



**FISHER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2011**

**FISHER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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FISHER COUNTY, TEXAS

CURRENT PRINCIPAL COUNTY OFFICIALS

As of September 30, 2011

**Marshal Bennett
Gordon Pippin
Billy Henderson
Preston Martin
Scott Feagan
Jonnye Gibson
Rudy Hamric
Tammy Haley
Pat Thomson
Kathy Davenport
J.A. Robinson
Terrye Gruben
Tammy Morton
Luis Carrillo**

**County Judge
Commissioner, Precinct 1
Commissioner, Precinct 2
Commissioner, Precinct 3
Commissioner, Precinct 4
Tax Assessor-Collector
County Attorney
District Clerk
County Clerk
County Treasurer
County Sheriff
County Auditor
Justice of the Peace #1
Justice of the Peace #3**

James E. Rodgers and Company, PC

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

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

Richard E. Rodgers CPA Gerald L. Rodgers CPA

August 8, 2012

UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER SUPPLEMENTARY INFORMATION

Independent Auditor's Report

Commissioners Court of Fisher County, Texas
Fisher County, Texas
PO Box 308
Roby, Texas 79543

Members of the Court:

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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's administrators. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fisher County, Texas as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2012, on our consideration of the County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 15 and 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Respectfully submitted,



James E. Rodgers and Company, PC

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, 2011. 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 Assets at the end of the Year	\$	2,581,353
Total County Revenues for the Current Fiscal Year	\$	3,122,159
Total County Expenses for the Current Fiscal Year	\$	3,182,785
Fund Balance in the General Fund at the End of Year	\$	746,759

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

	Increase (Decrease)	
	\$	%
<u>Change in Net Assets:</u>		
Change in the County's Total Net Assets	\$ (60,626)	-2.29%
<u>Revenue Changes:</u>		
Change in the County's Total Revenues	\$ 37,276	1.21%
Change in the County's Property Tax Revenues	\$ 40,418	1.31%
<u>Expense Changes:</u>		
Change in the County's Total Expenses	\$ 114,612	3.74%
<u>Other Information:</u>		
Change in the County's General Fund Balance	\$ (109,910)	-15.84%
Excess (Deficit) of Actual Revenue over Budgeted Revenue - General Fund	\$ (93,380)	-4.13%

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets 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.

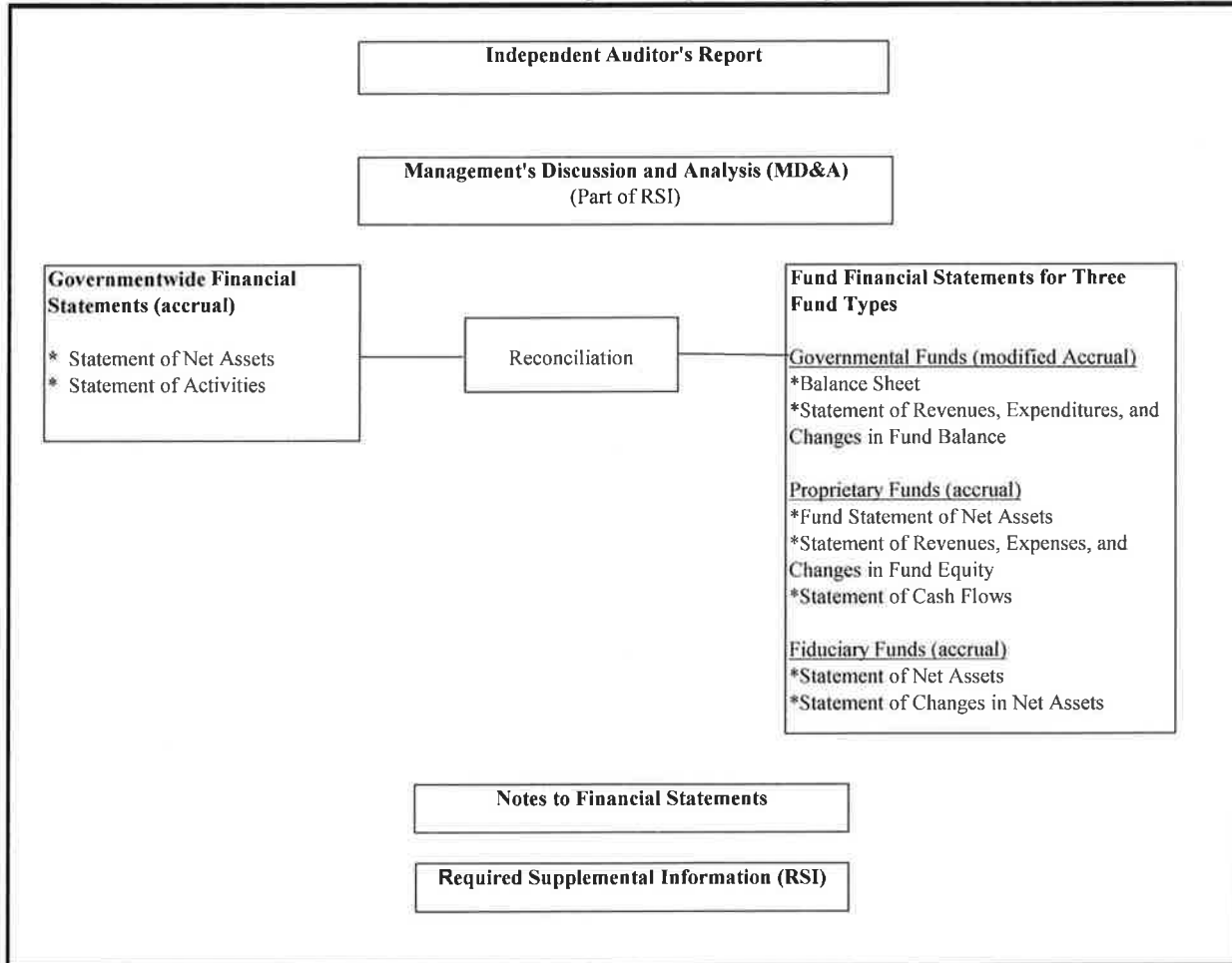
Fund financial statements (Series C and D Exhibits in the Basic Financial Statements section) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services 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 Assets 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 Assets 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 assets and changes in them. The County's net assets (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are 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 Assets 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. The airport was considered a business activity in prior years, but the economics of the activity have changed such that it is no longer classified as a business type activity.

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 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 Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

- Proprietary funds–The County's 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 Statements of Fiduciary Net Assets (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 assets (Table I) and changes in net assets (Table II) of the County's governmental and business-type activities for the year ended September 30, 2011.

Net assets and changes in net assets of the County were as follows:

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

	Governmental Activities		Business-Type Activities		Totals	
	2010	2011	2010	2011	2010	2011
Current and other assets	\$ 1,173,297	\$ 1,119,942	\$ -	\$ -	\$ 1,173,297	\$ 1,119,942
Capital assets	2,093,406	2,229,933	-	-	2,093,406	2,229,933
Total assets	\$ 3,266,703	\$ 3,349,875	\$ -	\$ -	\$ 3,266,703	\$ 3,349,875
Long-term liabilities	\$ 624,724	\$ 748,385	\$ -	\$ -	\$ 624,724	\$ 748,385
Other liabilities	-	20,137	-	-	-	20,137
Deferred Revenues	-	-	-	-	-	-
Total liabilities	\$ 624,724	\$ 768,522	\$ -	\$ -	\$ 624,724	\$ 768,522
Net Assets:						
Invested in capital assets net of related debt	\$ 1,478,201	\$ 1,481,548	\$ -	\$ -	\$ 1,478,201	\$ 1,481,548
Restricted	227,290	241,823	-	-	227,290	241,823
Unrestricted	936,488	857,982	-	-	936,488	857,982
Total net assets	\$ 2,641,979	\$ 2,581,353	\$ -	\$ -	\$ 2,641,979	\$ 2,581,353

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

	Governmental Activities		Business-Type Activities		Totals	
	2010	2011	2010	2011	2010	2011
Program Revenues:						
Charges for Services	\$ 561,284	\$ 554,245	\$ -	\$ -	\$ 561,284	\$ 554,245
Operating Grant and Contributions	116,230	84,079	-	-	116,230	84,079
Capital Grants	109,005	103,413	-	-	109,005	103,413
General Revenues:						
Property Taxes	2,254,328	2,294,746	-	-	2,254,328	2,294,746
Grants and Contributions not Restricted	44,756	49,291	-	-	44,756	49,291
Investment Earnings	33,895	30,239	-	-	33,895	30,239
Miscellaneous Less Loss On Assets Disposed	(34,615)	6,146	-	-	(34,615)	6,146
Total Revenues	\$ 3,084,883	\$ 3,122,159	\$ -	\$ -	\$ 3,084,883	\$ 3,122,159
Expenses						
General Government - Administration	\$ 573,179	\$ 598,342	\$ -	\$ -	\$ 573,179	\$ 598,342
General Government - Financial	309,160	224,436	-	-	309,160	224,436
Public Safety	588,985	702,556	-	-	588,985	702,556
Judicial and Legal	307,660	316,855	-	-	307,660	316,855
Social and Health Services	146,773	196,341	-	-	146,773	196,341
Infrastructure and Environmental Services	1,036,663	1,075,699	-	-	1,036,663	1,075,699
Intergovernmental	77,798	56,690	-	-	77,798	56,690
Interest on Long-Term Debt	27,955	11,866	-	-	27,955	11,866
Total Expenses	\$ 3,068,173	\$ 3,182,785	\$ -	\$ -	\$ 3,068,173	\$ 3,182,785
Increase in net assets before transfers and special items	\$ 16,710	\$ (60,626)	\$ -	\$ -	\$ 16,710	\$ (60,626)
Transfers	-	-	-	-	-	-
Extraordinary And Special Items	-	-	-	-	-	-
Net assets at 9/1	2,625,269	2,641,979	-	-	2,625,269	2,641,979
Total net assets	\$ 2,641,979	\$ 2,581,353	\$ -	\$ -	\$ 2,641,979	\$ 2,581,353

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

Excess of Revenues Over Expenditures for Governmental Funds	\$ (84,402)
Current Year Purchases of Capital Assets	555,205
Current Year Debt Principal Payments	353,410
Depreciation	(230,810)
Reclassification of Debt Proceeds as Increases in Long Term Debt	(476,363)
Other Modified to Full Accrual Adjustments	(177,666)
Change in Net Assets of Governmental Activities	<u>\$ (60,626)</u>

THE COUNTY'S FUNDS

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

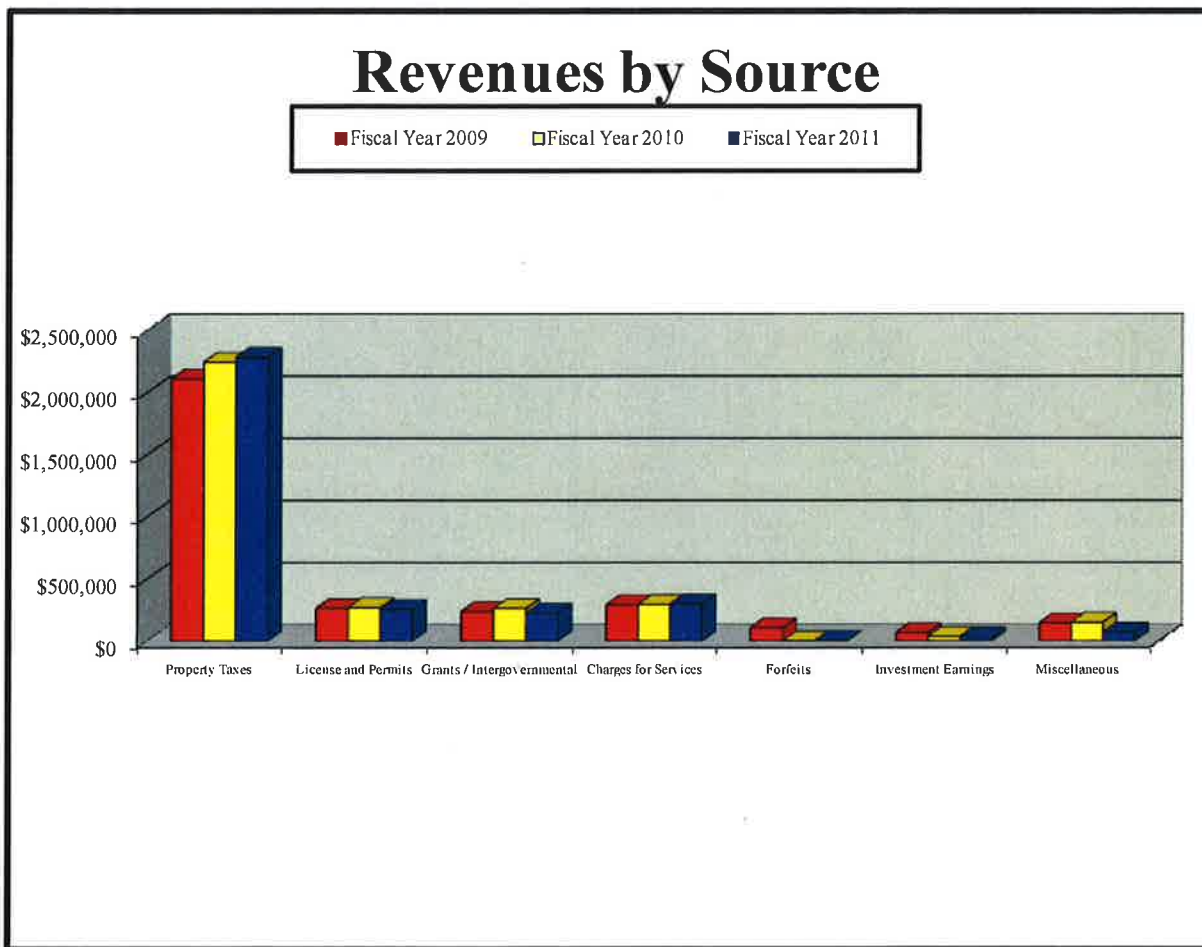
<u>Governmental Fund Financial Statements</u>			
<u>(Modified Accrual Basis for Budgetary & Control Purposes)</u>			
	General Fund	Other Funds	Total All Funds
Revenues	\$2,165,866	\$996,901	\$3,162,767
Expenditures	(1,937,026)	(1,922,856)	(3,859,882)
Other Financing Sources	-	951,463	951,463
Other Financing Uses	(338,750)	-	(338,750)
Net Change in Fund Balance	\$ (109,910)	\$ 25,508	\$ (84,402)
Beginning of Year Fund Balance	856,669	227,290	1,083,959
Ending Fund Balance-All Governmental Funds	<u>\$ 746,759</u>	<u>\$ 252,798</u>	<u>\$ 999,557</u>

