
WISE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2011

Wise County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2011

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Financial Section



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Judge and Members of
the Commissioners' Court
Wise County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wise 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 Wise County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wise County, Texas, as of September 30, 2011, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Lateral Road Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2012, on our consideration of Wise County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress for the retirement plans, 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 Wise County, Texas' financial statements as a whole. The combining and budget statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and budget 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. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on this section.

Snow Garrett Williams

Snow Garrett Williams

March 27, 2012

WISE COUNTY, TEXAS MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) of Wise County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2011. The MD&A should be read in conjunction with the accompanying financial statements and the notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of Fiscal Year 2011 by \$73,914,741 (*net assets*). Of this amount, \$8,425,819 is restricted for specific purposes, \$54,943,282 is invested in capital assets net of related debt and \$10,545,640 represents unrestricted net assets.
- In contrast to the government-wide statements, the fund statements report a combined fund balance at year-end of \$38,808,609, an increase of \$19,521,316 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,024,994, or 14% of total general fund expenditures.
- The County's total long-term debt increased \$26,450,887 during the current fiscal year as a result of the issuance of lease revenue bonds in the amount of \$29,000,000 and an increase in compensated absences net against scheduled annual debt service payments and amortization of bond premium.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business. They present the financial picture of the County from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the County as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables, and receivables.

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 net assets changed during the most recent fiscal year using the full accrual basis of accounting. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, public safety, public transportation, public facilities, health and welfare, judicial, legal, elections, financial administration, culture and recreation and conservation.

The government-wide financial statements can be found on pages 13 and 14 of this report.

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

WISE COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

The County has adopted Governmental Accounting Standard Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of its fiscal year 2011 reporting. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

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

The County maintains twenty-five individual governmental funds, twenty-two special revenue funds, one capital projects fund, one debt service fund, and the general fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Lateral Road Funds, Capital Projects Fund and Debt Service Fund, which are classified as major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements (original versus final) have been provided for the General Fund and Lateral Road Fund.

The governmental fund financial statements can be found on pages 15 through 19 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The fiduciary fund financial statement can be found on page 20 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 33 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pension benefits. The required supplementary information can be found on page 35 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$73,914,741 as of September 30, 2011.

**WISE COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

A significant portion (74%) of the County's net assets reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and construction in progress) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional 11% of the County's net assets represent resources that are subject to external restrictions on how they may be used.

Wise County's Net Assets

	Governmental Activities	
	2011	2010
Current and other assets	\$ 46,229,865	\$ 25,688,550
Capital assets, net of depreciation	68,757,171	64,347,250
Total assets	114,987,036	90,035,800
Long-term liabilities	38,778,909	12,328,022
Other liabilities	2,293,386	1,698,730
Total liabilities	41,072,295	14,026,752
Net assets:		
Invested in capital assets, net of related debt	54,943,282	53,906,829
Restricted	8,425,819	200,889
Unrestricted	10,545,640	21,901,330
Total Net Assets	\$ 73,914,741	\$ 76,009,048

At the end of the current and prior fiscal years, the County reported positive balances in all three categories of net assets.

Governmental Activities

The County's governmental activities decreased net assets by \$2,094,307 during the current fiscal year. The total cost of all governmental activities this year was \$49,584,616. The amount that our taxpayers paid for these activities through property taxes was \$31,341,876 or 63% of total governmental expenses.

