

WILBARGER COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2011

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FINANCIAL SECTION



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Independent Auditor's Report

To The Honorable County Judge and County Commissioners
Wilbarger County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wilbarger County, Texas, 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 management. Our responsibility is to express an opinion 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. 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 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 opinion.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and schedules of funding progress 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 Wilbarger County's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor 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.

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
May 21, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Wilbarger County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2011.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the fiscal year ended September 30, 2011, by \$12,944,251 (net assets). Of this amount, \$5,085,553 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$457,687 from fiscal year 2010 to fiscal year 2011. The decrease is primarily due to a decrease in proceeds from the sale of capital assets from 2010 to 2011.
- The County's governmental funds reported combined ending fund balances of \$4,976,271, a modest decrease of \$37,278 in comparison to the previous year.
- The unassigned portion of the General Fund balance at September 30, 2011 was \$2,903,362 or 60.41% of total General Fund expenditures.
- Total bonded debt of the County decreased by \$69,500 during the year as a result of an annual payment on the 2005 Tax Notes. Notes Payable balances decreased by \$62,361 as a result of scheduled note payments during the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Wilbarger County's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Assets and the Statement of Activities, are utilized to provide this financial overview.

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

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

Both of the government-wide statements distinguish between governmental activities and business-type activities. Governmental activities basically account for those activities supported by taxes and intergovernmental revenues. On the other hand, business-type activities are basically supported by user fees and charges. Most County services are reported in governmental activities while business-type activities are reported in the Enterprise Fund.

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

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

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

The County maintains eight individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Road & Bridge Fund, and Capital Improvement Fund, all of which are considered to be major funds. Data from the other five funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. The County maintains one type of proprietary fund, an enterprise fund. The Enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses the enterprise fund to account for its Airport operations.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds. The County maintains funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support County programs.

Notes to Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide, fund financial statements and fiduciary fund statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements. The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information.

Government-wide Financial Analysis

At the end of fiscal year 2011, the County's net assets (assets exceeding liabilities) totaled \$12,944,251. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2).

Net Assets. The largest portion of the County's net assets, \$7,553,547 or 58.35%, reflects its investment in capital assets (land and improvements, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$305,151 or 2.36%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$5,085,553, or 39.29%, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	09-30-11	09-30-10	09-30-11	09-30-10	09-30-11	09-30-10
Current and other assets	\$5,769,497	\$6,405,973	\$93,138	\$59,937	\$5,862,635	\$6,465,910
Capital Assets	6,621,221	7,076,240	1,318,933	1,312,094	7,940,154	8,388,334
Total Assets	12,390,718	13,482,213	1,412,071	1,372,031	13,802,789	14,854,244
Long term Liabilities	372,365	504,561	109,066	30,723	481,431	535,284
Other Liabilities	368,552	905,550	8,555	11,472	377,107	917,022
Total Liabilities	740,917	1,410,111	117,621	42,195	858,538	1,452,306
Net Assets:						
Invested in capital assets net of related debt	6,337,376	6,661,163	1,216,171	1,274,831	7,553,547	7,935,994
Restricted for: Debt Service	90,480	86,195	--	--	90,480	86,195
Special Services	212,186	--	--	--	212,186	--
Jury Duty	2,485	--	--	--	2,485	--
Unrestricted	5,007,274	5,324,744	78,279	55,005	5,085,553	5,379,749
Total Net Assets	\$11,649,801	\$12,072,102	\$1,294,450	\$1,329,836	\$12,944,251	\$13,401,938

Changes in Net Assets: The net assets of the County decreased by \$457,687 from fiscal year September 30, 2010 as restated to fiscal year September 30, 2011.

Governmental Activities: Governmental activities decreased the County's net assets by \$422,301 from September 30, 2010 as restated. This decrease is primarily due to a decrease in proceeds from the sale of capital assets from 2010 to 2011.

Business-type Activities: Net assets from business-type activities decreased by \$35,386 from September 30, 2010 due to a net loss of \$115,010 before transfers in from other funds.

Table 2
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	09-30-11	09-30-10	09-30-11	09-30-10	09-30-11	09-30-10
Revenues:						
Program Revenues:						
Charges for services	\$1,738,982	\$1,727,907	\$389,850	\$276,730	\$ 2,128,832	\$2,004,637
Operating grants & contributions	190,769	336,264	13,385	11,256	204,154	347,520
Capital grants and contributions	31,563	--	--	--	31,563	--
General Revenues:						
Ad Valorem taxes	4,345,310	4,312,056	--	--	4,345,310	4,312,056
Sales Tax	618,492	539,778	--	--	618,492	539,778
Other taxes and fees	9,910	10,922	--	--	9,910	10,922
Interest	98,606	76,012	254	341	98,860	76,353
Miscellaneous	4,770	11,242	10,250	13,668	15,020	24,910
Gain on disposal of capital assets	17,352	237,302	1,082	1,675	18,434	238,977
Total Revenues	7,055,754	7,251,483	414,821	303,670	7,470,575	7,555,153
Expenditures:						
General Government	1,095,911	1,078,845	--	--	1,095,911	1,078,845
Judicial	935,867	878,460	--	--	935,867	878,460
Legal	199,529	193,448	--	--	199,529	193,448
Financial	448,725	433,746	--	--	448,725	433,746
Public Facilities	1,420,712	1,408,178	--	--	1,420,712	1,408,178
Public Safety	910,896	851,055	--	--	910,896	851,055
Health & Welfare	99,606	102,003	--	--	99,606	102,003
Conservation	129,017	125,443	--	--	129,017	125,443
Road & Bridge	2,153,905	1,970,847	--	--	2,153,905	1,970,847
Interest and Fiscal Charges	4,263	6,989	--	--	4,263	6,989
Airport Operations	--	--	529,831	441,479	529,831	441,479
Total Expenditures	7,398,431	7,049,014	529,831	441,479	7,928,262	7,490,493
Increase (decrease) in net assets						
Before transfers	(342,677)	202,469	(115,010)	(137,809)	(457,687)	64,660
Transfers	(79,624)	(91,279)	79,624	91,279	--	--
Net Assets-Beginning of year	12,072,102	11,949,787	1,329,836	1,399,071	13,401,938	13,348,858
Prior Period Adjustments	--	11,125	--	(22,705)	--	(11,580)
Net Assets-End of year	\$ 11,649,801	\$12,072,102	\$ 1,294,450	\$1,329,836	\$12,944,251	\$13,401,938

Governmental Activities. Governmental activities decreased Wilbarger County's net assets by \$422,301. Key elements of this decrease are as follows:

- Sales Tax revenues increased \$78,714 from 2009-10.
- Interest Revenue increased by \$22,594 in a time of decreasing interest rates. The County used available assets to purchase GNMA bonds yielding 4% in July of 2011.

- The County experienced a significant revenue decrease of \$219,950 from the disposal of capital assets from the previous year. Road & Bridge Fund Precinct 3 sold used Motor Graders for large gains during 2009-2010.
- Transfers to the Airport Fund decreased \$11,655 from \$91,279 in 2009-2010 to \$79,624 for 2010-2011. The transfers to the Airport Fund are usually triggered by fuel purchases creating a cash flow timing issue.

Business-type Activities. Business-type activities decreased Wilbarger County's net assets by \$35,386. The Airport Fund required \$79,624 to be transferred in from other funds for 2010-2011 compared to \$91,279 in the previous year. Fuel prices were monitored closely which resulted in a larger profit margin for fuel sales in 2010-11 compared to the previous year.

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$4,976,271, a modest decrease of \$37,278 over fiscal year 2010.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the General Fund unassigned fund balance was \$2,903,362 which is a decrease of \$90,382 over the previous fiscal year. Items of note concerning the General Fund are as follows:

- Tax revenues for 2010-11 were \$59,773 more than the previous year. Property tax valuations were \$20 million more than the previous year.
- An increase over the previous year for interest of \$8,869 can be attributed to investing excess reserves in a combination of 12 month CD's through a CDARS program and 4% GNMA bonds.
- Total General Fund expenditures were \$265,730 more than the previous year. All areas/functions experienced expenditure increases over the previous year.

The Road & Bridge Fund had an increase in fund balance of \$60,757. Items to note relative to the Road & Bridge Fund are as follow:

- Tax revenues increased \$61,618 due to an increase in the Road & Bridge property tax valuations.
- Road and Bridge expenditures decreased \$628,479 from the prior year primarily due to fewer purchases of road equipment during 2010-11 versus the previous year.
- Proceeds from the sale of capital assets decreased \$539,568 from the prior year due to the extra motor graders sold in 2009-10 than normal.
- Interest revenues increased \$14,162 due to aggressive investing by management.

The other non-major governmental funds recognized a decrease in fund balance of \$13,505.