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

FISHER COUNTY, TEXAS

REVENUES BY SOURCE

	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Property Taxes	\$2,108,016	\$2,243,803	\$2,283,836
License and Permits	262,248	269,164	253,856
Grants / Intergovernmental	236,570	262,282	224,746
Charges for Services	289,986	292,123	297,814
Forfeits	107,135	0	2,570
Investment Earnings	65,843	33,895	30,239
Miscellaneous	144,235	149,296	69,706
Totals	\$3,214,033	\$3,250,563	\$3,162,767

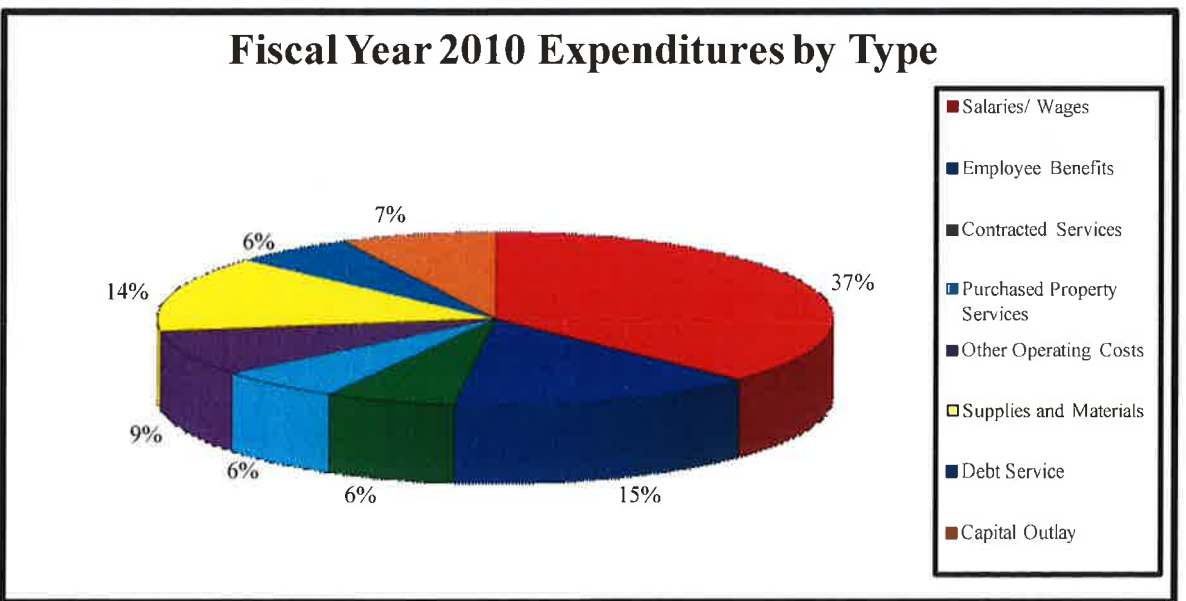
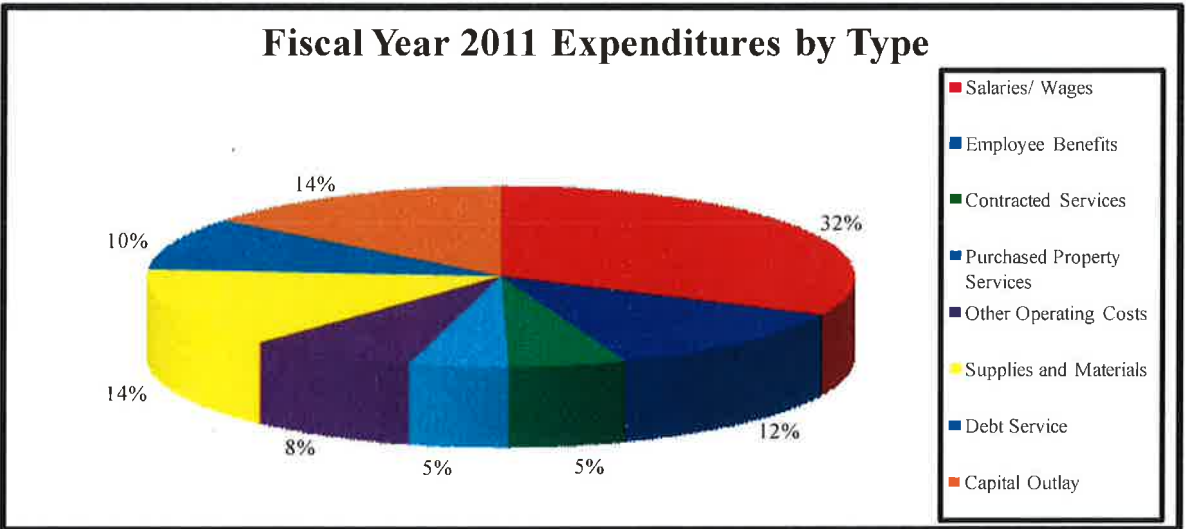


The County's operating expenditures largely consist of personal services (both salaries and benefits) cost for personnel. The following charts illustrate the significance of the County's expenditures by type for the last two fiscal years:

FISHER COUNTY, TEXAS

EXPENDITURES BY TYPE

	Fiscal Year 2010	Fiscal Year 2011
Salaries/ Wages	\$1,212,231	\$1,238,178
Employee Benefits	472,253	471,973
Contracted Services	202,481	206,515
Purchased Property Services	194,391	174,318
Other Operating Costs	275,641	298,164
Supplies and Materials	458,055	550,961
Debt Service	185,694	364,568
Capital Outlay	242,832	555,205
Total	\$3,243,578	\$3,859,882



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 the purchase of additional capital outlay.

Capital Assets

At the end of fiscal year 2011, the County had \$4,813,400 invested in capital assets, including land, buildings and improvements, machinery and equipment, and roads and bridges infrastructure.

This year's major additions included:

Current Year Capital Asset Additions		
750J John Deere Crawler Dozer	\$	70,005
2004 Dodge 2500 SLT Pickup		15,746
2005 Chevy Crew Cab Pickup		17,127
John Deere 4430 P Tractor		8,000
2011 John Deere 672GP Motorgrader		222,485
2010 John Deere 672GP Motorgrader		143,000
Motorola Radios		63,272
Epollbook Software		15,570
Total:	\$	555,205

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, 2011 consists of the following:

County Long-Term Debt

DESCRIPTION	Interest Rate Payable	Amounts Original Issue	Payable Amounts			Retired	Payable Amounts Outstanding 9/30/2011	Next Fiscal Year Debt Service Requirement
			Outstanding 10/1/2010	Issued				
<u>Governmental Type Activities</u>								
Capital Lease Payable - John Deere Financial Services	5.25%	\$ 70,168	\$ 18,944	\$ -	\$ 18,944	\$ -	\$ -	\$ -
Equipment Note Payable - First National Bank - Sweetwater	7.00%	15,015	4,834	-	4,834	-	-	-
Equipment Note Payable - 1st National Bank- Rotan	3.50%	166,500	166,500	-	166,500	-	-	-
Equipment Note Payable - 1st National Bank- Rotan	3.50%	168,500	134,800	-	35,425	99,375	36,335	
Equipment Note Payable - 1st National Bank- Rotan	3.50%	132,500	132,500	-	31,315	101,185	36,295	
Equipment Note Payable - 1st National Bank- Rotan	3.50%	38,570	28,928	-	9,643	19,285	10,210	
Equipment Note Payable - First Financial Bank of Sweetwater	6.00%	35,500	10,288	-	1,315	8,973	9,012	
Equipment Note Payable - First Financial Bank of Sweetwater	7.00%	14,270	7,178	-	7,178	-	-	
Equipment Note Payable - 1st National Bank- Rotan	3.25%	75,636	75,636	-	28,117	47,519	28,823	
Equipment Note Payable - 1st National Bank- Rotan	3.00%	26,000	26,000	-	8,671	17,329	9,050	
Capital Lease Payable - John Deere Financial Services	3.25%	\$ 143,000	\$ -	\$ 143,000	\$ -	\$ 143,000	\$ 31,633	
Equipment Note Payable - First Financial Bank of Sweetwater	6.00%	15,745	-	15,745	-	15,745	5,779	
Equipment Note Payable - First Financial Bank of Sweetwater	6.00%	17,127	-	17,127	12,175	4,952	5,155	
Capital Lease Payable - John Deere Financial Services	2.95%	\$ 222,485	\$ -	\$ 222,485	\$ -	\$ 222,485	\$ 29,774	
Equipment Note Payable - First Financial Bank of Sweetwater	6.00%	8,000	-	8,000	8,000	-	-	
Equipment Note Payable - First Financial Bank of Sweetwater	4.55%	70,005	-	70,005	21,293	48,712	15,685	
<u>Business Type Activities</u>								
None		-	-	-	-	-	-	-
TOTAL		\$ 1,219,021	\$ 605,608	\$ 476,362	\$ 353,410	\$ 728,560	\$ 217,751	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's officials considered many factors when setting the fiscal year 2012 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 2012. The County's General Fund budgeted expenditures for fiscal year 2012 total \$2,108,310. This represents a decrease of \$77,313 from the final amended fiscal year 2011 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 2012 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.

Government Wide Statements

FISHER COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1010 Cash and Cash Equivalents	\$ 460,448
1030 Investments - Current	551,468
1150 Receivables (net of allowance for uncollectibles)	108,026
Capital Assets:	
1710 Land	50,000
1720 Infrastructure, net	42,061
1730 Buildings, net	613,619
1750 Machinery and Equipment, net	1,524,253
1000 Total Assets	3,349,875
LIABILITIES	
2270 Other Current Liabilities	20,137
Noncurrent Liabilities	
2501 Due Within One Year	180,998
2502 Due in More Than One Year	567,387
2000 Total Liabilities	768,522
NET ASSETS	
3200 Invested in Capital Assets, Net of Related Debt	1,481,548
Restricted for:	
3810 Restricted for	1,458
3820 Restricted for	240,365
3900 Unrestricted Net Assets	857,982
3000 Total Net Assets	\$ 2,581,353

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, 2011

EXHIBIT B-1

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ -	\$ 1,226	\$ -	\$ 1,226
Administration - County Judge	101,552	-	-	(101,552)
Administration - County Clerk	133,451	101,431	-	(32,020)
Administration - Veteran's Service Officer	5,000	-	-	(5,000)
Administration - Non-Departmental	358,339	-	-	(358,339)
Financial - County Auditor	91,317	-	-	(91,317)
Financial - County Treasurer	49,816	-	-	(49,816)
Financial - Tax Assessor Collector	83,303	10,511	-	(72,792)
Maintenance, Building, and Grounds	98,887	3,679	-	(95,208)
County Sheriff Department	664,272	19,096	39,939	(605,237)
Drug Forfeiture	13,781	2,570	-	(11,211)
LEOSE Funds	1,200	-	1,166	(34)
Other Public Safety	23,303	-	63,474	40,171
County and District Court	34,928	6,481	-	(28,447)
32nd Judicial District	25,451	-	-	(25,451)
District Clerk	65,770	25,751	-	(40,019)
Justice of the Peace #1	57,056	33,284	-	(23,772)
Justice of the Peace #3	21,823	7,007	-	(14,816)
District Attorney	35,915	-	-	(35,915)
County Attorney	74,123	11,563	30	(62,530)
Other Judicial	1,789	1,752	-	(37)
Indegent Welfare / Child Care	4,551	-	1,794	(2,757)
Senior Citizens	145,824	-	81,089	(64,735)
Roads and Bridges	973,000	253,857	-	(719,143)
Airport	3,812	-	-	(3,812)
County Extension Agents	45,966	-	-	(45,966)
Other Debt Interest	11,866	-	-	(11,866)
Intergovernmental	56,690	76,037	-	19,347
TOTAL PRIMARY GOVERNMENT:	\$ 3,182,785	\$ 554,245	\$ 187,492	(2,441,048)

General Revenues:

Taxes:	
Property Taxes, Levied for General Purposes	2,270,224
Penalty and Interest	24,522
Grants and Contributions Not Restricted	49,291
Miscellaneous Revenue	5,164
Investment Earnings	30,239
Sale of Property	982
Total General Revenues and Transfers	2,380,422
Change in Net Assets	(60,626)
Net Assets--Beginning	2,641,979
Net Assets--Ending	\$ 2,581,353

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, 2011

Data Control Codes	General Fund	Road & Bridge Pct 2	Road & Bridge Pct 4
ASSETS			
1010 Cash and Cash Equivalents	\$ 491,438	\$ (73,277)	\$ (69,115)
1030 Investments - Current	551,468	-	-
1050 Taxes Receivable	106,261	6,850	6,850
1051 Allowance for Uncollectible Taxes (credit)	(26,565)	(1,713)	(1,713)
1260 Intergovernmental Receivables	6,186	399	399
1300 Due from Other Funds	-	73,263	69,427
1000 Total Assets	<u>\$ 1,128,788</u>	<u>\$ 5,522</u>	<u>\$ 5,848</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2020 Payroll Liabilities	\$ 17,268	\$ 384	\$ 710
2080 Due to Other Funds	285,065	-	-
2220 Deferred Revenues	79,696	5,138	5,138
2000 Total Liabilities	<u>382,029</u>	<u>5,522</u>	<u>5,848</u>
Fund Balances:			
3250 Federal or State Funds Grant Restriction	-	-	-
3290 Other Restricted Fund Balance	-	-	-
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	746,759	-	-
3000 Total Fund Balances	<u>746,759</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,128,788</u>	<u>\$ 5,522</u>	<u>\$ 5,848</u>

The notes to the Financial Statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 111,402	\$ 460,448
-	551,468
13,700	133,661
(3,426)	(33,417)
798	7,782
142,375	285,065
\$ 264,849	\$ 1,405,007
\$ 1,775	\$ 20,137
-	285,065
10,276	100,248
12,051	405,450
1,458	1,458
240,365	240,365
10,975	10,975
-	746,759
252,798	999,557
\$ 264,849	\$ 1,405,007

FISHER COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2011

Total Fund Balances - Governmental Funds	\$	999,557
<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 assets. The net effect of this consolidation is to increase (decrease) net assets.</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 \$4,494,863 and the accumulated depreciation was \$2,401,457. 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 assets.</p>		
		1,468,682
<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 2011 capital outlays and debt principal payments is to increase (decrease) net assets.</p>		
		908,615
<p>The 2011 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.</p>		
		(230,810)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.</p>		
		(564,691)
Net Assets of Governmental Activities	\$	2,581,353

The notes to the Financial Statements are an integral part of this statement.