**WISE COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

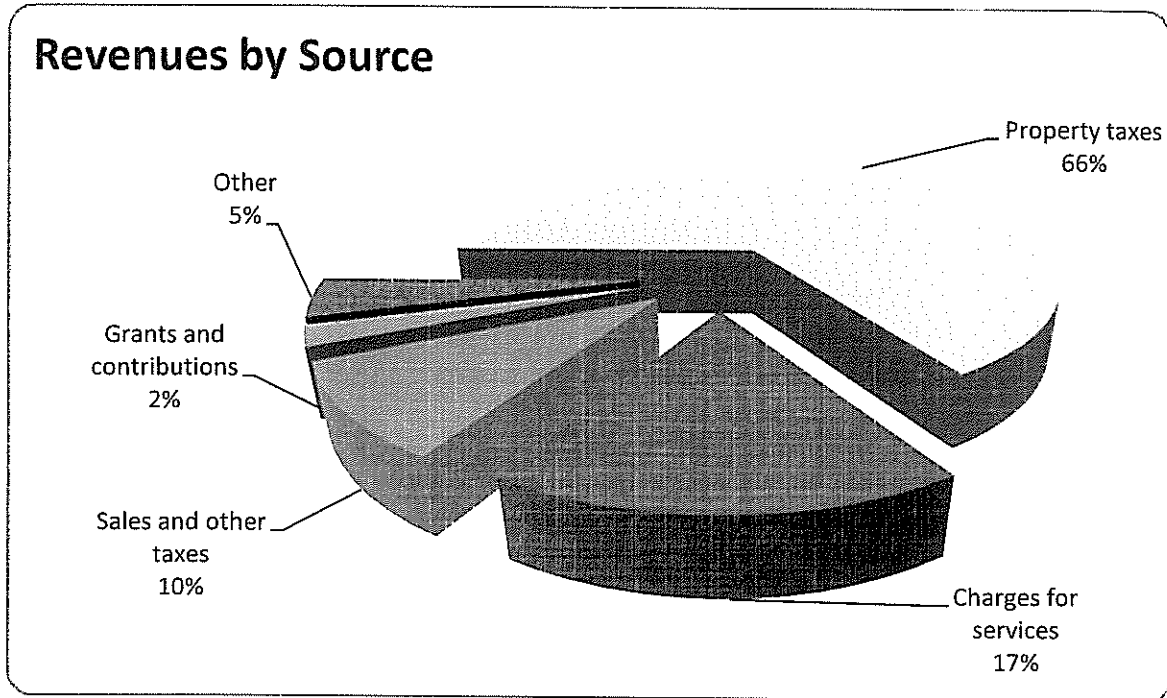
Changes in Net Assets

	Governmental Activities	
	2011	2010
Revenues:		
Program revenues:		
Charges for services	\$ 8,235,615	\$ 7,981,277
Operating grants and contributions	1,015,310	1,478,257
Capital grants and contributions	75,194	213,641
General revenues:		
Property taxes	31,341,876	31,710,142
Sales and other taxes	4,709,596	3,514,582
Investment earnings	201,185	60,215
Royalties	1,542,103	628,501
Other	369,430	279,686
Total revenues	<u>47,490,309</u>	<u>45,866,301</u>
Expenses:		
General government	6,794,137	7,273,360
Judicial	2,834,810	2,586,248
Legal	1,861,591	1,692,133
Elections	313,354	282,124
Financial administration	1,791,165	1,737,398
Public facilities	3,691,002	3,454,084
Public safety	16,188,301	15,438,159
Public transportation	13,289,427	9,593,726
Health and welfare	1,115,367	1,132,768
Culture and recreation	480,008	463,892
Conservation	267,010	257,436
Interest and other costs	958,444	559,722
Total expenses	<u>49,584,616</u>	<u>44,471,050</u>
Change in net assets	(2,094,307)	1,395,251
Net assets-beginning	76,009,048	74,613,797
Net assets-ending	<u>\$ 73,914,741</u>	<u>\$ 76,009,048</u>

Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Program revenues of \$9,326,119 equaled 19% of government expenses. As expected, general revenues (\$38,164,190) provided the required support and coverage for expenses;
- Public safety expenses increased approximately \$750 thousand due to a general increase in public need. More than one-third of the total expenses are related to public safety. This category provided program revenues of about 7% of total revenues;
- The next largest category of expenses is public transportation at 27% of total expenses while public transportation program revenues provided about 5% of total revenues. Public transportation expenses increased approximately \$3.6 million, which is mainly attributable to funding the rising need for roads and bridges;
- Grant revenues and contributions comprised about 2% of total revenues.

WISE COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental funds. The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Projects 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 annual financing and budgeting requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$38,808,609, an increase of \$19,521,316 in comparison with the prior year. Approximately \$32,418,451 or (84%) is restricted by external resources. Approximately \$4,024,994 or 10% of the total fund balance represents unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is committed to indicate that it is not available for new spending because it has already been set aside to fund public safety needs (\$379,950), to fund special road projects (\$908,211), and to fund other state and local programs (\$1,077,003).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,024,994, which is 84% of the total general fund balance. As a measure of the general fund's liquidity, we compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14%, or slightly more than 51 days of total fund expenditures. It is the County's goal to achieve and maintain an unassigned general fund balance equal to 25% of budgeted expenditures. At September 30, 2011, the unassigned general fund balance represented 14% of general fund budgeted expenditures primarily due to the unusual circumstances related to funding of the 2011 Lease Revenue Bonds, which required that \$2.5 million of the bond proceeds be set aside for 25 years in a separate restricted account to be used for debt service (on the Lease Revenue Bonds) instead of repaying the County for its contribution to the Weatherford College project.

