WISE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2017

Wise County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2017

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Financial Section



SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Commissioner's Court
Wise County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wise County, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

1207 Santa Fe Drive • Weatherford, Texas 76086 • 817-596-9301 • Fax 817-596-9304

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, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wise County's basic financial statements. The combining and budget statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and budget statements are fairly stated in all material respects in relation to the basic 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2018, 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* in considering Wise County's internal control over financial reporting and compliance.

Snow Garrett Williams

Snow Garrett Williams
March 20, 2018

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, 2017. The MD&A should be read in conjunction with the accompanying financial statements and the notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded liabilities at the close of fiscal year 2017 by $56,928,261 (net position). Of this amount, $9,178,012 is restricted for specific purposes, $42,095,959 is net investment in capital assets and $5,654,290 represents unrestricted net position.
- In contrast to the government-wide statements, the fund statements report a combined fund balance at year-end of $21,806,313, a decrease of $3,931,493 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $3,899,357, or 12% of total general fund expenditures.
- The County's total long-term debt decreased by a net amount of $3,176,860 during the current fiscal year primarily as a result of scheduled annual debt service payments and amortization of bond premiums netted against changes in net pension liability and compensated absences.

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 four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) other required supplementary information. 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 and deferred resources of outflows 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 position presents information on all of the County's assets, deferred outflows of resources, and liabilities, with the difference between them reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year using the full accrual basis of accounting. All changes in net position

are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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 16 and 17 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.

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-one individual governmental funds – seventeen special revenue funds, one capital projects fund, two debt service funds, 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 governmental fund financial statements can be found on pages 18 through 20 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 fiduciary funds use the economic resources measurement focus and the accrual basis of accounting. 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 21 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 22 through 44 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including budgetary comparison statements for the General Fund and Lateral Road Funds, the schedule of changes in net pension liability and related ratios, and the schedule of employer contributions and related ratios. The required supplementary information can be found on pages 46 through 49 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities by $56,928,261 as of September 30, 2017.

A significant portion ($42,095,959) of the County's net position reflects its net 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 $9,178,012 of the County's net position represents resources that are subject to external restrictions on how they may be used.

Wise County's Net Position

	Governmental Activities	
	2017	2016
Current and other assets	$ 27,481,923	$ 31,629,656
Capital assets, net of depreciation	70,449,809	73,679,530
Total assets	97,931,732	105,309,186
Deferred outflows of resources	5,146,030	6,323,161
Long-term liabilities	44,193,958	47,370,818
Other liabilities	1,955,543	2,233,255
Total liabilities	46,149,501	49,604,073
Net position:		
Net investment in capital assets	42,095,959	44,442,589
Restricted	9,178,012	8,179,948
Unrestricted	5,654,290	9,405,737
Total net position	$ 56,928,261	$ 62,028,274

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

Governmental Activities

The County's governmental activities net position decreased by $5,100,013 during the current fiscal year. The total cost of all governmental activities this year was $50,266,826. The amount that our taxpayers paid for these activities through property taxes was $26,497,015 or 53% of total governmental expenses.

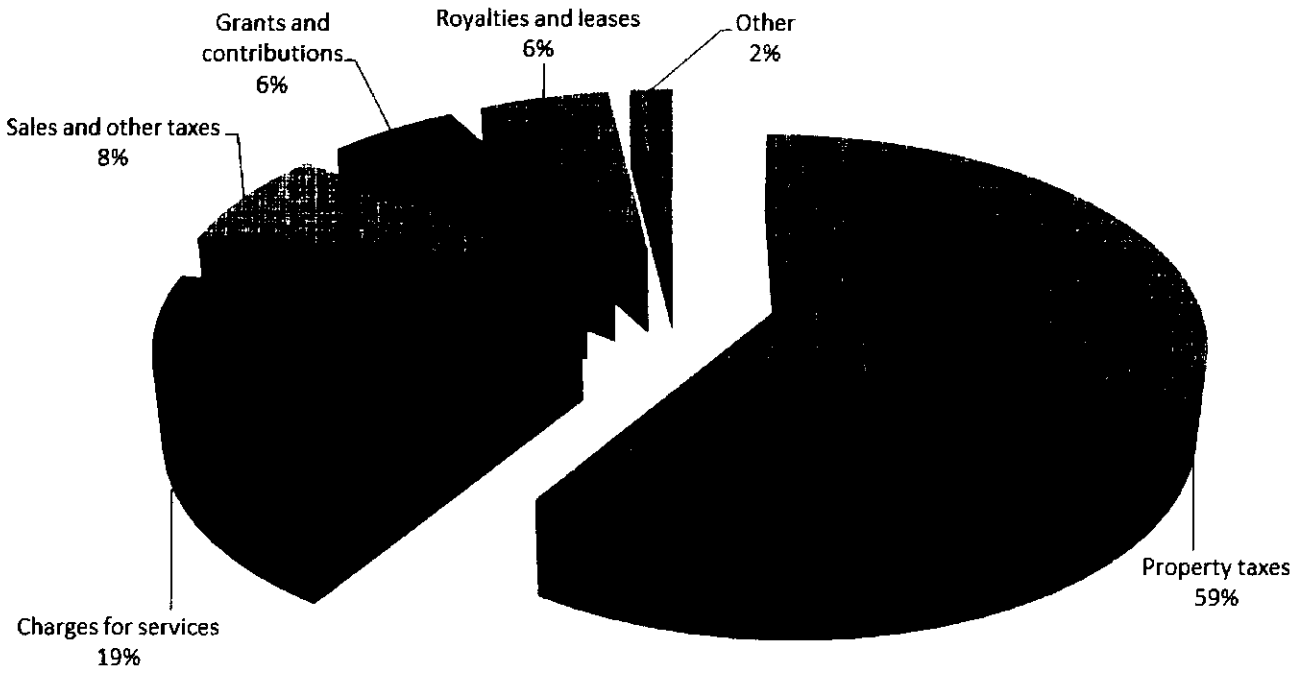
Changes in Net Position

	Governmental Activities	
	2017	2016
Revenues:		
Program revenues:		
Charges for services	$ 8,585,108	$ 8,745,333
Operating grants and contributions	2,274,434	1,894,337
Capital grants and contributions	445,243	1,126,517
General revenues:		
Property taxes	26,497,015	32,230,703
Sales and other taxes	3,768,009	3,646,067
Investment earnings	205,260	96,998
Royalties and leases	2,779,888	2,689,371
Other	611,856	1,299,504
Total revenues	45,166,813	51,728,830
Expenses:		
General government	6,315,003	6,940,088
Judicial	4,074,044	3,817,781
Legal	2,267,475	2,160,152
Elections	390,211	397,308
Financial administration	2,234,833	2,228,835
Public facilities	4,144,803	4,306,786
Public safety	19,867,800	18,236,287
Public transportation	6,537,053	10,511,821
Health and welfare	1,252,407	1,418,920
Culture and recreation	607,611	385,563
Conservation	287,480	314,358
Interest and other costs	2,288,106	2,327,986
Total expenses	50,266,826	53,045,885
Change in net position	(5,100,013)	(1,317,055)
Net position-beginning	62,028,274	63,345,329
Net position-ending	$ 56,928,261	$ 62,028,274

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

- Program revenues of $11,304,785 equaled 23% of government expenses. As expected, general revenues ($33,862,028) provided most of the required support and coverage for expenses;
- Public safety expenses increased $1,631,513 from the previous year. 40% of total expenses are related to public safety.
- The next largest category of expenses is public transportation at 13% of total expenses. Public transportation expenses decreased $3,974,768 from the previous year; and
- Grant revenues and contributions comprised about 6% of total revenues.

Revenues by Source



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 21,806,313, a decrease of $3,931,493 in comparison with the prior year. Approximately $14,927,224 or 68% is restricted by external resources. $3,899,357 or 18% 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 not available for new spending because it has already been committed to fund public safety needs ($42,306), and to fund special road projects ($2,227,994), and assigned to fund debt service ($390,424) and to fund indigent care ($319,008).

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 $3,899,357, which is 92% 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 12%, or slightly more than 45 days of total fund expenditures. It is the County's goal to achieve and maintain an unassigned general fund balance equal to 20% of subsequent year's budgeted expenditures. At September 30, 2017, the unassigned general fund balance represented 12% of subsequent year's 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.

The fund balance of the County's general fund decreased $335,130 during the current fiscal year. This decrease is primarily due to a decrease in property tax revenues and a decrease in miscellaneous revenues and donations.

The debt service fund has a total fund balance of $2,890,424, all of which is restricted or assigned 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 $19,536, which is attributable to a slight increase in transfers in from the other funds and interest revenue.

Expenditures for debt principal, interest and fiscal charges in the debt service fund totaled $5,712,739.

The capital projects fund had an ending fund balance of $5,749,212, 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 increased by $346,781 from the original to the final budget. Most of this difference resulted from an increase in general government expenditures and operating transfers out included in other financing uses.

The projected annual revenues and other financing sources increased by $735,813 from the original to the final budget. This was primarily due to increases in sales and other taxes, fees of office, solid waste fees, and miscellaneous revenues, netted against decreases in property tax revenues in the current year.

Actual revenues were $343,856 less than amended budget amounts mainly due to the property tax revenues. Actual total expenditures for the year were $482,712 less than amended budget appropriations primarily due to general government expenditures.

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, 2017, net capital assets of the governmental activities totaled $70,449,809. Depreciation on capital assets is recognized in the government-wide financial statements. Annual depreciation for buildings, improvements, infrastructure and machinery and equipment totaled $5,921,189.

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

- Purchase of an ambulance and vehicles for the various departments of the County;
- Purchase of backhoe loader, two tractors, a mower, and a wood chipper;
- Completion of the Womens building remodel at the fairgrounds; and
- Improvements to the bridge on County Road 4668.