FISHER COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-3

Data Control Codes	General Fund	Road & Bridge Pct. 2	Road & Bridge Pct. 4	Other Funds	Total Governmental Funds	
REVENUES:						
5110	Property Taxes	\$ 1,814,595	\$ 111,179	\$ 111,182	\$ 222,358	\$ 2,259,314
5190	Penalty and Interest on Taxes	24,522	-	-	-	24,522
5200	Licenses and Permits	-	63,464	63,464	126,928	253,856
5300	Intergovernmental Revenue and Grants	81,376	-	-	143,370	224,746
5400	Charges for Services	173,491	-	-	124,323	297,814
5520	Forfeits	-	-	-	2,570	2,570
5610	Investment Earnings	27,650	-	-	2,589	30,239
5620	Rents and Royalties	1,273	-	-	840	2,113
5640	Contributions & Donations Private Sources	-	-	-	12,037	12,037
5700	Other Revenue	42,959	833	1,042	10,722	55,556
5020	Total Revenues	\$ 2,165,866	\$ 175,476	\$ 175,688	\$ 645,737	\$ 3,162,767
EXPENDITURES:						
Administration:						
6011	County Judge	\$ 101,552	\$ -	\$ -	\$ -	\$ 101,552
6012	County Clerk	95,456	-	-	34,588	130,044
6013	Veteran's Service Officer	5,000	-	-	-	5,000
6014	Non-Departmental	327,851	-	-	-	327,851
Financial:						
6016	County Auditor	91,317	-	-	-	91,317
6017	County Treasurer	49,816	-	-	-	49,816
6018	Tax Assessor Collector	81,953	-	-	-	81,953
6019	Maintenance, Building, and Grounds	97,453	-	-	1,434	98,887
Public Safety:						
6021	County Sheriff Department	591,301	-	-	27,517	618,818
6024	Drug Forfeiture	-	-	-	13,781	13,781
6025	LEOSE Funds	-	-	-	1,200	1,200
6029	Other Public Safety	102,145	-	-	-	102,145
Justice System:						
6032	County and District Court	34,928	-	-	-	34,928
6033	32nd Judicial District	25,451	-	-	-	25,451
6034	District Clerk	63,898	-	-	1,272	65,170
6035	Justice of the Peace # 1	57,056	-	-	-	57,056
6036	Justice of the Peace # 3	21,823	-	-	-	21,823
6037	District Attorney	35,915	-	-	-	35,915
6038	County Attorney	64,561	-	-	9,562	74,123
6039	Other Judicial	-	-	-	1,789	1,789
Health and Human Services:						
6041	Indigent Welfare/Childcare	4,551	-	-	-	4,551
6043	Senior Citizens	-	-	-	142,348	142,348
Infrastructure and Environmental Services:						
6051	Roads & Bridges	-	446,511	377,780	479,037	1,303,328
6052	Airport	-	-	-	3,812	3,812
Community & Economic Development:						
6061	County Extension Agents	45,966	-	-	-	45,966
Debt Service:						
6072	Other Debt Principal	37,760	179,500	42,727	93,423	353,410
6074	Other Debt Interest	1,273	5,715	2,236	1,934	11,158
6090	Intergovernmental	-	-	-	56,690	56,690
6030	Total Expenditures	\$ 1,937,026	\$ 631,726	\$ 422,743	\$ 868,387	\$ 3,859,882
1100	Excess of Revenues Over (Under) Expenditures	\$ 228,840	\$(456,250)	\$(247,055)	\$(222,650)	\$(697,115)

FISHER COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-3

Data Control Codes	General Fund	Road & Bridge Pct. 2	Road & Bridge Pct. 4	Other Funds	Total Governmental Funds	
OTHER FINANCING SOURCES (USES):						
7912	Sale of Real and Personal Property	\$ -	\$ 135,000	\$ -	\$ 1,350	\$ 136,350
7914	Non-Current Loans	-	247,987	177,628	50,748	476,363
7915	Transfers In	-	73,263	69,427	196,060	338,750
7951	Transfers Out (Use)	(338,750)	-	-	-	(338,750)
7080	Total Other Financing Sources (Uses)	\$ (338,750)	\$ 456,250	\$ 247,055	\$ 248,158	\$ 612,713
1200	Net Change in Fund Balances	\$ (109,910)	\$ -	\$ -	\$ 25,508	\$ (84,402)
9100	Fund Balance - October 1 (Beginning)	\$ 856,669	\$ -	\$ -	\$ 227,290	\$ 1,083,959
9200	Fund Balance -September 30 (Ending)	\$ 746,759	\$ -	\$ -	\$ 252,798	\$ 999,557

The notes to the Financial Statement are an integral part of this statement.

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, 2011

Total Net Change in Fund Balances - Governmental Funds	\$	(84,402)
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 assets.		-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 2011 capital outlays and debt principal payments is to increase (decrease) net assets.		908,615
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 assets.		(230,810)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.		(654,029)
Change in Net Assets of Governmental Activities	<u>\$</u>	<u>(60,626)</u>

The notes to the Financial Statements are an integral part of this statement.

Fiduciary Fund Financial Statements

FISHER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 700,751
Total Assets	<u>\$ 700,751</u>
LIABILITIES	
Intergovernmental Payable	\$ 29,240
Due to Others	671,511
Total Liabilities	<u>\$ 700,751</u>

The accompanying notes are an integral part of this statement.

FISHER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011

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 Court ("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 Assets 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 Assets, 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.

Interfund 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 Assets 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 Assets. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Assets as internal balances and on the Statement of Activities as interfund transfers. Interfund 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 unmatured 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 deferred 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 Assets. The fund equity is segregated into invested in capital assets net of related debt, 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 Fund** – The County's did not have Road and Bridge Funds that were major governmental funds during the current fiscal year that meet applicable criteria for major funds.

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 not maintain Debt Service Funds during the current fiscal year.
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 Capital Projects Funds 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 Fund** - 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.

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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 assets lives 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. **Fund Balances and Net Assets:**

Government-Wide Financial Statements

Net assets on the Statement of Net Assets include the following:

Invested in Capital Assets, Net of Related Debt -- the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt net of premiums and discounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Debt Service -- the component of net assets that reports the difference between assets and liabilities with constraints placed on their use by law.

Unrestricted -- the difference between the assets and liabilities that is not reported in Net Assets Invested in Capital Assets, Net of Related Debt, or Net Assets Restricted for Debt Service.

Governmental Fund Financial Statements

The County has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements.

Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the County classifies governmental fund balances as follows: **Nonspendable** -- includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long term receivables.

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the retirement of long term debt, construction programs and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the County through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the County's Commissioners' Court. This classification includes local special revenue funds and potential litigation, claims and judgments.

Assigned -- includes fund balance amounts that are self-imposed by the County to be used for a particular purpose. Fund balance can be assigned by the County's Commissioners' Court, the County Judge, or the County Auditor. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

10. When the County incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets. 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:

Capital Assets at the Beginning of the Year	Historical Cost	Accumulated Depreciation	Net Value at the Beginning of the Year	Change in Net Assets
Land	\$ 50,000	\$ -	\$ 50,000	
Buildings and Improvements	1,610,406	966,630	643,776	
Vehicles, Furniture and Equipment	2,589,134	1,233,363	1,355,771	
Infrastructure	245,323	201,464	43,859	
Construction in Progress	-	-	-	
Change in Net Assets				\$ 2,093,406
			Payable at the Beginning of the Year	
Long-term Liabilities at the Beginning of the Year				
Notes Payable - Long Term			\$ 605,607	
Less Unamortized Issuance Costs			-	
Less Unamortized Discount			-	
Capital Leases Payable			-	
Compensated Absences			-	
Accrued Interest - Long-Term Debt			19,117	
Change in Net Assets				624,724
Net Adjustment to Net Assets				\$1,468,682

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 assets 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 assets.

The details of this adjustment are as follows:

Governmental Funds Only			
	Amount	Adjustments To Changes in Net Assets	Adjustments to Net Assets
Current Year Capital Outlay			
Land	\$ -		
Buildings & Improvements	-		
Vehicles, Furniture & Equipment	555,205		
Infrastructure Assets	-		
Total Capital Outlay	555,205	555,205	555,205
Debt Principal Payments			
Bond Principal	-		
Equipment Notes Principal	353,410		
Capital Lease Principal	-		
Other Adjustments	-		
Total Principal Payments	353,410	353,410	353,410
Total Adjustment to Net Assets		\$ 908,615	\$ 908,615

Another element of the reconciliation on Exhibit C-4 is 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 are as follows:

	Amount	Adjustments to Change in Net Assets	Adjustments to Net Assets
Adjustments to Revenue and Deferred Revenue			
Beginning of Year Deferred Tax Revenue	\$ 89,338		89,338
Property tax adjustments to convert from the modified accrual basis to the full accrual basis of accounting	(41,590)	(41,590)	(41,590)
Other Revenue Adjustments	-	-	-
Other Adjustments	-	-	-
Reclassify Proceeds of Bonds, Loans & Capital Leases			
Capital Acquisition Notes Proceeds	476,363	(476,363)	(476,363)
Discount (Premium) on Issuance of Bonds			
Capital Lease Financing Proceeds	-	-	-
Reclassify Liabilities Incurred but not Liquidated This Year			
Unused Vacation Pay and/or Unused Sick Leave	-	-	-
Reclassify Certain Expenditures to Full Accrual From Modified Accrual			
Adjust Interest Expense on Long Term Financing	(708)	(708)	(708)
Amortization of Bond Issuance Costs	-	-	-
Asset Basis on Disposition of Capital Assets	135,368	(135,368)	(135,368)
Totals		\$ (654,029)	\$ (564,691)

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

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

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

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

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

	September 30, 2011 Fund Balance
Appropriated Budget Funds	\$ 252,798
Non-appropriated Budget Funds	-
All Special Revenue Funds	\$ 252,798

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures did not 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. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

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

Policies Governing Deposits and Investments

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. That policy does address the following risks:

- a. **Foreign Currency Risk** – The County investment policy does not permit investments in foreign currency.
- b. **Custodial Credit Risk – Deposits:** In the case of deposits, this is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The County’s policy regarding types of deposits allowed and collateral requirements as required by statute are set forth in a depository contract. The funds of the County must be deposited and invested under the terms of this contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount greater than the uninsured deposits. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. The County's cash deposits at September 30, 2011 were entirely covered by FDIC insurance and/or by pledged collateral held by the County's agent bank in the County's name, however, those deposits were **not entirely covered** at all times during the year, and therefore, the County was **exposed to custodial credit risk during the year**. The carrying amount of the County’s cash and temporary investments at September 30, 2011 follows:

CASH AND INVESTMENTS - BY ACCOUNT TYPE	September 30, 2011
Cash in Bank - Including Money Market Accounts	\$ 1,161,199
Certificates of Deposit	551,468
Investment Pools	-
Total Cash and Investments	\$ 1,712,667

CASH AND INVESTMENTS - BY FUND	September 30, 2011
Cash and Investments - General Fund	\$ 1,042,906
Cash and Investments - Major Governmental Funds	-
Cash and Investments - Non-Major Governmental	(30,990)
Cash and Investments - Enterprise	-
Cash and Investments - Internal Service	-
Cash and Investments - Agency	700,751
Cash and Investments - Trusts	-
Cash and Investments - Other	-
Total Cash and Investments	\$ 1,712,667

- c. **Custodial Credit Risk – Investments:** For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of an outside party. The County’s policy regarding types of investments allowed as required by statute are set forth in the County’s investment policy. The County’s investments were **not** exposed to custodial credit risk because they are registered in the name of the County. Investments in external investment pools and in open-end mutual funds are not subject to custodial credit risk because “their existence is not evidenced by securities that exist in physical or book entry form.”

- d. **Interest – rate risk** – The County defines Interest – rate risk as occurring when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. The County discloses exposure to interest – rate risk through indication of the weighted average maturity in months for all investments at year end. The County’s investment policy limits interest – rate risk by allowing a maximum dollar weighted maturity of 180 days for any internally created pool fund group and a maximum allowable stated maturity of any other individual investment not to exceed one year from the time of purchase.
- e. **Other Credit Risk Exposure** – The County’s investment policy does not address direct or indirect ownership in debt securities. The credit rating for debt securities held by the Lone Star Investment Pool-Liquidity Corporate Fund was AA Af/S1+ (Standard & Poor’s Rating) at year end.
- f. **Concentration Risk** – The County defines concentration risk as positions of 5 percent or more in the securities of a single issuer. This is the issuer of the underlying investment – not a pool or mutual fund. It does NOT apply to US Government securities. The County’s investment policy requires diversification in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting over concentration of assets in a specific class of investments, specific maturity, or specific issuer. The County **was not** exposed to concentration risk at year end.

There were no violations of legal or contractual provisions governing investments.
The County has no securities that are identified as derivatives.

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

Interfund balances at September 30, 2011 consisted of the following amounts:

FUND	Due From Other Funds	Due To Other Funds
General Fund		
Major Governmental Funds	\$ -	\$ 142,690
Non-major Governmental Funds	-	142,375
Proprietary Funds	-	-
All Others	-	-
Total General Fund	<u>\$ -</u>	<u>\$ 285,065</u>
Major Governmental Funds		
General Fund	\$ 142,690	\$ -
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total Major Governmental Funds	<u>\$ 142,690</u>	<u>\$ -</u>
Non-major Governmental Funds		
General Fund	\$ 142,375	\$ -
Other Major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total Non-major Governmental Funds	<u>\$ 142,375</u>	<u>\$ -</u>
Proprietary Funds		
General Fund	\$ -	\$ -
Major Governmental Fund	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total Proprietary Funds	<u>\$ -</u>	<u>\$ -</u>
All Other Funds		
General Fund	\$ -	\$ -
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
Total All Other Funds	<u>\$ -</u>	<u>\$ -</u>
Total Interfund Receivables / Payables	<u>\$ 285,065</u>	<u>\$ 285,065</u>

Interfund transfers for the year ended September 30, 2011 were as follows:

FUND	Transfers In	Transfers Out
General Fund		
Major Governmental Funds	\$ -	\$ 142,690
Non-major Governmental Funds	-	196,060
Proprietary Funds	-	-
All Others	-	-
Total General Fund	<u>\$ -</u>	<u>\$ 338,750</u>
Major Governmental Funds		
General Fund	\$ 142,690	\$ -
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total Major Governmental Funds	<u>\$ 142,690</u>	<u>\$ -</u>
Non-major Governmental Funds		
General Fund	\$ 196,060	\$ -
Other Major Governmental Funds	-	-
Proprietary Funds	-	-
All Others	-	-
Total Non-major Governmental Funds	<u>\$ 196,060</u>	<u>\$ -</u>
Proprietary Funds		
General Fund	\$ -	\$ -
Major Governmental Fund	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total Proprietary Funds	<u>\$ -</u>	<u>\$ -</u>
All Other Funds		
General Fund	\$ -	\$ -
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
Proprietary Funds	-	-
Total All Other Funds	<u>\$ -</u>	<u>\$ -</u>
Total Interfund Transfers	<u>\$ 338,750</u>	<u>\$ 338,750</u>

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at September 30, 2011 were as follows:

