

**OFFICE OF THE TREASURER
WARD COUNTY, TEXAS**

**CASH BASIS
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2012**

OFFICE OF THE TREASURER
WARD COUNTY, TEXAS
CASH-BASIS FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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OFFICE OF THE TREASURER
WARD COUNTY, TEXAS
CASH-BASIS FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Office of the County Treasurer, Ward County, Texas, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Office of the County Treasurer, Ward County, Texas 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—cash basis of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Office of the County Treasurer, Ward County, TX, as of December 31, 2012, and the respective changes in financial position—cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

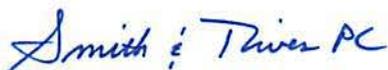
Disclaimer of Opinion on Some Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office of the County Treasurer, Ward County, Texas basic financial statements. The management's discussion and analysis on pages 3 thru 8 are the responsibility of management and, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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.

The Statement of Collections and Distribution of Ad Valorem Taxes, Combining Statements of Nonmajor funds, Combining Statements of Nonmajor Enterprise Funds, Combining Statements of Internal Service Funds, and Combining Schedule of Cash Balances of Agency Funds are the responsibility of management and were derived from and related 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 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 statements aforementioned are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2013, on our consideration of the Office of the County Treasurer, Ward County, Texas 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 the Office of the County Treasurer, Ward County, Texas internal control over financial reporting and compliance.



Smith & Rives, PC
Monahans, TX
July 15, 2013

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2012

As administration of the Office of the County Treasurer of Ward County, Texas, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the Independent Auditor's Report on page 1, and the County's Basic Financial Statements, which begin on page 9.

SCOPE OF REPORT

The information contained in this report represents only the cash accounts and funds that the Office of the County Treasurer administers. Ward County has other cash accounts and funds that are not the responsibility of the Office of the County Treasurer. They are not included in this information. Therefore, when we refer to the "County" we are referring to only the funds for which the Office of the County Treasurer is responsible.

BASIS OF ACCOUNTING

The Office of the Treasurer of Ward County, Texas prepared its financial statements on the cash basis of accounting which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). In addition, the County also omits recording general fixed assets and infrastructure assets on the financial statements which is a departure from GAAP. Management budgets and records receipts and disbursements on a cash basis because it believes this comprehensive basis of accounting is more suitable to the efficient administration of a smaller government.

In recording the information that follows, the reader is asked to be aware of the use of cash-basis accounting. To facilitate reading, repetitive references to the accounting basis will not be made, but all financial data and financial statements referred to are cash basis, not GAAP.

FINANCIAL HIGHLIGHTS

The County's cash fund balance increased by \$190,580 as a result of this year's operations. Cash fund balance of our business-type activity, Ward Memorial Hospital, decreased by \$443,451, or approximately (81%) and cash fund balance of our governmental funds increased by \$634,031, or approximately 6%. (Exhibit B-1)

During the year, the County accounted for receipts from governmental programs of \$17,997,115. That was \$3,962,249 more than the disbursements of governmental programs. (Exhibit C-2) This compares to last year when receipts exceeded disbursements by \$5,484,447. Total disbursements for the County's programs were \$14,034,866, while last year's cost was \$11,747,276. (Exhibit C-2)

The County's business-type activity's receipts, relating to Ward Memorial Hospital activities, decreased by \$1,353,206, or 16%, while disbursements decreased by \$599,333, or nearly 6%.

The General Fund ended the year with a cash fund balance of \$5,251,219, while last year's General Fund cash balance was \$5,903,391.

The resources available for appropriation were \$612,180 more than budgeted for the General Fund due primarily to the effects of increased property values experienced by the County's citizens and a more robust economy.

Actual disbursements were \$1,321,307 less than budgeted for the General Fund.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Cash Balances and the Statement of Cash Receipt and Disbursement Activities (on pages 9-13). These provide information about the activities of the County as a whole.

Fund financial statements (starting on page 14) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how services of the Hospital were provided to patients and how the services receipts covered the disbursements for the services.

The notes to the financial statements (starting on page 22) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major funds, internal service funds and agency funds contain even more information about the County's individual funds.

REPORTING THE COUNTY TREASURER'S OFFICE AS A WHOLE

The analysis of the Office of the County Treasurer's overall financial condition and operations begins on page 3. Its primary purpose is to show whether the accounts accounted for by the County are better off or worse off as a result of the year's activities. The Statement of Cash Balances includes all the cash accounts managed by the Office of the County Treasurer at the end of the year while the Statement of Cash Receipt and Disbursement Activities includes all the cash receipts and disbursements generated by the County's operations during the year.

Both of the government-wide financial statements distinguish functions accounted for by the County that are principally supported by taxes and intergovernmental receipts (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The major governmental activities of the County include Judicial, Administration (Courthouse), Public Safety, Highway and Street, Culture and Recreation, and Legal Compliance.

These two statements report the County's cash balances and changes in them. The County's cash basis fund balance provides one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's cash basis fund balances are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider non-financial factors as well, such as changes in the County's property tax base or the condition of the County's facilities.

In the Statement of Cash Balances and the Statement of Cash Receipt and Disbursement Activities, we divide the County into two kinds of activities:

Governmental Activities: Most of the County's basic services are reported here. Property tax, state and federal grants, charges for services and fines finance most of these activities.

Business-type Activities: The County charges fees to patients and federal and state agencies such as Medicare and Medicaid to help it cover all or most of the cost of services it provides in the Hospital Operating Fund.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 14 and provide detailed information about the most significant funds – not the County as a whole. Laws and contracts require the County to establish some funds, such as grants received from a government agency. The County's administration establishes many other funds to help it control and manage money for particular purposes. The County's two kinds of funds – governmental and proprietary – use the cash-basis of accounting.

Governmental Funds: Most of the County's basic services are reported in governmental funds. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides.

Proprietary Funds: The County reports the activities for which it charges users in proprietary funds using the cash-basis of accounting.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the cash fund balance (Table I) and changes in cash fund balance (Table II) of the County's governmental and business-type activities.

Cash fund balances of the County's governmental activities were \$12,006,924 at December 31, 2012. Unrestricted cash balances – the part of Cash fund balance that can be used to finance day-to-day operations without constraints established by enabling legislation, or other legal requirements – were \$5,251,219 at December 31, 2012.

Cash fund balances of the County's business-type activities were \$102,659 at December 31, 2012.

**Table I
Cash Fund Balance**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Unrestricted cash and cash equivalents	\$ 10,990,910	\$ 10,205,172	\$ 102,659	\$ 546,110
Cash Equivalents-CDs	500,050	500,050	-	-
Restricted cash and cash equivalents	515,964	670,816	-	-
Total assets	\$ 12,006,924	\$ 11,376,038	\$ 102,659	\$ 546,110
Fund Balance				
Other Restricted Fund Balance	\$ 1,121,942	\$ 670,816	\$ -	\$ -
Unrestricted	10,884,982	10,705,222	102,659	546,110
Total Net Assets	\$ 12,006,924	\$ 11,376,038	\$ 102,659	\$ 546,110

**Table II
Changes in Cash Balance**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Receipts:				
Program Receipts:				
Charges for Services	\$ 1,015,208	\$ 1,079,965	\$ 6,911,840	\$ 7,930,463
General Receipts:				
Ad-Valorem Taxes	14,106,998	14,399,113	-	-
Hotel/Motel Tax	73,625	-	-	-
Sales taxes	55,861	32,268	-	-
Grants & Contributions	699,454	506,304	58,387	1,511
Licenses and permits	333,185	313,510	-	-
Miscellaneous	1,683,091	874,730	44,242	552,280
UPL Sweep	-	-	116,579	-
Sale of Real & Personal Property	65,112	-	-	-
Investment Earnings	29,693	25,833	762	629
Total Receipts	\$ 18,062,227	\$ 17,231,723	\$ 7,131,810	\$ 8,484,883
Disbursements:				
Cost of medical services	\$ -	\$ -	\$ 9,636,261	\$ 10,235,594
General Government	3,293,865	3,820,084	-	-
Public Safety	2,320,710	1,883,143	-	-
Highways and Streets	2,022,693	2,202,595	-	-
Culture and Recreation	1,390,260	1,173,052	-	-
Indigent Assistance	280,311	251,625	-	-
Emergency Medical Services	787,952	852,780	-	-
County and District Clerks	508,484	463,421	-	-
Sanitation (Water/septic system)	-	-	-	-
County and District Attorneys	925,998	614,355	-	-
Justices of the Peace	313,914	252,312	-	-
Coliseum Renovations	-	116,037	-	-
Capital Outlay	2,007,837	-	-	-
Miscellaneous	182,842	117,872	-	-
Total Disbursements	\$ 14,034,866	\$ 11,747,276	\$ 9,636,261	\$ 10,235,594
Increase (decrease) in Cash Fund Balance before transfers	\$ 4,027,361	\$ 5,484,447	\$ (2,504,451)	\$ (1,750,711)
Transfers	(3,393,330)	(3,108,909)	2,061,000	1,750,000
Increase (decrease) in cash fund balance	\$ 634,031	\$ 2,375,538	\$ (443,451)	\$ (711)
Prior Period Adjustment	(3,145)	-	-	-
Cash fund balance -January 1	11,376,038	9,000,500	546,110	546,821
Cash fund balance - December 31	\$ 12,006,924	\$ 11,376,038	\$ 102,659	\$ 546,110

CASH BASIS FINANCIAL STATEMENTS

The cost of all governmental activities this year was \$14,034,866. (Exhibit C-2) However, as shown in the Statement of Cash Receipts and Disbursement Activities on pages 10 and 11, some of the costs were paid by those who directly benefited from the programs (\$1,015,208) or by other governments and organizations that subsidized certain programs with grants and contributions (\$699,454).