WISE COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

The fund balance of the County's general fund decreased \$1,273,850 during the current fiscal year. This decrease is primarily due to:

- A decrease in property tax revenues and general government expenses due to reclassifying the property tax revenue and payments related to the Weatherford College branch maintenance tax;
- An increase in sales tax received;
- An increase in royalties and rental revenues; and
- An increase in transfers out to other funds.

The debt service fund has a total fund balance of \$4,654,431, all of which is restricted for the payment of debt service and reserve requirements. The net increase in fund balance during the current year in the debt service fund was \$4,453,542, which is attributable to the issuance of lease revenue bonds and the restricted reserve requirements. Total debt principal, interest and fiscal charges in the debt service fund totaled \$3,131,362.

The capital projects fund had an ending fund balance of \$19,938,053, which is restricted for various capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

In total, the original general fund budget and the final general fund amended budget for expenditures and other financing uses was decreased by \$380,907 from the original to the final budget. Most of this difference resulted from a decrease in all current expenditures as well as creating a separate special revenue fund for the lease payment for the Wise County Weatherford College Branch Campus.

While the original to the final budget decreased in expenditures and other financing uses appropriations, the projected annual revenues and other financing sources included a \$1,331,933 upward revision. This was primarily due to a slight increase in the market economy that resulted in an increase of sales tax revenue and an increase in royalties and rentals in the current year. Actual revenues were \$671,794 more than amended budget amounts. Conversely, actual total expenditures for the year were \$225,942 more than amended budget appropriations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The capital assets of the County are those assets (land, buildings, improvements, roads, bridges and machinery and equipment), which are used in the performance of the County's functions including current year expenditures for infrastructure assets. At September 30, 2011, net capital assets of the governmental activities totaled \$68,757,171. Depreciation on capital assets is recognized in the government-wide financial statements. Annual depreciation for buildings, improvements, infrastructure and machinery and equipment totaled \$5,555,045.

Major capital asset events during the current fiscal year included the following:

- Infrastructure (bridges and roads) additions;
- Land purchases for College campus;
- Construction in progress of the Wise County Weatherford College building;
- Construction in progress related to a radio system;
- Purchase of heavy equipment and machinery consisting of motor graders, back hoes, wheel loaders, rollers, trucks and trailers for the precincts;
- Purchase of 3 Dodge Chargers for the Sheriff's office; and
- Purchase of an ambulance and related equipment.

**WISE COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

**Wise County Capital Assets
(net of depreciation)**

	Governmental Activities	
	2011	2010
Land	\$ 3,762,914	\$ 795,127
Construction in progress	6,505,183	3,108,245
Buildings and improvements	15,805,028	16,488,462
Infrastructure	33,395,403	34,374,658
Machinery and equipment	9,288,643	9,580,758
Total	\$ 68,757,171	\$ 64,347,250

Additional information on the County's capital assets can be found in Note G on pages 27 and 28 of this report.

Long-term debt. As of September 30, 2011, the County had certificates of obligation, tax notes and lease revenue bonds outstanding of \$38,010,000. Certificates of obligation and tax notes retired in the current fiscal year totaled \$1,050,000 and \$1,615,000, respectively. Also included in the County's long-term debt are unamortized bond premium of \$41,942 and compensated absences payable of \$726,967.

Wise County's Outstanding Debt

	Governmental Activities	
	2011	2010
Certificates of obligation	\$ 2,905,000	\$ 3,955,000
Tax notes	6,105,000	7,720,000
Lease revenue bonds	29,000,000	-
Unamortized premium	41,942	57,920
Compensated absences	726,967	595,102
Total	\$ 38,778,909	\$ 12,328,022

During the current fiscal year, the County received an issuer credit rating of AA- on all of its obligations from Standard & Poor's except for the lease revenue bonds, which were not rated.

Additional information on the County's long-term debt can be found in Note I on pages 28 through 30 of this report.