	Property Taxes	Users / Customers	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	\$ 106,261	\$ -	\$ -	\$ 6,186	\$ 112,447
Other Major Governmental Funds	13,700	-	142,690	798	157,188
Non-major Governmental Funds	13,700	-	142,375	798	156,873
Other Governmental Funds	-	-	-	-	-
Total Governmental Activities	\$ 133,661	\$ -	\$ 285,065	\$ 7,782	\$ 426,508
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities:					
Non-major Proprietary Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Other Funds	-	-	-	-	-
Total Business-type Activities	\$ -	\$ -	\$ -	\$ -	\$ -

Payables at September 30, 2011 were as follows:

	Accounts Payable	Leases and Bonds Payable- Current	Customer Deposits	Due To Other Funds	Due To Other Governments	Other	Total Payables
Governmental Activities:							
General Fund	\$ -	\$ -	\$ -	\$ 285,065	\$ -	\$ 17,268	\$ 302,333
Other Major Governmental Funds	-	-	-	-	-	1,094	1,094
Non-major Governmental Funds	-	-	-	-	-	1,775	1,775
Other Governmental Funds	-	-	-	-	-	-	-
Total Governmental Type Activities	\$ -	\$ -	\$ -	\$ 285,065	\$ -	\$ 20,137	\$ 305,202
Amounts not scheduled for payment during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-Type Activities:							
Non-major Proprietary Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-major Enterprise Funds	-	-	-	-	-	-	-
Total Business-Type Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the County for the year ended September 30, 2011 was as follows:

Primary Government

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Buildings and Improvements	1,610,406	-	-	1,610,406
Vehicles, Furniture, and Equipment	2,589,134	555,205	236,668	2,907,671
Infrastructure Assets	245,323	-	-	245,323
Construction in Progress	-	-	-	-
Totals at Historic Cost	\$ 4,494,863	\$ 555,205	\$ 236,668	\$ 4,813,400
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 966,630	\$ 30,157	\$ -	\$ 996,787
Vehicles, Furniture, and Equipment	1,233,363	198,855	48,800	1,383,418
Infrastructure Assets	201,464	1,798	-	203,262
Construction In Progress	-	-	-	-
Depreciation	\$ 2,401,457	\$ 230,810	\$ 48,800	\$ 2,583,467
Govt. Activities Capital Assets, Net	\$ 2,093,406	\$ 324,395	\$ 187,868	\$ 2,229,933
Business-type Activities:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Buildings and Improvements	-	-	-	-
Vehicles, Furniture, and Equipment	-	-	-	-
Totals at Historic Cost	\$ -	\$ -	\$ -	\$ -
Less Accumulated Depreciation				
Buildings and Improvements	\$ -	\$ -	\$ -	\$ -
Vehicles, Furniture, and Equipment	-	-	-	-
Total Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
Business-type Activities Capital Assets, Net	\$ -	\$ -	\$ -	\$ -

Depreciation expense was charged to governmental functions as follows:

Administration - County Clerk	\$ 3,407
Administration - District Clerk	\$ 600
Administration - Non-Departmental	30,488
Financial - Tax Assessor Collector	1,350
Public Safety - County Sheriff	45,454
Other Public Safety - Fire Department	-
Senior Citizens	3,476
Roads and Bridges	146,035
Total Depreciation Expense	\$ 230,810

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 proceeds from loans are shown in the financial statements as Other Resources and principal payments are shown as Other Uses.

Date of Issue/ Maturity	Description	Beginning Balance	Amount Issued	Amount Redeemed	Ending Balance
	None	\$ -	\$ -	\$ -	\$ -

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, 2011 is as follows:

DESCRIPTION	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable			Outstanding 9/30/2011
				Amounts Outstanding 10/1/2010	Issued	Retired	
Governmental Type Activities							
Capital Lease Payable - John Deere Financial Services	5.25%	\$ 70,168	\$ 1,019	\$ 18,944	\$ -	\$ 18,944	\$ -
Equipment Note Payable - First Financial Bank	7.00%	15,015	-	4,834	-	4,834	-
Equipment Note Payable - 1st National Bank of Rotan	3.50%	166,500	771	166,500	-	166,500	-
Equipment Note Payable - 1st National Bank of Rotan	3.50%	168,500	910	134,800	-	35,425	99,375
Equipment Note Payable - 1st National Bank of Rotan	3.50%	132,500	4,981	132,500	-	31,315	101,185
Equipment Note Payable - 1st National Bank of Rotan	3.50%	38,570	568	28,928	-	9,643	19,285
Equipment Note Payable - First Financial Bank	6.00%	35,500	634	10,288	-	1,315	8,973
Equipment Note Payable - First Financial Bank of Swtr	7.00%	14,270	498	7,178	-	7,178	-
Equipment Note Payable - 1st National Bank of Rotan	3.25%	75,636	706	75,636	-	28,117	47,519
Equipment Note Payable - 1st National Bank of Rotan	3.00%	26,000	378	26,000	-	8,671	17,329
Capital Lease Payable - John Deere Financial Services	3.25%	143,000	-	-	143,000	-	143,000
Equipment Note Payable - First Financial Bank of Swtr	6.00%	15,746	-	-	15,746	-	15,746
Equipment Note Payable - First Financial Bank of Swtr	6.00%	17,127	582	-	17,127	12,175	4,952
Capital Lease Payable - John Deere Financial Services	2.95%	222,485	-	-	222,485	-	222,485
Equipment Note Payable - 1st National Bank of Rotan	3.50%	8,000	111	-	8,000	8,000	-
Equipment Note Payable - First Financial Bank of Swtr	4.55%	70,005	-	-	70,005	21,293	48,712
Business Type Activities							
None		-	-	-	-	-	-
TOTAL		\$ 1,219,022	\$ 11,158	\$ 605,608	\$ 476,363	\$ 353,410	\$ 728,561

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, 2011, **\$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, 2011, as follows:

Year Ending September 30	
2012	\$ 1,571
2013	3,216
2014	804
2015	-
2016	-
2017-2022	-
2023-2027	-
Total Minimum Rentals	\$ 5,591
Rental Expenditures in Fiscal Year 2011	\$ 6,938

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

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

Equipment Acquisition Notes Payable			
Year Ended September 30	Principal	Interest	Total Requirements
2012	\$ 161,174	\$ 23,983	\$ 185,157
2013	168,614	18,245	186,859
2014	147,302	13,159	160,461
2015	74,575	8,296	82,871
2016	176,896	5,977	182,873
Subsequent	-	-	-
Totals	\$ 728,561	\$ 69,660	\$ 798,221

Capital Leases

Debt service requirements for capital leases payable are as follows:

Capital Lease Obligations				
Year Ended September 30	Principal	Interest	Total Requirements	
2012	\$ -	\$ -	\$ -	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017-2021	-	-	-	-
2022-2026	-	-	-	-
2027-2031	-	-	-	-
2032-2036	-	-	-	-
2037-2041	-	-	-	-
Total Capital Lease Payments	\$ -	\$ -	\$ -	-

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. PENSION PLAN

A. Plan Description

The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 574 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefits are 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.

B. Funding Policy

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 7.44% for calendar year 2010. The contribution rate payable by the employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

C. Annual Pension Cost

For the County's accounting year ending September 30, 2011, the annual pension cost for the TCDRS plan for its employees was \$91,320 and the actual contributions were \$91,320.

Schedule of Actuarial Liabilities and Funding Progress

Actuarial Valuation Date		12/31/2010
Actuarial Value of Assets	\$	1,825,422
Actuarial Accrued Liability	\$	2,235,461
Unfunded / (Over-funded) Actuarial Accrued Liability (UAAL)	\$	410,039
Percentage Funded		81.66%
Annual Covered Payroll	\$	1,181,630
UAAL as a Percentage of Covered Payroll		34.70%
Net Pension Obligation (NPO) as Beginning of Period	\$	-
Annual Required Contribution	\$	89,449
Contributions Made	\$	89,449
Net Pension Obligations at end of period	\$	-

M. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Acquisition Notes	605,608	476,363	353,410	728,561	161,174
Less Deferred Amount on Refunding	-	-	-	-	-
Total Bonds and Notes Payable	\$ 605,608	\$ 476,363	\$ 353,410	\$ 728,561	\$ 161,174
Capital Leases	-	-	-	-	-
Compensated Absences	-	-	-	-	-
Accrued Interest Payable	19,117	19,825	19,117	19,825	19,825
Total Other Liabilities	\$ 19,117	\$ 19,825	\$ 19,117	\$ 19,825	\$ 19,825
Liabilities	\$ 624,725	\$ 496,188	\$ 372,527	\$ 748,386	\$ 180,999
Business-type Activities:					
Bonds and Notes Payable:					
Enterprise Fund Bonds Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Less Deferred Amounts	-	-	-	-	-
Total Bonds and Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Other Liabilities:					
Compensated Absences	\$ -	\$ -	\$ -	\$ -	\$ -
Other Long-term Liabilities	-	-	-	-	-
Total Other Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-type Activities Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -

N. DEFERRED REVENUE

Deferred revenue at year-end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Net Tax Revenue	\$ 79,696	\$ 20,552	\$ -	\$ 100,248
Deferred State Revenues	-	-	-	-
Grant Revenues	-	-	-	-
Total Deferred Revenue	\$ 79,696	\$ 20,552	\$ -	\$ 100,248

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 unasserted claims pending against the County as of September 30, 2011.

P. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The County, as of September 30, 2011, 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 August 8, 2012, the date of this report. No material subsequent events had occurred in the period of September 30, 2011 through that date.

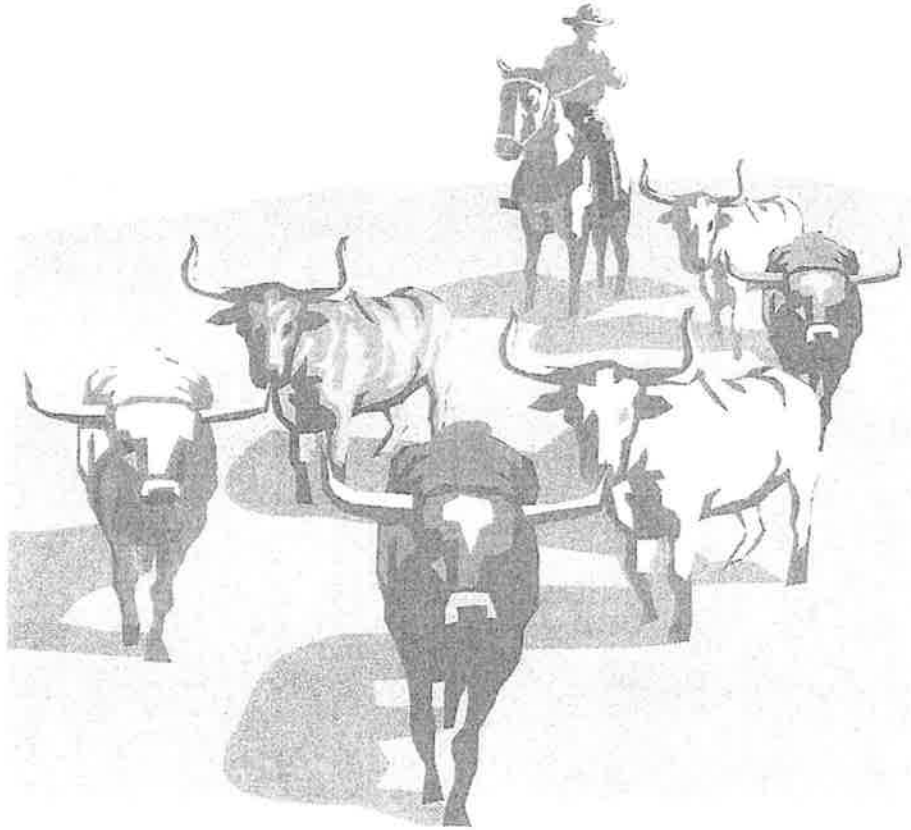
R. RELATED PARTY TRANSACTIONS

The County did not incur any reportable related party transactions or balances as of and during the year ended September 30, 2011.

S. FUND BALANCE ADJUSTMENT

The County had no adjustments to fund balance during the year ended September 30, 2011.

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, 2011

EXHIBIT E-1

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
Taxes:					
5110	Property Taxes	\$ 1,787,194	\$ 1,787,194	\$ 1,814,595	\$ 27,401
5190	Penalty and Interest on Taxes	-	-	24,522	24,522
5300	Intergovernmental Revenue and Grants	35,833	100,881	81,376	(19,505)
5400	Charges for Services	177,106	177,106	173,491	(3,615)
5610	Investment Earnings	32,610	32,610	27,650	(4,960)
5620	Rents and Royalties	1,010	1,010	1,273	263
5700	Other Revenue	24,100	160,445	42,959	(117,486)
5020	Total Revenues	2,057,853	2,259,246	2,165,866	(93,380)
EXPENDITURES:					
Current:					
General Government:					
0011	Administration - County Judge	99,084	101,552	101,552	-
0012	Administration - County Clerk	91,129	95,456	95,456	-
0013	Administration - Veteran's Service Officer	6,000	6,000	5,000	1,000
0014	Administration - Non-Departmental	263,127	349,255	327,851	21,404
0016	Financial - County Auditor	88,402	91,317	91,317	-
0017	Financial - County Treasurer	47,704	49,817	49,816	1
0018	Financial - Tax Assessor Collector	79,034	81,953	81,953	-
0019	Maintenance, Building, and Grounds	124,929	124,929	97,453	27,476
Public Safety:					
0021	County Sheriff Department	626,600	764,100	591,301	172,799
0029	Other Public Safety	-	102,145	102,145	-
Justice System:					
0032	County and District Court	47,050	47,050	34,928	12,122
0033	32nd Judicial District	31,932	31,932	25,451	6,481
0034	District Clerk	62,429	63,898	63,898	-
0035	Justice of the Peace #1	56,496	57,056	57,056	-
0036	Justice of the Peace #2	20,853	21,823	21,823	-
0037	District Attorney	39,549	39,549	35,915	3,634
0038	County Attorney	65,525	65,525	64,561	964
Health and Human Services:					
0041	Indigent Welfare / Child Care	4,000	5,776	4,551	1,225
Community and Economic Development:					
0061	County Extension Agents	47,453	47,453	45,966	1,487
Debt Service:					
0072	Other Debt Principal	-	35,581	37,760	(2,179)
0074	Other Debt Interest	-	3,456	1,273	2,183
6030	Total Expenditures	1,801,296	2,185,623	1,937,026	248,597
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	256,557	73,623	228,840	155,217
OTHER FINANCING SOURCES (USES):					
7914	Non-Current Loans	119,462	119,462	-	(119,462)
8911	Transfers Out (Use)	(37,000)	(37,000)	(338,750)	(301,750)
7080	Total Other Financing Sources (Uses)	82,462	82,462	(338,750)	(421,212)
1200	Net Change in Fund Balances	339,019	156,085	(109,910)	(265,995)
0100	Fund Balance - October 1 (Beginning)	856,669	856,669	856,669	-
3000	Fund Balance - September 30 (Ending)	\$ 1,195,688	\$ 1,012,754	\$ 746,759	\$ (265,995)

COMBINING AND INDIVIDUAL FUND SCHEDULES

FISHER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2011

Data Control Codes	20 Airport	61 Road & Bridge Pct 1	63 Road & Bridge Pct 3	65 Court Record Preservation
ASSETS				
1010 Cash and Cash Equivalents	\$ 10,107	\$ (69,177)	\$ (72,686)	\$ 1,500
1050 Taxes Receivable	-	6,850	6,850	-
1051 Allowance for Uncollectible Taxes (credit)	-	(1,713)	(1,713)	-
1260 Intergovernmental Receivables	-	399	399	-
1300 Due from Other Funds	-	69,470	72,905	-
1000 Total Assets	<u>\$ 10,107</u>	<u>\$ 5,829</u>	<u>\$ 5,755</u>	<u>\$ 1,500</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2020 Wages and Salaries Payable	\$ -	\$ 691	\$ 617	\$ -
2220 Deferred Revenues	-	5,138	5,138	-
2000 Total Liabilities	<u>-</u>	<u>5,829</u>	<u>5,755</u>	<u>-</u>
Fund Balances:				
3250 Federal or State Funds Grant Restriction	-	-	-	-
3290 Other Restricted Fund Balance	-	-	-	1,500
3590 Other Assigned Fund Balance	10,107	-	-	-
3000 Total Fund Balances	<u>10,107</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
4000 Total Liabilities and Fund Balances	<u>\$ 10,107</u>	<u>\$ 5,829</u>	<u>\$ 5,755</u>	<u>\$ 1,500</u>

The notes to the Financial Statements are an integral part of this statement.