Proprietary funds. The County's proprietary fund provides the same type of information found in the government-wide statements, but in more detail.

Budgetary Highlights. Each year the County performs periodic reviews of the budget. State law prohibits increasing total budgeted expenditures except during an emergency, however, an amount budgeted for one line item can be transferred to another budgeted item without authorizing an emergency expenditure. The most significant budget amendment during 2010-11 was to increase the Equipment/Machinery budget by \$276,000 for Road & Bridge Precinct 4 to allow for the purchase of two CAT road graders and to increase the Road & Bridge Sale of Equipment budget by \$266,000 for the trade in/sale of two Road & Bridge Precinct 4 road graders.

Notable budget variances include:

- \$122,109 more General Fund and \$72,658 more Road & Bridge Fund tax revenues were collected than budgeted. Sales tax collections were significantly greater than the previous year.
- Fees and Commissions collected exceeded budgeted revenues by \$128,877. The primary reason for this was an unexpected increase in County Clerk fees due to an increase in oil and gas activity in the County during 2010-11.
- Road & Bridge Sale of Capital Assets for 2010-11 was \$368,640 less than budgeted.
- All four Road & Bridge Precinct budgets had positive budget variances. Precinct 2 had the largest positive variance at \$214,264. Precinct 2 has one less full time employee than the other precincts and had a large road grader variance.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2011, amounts to \$7,940,154 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, machinery and equipment and infrastructure. The total decrease in the County's investment in capital assets for the current year was 5.45%. More detailed information on capital asset activity is available in the notes to the financial statements.

Table 3
 Capital Assets at Year End
 Net of Accumulated Depreciation

Assets	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 307,699	\$ 307,699	\$ 33,137	\$ 33,137	\$ 340,836	\$ 340,836
Bldgs & Improvmts	2,372,847	2,461,766	640,645	667,521	3,013,492	3,129,287
Mach & Equipment	3,010,993	3,320,930	209,826	125,804	3,220,819	3,446,734
Infrastructure	929,682	996,970	435,325	485,632	1,365,007	1,482,602
	<u>\$6,621,221</u>	<u>\$7,087,365</u>	<u>\$1,318,933</u>	<u>\$1,312,094</u>	<u>\$7,940,154</u>	<u>\$8,399,459</u>

Debt Administration. At the end of the current fiscal year, Wilbarger County had total bonded debt outstanding of \$70,500, which is a decrease of \$69,500. This amount is backed by the full faith and credit of Wilbarger County.

During 2010-11 Wilbarger County purchased a Fuel Truck for the Airport and financed this purchase with a 10 year capital lease in the amount of \$86,070. The General Fund Leases Payable balance due at September 30, 2011 was \$2,350, a decrease from the prior year of \$10,496 as a result of monthly lease payments for copier leases.

Table 4
Outstanding Debt at Year End

Type of Debt	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation	\$ 70,500	\$ 140,000	\$ 0	\$ 0	\$ 70,500	\$ 140,000
Leases Payable	2,350	12,846	86,070	0	88,420	12,846
Notes Payable	210,995	273,356	16,692	24,505	227,687	297,861
Comp Absences	81,486	78,359	6,304	6,273	87,790	84,632
OPEB obligation	7,034	0	0	0	7,034	0
Total	\$372,365	\$ 504,561	\$109,066	\$ 30,778	\$481,431	\$535,339

Wilbarger County does not have a current bond rating from either Standard & Poor Corporation or Moody's Investor Service. More detailed information concerning debt activity is available in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Wilbarger County economy remains relatively stable compared to the national economy. According to the Bureau of Labor Statistics Wilbarger County's unemployment rate as of September 30, 2010 was 5.5%, which is well below the state and national average. Sales tax collections for Wilbarger County modestly increased in fiscal 2011 by \$78,714 or 14.58% over fiscal 2010, an increase for the ninth consecutive year. Economic development initiatives are in progress and there is interest in Wilbarger County due to its central location between Amarillo, Fort Worth and Lubbock, Texas and Oklahoma City, Oklahoma. The City of Vernon has been selected as a Texas Main Street City.

During the 2010-2011 fiscal year, unassigned fund balance in the General Fund decreased by \$90,382. The 2011-2012 adopted budget reflects a 2.82% increase in General Fund revenue and a 6.66% decrease in General Fund expenditures over the 2010-2011 final amended budget.

The County ad valorem tax rate decreased slightly for 2011-2012 from 2010-2011, the tax rate levied to fund the 2011-12 budget decreased by \$0.00700. The County had a 96.78% collection rate in 2011 for current taxes, which was a slight decrease over the collection rate of 97.38% in 2010.

Requests for Information

This financial report is designed to provide a general overview of Wilbarger County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 1700 Wilbarger, Room 10, Vernon, Texas 76384.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 1,182,879	\$ 26,510	\$ 1,209,389
Investments	3,677,756	24	3,677,780
Receivables, net:			
Taxes	244,308	-	244,308
Accounts	30,341	19,994	50,335
Fines	189,212	-	189,212
Intergovernmental	132,069	3,994	136,063
Other	673	-	673
Internal balances	15,887	(15,887)	-
Due from fiduciaries	132,290	-	132,290
Inventories	63,901	34,352	98,253
Prepaid items	100,181	11,391	111,572
Other assets	-	12,760	12,760
Capital assets, net	6,621,221	1,318,933	7,940,154
Total assets	<u>12,390,718</u>	<u>1,412,071</u>	<u>13,802,789</u>
Liabilities			
Accounts payable	124,870	1,971	126,841
Salaries payable	126,831	2,912	129,743
Other payables	3,537	-	3,537
Payroll deductions and withholdings	95,451	-	95,451
Other liabilities	-	1,109	1,109
Unearned revenue	17,863	2,563	20,426
Long-term liabilities:			
Due within one year	209,615	22,002	231,617
Due in more than one year	162,750	87,064	249,814
Total liabilities	<u>740,917</u>	<u>117,621</u>	<u>858,538</u>
Net Assets			
Invested in capital assets, net of related debt	6,337,376	1,216,171	7,553,547
Restricted for:			
Debt service	90,480	-	90,480
Special services	212,186	-	212,186
Jury duty	2,485	-	2,485
Unrestricted	5,007,274	78,279	5,085,553
Total net assets	<u>\$ 11,649,801</u>	<u>\$ 1,294,450</u>	<u>\$ 12,944,251</u>

The accompanying notes are an integral part of this statement.

WILBARGER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
General government	\$ 1,095,911	\$ 264,328	\$ 40,728
Judicial	935,867	357,765	49,550
Legal	199,529	68,213	20,833
Financial	448,725	133,245	-
Public facilities	1,420,712	45,689	-
Public safety	910,896	328,001	34,380
Health and welfare	99,606	-	25,604
Conservation	129,017	-	-
Road and bridge	2,153,905	541,741	19,674
Interest and fiscal charges	4,263	-	-
Total governmental activities	<u>7,398,431</u>	<u>1,738,982</u>	<u>190,769</u>
Business-type Activities:			
Airport	<u>529,831</u>	<u>389,850</u>	<u>13,385</u>
Total primary government	<u>\$ 7,928,262</u>	<u>\$ 2,128,832</u>	<u>\$ 204,154</u>

General revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Sales taxes
- Other taxes
- Investment earnings
- Miscellaneous
- Gain on disposal of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning, as restated

Net assets - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ (790,855)	\$ -	\$ (790,855)
-	(528,552)	-	(528,552)
-	(110,483)	-	(110,483)
-	(315,480)	-	(315,480)
31,563	(1,343,460)	-	(1,343,460)
-	(548,515)	-	(548,515)
-	(74,002)	-	(74,002)
-	(129,017)	-	(129,017)
-	(1,592,490)	-	(1,592,490)
-	(4,263)	-	(4,263)
<u>31,563</u>	<u>(5,437,117)</u>	<u>-</u>	<u>(5,437,117)</u>
-	-	(126,596)	(126,596)
<u>\$ 31,563</u>	<u>(5,437,117)</u>	<u>(126,596)</u>	<u>(5,563,713)</u>
	4,267,539	-	4,267,539
	77,771	-	77,771
	618,492	-	618,492
	9,910	-	9,910
	98,606	254	98,860
	4,770	10,250	15,020
	17,352	1,082	18,434
	(79,624)	79,624	-
	<u>5,014,816</u>	<u>91,210</u>	<u>5,106,026</u>
	(422,301)	(35,386)	(457,687)
	<u>12,072,102</u>	<u>1,329,836</u>	<u>13,401,938</u>
	<u>\$ 11,649,801</u>	<u>\$ 1,294,450</u>	<u>\$ 12,944,251</u>