**WISE COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual budget is developed to provide efficient, effective and economic uses of the County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

In considering the County budget for fiscal year 2012, the County Commissioners and management considered the following factors:

- The County, which is located near the Dallas/Fort Worth Metroplex, DFW Airport, Alliance Airport, and the Texas Motor Speedway, expects increases in population and retail sales, therefore increasing the sales tax revenues for the County.
- Property tax revenues are budgeted to increase due to the Weatherford College Branch Campus Maintenance Tax.
- Industries in the County, which include the oil and gas industry, rock crusher industry, aerospace graphite products, sheet metal products, an electric plant, the construction of the new Weatherford College - Wise County Branch Campus, and a new helicopter assembly company, are continuing to grow and increase the County's workforce and population.
- Tourist attractions, including the Caddo/LBJ Grasslands and Lake Bridgeport, within the County are promoting recreational pursuits for tourist income.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the appropriate financial office (County Auditor or County Treasurer) at 207 North Church, Decatur, Texas 76234 or (Wise County Judge) at 100 Main Street, Courthouse, Decatur, Texas 76234.

BASIC FINANCIAL STATEMENTS

WISE COUNTY, TEXAS
Statement of Net Assets
September 30, 2011

	<u>Primary Government</u>
Assets	
Current assets:	
Cash	\$ 4,374,020
Investments	7,591,479
Receivables, taxes (net of allowance for uncollectible of \$451,268)	1,058,827
Receivables, accounts (net of allowance of \$197,895)	4,036,552
Due from other governments	419,756
Non-current assets:	
Restricted cash and cash equivalents	27,931,000
Deferred debt issuance costs, net of accumulated amortization	818,231
Capital assets	
Land and construction in progress	10,268,097
Other capital assets, net of depreciation	58,489,074
Total capital assets	<u>68,757,171</u>
Total assets	<u>114,987,036</u>
Liabilities	
Current liabilities:	
Accounts payable	449,432
Accrued salaries and benefits	826,115
Due to other governments	482,008
Accrued interest payable	509,179
Deferred revenue	26,652
Noncurrent liabilities:	
Due within one year	2,770,000
Due in more than one year	36,008,909
Total liabilities	<u>41,072,295</u>
Net assets	
Invested in capital assets, net of related debt	54,943,282
Restricted for:	
Debt service	354,431
Indigent health	1,625,671
State and federal programs	803,259
Records management	694,039
General government	39,993
Legal	501,588
Public safety	582,565
Roads and bridges	3,549,692
Teen court	389
Justice courts technology	274,192
Unrestricted	<u>10,545,640</u>
Total net assets	<u><u>\$ 73,914,741</u></u>

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

WISE COUNTY, TEXAS
Statement of Activities
For the Fiscal Year Ended September 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General government	\$ 6,794,137	\$ 1,355,714	\$	\$	\$ (5,438,423)
Judicial	2,834,810	859,693	131,970		(1,843,147)
Legal	1,861,591	166,421	31,250		(1,663,920)
Elections	313,354	18,829			(294,525)
Financial administration	1,791,165	756,384			(1,034,781)
Public facilities	3,691,002	76,132			(3,614,870)
Public safety	16,188,301	2,664,345	702,641	64,500	(12,756,815)
Public transportation	13,289,427	2,210,703	121,368	10,694	(10,946,662)
Health and welfare	1,115,367	96,644			(1,018,723)
Culture and recreation	480,008	30,750			(449,258)
Conservation	267,010		28,081		(238,929)
Interest/fees on long-term debt	958,444				(958,444)
Total primary government	\$ 49,584,616	\$ 8,235,615	\$ 1,015,310	\$ 75,194	(40,258,497)
General revenues:					
					31,341,876
					4,709,596
					201,185
					1,542,103
					106,490
					262,940
					<u>38,164,190</u>
					(2,094,307)
					<u>76,009,048</u>
					<u>\$ 73,914,741</u>