THE COUNTY TREASURER'S FUNDS

As the Office of the County Treasurer completed the year, its governmental funds (as presented in the cash-basis balance sheet on page 14) reported a combined fund balance of \$12,006,924, which is more than last year's total of \$11,376,038.

Over the course of the year, the Commissioners' Court made revisions to the County's budget. These budget amendments increased budgeted receipts by \$115,000 and increased budgeted disbursements by \$2,183,199.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2013 budget and tax rate. One of those factors is the economy and, in particular, the oil & gas industry. The price of crude oil and natural gas has been high over the course of the current year, which contributes heavily upon the valuation of properties on the mineral roll. The County's population has held steady in recent years, and it is possible that it may continue into the foreseeable future.

These indicators were taken into account when adopting the budget for 2013. Amounts available for appropriation in the budget are \$29,440,612 an increase of 8% under the final 2013 budget of \$27,293,388. Budgeted disbursements are expected to decrease by 13% to \$25,542,898 from \$29,407,583 in 2013. There is a budgeted inter-fund transfer from the General Fund to the Hospital Operating Fund for 2013 in the amount of \$1,900,000. Another budgeted transfer is from the General Fund to Medical Benefits for \$1,200,000 for 2013. The General Fund also has budgeted an inter-fund transfer to the New Construction Fund in the amount of \$3,775,000. The New Construction Fund balance is expected to continue to grow for the next few years via transfers from the General Fund so that the County will eventually have the funds required to construct a new County Convention Center.

If these estimates are realized, the County's budgetary General Fund Balance will remain unchanged by the close of 2013.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County at the County Courthouse, 400 S. Allen St., Monahans, Texas, 79756.

WARD COUNTY, TX
STATEMENT OF CASH BALANCES
DECEMBER 31, 2012

EXHIBIT A-1

Data Control Codes	Primary Government			
	Governmental Activities	Business Type Activities	Total	
CASH ASSETS				
1010	Cash and Cash Equivalents	\$ 10,990,910	\$ 102,659	\$ 11,093,569
1030	Investments - Current	500,050	-	500,050
	Restricted Assets:			
1611	Temp. Restricted Asset (specify)	515,964	-	515,964
1000	Total Cash Assets	<u>12,006,924</u>	<u>102,659</u>	<u>12,109,583</u>
CASH BALANCES				
3890	Restricted for Other Purposes	1,121,942	-	1,121,942
3900	Unrestricted Net Assets	10,884,982	102,659	10,987,641
3000	Total Cash Balances	<u>\$ 12,006,924</u>	<u>\$ 102,659</u>	<u>\$ 12,109,583</u>

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

WARD COUNTY, TX
STATEMENT OF CASH RECEIPT AND DISBURSEMENT ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Data Control Codes	Program Cash Receipts		
	Disbursements	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
10 General Government	\$ 1,671,105	\$ -	\$ -
12 Judicial	457,910	-	20,182
14 Elections	33,962	-	-
15 Financial Administration	324,840	-	-
16 Define - General Government	366,700	-	-
17 Define - General Government	270,980	90,540	-
18 Define - General Government	100,229	-	-
19 Other General Government Functions	68,139	-	-
21 Police	947,159	29,000	-
22 Fire Protection	257,611	-	-
23 Corrections	57,468	-	20,946
25 Jail	1,048,534	-	108,481
26 Department of Public Safety	9,938	-	-
31 Highways and Streets	2,022,693	-	12,614
32 Sanitation	-	-	66,645
33 County Clerk	300,699	382,801	-
36 District Clerk	207,785	40,600	2,523
37 Justice of the Peace	313,914	52,200	-
38 County Attorney	221,133	11,600	20,182
39 Constable	34,647	-	-
40 Health and Welfare	704,865	-	262,710
41 Health	187,818	-	62,966
42 EMS	787,952	334,237	11,627
43 Define	79,071	-	-
44 Welfare	11,031	-	-
45 Indigent Legal Care	81,462	-	7,752
51 Recreation	603,379	15,400	-
52 Parks	169,780	35,473	-
53 Museums	43,102	-	-
54 Pools	44,135	17,365	-
55 Libraries	274,292	5,993	-
56 Senior Citizens Center	249,884	-	102,824
57 Emergency Management	4,934	-	-
59 4-H Rifle Barn	754	-	-
61 Conservation	12,629	-	-
66 Economic Opportunity	38,495	-	-
80 Capital Outlay	1,938,313	-	-
81 ORCA	69,524	-	-
90 Intergovernmental	18,000	-	-
Total Governmental Activities:	14,034,866	1,015,209	699,452
BUSINESS-TYPE ACTIVITIES:			
701 Hospital Operations	9,587,554	6,911,840	58,387
703 WMH UPL Sweep Account	48,707	-	-
Total Business-Type Activities:	9,636,261	6,911,840	58,387
TOTAL PRIMARY GOVERNMENT:	\$ 23,671,127	\$ 7,927,049	\$ 757,839

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

Net (Disbursements) Receipts and Changes in Cash Balances		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,671,105)	\$ -	\$ (1,671,105)
(437,728)	-	(437,728)
(33,962)	-	(33,962)
(324,840)	-	(324,840)
(366,700)	-	(366,700)
(180,440)	-	(180,440)
(100,229)	-	(100,229)
(68,139)	-	(68,139)
(918,159)	-	(918,159)
(257,611)	-	(257,611)
(36,522)	-	(36,522)
(940,053)	-	(940,053)
(9,938)	-	(9,938)
(2,010,079)	-	(2,010,079)
66,645	-	66,645
82,102	-	82,102
(164,662)	-	(164,662)
(261,714)	-	(261,714)
(189,351)	-	(189,351)
(34,647)	-	(34,647)
(442,155)	-	(442,155)
(124,852)	-	(124,852)
(442,088)	-	(442,088)
(79,071)	-	(79,071)
(11,031)	-	(11,031)
(73,710)	-	(73,710)
(587,979)	-	(587,979)
(134,307)	-	(134,307)
(43,102)	-	(43,102)
(26,770)	-	(26,770)
(268,299)	-	(268,299)
(147,060)	-	(147,060)
(4,934)	-	(4,934)
(754)	-	(754)
(12,629)	-	(12,629)
(38,495)	-	(38,495)
(1,938,313)	-	(1,938,313)
(69,524)	-	(69,524)
(18,000)	-	(18,000)
<u>(12,320,205)</u>	<u>-</u>	<u>(12,320,205)</u>
-	(2,617,327)	(2,617,327)
-	(48,707)	(48,707)
-	<u>(2,666,034)</u>	<u>(2,666,034)</u>
<u>(12,320,205)</u>	<u>(2,666,034)</u>	<u>(14,986,239)</u>

WARD COUNTY, TX
 STATEMENT OF CASH RECEIPT AND DISBURSEMENT ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2012

Data Control Codes	Disbursements	Program Cash Receipts	
		Charges for Services	Operating Grants and Contributions
	General Receipts:		
	Taxes:		
	Property Taxes:		
5010	Property Taxes, Levied for General Purposes		
5120	Sales Taxes		
5150	GrossReceipts Business Tax		
5600	Grants and Contributions Not Restricted		
5700	Miscellaneous Revenue		
5800	Investment Earnings		
	Transfers In (Out)		
	Total General Revenues and Transfers		
	Change in Cash Balance		
	Cash Balance - Beginning		
	Prior Period Adjustment		
	Cash Balance - Ending		

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

Net (Disbursements) Receipts and
Changes in Cash Balances

Primary Government		
Governmental Activities	Business-type Activities	Total
14,106,998	-	14,106,998
55,861	-	55,861
73,625	-	73,625
2,149	-	2,149
2,014,128	209,528	2,223,656
29,693	762	30,455
(3,328,218)	2,012,293	(1,315,925)
12,954,236	2,222,583	15,176,819
634,031	(443,451)	190,580
11,376,038	546,110	11,922,148
(3,145)	-	(3,145)
\$ 12,006,924	\$ 102,659	\$ 12,109,583

WARD COUNTY, TX
CASH BASIS BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

Data Control Codes	General Fund	New Construction Fund	Other Funds	Total Governmental Funds
CASH ASSETS				
1010 Cash and Cash Equivalents	\$ 4,751,169	\$ 4,943,681	\$ 1,296,060	\$ 10,990,910
1030 Investments - Current	500,050	-	-	500,050
Restricted Assets:				
1611 Temporarily Restricted Cash & Cash Equivalents	-	-	515,964	515,964
Total Cash Assets	<u>\$ 5,251,219</u>	<u>\$ 4,943,681</u>	<u>\$ 1,812,024</u>	<u>\$ 12,006,924</u>
Cash Basis Fund Balances:				
3290 Other Restricted Fund Balance	-	-	1,121,942	1,121,942
3590 Other Assigned Fund Balance	-	4,943,681	690,082	5,633,763
3600 Unassigned Fund Balance	5,251,219	-	-	5,251,219
Total Cash Basis Fund Balances	<u>\$ 5,251,219</u>	<u>\$ 4,943,681</u>	<u>\$ 1,812,024</u>	<u>\$ 12,006,924</u>

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

WARD COUNTY, TX EXHIBIT C-2
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