Wise County Capital Assets
(net of depreciation)

	Governmental Activities	
	2017	2016
Land	$ 3,850,605	$ 3,850,605
Construction in progress	-	123,687
Buildings and improvements	36,540,616	37,508,203
Infrastructure	22,523,800	23,784,056
Machinery and equipment	7,534,788	8,412,979
Total	$ 70,449,809	$ 73,679,530

Additional information on the County's capital assets can be found in Note F on page 31 of this report.

Long-term debt. As of September 30, 2017, the County had tax notes and lease revenue bonds outstanding of $33,975,000. Tax notes and lease revenue bonds retired in the current fiscal year totaled $2,895,000 and $385,000, respectively. Also included in the County's long-term debt are unamortized bond premiums of $128,062, overpayment of sales tax payable of $428,976, net pension liability of $8,509,093, and compensated absences payable of $1,152,827.

Wise County's Outstanding Debt

	Governmental Activities	
	2017	2016
Tax notes	$ 6,040,000	$ 8,935,000
Lease revenue bonds	27,935,000	28,320,000
Unamortized premium	128,062	275,845
Overpayment of sales tax	428,976	458,241
Net pension liability	8,509,093	8,180,769
Compensated absences	1,152,827	1,200,963
Total	$ 44,193,958	$ 47,370,818

The County maintained a bond rating of "AA" from Standard and Poor's on its obligations.

Additional information on the County's long-term debt can be found in Note G on pages 32 through 33 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual budgets and tax rates are 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 2018, the County Commissioners and management considered the following factors:

- With the general decline in the economy, primarily related to the oil and gas industry, the County is anticipating decreases in sales and other taxes.
- Property values for all property except residential, which includes mineral values, business personal property and industrial property, decreased from the prior year. The construction of homes in the County has risen dramatically, therefore property values are expected to eventually increase.
- County tourist attractions, including the Caddo/LBJ Grasslands, the Wise County Park and Lake Bridgeport are promoting recreational pursuits for tourist income.
- The County will manage the fairgrounds and continue to improve and market facilities as a revenue generating venue.
- Weatherford College Wise County is a growing local college offering academic and vocational education in a state-of-the-art facility.
- Wise County is home to an increasingly diverse set of attractions and activities that will generate sales tax revenue, including rodeo and roping facilities; wineries and vineyards; multiple museums and veteran's parks; major annual car/automobile/off-road events; and other annual community events.

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 County Auditor or County Treasurer at 207 North Church, Decatur, Texas 76234.

BASIC FINANCIAL STATEMENTS

WISE COUNTY, TEXAS
Statement of Net Position
September 30, 2017

	Primary Government
Assets	
Current assets	
Cash	$ 2,344,289
Investments	17,650,500
Receivables, taxes (net of allowance for uncollectible of $539,566)	1,359,087
Receivables, accounts (net of allowance of $292,907)	2,746,877
Due from other governments	881,170
Non-current assets	
Restricted cash and investments	2,500,000
Capital assets	
Land	3,850,605
Other capital assets, net of depreciation	66,599,204
Total capital assets	70,449,809
Total assets	97,931,732
Deferred Outflows of Resources	
Deferred outflows of resources - pension	5,146,030
Liabilities	
Current liabilities	
Accounts payable	544,583
Accrued salaries and benefits	603,624
Due to other governments	257,249
Deposits held and due to others	251,565
Accrued interest payable	298,522
Noncurrent liabilities	
Due within one year	4,078,899
Due in more than one year	40,115,059
Total liabilities	46,149,501
Net Position	
Net investment in capital assets	42,095,959
Restricted for	
Debt service	2,500,000
State and federal programs	349,183
Records management	932,201
General government	29,303
Legal	611,665
Public safety	518,250
Roads and bridges	3,934,665
Justice courts technology	302,745
Unrestricted	5,654,290
Total net position	$ 56,928,261

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

WISE COUNTY, TEXAS
Statement of Activities
For the Fiscal Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
General government	$ 6,315,003	$ 1,388,405	$ 97,373	$ -	$ (4,829,225)
Judicial	4,074,044	938,910	224,200	-	(2,910,934)
Legal	2,267,475	311,483	35,708	-	(1,920,284)
Elections	390,211	15,702	-	-	(374,509)
Financial administration	2,234,833	1,097,304	-	-	(1,137,529)
Public facilities	4,144,803	252,150	790	-	(3,891,863)
Public safety	19,867,800	2,545,273	1,034,814	124,599	(16,163,114)
Public transportation	6,537,053	1,882,747	876,850	320,644	(3,456,812)
Health and welfare	1,252,407	44,344	-	-	(1,208,063)
Culture and recreation	607,611	108,790	4,699	-	(494,122)
Conservation	287,480	-	-	-	(287,480)
Interest/fees on long-term debt	2,288,106	-	-	-	(2,288,106)
Total primary government	$ 50,266,826	$ 8,585,108	$ 2,274,434	$ 445,243	(38,962,041)
General revenues:					
Property taxes					26,497,015
Sales and other taxes					3,768,009
Investment earnings					205,260
Royalties and leases					2,779,888
Gain on disposal of assets					175,065
Other					436,791
Total general revenues					33,862,028
Change in net position					(5,100,013)
Net position, beginning of year					62,028,274
Net position, end of year					$ 56,928,261

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

WISE COUNTY, TEXAS
Balance Sheet
Governmental Funds
September 30, 2017

	General	Lateral Road Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	$ -	$ 1,336,046	$ -	$ 145,424	$ 2,969,229	$ 4,450,699
Investments	6,910,500	4,615,000	5,875,000	245,000	5,000	17,650,500
Receivables						
Property taxes (net of allowances of $539,566)	1,011,033	206,163	-	-	141,891	1,359,087
Accounts	62,045	23,681	-	-	24,980	110,706
Due from other funds	29,950	-	-	-	-	29,950
Due from other governments	402,145	419,379	-	-	59,646	881,170
Restricted cash and investments	-	-	-	2,500,000	-	2,500,000
Total assets	$ 8,415,673	$ 6,600,269	$ 5,875,000	$ 2,890,424	$ 3,200,746	$ 26,982,112
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Cash overdraft	$ 2,064,562	$ -	$ 41,848	$ -	$ -	2,106,410
Accounts payable	288,914	139,889	83,940	-	31,840	544,583
Accrued salaries and benefits	531,046	68,227	-	-	4,351	603,624
Due to other funds	-	-	-	-	29,950	29,950
Due to other governments	7,882	-	-	-	249,367	257,249
Deposits held and due to others	251,565	-	-	-	-	251,565
Total liabilities	3,143,969	208,116	125,788	-	315,508	3,793,381
Deferred inflows of resources						
Unavailable revenue - property taxes	1,011,033	206,163	-	-	141,891	1,359,087
Unavailable revenue - other	-	23,331	-	-	-	23,331
Total deferred inflows of resources	1,011,033	229,494	-	-	141,891	1,382,418
Fund balances						
Restricted for						
Debt service	-	-	-	2,500,000	-	2,500,000
Capital projects	-	-	5,749,212	-	-	5,749,212
State and federal programs	-	-	-	-	349,183	349,183
Records management	-	-	-	-	932,201	932,201
General government	-	-	-	-	29,303	29,303
Legal	-	-	-	-	611,665	611,665
Public safety	-	-	-	-	518,250	518,250
Roads and bridges	-	3,934,665	-	-	-	3,934,665
Justice courts technology	-	-	-	-	302,745	302,745
Committed to						
Special road projects	-	2,227,994	-	-	-	2,227,994
Public safety	42,306	-	-	-	-	42,306
Assigned to						
Indigent care	319,008	-	-	-	-	319,008
Debt service	-	-	-	390,424	-	390,424
Unassigned	3,899,357	-	-	-	-	3,899,357
Total fund balances	4,260,671	6,162,659	5,749,212	2,890,424	2,743,347	21,806,313
Total liabilities, deferred inflows of resources, and fund balances	$ 8,415,673	$ 6,600,269	$ 5,875,000	$ 2,890,424	$ 3,200,746	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	70,449,809
Property taxes receivable and other receivables from citizens, net of allowance are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,382,418
Additional receivables for ambulance services, county clerk, district clerk, and justices of the peace, net of allowance, are not measurable and available in the current period and are not reported in the funds.	2,636,171
Deferred outflows of resources are not financial resources and, therefore, are not reported in the funds.	5,146,030
Some liabilities, including tax notes, bonds, overpayment of sales tax payable, bond premiums, net pension liability, compensated absences and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(44,492,480)
Net position of governmental activities - statement of net position	$ 56,928,261