WILBARGER COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	General Fund	Road & Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 551,871	\$ 468,078	\$ 162,930	\$ 1,182,879
Investments	2,322,379	1,121,353	234,024	3,677,756
Receivables, net:				
Taxes	163,063	71,903	9,342	244,308
Accounts	30,341	-	-	30,341
Fines	180,366	-	8,846	189,212
Intergovernmental	122,485	9,584	-	132,069
Other	673	-	-	673
Due from other funds	113,505	11,805	6,980	132,290
Advance to other funds	-	15,887	-	15,887
Inventories	5,780	58,121	-	63,901
Prepaid items	82,112	13,735	4,334	100,181
Total assets	<u>\$ 3,572,575</u>	<u>\$ 1,770,466</u>	<u>\$ 426,456</u>	<u>\$ 5,769,497</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 43,475	\$ 80,197	\$ 1,198	\$ 124,870
Salaries payable	97,667	29,164	-	126,831
Other payables	1,299	2,238	-	3,537
Payroll deductions and withholdings	95,451	-	-	95,451
Unearned revenue	343,429	71,902	27,206	442,537
Total liabilities	<u>581,321</u>	<u>183,501</u>	<u>28,404</u>	<u>793,226</u>
Fund balances:				
Nonspendable	87,892	87,743	4,334	179,969
Restricted	-	-	291,475	291,475
Committed	-	1,499,222	102,243	1,601,465
Unassigned	2,903,362	-	-	2,903,362
Total fund balances	<u>2,991,254</u>	<u>1,586,965</u>	<u>398,052</u>	<u>4,976,271</u>
Total liabilities and fund balances	<u>\$ 3,572,575</u>	<u>\$ 1,770,466</u>	<u>\$ 426,456</u>	<u>\$ 5,769,497</u>

The accompanying notes are an integral part of this statement.

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

Total fund balances - governmental funds (Exhibit A-3) \$ 4,976,271

Amounts reported for *governmental activities* in the Statement of Net Assets (Exhibit A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:

Gross capital assets	\$ 20,666,362	
Related accumulated depreciation	<u>14,045,141</u>	6,621,221

Property tax receivables and fines receivables are not available to pay for current period expenditures and therefore are deferred in the funds.		424,674
--	--	---------

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Tax notes payable	70,500	
Capital leases payable	2,350	
Notes payable	210,995	
Accrued compensated absences	81,486	
Net other post-employment benefit obligation	<u>7,034</u>	<u>(372,365)</u>

Total net assets - governmental activities (Exhibit A-1)		<u>\$ 11,649,801</u>
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The accompanying notes are an integral part of this statement.

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

	General Fund	Road & Bridge	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 3,555,738	\$ 1,316,855	\$ 78,025	\$ 4,950,618
Fees and commissions	835,427	541,741	75,697	1,452,865
Fines and forfeitures	122,026	-	-	122,026
Intergovernmental	141,959	19,674	70,613	232,246
Interest	64,646	32,672	1,288	98,606
Miscellaneous	49,683	776	182,657	233,116
Total revenues	<u>4,769,479</u>	<u>1,911,718</u>	<u>408,280</u>	<u>7,089,477</u>
Expenditures				
Current				
General government	919,275	11,122	134,898	1,065,295
Judicial	927,709	-	-	927,709
Legal	185,901	-	13,560	199,461
Financial	451,642	-	-	451,642
Public facilities	1,362,743	-	-	1,362,743
Public Safety	734,743	-	177,737	912,480
Health and welfare	100,253	-	-	100,253
Conservation	123,453	-	-	123,453
Road and bridge	-	2,325,199	-	2,325,199
Debt service:				
Principal	-	-	69,500	69,500
Interest and fiscal charges	-	-	4,263	4,263
Total expenditures	<u>4,805,719</u>	<u>2,336,321</u>	<u>399,958</u>	<u>7,541,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,240)</u>	<u>(424,603)</u>	<u>8,322</u>	<u>(452,521)</u>
Other sources (uses):				
Transfers in	31,563	-	9,736	41,299
Transfers out	(89,360)	-	(31,563)	(120,923)
Sale of capital assets	9,507	485,360	-	494,867
Total other sources (uses)	<u>(48,290)</u>	<u>485,360</u>	<u>(21,827)</u>	<u>415,243</u>
Net change in fund balances	(84,530)	60,757	(13,505)	(37,278)
Fund balances, beginning of year	<u>3,075,784</u>	<u>1,526,208</u>	<u>411,557</u>	<u>5,013,549</u>
Fund balances, end of year	<u>\$ 2,991,254</u>	<u>\$ 1,586,965</u>	<u>\$ 398,052</u>	<u>\$ 4,976,271</u>

The accompanying notes are an integral part of this statement.

WILBARGER COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Net change in fund balances - total governmental funds (Exhibit A-5) \$ (37,278)

Amounts reported for *governmental activities* in the Statement of Activities (Exhibit A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two are as follows:

Capital outlay during the year	\$ 647,451	
Depreciation expense for the year	<u>636,080</u>	11,371

Proceeds from the sale of capital assets are recorded as revenues when received in the governmental funds. In the Statement of Activities, the difference between the proceeds and the book value of the capital asset is reported as a gain (loss) from sale. (477,515)

Because property tax and fines receivables will not be collected for several months after the County's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. Unearned revenues decreased by this amount this year. (51,075)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. The long-term debt principal paid during the year was as follows:

Tax notes	69,500	
Capital leases	10,496	
Notes payable	<u>62,361</u>	142,357

Included in long-term debt are obligations for accrued vacation and sick leave. The changes in this obligation are not included in the governmental fund financial statements, but are included in the government-wide financial statements. The change in this long-term obligation was: (3,127)

Included in long-term liabilities is the net other post-employment benefit obligation related to the County's retiree health care plan. The increase in this obligation was: (7,034)

Change in net assets of governmental activities (Exhibit A-2) \$ (422,301)

The accompanying notes are an integral part of this statement.

WILBARGER COUNTY, TEXAS
STATEMENT OF NET ASSETS
ENTERPRISE FUND
SEPTEMBER 30, 2011

	Enterprise Fund <u>Airport</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 26,510
Investments	24
Receivables, net:	
Accounts	19,994
Intergovernmental	3,994
Inventories	34,352
Prepaid items	11,391
Total current assets	<u>96,265</u>
Other assets	12,760
Capital assets, net	1,318,933
Total assets	<u>1,427,958</u>
Liabilities	
Current liabilities:	
Accounts payable	1,971
Salaries payable	2,912
Compensated absences - current portion	6,304
Note payable - current portion	8,150
Capital lease payable - current portion	7,548
Other payables	1,109
Unearned revenues	2,563
Total current liabilities	<u>30,557</u>
Noncurrent liabilities:	
Compensated absences - net of current portion	-
Note payable - net of current portion	8,542
Capital lease payable - net of current portion	78,522
Advance from other funds	15,887
Total noncurrent liabilities	<u>102,951</u>
Total liabilities	<u>133,508</u>
Net Assets	
Invested in capital assets, net of related debt	1,216,171
Unrestricted	78,279
Total net assets	<u>\$ 1,294,450</u>

The accompanying notes are an integral part of this statement.

WILBARGER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Enterprise Fund <u>Airport</u>
OPERATING REVENUES:	
Sale of fuel	\$ 323,552
Hangar rentals	66,151
Other revenues	147
Total Operating Revenues	<u>389,850</u>
OPERATING EXPENSES:	
Salaries and related costs	81,065
Other services and charges	78,278
Supplies	261,034
Depreciation	106,865
Total Operating Expenses	<u>527,242</u>
Operating Loss	<u>(137,392)</u>
NON-OPERATING REVENUES (EXPENSES):	
Intergovernmental revenue	13,385
Farmland lease	10,250
Gain on sale of capital assets	1,082
Interest revenue	254
Interest expense	(2,589)
Total Non-operating Revenues (Expenses)	<u>22,382</u>
Net Loss Before Transfers	(115,010)
Transfers in	<u>79,624</u>
Change in net assets	(35,386)
Net assets, beginning of year (as restated)	<u>1,329,836</u>
Net assets, end of year	<u>\$ 1,294,450</u>

The accompanying notes are an integral part of this statement.