Data Control Codes	General Fund	New Construction Fund	Other Funds	Total Governmental Funds
RECEIPTS:				
Taxes:				
5110 Property Taxes	\$ 13,373,346	\$ -	\$ 733,652	\$ 14,106,998
5120 General Sales and Use Taxes	55,861	-	-	55,861
5150 Gross Receipts Business Tax	-	-	73,625	73,625
5200 Licenses and Permits	333,185	-	-	333,185
5300 Intergovernmental Revenue and Grants	347,060	-	352,394	699,454
5400 Charges for Services	883,421	-	131,787	1,015,208
5510 Fines	593,216	-	-	593,216
5520 Forfeits	232	-	888,106	888,338
5610 Investment Earnings	20,706	6,072	2,915	29,693
5620 Rents and Royalties	21,717	-	-	21,717
5640 Contributions & Donations from Private Sources	2,040	-	107	2,147
5700 Other Revenue	177,591	-	82	177,673
5020 Total Receipts	<u>15,808,375</u>	<u>6,072</u>	<u>2,182,668</u>	<u>17,997,115</u>
DISBURSEMENTS:				
Current:				
0010 General Government	1,671,105	-	-	1,671,105
0012 Judicial	454,671	-	3,239	457,910
0014 Elections	33,962	-	-	33,962
0015 Financial Administration	324,840	-	-	324,840
0016 Courthouse	106,360	-	260,340	366,700
0017 Tax/Assessor Collector	270,980	-	-	270,980
0018 Agricultural Extension Agent	100,229	-	-	100,229
0019 Other General Government Functions	68,139	-	-	68,139
Public Safety:				
0021 Police	940,248	-	6,911	947,159
0022 Fire Protection	257,611	-	-	257,611
0023 Corrections	49,718	-	7,750	57,468
0025 Jail	1,048,534	-	-	1,048,534
0026 Department of Public Safety	9,938	-	-	9,938
0031 Highways and Streets	1,299,500	-	723,193	2,022,693
0033 County Clerk	260,699	-	40,000	300,699
0036 District Clerk	207,785	-	-	207,785
0037 Justice of the Peace	313,914	-	-	313,914
0038 County Attorney	212,493	-	8,640	221,133
0039 Constable	34,647	-	-	34,647
0040 District Attorney	-	-	704,865	704,865
0041 Health	187,818	-	-	187,818
0042 EMS	787,952	-	-	787,952
0043 Health & Welfare	-	-	79,071	79,071
0044 Welfare	11,031	-	-	11,031
0045 Indigent Legal Care	81,462	-	-	81,462
Culture and Recreation:				
0051 Recreation	603,379	-	-	603,379
0052 Parks	169,780	-	-	169,780
0053 Museums	39,943	-	3,159	43,102
0054 Pools	44,135	-	-	44,135
0055 Libraries	274,292	-	-	274,292
0056 Senior Citizens Center	249,884	-	-	249,884
0057 Emergency Management	4,934	-	-	4,934
0059 4-H Rifle Barn	754	-	-	754
Conservation and Development:				
0061 Conservation	12,629	-	-	12,629
0066 Economic Opportunity	-	-	38,495	38,495
Capital Outlay:				
0080 Capital Outlay	1,191,313	-	747,000	1,938,313
0081 ORCA	-	-	69,524	69,524
Intergovernmental:				
0090 Intergovernmental	18,000	-	-	18,000
6030 Total Disbursements	<u>11,342,679</u>	<u>-</u>	<u>2,692,187</u>	<u>14,034,866</u>

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

WARD COUNTY, TX EXHIBIT C-2 (Cont'd)
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

Data Control Codes	General Fund	New Construction Fund	Other Funds	Total Governmental Funds
1100 Excess (Deficiency) of Receipts Over (Under) Disbursements	4,465,696	6,072	(509,519)	3,962,249
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	65,112	-	-	65,112
7915 Transfers In	520,768	1,000,000	812,428	2,333,196
8911 Transfers Out (Use)	(5,700,603)	-	(25,923)	(5,726,526)
7080 Total Other Financing Sources (Uses)	(5,114,723)	1,000,000	786,505	(3,328,218)
1200 Net Change in Cash Basis Fund Balance	(649,027)	1,006,072	276,986	634,031
0100 Cash Basis Fund Balance - Jan 1 (Beginning)	5,903,391	3,937,609	1,535,038	11,376,038
1300 Prior Period Adjustment	(3,145)	-	-	(3,145)
3000 Cash Basis Fund Balance - December 31 (Ending)	<u>\$ 5,251,219</u>	<u>\$ 4,943,681</u>	<u>\$ 1,812,024</u>	<u>\$ 12,006,924</u>

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

WARD COUNTY, TX
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-3

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)	
	Original	Final	Cash Basis See Note		
RECEIPTS:					
Taxes:					
5110	Property Taxes	\$ 13,056,062	\$ 13,056,062	\$ 13,373,346	\$ 317,284
5120	General Sales and Use Taxes	25,000	25,000	55,861	30,861
5200	Licenses and Permits	322,300	322,300	333,185	10,885
5300	Intergovernmental Revenue and Grants	277,333	277,333	347,060	69,727
5400	Charges for Services	891,000	891,000	883,421	(7,579)
5510	Fines	455,000	455,000	593,216	138,216
5520	Forfeits	-	-	232	232
5610	Investment Earnings	33,500	33,500	20,706	(12,794)
5620	Rents and Royalties	500	500	21,717	21,217
5640	Contributions & Donations from Private Sources	500	500	2,040	1,540
5700	Other Revenue	20,000	135,000	177,591	42,591
5020	Total Receipts	15,081,195	15,196,195	15,808,375	612,180
DISBURSEMENTS:					
Current:					
0010	General Government	2,625,372	1,926,067	1,671,105	254,962
0012	Judicial	400,656	563,728	454,671	109,057
0014	Elections	31,400	38,050	33,962	4,088
0015	Financial Administration	284,433	339,825	324,840	14,985
0016	Courthouse	87,816	112,106	106,360	5,746
0017	Tax/Assessor Collector	237,965	277,765	270,980	6,785
0018	Agricultural Extension Agent	96,269	104,322	100,229	4,093
0019	Other General Government Functions	59,579	68,155	68,139	16
Public Safety:					
0021	Police	863,245	994,245	940,248	53,997
0022	Fire Protection	141,700	257,612	257,611	1
0023	Corrections	105,400	106,922	49,718	57,204
0025	Jail	972,230	1,104,515	1,048,534	55,981
0026	Department of Public Safety	15,600	17,070	9,938	7,132
0031	Highways and Streets	1,342,848	1,341,521	1,299,500	42,021
0032	Sanitation	1,200	1,200	-	1,200
0033	County Clerk	225,288	263,986	260,699	3,287
0036	District Clerk	178,613	212,574	207,785	4,789
0037	Justice of the Peace	261,655	314,704	313,914	790
0038	County Attorney	190,384	219,823	212,493	7,330
0039	Constable	30,378	35,597	34,647	950
Health and Welfare:					
0041	Health	253,854	259,976	187,818	72,158
0042	EMS	798,075	848,275	787,952	60,323
0044	Welfare	20,250	20,250	11,031	9,219
0045	Indigent Legal Care	157,000	157,000	81,462	75,538
Culture and Recreation:					
0051	Recreation	556,001	615,064	603,379	11,685
0052	Parks	227,350	251,164	169,780	81,384
0053	Museums	53,500	58,706	39,943	18,763
0054	Pools	53,500	53,500	44,135	9,365
0055	Libraries	277,253	312,447	274,292	38,155
0056	Senior Citizens Center	212,973	252,822	249,884	2,938
0057	Emergency Management	4,800	5,575	4,934	641
0059	4-H Rifle Barn	3,500	3,500	754	2,746
Conservation and Development:					
0061	Conservation	12,700	12,700	12,629	71
Capital Outlay:					
0080	Capital Outlay	300,000	1,495,220	1,191,313	303,907

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

WARD COUNTY, TX EXHIBIT C-3 (Cont'd)
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final	Cash Basis See Note	
Intergovernmental:				
0090 Intergovernmental	18,000	18,000	18,000	-
6030 Total Disbursements	<u>11,100,787</u>	<u>12,663,986</u>	<u>11,342,679</u>	<u>1,321,307</u>
1100 Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>3,980,408</u>	<u>2,532,209</u>	<u>4,465,696</u>	<u>1,933,487</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	65,112	65,112
7915 Transfers In	495,000	439,273	520,768	81,495
8911 Transfers Out (Use)	<u>(5,337,955)</u>	<u>(5,902,228)</u>	<u>(5,700,603)</u>	<u>201,625</u>
7080 Total Other Financing Sources (Uses)	<u>(4,842,955)</u>	<u>(5,462,955)</u>	<u>(5,114,723)</u>	<u>348,232</u>
1200 Net Change in Cash Balance	(862,547)	(2,930,746)	(649,027)	2,281,719
0100 Cash Basis Fund Balance - Jan 1 (Beginning)	5,903,391	5,903,391	5,903,391	-
1300 Prior Period Adjustment	<u>(3,145)</u>	<u>(3,145)</u>	<u>(3,145)</u>	<u>-</u>
3000 Cash Basis Fund Balance - December 31 (Ending)	<u>\$ 5,037,699</u>	<u>\$ 2,969,500</u>	<u>\$ 5,251,219</u>	<u>\$ 2,281,719</u>

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCE
 BUDGET AND ACTUAL - BUILDING CONSTRUCTION/RENOVATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET	Final Budget
			(See Note)	Positive or (Negative)
RECEIPTS:				
5610 Investment Earnings	\$ 3,000	\$ 3,000	\$ 6,072	\$ 3,072
5020 Total Receipts	3,000	3,000	6,072	3,072
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	1,000,000	1,000,000	1,000,000	-
7080 Total Other Financing Sources (Uses)	1,000,000	1,000,000	1,000,000	-
1200 Change in Fund Balance	1,003,000	1,003,000	1,006,072	3,072
0100 Fund Balance - Jan 1 (Beginning)	3,937,609	3,937,609	3,937,609	-
3000 Fund Balance - December 31 (Ending)	\$ 4,940,609	\$ 4,940,609	\$ 4,943,681	\$ 3,072

