue of \$3,661,802 and budgeted expenses of \$3,385,690. Budgeted revenues are \$270,292 higher than the fiscal year 2022 adjusted budget, and the budgeted expense are \$5,717 less than the adjusted budgeted expenses for fiscal year 2022.

Requests for Information

This financial report is designed to provide a general overview of Fisher County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fisher County Auditor, PO Box 126 Roby, Texas 79543; (325) 776-3255.

FISHER COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	<u>Primary Government</u>
	<u>Governmental</u>
	<u>Activities</u>
ASSETS:	
Current:	
Cash and cash equivalents	\$ 4,647,898
Investments	1,042,266
Receivables:	
Property tax, net	109,792
Grants	3,025
Total Current assets	5,802,981
Non-current assets:	
Capital assets net of accumulated depreciation	8,182,290
Net pension asset	1,023,753
Total noncurrent assets	9,206,043
TOTAL ASSETS	15,009,024
 DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows - pension and OPEB	362,699
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	15,371,723
 LIABILITIES:	
Current:	
Accounts payable	180,838
Due to state	12,399
Accrued interest payable	30,040
Long-term liabilities:	
Long term debt - due in less than one year	460,168
Long term debt - due in more than one year	4,720,472
OPEB Liability	240,434
TOTAL LIABILITIES	5,644,351
 DEFERRED INFLOWS OF RESOURCES:	
Unearned grant revenue	506,166
Deferred inflows - pension and OPEB	1,037,690
TOTAL DEFERRED INFLOWS OF RESOURCES	1,543,856
 NET POSITION:	
Net investment in capital assets	3,001,650
Restricted for debt service	203,583
Restricted for special revenue and capital improvements	711,676
Unrestricted	4,266,607
TOTAL NET POSITION	\$ 8,183,516

The accompanying notes are an integral part of these financial statements.

FISHER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Function/Program	Expenses	Program Revenues			Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities:					
General administration	\$ 521,955	\$ 9,795		\$ 237,767	\$ (274,393)
Judicial	585,042	291,372	56,125		(237,545)
Legal	214,265				(214,265)
Financial administration	380,108	10,423			(369,685)
Public facilities	104,390	7,413		289,890	192,913
Public safety	1,404,841	52,812	1,197		(1,350,832)
Health and welfare	176,095		62,051		(114,044)
Economic opportunity	38,923				(38,923)
Other supported services	105,073				(105,073)
Road and bridge	1,287,008	285,708	114,797		(886,503)
Interest on long-term debt	140,518				(140,518)
Total governmental activities	4,958,218	657,523	234,170	527,657	(3,538,868)
Total primary government	\$ 4,958,218	\$ 657,523	\$ 234,170	\$ 527,657	(3,538,868)
General revenues:					
Property taxes					4,614,056
Investment income					33,224
Gain on sale of assets					22,000
Miscellaneous income					208,096
Total general revenues					4,877,376
Change in net position					1,338,508
Net position - beginning of year, restated					6,845,008
Net position - end of year					\$ 8,183,516

The accompanying notes are an integral part of these financial statements.

FISHER COUNTY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	Road and Bridge Fund	Debt Service Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash investments	\$ 2,772,982	\$ 741,116	\$ 337,185	\$ 519,753	\$ 276,862	\$ 4,647,898
Investments	1,042,266					1,042,266
Receivables:						
Taxes Receivable	102,558	12,699	26,754		3,025	142,011
Intergovernmental grants	(23,268)	(2,881)	(6,070)			(32,219)
Allowance for Uncollectible Taxes	133,602					133,602
Due from Other Funds						
TOTAL ASSETS	\$ 4,028,140	\$ 750,934	\$ 357,869	\$ 519,753	\$ 279,887	\$ 5,936,583
LIABILITIES						
Accounts payable and accrued expenses	\$ 72,828	\$ 49,901	\$	\$ 13,587	\$ 44,522	\$ 180,838
Due to Other Funds			133,602			133,602
Due to Others					12,399	12,399
TOTAL LIABILITIES	72,828	49,901	133,602	13,587	56,921	326,839
DEFERRED INFLOWS OF RESOURCES						
Unearned grant revenue				506,166		506,166
Deferred revenue - property taxes	79,290	9,815	20,684			109,789
TOTAL DEFERRED INFLOWS	79,290	9,815	20,684	506,166		615,955
FUND BLANCE						
Committed fund balance					428,598	428,598
Assigned fund balance					109,701	109,701
Restricted for debt service			203,583			203,583
Restricted for special revenue and capital improvements		691,218			20,458	711,676
Unassigned	3,876,022				(335,791)	3,540,231
TOTAL FUND BALANCE	3,876,022	691,218	203,583		222,966	4,993,789
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 4,028,140	\$ 750,934	\$ 357,869	\$ 519,753	\$ 279,887	\$ 5,936,583