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

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
September 30, 2017

	General	Lateral Road Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 21,143,699	$ 2,357,150	$ -	$ -	$ 2,899,762	$ 26,400,611
Sales and other taxes	3,768,009	-	-	-	-	3,768,009
Licenses and permits	-	1,268,352	-	-	-	1,268,352
Intergovernmental	792,033	1,197,494	-	-	659,008	2,648,535
Fees of office	4,854,485	-	-	-	526,241	5,380,726
Fines and forfeitures	451,510	553,023	-	-	-	1,004,533
Interest	99,710	43,192	40,572	20,237	1,549	205,260
Royalties and leases	203,850	-	-	2,576,038	-	2,779,888
Solid waste fees	633,471	-	-	-	-	633,471
Miscellaneous revenues and donations	696,136	29,566	1	-	73,347	799,050
Total revenues	32,642,903	5,448,777	40,573	2,596,275	4,159,907	44,888,435
Expenditures						
Current:						
General government	3,305,763	-	-	-	2,919,493	6,225,256
Judicial	3,776,792	-	-	-	81,503	3,858,295
Legal	1,954,523	-	-	-	190,108	2,144,631
Elections	379,157	-	-	-	-	379,157
Financial administration	2,119,653	-	-	-	-	2,119,653
Public facilities	2,699,342	-	-	-	-	2,699,342
Public safety	14,871,548	-	119,482	-	1,019,968	16,010,998
Public transportation	61,136	5,258,993	-	-	-	5,320,129
Health and welfare	1,246,130	-	-	-	-	1,246,130
Culture and recreation	317,363	-	-	-	-	317,363
Conservation	279,260	-	-	-	-	279,260
Capital outlay	177,797	1,406,271	1,165,783	-	10,398	2,760,249
Debt service						
Principal retirement	29,265	-	-	3,280,000	-	3,309,265
Interest, issuance costs and fiscal charges	13,347	-	-	2,432,739	-	2,446,086
Total expenditures	31,231,076	6,665,264	1,285,265	5,712,739	4,221,470	49,115,814
Excess (deficiency) of revenues over (under) expenditures	1,411,827	(1,216,487)	(1,244,692)	(3,116,464)	(61,563)	(4,227,379)
Other financing sources (uses)						
Operating transfers in	223,097	-	-	3,136,000	337,196	3,696,293
Operating transfers out	(2,203,196)	-	(1,300,000)	-	(193,097)	(3,696,293)
Sale of assets	233,142	62,744	-	-	-	295,886
Total other financing sources (uses)	(1,746,957)	62,744	(1,300,000)	3,136,000	144,099	295,886
Net change in fund balances	(335,130)	(1,153,743)	(2,544,692)	19,536	82,536	(3,931,493)
Fund balances, beginning of year	4,185,884	7,316,402	8,293,904	2,870,888	3,070,728	25,737,806
Prior period adjustment	409,917	-	-	-	(409,917)	-
Fund balances, beginning of year, restated	4,595,801	7,316,402	8,293,904	2,870,888	2,660,811	25,737,806
Fund balances, end of year	$ 4,260,671	$ 6,162,659	$ 5,749,212	$ 2,890,424	$ 2,743,347	$ 21,806,313

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, 2017

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

Net change in fund balances - total governmental funds		$ (3,931,493)
Governmental funds report all capital outlays as expenditures. However, in the statement of activities the cost of the assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year.		
Capital outlay	$ 2,760,249	
Depreciation	(5,921,189)	
		(3,160,940)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, donations) decreases net position.		(68,781)
The change in property tax and fee receivables, net of allowance, is reported as revenue in the statement of activities, however this change does not provide current financial resource and is therefore not reported as revenue in the governmental funds.		51,273
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.		
Amortization of premium from debt issuances	$ 147,783	
Change in accrued interest payable	10,197	
Change in compensated absences payable	48,136	
		206,116
Pension expense in the funds is recorded as contributions when made to the retirement plan. Pension expense in governmental activities is recorded as the retirement plan's pension expense for the measurement period. This is the difference between how pension expense is recorded in the two statements.		(1,505,453)
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 position.		3,309,265
Change in net position of governmental activities - statement of activities		$ (5,100,013)

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

WISE COUNTY, TEXAS
Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2017

Assets	
Cash	$ 3,571,270
Investments	686,875
Receivables:	
Property taxes - for other governments	60,734
Total assets	$ 4,318,879
Liabilities	
Deposits held and due to others	$ 4,258,145
Property taxes to be collected - due to other governments	60,734
Total liabilities	$ 4,318,879

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

Note A – Summary of Significant Accounting Policies

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

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, 2017.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the 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, fees, 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.

Note A - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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.

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.

Note A - Summary of Significant Accounting Policies (Continued)

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, a public hearing is required. If the Court increases taxes more than eight percent, taxes are subject to a rollback petition and election.

(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.

(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, 2017.

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 the asset's life 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

Note A - Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on certificates of obligations, tax notes or revenue bonds are deferred and amortized over the life of the debt. Certificates of obligation, tax notes, and revenue bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognized debt premiums and discounts 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently has deferred outflows of resources related to the pension plan reported in the statement of net position.

In addition to liabilities, the statement of net position and balance sheet will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County currently has deferred inflows of resources related to unavailable revenue from property taxes and liens placed on properties for reimbursement of road repairs reported in the governmental fund balance sheet.

Note A - Summary of Significant Accounting Policies (Continued)

Fund Balances

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 action, Order of the 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.

When multiple categories of fund balance are available for expenditure, the County will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

It is the County's goal to achieve and maintain an unassigned General Fund balance equal to 20% of subsequent year's budgeted expenditures. At the end of fiscal year 2017, the unassigned General Fund balance was 12% of subsequent year's budgeted expenditures.

Note A - Summary of Significant Accounting Policies (Continued)

Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets 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 position consists of external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments, enabling legislation, and constitutional provisions.

Unrestricted net position represents net position, not restricted for any project or other purpose.

When both restricted and unrestricted net position is available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

The statement of net position includes $3,810,157 of net position restricted by enabling legislation.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

Note B - 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, maintenance of adequate liquidity, diversification, maximization of interest earnings, and maturity. 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. In addition, it includes an "Investments Strategy" that specifically addresses each fund's investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification, yield, and maturity restrictions.

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

(A) Obligations of, or guaranteed by, government entities;
(B) Certificates of Deposit and Share Certificates, guaranteed by Federal Deposit Insurance Corporation (FDIC) or fully collateralized;
(C) Repurchase agreements, fully collateralized, not to exceed 90 days;
(D) Commercial paper, with stated maturity of 270 days or fewer;
(E) No load Money Market Mutual Fund, not to exceed 90 days; and
(F) Local Government Investment Pools as approved by Commissioners Court.

Public Funds Investment Pools

TexPool

Texas Local Government Investment Pool (TexPool) is a local government investment pool organized in conformity with the Interlocal Cooperation Ac, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Account is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the TexPool portfolios. Administrative and investment services and provided by Federated Investors, Inc. TexPool has established an advisory board composed equally of participants and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. TexPool is rated AAAm by Standard and Poor's.

TexPool uses amortized cost to value portfolio assets and follows the criteria established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, for use of amortized cost. The stated objective of TexPool is to maintain a stable average of $1.00 per unit net asset value. There are no limitations or restrictions on withdrawals.

Note B - Deposits, Securities and Investments (Continued)

As of September 30, 2017, the County had the following investments:

	Market Value	% of Total	Weighted Average Maturities
Certificates of Deposit- Agency Funds	$ 686,875	3.75%	6 months
TexPool - Governmental Funds	17,650,500	96.25%	37 days
Total Investments	$ 18,337,375	100.00%	

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, 2017, the County's investments included local government investment pools and certificates of deposit, and therefore, were not exposed to interest rate risk.

Credit Risk – State statute requires that investments in Local Government Investment Pools be rated AAA or the equivalent by a nationally recognized credit rating agency. As of September 30, 2017, the TexPool investment pool was rated AAAm by Standard & Poor's.

Concentration of Credit Risk - The County does not place a limit on the amount that may be invested. As of September 30, 2017, 96.25% of the County's investments was included in local government investment pools and 3.75% was included in certificates of deposit. External investment pools are exempt from concentration of credit risk disclosures.

Custodial Credit Risk – With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2017, the County's cash was insured or collateralized with securities held by the County or by its agent in the County's name.

The County does not involuntarily participate in an external investment pool. All investment income is recorded and reported in the same fund as the investment.

Note C - Property Tax

Taxes are levied on October 1 and are past due on February 1. Property taxes attach as an enforceable lien on property as of January 1. Wise County Appraisal District appraises property values in the County. The Wise County Tax Assessor-Collector assesses and collects the County's property taxes. The County is permitted by the Municipal Finance Law of the State to levy taxes up to $1.10 per $100 of appraised valuation for general services, permanent improvements, lateral road, and jury fund purposes other than the payment of principal and interest on long-term debt and unlimited amounts for the payment of principal and interest on long-term debt. There are however stringent restrictions on the issuance of such long-term debt. The tax rate for the year ended September 30, 2017, to finance maintenance and operations (M&O) of the County was $.378900 per $100 valuation. During the fiscal year, the County levied $.046148 per $100 of appraised valuation for the Weatherford College Branch Campus Maintenance Tax (WCBCMT) to be used for the operations of the Wise County Branch Campus.

Note D - Property Taxes Receivable

In the governmental funds, taxes are recognized as revenue when received and the remaining balance is recorded as unearned revenue at year end. The following schedule details property taxes receivable by fund at September 30, 2017:

Fund	Property Taxes Receivable (Net)
General- (M&O)	$ 1,011,033
Special Revenue- (WCBCMT)	141,891
Lateral Road	206,163
Total	$ 1,359,087

Note E - Restricted Assets

Some of the County's assets have certain constraints that have been placed on how they can be used. By definition, restricted assets are non-current cash or other assets whose use in whole or in part is restricted for specific purposes bound by virtue of contractual agreements, legal requirements or enabling legislation. Restricted cash and investments of $2,500,000 are restricted for debt service requirements.