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

WARD COUNTY, TX
 CASH BASIS STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	70 Hospital Operations	Other Hospital Funds	Total Enterprise Funds	Total Internal Service Funds
CASH ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 70,918	\$ 31,741	\$ 102,659	\$ 1,376,473
Total Cash Assets	70,918	31,741	102,659	1,376,473
CASH BALANCE:				
Unrestricted Net Assets	70,918	31,741	102,659	1,376,473
Total Cash Balance	\$ 70,918	\$ 31,741	\$ 102,659	\$ 1,376,473

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

WARD COUNTY, TX
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT D-2

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	70 Hospital Operations	Other Hospital Funds	Total Enterprise Funds	Total Internal Service Funds
OPERATING RECEIPTS:				
UPL Sweep	\$ 116,579	\$ -	\$ 116,579	\$ -
Grants	58,387	-	58,387	-
Receipts from Hospital Services	6,906,218	-	6,906,218	-
Physician Collection Fees	5,622	-	5,622	-
Other Revenue	44,242	-	44,242	-
Receipts from Plan Participants	-	-	-	393,837
Total Operating Receipts	<u>7,131,048</u>	<u>-</u>	<u>7,131,048</u>	<u>393,837</u>
OPERATING DISBURSEMENTS:				
Personnel Services - Salaries and Wages	4,814,473	-	4,814,473	-
Personnel Services - Employee Benefits	1,492,471	-	1,492,471	1,538,575
Purchased Professional & Technical Services	1,391,269	-	1,391,269	-
Purchased Property Services	414,102	-	414,102	-
Other Operating Expenses	182,254	48,707	230,961	48,707
Supplies	1,086,309	-	1,086,309	-
Equipment	6,487	-	6,487	-
Capital Lease Payments	200,189	-	200,189	-
Total Operating Disbursements	<u>9,587,554</u>	<u>48,707</u>	<u>9,636,261</u>	<u>1,587,282</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>(2,456,506)</u>	<u>(48,707)</u>	<u>(2,505,213)</u>	<u>(1,193,445)</u>
NON-OPERATING RECEIPTS (DISBURSEMENTS):				
Transfers In	-	48,707	48,707	-
Investment Earnings	365	397	762	1,767
Total Non-operating Receipts (Disbursements)	<u>365</u>	<u>49,104</u>	<u>49,469</u>	<u>1,767</u>
Excess (Deficiency) of Receipts Before Transfers	<u>(2,456,141)</u>	<u>397</u>	<u>(2,455,744)</u>	<u>(1,191,678)</u>
Non-Operating Transfer In	2,399,213	-	2,399,213	1,272,707
Transfers Out	<u>(48,707)</u>	<u>(338,213)</u>	<u>(386,920)</u>	<u>-</u>
Change in Net Position	<u>(105,635)</u>	<u>(337,816)</u>	<u>(443,451)</u>	<u>81,029</u>
Total Net Position - Jan 1 (Beginning)	<u>176,553</u>	<u>369,557</u>	<u>546,110</u>	<u>1,295,444</u>
Total Net Position - December 31 (Ending)	<u>\$ 70,918</u>	<u>\$ 31,741</u>	<u>\$ 102,659</u>	<u>\$ 1,376,473</u>

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

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The authority of county governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution, Local Government Code and V.A.C.S.

Principal Determining Scope of Reporting Entity

The County's cash basis financial statements include the cash accounts of all funds handled by the Office of the County Treasurer. The County's major activities or functions to which these funds relate include police and fire protection, parks and libraries, public health and social services, construction and maintenance of roads, and general administrative services. In addition, the County makes substantial transfers and cash disbursements through the County Treasurer's Office on behalf of Ward Memorial Hospital. These activities are included in the accompanying financial statements. The activities accounted for by the County Treasurer are only a portion of the activities of the Hospital. The Hospital issues separate audited financial statements that provide information regarding all operations of the Hospital.

The County Treasurer's Office also receives and disburses funds for the Juvenile Probation Office and the Adult Probation Office, both of which issue their own, separate audits. Their fiscal years end on August 31, contrary to the County's, which operates on a calendar year.

Because members of the Commissioners' Court are elected by the public; have the authority to make decisions, appoint administrators, and significantly influence operations; and have the primary accountability for fiscal matters, the County is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board ("GASB"), Statement No. 14, "The Financial Reporting Entity".

Government-wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Ward County's non-fiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the County operates have shared in payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the County's functions. Taxes are always general revenues.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Receipts, Disbursements, and Changes in Cash Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operation in a separate column.

Basis of Accounting

The accounting records of the Office of the County Treasurer of Ward County, Texas, are maintained on a cash receipts and disbursements basis. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, receipts are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred. Statements presented on this basis are not intended to be a full set of financial statements under GASB Statement No. 34.

Separate funds are established to account for receipts and disbursements pertaining to separate identifiable functions of the County. Each fund represents a separate accounting entity. As a result, total receipts and disbursements by the County Treasurer are accumulated for report purposes with no elimination of interfund transactions. The individual funds are identified as follows:

General Fund:

The General Fund is maintained to pay all County disbursements authorized to be made by the County unless there is a statute, which makes the disbursement a charge against a special fund.

Jury Fund:

The Jury Fund is maintained to pay jurors, bailiffs' salaries, and directly-related court disbursements.

EMS Fund:

The EMS fund is maintained to account for the operations of the Emergency Medical Service department for the County. Receipts consist of payment for services performed and operating transfers from the County. Significant disbursements consist of costs of personnel, costs of facility and equipment maintenance and supplies.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Road and Bridge Funds:

The Road and Bridge Funds, including the Road and Bridge Special Fund, Lateral Road Fund and Farm to Market Road Fund are maintained to account for the construction and maintenance costs of lateral roads in the County, or for the payment of obligations incurred in the construction of state highways or roads constituting the County road system.

Special Revenue Funds:

This fund group consists of several separate and unrelated funds which are established to account for the receipts and disbursements of projects established for the collection and transfer of special taxes, fees and grants for projects which are funded, in part, by state or federal funds, entitlements, or allocations.

Trust and Agency Funds:

All assets held by Ward County as trustee or agent for various precincts, individuals, and other governmental units are accounted for through these funds. Included in the Trust and Agency Fund is the State Tax Fund which is maintained to account for receipts and disbursements for the collection and transfer of special state taxes and fees. The Trust and Agency Funds are unbudgeted funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations.

Internal Service Funds:

The Employee Medical Benefits Fund is used to account for the County's insurance programs. The Contingency Fund is funded by contributions by other funds and used for unexpected disbursements and emergencies or repayment of loans between departments of the County. The Flexible Benefit Fund is a medical insurance-related fund that is utilized to facilitate the operation of the County's Section 125 plan for unreimbursed medical costs for its employees.

Hospital Enterprise Fund:

The Hospital Enterprise Fund includes the Hospital Operating Fund that is maintained to account for the ordinary day-to-day operation of the hospital. Ward Memorial Hospital is a division of Ward County and is operated under the direction of a Board of Managers appointed by the Commissioners' Court.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Accounting - continued

Payroll Fund:

This fund was established to facilitate the accounting for a deposit or payment of all items withheld from employee payroll checks and for the payment of employee benefits for employees whose salaries are paid from all other funds of the County. Disbursements are recorded in the various other funds as deposits are made from those funds. These funds are unbudgeted.

Treasurer's Special Fund:

This fund was established principally to account for the receipt of ad valorem taxes from the Tax Assessor/Collector. It is the policy of the County to begin collection of taxes three months in advance of the beginning of the fiscal year for which the taxes are levied. Taxes collected by the Tax Assessor/Collector are turned over to the Treasurer. The receipt and investment of these prepaid taxes are accounted for in the Treasurer's Special Fund until the beginning of the fiscal year to which they apply. At that time they are deposited into various other County funds. These deposits are allocated to the various other funds at the assessment rates approved by the Commissioners' Court.

Miscellaneous Fund:

This fund was established to facilitate the accounting for various receipts generated by the two Justices of the Peace of Ward County. The money is collected in this account and disbursed to the proper accounts according to the type of receipts collected.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 2: DEPOSITS, INVESTMENTS AND SECURITIES

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of twelve months or less from the date of acquisition. The County Treasurer's cash and cash equivalents were comprised of six demand deposit accounts, thirty-four TexPool accounts and two certificates of deposit at December 31, 2012.

The total carrying amount of the County Treasurer's demand deposits at December 31, 2012 was \$528,761 and the bank balance was \$1,211,126. The County Treasurer's demand deposits at December 31, 2012, and during the year ended December 31, 2012, were entirely covered by FDIC insurance and pledged collateral.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest demand deposit:

<u>Bank</u>	<u>Highest Demand Deposit Balance</u>	<u>FMV of Securities Pledged</u>	<u>FDIC Insurance</u>	<u>Month</u>
Security Bank	\$5,942	\$0	\$250,000	February 2012
Tejas Bank	\$1,759,793	\$2,278,580	\$250,000	January 2012

A portion of the County Treasurer's cash and cash equivalents consist of balances held by TexPool, a branch of the State government. The funds held by TexPool represent an investment in a pool and are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form. Market value at December 31, 2012 is provided by TexPool.