WILBARGER COUNTY, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Enterprise Fund <u>Airport</u>
Cash Flows from Operating Activities:	
Cash Received From Customers	\$ 290,229
Cash Payments to Employees for Services	(80,882)
Cash Payments to Other Suppliers for Goods and Services	(253,753)
Net Cash Used by Operating Activities	<u>(44,406)</u>
Cash Flows from Non-capital Financing Activities:	
Transfers from Other Funds	79,624
Intergovernmental Grants	13,385
Farmland Lease Revenue	10,250
Net Cash Provided by Non-capital Financing Activities	<u>103,259</u>
Cash Flows from Capital and Related Financing Activities:	
Interest Paid	(2,589)
Principal Paid	(12,735)
Proceeds from Sale of Capital Assets	1,878
Acquisition of Capital Assets	(114,500)
Issuance of Note Payable	86,070
Net Cash Used for Capital & Related Financing Activities	<u>(41,876)</u>
Cash Flows from Investing Activities:	
Interest on Investments	254
Net Cash Provided for Investing Activities	<u>254</u>
Net Increase in Cash and Cash Equivalents	17,231
Cash and Cash Equivalents at Beginning of Year	9,303
Cash and Cash Equivalents at End of Year	<u>\$ 26,534</u>
Reconciliation of Operating Loss to Net Cash	
Used by Operating Activities:	
Operating Loss	\$ (137,392)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation	106,865
Change in Assets and Liabilities:	
Decrease (Increase) in Accounts Receivables	13,499
Decrease (Increase) in Intergovernmental Receivables	(3,994)
Decrease (Increase) in Inventories	2,616
Decrease (Increase) in Prepaid Expenses	(1,662)
Increase (Decrease) in Accounts Payable	(2,960)
Increase (Decrease) in Salaries Payable	585
Increase (Decrease) in Due to other funds	(8,639)
Increase (Decrease) in Other Payables	(3,105)
Increase (Decrease) in Unearned Revenues	(10,250)
Increase (Decrease) in Compensated Absences	31
Total Adjustments	<u>92,986</u>
Net Cash Used by Operating Activities	<u>\$ (44,406)</u>
Cash and Cash Equivalents Reported on Basic Financial Statement:	
Cash	\$ 26,510
Investments Treated as Cash Equivalents	24
	<u>\$ 26,534</u>

The accompanying notes are an integral part of this statement.

WILBARGER COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2011

	Agency Funds
Assets	
Cash and cash equivalents	\$ 1,219,923
Investments	193,914
Due from other funds	31,190
Total assets	<u>\$ 1,445,027</u>
Liabilities	
Accounts payable	\$ 1,754
Other payables	1,504
Due to other funds	163,480
Due to other governments	501,478
Due to others	776,811
Total liabilities	<u>\$ 1,445,027</u>

The accompanying notes are an integral part of this statement.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The County, a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the Commissions' Court. The County's operational activities include general administrative services, judicial, public safety, the construction and maintenance of roads, health and welfare assistance, permanent records preservation, and conservation.

The accounting policies of Wilbarger County, Texas (County) conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board which is the recognized financial accounting standards setting body for governmental entities. The notes to the financial statements are an integral part of the County's basic financial statements.

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, in that the financial statements include all organizations, activities, functions and component units for which the County (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the County's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the County.

There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all the non-fiduciary activities of the County. For the most part, the effects of interfund activity have been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. 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 soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road and Bridge Fund* accounts for the activities of the Road and Bridge department.

Other Governmental Funds are a summarization of all the nonmajor governmental funds.

The County reports the following major proprietary fund:

The *Airport Fund* accounts for the operations of the County's airport.

Additionally, the County reports the following fund types:

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, and/or other agency funds.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Assets, Liabilities, and Net Assets or Equity

a. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or secured by obligations that are described above; or (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the County, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

b. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes are levied on October 1 by the County based on the January 1 property values as appraised by the Wilbarger County Central Appraisal District. Taxes are due without penalty until January 31 of the next calendar year. After January 31 the County has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

c. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) 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 time received.

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings	30 - 40 years
Infrastructure	20 - 45 years
Machinery and Equipment	5 - 10 years

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

6. Compensated Absences

Employees accumulate earned but unused vacation and compensatory time. All vacation and compensatory pay is accrued when incurred in the government-wide statements. A liability is reported for these amounts in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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 straight-line method which approximates 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.

8. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the County's Commissioners' Court. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", there were no violations of finance-related legal and contractual provisions required to be reported.

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

The County has no funds with a deficit fund balance or fund net assets.

C. DEPOSITS AND INVESTMENTS

1. Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$1,488,849. All of the bank balance was covered by federal deposit insurance and collateralized by the pledging financial institution's trust department in the County's name.

2. Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act (Act) to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, maturity and the quality and capability of investment management; include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (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.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

The County's investments at September 30, 2011 are shown below:

<u>Investment or Investment Type</u>	<u>Weighted Maturity (Months)</u>	<u>Fair Value</u>
Government National Mortgage Association (GNMA) Series 2011 Bonds, maturing April 2040, with interest at 4.0%	343	\$2,954,487
Government-sponsored investment pool (LOGIC)	N/A	<u>723,293</u>
		<u>\$3,677,780</u>

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County had a significant amount invested in one GNMA bond, which could expose the County to a concentration of credit risk.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

4. Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

5. Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The County's investments in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1 of the prior year. Taxes are levied on October 1 and do not begin to accrue interest until February 1. The County is permitted by the Municipal Finance Law of the State of Texas to levy taxes (exclusive of those amounts levied to service long-term debt) up to \$.80 per \$100 of assessed valuation for general services, permanent improvements, road and bridge and jury fund purposes. The combined tax rate to finance general government (exclusive of long-term debt service and Special Road & Bridge) for the year ended September 30, 2011, was \$.32417 per \$100 valuation.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

Taxes levied for the payment of principal and interest related to long-term debt was \$0.00853 per \$100 valuation for the year ended September 30, 2011. An additional ad valorem tax may be levied and collected for further maintenance of public roads, provided that a majority of the qualified property taxpaying voters shall vote such tax, not to exceed fifteen cents (.15) per \$100 valuation. Wilbarger County has such a tax and the levy for 2011 was \$0.01612. The total tax rate for Wilbarger County for fiscal year 2011 also includes a Farm to Market Right of Way with a tax rate of \$0.13124. The total tax rate for Wilbarger County for fiscal year 2011 was \$0.48006.

Allowances for uncollectible tax receivables within the General, Road & Bridge, and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

At September 30, 2011, net property taxes receivable is calculated as follows:

Gross property taxes receivable	\$307,693
Allowance for uncollectible taxes	<u>(63,385)</u>
Net property taxes receivable	<u>\$244,308</u>

Of the \$244,308 of property taxes receivable at September 30, 2011, the County expects to collect approximately \$74,000 within a year. This is similar to the amount of delinquent taxes received in previous years.

E. FINES RECEIVABLE

Fines receivable represent amounts due to the County for outstanding citations.

The allowance for uncollectible fines receivable within the funds is based upon historical experience collecting fines. Uncollectible fines are periodically written off.

At September 30, 2011, net fines receivable is calculated as follows:

Gross fines receivable	\$2,246,228
Allowance for uncollectible fines	<u>(2,057,016)</u>
Net fines receivable	<u>\$ 189,212</u>

Of the \$189,212 of net fines receivable at September 30, 2011, the County expects to collect approximately \$150,000 within a year. This is similar to the amount of delinquent fines receivable collected in the current year.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

F. CAPITAL ASSETS

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

Governmental Activities:	<u>Balance</u> 9/30/10	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> 9/30/11
Capital assets not being depreciated:					
Land	\$ 307,699	\$ -	\$ -	\$ -	\$ 307,699
Capital assets being depreciated:					
Buildings and improvements	4,194,549	-	-	-	4,194,549
Infrastructure	10,931,008	-	-	-	10,931,008
Machinery and equipment	<u>5,378,567</u>	<u>647,451</u>	<u>771,780</u>	<u>(21,132)</u>	<u>5,233,106</u>
Total capital assets being depreciated	<u>20,504,124</u>	<u>647,451</u>	<u>771,780</u>	<u>(21,132)</u>	<u>20,358,663</u>
Less accumulated depreciation for:					
Buildings and improvements	1,732,783	88,919	-	-	1,821,702
Infrastructure	9,934,038	67,288	-	-	10,001,326
Machinery and equipment	<u>2,057,637</u>	<u>479,873</u>	<u>294,265</u>	<u>(21,132)</u>	<u>2,222,113</u>
Total accumulated depreciation	<u>13,724,458</u>	<u>636,080</u>	<u>294,265</u>	<u>(21,132)</u>	<u>14,045,141</u>
Total capital assets being depreciated, net	<u>6,779,666</u>	<u>11,371</u>	<u>477,515</u>	<u>-</u>	<u>6,313,522</u>
Governmental activities capital assets, net	<u>\$ 7,087,365</u>	<u>\$ 11,371</u>	<u>\$477,515</u>	<u>\$ -</u>	<u>\$ 6,621,221</u>

\$36,612 of machinery and equipment with accumulated depreciation of \$16,964 at September 30, 2011 is financed under capital leases.