Note F – Capital Assets

Capital asset activity for the year ended September 30, 2017 was as follows:

	Balance 10/1/2016	Adjustments/ Additions	Adjustments/ Deletions	Balance 9/30/2017
Governmental activities				
Capital assets not being depreciated				
Land	$ 3,850,605	$ -	$ -	$ 3,850,605
Construction in progress	123,687	-	123,687	-
Total capital assets not being depreciated	3,974,292	-	123,687	3,850,605
Other capital assets				
Buildings and improvements	54,230,570	335,653	118,130	54,448,093
Infrastructure	76,683,055	1,284,411	-	77,967,466
Machinery and equipment	28,908,759	1,315,911	1,124,768	29,099,902
Total other capital assets	159,822,384	2,935,975	1,242,898	161,515,461
Less accumulated depreciation				
Building and improvements	16,722,367	1,276,792	91,682	17,907,477
Infrastructure	52,898,999	2,544,667	-	55,443,666
Machinery and equipment	20,495,780	2,099,730	1,030,396	21,565,114
Total accumulated depreciation	90,117,146	5,921,189	1,122,078	94,916,257
Other capital assets, net	69,705,238	(2,985,214)	120,820	66,599,204
Governmental activities capital assets, net	$ 73,679,530	$ (2,985,214)	$ 244,507	$ 70,449,809

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

Governmental activities:	
General government	$ 1,507
Judicial	27,721
Legal	15,880
Financial administration	11,786
Public facilities	1,363,023
Public safety	3,184,820
Public transportation	1,026,204
Culture and recreation	290,248
Total depreciation for governmental activities	$ 5,921,189

Note G - Long-Term Debt

The principal long-term obligations of the County include tax notes, lease revenue bonds, overpayment of sale taxes liability, and the accrued liability for compensated absences.

Lease Revenue Bonds – 2011 Series

- Secured by a lien on pledged revenues, including lease payments subject to annual appropriations, payable to the County under the intergovernmental agreement with the Parker County Junior College District.
- To construct and equip buildings for lease to the District for use as a branch campus and to fund a debt service reserve fund requirement of $2,500,000.
- $29,000,000 originally issued.
- Payable in annual installments of $45,000 to $3,265,000 through August 15, 2034.
- Interest rate ranges from 4.50% to 8.00%.
- Outstanding principal balance of $27,935,000 at September 30, 2017.

Tax Notes – 2014 Series

- For the remodeling of existing buildings and the purchase of land and equipment.
- $14,335,000 originally issued.
- Payable in annual installments of $2,565,000 to $3,075,000 through February 15, 2019.
- Interest rate ranges from 2.00% to 4.00%.
- Outstanding principal balance of $6,040,000 at September 30, 2017.

Overpayment of Sales Tax

- The County was overpaid sales tax during the years 2005 – 2008. The overpayment was the result of a business that filed a refund claim for taxes it paid in error and the State Comptroller's office performed an audit assessment and determined that the taxpayer was due a refund. The State refunded the taxpayer, which resulted in a liability of $639,190 from Wise County to the State.
- The County and the State agreed to a payment plan, in which the State will reduce the County's monthly Sales and Use Tax payment by $3,551 a month for 15 years beginning October 1, 2014.
- Interest was imputed at a rate of 3%, creating a liability with a present value of $512,048.
- Outstanding liability balance of $428,976 at September 30, 2017.

Note G - Long-Term Debt (Continued)

The following are changes by type of debt for the year ended September 30, 2017:

	Balance 10/1/2016	Increase	Decrease	Balance 9/30/2017	Amounts Due Within One Year
Tax notes	$ 8,935,000	$ -	$ 2,895,000	$ 6,040,000	$ 2,965,000
Lease revenue bonds	28,320,000	-	385,000	27,935,000	480,000
Unamortized bond premium	275,845	-	147,783	128,062	98,890
Overpayment of sales tax	458,241	-	29,265	428,976	30,155
Net Pension Liability	8,180,769	3,647,687	3,319,363	8,509,093	-
Compensated absences	1,200,963	766,495	814,631	1,152,827	504,854
Totals	$ 47,370,818	$ 4,414,182	$ 7,591,042	$ 44,193,958	$ 4,078,899

The annual requirements to amortize long-term debt as of September 30, 2017 are as follows:

	Lease Revenue Bonds		Tax Notes		Overpayment of Sales Tax		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Total
2018	$ 480,000	$ 2,167,938	$ 2,965,000	$ 167,475	$ 30,155	$ 12,457	$ 5,823,025
2019	580,000	2,137,338	3,075,000	61,500	31,072	11,540	5,896,450
2020	690,000	2,098,912	-	-	32,018	10,595	2,831,525
2021	810,000	2,051,474	-	-	32,991	9,621	2,904,086
2022	925,000	1,994,775	-	-	33,995	8,617	2,962,387
2023-2027	6,785,000	8,722,852	-	-	186,127	26,933	15,720,912
2028-2032	11,410,000	5,410,150	-	-	82,618	2,606	16,905,374
2033-2036	6,255,000	761,600	-	-	-	-	7,016,600
Totals	$ 27,935,000	$ 25,345,039	$ 6,040,000	$ 228,975	$ 428,976	$ 82,369	$ 60,060,359

The 2011 Lease Revenue Bonds required that $2,500,000 be set aside in a debt reserve fund for the life of the bonds. The County is in compliance with this reserve requirement.

Note H – Compensated Absences

County policy allows the accrual of vacation, overtime compensation, and sick pay benefits for all employees other than elected and appointed officials. Vacation and overtime compensation are paid upon termination if employees give two weeks' notice or are terminated by the County. Sick pay is not paid upon termination for any reason. At September 30, 2017, the value of the liability for compensated absences was $1,152,827 and the value of accumulated sick pay benefits was approximately $806,073. No liability has been recorded for sick pay since it is non-vesting. General fund revenues are used to liquidate the compensated absences liability.

Note I – Interfund Activity

Interfund balances at September 30, 2017 were as follows:

Receivable From	Payable To	Amount
Other governmental funds	General fund	$ 29,950

Interfund balances are related to timing differences of payables at year end.

Interfund transfers during the fiscal year were as follows:

Fund	Transfer In	Transfer Out
General fund	$ 223,097	$ (2,203,196)
Capital projects funds	-	(1,300,000)
Debt service fund	3,136,000	-
Other governmental funds	337,196	(193,097)
Total transfers	$ 3,696,293	$ (3,696,293)

Transfers are generally used (1) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) to transfer funds from the General Fund to fund various programs and supplement grants and construction projects, and (3) to transfer funds from receipts collected for various fees in special revenue funds to the General Fund to cover County expenditures.

Note J – Defined Benefit Pension Plans

Plan Description

The County participates as one of 738 plans in the nontraditional defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). TCDRS was created by the Texas Legislature and is overseen by an independent Board of Trustees, which is responsible for the administration of the System. TCDRS is a statewide, agent multiple-employer, public employee retirement system for county and district employees in the State of Texas. The TCDRS Act places the general administration and management of the System with a nine-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TCDRS is not fiscally dependent on the State of Texas. TCDRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available at www.tcdrs.org.

Note J – Defined Benefit Pension Plans (Continued)

Benefits Provided

All full- and part-time non temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

The plan provides retirement, disability, and survivor benefits. TCDRS is a savings-based plan. For the County's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 225%) and is then converted to an annuity. There are no automatic Cost of Living Adjustments (COLA's). Each year the County may elect an ad hoc COLA for its retirees. There are two COLA types, each limited by actual inflation. Benefit provisions are established under the TCDRS Act. They may be amended as of January 1 each year by Commissioners' Court, but must remain in conformity with the Act. Plan provisions for the County are as follows:

Employee deposit rate	7.0%
Employer Matching	225%
Prior Service Credit	165%
Years required for vesting	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/20, 75 total age plus service

Members may choose to receive their retirement benefit in one of seven actuarially equivalent payment options. The County has also opted to provide prior service which gives employees monetary credit for time worked for an organization before it joined the System.

Employees covered by benefit terms.

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	148
Inactive employees entitled to but not yet receiving benefits	247
Active employees	412
Total	807

Note J – Defined Benefit Pension Plans (Continued)

Contributions

The deposit rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee compensation, as adopted by the employer's governing body. Participating employers are required, by law, to contribute at actuarially determined rates, although the employer may elect to contribute at a higher rate to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and are based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the County was 10.75% and 10.28% in calendar years 2017 and 2016, respectively. The County's contributions to TCDRS for the fiscal year ended September 30, 2017 were $2,142,232, and were equal to the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2016 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

For funding calculations, TCDRS uses an entry-age actuarial cost method assuming the current plan provisions had always been in place. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year.

For financial reporting, TCDRS also uses the entry-age actuarial cost method but with a slight difference. This method varies from the method used in the funding calculations in that it uses the actual historical plan provisions in the calculation, as specified by GASB, whereas, the method used in funding assumes the current plan has always been in place. Additionally, as required by GASB, the entry age for financial reporting is based on the age the member began contributing to the plan, whereas for funding purposes the entry age is the member's current age minus all of the member's service time with TCDRS, including proportionate service.

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following TCDRS system-wide and employer specific economic assumptions:

Note J – Defined Benefit Pension Plans (Continued)

Real rate of return	5.0% per year
Inflation	3.0% per year
Long-term investment return	8.0%, net of investment expenses
Growth in memberships	0.0% per year
Payroll growth	3.5% per year

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee with a range of 0.40% to 5.25%.

The TCDRS system-wide demographic assumptions include replacement of terminated members in which new employees are assumed to replace any terminated members and have similar entry ages. The rates of disability used range from 0.000% to 0.024% depending on age for work related causes and 0.000% to 0.337% depending on age for all other causes. Mortality rates for depositing members were based on the gender-district RP-2000 Active Employee Mortality Table, with a two year set-forward for males and a four-year setback for females, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that. Mortality rates for service retirees, beneficiaries, and non-depositing members were based on the gender-distinct RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one year set-forward for males and no age adjustments for females. Mortality rates for disabled retirees were based on the gender-distinct RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set forward for females, both with the projection scale AA. For current retirees, beneficiary information is supplied by TCDRS. For purposes of calculating the Survivor Benefit for current depositing and non-depositing members, male members are assumed to have a female beneficiary who is three years younger. Female members are assumed to have a male beneficiary who is three years older. Members eligible for service retirement are assumed to retire at rates ranging from 4.5% to 30%. The rates vary by age and gender.