The County Treasurer's cash equivalents held with TexPool at December 31, 2012 are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
TexPool	<u>\$20,780,728</u>	<u>\$20,780,728</u>

The remaining portion of the County Treasurer's cash and cash equivalents consist of two certificates of deposit from two local credit unions. The maturities of these investments range from one month to nine months from December 31, 2012. The County Treasurer's certificates of deposit at December 31, 2012 are shown below:

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 2: DEPOSITS, INVESTMENTS AND SECURITIES - continued

<u>Institution Name</u>	<u>Type of Investment</u>	<u>Stated rate</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Balance December 31, 2010</u>
Ward County Teachers' FCU	CD	0.60%	March 24, 2009	January 4, 2013	\$250,000
Ward County Teachers' FCU	share account				\$25
Complex Community FCU	CD	0.70%	September 22, 2010	October 1, 2013	\$250,000
Complex Community FCU	Share Account				\$25

The total cash handled by the Office of the County Treasurer at December 31, 2012 is summarized as follows:

Total cash - Office of the Treasurer:	
Carrying amount of demand deposit accounts	\$ 528,761
Texpool accounts	20,780,728
Certificates of Deposit	500,050
Total cash monitored by Office of the Treasurer	<u>\$ 21,809,539</u>
Reported as:	
Reported government-wide cash, Exhibit A-1	\$ 12,109,583
Internal Service Funds cash, Exhibit D-1	1,376,473
Agency Funds Cash, Exhibit H-1	8,323,483
Total cash reported by Office of the Treasurer	<u>\$ 21,809,539</u>

Custodial Credit Risk for Deposits

State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent bank. At December 31, 2012, the \$500,706 of the County's certificates of deposit was subject to custodial risk of \$706. This risk represented \$656 of interest earned on the certificates but not paid out to the County Treasurer until January 2013 and the two \$25 share accounts not covered by \$250,000 NCUA insurance program.

Foreign Currency Risk

The County has no investments or deposits of a foreign currency.

Compliance with the Public Funds Investment Act

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity date for the portfolio, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 2: DEPOSITS, INVESTMENTS AND SECURITIES – continued

Compliance with the Public Funds Investment Act continued

Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

Cash Restricted by Enabling Legislation

The County receives funds from taxpayers, defendants and various other entities that were legally imposed by statutes or local taxpayer election. Examples of such receipts are Farm-to-Market Road taxes and state-mandated fees from defendants designated for specific projects like Court Security, JP Security and Records Management and Preservation, to name a few. The cash balances in these funds are restricted as to use and ultimate disposal. Therefore, they are listed as "Cash Restricted by Enabling Legislation" in these financial statements. The County held the following funds as restricted by enabling legislation at December 31, 2012:

Lateral Road Fund	\$	12,392
Farm-to-Market Road Fund		301,829
Records Management and Preservation Fund		5,959
Courthouse Security Fund		6,964
County Clerk Records M&P Fund		45,028
Court Reporter Service Fund		12,454
Court Technology Fund		25,582
County Clerk Vital Statistics Fund		12,336
County Clerk Archive Fund		34,576
District Clerk Records Management Fund		2,172
Justice of the Peace Security Fund		18,372
County/District Court Technology Fund		1,170
County/District Disaster Preservation Fund		1,984
Hotel/Motel Tax		35,146
 Total Cash Balances Restricted by Enabling Legislation	 \$	515,964

Note 3: PROPERTY TAXES

Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: INSURANCE

General and Professional Liability

The County has entered into an agreement with Texas Association of Counties (TAC) for property, general liability, law enforcement liability, auto liability, auto physical damage, public officials' liability, crime coverage, and workers' compensation insurance. TAC Insurance funds were formed by the entry into inter-local participation agreements by member political subdivisions of the State of Texas to jointly self-insure its members against certain risks within a defined scope, to purchase excess insurance or reinsurance when deemed prudent, and to pay necessary administrative disbursements.

Property Insurance

The County's property insurance program includes blanket property coverage with various limits for quake and flood and deductibles ranging from \$500 to \$25,000.

The County paid \$214,789 in property, general liability and professional liability insurance premiums for the year ended December 31, 2012.

Health Insurance

The County's health insurance program is a "self-insured" minimum premium cash flow plan. The County and each covered employee with dependent coverage make a pre-determined monthly contribution to the plan. All claims are reviewed and processed by an independent insurance company. The insurance company pays claims based on the health plan by withdrawing the funds directly from the County-maintained bank account. The insurance company charges the County a fee to administer the claims.

The County informally budgets for current claims based on actuarial valuations and current health care statistics. Funding covers both the cost of claims and administrative disbursements. The County contributed \$1,200,000 and County employees contributed \$275,047 to the health insurance program for the year ended December 31, 2012. Retirees and COBRA contributions were \$95,731 for the year ended December 31, 2012. The Medical Benefits Fund held cash for the purpose of funding the medical self-insurance program in the amount of \$915,947 at December 31, 2012.

Hospital employees are covered by a traditional premium-only plan administered by Blue Cross Blue Shield of Texas. Health insurance premiums paid by the County on behalf of hospital employees were \$781,079 for the year ended December 31, 2012.

Life Insurance

The County pays the premium for employees and retirees who elect to participate in the plan and remits these premium payments to the insurance company. County contributions for life insurance premiums amounted to \$24,743 for the year ended December 31, 2012.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 5: EMPLOYEES' RETIREMENT PLAN

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for administration of the statewide agent multiple-employer public employee retirement system consisting of 624 cash balance-account type defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

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

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

Funding Policy

Ward County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members.

Under the TCDRS Act, the County's contribution rate is actuarially determined annually. The County's rate, which does not include the hospital, was 14.04% for calendar year 2012. The contribution rate payable by the employee members, other than the hospital members, for calendar year 2012 was 7% as adopted by the Commissioners' Court. The employee contribution rate and the County contribution rate may be changed by the Commissioners' Court within the options available in the TCDRS Act.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 5: EMPLOYEES' RETIREMENT PLAN continued

Funding policy continued

For the County's accounting year ending December 31, 2012, the annual required pension contribution for the TCDRS plan for its employees was \$816,291. However, the Commissioners' elected to make an additional \$300,000 contribution in December 2012 on behalf of the County to reduce the unfunded actuarial accrued liability for the County's account. The total retirement fund contribution/cost for the County for 2012 was \$1,116,291.

The hospital contributes to the TCDRS at a different rate than the County and county employees do. The cash-basis contributions to the retirement plan on behalf of the hospital employees were \$304,515 for 2012.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2011, the basis for determining the contribution rates for calendar year 2012. The December 31, 2011 actuarial valuation is the most recent valuation.

Trend Information for the Retirement Plan for the Employees of Ward County, Texas

Accounting Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/2010	\$774,401	100%	-0-
12/31/2011	\$761,218	100%	-0-
12/31/2012	\$816,696	100%	-0-

Actuarial valuation information:

Actuarial valuation date	12/31/2009	12/31/2010	12/31/2011
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20	20	20

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 5: EMPLOYEES' RETIREMENT PLAN continued

Funding policy continued

Actuarial valuation information: continued

Asset valuation method	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary increases*	5.30%	5.40%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%	0.00%

* includes inflation at the stated rate

Note 6: DEFERRED COMPENSATION PLAN

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all County employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unseen emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The balances of the deferred compensation plans at December 31, 2012 were \$38,748 and \$737,397, respectively.

Nationwide Retirement Solutions

Beginning Balance, January 1, 2012	Contributions and Market Gains	Withdrawals, Fees and Market Losses	Ending Balance, December 31, 2012
<u>\$43,879</u>	<u>\$5,604</u>	<u>(\$10,735)</u>	<u>\$38,748</u>

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DEFERRED COMPENSATION PLAN continued

The Hartford

Beginning Balance, January 1, 2012	Contributions and Market Gains	Withdrawals and Market Losses	Ending Balance, December 31, 2012
\$593,314	\$148,962	(\$4,880)	\$737,396

Note 7: BUDGETS AND BUDGETARY ACCOUNTING

The County annually adopts a detailed budget on the cash basis method of accounting, consistent with the method of accounting for actual data, which is not consistent with generally accepted accounting principles. The Commissioners' Court approved the 2012 budget on August 22, 2011. Amendments to the budget are adopted as needed during the year by the Commissioners' Court. The budget amounts shown in the additional financial information are the final authorized amounts as revised during the year.

Note 8: FUND BALANCE

The County reports fund balance in accordance with GASB 54. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by a governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose, positive amounts are reported only in the general fund.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 8: FUND BALANCE continued

The Commissioners' Court establishes (and modifies or rescinds) fund balance commitments by passage of an order or resolution. Assigned fund balance is delegated by the Court to the County Auditor, County Treasurer or their designee.

When restricted and other fund balance resources are available for use, it is the County's policy to use restricted resources first, followed by committed, assigned and unassigned amounts, respectively.

Note 9: CASH BASIS FUND BALANCES RESTRICTED BY ENABLING LEGISLATION

Ward County reports fund balances for governmental funds in classifications based primarily on the extent to which the county is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Provisions of laws, contracts, and grants specify how fund resources can be used in the *restricted* classification. The nature of this classification precludes a need for a policy from the Commissioners' Court. As explained in Note 2, the County receives funds from taxpayers, defendants and various other entities that were legally imposed taxes or fees by statutes or local taxpayer election. The cash basis fund balances in these funds are restricted as to use and ultimate disposal. Therefore, they are listed as "Cash Basis Fund Balances Restricted by Enabling Legislation" in these financial statements.