The accompanying notes are an integral part of these financial statements.

FISHER COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF NET POSITION
SEPTEMBER 30, 2022

Total Fund Balances - Governmental Funds	\$	4,993,789
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds balance sheet. The net effect is an increase in net position.		8,182,290
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Other long-term assets are not available to pay for current-period expenditures, therefore, are deferred in the governmental funds. Deferred revenue is recognized in the government-wide financial statements. This results in an increase in net position.		109,789
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The net effect is a decrease in net position.		(5,210,680)
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Included on the government-wide financial statements is the recognition of the County's proportionate share of the OPEB liabilities of \$240,434 and a deferred outflow of resources of \$40,034 and deferred inflows of resources of \$9,124. The net effect is a decrease to net position.		(209,524)
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Included on the government-wide financial statements is the recognition of the County's proportionate share of the net pension asset of \$1,023,753, a deferred outflow of resources of \$322,665, and a deferred inflow of resources of \$1,028,566. The net effect is to increase net position.		317,852
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Net Position of Governmental Activities	\$	<u>8,183,516</u>
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The accompanying notes are an integral part of these financial statements.

FISHER COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Road and Bridge Fund	Debt Service Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Property taxes	\$ 3,188,434	\$ 961,950	\$ 462,613	\$	\$	\$ 4,612,997
Licenses and permits		285,703			58,783	344,486
Fees and charges for services	198,555				114,478	313,033
Intergovernmental	56,125			237,767	467,939	761,831
Investment earnings	29,840		3,002		382	33,224
Contribution and Donations					12,633	12,633
Other miscellaneous	69,071	82,877			43,515	195,463
Total Revenues	3,542,025	1,330,530	465,615	237,767	697,730	6,273,667
EXPENDITURES:						
Current:						
General administration	446,322					470,378
Judicial	492,744			24,056	116,673	609,417
Legal	141,759				86,824	228,583
Financial administration	401,768				401,768	803,536
Public safety	1,277,594				36,659	1,314,253
Public facilities					84,608	84,608
Highway & street		983,528			100,775	1,084,303
Health and welfare	15,033				169,393	184,426
Economic opportunity	40,076				40,076	80,152
Other supported services	112,036				112,036	224,072
Debt service	18,633	175,215	462,769		269,373	656,617
Capital outlay	67,788	114,505		213,711	269,373	656,617
Total Expenditures	3,013,753	1,273,248	462,769	237,767	864,305	5,851,842
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	528,272	57,282	2,846		(166,575)	421,825
OTHER FINANCING SOURCES (USES):						
Proceeds from financing agreements	3,782	44,505				48,287
Proceeds from sale of property		30,000				30,000
Transfers in					28,723	28,723
Transfer out	(9,423)				(19,300)	(28,723)
Total Other Financing Sources (Uses)	(5,641)	74,505			9,423	78,287
CHANGE IN FUND BALANCE	522,631	131,787	2,846		(157,152)	500,112
FUND BALANCE - BEGINNING OF YEAR	3,353,391	559,431	200,737		380,118	4,493,677
FUND BALANCE - END OF YEAR	3,876,022	691,218	203,583		222,966	4,993,789

The accompanying notes are an integral part of these financial statements.