WISE COUNTY, TEXAS
Balance Sheet
Governmental Funds
September 30, 2011

	General	Lateral Road Funds	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 879,048	\$ 192,687	\$ 372,298	\$ 4,534,431	\$ 3,825,193	\$ 9,803,657
Investments	4,862,750	4,630,000	19,600,000	120,000	1,403,000	30,615,750
Receivables:						
Property taxes (net of allowances of \$451,268)	733,985	245,421			79,421	1,058,827
Accounts	231,890	37,346			7,325	276,561
Due from other funds	54,579				746	55,325
Due from other governments	418,022				1,734	419,756
Total assets	<u>\$ 7,180,274</u>	<u>\$ 5,105,454</u>	<u>\$ 19,972,298</u>	<u>\$ 4,654,431</u>	<u>\$ 5,317,419</u>	<u>\$ 42,229,876</u>
Liabilities and fund balances						
Liabilities						
Cash overdraft	\$	\$ 522,908	\$	\$	\$	\$ 522,908
Accounts payable	412,842	433	34,245		1,912	449,432
Accrued salaries and benefits	716,580	96,787			12,748	826,115
Due to other funds	54,435	771			119	55,325
Due to other governments	481,898				110	482,008
Deferred revenue:						
Property taxes	733,985	245,421			79,421	1,058,827
Other		26,652				26,652
Total liabilities	<u>2,399,740</u>	<u>892,972</u>	<u>34,245</u>	<u>-</u>	<u>94,310</u>	<u>3,421,267</u>
Fund balances						
Restricted for:						
Debt service				4,654,431		4,654,431
Capital projects			19,938,053			19,938,053
Indigent health					1,625,671	1,625,671
State and federal programs					803,259	803,259
Records management					694,039	694,039
General government					39,993	39,993
Legal					501,588	501,588
Public safety					582,565	582,565
Roads and bridges		3,304,271				3,304,271
Teen court	389					389
Justice courts technology	274,192					274,192
Committed to:						
Special road projects		908,211				908,211
State programs					314,209	314,209
General government					387,505	387,505
Public safety	379,950					379,950
Public transportation					162,513	162,513
Judicial	39,075					39,075
Elections					72,784	72,784
Legal					38,983	38,983
Parks and recreation	61,934					61,934
Unassigned	<u>4,024,994</u>					<u>4,024,994</u>
Total fund balances	<u>4,780,534</u>	<u>4,212,482</u>	<u>19,938,053</u>	<u>4,654,431</u>	<u>5,223,109</u>	<u>38,808,609</u>
Total liabilities and fund balances	<u>\$ 7,180,274</u>	<u>\$ 5,105,454</u>	<u>\$ 19,972,298</u>	<u>\$ 4,654,431</u>	<u>\$ 5,317,419</u>	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						68,757,171
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						1,058,827
Other assets, additional receivables, and issuance costs are not measurable and available in the current period and are not reported in the funds.						4,578,222
Some liabilities, including certificates of obligation, tax notes, bonds, bond premiums, compensated absences and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.						(39,288,088)
Net assets of governmental activities - statement of net assets						<u>\$ 73,914,741</u>

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
September 30, 2011

	General	Lateral Road Funds	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 21,317,628	\$ 6,619,650	\$	\$	\$ 3,409,637	\$ 31,346,915
Sales tax	4,672,662					4,672,662
Licenses and permits		1,269,878				1,269,878
Intergovernmental	347,798	121,368			638,154	1,107,320
Fees of office	4,077,147				435,621	4,512,768
Fines and forfeitures	561,384	891,035				1,452,419
Interest	22,945	11,886	12,166	151,459	2,729	201,185
Royalties and rentals	1,542,103					1,542,103
Solid waste fees	504,703					504,703
Miscellaneous revenues and donations	435,583	23,114	5,026		166,741	630,464
Total revenues	33,481,953	8,936,931	17,192	151,459	4,652,882	47,240,417
Expenditures						
Current:						
General government	2,986,225	46,980	9,982		3,549,479	6,592,666
Judicial	2,789,808					2,789,808
Legal	1,808,356				36,747	1,845,103
Elections	263,662				32,512	296,174
Financial administration	1,786,841					1,786,841
Public facilities	3,009,134					3,009,134
Public safety	14,005,836		318,868		866,045	15,190,749
Public transportation		9,715,265			41,473	9,756,738
Health and welfare	871,141				244,226	1,115,367
Culture and recreation	302,629					302,629
Conservation	254,054					254,054
Capital outlay	270,755	2,515,357	7,187,914		849,582	10,823,608
Debt service						
Principal retirement				2,665,000		2,665,000
Interest, issuance costs, and fiscal charges			790,000	466,362		1,256,362
Total expenditures	28,348,441	12,277,602	8,306,764	3,131,362	5,620,064	57,684,233
Excess (deficiency) of revenues over (under) expenditures	5,133,512	(3,340,671)	(8,289,572)	(2,979,903)	(967,182)	(10,443,816)
Other financing sources (uses)						
Bond proceeds			24,700,000	4,300,000		29,000,000
Operating transfers in	4,581,261	587,308	1,556,571	3,133,445	1,797,542	11,656,127
Operating transfers out	(11,090,110)		(365,946)		(200,071)	(11,656,127)
Sales of assets	101,487	863,645				965,132
Total other financing sources (uses)	(6,407,362)	1,450,953	25,890,625	7,433,445	1,597,471	29,965,132
Net change in fund balances	(1,273,850)	(1,889,718)	17,601,053	4,453,542	630,289	19,521,316
Fund balances, October 1, 2010	6,054,384	6,102,200	2,337,000	200,889	4,592,820	19,287,293
Fund balances, September 30, 2011	\$ 4,780,534	\$ 4,212,482	\$ 19,938,053	\$ 4,654,431	\$ 5,223,109	\$ 38,808,609

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

WISE COUNTY, TEXAS
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
September 30, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 19,521,316

Governmental funds report all capital outlays as expenditures. However, in the Statement of Activities the cost of some of the assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.