Note 10: RELATED PARTY TRANSACTIONS

The Office of Ward County Attorney is considered a part-time position and the County Attorney is permitted to maintain a private practice in addition to his public duties. As a result, some facilities, equipment and services are utilized in both his private practice and his public duties as Ward County Attorney. The physical separation and accounting of the two functions are deemed inefficient and improbable by both Ward County and the Ward County Attorney. As a result, the County and the County Attorney have entered into an agreement whereby allocations of costs that jointly benefit the County and the County Attorney's private practice have been proposed, approved and applied as part of the costs of the Office of the Ward County Attorney. This agreement stipulates that the County Attorney will provide his personal office space, furniture and equipment and services for accounting for the County Attorney Hot Check Fund at no charge to the County in return for the County's subsidy of the personal portion of his secretaries' time. The County Attorney makes an effort to segregate and pay for his personal portion of other expenses such as utilities (considered 25% personal and bills the County for 75% of utilities on an after-the-fact basis), telephone, office cleaning, seminars, law library, subscriptions and internet services and postage.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 10: RELATED PARTY TRANSACTIONS continued

Ward County authorizes the Ward County Judge to utilize his county office for his private practice of law. The Commissioners' Court has found that this arrangement serves a public purpose in that it makes the County Judge more available to county officials and staff, as well as to the public. The County Judge provides his own office supplies and reimburses Ward County for copies and long distance telephone calls. In 2012 the County Judge was paid \$16,678 by Ward County for court-appointed representation of indigent defendants in district court.

Finally, the Chief Juvenile Probation Officer handles court appointments for indigent criminal defendants and is reimbursed by Ward County. Ward County paid the Chief Juvenile Probation Officer \$34,385 for such services during 2012.

Note 11: FEDERAL & STATE GRANTS

The County received funds under grants from federal and state governments. The amounts received by the County's various programs are as follows:

Name of Award	Revenues Received	
	Federal	State
Border Prosecution Grant	\$ -	\$ 174,400
EMS Local Projects -JRAC	-	12,230
Rural Health Facility Capital Improvement - TX Dep of Rural Affairs	-	50,000
Indigent Defense Grant - TX Task for on Indigent Defense	-	7,160
Juvenile Justice Alternatives-TX Department of Criminal Justice	20,350	-
Small Hospital Improvement Program - TX Dep of Rural Affairs	-	8,387
Texas Juvenile Probation Commission Funds	-	159,110
Title IV Foster Care-DHHS	-	-
Help America Vote Act-DHHS	-	-
CDBG - ORCA - HUD	67,148	-
Congregate Meals, Home Delivered Meals & Cash Payments in Lieu of Donated Commodities - DHHS and Department of Agriculture	102,916	-
TOTALS	\$ 190,414	\$ 411,287

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 12: TRANSFERS

Interfund transfers consisted of the following:

	Transfers In	Transfers Out	Purpose
Transfers to General Fund from:			
Special Revenue Fund	\$ 25,870		Reimbursement for Juvenile Detention
Agency Funds	30,625		Operating Transfer - State Court Costs
Other General Funds	4,273		Operating Transfer - Road & Bridge
Other General Funds	<u>400,000</u>		EMS Fund operating transfer
	<u>460,768</u>		
Transfers from General Fund to:			
Internal Service Funds		\$ 1,200,000	Medical Self-Insurance funding
Special Revenue Fund		60,000	Set Aside for Pyote Museum Building
Special Revenue Fund		1,000,000	Building Construction/Renovation
Special Revenue Fund		150,000	Set Aside for WMH Emergency Room Renovation
Special Revenue Fund		138,955	Transfer State Aid to Juvenile Probation
Special Revenue Fund		2,375	Complete Funding of ORCA project
Special Revenue Fund		600,000	Courthouse Renovation
Proprietary Funds		2,061,000	Operating transfers - Hospital
Agency Funds		60,000	Information Technology
Internal Service Funds		24,000	Funding - Contingency Fund
Other General Funds		4,273	Operating Transfer - Road & Bridge
Other General Funds		<u>400,000</u>	EMS Fund Operating Transfer
		<u>5,700,603</u>	
Transfers to Special Revenue Funds from:			
Special Revenue Fund	2,375		Complete Funding of ORCA project
Special Revenue Fund	150,000		Set Aside for WMH Emergency Room Renovation
Special Revenue Fund	53		Operating Transfer - Pyote Museum Building
General Fund	60,000		Set Aside for Pyote Museum Building
General Fund	600,000		Courthouse Renovation
General Fund	<u>1,000,000</u>		Building Construction/Renovation
	<u>1,812,428</u>		
Transfers from Special Revenue Funds to:			
General Fund		25,870	Reimbursement for Juvenile Detention
Special Revenue Fund		53	Operating Transfer - Pyote Museum Building
		<u>25,923</u>	
Transfers to Proprietary Funds from:			
General Fund	2,061,000		Operating transfers-Hospital
Other Proprietary funds	48,707		UPL Sweep Deposit
Other Proprietary funds	<u>338,212</u>		WMH Capital Fund operating transfer
	<u>2,447,919</u>		
Transfers from Proprietary Funds to:			
Other Proprietary funds		48,707	UPL Sweep Deposit
Other Proprietary funds		<u>338,212</u>	WMH Capital Fund operating Transfer
		<u>386,919</u>	
Transfers to Internal Service Funds from:			
General Fund	1,200,000		Medical Self-Insurance funding
General Fund	<u>24,000</u>		Funding - Contingency Fund
	<u>1,224,000</u>		
Transfers from Agency Funds to:			
General Fund		<u>30,625</u>	Operating Transfer - State Court Costs
		<u>30,625</u>	
Transfers to Agency Funds from:			
General Fund	60,000		Information Technology
General Fund	<u>138,955</u>		Transfer State Aid to Juvenile Probation
	<u>198,955</u>		
Total transfers	<u>\$ 6,144,070</u>	<u>\$ 6,144,070</u>	

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 13: LITIGATION

The County is party to various legal actions arising in the ordinary course of its business. In the opinion of the County's management, upon advice of the County Attorney, the County has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the County's operations or financial position.

Note 14: PRIOR PERIOD ADJUSTMENT

The County had the following prior-period adjustment in 2012:

	<u>Exhibit B-1</u>	<u>Exhibit C-3</u>
Adjustment for Checks that did not interface with General Ledger Due to Power Glitch	<u>\$ 3,145</u>	<u>\$ 3,145</u>

ADDITIONAL FINANCIAL INFORMATION

OFFICE OF THE TREASURER, WARD COUNTY, TEXAS
Statement of Collections and Distribution of Ad Valorem Taxes
For the year ended December 31, 2012

AMOUNTS AVAILABLE FOR DISTRIBUTION:

Prior Year	\$ 5,043,300
Current Year	<u>9,063,697</u>
TOTAL	<u><u>\$ 14,106,997</u></u>

DISTRIBUTION:

	Approved Tax Rate Per \$100 Valuation	Total Distribution
General	\$ 0.61146	\$ 12,380,713
Road and Bridge	0.03690	992,633
Farm to Market Road	0.03850	733,651
TOTAL	<u><u>\$ 0.68686</u></u>	<u><u>\$ 14,106,997</u></u>

**COMBINING STATEMENTS OF NON-MAJOR
GOVERNMENTAL FUNDS**

WARD COUNTY, TX
 COMBINING CASH BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2012

Data Control Codes	200 Title XX Home Delivered Meals	201 Title XIX Home Deliver Meals	216 Lateral Road Funds	217 Farm to Market Road Fund
CASH ASSETS				
1010	\$ -	\$ -	\$ -	\$ -
Restricted Assets:				
1611	-	-	12,392	301,829
1000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,392</u>	<u>\$ 301,829</u>
Cash Basis Fund Balances:				
3290	-	-	12,392	301,829
3590	-	-	-	-
3000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,392</u>	<u>\$ 301,829</u>

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

219 Pyote Museum Fund	222 Check Fee Fund	224 Sheriff's State Forf Fund	225 Sheriff's Fed Forfeiture Fund	226 DA Forfeiture Fund	227 DA Siezure Fund	228 Juvenile Justice Alternatives	229 Record Mngmt & Prsvt Fund
\$ 5,997	\$ 3,195	\$ 42,955	\$ 14,987	\$ 518,275	\$ 29,761	\$ -	\$ -
-	-	-	-	-	-	-	5,959
<u>\$ 5,997</u>	<u>\$ 3,195</u>	<u>\$ 42,955</u>	<u>\$ 14,987</u>	<u>\$ 518,275</u>	<u>\$ 29,761</u>	<u>\$ -</u>	<u>\$ 5,959</u>
-	-	42,955	14,987	518,275	29,761	-	5,959
5,997	3,195	-	-	-	-	-	-
<u>\$ 5,997</u>	<u>\$ 3,195</u>	<u>\$ 42,955</u>	<u>\$ 14,987</u>	<u>\$ 518,275</u>	<u>\$ 29,761</u>	<u>\$ -</u>	<u>\$ 5,959</u>

WARD COUNTY, TX
 COMBINING CASH BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2012

Data Control Codes	230 Courthouse Security Fund	234 Co Clerk Rcrds Mgnmt & Prsvtn Fund	235 Court Reporter Serv Fund	239 Court Technology Fund
CASH ASSETS				
1010 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Restricted Assets:				
1611 Temporarily Restricted Cash & Cash Equivalents	6,964	45,028	12,454	25,582
1000 Total Cash Assets	<u>\$ 6,964</u>	<u>\$ 45,028</u>	<u>\$ 12,454</u>	<u>\$ 25,582</u>
Cash Basis Fund Balances:				
3290 Other Restricted Fund Balance	6,964	45,028	12,454	25,582
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Cash Basis Fund Balances	<u>\$ 6,964</u>	<u>\$ 45,028</u>	<u>\$ 12,454</u>	<u>\$ 25,582</u>