The employer-specific demographic assumptions include a range of rates of assumed future termination from active participation in the plan for reasons other than death, disability, or retirement of 0.0% to 39.5%. The rate can vary by length of service, entry-age group (age at hire) and gender. No termination after eligibility for retirement is assumed. Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to the County's plan decreased from 100% to 0% based on years of service. For non-depositing members who are not vested, 100% are assumed to elect a withdrawal.

Note J – Defined Benefit Pension Plans (Continued)

Actuarial assumptions, except for the mortality assumptions, used in the December 31, 2016 valuation were developed from an actuarial experience investigation of TCDRS over the years 2009-2012, first used in the December 31, 2013 actuarial valuation. The mortality assumptions were developed and adopted in 2015, first used in the December 31, 2015 actuarial valuation. The assumptions were used for the funding calculations and are the same as those used for financial reporting. The termination group assignments for each employer were based primarily upon the termination characteristics of the members of the employer's plan during the years 2009-2012 compared to the termination characteristics of all members of TCDRS during the same period.

There were several changes reflected in the December 31, 2016 valuation that applied to all employers. The changes included the following:

1.) Legislation effective in 2017 changed the fund structure for TCDRS. Previously, when a member retired, assets were transferred to a system-wide fund (the Current Service Annuity Reserve Fund or CSARF) and the associate benefit was paid from the CSARF. Effective January 1, 2017, benefits that were previously paid from the CSARF will now be paid by the retiree's former employer. CSARF assets have been allocated back to the employer in proportion to their share of the liabilities. For valuation purposes, this allocation is treated as having occurred on December 31, 2016.

2.) The asset smoothing method was modified to provide more stable year-to-year changes. The recognition period remains five years.

3.) The treatment of extra contributions due to employer lump sums or elected rates was changed to provide more immediate impact on employer liabilities, resulting in a greater reduction in the required contribution rate.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period. There were no changes between the measurement date of the net pension liability and the County's reporting date that are expected to have a significant effect on the net pension liability.

The long-term expected rate of return on pension plan investments, net of investment expense, is 8.10%. The long-term expected rate of return on TCDRS assets was determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumption and information shown below are provided by TCDRS' investment consultant. The numbers shown are based on January 2016 information for a 7 – 10 year time horizon.

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

Note J – Defined Benefit Pension Plans (Continued)

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected Minus Inflation)
US Equities	13.50%	4.70%
Private Equity	16.00%	7.70%
Global Equities	1.50%	5.00%
International Equities - Developed	10.00%	4.70%
International Equities - Emerging	7.00%	5.70%
Investment-Grade Bonds	3.00%	0.60%
High-Yield Bonds	3.00%	3.70%
Opportunistic Credit	2.00%	3.83%
Direct Lending	10.00%	8.15%
Distressed Debt	3.00%	6.70%
REIT Equities	2.00%	3.85%
Master Limited Partnerships (MLPs)	3.00%	5.60%
Private Real Estate Partnerships	6.00%	7.20%
Hedge Funds	20.00%	3.85%
Total	100.00%	

Discount Rate

In order to determine the discount rate to be used by each employer, TCDRS has used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act:

1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.

2) Under the TCDRS Act, the employer is legally required to make contributions specified in the funding policy.

3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.

4) Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Note J – Defined Benefit Pension Plans (Continued)

Since the projected fiduciary net position was projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, the discount rate used to measure the total pension liability is 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The schedule below includes changes in the net pension liability and ending balances as of the measurement date, December 31, 2016, that are included in the long-term liability in the Statement of Net Position and are due after one year.

	Increase (Decrease)		
Changes in the NPL	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2015	$ 66,900,666	$ 58,719,897	$ 8,180,769
Changes for the year:			
Service cost	3,244,855	-	3,244,855
Interest on total pension liability	5,469,784	-	5,469,784
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(469,981)	-	(469,981)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(253,936)	(253,936)	-
Benefit payments, including refunds of employee contributions	(1,710,946)	(1,710,946)	-
Administrative expenses	-	(47,364)	47,364
Member contributions	-	1,438,571	(1,438,571)
Net investment income	-	4,351,184	(4,351,184)
Employer contributions	-	2,112,642	(2,112,642)
Other	-	61,301	(61,301)
Balance at 12/31/2016	$ 73,180,442	$ 64,671,349	$ 8,509,093

Note J – Defined Benefit Pension Plans (Continued)

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what Wise County net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.10%) or 1-percentage-point higher (9.10%) than the current rate:

	1% Decrease in Discount Rate (7.10%)	Current Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	$ 83,412,690	$ 73,180,442	$ 64,707,155
Fiduciary net pension	64,671,349	64,671,349	64,671,349
Net pension liability / (asset)	$ 18,741,341	$ 8,509,093	$ 35,806

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at *www.tcdrs.com*. The County's plan's fiduciary net position has been determined on the same basis as that used by TCDRS. The TCDRS plan is reported on the accrual basis of accounting. Benefits payments are recognized when due and payable in accordance with TCDRS's plan terms. Investments are reported at fair value.

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

For the year ended September 30, 2017, the County recognized pension expense of $3,647,687. Details of the County's pension expense are as follows:

Pension Expense

Pension Expense	January 1, 2016 to December 31, 2016
Service cost	$ 3,244,855
Interest on total pension liability	5,469,784
Effect of plan changes	-
Administrative expenses	47,364
Member contributions	(1,438,571)
Expected investment return net of investment expenses	(4,819,861)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(324,505)
Recognition of assumption changes or inputs	131,548
Recognition of investment gains or losses	1,398,374
Other	(61,301)
Total Pension Expense	$ 3,647,687

Note J – Defined Benefit Pension Plans (Continued)

At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 996,833
Changes of assumptions	394,645	-
Net difference between project and actual earnings	4,121,424	-
Contributions made subsequent to measurement date	1,626,794	-
Total	$6,142,863	$ 996,833

Contributions made subsequent to the measurement date of $1,626,794 are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	$1,205,417
2019	1,205,417
2020	1,108,663
2021	(261)
2022	-
Thereafter	-
Total	$3,519,236

Note K - Postemployment Benefits Other Than Pensions

Plan Description

The County participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County and District Retirement System (TCDRS.) This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for $5,000.

The GTLF is a separate trust administered by TCDRS Board of Trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County and District Retirement System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782.

Note K - Postemployment Benefits Other Than Pensions (Continued)

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The County contributions to the GTLF for the years ended September 30, 2017, 2016, and 2015 were $55,400, $60,008, and $59,045, respectively, which equaled the contractually required contributions each year.

Note L - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To reduce its risk of exposure in these areas, the County is a member of the Texas Association of Counties Risk Pool for liability, property, and workers' compensation. The pool is a public entity risk pool and was created based on the general objectives of formulating, developing and administering a program of self-insurance for the membership and obtaining lower costs for coverages. The pool coverage is offered through interlocal agreements between the Pool and counties. The Pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the Pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting for its members. The Association submits sealed bids to counties during the bid process. The Pool is governed by a Board of Directors made up of employees or officials of counties which are members of the Pool. Member counties make contributions to the Pool, and the Pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the Pool are detailed in a separate document which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701.

There have been no significant reductions in coverage from the coverage in the past fiscal year, and there have been no settlements exceeding insurance coverage in the current or past three fiscal years.

Note M - Contingencies

Litigation

The County has been named as a defendant in pending lawsuits. Legal counsel estimates that the potential claim against the County resulting from such litigation would not materially affect the financial statements for the County.

Grants

The County received grant funds, principally from the state and federal government for various programs. Expenditures from these grants are subject to audit by the grantor, and the County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of management, any refunds that may be required as a result of expenditures disallowed by the grantors will not be material to the financial statements.

Note N - Subsequent Events

The County has evaluated subsequent events through March 20, 2018, the date the financial statements were available to be issued, and nothing significant requiring disclosure was noted.

Note O – Restatement of Beginning Fund Balances

In fiscal year 2017, the County amended its Comprehensive Fund Balance Policy, which included changes in the fund type classifications and fund balance categories. Due to these changes, beginning fund balances as of October 1, 2016 were required to be restated. The details of the restated beginning fund balances are as follows:

	General Fund	Other Governmental Funds
Beginning Fund Balances	$ 4,185,884	$ 3,070,728
Prior period adjustment for fund type classifications		
From General Fund to Other Governmental Funds	(297,230)	297,230
From Other Governmental Funds to General Fund	707,147	(707,147)
Total prior period adjustment	409,917	(409,917)
Beginning fund balances, as restated	$ 4,595,801	$ 2,660,811