Capital outlay	\$ 10,823,608	
Depreciation	<u>(5,555,045)</u>	
Net Capital Outlay		5,268,563

The net effect of various miscellaneous transactions involving capital assets. (i.e., sales, trade-ins, disposals, donations) decreasing net assets. (858,642)

Real property taxes and fees billed less allowance in the Statement of Activities includes all billed amounts which differ from the current financial resource measurement of the governmental funds. This is the net difference of both measurement focuses. 143,403

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. 2,665,000

Bond proceeds are reported as other financing sources in the governmental funds and contribute to the increase in the fund balances. In the government-wide statements, however issuing debt increases long-term liabilities and affects the Statement of Net Assets. (29,000,000)

Some items reported in the Statement of Activities do not involve current financial resources and, therefore, are not reported as expenditures in the governmental funds.

These activities are:

Amortization of premium from bond issuance	\$ 15,978	
Amortization of deferred bond issuance costs	(57,666)	
Issuance costs on 2011 bond issuance	790,000	
Increase in accrued interest payable	(450,394)	
Increase in compensated absences payable	<u>(131,865)</u>	
Net Increase in Expenditures		<u>166,053</u>

Change in net assets of governmental activities - statement of activities \$ (2,094,307)

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
General Fund
For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 21,330,000	\$ 21,317,630	\$ 21,317,628	\$ (2)
Sales tax	3,340,000	4,280,456	4,672,662	392,206
Intergovernmental	356,250	335,711	347,798	12,087
Fees of office	3,935,144	4,077,160	4,077,147	(13)
Fines and forfeitures	517,000	561,385	561,384	(1)
Interest	26,400	23,960	22,945	(1,015)
Royalties and rentals	401,000	1,317,409	1,542,103	224,694
Solid waste fees	432,000	496,389	504,703	8,314
Miscellaneous revenues and donations	554,008	400,059	435,583	35,524
Total revenues	30,891,802	32,810,159	33,481,953	671,794
Expenditures				
Current:				
General government	6,159,687	2,953,217	2,986,225	(33,008)
Judicial	2,791,229	2,759,099	2,789,808	(30,709)
Legal	1,889,881	1,758,204	1,808,356	(50,152)
Elections	283,359	258,698	263,662	(4,964)
Financial administration	1,886,223	1,745,937	1,786,841	(40,904)
Public facilities	3,044,441	2,972,088	3,009,134	(37,046)
Public safety	14,245,178	13,982,831	14,005,836	(23,005)
Health and welfare	935,184	866,331	871,141	(4,810)
Culture and recreation	268,227	307,037	302,629	4,408
Conservation	271,733	248,302	254,054	(5,752)
Capital outlay	-	270,755	270,755	-
Total expenditures	31,775,142	28,122,499	28,348,441	(225,942)
Excess (deficiency) of revenues over (under) expenditures	(883,340)	4,687,660	5,133,512	445,852
Other financing sources (uses)				
Operating transfers in	5,248,487	4,581,262	4,581,261	(1)
Operating transfers out	(7,818,474)	(11,090,110)	(11,090,110)	-
Sales of assets	5,000	85,801	101,487	15,686
Total other financing sources (uses)	(2,564,987)	(6,423,047)	(6,407,362)	15,685
Net change in fund balances	(3,448,327)	(1,735,387)	(1,273,850)	461,537
Carryover from prior year fund balance	3,448,227	1,735,387	-	(1,735,387)
Fund balances, October 1, 2010	6,054,384	6,054,384	6,054,384	-
Fund balances, September 30, 2011	\$ 6,054,284	\$ 6,054,384	\$ 4,780,533	\$ (1,273,850)