FISHER COUNTY, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balances - Governmental Funds	\$	500,112
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Amounts reported for governmental activities in the statement of net position are different because:

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays net of disposals is to increase net position.		665,377
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Depreciation and amortization expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation and amortization. The net effect of current year depreciation and		(556,264)
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Proceeds from the sale of fixed assets are recorded in total on the governmental funds, but are reduced by the net book value of the assets disposed. This is a decrease to net position.		(8,000)
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Revenue from property taxes and court fines are recognized in the fund financial statements on the modified accrual basis, but are recognized on the accrual basis in the government-wide financial statements. The net effect is to increase net position.		1,059
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Current year payments on long-term debt are expenditures in the fund financial statements, but are shown as reductions of the debt in the government-wide financial statements. The net effect is to increase net position.		514,383
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Current year proceeds from issuance of debt is not shown as revenue in the government-wide financial statements. The net effect is to decrease net position.		(48,287)
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The County's share of the unrecognized deferred inflows and outflows for the pension liability and the OPEB liability as of the measurement date must be amortized and the County's proportionate share of the pension expense and postemployment benefits must be recognized. The net effect is an decrease in net position		<u>270,128</u>
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Change in Net Position of Governmental Activities	\$	<u><u>1,338,508</u></u>
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The accompanying notes are an integral part of these financial statements.

FISHER COUNTY, TEXAS

BALANCE SHEET
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	<u>Agency Funds</u>
ASSETS	
Cash and cash investments	\$ <u>266,703</u>
TOTAL ASSETS	\$ <u><u>266,703</u></u>
LIABILITIES	
Intergovernmental payable	\$ 257,508
Due to others	<u>9,195</u>
TOTAL LIABILITIES	\$ <u><u>266,703</u></u>

The accompanying notes are an integral part of these financial statements.

FISHER COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Statements No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

Government-Wide and Fund Financial Statements

Government-wide financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

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

FISHER COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds

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

Property taxes, fines, interest revenue, and revenue received from various governmental entities associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the state at year-end on behalf of the County also are recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Road and Bridge Fund - The Road and Bridge Fund is used to account for the resources for and the payments of expenses related to the repairs and maintenance of the County's roads and bridges.

ARPA Grant Fund - the ARPA Grant fund is used to account for grant funds received from the federal government issued as part of the American Rescue Plan Act.

Additionally, the government reports the following nonmajor governmental fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

FISHER COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. Formal budgetary accounting is not required for fiduciary funds. Since by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues*. Likewise, general revenues include all taxes.

In the fund financial statements, governmental special revenue, capital improvements, and debt service funds report restrictions of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from those estimates.

Budget Policies

The County follows these procedures in establishing budgetary data reflected in the financial statements: Public hearings are conducted at the Fisher County Courthouse to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through adoption of an order by the Commissioners' Court. Budgets are adopted for the general fund, debt service fund, and most special revenue funds. All budget amendments are approved by the Commissioners' Court.

The budgeted amounts presented in these statements are as originally adopted and as amended by the Commissioners' Court during the year ended September 30, 2022. All appropriations lapse at year end.

FISHER COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Assets, Liabilities, and Net position or Equity

Deposits and Investments

Policies and legal and contractual provisions governing deposits: The County’s funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County’s agent bank, approved pledged securities in an amount sufficient to protect county funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk: At September 30, 2022, the County was fully insured by federal depository insurance and pledged securities held by the County’s agent bank.

Statutes authorize the County to invest in 1) obligations of the U.S. Treasury or the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) money market savings accounts, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) common trust funds. The County is required by Governmental Code Chapter 2256, Public Funds Investment Act (PFIA), to adopt, implement, and publicize an investment policy. That policy must address the following areas: 1) safety or 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, and 9) bid solicitation preferences for certificates of deposit.

Interest rate risk: For short term liquidity investment requirements, the County utilizes money market accounts with its depository bank.

Credit Risk: State law and County policy limits investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2022, the County did not have any investments in public fund investment pools.

Concentration of credit risk: The County’s investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

As of September 30, 2022, Fisher County had the following investments:

	<u>Cost Basis</u>	<u>Fair Value</u>
Certificates of Deposit-Primary Government	\$ 1,042,266	\$ 1,042,266