REQUIRED SUPPLEMENTARY INFORMATION

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
General Fund
For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	$ 21,625,000	$ 21,415,375	$ 21,143,699	$ (271,676)
Sales and other taxes	3,534,000	3,768,010	3,768,009	(1)
Intergovernmental	810,611	800,342	792,033	(8,309)
Fees of office	4,698,900	4,854,494	4,854,485	(9)
Fines and forfeitures	430,000	451,512	451,510	(2)
Interest	21,600	99,713	99,710	(3)
Royalties and leases	180,000	203,850	203,850	-
Solid waste fees	576,000	633,472	633,471	(1)
Miscellaneous revenues and donations	514,108	759,991	696,136	(63,855)
Total revenues	32,390,219	32,986,759	32,642,903	(343,856)
Expenditures				
Current:				
General government	3,390,685	3,728,105	3,305,763	422,342
Judicial	3,730,061	3,763,785	3,776,792	(13,007)
Legal	2,003,038	1,954,552	1,954,523	29
Elections	334,321	392,454	379,157	13,297
Financial administration	2,160,753	2,119,692	2,119,653	39
Public facilities	2,817,801	2,722,070	2,699,342	22,728
Public safety	15,242,398	14,926,188	14,871,548	54,640
Public transportation	94,700	79,933	61,136	18,797
Health and welfare	1,230,392	1,248,508	1,246,130	2,378
Culture and recreation	299,500	342,617	317,363	25,254
Conservation	291,358	279,275	279,260	15
Capital outlay	67,000	113,997	177,797	(63,800)
Debt service				
Principal retirement	-	29,265	29,265	-
Interest, issuance costs and fiscal charges	-	13,347	13,347	-
Total expenditures	31,662,007	31,713,788	31,231,076	482,712
Excess of revenues over expenditures	728,212	1,272,971	1,411,827	138,856
Other financing sources (uses)				
Operating transfers in	223,123	253,096	223,097	(29,999)
Operating transfers out	(1,908,196)	(2,203,196)	(2,203,196)	-
Sale of assets	30,000	139,300	233,142	93,842
Total other financing sources (uses)	(1,655,073)	(1,810,800)	(1,746,957)	63,843
Net change in fund balances	(926,861)	(537,829)	(335,130)	$ 202,699
Fund balances, beginning of year	4,185,884	4,185,884	4,185,884	
Prior period adjustment	409,917	409,917	409,917	
Fund balances, beginning of year, restated	4,595,801	4,595,801	4,595,801	
Fund balances, end of year	$ 3,668,940	$ 4,057,972	$ 4,260,671	

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	$ 2,105,800	$ 2,357,162	$ 2,357,150	$ (12)
License and permits	1,200,000	1,188,040	1,268,352	80,312
Intergovernmental	1,615,000	1,301,539	1,197,494	(104,045)
Fines and forfeitures	572,000	553,032	553,023	(9)
Interest	10,000	43,194	43,192	(2)
Miscellaneous revenues and donations	500	15,366	29,566	14,200
Total revenues	5,503,300	5,458,333	5,448,777	(9,556)
Expenditures				
Current:				
Public transportation	7,338,158	5,273,958	5,258,993	14,965
Capital outlay	1,185,719	1,392,069	1,406,271	(14,202)
Total expenditures	8,523,877	6,666,027	6,665,264	763
Deficiency of revenues under expenditures	(3,020,577)	(1,207,694)	(1,216,487)	(8,793)
Other financing sources				
Sale of assets	-	62,744	62,744	-
Total other financing sources	-	62,744	62,744	-
Net change in fund balances	(3,020,577)	(1,144,950)	(1,153,743)	$ (8,793)
Fund balances, beginning of year	7,316,402	7,316,402	7,316,402	
Fund balances, end of year	$ 4,295,825	$ 6,171,452	$ 6,162,659	

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

WISE COUNTY, TEXAS
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Three Fiscal Years**

Measurement Date - December 31st: *	2016	2015	2014
Total Pension Liability			
Service cost	$ 3,244,855	$ 2,921,560	$ 2,824,612
Interest on total pension liability	5,469,784	5,022,759	4,589,585
Effect of plan changes	-	(570,698)	-
Effect of assumption changes or inputs	-	657,742	-
Effect of economic/demographic (gains) or losses	(469,981)	(799,156)	(353,387)
Benefit payments/refunds of contributions	(1,964,882)	(1,698,702)	(1,903,707)
Net change in total pension liability	6,279,776	5,533,505	5,157,103
Total pension liability, beginning	66,900,666	61,367,161	56,210,058
Total pension liability, ending (a)	$ 73,180,442	$ 66,900,666	$ 61,367,161
Plan Fiduciary Net Position			
Employer contributions	$ 2,112,642	$ 2,172,311	$ 2,096,387
Member contributions	1,438,571	1,438,620	1,372,754
Investment income net of investment expenses	4,351,184	(892,941)	3,532,953
Benefit payments/refunds of contributions	(1,964,882)	(1,698,702)	(1,903,707)
Administrative expenses	(47,364)	(42,013)	(42,610)
Other	61,301	8,243	(1,387)
Net change in plan fiduciary net position	5,951,452	985,518	5,054,390
Plan fiduciary net position, beginning	58,719,897	57,734,379	52,679,989
Plan fiduciary net position, ending (b)	$ 64,671,349	$ 58,719,897	$ 57,734,379
Net Pension Liability, ending (a) - (b)	$ 8,509,093	$ 8,180,769	$ 3,632,782
Plan's fiduciary net position as a percentage of total pension liability	88.37%	87.77%	94.08%
Covered - payroll	$ 20,551,020	$ 20,551,716	$ 19,610,771
Net pension liability as a percentage of covered - payroll	41.40%	39.81%	18.52%

* The amounts presented above are as of the measurement date of the collective net pension liability.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

WISE COUNTY, TEXAS
Schedule of Employer Contributions and Related Ratios
Last Three Fiscal Years**

Year Ended September 30th: *	2017	2016	2015
Actuarially determined contribution	$ 2,142,232	$ 2,142,114	$ 2,158,059
Contributions in relation to the actuarially determined amount	2,142,232	2,142,114	2,158,059
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 20,146,958	$ 20,692,252	$ 20,360,478
Contributions as a percentage of covered payroll	10.6%	10.4%	10.6%

Notes to Schedule of Contributions

Valuation Date:

Actuarially determined contribution rates are calcualted as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contributions Rates:

See Note J. Defined Benefit Pension Plans to the financial statements.

Other Information:

There were no benefit or plan provision changes during 2015 and 2016.

Payroll is calculated based on contributions as reported to TCDRS.

* The amounts presented above are as of the County's fiscal year-end.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

COMBINING AND BUDGET STATEMENTS

MAJOR GOVERNMENTAL FUNDS COMBINING AND BUDGETARY COMPARISON STATEMENTS

WISE COUNTY, TEXAS
Combining Balance Sheet
Lateral Road Fund
September 30, 2017

Assets	Right of Way and Fencing	Precinct No. 1	Precinct No. 2	Precinct No. 3	Precinct No. 4	County Thoroughfare	Grants	Total Lateral Road Fund
Cash	$ 1,728	$ 140,020	$ 101,761	$ 118,320	$ 136,639	$ 587,729	$ 249,849	$ 1,336,046
Investments	840,000	50,000	175,000	75,000	775,000	1,675,000	1,025,000	4,615,000
Receivables								
Property taxes (net of allowance of $118,008)	8,864	47,964	69,079	36,318	43,938	-	-	206,163
Accounts	23,331	8	-	-	342	-	-	23,681
Due from other governments	197,919	20,079	20,079	20,079	20,079	-	141,144	419,379
Total assets	$ 1,071,842	$ 258,071	$ 365,919	$ 249,717	$ 975,998	$ 2,262,729	$ 1,415,993	$ 6,600,269
Liabilities, deferred inflows of resources and fund balances								
Liabilities								
Accounts payable	$ 98,851	$ 627	$ 4,414	$ 1,159	$ 103	$ 34,735	$ -	$ 139,889
Accrued salaries and benefits	-	16,752	18,891	17,126	15,458	-	-	68,227
Total liabilities	98,851	17,379	23,305	18,285	15,561	34,735	-	208,116
Deferred inflows of resources								
Unavailable revenue - property taxes	8,864	47,964	69,079	36,318	43,938	-	-	206,163
Unavailable revenue - other	23,331	-	-	-	-	-	-	23,331
Total deferred inflows of resources	32,195	47,964	69,079	36,318	43,938	-	-	229,494
Fund balances								
Restricted for								
Roads and bridges	940,796	192,728	273,535	195,114	916,499	-	1,415,993	3,934,665
Committed to								
Special road projects	-	-	-	-	-	2,227,994	-	2,227,994
Total fund balances	940,796	192,728	273,535	195,114	916,499	2,227,994	1,415,993	6,162,659
Total liabilities, deferred inflows of resources, and fund balances	$ 1,071,842	$ 258,071	$ 365,919	$ 249,717	$ 975,998	$ 2,262,729	$ 1,415,993	$ 6,600,269

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

WISE COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Lateral Road Fund
For the Fiscal Year Ended September 30, 2017

	Right of Way and Fencing	Precinct No. 1	Precinct No. 2	Precinct No. 3	Precinct No. 4	County Thoroughfare	Grants	Inter-Fund Eliminations	**Total Lateral Road Fund**
Revenues									
Property taxes	$320,748	$ 431,902	$ 614,380	$ 324,082	$ 394,362	$ -	$ 271,676	$ -	$ 2,357,150
Licenses and permits	-	317,088	317,088	317,088	317,088	-	-	-	1,268,352
Intergovernmental	258,650	34,114	34,114	34,114	34,114	481,744	320,644	-	1,197,494
Fines and forfeitures	-	138,261	138,278	138,254	138,230	-	-	-	553,023
Interest	6,767	2,168	4,854	2,102	6,443	10,517	10,341	-	43,192
Miscellaneous revenues and donations	-	107	8,564	14,529	6,366	-	-	-	29,566
Total revenues	586,165	923,640	1,117,278	830,169	896,603	492,261	602,661	-	5,448,777
Expenditures									
Current:									
Public transportation	528,902	1,056,097	1,639,806	1,039,040	969,720	25,427	1	-	5,258,993
Capital outlay	38,830	88,557	3,535	14,200	142,029	707,323	411,797	-	1,406,271
Total expenditures	567,732	1,144,654	1,643,341	1,053,240	1,111,749	732,750	411,798	-	6,665,264
Excess (deficiency) of revenues over (under) expenditures	18,433	(221,014)	(526,063)	(223,071)	(215,146)	(240,489)	190,863	-	(1,216,487)
Other financing sources (uses)									
Operating transfers in	-	177,254	177,254	177,254	177,254	-	-	(709,016)	-
Operating transfers out	-	-	-	-	-	-	(709,016)	709,016	-
Sale of assets	-	6,559	6,685	-	49,500	-	-	-	62,744
Total other financing sources (uses)	-	183,813	183,939	177,254	226,754	-	(709,016)	-	62,744
Net change in fund balances	18,433	(37,201)	(342,124)	(45,817)	11,608	(240,489)	(518,153)	-	(1,153,743)
Fund balances, beginning of year	922,363	229,929	615,659	240,931	904,891	2,468,483	1,934,146	-	7,316,402
Fund balances, end of year	$940,796	$ 192,728	$ 273,535	$ 195,114	$ 916,499	$ 2,227,994	$1,415,993	$ -	$ 6,162,659