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

241 Co Clerk Vital Stats Fund	242 Co Clerk Archives Fund	243 Dist Clerk Rec Mngmt & Prsvtn Fund	245 JP Security Fund	248 Co & Dist Clerk Court Tech Fund	249 Co & Dist Disaster Prev Fund	250 Hotel/Motel Tax Fund	260 CDBG ORCA Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>12,336</u>	<u>34,576</u>	<u>2,172</u>	<u>18,372</u>	<u>1,170</u>	<u>1,984</u>	<u>35,146</u>	<u>-</u>
<u>\$ 12,336</u>	<u>\$ 34,576</u>	<u>\$ 2,172</u>	<u>\$ 18,372</u>	<u>\$ 1,170</u>	<u>\$ 1,984</u>	<u>\$ 35,146</u>	<u>\$ -</u>
12,336	34,576	2,172	18,372	1,170	1,984	35,146	-
-	-	-	-	-	-	-	-
<u>\$ 12,336</u>	<u>\$ 34,576</u>	<u>\$ 2,172</u>	<u>\$ 18,372</u>	<u>\$ 1,170</u>	<u>\$ 1,984</u>	<u>\$ 35,146</u>	<u>\$ -</u>

WARD COUNTY, TX
 COMBINING CASH BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2012

Data Control Codes	261 Courthouse Renovation Fund	262 Museum Building Fund	264 ER Renovation Fund	265 Pyote Building
CASH ASSETS				
1010	\$ -	\$ 178,479	\$ 500,883	\$ -
Restricted Assets:				
1611	-	-	-	-
1000	<u>\$ -</u>	<u>\$ 178,479</u>	<u>\$ 500,883</u>	<u>\$ -</u>
Cash Basis Fund Balances:				
3290	-	-	-	-
3590	-	178,479	500,883	-
3000	<u>\$ -</u>	<u>\$ 178,479</u>	<u>\$ 500,883</u>	<u>\$ -</u>

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

<u>282</u> <u>Archives</u> <u>Donation</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ 1,528	\$ 1,296,060
-	515,964
<u>\$ 1,528</u>	<u>\$ 1,812,024</u>
-	1,121,942
1,528	690,082
<u>\$ 1,528</u>	<u>\$ 1,812,024</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

Data Control Codes	200 Title XX Home Delivered Meals	201 Title XIX Home Deliver Meals	216 Lateral Road Funds	217 Farm to Market Road Fund
RECEIPTS:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ 733,652
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	49,371	29,700	11,423	-
5400 Charges for Services	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	-	10	897
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	-	-	-	-
5020 Total Receipts	<u>49,371</u>	<u>29,700</u>	<u>11,433</u>	<u>734,549</u>
DISBURSEMENTS:				
Current:				
General Government:				
0012 Judicial	-	-	-	-
0016 Courthouse	-	-	-	-
Public Safety:				
0021 Police	-	-	-	-
0023 Corrections	-	-	-	-
0031 Highways and Streets	-	-	8,000	715,193
0033 County Clerk	-	-	-	-
0038 County Attorney	-	-	-	-
0040 District Attorney	-	-	-	-
0043 Health & Welfare	49,371	29,700	-	-
Culture and Recreation:				
0053 Museums	-	-	-	-
Conservation and Development:				
0066 Economic Opportunity	-	-	-	-
Capital Outlay:				
0080 Capital Outlay	-	-	-	-
0081 ORCA	-	-	-	-
6030 Total Disbursements	<u>49,371</u>	<u>29,700</u>	<u>8,000</u>	<u>715,193</u>
1100 Excess (Deficiency) of Receipts Over (Under) Expenditures	-	-	3,433	19,356
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Cash Basis Fund Balance	-	-	3,433	19,356
0100 Cash Basis Fund Balance - Jan 1	-	-	8,959	282,473
3000 Cash Basis Fund Balance - December 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,392</u>	<u>\$ 301,829</u>

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

219 Pyote Museum Fund	222 Check Fee Fund	224 Sheriff's State Forf Fund	225 Sheriff's Fed Forfeiture Fund	226 DA Forfeiture Fund	227 DA Siezure Fund	228 Juvenile Justice Alternatives	229 Record Mngmt & Prsvt Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	6,098	-	-	174,401	-	20,350	-
-	-	629	-	27,518	-	-	3,918
7	-	58	18	887,477	35	-	5
69	-	-	-	327	-	-	-
-	-	-	-	82	-	-	-
<u>76</u>	<u>6,098</u>	<u>687</u>	<u>18</u>	<u>1,089,805</u>	<u>35</u>	<u>20,350</u>	<u>3,923</u>
-	-	-	-	-	-	-	-
-	-	6,911	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,640	-	-	-	-	-	-
-	-	-	-	699,048	5,817	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,640	6,911	-	699,048	5,817	-	-
<u>76</u>	<u>(2,542)</u>	<u>(6,224)</u>	<u>18</u>	<u>390,757</u>	<u>(5,782)</u>	<u>20,350</u>	<u>3,923</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(25,870)	-
-	-	-	-	-	-	(25,870)	-
76	(2,542)	(6,224)	18	390,757	(5,782)	(5,520)	3,923
5,921	5,737	49,179	14,969	127,518	35,543	5,520	2,036
<u>\$ 5,997</u>	<u>\$ 3,195</u>	<u>\$ 42,955</u>	<u>\$ 14,987</u>	<u>\$ 518,275</u>	<u>\$ 29,761</u>	<u>\$ -</u>	<u>\$ 5,959</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

Data Control Codes	230 Courthouse Security Fund	234 Co Clerk Rcrds Mgmt & Prsvtn Fund	235 Court Reporter Serv Fund	239 Court Technology Fund
RECEIPTS:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	-	-	-
5400 Charges for Services	16,734	29,407	2,370	12,548
5520 Forfeits	-	-	-	-
5610 Investment Earnings	168	62	17	32
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	-	-	-	-
5020 Total Receipts	<u>16,902</u>	<u>29,469</u>	<u>2,387</u>	<u>12,580</u>
DISBURSEMENTS:				
Current:				
General Government:				
0012 Judicial	-	-	3,239	-
0016 Courthouse	260,340	-	-	-
Public Safety:				
0021 Police	-	-	-	-
0023 Corrections	-	-	-	7,750
0031 Highways and Streets	-	-	-	-
0033 County Clerk	-	20,000	-	-
0038 County Attorney	-	-	-	-
0040 District Attorney	-	-	-	-
0043 Health & Welfare	-	-	-	-
Culture and Recreation:				
0053 Museums	-	-	-	-
Conservation and Development:				
0066 Economic Opportunity	-	-	-	-
Capital Outlay:				
0080 Capital Outlay	-	-	-	-
0081 ORCA	-	-	-	-
6030 Total Disbursements	<u>260,340</u>	<u>20,000</u>	<u>3,239</u>	<u>7,750</u>
1100 Excess (Deficiency) of Receipts Over (Under) Expenditures	<u>(243,438)</u>	<u>9,469</u>	<u>(852)</u>	<u>4,830</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Cash Basis Fund Balance	(243,438)	9,469	(852)	4,830
0100 Cash Basis Fund Balance - Jan 1	<u>250,402</u>	<u>35,559</u>	<u>13,306</u>	<u>20,752</u>
3000 Cash Basis Fund Balance - December 31 (Ending)	<u>\$ 6,964</u>	<u>\$ 45,028</u>	<u>\$ 12,454</u>	<u>\$ 25,582</u>

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

241 Co Clerk Vital Stats Fund	242 Co Clerk Archives Fund	243 Dist Clerk Rec Mngmt & Prsvtn Fund	245 JP Security Fund	248 Co & Dist Clerk Court Tech Fund	249 Co & Dist Disaster Prev Fund	250 Hotel/Motel Tax Fund	260 CDBG ORCA Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	73,625	-
1,029	27,071	875	3,086	510	623	-	67,149
15	51	-	21	-	-	16	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,044</u>	<u>27,122</u>	<u>875</u>	<u>3,107</u>	<u>510</u>	<u>623</u>	<u>73,641</u>	<u>67,149</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	20,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	38,495	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	69,524
-	20,000	-	-	-	-	38,495	69,524
<u>1,044</u>	<u>7,122</u>	<u>875</u>	<u>3,107</u>	<u>510</u>	<u>623</u>	<u>35,146</u>	<u>(2,375)</u>
-	-	-	-	-	-	-	2,375
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,375
1,044	7,122	875	3,107	510	623	35,146	-
<u>11,292</u>	<u>27,454</u>	<u>1,297</u>	<u>15,265</u>	<u>660</u>	<u>1,361</u>	<u>-</u>	<u>-</u>
<u>\$ 12,336</u>	<u>\$ 34,576</u>	<u>\$ 2,172</u>	<u>\$ 18,372</u>	<u>\$ 1,170</u>	<u>\$ 1,984</u>	<u>\$ 35,146</u>	<u>\$ -</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

Data Control Codes	261 Courthouse Renovation Fund	262 Museum Building Fund	264 ER Renovation Fund	265 Pyote Building
RECEIPTS:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	-	-	-
5400 Charges for Services	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	417	148	611	-
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	-	-	-	-
5020 Total Receipts	<u>417</u>	<u>148</u>	<u>611</u>	<u>-</u>
DISBURSEMENTS:				
Current:				
General Government:				
0012 Judicial	-	-	-	-
0016 Courthouse	-	-	-	-
Public Safety:				
0021 Police	-	-	-	-
0023 Corrections	-	-	-	-
0031 Highways and Streets	-	-	-	-
0033 County Clerk	-	-	-	-
0038 County Attorney	-	-	-	-
0040 District Attorney	-	-	-	-
0043 Health & Welfare	-	-	-	-
Culture and Recreation:				
0053 Museums	-	3,159	-	-
Conservation and Development:				
0066 Economic Opportunity	-	-	-	-
Capital Outlay:				
0080 Capital Outlay	747,000	-	-	-
0081 ORCA	-	-	-	-
6030 Total Disbursements	<u>747,000</u>	<u>3,159</u>	<u>-</u>	<u>-</u>
1100 Excess (Deficiency) of Receipts Over (Under) Expenditures	<u>(746,583)</u>	<u>(3,011)</u>	<u>611</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	600,000	60,053	150,000	-
8911 Transfers Out (Use)	(53)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>599,947</u>	<u>60,053</u>	<u>150,000</u>	<u>-</u>
1200 Net Change in Cash Basis Fund Balance	(146,636)	57,042	150,611	-
0100 Cash Basis Fund Balance - Jan 1	<u>146,636</u>	<u>121,437</u>	<u>350,272</u>	<u>-</u>
3000 Cash Basis Fund Balance - December 31 (Ending)	<u>\$ -</u>	<u>\$ 178,479</u>	<u>\$ 500,883</u>	<u>\$ -</u>