Business-Type Activities:	<u>Balance</u> 9/30/10	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> 9/30/11
Capital assets not being depreciated:					
Land	\$ 33,137	\$ -	\$ -	\$ -	\$ 33,137
Capital assets being depreciated:					
Buildings and improvements	1,077,614	-	-	-	1,077,614
Infrastructure	2,012,302	-	-	-	2,012,302
Machinery and equipment	<u>333,853</u>	<u>114,500</u>	<u>40,275</u>	<u>21,132</u>	<u>429,210</u>
Total capital assets being depreciated	<u>3,423,769</u>	<u>114,500</u>	<u>40,275</u>	<u>21,132</u>	<u>3,519,126</u>
Less accumulated depreciation for:					
Buildings and improvements	410,093	26,876	-	-	436,969
Infrastructure	1,526,670	50,307	-	-	1,576,977
Machinery and equipment	<u>208,049</u>	<u>29,682</u>	<u>39,479</u>	<u>21,132</u>	<u>219,384</u>
Total accumulated depreciation	<u>2,144,812</u>	<u>106,865</u>	<u>39,479</u>	<u>21,132</u>	<u>2,233,330</u>
Total capital assets being depreciated, net	<u>1,278,957</u>	<u>7,635</u>	<u>796</u>	<u>-</u>	<u>1,285,796</u>
Business-type activities capital assets, net	<u>\$ 1,312,094</u>	<u>\$ 7,635</u>	<u>\$ 796</u>	<u>\$ -</u>	<u>\$ 1,318,933</u>

\$114,500 of machinery and equipment with accumulated depreciation of \$3,817 at September 30, 2011 is financed under a capital lease.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 23,580
Judicial	7,784
Financial	3,455
Public facilities	103,864
Public safety	48,883
Health and welfare	2,272
Conservation	5,573
Road and bridge	<u>440,669</u>
Total governmental depreciation	<u>\$636,080</u>

G. INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS

Balances due to and from other funds at September 30, 2011 were as follows:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Payable</u>	<u>Reason</u>
General Fund	Agency Funds	\$113,505	Short-term loan
Road & Bridge Fund	Agency Funds	11,805	Short-term loan
Other Governmental Funds	Agency Funds	6,980	Short-term loan
Agency Funds	Agency Funds	<u>31,190</u>	Short-term loan
	Total	<u>\$163,480</u>	

All of the above amounts are expected to be repaid within one year.

Long-term advances between funds were as follows at September 30, 2011:

<u>Advanced From</u>	<u>Advanced To</u>	<u>Amount</u>
Road & Bridge Fund	Airport Fund	<u>\$15,887</u>

This advance is not expected to be repaid within one year. Accordingly, \$15,887 of fund balance has been classified as nonspendable in the Road & Bridge Fund.

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

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Airport Fund	\$ 79,624	Supplement other resources
General Fund	Other Governmental Funds	9,736	Supplement other resources
Other Governmental Funds	General Fund	<u>31,563</u>	Supplement other resources
	Total	<u>\$120,923</u>	

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

H. LONG-TERM DEBT

The County issues general obligation bonds, certificates of obligation bonds, notes payable and capital lease obligations to provide funds for the acquisition and construction of major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County.

Governmental Activities

General Obligation Bonds

General obligation bonds outstanding at September 30, 2011 are as follows:

	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/11</u>
<u>Governmental Activities:</u>					
Tax Note	\$450,000	7/1/05	2/15/12	4.05%	<u>\$ 70,500</u>

Annual debt service requirements to maturity are as follows

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	<u>\$ 70,500</u>	<u>\$ 1,428</u>	<u>\$ 71,928</u>

Capital Lease Obligations

Capital lease obligations at September 30, 2011 are as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Date of Lease</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/11</u>
Digital Copier – County Jail	\$11,049	1/03/07	12/03/11	7.00%	\$ 498
Digital Copier – County Sheriff	10,050	3/20/07	2/20/12	7.00%	743
Digital Copier – County TAC	15,513	3/30/07	2/20/12	7.00%	<u>1,109</u>
Total Capital Lease Obligations					<u>\$2,350</u>

Capital lease obligation debt service requirements to maturity are as follows:

<u>Year</u>	<u>Capital Lease Obligations</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	<u>\$ 2,350</u>	<u>\$ 38</u>	<u>\$ 2,388</u>

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

Notes Payable

Notes payable at September 30, 2011 are as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Date of Note</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/11</u>
Excavator – Precinct #1	\$157,362	7/23/09	6/23/16	5.00%	\$103,911
Excavator – Precinct #4	106,188	8/27/10	7/30/14	5.25%	81,327
Tractor – Precinct #1	33,864	7/23/10	7/23/14	2.90%	<u>25,757</u>
Total Notes Payable					<u>\$210,995</u>

Notes payable debt service requirements to maturity are as follows:

<u>Year</u>	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 55,279	\$10,910	\$ 66,189
2013	57,962	8,227	66,189
2014	60,747	5,442	66,189
2015	24,573	2,519	27,092
2016	<u>12,434</u>	<u>1,293</u>	<u>13,727</u>
Total	<u>\$210,995</u>	<u>\$28,391</u>	<u>\$239,386</u>

Changes in long-term liabilities for the year ended September 30, 2011 were as follows:

Governmental Activities:	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>	<u>Due Within One Year</u>
	<u>09/30/10</u>			<u>09/30/11</u>	
General obligation debt	\$140,000	\$ -	\$ 69,500	\$ 70,500	\$ 70,500
Capital lease obligations	12,846	-	10,496	2,350	2,350
Notes payable	273,356	-	62,361	210,995	55,279
Compensated absences	78,359	108,284	105,157	81,486	81,486
Net other post-employment benefit obligation	<u>-</u>	<u>7,034</u>	<u>-</u>	<u>7,034</u>	<u>-</u>
Total long-term liabilities – governmental activities	<u>\$504,561</u>	<u>\$115,318</u>	<u>\$247,514</u>	<u>\$372,365</u>	<u>\$209,615</u>

For the governmental activities, compensated absences and other post-employment benefit obligations are generally liquidated by the General Fund.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

Business-Type Activities

Capital Lease Obligation

Capital lease obligation at September 30, 2011 is as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Date of Note</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/11</u>
Fuel Truck - Airport	\$ 86,070	6/01/11	11/15/20	NY Prime + 1% (not to exceed 6.5%)	<u>\$86,070</u>

Capital lease obligation debt service requirements to maturity are as follows:

<u>Year</u>	<u>Capital Lease Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 7,548	\$ 3,452	\$ 11,000
2013	7,859	3,141	11,000
2014	8,173	2,827	11,000
2015	8,500	2,500	11,000
2016	8,835	2,165	11,000
2017-21	<u>45,155</u>	<u>9,185</u>	<u>54,340</u>
Total	<u>\$86,070</u>	<u>\$23,270</u>	<u>\$109,340</u>

Note Payable

Note payable at September 30, 2011 is as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Date of Note</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/11</u>
Tractor – Airport	\$ 24,505	4/09/10	4/01/13	5.50%	<u>\$16,692</u>

Note payable debt service requirements to maturity are as follows:

<u>Year</u>	<u>Note Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 8,150	\$ 924	\$ 9,074
2013	<u>8,542</u>	<u>473</u>	<u>9,015</u>
Total	<u>\$16,692</u>	<u>\$1,397</u>	<u>\$18,089</u>

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

Changes in long-term liabilities for the year ended September 30, 2011 were as follows:

Business-type Activities:	Balance 09/30/10	Additions	Retirements	Balance 09/30/11	Due Within One Year
Capital lease obligation	\$ -	\$86,070	\$ -	\$ 86,070	\$ 7,548
Note payable	24,505	-	7,813	16,692	8,150
Compensated absences	<u>6,273</u>	<u>5,764</u>	<u>5,733</u>	<u>6,304</u>	<u>6,304</u>
Total long-term liabilities – business-type activities	<u>\$30,778</u>	<u>\$91,834</u>	<u>\$13,546</u>	<u>\$109,066</u>	<u>\$22,002</u>

I. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

J. CONTINGENT LIABILITIES AND COMMITMENTS

Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation

The County periodically is a defendant in various lawsuits. At September 30, 2011, the County is not aware of any pending litigation.

Trust Funds

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.

Texas Capital Fund

In February 2011, the County was awarded \$750,000 from the Texas Capital Fund through the Texas Department of Agriculture. The award is partially a grant to the County and a non-interest loan to assist the County to build a road and building for Tangarie Alternative Power, LLC (Tangarie), a tenant at the County's airport. Tangarie has three years to create fifty-one new jobs (51% of which must be filled by low to moderate income individuals) and inject \$750,000 in corporate funds.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

If the fifty-one new jobs are created by the end of three years, the County only has to repay \$386,500 via a non-interest bearing note. However, should Tangarie fail to create the fifty-one new jobs at the end of three years, the County must repay a prorata share of the \$750,000 based on the number of jobs created versus the fifty-one jobs targeted.