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 -
Capital Projects Fund
For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest	$ 15,000	$ 40,573	$ 40,572	$ (1)
Miscellaneous revenues and donations	-	-	1	1
Total revenues	15,000	40,573	40,573	-
Expenditures				
General government	20,000	-	-	-
Public safety	130,000	119,482	119,482	-
Capital outlay	2,105,000	1,165,786	1,165,783	3
Total expenditures	2,255,000	1,285,268	1,285,265	3
Deficiency of revenues under expenditures	(2,240,000)	(1,244,695)	(1,244,692)	3
Other financing uses				
Operating transfers out	(1,300,000)	(1,300,000)	(1,300,000)	-
Total other financing uses	(1,300,000)	(1,300,000)	(1,300,000)	-
Net change in fund balances	(3,540,000)	(2,544,695)	(2,544,692)	$ 3
Fund balances, beginning of year	8,293,904	8,293,904	8,293,904	
Fund balances, end of year	$ 4,753,904	$ 5,749,209	$ 5,749,212	

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 -
Debt Service Fund
September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest	$ 4,900	$ 20,238	$ 20,237	$ (1)
Leases	2,572,438	2,576,038	2,576,038	-
Total revenues	2,577,338	2,596,276	2,596,275	(1)
Expenditures				
Debt service:				
Principal retirement	3,280,000	3,280,000	3,280,000	-
Interest and fiscal charges	2,433,338	2,452,276	2,432,739	19,537
Total expenditures	5,713,338	5,732,276	5,712,739	19,537
Deficiency of revenues under expenditures	(3,136,000)	(3,136,000)	(3,116,464)	19,536
Other financing sources				
Operating transfers in	3,136,000	3,136,000	3,136,000	-
Total other financing sources	3,136,000	3,136,000	3,136,000	-
Net change in fund balances	-	-	19,536	$ 19,536
Fund balance, beginning of year	2,870,888	2,870,888	2,870,888	
Fund balance, end of year	$ 2,870,888	$ 2,870,888	$ 2,890,424	

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

NONMAJOR GOVERNMENTAL FUNDS COMBINING AND BUDGETARY COMPARISON STATEMENTS

WISE COUNTY, TEXAS
Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2017

	Special Revenue Funds					
	County Grants	County Clerk Record Management	Juvenile Probation TJJD 17-249	WCWC Branch Maintenance Tax	Other Special Revenue	**Total Nonmajor Governmental Funds**
Assets						
Cash	$ 45,850	$ 870,920	$ 234,139	$ -	$1,818,320	$ 2,969,229
Investments	-	-	5,000	-	-	5,000
Receivables						
Property tax (net of allowance of $9,088)	-	-	-	141,891	-	141,891
Accounts	-	-	24,583	-	397	24,980
Due from other governments	59,646	-	-	-	-	59,646
Total assets	$105,496	$ 870,920	$ 263,722	$ 141,891	$1,818,717	$ 3,200,746
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Accounts payable	$ 9	$ 4,793	$ 15,675	$ -	$ 11,363	$ 31,840
Accrued salaries and benefits	4,351	-	-	-	-	4,351
Due to other funds	-	-	-	-	29,950	29,950
Due to other governments	-	-	-	-	249,367	249,367
Total liabilities	4,360	4,793	15,675	-	290,680	315,508
Deferred inflows of resources						
Unavailable revenue - property taxes	-	-	-	141,891	-	141,891
Fund balances						
Restricted for						
State and federal programs	101,136	-	248,047	-	-	349,183
Records management	-	866,127	-	-	66,074	932,201
General government	-	-	-	-	29,303	29,303
Legal	-	-	-	-	611,665	611,665
Public safety	-	-	-	-	518,250	518,250
Justice courts technology	-	-	-	-	302,745	302,745
Total fund balances	101,136	866,127	248,047	-	1,528,037	2,743,347
Total liabilities, deferred inflows of resources, and fund balances	$ 105,496	$ 870,920	$ 263,722	$ 141,891	$ 1,818,717	$ 3,200,746

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

WISE COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2017

	Special Revenue Funds					
	County Grants	County Clerk Record Management	Juvenile Probation TJJD 17-249	WCWC Branch Maintenance Tax	Other Special Revenue	**Total Nonmajor Governmental Funds**
Revenues						
Property taxes	$ -	$ -	$ -	$ 2,899,762	$ -	$ 2,899,762
Intergovernmental	131,889	-	512,425	-	14,694	659,008
Fees of office	-	311,483	-	-	214,758	526,241
Interest	-	-	760	-	789	1,549
Miscellaneous revenues and donations	-	-	1,000	-	72,347	73,347
Total revenues	131,889	311,483	514,185	2,899,762	302,588	4,159,907
Expenditures						
Current:						
General government	-	-	-	2,899,762	19,731	2,919,493
Judicial	-	-	-	-	81,503	81,503
Legal	-	172,486	-	-	17,622	190,108
Elections	-	-	-	-	-	-
Public safety	198,843	-	801,429	-	19,696	1,019,968
Capital outlay	8,253	-	-	-	2,145	10,398
Total expenditures	207,096	172,486	801,429	2,899,762	140,697	4,221,470
Excess (deficiency) of revenues over (under) expenditures	(75,207)	138,997	(287,244)	-	161,891	(61,563)
Other financing sources (uses)						
Operating transfers in	32,196	-	305,000	-	-	337,196
Operating transfers out	-	(111,316)	-	-	(81,781)	(193,097)
Total other financing sources (uses)	32,196	(111,316)	305,000	-	(81,781)	144,099
Net change in fund balances	(43,011)	27,681	17,756	-	80,110	82,536
Fund balances, beginning of year	144,147	838,446	230,291	-	1,857,844	3,070,728
Prior period adjustment	-	-	-	-	(409,917)	(409,917)
Fund balance, beginning of year, restated	144,147	838,446	230,291	-	1,447,927	2,660,811
Fund balances, end of year	$ 101,136	$ 866,127	$ 248,047	$ -	$ 1,528,037	$ 2,743,347

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 -
Non Major - Special Revenue Funds
September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	$ 2,831,900	$ 2,899,762	$ 2,899,762	$ -
Intergovernmental	613,863	639,283	659,008	19,725
Fees of office	482,300	526,259	526,241	(18)
Interest	950	1,590	1,549	(41)
Miscellaneous revenues and donations	22,000	73,349	73,347	(2)
Total revenues	3,951,013	4,140,243	4,159,907	19,664
Expenditures				
Current:				
General government	2,861,900	2,930,164	2,919,493	10,671
Judicial	125,352	87,023	81,503	5,520
Legal	237,076	233,626	190,108	43,518
Public safety	994,434	1,032,819	1,019,968	12,851
Capital outlay	27,900	86,419	10,398	76,021
Total expenditures	4,246,662	4,370,051	4,221,470	148,581
Deficiency of revenues under expenditures	(295,649)	(229,808)	(61,563)	168,245
Other financing sources (uses)				
Operating transfers in	36,296	32,196	337,196	305,000
Operating transfers out	(183,123)	(193,096)	(193,097)	(1)
Total other financing sources (uses)	(146,827)	(160,900)	144,099	304,999
Net change in fund balances	(442,476)	(390,708)	82,536	$ 473,244
Fund balances, beginning of year	3,070,728	3,070,728	3,070,728	
Prior period adjustment	(409,917)	(409,917)	(409,917)	
Fund balance, beginning of year, restated	2,660,811	2,660,811	2,660,811	
Fund balances, end of year	$ 2,218,335	$ 2,270,103	$ 2,743,347	

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

AGENCY FUNDS

WISE COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities -
All Agency Funds
September 30, 2017

	District Attorney Criminal Justice	District Attorney Hot Check	District Attorney Fee	County Attorney Fee	Bond Holding	Juvenile Probation Fee	Jury Fund	Estray Animal	Wise County CSCD
Assets									
Cash	$ 321,092	$ 268	$ 4,884	$16,003	$ 163,765	$ 28,601	$ 2,721	$ 7,074	$ 1,105,175
Investments	-	-	-	-	-	-	-	-	-
Receivables:									
Property Taxes - for other governments	-	-	-	-	-	-	-	-	-
Total assets	$ 321,092	$ 268	$ 4,884	$16,003	$ 163,765	$ 28,601	$ 2,721	$ 7,074	$ 1,105,175
Liabilities									
Deposits held and due to others	$ 321,092	$ 268	$ 4,884	$16,003	$ 163,765	$ 28,601	$ 2,721	$ 7,074	$ 1,105,175
Property taxes to be collected - due to other governments	-	-	-	-	-	-	-	-	-
Total liabilities	$ 321,092	$ 268	$ 4,884	$16,003	$ 163,765	$ 28,601	$ 2,721	$ 7,074	$ 1,105,175

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

WISE COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities -
All Agency Funds
September 30, 2017