66 Co & Dist Court Technology	67 Dist Court Records Technology	71 Lateral Road Pct 1	72 Lateral Road Pct 2	73 Lateral Road Pct 3	74 Lateral Road Pct 4	75 911 Addressing	76 County Clerk Archive
\$ 152	\$ 798	\$ -	\$ -	\$ -	\$ -	\$ 2,257	\$ 13,044
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 152</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,257</u>	<u>\$ 13,044</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
152	798	-	-	-	-	2,257	13,044
-	-	-	-	-	-	-	-
<u>152</u>	<u>798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,257</u>	<u>13,044</u>
<u>\$ 152</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,257</u>	<u>\$ 13,044</u>

FISHER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2011

Data Control Codes	77 Judicial Education	78 County Clerk Preservation	79 Law Library	80 District Clerk Preservation
ASSETS				
1010 Cash and Cash Equivalents	\$ 245	\$ 16,079	\$ -	\$ 6,539
1050 Taxes Receivable	-	-	-	-
1051 Allowance for Uncollectible Taxes (credit)	-	-	-	-
1260 Intergovernmental Receivables	-	-	-	-
1300 Due from Other Funds	-	-	-	-
1000 Total Assets	<u>\$ 245</u>	<u>\$ 16,079</u>	<u>\$ -</u>	<u>\$ 6,539</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2020 Wages and Salaries Payable	\$ -	\$ -	\$ -	\$ -
2220 Deferred Revenues	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
3250 Federal or State Funds Grant Restriction	-	-	-	-
3290 Other Restricted Fund Balance	245	16,079	-	6,539
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>245</u>	<u>16,079</u>	<u>-</u>	<u>6,539</u>
4000 Total Liabilities and Fund Balances	<u>\$ 245</u>	<u>\$ 16,079</u>	<u>\$ -</u>	<u>\$ 6,539</u>

The notes to the Financial Statements are an integral part of this statement.

81	82	83	84	85	86	87	88
Courthouse Security	County Preservation	Inmate Telephone	Hot Check	Bail Bond	State Fines & Fees	Senior Citizens	LEOSE Grant
\$ 15,234	\$ 1,843	\$ 3,787	\$ 4,003	\$ 27,884	\$ 40,642	\$ 1,335	\$ 996
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 15,234</u>	<u>\$ 1,843</u>	<u>\$ 3,787</u>	<u>\$ 4,003</u>	<u>\$ 27,884</u>	<u>\$ 40,642</u>	<u>\$ 1,335</u>	<u>\$ 996</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 467	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	467	-
-	-	-	-	-	-	-	996
15,234	1,843	3,787	4,003	27,884	40,642	-	-
-	-	-	-	-	-	868	-
<u>15,234</u>	<u>1,843</u>	<u>3,787</u>	<u>4,003</u>	<u>27,884</u>	<u>40,642</u>	<u>868</u>	<u>996</u>
<u>\$ 15,234</u>	<u>\$ 1,843</u>	<u>\$ 3,787</u>	<u>\$ 4,003</u>	<u>\$ 27,884</u>	<u>\$ 40,642</u>	<u>\$ 1,335</u>	<u>\$ 996</u>

FISHER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2011

Data Control Codes	89 Justice Court Technology	90 Miscellaneous	91 District Attorney Drug Forfeiture	92 Drug Forfeiture	
ASSETS					
1010	Cash and Cash Equivalents	\$ 719	\$ -	\$ 2,539	\$ 103,100
1050	Taxes Receivable	-	-	-	-
1051	Allowance for Uncollectible Taxes (credit)	-	-	-	-
1260	Intergovernmental Receivables	-	-	-	-
1300	Due from Other Funds	-	-	-	-
1000	Total Assets	<u>\$ 719</u>	<u>\$ -</u>	<u>\$ 2,539</u>	<u>\$ 103,100</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2020	Wages and Salaries Payable	\$ -	\$ -	\$ -	\$ -
2220	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
3250	Federal or State Funds Grant Restriction	-	-	-	-
3290	Other Restricted Fund Balance	719	-	2,539	103,100
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>719</u>	<u>-</u>	<u>2,539</u>	<u>103,100</u>
4000	Total Liabilities and Fund Balances	<u>\$ 719</u>	<u>\$ -</u>	<u>\$ 2,539</u>	<u>\$ 103,100</u>

The notes to the Financial Statements are an integral part of this statement.

93	94	Total
Miscellaneous Grants	TCDP Grant	Nonmajor Governmental Funds
\$ -	\$ 462	\$ 111,402
-	-	13,700
-	-	(3,426)
-	-	798
-	-	142,375
<u>\$ -</u>	<u>\$ 462</u>	<u>\$ 264,849</u>
\$ -	\$ -	\$ 1,775
-	-	10,276
<u>-</u>	<u>-</u>	<u>12,051</u>
-	462	1,458
-	-	240,365
-	-	10,975
<u>-</u>	<u>462</u>	<u>252,798</u>
<u>\$ -</u>	<u>\$ 462</u>	<u>\$ 264,849</u>

FISHER COUNTY, TEXAS

EXHIBIT F-2

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Data Control Codes		FD20	FD61	FD62
		Airport	Road & Bridge Pct. 1	Road & Bridge Pct. 2
	REVENUES:			2011 Major Fnd
5110	Property Taxes	\$ -	\$ 111,179	\$ -
5200	Licenses and Permits	-	63,464	-
5300	Intergovernmental Revenue and Grants	-	-	-
5400	Charges for Services	-	-	-
5520	Forfeits	-	-	-
5610	Investment Earnings	-	-	-
5620	Rents and Royalties	840	-	-
5640	Contributions & Donations from Private Sources	-	-	-
5700	Other Revenue	-	4,655	-
5020	Total Revenues	\$ 840	\$ 179,298	\$ -
	EXPENDITURES:			
	General Government:			
6012	Administration - County Clerk	\$ -	\$ -	\$ -
6019	Maintenance, Building, and Grounds	-	-	-
	Public Safety:			
6021	County Sheriff Department	-	-	-
6024	Drug Forfeiture	-	-	-
6025	LEOSE Funds	-	-	-
	Justice System:			
6034	District Clerk	-	-	-
6038	County Attorney	-	-	-
6039	Other Judicial	-	-	-
	Health and Human Services:			
6043	Senior Citizens	-	-	-
	Infrastructure and Environmental Services:			
6051	Roads and Bridges	-	239,393	-
6052	Airport	3,812	-	-
	Debt Service:			
6072	Other Debt Principal	-	43,327	-
6074	Other Debt Interest	-	645	-
6090	Intergovernmental	-	-	-
6030	Total Expenditures	\$ 3,812	\$ 283,365	\$ -
1100	Excess of Revenues Over (Under) Expenditures	\$ (2,972)	\$ (104,067)	\$ -
	OTHER FINANCING SOURCES (USES):			
7914	Sale of Real and Personal Property	-	1,350	-
7915	Non-Current Loans	-	33,247	-
7951	Transfers In	6,319	69,470	-
7080	Total Other Financing Sources (Uses)	\$ 6,319	\$ 104,067	\$ -
9100	Fund Balance - October 1 (Beginning)	\$ 6,760	\$ -	\$ -
9200	Fund Balance -September 30 (Ending)	\$ 10,107	\$ -	\$ -

The notes to the Financial Statement are an integral part of this statement.

2011 Major Fnd

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Data Control Codes		FD63 Road & Bridge Pct. 3	FD64 Road & Bridge Pct. 4	FD65 Court Record Preservation
	REVENUES:		2011 Major Fnd	
5110	Property Taxes	\$ 111,179	\$ -	\$ -
5200	Licenses and Permits	63,464	-	-
5300	Intergovernmental Revenue and Grants	-	-	-
5400	Charges for Services	-	-	1,111
5520	Forfeits	-	-	-
5610	Investment Earnings	-	-	11
5620	Rents and Royalties	-	-	-
5640	Contributions & Donations from Private Sources	-	-	-
5700	Other Revenue	4,812	-	-
5020	Total Revenues	\$ 179,455	\$ -	\$ 1,122
	EXPENDITURES:			
	General Government:			
6012	Administration - County Clerk	\$ -	\$ -	\$ -
6019	Maintenance, Building, and Grounds	-	-	-
	Public Safety:			
6021	County Sheriff Department	-	-	-
6024	Drug Forfeiture	-	-	-
6025	LEOSE Funds	-	-	-
	Justice System:			
6034	District Clerk	-	-	-
6038	County Attorney	-	-	-
6039	Other Judicial	-	-	-
	Health and Human Services:			
6043	Senior Citizens	-	-	-
	Infrastructure and Environmental Services:			
6051	Roads and Bridges	218,476	-	-
6052	Airport	-	-	-
	Debt Service:			
6072	Other Debt Principal	50,096	-	-
6074	Other Debt Interest	1,289	-	-
6090	Intergovernmental	-	-	-
6030	Total Expenditures	\$ 269,861	\$ -	\$ -
1100	Excess of Revenues Over (Under) Expenditures	\$ (90,406)	\$ -	\$ 1,122
	OTHER FINANCING SOURCES (USES):			
7914	Sale of Real and Personal Property	-	-	-
7915	Non-Current Loans	17,501	-	-
7951	Transfers In	72,905	-	-
7080	Total Other Financing Sources (Uses)	\$ 90,406	\$ -	\$ -
9100	Fund Balance - October 1 (Beginning)	\$ -	\$ -	\$ 378
9200	Fund Balance -September 30 (Ending)	\$ -	\$ -	\$ 1,500

The notes to the Financial Statement are an integral part of this statement.

2011 Major Fnd

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Data Control Codes		FD66 C & D Court Technology	FD67 Dist. Court Records Technology	FD71 Lateral Road Pct. 1
REVENUES:				
5110	Property Taxes	\$ -	\$ -	\$ -
5200	Licenses and Permits	-	-	-
5300	Intergovernmental Revenue and Grants	-	-	5,292
5400	Charges for Services	-	649	-
5520	Forfeits	-	-	-
5610	Investment Earnings	-	4	-
5620	Rents and Royalties	-	-	-
5640	Contributions & Donations from Private Sources	-	-	-
5700	Other Revenue	121	-	-
5020	Total Revenues	\$ 121	\$ 653	\$ 5,292
EXPENDITURES:				
General Government:				
6012	Administration - County Clerk	\$ -	\$ -	\$ -
6019	Maintenance, Building, and Grounds	-	-	-
Public Safety:				
6021	County Sheriff Department	-	-	-
6024	Drug Forfeiture	-	-	-
6025	LEOSE Funds	-	-	-
Justice System:				
6034	District Clerk	-	-	-
6038	County Attorney	-	-	-
6039	Other Judicial	-	-	-
Health and Human Services:				
6043	Senior Citizens	-	-	-
Infrastructure and Environmental Services:				
6051	Roads and Bridges	-	-	5,292
6052	Airport	-	-	-
Debt Service:				
6072	Other Debt Principal	-	-	-
6074	Other Debt Interest	-	-	-
6090	Intergovernmental	-	-	-
6030	Total Expenditures	\$ -	\$ -	\$ 5,292
1100	Excess of Revenues Over (Under) Expenditures	\$ 121	\$ 653	\$ -
OTHER FINANCING SOURCES (USES):				
7914	Sale of Real and Personal Property	-	-	-
7915	Non-Current Loans	-	-	-
7951	Transfers In	-	-	-
7080	Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -
9100	Fund Balance - October 1 (Beginning)	\$ 31	\$ 145	\$ -
9200	Fund Balance -September 30 (Ending)	\$ 152	\$ 798	\$ -

The notes to the Financial Statement are an integral part of this statement.

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Data Control Codes	FD72 Lateral Road Pct. 2	FD73 Lateral Road Pct. 3	FD74 Lateral Road Pct. 4
REVENUES:			
5110	\$ -	\$ -	\$ -
5200	-	-	-
5300	5,292	5,292	5,292
5400	-	-	-
5520	-	-	-
5610	-	-	-
5620	-	-	-
5640	-	-	-
5700	-	-	-
5020	<u>\$ 5,292</u>	<u>\$ 5,292</u>	<u>\$ 5,292</u>
EXPENDITURES:			
General Government:			
6012	\$ -	\$ -	\$ -
6019	-	-	-
Public Safety:			
6021	-	-	-
6024	-	-	-
6025	-	-	-
Justice System:			
6034	-	-	-
6038	-	-	-
6039	-	-	-
Health and Human Services:			
6043	-	-	-
Infrastructure and Environmental Services:			
6051	5,292	5,292	5,292
6052	-	-	-
Debt Service:			
6072	-	-	-
6074	-	-	-
6090	-	-	-
6030	<u>\$ 5,292</u>	<u>\$ 5,292</u>	<u>\$ 5,292</u>
1100	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES):			
7914	-	-	-
7915	-	-	-
7951	-	-	-
7080	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
9100	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
9200	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the Financial Statement are an integral part of this statement.