At September 30, 2011, Tangarie was three months delinquent on its rent to the County and subsequently has suspended production. During the year ended September 30, 2012, the County has incurred some grant related expenses, but may not complete them dependent on Tangarie's ability to continue as a going concern.

K. RETIREMENT PLAN

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional, defined benefit pension 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 618 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 P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or 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 the County.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and the County-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. 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 County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 11.39% for the months of the accounting year in 2010, and 10.63% for the months of the accounting year in 2011.

The contribution rate payable by the employee members for calendar year 2011 is the rate of 7% as adopted by the Commissioners' Court of the County. The employee contribution rate and the County contribution rate may be changed by the Commissioners' Court of the County within the options available in the TCDRS Act.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

3. Annual Pension Cost

The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010 was 20 years.

The County's annual pension cost and actual contributions for the years ended September 30, 2011, 2010 and 2009 were \$355,479, \$357,700 and \$328,238, respectively. The County did not have a Net Pension Obligation (NPO) at the end of any of those years

4. Funding Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 81.23 percent funded. The actuarial accrued liability for benefits was \$9,763,091, and the actuarial value of assets was \$7,930,514, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,832,577. The covered payroll (annual payroll of active employees covered by the plan) was \$3,227,950, and the ratio of the UAAL to the covered payroll was 56.77 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The County administers the Wilbarger County Retiree Health Care Plan for retired employees.

1. Plan Description

Any employee who meets the retirement eligibility requirements of the Texas County and District Retirement System, and who leaves the employ of the County may, upon retirement, elect to remain on the County's group medical. The retired employee may continue coverage for dependents as well. Premiums for the retired employee and any dependents are paid by the retired employee. Premiums are determined annually by estimating the amount needed to cover projected claims. The benefit is subject to annual appropriations by the Commissioners' Court.

2. Normal Retirement Benefits

Retirement benefits are a defined benefit plan under TCDRS (see note K). Members are eligible to retire under TCDRS at age 60 or more with 8 years of vested service, at any time with a minimum of 30 years of vested service, or any age plus years of service equaling 75.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

3. Early Retirement Benefits

Members retiring under early retirement conditions (non-vested) are not eligible for retiree healthcare benefits.

4. Deferred Retirement Benefits

Members who may be vested and terminate employment, but do not apply for retirement benefits, are not eligible for retiree health care benefits.

5. Benefits for Spouses / Children of Retired Employees

Wilbarger County retirees who continue health care insurance coverage with the County may also continue to cover their eligible dependents should they choose to do so. Children of retirees are eligible to continue to receive health care benefits until age 26, meeting the qualifications of dependent children described in the County's health care plan. Premiums for the retired employee's spouse / children will be paid by the retired employee.

6. Disability Retirement Benefits

If a member has 8 years or more of service and becomes disabled, the employee may be eligible for disability retirement. If a member has less than 8 years of service and the disability is work-related, the member may be eligible for disability retirement.

7. Funding Policy and Annual OPEB Cost

The County's annual other post-employment benefits (OPEB) cost is based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County had its first OPEB actuarial valuation performed as required by GASB for the year ended September 30, 2011. The County's OPEB cost for the year ended September 30, 2011 was as follows:

Annual Required Contribution	\$7,682
Interest on OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense) end of year	<u>7,682</u>
Net estimated retiree cost	(648)
Increase (decrease) in net OPEB obligation	7,034
Net OPEB obligation – beginning of year	-
Net OPEB obligation – end of year	<u>\$7,034</u>

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

8. Schedule of Actuarial Liabilities and Funding Status

Actuarial Valuation Date	9/30/11
Actuarial Value of Assets	\$ -
Actuarial Accrued Liabilities	\$ 65,786
Unfunded Actuarial Accrued Liability (UAAL)	\$ 65,786
Funded Ratio	0.00%
Annual Covered Payroll	\$3,229,239
UAAL as a Percentage of Annual Covered Payroll	2.04%

9. Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Investment Rate of Return	4.5%, net of expenses
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level dollar
Amortization Period	Open 30 year period
Medical Trend	Level 5.0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the profitability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

WILBARGER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2011

M. FUND BALANCES

The Governmental Funds' fund balances consisted of the following at September 30, 2011:

	General Fund	Road & Bridge	Other Governmental Funds	Total
Nonspendable:				
Advances to other funds	\$ -	\$ 15,887	\$ -	\$ 15,887
Inventories	5,780	58,121	-	63,901
Prepaid items	<u>82,112</u>	<u>13,735</u>	<u>4,334</u>	<u>100,181</u>
Total nonspendable	<u>87,892</u>	<u>87,743</u>	<u>4,334</u>	<u>179,969</u>
Restricted:				
Debt service	-	-	81,138	81,138
Special services	-	-	207,852	207,852
Jury duty	<u>-</u>	<u>-</u>	<u>2,485</u>	<u>2,485</u>
Total restricted	<u>-</u>	<u>-</u>	<u>291,475</u>	<u>291,475</u>
Committed:				
Road and bridge	-	1,499,222	-	1,499,222
Capital projects	<u>-</u>	<u>-</u>	<u>102,243</u>	<u>102,243</u>
Total committed	<u>-</u>	<u>1,499,222</u>	<u>102,243</u>	<u>1,601,465</u>
Unassigned	<u>2,903,362</u>	<u>-</u>	<u>-</u>	<u>2,903,362</u>
Total fund balance	<u>\$2,991,254</u>	<u>\$1,586,965</u>	<u>\$398,052</u>	<u>\$4,976,271</u>

N. PRIOR PERIOD ADJUSTMENT

The net assets of the County's Enterprise Fund at September 30, 2010 were restated as follows:

Net assets, as originally stated	\$1,352,541
Less:	
Adjustment to beginning accumulated depreciation	(9,892)
Farmland lease incorrectly reported in the prior year	(12,813)
Net assets, as restated	<u>\$1,329,836</u>

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

WILBARGER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,433,629	\$ 3,433,629	\$ 3,555,738	\$ 122,109
Fees and commissions	696,550	706,550	835,427	128,877
Fines and forfeitures	150,000	150,000	122,026	(27,974)
Intergovernmental	147,260	147,260	141,959	(5,301)
Interest	80,000	80,000	64,646	(15,354)
Miscellaneous	74,500	74,500	49,683	(24,817)
Total revenues	<u>4,581,939</u>	<u>4,591,939</u>	<u>4,769,479</u>	<u>177,540</u>
Expenditures				
Current:				
General government:				
County Judge	191,202	191,202	173,386	17,816
County Clerk	231,338	231,338	214,986	16,352
Veterans service	12,300	12,300	10,311	1,989
Non-departmental	562,740	538,490	520,592	17,898
Total General government	<u>997,580</u>	<u>973,330</u>	<u>919,275</u>	<u>54,055</u>
Judicial:				
Law library	27,713	33,713	32,686	1,027
Justice of the Peace #1	91,067	91,067	90,922	145
Justice of the Peace #2	107,893	107,893	107,183	710
District Attorney	243,716	255,716	248,617	7,099
District Clerk	164,577	164,577	160,883	3,694
District Court	272,123	289,123	287,418	1,705
Total Judicial	<u>907,089</u>	<u>942,089</u>	<u>927,709</u>	<u>14,380</u>
Legal:				
County Attorney	<u>183,485</u>	<u>183,485</u>	<u>185,901</u>	<u>(2,416)</u>
Financial:				
Tax Collector	263,413	263,413	258,749	4,664
Treasurer	68,572	68,572	67,211	1,361
County Auditor	138,020	138,020	125,682	12,338
Total Financial	<u>470,005</u>	<u>470,005</u>	<u>451,642</u>	<u>18,363</u>
Public facilities:				
Courthouse	215,052	215,052	196,327	18,725
Jail	742,068	742,068	690,050	52,018
Auditorium	317,992	317,992	300,708	17,284
Exhibit building	88,996	88,996	85,677	3,319
Arena	93,355	93,355	89,981	3,374
Total Public facilities	<u>1,457,463</u>	<u>1,457,463</u>	<u>1,362,743</u>	<u>94,720</u>