	District Attorney Restitution	Sherriff's Department Bond and Fine	Tax A/C Special Inventory	Special Inventory	Inmate Trust Fund	Justice of Peace #4	Tax A/C Auto Registration	County Attorney Forfeiture	District Clerk Trust	County Clerk Trust
Assets										
Cash	$ 2,175	$ 136	$ 347,422	$ 14,733	$ 21,129	$ 2	$ 262,548	$ 7,980	$ 517,710	$ -
Investments	-	-	-	-	-	-	-	-	339,166	347,709
Receivables:										
Property Taxes - for other governments	-	-	-	-	-	-	-	-	-	-
Total assets	$ 2,175	$ 136	$ 347,422	$ 14,733	$ 21,129	$ 2	$ 262,548	$ 7,980	$ 856,876	$ 347,709
Liabilities										
Deposits held and due to others	$ 2,175	$ 136	$ 347,422	$ 14,733	$ 21,129	$ 2	$ 262,548	$ 7,980	$ 856,876	$ 347,709
Property taxes to be collected - due to other governments	-	-	-	-	-	-	-	-	-	-
Total liabilities	$ 2,175	$ 136	$ 347,422	$ 14,733	$ 21,129	$ 2	$ 262,548	$ 7,980	$ 856,876	$ 347,709

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

WISE COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities -
All Agency Funds
September 30, 2017

	County Credit Card	Tax Office	Sheriff's Department Commissary	Register Fund Excess Tax Fund	EFTPS	Bail Bond	County Attorney Restitution	Mobile Home Escrow	Property Taxes - Other Governments	Total Agency Funds
Assets										
Cash	$ 2,157	$ 2,824	$ 270,286	$ 129,326	$ 244,732	$ 68,475	$ 3,558	$ 26,494	$ -	$ 3,571,270
Investments	-	-	-	-	-	-	-	-	-	686,875
Receivables:										
Property Taxes - for other governments	-	-	-	-	-	-	-	-	60,734	60,734
Total assets	$ 2,157	$ 2,824	$ 270,286	$ 129,326	$ 244,732	$ 68,475	$ 3,558	$ 26,494	$ 60,734	$ 4,318,879
Liabilities										
Deposits held and due to others	$ 2,157	$ 2,824	$ 270,286	$ 129,326	$ 244,732	$ 68,475	$ 3,558	$ 26,494	$ -	$ 4,258,145
Property taxes to be collected - due to other governments	-	-	-	-	-	-	-	-	60,734	60,734
Total liabilities	$ 2,157	$ 2,824	$ 270,286	$ 129,326	$ 244,732	$ 68,475	$ 3,558	$ 26,494	$ 60,734	$ 4,318,879

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

STATISTICAL SECTION

WISE COUNTY, TEXAS
General Governmental Revenues by Source
Last Ten Fiscal Years
(Unaudited)
4

Fiscal Year	Taxes	Intergovernmental		Licenses and Permits	Fees of Office	Fines and Forfeitures	Interest	Royalties and Leases	Solid Waste Fees	Miscellaneous	Total
		Non-Federal Funds	Federal Funds								
2008	$ 29,236,626	$ 899,981	$ 546,451	$ 1,508,784	$ 4,463,724	$ 1,477,670	$ 863,348	$ 1,132,259	$ 460,770	$ 1,174,551	$ 41,764,164
2009	31,502,288	1,156,235	177,098	1,415,776	4,459,122	1,334,617	248,836	373,935	467,713	696,222	41,831,842
2010	35,121,296	862,613	793,832	1,372,604	4,336,133	1,391,440	60,215	628,501	442,673	555,223	45,564,530
2011	36,019,577	727,971	379,349	1,269,878	4,512,768	1,452,419	201,185	1,542,103	504,703	630,464	47,240,417
2012	35,969,352	1,531,973	630,952	1,369,904	4,779,734	1,388,086	56,180	1,980,358	482,216	662,382	48,851,137
2013	36,780,452	1,065,734	1,139,551	1,347,172	4,681,598	1,320,313	40,975	2,794,272	511,651	751,678	50,433,396
2014	36,189,644	1,271,291	529,232	1,347,584	5,316,557	1,207,098	50,688	2,833,322	506,284	1,446,831	50,698,531
2015	36,530,427	1,135,770	1,717,955	1,265,346	5,175,746	999,810	27,989	2,747,878	541,390	935,261	51,077,572
2016	35,736,050	2,394,421	601,309	1,315,140	5,518,721	1,047,566	96,998	2,689,371	622,839	1,441,662	51,464,077
2017	30,168,620	1,963,162	685,373	1,268,352	5,380,726	1,004,533	205,260	2,779,888	633,471	799,050	44,888,435

WISE COUNTY, TEXAS
General Governmental Expenditures by Function
(Excluding Capital Outlay)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Government	Judicial	Legal	Elections	Financial Administration	Public Facilities	Public Safety	Public Transportation	Health and Welfare	Culture and Recreation	Conservation	Debt Service	Total
2008	$ 2,571,222	$ 2,248,356	$ 1,252,861	$218,701	$ 1,440,154	$ 2,832,750	$ 12,883,805	$ 7,404,404	$ 1,725,757	$ 234,027	$ 211,024	$ 1,754,381	$ 34,777,442
2009	3,011,867	2,503,556	1,486,646	248,492	1,665,163	2,844,331	13,956,642	5,968,841	1,394,676	284,021	249,570	2,950,453	36,564,258
2010	7,052,060	2,581,025	1,680,625	282,124	1,731,874	2,787,673	14,563,483	6,133,246	1,132,768	279,076	244,480	2,966,762	41,435,196
2011	6,592,666	2,789,808	1,845,103	296,174	1,786,841	3,009,134	15,190,749	9,756,738	1,115,367	302,629	254,054	3,921,362	46,860,625
2012	6,855,686	3,086,855	1,866,922	373,741	1,808,081	2,955,195	14,949,596	9,603,525	1,203,003	274,898	306,977	6,100,029	49,384,508
2013	6,990,431	3,303,957	1,913,257	298,524	1,831,194	2,920,447	15,432,684	8,602,423	1,252,779	261,641	276,137	5,581,035	48,664,509
2014	7,000,061	3,422,964	2,029,334	355,081	1,921,293	2,997,257	16,261,813	7,104,993	1,415,999	351,971	286,942	5,827,183	48,974,891
2015	7,727,592	3,709,655	2,073,969	307,637	2,151,697	3,119,103	16,893,894	7,128,465	1,183,587	296,809	298,600	5,604,416	50,495,424
2016	6,919,032	3,753,242	2,131,120	394,744	2,194,052	3,007,463	16,977,454	7,178,002	1,418,149	277,686	293,350	5,689,805	50,234,099
2017	6,225,256	3,858,295	2,144,631	379,157	2,119,653	2,699,342	16,010,998	5,320,129	1,246,130	317,363	279,260	5,755,351	46,355,565

WISE COUNTY, TEXAS
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy (Including Supplements)	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2008	$ 23,579,843	$23,386,381	99.18%	$436,392	$23,822,773	101.03%	$ 1,324,336	5.62%
2009	26,817,785	26,168,136	97.58%	430,189	26,598,325	99.18%	1,358,915	5.07%
2010	31,631,104	30,901,649	97.69%	384,090	31,285,739	98.91%	1,474,240	4.66%
2011	32,528,854	30,523,119	93.83%	503,928	31,027,047	95.38%	1,510,093	4.64%
2012	32,002,034	30,305,093	94.70%	541,322	30,846,415	96.39%	1,454,133	4.54%
2013	31,293,318	30,997,207	99.05%	615,601	31,612,808	101.02%	1,520,154	4.86%
2014	30,741,854	30,395,131	98.87%	374,678	30,769,809	100.09%	1,552,750	5.05%
2015	32,251,426	31,797,095	98.59%	300,868	32,097,963	99.52%	1,622,451	5.03%
2016	31,927,411	31,519,519	98.72%	276,830	31,796,349	99.59%	1,784,451	5.59%
2017	26,191,818	25,794,026	98.48%	313,432	26,107,458	99.68%	1,898,653	7.25%

WISE COUNTY, TEXAS

Computation of Legal Debt Margin

September 30, 2017

(Unaudited)

Assessed valuation:			
Assessed valuation of property			$ 8,738,408,615
Less: Exemptions			(2,498,189,738)
Taxable assessed value			$ 6,240,218,877
Legal debt margin:			
Debt limit (25% of taxable assessed value)			$ 1,560,054,719
Debt applicable to limitation:			
Total bonded debt			
Add: Tax notes		$ 6,040,000	
Less: Amount available for repayment of bonded debt		252,419	
Total debt applicable to limitation			5,787,581
Legal debt margin			$ 1,554,267,138

Note: Debt limit 25% of assessed value of real property, Article 3, Section 52, of the Texas Constitution.

WISE COUNTY, TEXAS
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2008	64,500	8,270,290,118	16,210,000	213,581	15,996,419	0.193%	248.01
2009	66,100	6,645,204,398	14,080,000	206,802	13,873,198	0.209%	209.88
2010	66,950	7,048,173,424	11,675,000	200,889	11,474,111	0.163%	171.38
2011	59,127	7,317,988,569	9,010,000	354,431	8,655,569	0.118%	146.39
2012	59,833	7,133,846,711	6,240,000	208,420	6,031,580	0.085%	100.81
2013	60,432	7,239,223,655	3,180,000	712,959	2,467,041	0.034%	40.82
2014	60,939	7,271,856,212	14,335,000	249,221	14,085,779	0.194%	231.15
2015	61,638	7,629,062,089	11,770,000	249,649	11,520,351	0.151%	186.90
2016	62,953	7,555,972,652	8,935,000	250,640	8,684,360	0.115%	137.95
2017	64,455	6,240,218,877	6,040,000	252,419	5,787,581	0.093%	89.79

OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION



SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Commissioners' Court
Wise County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wise County, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wise County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wise County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wise County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wise County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Snow Garrett Williams

Snow Garrett Williams
March 20, 2018