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Data Control Codes		FD75	FD76	FD77
		911 Addressing	County Clerk Archive	Judicial Education
	REVENUES:			
5110	Property Taxes	\$ -	\$ -	\$ -
5200	Licenses and Permits	-	-	-
5300	Intergovernmental Revenue and Grants	-	-	-
5400	Charges for Services	-	10,178	95
5520	Forfeits	-	-	-
5610	Investment Earnings	-	124	-
5620	Rents and Royalties	-	-	-
5640	Contributions & Donations from Private Sources	-	-	-
5700	Other Revenue	-	-	-
5020	Total Revenues	\$ -	\$ 10,302	\$ 95
	EXPENDITURES:			
	General Government:			
6012	Administration - County Clerk	\$ -	\$ 3,131	\$ -
6019	Maintenance, Building, and Grounds	-	-	-
	Public Safety:			
6021	County Sheriff Department	-	-	-
6024	Drug Forfeiture	-	-	-
6025	LEOSE Funds	-	-	-
	Justice System:			
6034	District Clerk	-	-	-
6038	County Attorney	-	-	-
6039	Other Judicial	-	-	-
	Health and Human Services:			
6043	Senior Citizens	-	-	-
	Infrastructure and Environmental Services:			
6051	Roads and Bridges	-	-	-
6052	Airport	-	-	-
	Debt Service:			
6072	Other Debt Principal	-	-	-
6074	Other Debt Interest	-	-	-
6090	Intergovernmental	-	-	-
6030	Total Expenditures	\$ -	\$ 3,131	\$ -
1100	Excess of Revenues Over (Under) Expenditures	\$ -	\$ 7,171	\$ 95
	OTHER FINANCING SOURCES (USES):			
7914	Sale of Real and Personal Property	-	-	-
7915	Non-Current Loans	-	-	-
7951	Transfers In	-	-	-
7080	Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -
9100	Fund Balance - October 1 (Beginning)	\$ 2,257	\$ 5,873	\$ 150
9200	Fund Balance -September 30 (Ending)	\$ 2,257	\$ 13,044	\$ 245

The notes to the Financial Statement are an integral part of this statement.

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Data Control Codes	FD78 County Clerk Preservation	FD79 Law Library	FD80 District Clerk Preservation
REVENUES:			
5110	\$ -	\$ -	\$ -
5200	-	-	-
5300	-	-	-
5400	10,623	3,899	692
5520	-	-	-
5610	386	-	135
5620	-	-	-
5640	-	-	-
5700	-	-	-
5020	<u>\$ 11,009</u>	<u>\$ 3,899</u>	<u>\$ 827</u>
EXPENDITURES:			
General Government:			
6012	\$ 15,887	\$ -	\$ -
6019	-	-	-
Public Safety:			
6021	-	-	-
6024	-	-	-
6025	-	-	-
Justice System:			
6034	-	-	1,272
6038	-	5,128	-
6039	-	-	-
Health and Human Services:			
6043	-	-	-
Infrastructure and Environmental Services:			
6051	-	-	-
6052	-	-	-
Debt Service:			
6072	-	-	-
6074	-	-	-
6090	-	-	-
6030	<u>\$ 15,887</u>	<u>\$ 5,128</u>	<u>\$ 1,272</u>
1100	\$ (4,878)	\$ (1,229)	\$ (445)
OTHER FINANCING SOURCES (USES):			
7914	-	-	-
7915	-	-	-
7951	-	1,194	-
7080	<u>\$ -</u>	<u>\$ 1,194</u>	<u>\$ -</u>
9100	\$ 20,957	\$ 35	\$ 6,984
9200	<u>\$ 16,079</u>	<u>\$ -</u>	<u>\$ 6,539</u>

The notes to the Financial Statement are an integral part of this statement.

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Data Control Codes		FD81	FD82	FD83
		Courthouse Security	County Preservation	Inmate Telephone
	REVENUES:			
5110	Property Taxes	\$ -	\$ -	\$ -
5200	Licenses and Permits	-	-	-
5300	Intergovernmental Revenue and Grants	-	-	-
5400	Charges for Services	4,172	1,054	291
5520	Forfeits	-	-	-
5610	Investment Earnings	-	17	-
5620	Rents and Royalties	-	-	-
5640	Contributions & Donations from Private Sources	-	-	-
5700	Other Revenue	-	-	-
5020	Total Revenues	\$ 4,172	\$ 1,071	\$ 291
	EXPENDITURES:			
	General Government:			
6012	Administration - County Clerk	\$ -	\$ -	\$ -
6019	Maintenance, Building, and Grounds	1,434	-	-
	Public Safety:			
6021	County Sheriff Department	-	-	-
6024	Drug Forfeiture	-	-	-
6025	LEOSE Funds	-	-	-
	Justice System:			
6034	District Clerk	-	-	-
6038	County Attorney	-	-	-
6039	Other Judicial	-	-	-
	Health and Human Services:			
6043	Senior Citizens	-	-	-
	Infrastructure and Environmental Services:			
6051	Roads and Bridges	-	-	-
6052	Airport	-	-	-
	Debt Service:			
6072	Other Debt Principal	-	-	-
6074	Other Debt Interest	-	-	-
6090	Intergovernmental	-	-	-
6030	Total Expenditures	\$ 1,434	\$ -	\$ -
1100	Excess of Revenues Over (Under) Expenditures	\$ 2,738	\$ 1,071	\$ 291
	OTHER FINANCING SOURCES (USES):			
7914	Sale of Real and Personal Property	-	-	-
7915	Non-Current Loans	-	-	-
7951	Transfers In	-	-	-
7080	Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -
9100	Fund Balance - October 1 (Beginning)	\$ 12,496	\$ 772	\$ 3,496
9200	Fund Balance -September 30 (Ending)	\$ 15,234	\$ 1,843	\$ 3,787

The notes to the Financial Statement are an integral part of this statement.

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Data Control Codes	FD84 Hot Check	FD85 Bail Bond	FD86 State Fines & Fees
REVENUES:			
5110	\$ -	\$ -	\$ -
5200	-	-	-
5300	-	-	-
5400	5,558	8,340	75,925
5520	-	-	-
5610	-	-	-
5620	-	-	-
5640	-	-	-
5700	-	-	-
5020	<u>\$ 5,558</u>	<u>\$ 8,340</u>	<u>\$ 75,925</u>
EXPENDITURES:			
General Government:			
6012	\$ -	\$ -	\$ -
6019	-	-	-
Public Safety:			
6021	-	2,455	-
6024	-	-	-
6025	-	-	-
Justice System:			
6034	-	-	-
6038	4,434	-	-
6039	-	-	-
Health and Human Services:			
6043	-	-	-
Infrastructure and Environmental Services:			
6051	-	-	-
6052	-	-	-
Debt Service:			
6072	-	-	-
6074	-	-	-
6090	-	-	56,690
6030	<u>\$ 4,434</u>	<u>\$ 2,455</u>	<u>\$ 56,690</u>
1100	<u>\$ 1,124</u>	<u>\$ 5,885</u>	<u>\$ 19,235</u>
OTHER FINANCING SOURCES (USES):			
7914	-	-	-
7915	-	-	-
7951	-	-	-
7080	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
9100	<u>\$ 2,879</u>	<u>\$ 21,999</u>	<u>\$ 21,407</u>
9200	<u>\$ 4,003</u>	<u>\$ 27,884</u>	<u>\$ 40,642</u>

The notes to the Financial Statement are an integral part of this statement.

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Data Control Codes	FD87 Senior Citizens	FD88 LEOSE Grant	FD89 Justice Court Technology
REVENUES:			
5110	\$ -	\$ -	\$ -
5200	-	-	-
5300	80,584	1,174	-
5400	-	-	1,736
5520	-	-	-
5610	-	-	-
5620	-	-	-
5640	12,037	-	-
5700	626	-	-
5020	<u>\$ 93,247</u>	<u>\$ 1,174</u>	<u>\$ 1,736</u>
EXPENDITURES:			
General Government:			
6012	\$ -	\$ -	\$ -
6019	-	-	-
Public Safety:			
6021	-	-	-
6024	-	-	-
6025	-	1,200	-
Justice System:			
6034	-	-	-
6038	-	-	-
6039	-	-	1,789
Health and Human Services:			
6043	142,348	-	-
Infrastructure and Environmental Services:			
6051	-	-	-
6052	-	-	-
Debt Service:			
6072	-	-	-
6074	-	-	-
6090	-	-	-
6030	<u>\$ 142,348</u>	<u>\$ 1,200</u>	<u>\$ 1,789</u>
1100	\$ (49,101)	\$ (26)	\$ (53)
OTHER FINANCING SOURCES (USES):			
7914	-	-	-
7915	-	-	-
7951	46,172	-	-
7080	<u>\$ 46,172</u>	<u>\$ -</u>	<u>\$ -</u>
9100	<u>\$ 3,797</u>	<u>\$ 1,022</u>	<u>\$ 772</u>
9200	<u>\$ 868</u>	<u>\$ 996</u>	<u>\$ 719</u>

The notes to the Financial Statement are an integral part of this statement.

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Data Control Codes		FD90 Miscellaneous Special Revenue	FD91 Dist Attorney Drug Forfeiture	FD92 Drug Forfeiture
	REVENUES:			
5110	Property Taxes	\$ -	\$ -	\$ -
5200	Licenses and Permits	-	-	-
5300	Intergovernmental Revenue and Grants	-	-	-
5400	Charges for Services	-	-	-
5520	Forfeits	-	2,570	-
5610	Investment Earnings	-	27	1,885
5620	Rents and Royalties	-	-	-
5640	Contributions & Donations from Private Sources	-	-	-
5700	Other Revenue	-	-	-
5020	Total Revenues	<u>\$ -</u>	<u>\$ 2,597</u>	<u>\$ 1,885</u>
	EXPENDITURES:			
	General Government:			
6012	Administration - County Clerk	\$ -	\$ -	\$ -
6019	Maintenance, Building, and Grounds	-	-	-
	Public Safety:			
6021	County Sheriff Department	-	-	-
6024	Drug Forfeiture	-	58	13,723
6025	LEOSE Funds	-	-	-
	Justice System:			
6034	District Clerk	-	-	-
6038	County Attorney	-	-	-
6039	Other Judicial	-	-	-
	Health and Human Services:			
6043	Senior Citizens	-	-	-
	Infrastructure and Environmental Services:			
6051	Roads and Bridges	-	-	-
6052	Airport	-	-	-
	Debt Service:			
6072	Other Debt Principal	-	-	-
6074	Other Debt Interest	-	-	-
6090	Intergovernmental	-	-	-
6030	Total Expenditures	<u>\$ -</u>	<u>\$ 58</u>	<u>\$ 13,723</u>
1100	Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 2,539</u>	<u>\$ (11,838)</u>
	OTHER FINANCING SOURCES (USES):			
7914	Sale of Real and Personal Property	-	-	-
7915	Non-Current Loans	-	-	-
7951	Transfers In	-	-	-
7080	Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
9100	Fund Balance - October 1 (Beginning)	\$ -	\$ -	\$ 114,938
9200	Fund Balance -September 30 (Ending)	<u>\$ -</u>	<u>\$ 2,539</u>	<u>\$ 103,100</u>

The notes to the Financial Statement are an integral part of this statement.

FISHER COUNTY, TEXAS

EXHIBIT F-2 (Cont'd)

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Data Control Codes	FD94 TCDP Grant	Total Nonmajor Governmental Funds
REVENUES:		
5110	\$ -	\$ 222,358
5200	-	126,928
5300	40,444	143,370
5400	-	124,323
5520	-	2,570
5610	-	2,589
5620	-	840
5640	-	12,037
5700	508	10,722
5020	<u>\$ 40,952</u>	<u>\$ 645,737</u>
EXPENDITURES:		
General Government:		
6012	\$ 15,570	\$ 34,588
6019	-	1,434
Public Safety:		
6021	25,062	27,517
6024	-	13,781
6025	-	1,200
Justice System:		
6034	-	1,272
6038	-	9,562
6039	-	1,789
Health and Human Services:		
6043	-	142,348
Infrastructure and Environmental Services:		
6051	-	479,037
6052	-	3,812
Debt Service:		
6072	-	93,423
6074	-	1,934
6090	-	56,690
6030	<u>\$ 40,632</u>	<u>\$ 868,387</u>
1100	\$ 320	\$ (222,650)
OTHER FINANCING SOURCES (USES):		
7914	-	1,350
7915	-	50,748
7951	-	196,060
7080	<u>\$ -</u>	<u>\$ 248,158</u>
9100	\$ 142	\$ 227,290
9200	<u>\$ 462</u>	<u>\$ 252,798</u>

The notes to the Financial Statement are an integral part of this statement.

FISHER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (BUDGET BASIS) - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2011

DEPARTMENT / EXPENDITURE ITEM	2011				2010
	Original Budget	Final Budget	Actual	Variance From Final Budget Favorable (Unfavorable)	Actual
County Judge (General Government)					
Salary - County Judge	\$ 32,243	\$ 32,243	\$ 33,484	\$ (1,241)	\$ 32,206
Salary - Administrative Assistant	21,000	21,000	21,808	(808)	20,700
Social Security	5,221	5,221	5,422	(201)	5,148
State Supplement - County Judge	15,000	15,000	15,577	(577)	15,000
Retirement	5,323	5,323	5,423	(100)	5,250
Medical Insurance	15,397	15,397	16,038	(641)	12,990
Travel	1,500	2,145	2,145	-	1,090
Supplies	1,200	3,526	382	3,144	1,022
Communications	1,500	1,222	1,096	126	870
Bonds / Notary	200	200	177	23	-
Repairs and Maintenance	100	100	-	100	-
School & Dues	400	175	-	175	-
County Judge Total	\$ 99,084	\$ 101,552	\$ 101,552	\$ -	\$ 94,276
County Clerk (General Government)					
Salary - County Clerk	\$ 32,065	\$ 32,065	\$ 33,241	\$ (1,176)	\$ 31,765
Salary - Administrative Assistant	19,500	19,500	20,251	(751)	19,500
Social Security	3,945	3,945	4,215	(270)	3,922
Retirement	4,022	4,022	4,618	(596)	3,999
Medical Insurance	15,397	15,397	16,039	(642)	12,990
Travel	3,000	3,121	4,032	(911)	2,970
Supplies	7,000	6,827	3,423	3,404	5,293
Software Maintenance	4,000	4,000	4,000	-	4,000
Communications	1,500	1,500	1,326	174	1,330
Bonds and Restitution	200	437	852	(415)	178
Repairs and Maintenance	500	4,642	-	4,642	500
Equipment Lease	-	-	3,459	(3,459)	1,974
County Clerk Total	\$ 91,129	\$ 95,456	\$ 95,456	\$ -	\$ 88,421
Veteran's Service Officer (General Government)					
School/Travel	\$ -	\$ -	\$ -	\$ -	\$ -
Contracted Services	6,000	6,000	5,000	1,000	6,500
Veteran's Service Officer Total	\$ 6,000	\$ 6,000	\$ 5,000	\$ 1,000	\$ 6,500
Non-Departmental (General Administration)					
Election Supplies/Election Boxes	\$ 15,000	\$ 15,000	\$ 13,888	\$ 1,112	\$ 14,159
Vending Machine Supplies	800	800	180	620	544
Supplies	2,900	2,489	2,272	217	1,569
Paper and Postage	6,600	6,110	6,370	(260)	7,227
Animal Control	350	541	541	-	100
Communications	2,800	2,800	2,939	(139)	3,184
Legal Fees / Law Library	7,500	7,825	6,339	1,486	7,295
Supplemental Death Benefits	12,000	12,000	1,754	10,246	16,392
Workman's Compensation Insurance	15,000	17,213	22,951	(5,738)	24,117
Unemployment Insurance	3,200	3,272	3,725	(453)	8,081
Drug and Alcohol Testing	1,000	1,105	1,105	-	562
Copy Machine / Supplies / Toner	2,513	2,513	2,467	46	1,861
Outside Auditor	14,900	14,900	14,900	-	14,000
Appraisal District Fees	98,064	98,064	95,477	2,587	94,760
Permits, Dues, Fees, and COG Match	2,500	4,460	4,460	-	1,172
Liability Insurance	40,000	64,290	64,290	-	67,222
Legal Ads	4,500	4,500	2,901	1,599	2,409
Rural Fire Protection	10,000	61,436	64,647	(3,211)	10,902
Safety Program	7,000	7,000	5,342	1,658	5,586
Emergency Management	2,500	2,500	2,434	66	2,196
Misc. expenditures	1,000	7,437	1,525	5,912	2,250
Employee Insurance	8,000	8,000	1,797	6,203	9,088
Retirement	-	-	547	(547)	12,918
County Libraries	5,000	5,000	5,000	-	5,000
Non-Departmental Total	\$ 263,127	\$ 349,255	\$ 327,851	\$ 21,404	\$ 312,594