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

282 Archives Donation Fund	Total Nonmajor Governmental Funds
\$ -	\$ 733,652
-	73,625
-	352,394
-	131,787
-	888,106
-	2,915
38	107
-	82
38	2,182,668
-	3,239
-	260,340
-	6,911
-	7,750
-	723,193
-	40,000
-	8,640
-	704,865
-	79,071
-	3,159
-	38,495
-	747,000
-	69,524
-	2,692,187
38	(509,519)
-	812,428
-	(25,923)
-	786,505
38	276,986
1,490	1,535,038
\$ 1,528	\$ 1,812,024

**COMBINING STATEMENTS OF NON-MAJOR
ENTERPRISE FUNDS**

WARD COUNTY, TX
 CASH BASIS COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2012

	712	772	Total
	WMH Repair & Replacement	WMH UPL Sweep Fund	Other Hospital Funds
CASH ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 31,741	\$ -	\$ 31,741
Total Cash Assets	<u>31,741</u>	<u>-</u>	<u>31,741</u>
CASH BALANCE:			
Unrestricted Net Assets	31,741	-	31,741
Total Cash Balance	<u>\$ 31,741</u>	<u>\$ -</u>	<u>\$ 31,741</u>

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

WARD COUNTY, TX
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT F-2

	712 WMH Repair & Replacement	772 WMH UPL Sweep Fund	Total Other Hospital Funds
OPERATING DISBURSEMENTS:			
Other Operating Expenses	\$ -	\$ 48,707	\$ 48,707
Total Operating Disbursements	<u>-</u>	<u>48,707</u>	<u>48,707</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>-</u>	<u>(48,707)</u>	<u>(48,707)</u>
NON-OPERATING RECEIPTS (DISBURSEMENTS):			
Transfers In	-	48,707	48,707
Investment Earnings	<u>397</u>	<u>-</u>	<u>397</u>
Total Non-operating Receipts (Disbursements)	<u>397</u>	<u>48,707</u>	<u>49,104</u>
Excess Receipts Before Transfers	397	-	397
Transfers Out	<u>(338,213)</u>	<u>-</u>	<u>(338,213)</u>
Change in Net Assets	<u>(337,816)</u>	<u>-</u>	<u>(337,816)</u>
Total Net Assets - Jan 1 (Beginning)	<u>369,557</u>	<u>-</u>	<u>369,557</u>
Total Net Assets - December 31 (Ending)	<u>\$ 31,741</u>	<u>\$ -</u>	<u>\$ 31,741</u>

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

**COMBINING STATEMENTS OF
INTERNAL SERVICE FUNDS**

WARD COUNTY, TX
 CASH BASIS COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2012

	777	779	
	Contingency Fund	Employee Medical Benefits	Total Internal Service Funds
CASH ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 460,526	\$ 915,947	\$ 1,376,473
Total Cash Assets	<u>460,526</u>	<u>915,947</u>	<u>1,376,473</u>
CASH BALANCE:			
Unrestricted Net Assets	460,526	915,947	1,376,473
Total Cash Balance	<u>\$ 460,526</u>	<u>\$ 915,947</u>	<u>\$ 1,376,473</u>

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

WARD COUNTY, TX
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT G-2

	777	779	
	Contingency	Employee	Total
	Fund	Medical	Internal
		Benefits	Service Funds
OPERATING RECEIPTS:			
Receipts from Plan Participants	\$ -	\$ 393,837	\$ 393,837
Total Operating Receipts	<u>-</u>	<u>393,837</u>	<u>393,837</u>
OPERATING DISBURSEMENTS:			
Personnel Services - Employee Benefits	-	1,538,575	1,538,575
Other Operating Expenses	-	-	48,707
Total Operating Disbursements	<u>-</u>	<u>1,538,575</u>	<u>1,587,282</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>-</u>	<u>(1,144,738)</u>	<u>(1,193,445)</u>
NON-OPERATING RECEIPTS (DISBURSEMENTS):			
Investment Earnings	<u>571</u>	<u>1,196</u>	<u>1,767</u>
Total Non-operating Receipts (Disbursements)	<u>571</u>	<u>1,196</u>	<u>1,767</u>
Excess (Deficiency) of Receipts Before Transfers	571	(1,143,542)	(1,191,678)
Non-Operating Transfer In	<u>24,000</u>	<u>1,200,000</u>	<u>1,272,707</u>
Change in Net Assets	24,571	56,458	81,029
Total Net Assets - Jan 1 (Beginning)	<u>435,955</u>	<u>859,489</u>	<u>1,295,444</u>
Total Net Assets - December 31 (Ending)	<u>\$ 460,526</u>	<u>\$ 915,947</u>	<u>\$ 1,376,473</u>

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

**COMBINING SCHEDULE OF
CASH BALANCES OF AGENCY FUNDS**

WARD COUNTY, TX
 COMBINING STATEMENT OF CASH BALANCES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	BALANCE DECEMBER 31 2011	ADDITIONS	DEDUCTIONS	BALANCE DECEMBER 31 2012
CSCD/PRETRIAL FUND				
Assets:				
Cash and Cash Equivalents	\$ 65,766	\$ 99,270	\$ 66,862	\$ 98,174
JUVENILE PROBATION FUND				
Assets:				
Cash and Cash Equivalents	\$ 71,070	\$ 313,285	\$ 258,198	\$ 126,157
ADULT PROBATION FUND				
Assets:				
Cash and Cash Equivalents	\$ 152,513	\$ 694,321	\$ 736,132	\$ 110,702
DA RESTITUTION				
Assets:				
Cash and Cash Equivalents	\$ 2,927	\$ 3,497	\$ 3,437	\$ 2,987
TITLE IV-E/JPO				
Assets:				
Cash and Cash Equivalents	\$ 152,171	\$ 159	\$ 48,155	\$ 104,175
FLEXIBLE SPENDING FUND				
Assets:				
Cash and Cash Equivalents	\$ 5,125	\$ 34,329	\$ 28,189	\$ 11,265
STATE COURT COSTS FUND				
Assets:				
Cash and Cash Equivalents	\$ 104,725	\$ 350,744	\$ 349,746	\$ 105,723
TREASURER'S SPECIAL FUND				
Assets:				
Cash and Cash Equivalents	\$ 5,043,300	\$ 8,036,652	\$ 5,417,622	\$ 7,662,330
JP FEE FUND				
Assets:				
Cash and Cash Equivalents	\$ 50,853	\$ 750,405	\$ 740,573	\$ 60,685
VICTIM'S ASSISTANCE FUND				
Assets:				
Cash and Cash Equivalents	\$ 41,880	\$ 2,476	\$ 3,071	\$ 41,285
TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 5,690,330	\$ 10,285,138	\$ 7,651,985	\$ 8,323,483

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

OTHER INFORMATION REQUIRED BY GAO



Terry R. Smith, C.P.A.
Rocky L. Rives, C.P.A.

SMITH & RIVES, PC
Certified Public Accountants

Members of:
American Institute of Certified
Public Accountants
Division of CPA Firms Private
Companies Practice Section
Texas Society of Certified Public
Accountants

**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 Honorable Judge and
Members of the Commissioners' Court of
Ward 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*, the cash basis financial statements and the related notes to the financial statements of the Office of the County Treasurer, Ward County, Texas as of and for the year ended December 31, 2012, and have issued our report thereon dated July 15, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the cash basis financial statements, we considered the Office of the County Treasurer, Ward County, Texas' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the cash basis financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Office of the County Treasurer, Ward County, Texas' internal control. Accordingly, we do not express an opinion of the effectiveness of the Office of the County Treasurer, Ward 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, or correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such there is 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.

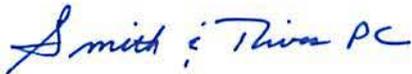
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office of the County Treasurer, Ward County's cash basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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.

A handwritten signature in blue ink that reads "Smith & Rives PC". The signature is written in a cursive, flowing style.

Smith & Rives, PC
Monahans, Texas
July 15, 2013

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2012

I. SUMMARY OF THE AUDITORS' RESULTS

- a. The type of report issued on the financial statements of the Office of the County Treasurer, Ward County was an unqualified opinion.
- b. The audit disclosed no significant deficiencies and no material weaknesses in internal control.
- c. The audit disclosed no instances of non-compliance that could be material to the financial statements of the Office of the County Treasurer, Ward County.
- d. The audit disclosed no:
 - 1. Known questioned costs when likely questioned costs are greater than \$10,000.
 - 2. Instances where audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the Office of the County Treasurer, Ward County materially misrepresents the status of any prior audit finding.
- e. The County had no major programs.
- f. The County is not subject to the Single Audit Act.
- g. The County did not qualify as a low-risk auditee.

II. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted Auditing Standards.

No findings.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

SCHEDULE OF STATUS OF PRIOR FINDINGS
YEAR ENDED DECEMBER 31, 2012

A. Auditor's Review of Prior Year Findings

1. No findings in the prior year.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2012

With respect to each audit finding included in the current year's auditor's reports:

No corrective action plan is needed for 2012.