WILBARGER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Public Safety:				
Constable #1	60,195	60,195	60,544	(349)
Constable #2	50,972	50,972	53,126	(2,154)
Juvenile probation	31,632	31,902	31,270	632
Sheriff	576,244	576,244	566,520	9,724
Civil defense	22,755	22,755	18,722	4,033
Department of Public Safety	2,900	3,900	3,550	350
Community supervision	4,500	4,500	1,011	3,489
Total Public Safety	<u>749,198</u>	<u>750,468</u>	<u>734,743</u>	<u>15,725</u>
Health and Welfare:				
Health and welfare	83,769	83,769	78,733	5,036
Outreach services	21,466	22,466	21,520	946
Total Health and Welfare	<u>105,235</u>	<u>106,235</u>	<u>100,253</u>	<u>5,982</u>
Conservation:				
Extension service	124,045	124,045	123,453	592
Total expenditures	<u>4,994,100</u>	<u>5,007,120</u>	<u>4,805,719</u>	<u>201,401</u>
Excess of revenues over (under) expenditures	<u>(412,161)</u>	<u>(415,181)</u>	<u>(36,240)</u>	<u>378,941</u>
Other sources (uses):				
Transfers in	-	-	31,563	(31,563)
Transfers out	(100,000)	(96,980)	(89,360)	(7,620)
Proceeds from sale of capital assets	-	-	9,507	(9,507)
Total other sources (uses)	<u>(100,000)</u>	<u>(96,980)</u>	<u>(48,290)</u>	<u>(48,690)</u>
Net change in fund balances	(512,161)	(512,161)	(84,530)	427,631
Fund balances, beginning of year	3,075,784	3,075,784	3,075,784	-
Fund balances, end of year	<u>\$ 2,563,623</u>	<u>\$ 2,563,623</u>	<u>\$ 2,991,254</u>	<u>\$ 427,631</u>

WILBARGER COUNTY, TEXAS
ROAD AND BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,244,197	\$ 1,244,197	\$ 1,316,855	\$ 72,658
Fees and commissions	538,000	538,000	541,741	3,741
Intergovernmental	20,000	20,000	19,674	(326)
Interest	25,000	25,000	32,672	7,672
Miscellaneous	650	650	776	126
Total revenues	<u>1,827,847</u>	<u>1,827,847</u>	<u>1,911,718</u>	<u>83,871</u>
Expenditures:				
Current:				
General government:				
Road and bridge administration	16,650	16,650	11,122	5,528
Total General government	<u>16,650</u>	<u>16,650</u>	<u>11,122</u>	<u>5,528</u>
Road and Bridge:				
Precinct Number One	742,466	760,466	604,162	156,304
Precinct Number Two	674,419	689,419	475,155	214,264
Precinct Number Three	461,063	461,063	417,257	43,806
Precinct Number Four	740,710	1,006,710	828,625	178,085
Total Road and Bridge	<u>2,618,658</u>	<u>2,917,658</u>	<u>2,325,199</u>	<u>592,459</u>
Total expenditures	<u>2,635,308</u>	<u>2,934,308</u>	<u>2,336,321</u>	<u>597,987</u>
Excess of revenues over (under) expenditures	<u>(807,461)</u>	<u>(1,106,461)</u>	<u>(424,603)</u>	<u>681,858</u>
Other financing sources (uses):				
Sale of capital assets	555,000	854,000	485,360	(368,640)
Total other financing sources (uses)	<u>555,000</u>	<u>854,000</u>	<u>485,360</u>	<u>(368,640)</u>
Net change in fund balances	(252,461)	(252,461)	60,757	313,218
Fund balances - beginning	1,526,208	1,526,208	1,526,208	-
Fund balances - ending	<u>\$ 1,273,747</u>	<u>\$ 1,273,747</u>	<u>\$ 1,586,965</u>	<u>\$ 313,218</u>

WILBARGER COUNTY, TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULES
YEAR ENDED SEPTEMBER 30, 2011

A. BUDGETARY INFORMATION

Annual budgets are adopted on the GAAP basis of accounting for all governmental funds except capital project funds. Project-length budgets were adopted for all capital projects funds. All annual appropriations lapse at fiscal year end.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. No amendments may be made without Commissioners' Court approval to the total budget for each department within a fund. Thus, the legal level of budgetary control is at the department level. No supplemental appropriations were required during the year.

Encumbrance accounting is not employed by the County because it is not considered necessary to assure effective budgetary control.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2011, expenditures exceeded appropriations in the following fund:

General Fund:	
Legal – County Attorney	\$2,416
Public Safety – Constable #1	349
Public Safety – Constable #2	2,154

These over-expenditures were funded by available fund balance.

WILBARGER COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS -
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2008	\$ 6,983,530	\$ 8,786,925	\$ 1,803,395	79.48%	\$ 2,917,513	61.81%
12/31/2009	7,780,261	9,445,411	1,665,150	82.37%	3,223,385	51.66%
12/31/2010	7,930,514	9,763,091	1,832,577	81.23%	3,227,950	56.77%

WILBARGER COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS -
WILBARGER COUNTY RETIREE HEALTH CARE PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/30/2011	\$ -	\$ 65,786	\$ 65,786	0.00%	\$ 3,229,239	2.04%

Note: 9/30/11 was the first valuation of the Retiree Health Care Plan. Future valuations will be performed every third year.

*COMBINING STATEMENTS AND BUDGET COMPARISONS
AS SUPPLEMENTARY INFORMATION*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Jury Fund – This fund is used to account for the cost of providing jury service for county and district courts.

Special Services Fund – This fund is used to account for special fees with specific purposes as set out by state legislation. Funding is provided by those specific fees.

Grant Fund – This fund is used to account for various individual grants received by Wilbarger County.

Juvenile Services Fund – This fund is used to account for the services of the 46th Juvenile Justice District and the related reimbursements received from the state. This fund is not budgeted.

DEBT SERVICE FUND

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUND

Capital Projects Fund – This fund is used to account for the accumulation of resources for, and the payment of capital projects.

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

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
	Jury Fund	Special Services Fund	Grant Fund	Juvenile Services Fund	Debt Service Fund		
ASSETS							
Cash and cash equivalents	\$ 2,485	\$ 37,218	\$ 9,018	\$ -	\$ 11,966	\$ 102,243	\$ 162,930
Investments	-	165,355	-	-	68,669	-	234,024
Receivables (net of allowances for uncollectibles):							
Taxes	-	-	-	-	9,342	-	9,342
Fines	-	8,846	-	-	-	-	8,846
Due from other funds	-	6,477	-	-	503	-	6,980
Prepaid items	-	4,334	-	-	-	-	4,334
Total assets	<u>\$ 2,485</u>	<u>\$ 222,230</u>	<u>\$ 9,018</u>	<u>\$ -</u>	<u>\$ 90,480</u>	<u>\$ 102,243</u>	<u>\$ 426,456</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 1,198	\$ -	\$ -	\$ -	\$ -	\$ 1,198
Unearned revenue	-	8,846	9,018	-	9,342	-	27,206
Total liabilities	<u>-</u>	<u>10,044</u>	<u>9,018</u>	<u>-</u>	<u>9,342</u>	<u>-</u>	<u>28,404</u>
Fund balances:							
Nonspendable	-	4,334	-	-	-	-	4,334
Restricted	2,485	207,852	-	-	81,138	-	291,475
Committed	-	-	-	-	-	102,243	102,243
Total fund balances	<u>2,485</u>	<u>212,186</u>	<u>-</u>	<u>-</u>	<u>81,138</u>	<u>102,243</u>	<u>398,052</u>
Total liabilities and fund balances	<u>\$ 2,485</u>	<u>\$ 222,230</u>	<u>\$ 9,018</u>	<u>\$ -</u>	<u>\$ 90,480</u>	<u>\$ 102,243</u>	<u>\$ 426,456</u>

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

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit A-5)
	Jury Fund	Special Services Fund	Grant Fund	Juvenile Services Fund	Debt Service Fund		
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 78,025	\$ -	\$ 78,025
Fees and commissions	-	75,697	-	-	-	-	75,697
Intergovernmental	5,746	-	64,867	-	-	-	70,613
Interest	57	705	-	-	277	249	1,288
Miscellaneous	-	4,920	-	177,737	-	-	182,657
Total revenues	<u>5,803</u>	<u>81,322</u>	<u>64,867</u>	<u>177,737</u>	<u>78,302</u>	<u>249</u>	<u>408,280</u>
Expenditures							
Current:							
General government	-	101,594	33,304	-	-	-	134,898
Legal	13,560	-	-	-	-	-	13,560
Public safety	-	-	-	177,737	-	-	177,737
Debt service:							
Principal	-	-	-	-	69,500	-	69,500
Interest and fiscal charges	-	-	-	-	4,263	-	4,263
Total expenditures	<u>13,560</u>	<u>101,594</u>	<u>33,304</u>	<u>177,737</u>	<u>73,763</u>	<u>-</u>	<u>399,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,757)</u>	<u>(20,272)</u>	<u>31,563</u>	<u>-</u>	<u>4,539</u>	<u>249</u>	<u>8,322</u>
Other sources (uses):							
Transfers in	9,736	-	-	-	-	-	9,736
Transfers out	-	-	(31,563)	-	-	-	(31,563)
Total other sources (uses)	<u>9,736</u>	<u>-</u>	<u>(31,563)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,827)</u>
Net change in fund balances	1,979	(20,272)	-	-	4,539	249	(13,505)
Fund balances, beginning of year	506	232,458	-	-	76,599	101,994	411,557
Fund balances, end of year	<u>\$ 2,485</u>	<u>\$ 212,186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,138</u>	<u>\$ 102,243</u>	<u>\$ 398,052</u>