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

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
Lateral Road Fund
For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 6,630,800	\$ 6,619,664	\$ 6,619,650	\$ (14)
License and permits	1,436,000	1,269,880	1,269,878	(2)
Intergovernmental	133,600	121,368	121,368	-
Fines and forfeitures	862,000	891,045	891,035	(10)
Interest	13,000	11,889	11,886	(3)
Miscellaneous revenues and donations	9,500	30,513	23,114	(7,399)
Total revenues	9,084,900	8,944,359	8,936,931	(7,428)
Expenditures				
Current:				
General government	54,300	46,981	46,980	1
Public transportation	9,124,804	9,834,495	9,715,265	119,230
Capital outlay	1,877,949	2,515,357	2,515,357	-
Total expenditures	11,057,053	12,396,833	12,277,602	119,231
Deficiency of revenues under expenditures	(1,972,153)	(3,452,474)	(3,340,671)	111,803
Other financing sources				
Operating transfers in	570,000	587,308	587,308	-
Sales of assets	-	856,250	863,645	7,395
Total other financing sources	570,000	1,443,558	1,450,953	7,395
Net change in fund balances	(1,402,153)	(2,008,916)	(1,889,718)	119,198
Carryover from prior year fund balance	1,402,153	2,008,916	-	(2,008,916)
Fund balances, October 1, 2010	6,102,200	6,102,200	6,102,200	-
Fund balances, September 30, 2011	\$ 6,102,200	\$ 6,102,200	\$ 4,212,482	\$ (1,889,718)

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

WISE COUNTY, TEXAS
Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2011

Assets	
Cash	\$ 2,353,707
Investments	104,203
Receivables:	
Property taxes - for other governments	<u>61,009</u>
Total assets	<u><u>\$ 2,518,919</u></u>
Liabilities	
Deposits held and due to others	\$ 2,457,910
Property taxes to be collected - due to other governments	<u>61,009</u>
Total liabilities	<u><u>\$ 2,518,919</u></u>

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

WISE COUNTY, TEXAS
Notes to Financial Statements
September 30, 2011

Note A - Financial Reporting Entity

The financial statements of Wise County (the County) are prepared in accordance with accounting principles generally accepted in the United States of America. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The County is a body corporate and political which performs all local government functions within its jurisdiction. The County is governed by an elected County Judge and four County Commissioners elected from individual precincts. The Judge and four Commissioners form the governing body, the Commissioners' Court. Various branches of the County government are led by duly elected officials who serve in their positions. These other elected officials are responsible only to the voters for their performance and for the operations of their individual offices but must seek budget approval from the Commissioners' Court.

There are no component units (other governmental entities) over which the County exercises significant controls or has oversight responsibility. Consequently, these financial statements include only the financial data of the County.

The accounting and reporting framework and the more significant accounting principles and practices are discussed below. The remainder of the Notes is organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2011.

Note B - Summary of Significant Accounting Policies

The accounting policies of Wise County, Texas conform to generally accepted accounting principles as applicable to governments, except where specifically noted. The following are the more significant policies.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the County. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund, Lateral Road Fund, Debt Service Fund, and Capital Projects Fund meet the criteria as *major governmental funds*. Each major fund is reported in a separate column in the fund financial statements. Non-major funds include other Special Revenue funds. The combined amounts for these funds are reflected in a single column in the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for nonmajor funds are presented within Combining and Budget Statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Major revenue types, which have been accrued, are district clerk and county clerk fees, justice of the peace fees, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. 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. General revenues include all taxes, investment earnings and various other revenues.

WISE COUNTY, TEXAS
Notes to Financial Statements
September 30, 2011

Note B - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Property taxes not collected within 60 days after year-end are reported as deferred revenues. Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The County reports the following major governmental funds:

The General Fund is the primary operating fund of the County and is always classified as a major fund. It is used to account for all financial transactions and resources except those required to be accounted for in another fund.

The Lateral Road Fund is a special revenue fund, used to account for the maintenance and construction of County roads and bridges. Financing is provided primarily by an annual property tax levy. Additional revenue is provided by a charge on each auto registration and from fines levied by the County.

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for the acquisition, repair or construction of various projects and acquisition of land, buildings, and equipment.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Fiduciary fund level financial statements include fiduciary funds which are classified into private purpose trust and agency funds and use the economic resources measurement focus and the accrual basis of accounting. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Budgets and Budgetary Accounting

The County follows these procedures in establishing budgetary data reflected in the financial statements:

- (A) In the event the Commissioners' Court increases property taxes three percent or less, no public hearing is required. If the Court increases taxes more than three but less than eight percent, then a public hearing is required prior to final adoption. If the Court increases taxes more than eight percent, a public hearing is required and taxes are subject to a rollback petition and election. Beginning with the 1999 tax levy, any increase in property taxes will require a public hearing.
- (B) Public hearings are conducted at the Wise County Courthouse to obtain taxpayer comments.
- (C) Prior to October 1, the budget is legally enacted through adoption of an order by the Commissioners' Court.
- (D) Any amendments, which alter total expenditures of any department, must be approved by the Commissioners' Court.