FISHER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (BUDGET BASIS) - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2011

DEPARTMENT / EXPENDITURE ITEM	2011				2010
	Original Budget	Final Budget	Actual	Variance From Final Budget Favorable (Unfavorable)	Actual
County Auditor (Financial Administration)					
Salary - County Auditor	\$ 32,065	\$ 32,065	\$ 33,241	\$ (1,176)	\$ 31,765
Social Security	4,427	4,427	4,595	(168)	4,403
Retirement	4,513	4,513	4,627	(114)	4,451
Medical Insurance	15,397	15,397	16,039	(642)	12,990
Travel / School Tuition / Dues	1,600	1,600	1,360	240	1,366
Supplies	1,500	4,798	1,883	2,915	1,594
Communications	900	937	1,034	(97)	763
Bonds	400	150	150	-	292
Maintenance Contracts	800	1,056	1,056	-	800
New Equipment	1,000	574	540	34	1,500
Salary- Administrative Assistant	25,800	25,800	26,792	(992)	25,763
County Auditor Total	\$ 88,402	\$ 91,317	\$ 91,317	\$ -	\$ 85,687
County Treasurer (Financial Administration)					
Salary - County Treasurer	\$ 31,286	\$ 31,286	\$ 32,173	\$ (887)	\$ 31,765
Salary - Administrative Assistant	-	-	-	-	-
Social Security	2,393	2,393	2,411	(18)	2,411
Retirement	2,440	2,440	2,457	(17)	2,454
Medical Insurance	5,774	5,774	7,057	(1,283)	6,495
Travel	1,000	1,930	1,930	-	150
Supplies	2,000	3,955	1,842	2,113	3,307
Communications	960	772	680	92	649
Bonds /Notary	50	177	177	-	50
Maintenance Contract	1,800	1,089	1,089	-	887
Miscellaneous	-	-	-	-	-
Equipment <\$5K	-	-	-	-	-
New Equipment	-	-	-	-	-
County Treasurer Total	\$ 47,703	\$ 49,816	\$ 49,816	\$ -	\$ 48,168
Tax Assessor Collector (Financial Administration)					
Salary-County Tax Collector	\$ 30,865	\$ 30,865	\$ 32,040	\$ (1,175)	\$ 30,865
Salary - Assistant - MVD	19,232	19,800	20,550	(750)	19,800
Salary - Part Time	-	-	-	-	-
Social Security	3,832	3,832	4,039	(207)	3,892
Retirement	3,908	3,908	4,029	(121)	3,916
Medical Insurance	15,397	15,397	16,039	(642)	12,990
Travel	1,700	1,700	1,092	608	1,082
Voter Registration	550	550	422	128	338
Supplies	1,500	4,127	2,479	1,648	2,450
Communications	1,200	924	707	217	743
Bonds	50	50	50	-	50
MVD Substation	800	800	506	294	530
Tax Assessor Collector Total	\$ 79,034	\$ 81,953	\$ 81,953	\$ -	\$ 76,656
Maintenance, Building, and Grounds (General Government)					
Salary - Janitor (Part-Time)	\$ 12,495	\$ 12,495	\$ 12,976	\$ (481)	\$ 12,496
Social Security	956	956	1,000	(44)	964
Retirement	975	975	998	(23)	970
Supplies	10,300	11,825	13,650	(1,825)	14,758
Utilities	45,000	45,000	45,525	(525)	46,100
Repairs / Maintenance	47,503	43,614	15,896	27,718	10,318
Repairs - Air Conditioning and Heating	5,000	5,000	1,936	3,064	1,144
Exterminator Services	700	2,500	2,750	(250)	1,500
Yard Services	1,000	1,000	1,085	(85)	2,789
Miscellaneous	-	-	-	-	-
Historical Society	1,000	1,564	1,637	(73)	1,265
Maintenance, Building, & Grounds Total	\$ 124,929	\$ 124,929	\$ 97,453	\$ 27,476	\$ 92,304

FISHER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (BUDGET BASIS) - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2011

DEPARTMENT / EXPENDITURE ITEM	2011				2010
	Original Budget	Final Budget	Actual	Variance From Final Budget Favorable (Unfavorable)	Actual
County Sheriff Department (Public Safety)					
Salary - County Sheriff	\$ 40,358	\$ 40,358	\$ 41,852	\$ (1,494)	\$ 38,013
Other Salaries - Deputies	118,628	118,628	135,695	(17,067)	118,493
Salary - Jail Administrator	21,500	21,500	24,809	(3,309)	6,949
Other Salaries - Jailers	60,901	60,901	63,037	(2,136)	88,909
Salary - Part Time Deputies	6,000	6,000	4,832	1,168	8,428
Salary - Part Time Jailers	8,700	21,238	29,116	(7,878)	20,109
Salary - Overtime	14,000	12,387	11,455	932	17,692
Social Security	20,662	20,662	23,853	(3,191)	22,838
Retirement	21,067	21,067	22,939	(1,872)	22,993
Medical Insurance	69,285	69,285	69,928	(643)	48,740
New Employees Physicals / Drug Testing	-	119,433	4,422	115,011	1,976
Travel	3,500	3,965	4,268	(303)	4,596
Supplies	8,950	14,775	17,090	(2,315)	17,120
Communications	6,000	6,623	7,915	(1,292)	4,894
Bond / Notary	1,000	260	171	89	563
Repairs and Maintenance	3,000	5,705	8,729	(3,024)	5,459
New Equipment: CPU / Radio	-	-	-	-	-
Vehicle Expense	38,000	45,964	56,495	(10,531)	48,538
Radio	-	-	-	-	-
Inmate Expense	18,050	25,664	31,372	(5,708)	28,296
Equipment <\$5K	1,000	1,840	1,840	-	-
Miscellaneous	1,500	-	-	-	-
Inmate Medical Expense	6,000	28,383	31,483	(3,100)	4,815
Capital Outlay	119,462	119,462	-	119,462	75,635
Vehicle Debt Service-Listed in Debt Service Below	-	-	-	-	-
Sheriff Total	\$ 587,563	\$ 764,100	\$ 591,301	\$ 172,799	\$ 585,056
Other Public Safety					
Homeland Security Grants	\$ -	\$ 102,145	\$ 102,145	\$ -	\$ 109,005
Other Public Safety Total	\$ -	\$ 102,145	\$ 102,145	\$ -	\$ 109,005
County and District Court (Judicial)					
Juvenile Officer - Salary	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Communications	500	425	344	81	348
Grand Jury	2,100	2,100	1,800	300	930
Petit Jury	3,000	3,000	-	3,000	3,808
J.P. Jury	100	100	-	100	50
Jury Lodging and Meals	50	50	36	14	28
Jury Commissions	200	200	120	80	80
Court Appointed Attorney	16,000	16,000	14,232	1,768	17,129
Interpreter	100	100	-	100	-
Miscellaneous	-	75	1,866	(1,791)	-
Juvenile Detention	10,000	10,000	1,530	8,470	3,894
County and District Court Total	\$ 47,050	\$ 47,050	\$ 34,928	\$ 12,122	\$ 41,267
32nd Judicial District (Judicial)					
Salary - Court Administrator	\$ 4,487	\$ 4,516	\$ 4,516	\$ -	\$ 4,270
Salary - Supplemental District Judge	2,190	2,190	2,190	-	2,190
Court Reporter	9,670	9,670	9,640	30	9,670
Social Security	1,250	1,250	1,300	(50)	1,234
Retirement	1,240	1,240	1,157	83	1,111
Medical Insurance	1,350	1,350	637	713	641
Travel	1,000	972	1,007	(35)	563
Supplies	2,300	2,300	1,583	717	1,042
7th Adm District Assessment	445	444	430	14	445
Lunacy / Commitment	5,200	3,200	1,917	1,283	4,034
Legal	-	2,000	1,015	985	-
Visiting Judge / Court Reporter	2,000	2,000	59	1,941	514
Court Reporter Insurance	800	800	-	800	-
32nd Judicial District Total	\$ 31,932	\$ 31,932	\$ 25,451	\$ 6,481	\$ 25,714

The accompanying notes are an integral part of this statement.

FISHER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (BUDGET BASIS) - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2011

DEPARTMENT / EXPENDITURE ITEM	2011				2010
	Original Budget	Final Budget	Actual	Variance From Final Budget Favorable (Unfavorable)	Actual
District Clerk (Judicial)					
Salary - Elected / Appointed Official	\$ 31,765	\$ 31,765	\$ 32,940	\$ (1,175)	\$ 31,465
Salary - Part Time	8,000	8,000	8,469	(469)	8,174
Social Security	3,042	3,042	3,176	(134)	3,055
Retirement	3,102	3,102	2,573	529	2,429
Medical Insurance	7,698	7,698	8,019	(321)	6,495
Travel / School Tuition	1,500	1,104	993	111	1,500
Supplies	2,800	4,665	3,268	1,397	2,803
Communications	1,000	1,000	938	62	1,083
Bonds	330	330	330	-	258
Maintenance Contracts	3,192	3,192	3,192	-	3,192
District Clerk Total	\$ 62,429	\$ 63,898	\$ 63,898	\$ -	\$ 60,454
Justice of Peace #1 (Judicial)					
Salary - Justice of the Peace	\$ 31,165	\$ 31,165	\$ 32,364	\$ (1,199)	\$ 31,428
Salary - Administrative Assistant	4,000	4,000	4,198	(198)	3,992
Social Security	2,690	2,690	2,833	(143)	2,725
Retirement	2,743	2,743	2,534	209	2,443
Medical Insurance	7,698	7,698	8,019	(321)	6,495
Travel / School Tuition / Dues	1,500	2,199	2,264	(65)	1,668
Supplies	2,000	2,274	661	1,613	2,012
Software	3,000	3,000	3,000	-	-
Bond	200	200	150	50	200
Warrant Enf. Bureau Reimb.	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Communications	1,500	1,087	1,033	54	769
Justice of Peace #1 Total	\$ 56,496	\$ 57,056	\$ 57,056	\$ -	\$ 51,732
Justice of Peace #3 (Judicial)					
Salary - Justice of the Peace	\$ 9,856	\$ 9,856	\$ 10,235	\$ (379)	\$ 9,856
Social Security	754	754	783	(29)	754
Retirement	769	769	781	(12)	759
Medical Insurance	7,698	7,698	8,019	(321)	6,495
Travel	500	408	588	(180)	500
Supplies	500	1,247	133	1,114	428
Communications	600	913	1,106	(193)	1,106
Miscellaneous	-	-	-	-	-
Bonds	175	178	178	-	-
Justice of Peace #2 Total	\$ 20,852	\$ 21,823	\$ 21,823	\$ -	\$ 19,898
District Attorney (Judicial)					
Salary - Assistant D.A.	\$ 6,895	\$ 6,895	\$ 7,160	\$ (265)	\$ 6,894
Salary - D.A. Secretary	5,501	5,501	5,713	(212)	5,501
Salary - Assistant D.A. Secretary	5,501	5,501	5,713	(212)	5,501
Salary - D.A. Investigator	6,589	6,589	6,842	(253)	6,589
Salary Supplement District Attorney	2,190	2,190	2,190	-	2,190
Longevity Supplement	-	-	-	-	-
Social Security	2,041	2,041	2,113	(72)	2,041
Retirement	2,548	2,548	2,107	441	2,055
Medical Insurance	5,000	5,000	3,334	1,666	2,978
Travel	1,000	1,000	399	601	607
Supplies	880	880	344	536	615
Crime Victims	1,404	1,404	-	1,404	-
District Attorney Total	\$ 39,549	\$ 39,549	\$ 35,915	\$ 3,634	\$ 34,971

FISHER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (BUDGET BASIS) - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2011

DEPARTMENT / EXPENDITURE ITEM	2011				2010
	Original Budget	Final Budget	Actual	Variance From Final Budget Favorable (Unfavorable)	Actual
County Attorney (Judicial)					
County Attorney Compensation	\$ 31,765	\$ 31,765	\$ 32,987	\$ (1,222)	\$ 31,465
Social Security	4,024	4,024	4,186	(162)	3,989
Retirement	4,103	4,103	4,175	(72)	4,036
State Supplement	20,833	20,833	21,634	(801)	20,833
Travel / School Tuition	600	600	-	600	75
Supplies	1,500	1,500	197	1,303	938
Electronic Forms	1,800	1,800	675	1,125	1,485
Communications	850	850	657	193	651
Bonds	50	50	50	-	50
County Attorney Total	\$ 65,525	\$ 65,525	\$ 64,561	\$ 964	\$ 63,522
Indigent Welfare / Child Care (Health and Welfare)					
Child Care	\$ 500	\$ 2,276	\$ 1,776	\$ 500	\$ 1,916
Doctor Services	50	50	-	50	3,020
Burial	500	2,775	2,775	-	532
Emergency Aid	250	250	-	250	-
Clothing	100	100	-	100	-
Meals, Room, Care	50	50	-	50	-
Hospital	50	50	-	50	-
Medical Bills	50	50	-	50	-
Medical Supplies	50	50	-	50	-
Faith In Action/Med. Transp.	2,400	125	-	125	1,800
Indigent Welfare Total	\$ 4,000	\$ 5,776	\$ 4,551	\$ 1,225	\$ 7,268
County Extension Agents (Culture and Recreation)					
Salary - County Extension Agent - Agriculture	\$ 11,641	\$ 11,641	\$ 10,074	\$ 1,567	\$ 11,641
Retirement	2,429	2,429	1,610	819	1,460
Salary - Administrative Assistant	19,500	19,500	21,005	(1,505)	18,869
Social Security	2,382	2,383	2,393	(10)	2,338
CEA - AG Car Allowance	5,000	4,339	4,339	-	5,471
Supplies	2,500	3,500	3,433	67	2,010
Communications	1,000	1,000	709	291	1,000
Miscellaneous	-	-	-	-	-
Stock Show	3,000	2,661	2,403	258	3,000
County Extension Agents Total	\$ 47,452	\$ 47,453	\$ 45,966	\$ 1,487	\$ 45,789