WILBARGER COUNTY, TEXAS
JURY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,746	\$ 746
Interest	100	100	57	(43)
Total revenues	<u>5,100</u>	<u>5,100</u>	<u>5,803</u>	<u>703</u>
Expenditures				
Current:				
Legal	<u>23,000</u>	<u>23,000</u>	<u>13,560</u>	<u>9,440</u>
Excess of revenues over (under) expenditures	<u>(17,900)</u>	<u>(17,900)</u>	<u>(7,757)</u>	<u>10,143</u>
Other sources (uses):				
Transfers in	<u>17,900</u>	<u>17,900</u>	<u>9,736</u>	<u>(8,164)</u>
Net change in fund balances	-	-	1,979	1,979
Fund balances, beginning of year	506	506	506	-
Fund balances, end of year	<u>\$ 506</u>	<u>\$ 506</u>	<u>\$ 2,485</u>	<u>\$ 1,979</u>

WILBARGER COUNTY, TEXAS
SPECIAL SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Fees and commissions	\$ 61,750	\$ 61,750	\$ 75,697	\$ 13,947
Interest	1,000	1,000	705	(295)
Miscellaneous	2,500	2,500	4,920	2,420
Total revenues	<u>65,250</u>	<u>65,250</u>	<u>81,322</u>	<u>16,072</u>
Expenditures				
Current:				
General government	<u>35,000</u>	<u>105,660</u>	<u>101,594</u>	<u>4,066</u>
Net change in fund balances	30,250	(40,410)	(20,272)	20,138
Fund balances, beginning of year	232,458	232,458	232,458	-
Fund balances, end of year	<u>\$ 262,708</u>	<u>\$ 192,048</u>	<u>\$ 212,186</u>	<u>\$ 20,138</u>

WILBARGER COUNTY, TEXAS
GRANT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 37,325	\$ 77,535	\$ 64,867	\$ (12,668)
Total revenues	<u>37,325</u>	<u>77,535</u>	<u>64,867</u>	<u>(12,668)</u>
Expenditures				
Current:				
General government	37,325	77,535	33,304	44,231
Total expenditures	<u>37,325</u>	<u>77,535</u>	<u>33,304</u>	<u>44,231</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>31,563</u>	<u>31,563</u>
Other sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(31,563)</u>	<u>(31,563)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILBARGER COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 78,981	\$ 78,981	\$ 78,025	\$ (956)
Interest	1,000	1,000	277	(723)
Total revenues	<u>79,981</u>	<u>79,981</u>	<u>78,302</u>	<u>(1,679)</u>
Expenditures				
Debt service:				
Principal	69,500	69,500	69,500	-
Interest and fiscal charges	4,263	4,263	4,263	-
Total expenditures	<u>73,763</u>	<u>73,763</u>	<u>73,763</u>	<u>-</u>
Net change in fund balances	6,218	6,218	4,539	(1,679)
Fund balances, beginning of year	76,599	76,599	76,599	-
Fund balances, end of year	<u>\$ 82,817</u>	<u>\$ 82,817</u>	<u>\$ 81,138</u>	<u>\$ (1,679)</u>

WILBARGER COUNTY, TEXAS
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 500	\$ 500	\$ 249	\$ (251)
Total revenues	<u>500</u>	<u>500</u>	<u>249</u>	<u>(251)</u>
Expenditures				
Current:				
Public facilities	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	500	500	249	(251)
Fund balances, beginning of year	101,994	101,994	101,994	-
Fund balances, end of year	<u>\$ 102,494</u>	<u>\$ 102,494</u>	<u>\$ 102,243</u>	<u>\$ (251)</u>

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, or other governments.

Tax Assessor/Collector Agency – This fund is used to account for receipts of the tax assessor/collector pending disposition to individuals and entities, the County and other governments.

County Clerk Agency – This fund is used to account for receipts of the county clerk pending disposition to individuals and entities, the County or other governments.

Sheriff Agency – This fund is used to account for receipts of the sheriff pending disposition to individuals and entities, the County or other governments.

County Attorney Agency – This fund is used to account for receipts of the county attorney pending disposition to individuals and entities, the County or other governments.

Justice of the Peace Fee Account Agency – This fund is used to account for receipts of fines and court costs by two justices of the peace pending disposition to individuals and entities, the County or other governments.

District Clerk Agency – This fund is used to account for receipts of the District Clerk pending disposition to individuals and entities, the County or other governments.

District Attorney Agency – This fund is used to account for receipts of the District Attorney pending disposition to individuals and entities, the County or other governments.

Constable #1 Agency – This fund is used to account for training funds of Constable #1 pending disposition to individuals and others.

Constable #2 Agency – This fund is used to account for training funds of Constable #2 pending disposition to individuals and others.

Jail Commissary Agency – This fund is used to account for the activity of the jail commissary.

State Tax Agency – This fund is used to account for receipts for state court costs and fees pending disposition to individuals and entities, the County or other governments.

Wilbarger County Escrow Account – This fund is used to account for unclaimed funds from the general fund, special revenue funds and trust and agency funds pending distribution to individuals or the state government.

Christmas Club Account Agency – This fund is used as a savings account for the receipts withheld from employees' regular paychecks and held pending yearly distribution to the employees from which it was withheld.

Juvenile Probation Account – This fund is used to account for funds held related to juvenile probation.

WILBARGER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2011

	<u>Tax Assessor/ Collector Agency</u>	<u>County Clerk Agency</u>	<u>Sheriff Agency</u>	<u>County Attorney Agency</u>
ASSETS				
Cash and cash equivalents	\$ 452,479	\$ 57,293	\$ 16,082	\$ 32,200
Investments	-	37,526	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 452,479</u>	<u>\$ 94,819</u>	<u>\$ 16,082</u>	<u>\$ 32,200</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other payables	-	-	-	-
Due to other funds	32,748	42,300	1,591	-
Due to other governments	419,731	-	-	-
Due to others	-	52,519	14,491	32,200
Total liabilities	<u>\$ 452,479</u>	<u>\$ 94,819</u>	<u>\$ 16,082</u>	<u>\$ 32,200</u>

<u>Justice of the Peace Fee Account</u>	<u>District Clerk Agency</u>	<u>District Attorney</u>	<u>Constable #1</u>	<u>Constable #2</u>	<u>Jail Commissary</u>
\$ 49,138	\$ 188,562	\$ 113,738	\$ 838	\$ 1,503	\$ 1,412
-	156,256	-	-	-	-
-	-	-	-	-	-
<u>\$ 49,138</u>	<u>\$ 344,818</u>	<u>\$ 113,738</u>	<u>\$ 838</u>	<u>\$ 1,503</u>	<u>\$ 1,412</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
48,769	11,714	1,619	-	-	1,191
-	-	-	-	-	-
369	333,104	112,119	838	1,503	221
<u>\$ 49,138</u>	<u>\$ 344,818</u>	<u>\$ 113,738</u>	<u>\$ 838</u>	<u>\$ 1,503</u>	<u>\$ 1,412</u>

WILBARGER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2011

	State Tax Agency	Wilbarger County Escrow Account	Christmas Club Account Agency	Juvenile Probation Account	Total Agency Funds (See Exhibit A-10)
ASSETS					
Cash and cash equivalents	\$ 72,196	\$ 6,463	\$ 76,795	\$ 151,224	\$ 1,219,923
Investments	132	-	-	-	193,914
Due from other funds	31,190	-	-	-	31,190
Total assets	<u>\$ 103,518</u>	<u>\$ 6,463</u>	<u>\$ 76,795</u>	<u>\$ 151,224</u>	<u>\$ 1,445,027</u>
LIABILITIES					
Accounts payable	\$ 1,754	\$ -	\$ -	\$ -	\$ 1,754
Other payables	789	715	-	-	1,504
Due to other funds	23,548	-	-	-	163,480
Due to other governments	77,427	4,320	-	-	501,478
Due to others	-	1,428	76,795	151,224	776,811
Total liabilities	<u>\$ 103,518</u>	<u>\$ 6,463</u>	<u>\$ 76,795</u>	<u>\$ 151,224</u>	<u>\$ 1,445,027</u>