WISE COUNTY, TEXAS
Notes to Financial Statements
September 30, 2011

Note B - Summary of Significant Accounting Policies (Continued)

- (E) Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), with the exception of tax revenues being reported on the cash basis. Budget and actual amounts are recorded on the same basis.
- (F) Expenditures in excess of appropriations are required by state statutes to be reported down to the departmental classification.
- (G) The budgeted amounts presented in these statements are as originally adopted, or as amended by, the Commissioners' Court during the year ended September 30, 2011.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g. roads and bridges), are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost exceeding \$5,000. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	20 - 40 years
Infrastructure	20 - 45 years
Machinery and equipment	3 - 10 years

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. On new certificates of obligations, tax notes or revenue bonds, premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt. Certificates of obligation and tax notes payable are reported net of the applicable premium or discount. Debt premiums, discounts and issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund Balances

The County implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The County has evaluated the use of its Debt Service, Special Revenue Funds and Capital Projects Funds under the criteria set forth in GASB Statement 54 and has determined there are no changes needed.

WISE COUNTY, TEXAS
Notes to Financial Statements
September 30, 2011

Note B - Summary of Significant Accounting Policies (Continued)

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Nonspendable Fund Balance—includes amounts that are not in spendable form, or legally or contractually required to be maintained intact.

Restricted Fund Balance—includes amounts that are restricted for specific purposes stipulated by law or external resources providers. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance—includes amounts that can only be used for the specific purposes determined by a formal action Order of the Commissioner's Court, which is the County's highest level of decision-making authority, and, conjunctively, require the same formal Commissioner's Court to remove or revise the enacted constraint limitations.

Assigned Fund Balance—includes amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by the Commissioner's Court of Wise County to which the assigned amounts are to be used for specific purposes. Amounts may be assigned by the County Auditor as communicated by the Commissioner's Court.

Unassigned Fund Balance— represents the residual classification of all spendable amounts not contained within the other classifications and is used for all negative fund balances.

It is the County's goal to achieve and maintain an unassigned General Fund balance equal to 25% of budgeted expenditures. At the end of fiscal year 2011, the unassigned General Fund balance was 14% of budgeted expenditures.

Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in capital assets, net of related debt—This category consists of all capital assets net of accumulated depreciation and reduced by outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets.

Restricted net assets—This category consists of external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments, enabling legislation, and constitutional provisions.

Unrestricted net assets—This category represents net assets, not restricted for any project or other purpose.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

The government-wide statement of net assets reports consists of \$1,931,179 of restricted net assets by enabling legislation.

WISE COUNTY, TEXAS
Notes to Financial Statements
September 30, 2011

Note C - Deposits, Securities and Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal, availability of cash to meet the County's obligations and maximization of interest earnings. The investment policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under Chapter 2256 of the Texas Government Code. The County's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by Commissioners' Court. The Investment Policy includes a list of authorized investments and a maximum allowable maturity of any individual investment.

The County is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. Time Deposits
2. Certificates of Deposits
3. Security repurchase agreements
4. Money Market investment accounts
5. Negotiable Order of Withdrawal (NOW) accounts
6. United States Treasury Bills
7. United States Government
8. Investment Pools
9. Commercial Paper
10. FHLB Letters of Credit

The County participates in TexPool, which is a local government investment pool, established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool with Federated Investors, Inc., managing the daily operations of the pool under a contract with the State Comptroller. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

TexPool is rated AAAM by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses the amortized cost, which seeks to maintain a constant net asset value of \$1.00 per unit, rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

As of September 30, 2011, the County had the following investments:

	Quality Ratings AAAm		Weighted Average Maturities
	Market Value	% of Total	
Certificates of Deposit- Agency Funds	\$ 103,861	0.34%	6 months
TexPool			
Governmental Funds	30,615,750	99.66%	44 days
Agency Funds	342	0.00%	44 days
Total Investments	<u>\$ 30,719,953</u>	<u>100.00%</u>	

Interest Rate Risk – Investments are exposed to interest rate risk if changes in market interest rates will adversely affect the fair value of an investment. As of September 30, 2011, the County's investments included local government investment pools and certificates of deposit, and therefore, were not exposed to interest rate risk.