FISHER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (BUDGET BASIS) - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2011

DEPARTMENT / EXPENDITURE ITEM	2011				2010
	Original Budget	Final Budget	Actual	Variance From Final Budget Favorable (Unfavorable)	Actual
Debt Service					
Debt Service Principal	\$ 35,581	\$ 35,581	\$ 37,760	\$ (2,179)	\$ 9,642
Debt Service Interest	3,456	3,456	1,273	2,183	1,390
Total Debt Service	\$ 39,037	\$ 39,037	\$ 39,033	\$ 4	\$ 11,032
Total Expenditures Before Operating Transfers	\$ 1,801,293	\$ 2,185,622	\$ 1,937,026	\$ 248,596	\$ 1,860,314
Operating Transfers (Out):					
Transfers to Road and Bridge Funds	\$ -	\$ -	\$ -	\$ -	\$ 217,726
Transfer to Senior Citizens Fund	37,000	37,000	47,366	(10,366)	47,969
Transfer to Airport Fund and Indigent Defense	-	-	-	-	\$ -
Total Operating Transfers	\$ 37,000	\$ 37,000	\$ 47,366	\$ (10,366)	\$ 265,695
Total Expenditures and Operating Transfers	\$ 1,838,293	\$ 2,222,622	\$ 1,984,392	\$ 238,230	\$ 2,126,009

FISHER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGET BASIS) - ROAD AND BRIDGE FUNDS
YEAR ENDED SEPTEMBER 30, 2011

DEPARTMENT / EXPENDITURE ITEM	2011			Variance From Final Budget Favorable (Unfavorable)	2010
	Original Budget	Final Budget	Actual		Actual
Road and Bridge Precinct #1					
Salary - County Commissioner	\$ 27,948	\$ 27,948	\$ 29,011	\$ (1,063)	\$ 27,948
Salary - RoadHands	21,856	21,856	23,377	(1,521)	23,376
Wages - Part Time	15,000	15,000	12,223	2,777	16,719
Social Security	6,861	6,861	7,101	(240)	7,232
Retirement	6,996	6,996	6,999	(3)	8,111
Diesel, Oil, and Gasoline	35,847	33,444	31,391	2,053	29,895
Medical Insurance	23,095	23,095	21,889	1,206	18,837
Travel / School	1,000	1,000	504	496	434
Road Material & Construction	6,000	6,735	6,735	-	5,325
Supplies	6,871	12,232	12,644	(412)	15,167
Communications	750	958	1,167	(209)	586
Utilities	1,700	1,900	2,135	(235)	2,446
Repairs and Maintenance	16,000	16,000	17,364	(1,364)	10,259
New Equipment	171,669	171,669	33,247	138,422	9,000
Salary- Road Forman	24,888	24,888	26,543	(1,655)	25,560
Tires and Tubes	7,000	7,000	7,063	(63)	7,892
Radios	200	200	-	200	-
Debt Principal and Interest Payments	48,677	44,576	43,972	604	29,705
Road and Bridge Precinct #1 Total	\$ 422,358	\$ 422,358	\$ 283,365	\$ 138,993	\$ 238,492
Road and Bridge Precinct #2					
Salary - County Commissioner	\$ 24,042	\$ 24,260	\$ 29,865	\$ (5,605)	\$ 28,248
Salary - RoadHands	22,512	22,512	25,149	(2,637)	22,784
Wages - Part Time	15,000	14,782	11,048	3,734	12,886
Social Security	6,659	6,659	6,970	(311)	6,916
Retirement	6,789	6,789	5,797	992	7,864
Diesel, Oil, and Gasoline	40,000	34,395	34,396	(1)	27,157
Medical Insurance	21,170	21,170	14,832	6,338	19,643
Travel / School	850	1,057	1,057	-	234
Road Material & Construction	8,605	1,800	1,800	-	945
Supplies and Bond	7,267	13,899	15,399	(1,500)	14,316
Communications	340	828	985	(157)	523
Utilities	1,500	1,659	1,887	(228)	1,642
Repairs and Maintenance	25,406	17,219	15,882	1,337	22,594
Debt Principal and Interest Payments	37,104	50,215	185,215	(135,000)	34,806
New Equipment	166,500	166,500	247,987	(81,487)	-
Radios	400	400	-	400	-
Tires and Tubes	7,500	7,500	6,291	1,209	6,936
Salary-Road Forman	25,488	25,488	27,166	(1,678)	26,577
Road and Bridge Precinct #2 Total	\$ 417,132	\$ 417,132	\$ 631,726	\$ (214,594)	\$ 234,071
Road and Bridge Precinct #3					
Salary - County Commissioner	\$ 27,648	\$ 27,648	\$ 28,711	\$ (1,063)	\$ 27,648
Salary - RoadHands	22,512	22,512	23,376	(864)	36,504
Wages - Part Time	15,000	4,398	4,398	-	17,741
Social Security	6,940	6,940	6,703	237	7,145
Retirement	7,076	7,076	6,353	723	8,242
Diesel, Oil, and Gasoline	40,000	34,938	34,831	107	36,978
Medical Insurance	23,095	23,095	21,889	1,206	18,569
Travel / School	500	1,244	1,244	-	929
Road Material & Construction	9,000	7,636	7,143	493	6,765
Supplies	6,674	17,057	17,057	-	14,689
Communications	750	1,161	1,447	(286)	788
Utilities	1,500	1,500	1,200	300	1,339
Repairs and Maintenance	11,162	14,517	13,414	1,103	50,020
Debt Principal and Interest Payments	45,522	51,927	51,385	542	70,325

FISHER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGET BASIS) - ROAD AND BRIDGE FUNDS
YEAR ENDED SEPTEMBER 30, 2011

DEPARTMENT / EXPENDITURE ITEM	2011				2010
	Original Budget	Final Budget	Actual	Variance From Final Budget Favorable (Unfavorable)	Actual
New Equipment	194,500	194,500	17,501	176,999	-
Radios	250	250	-	250	170
Tires and Tubes	7,500	7,500	6,666	834	6,425
Salary- Road Forman	25,559	25,559	26,543	(984)	11,798
Road and Bridge Precinct #3 Total	\$ 445,188	\$ 449,458	\$ 269,861	\$ 179,597	\$ 316,075
Road and Bridge Precinct #4					
Salary - County Commissioner	\$ 25,254	\$ 19,485	\$ 15,134	\$ 4,351	\$ 28,848
Salary - RoadHands	22,812	22,812	28,155	(5,343)	22,508
Wages - Part Time	15,000	24,907	25,002	(95)	12,122
Social Security	6,780	6,780	7,161	(381)	7,054
Retirement	6,913	6,913	6,993	(80)	8,105
Diesel, Oil, and Gasoline	39,804	35,029	35,029	-	20,025
Medical Insurance	21,170	21,032	19,964	1,068	19,642
Travel / School	500	1,015	1,240	(225)	105
Road Material & Construction	10,000	2,415	2,415	-	1,228
Supplies and Bond	10,000	9,625	12,202	(2,577)	9,515
Communications	500	1,523	1,614	(91)	207
Utilities	500	500	304	196	359
Repairs and Maintenance	22,548	17,346	14,508	2,838	9,395
Debt Principal and Interest Payments	32,991	45,390	44,963	427	65,825
New Equipment	130,568	130,568	177,628	(47,060)	14,500
Radios	300	300	248	52	-
Tires and Tubes	10,000	10,000	7,274	2,726	6,446
Salary- Road Forman	25,559	25,559	22,909	2,650	27,593
Road and Bridge Precinct #4 Total	\$ 381,199	\$ 381,199	\$ 422,743	\$ (41,544)	\$ 253,477
Total Expenditures Before Operating Transfers	\$ 1,665,877	\$ 1,670,147	\$ 1,607,695	\$ 62,452	\$ 1,042,115
Operating Transfers:					
Transfers to General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Operating Transfers	\$ 1,665,877	\$ 1,670,147	\$ 1,607,695	\$ 62,452	\$ 1,042,115

FISHER COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	BALANCE OCTOBER 1 2010	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2011
ESCROW FUND				
Assets:				
Cash and Cash Equivalents	\$ 16,022	\$ 8,563	\$ 6,497	\$ 18,088
Liabilities:				
Due to Other Governments	\$ 16,022	\$ 8,563	\$ 6,497	\$ 18,088
 AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 149,068	\$ 1,117,369	\$ 583,774	\$ 682,663
Liabilities:				
Due to Other Governments	\$ 43,168	\$ 355,025	\$ 387,041	\$ 11,152
Due to Others	105,900	762,344	196,733	671,511
Total Liabilities	\$ 149,068	\$ 1,117,369	\$ 583,774	\$ 682,663
 TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 165,090	\$ 1,125,932	\$ 590,271	\$ 700,751
Liabilities:				
Due to Other Governments	\$ 59,190	\$ 363,588	\$ 393,538	\$ 29,240
Due to Others	105,900	762,344	196,733	671,511
Total Liabilities	\$ 165,090	\$ 1,125,932	\$ 590,271	\$ 700,751

The notes to the Financial Statements are an integral part of this statement.

FEDERAL AWARDS SECTION

James E. Rodgers and Company, PC

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

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

Richard E. Rodgers CPA Gerald L. Rodgers CPA

August 8, 2012

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

Independent Auditor's Report

**Commissioners Court of Fisher County
Fisher County, Texas
P.O. Box 308
Roby, Texas 79543**

Members of the Court:

We have audited the 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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 8, 2012. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Fisher County, Texas's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Fisher County, Texas's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not

identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies as per finding 2011-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fisher County, Texas's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2011-1.

We noted certain matters that we reported to management of Fisher County, Texas, in a separate letter dated August 8, 2012.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Fisher County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's Commissioners' Court, the audit committee, the administration, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



James E. Rodgers and Company, PC

**FISHER COUNTY, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

I. Summary of the Auditor's Results:

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

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

Finding 2011-1: Securities were under pledged at the date of the highest cash balance.

- | | |
|----------------------------|--|
| a. Condition: | The County did not have adequate security over depository funds at all times during the current fiscal year. |
| b. Criteria: | To the extent that funds in the County's selected depository are not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, the depository must secure funds in the manner provided by law for the security of funds, typically requiring the depository to pledge additional securities held by a third party to the District or provide a surety bond that is adequate to secure the funds. |
| c. Cause: | An inadequate amount of additional securities pledged or surety bond provided to the County. Due to the receipt of additional property taxes during the period of January and February 2011, the County was under secured for a short period as of the highest cash balance date. |
| d. Effect: | At the date of the highest cash balance (February 2, 2011), the County had \$3,131,011 total funds on deposit in all accounts. Applicable FDIC coverage on those accounts was \$672,363 and the fair market value of securities pledged to the District was \$2,163,036. This resulted in a lack of security over funds of \$295,612. |
| e. Recommendation: | The County should monitor monthly the cash balances at the depository during peak cash balance months to verify that adequate security is being maintained. |
| f. County Response: | The County requested additional pledged securities from its depository after discovery of the under secured deposits and will begin monthly review of cash balances versus FDIC coverage and securities pledged by the depository beginning in August 2012. |

OTHER INDEPENDENT AUDITOR COMMUNICATIONS

James E. Rodgers and Company, PC

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

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

Richard E. Rodgers CPA Gerald L. Rodgers CPA

August 8, 2012

REPORT TO MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE INDICATING THAT NO MATERIAL WEAKNESSES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING WERE IDENTIFIED IN THE AUDIT

Commissioners Court of Fisher County, Texas
Fisher County, Texas
PO Box 308
Roby, Texas 79543

Members of the Court:


In planning and performing our audit of the 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, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of the County's Commissioners' Court, the audit committee, the administration, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



James E. Rodgers and Company, PC

James E. Rodgers and Company, PC

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

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

Richard E. Rodgers CPA Gerald L. Rodgers CPA

AUGUST 8, 2012

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Commissioners Court of Fisher County
Fisher County, Texas
PO Box 308
Roby, Texas 79543

Members of the Commissioners Court:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fisher County, Texas (the County) for the year ended September 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 7, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fisher County, Texas are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2011. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

- Management's estimate of the allowance for uncollectible taxes is based on historical property tax collections for the County. We evaluated the key factors and assumptions used to develop the allowance for uncollectible taxes in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosure of current litigation (if any) in Note IV-R to the financial statements. There were no issues or judgments in formulating the disclosure due to the lack of current litigation.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 8, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the County's Commissioners, the audit committee, the administration, federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



James E. Rodgers and Company, PC

James E. Rodgers and Company, PC

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

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

Richard E. Rodgers CPA Gerald L. Rodgers CPA

August 8, 2012

Independent Auditor's Management Letter

Commissioners Court of Fisher County
Fisher County, Texas
PO Box 308
Roby, Texas 79543

Members of the Commissioners Court and Other County Officials:

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fisher County (the County) as of and for the year ended September 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the County's its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Governmental Unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the Governmental Unit'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 the 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Therefore, there can be no assurance that all such deficiencies have been identified. A separate letter dated August 8, 2012, has been reported to management and those charged with governance reporting significant deficiencies and or material weaknesses, if any.

However, we noted certain other matters involving the internal control and its operation that we consider to be clearly inconsequential and therefore not a significant deficiency or material weakness as noted below.

- **Depository Securities Pledged**

The Commissioner's Court should ensure that a system is established to monitor depository FDIC coverage and securities pledged. This system can be delegated to the County Treasurer or the County Auditor, or both. This will help to insure that all County funds are properly secured and the County would not be subject to loss of cash in the event of closure of the depository.

- **Fund Accounting**

The County should move the accounting for grant and drug forfeiture funds as separate special revenue funds and remove such transactions from the general clearing account. This will properly account for such funds and provide ongoing review of all transactions by the Commissioners' Court.

The comments and recommendations documented in this letter have been presented for consideration in maintaining and improving internal controls and operating efficiency of Fisher County. We are required to review the status of these comments during our next audit engagement.

This report is intended solely for the information of the County's commissioners, judge, other elected officials within the County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

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, PC