

WARD COUNTY, TEXAS

**ANNUAL FINANCIAL AND
COMPLIANCE REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

WARD COUNTY, TEXAS
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

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WARD COUNTY, TEXAS
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
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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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ward County, Texas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on Discretely Presented Component Unit

The financial statements referred to above do not include financial data for the County's legally separate component unit, Ward Memorial Hospital. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component unit would have been presented as \$18,613,155, \$596,752, \$4,612,634, \$833,115, \$13,764,158, \$18,711,140 and \$17,843,123, respectively.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the County, as of December 31, 20120, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, and each major fund of the Ward County, Texas, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note I to the Financial Statements, in 2020 the County adopted new accounting guidance prescribed by GASB Statement No. 84 for its fiduciary funds, described as custodial funds. For applicable custodial funds, those activities will be presented as a statement of fiduciary net position and a statement of changes in fiduciary net position. Those custodial funds that normally expect to hold custodial assets for three months or less will be presented as a statement of net position.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, TCDRS pension information, the schedule of changes in the total OPEB liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ward County, Texas's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and schedule of expenditures of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements 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 August 31, 2021, on our consideration of Ward County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Ward County, Texas's internal control over financial reporting and compliance.

Smith & Rives, PC
Monahans, Texas
August 31, 2021

WARD COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2020

This section of Ward County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2020. Please read it in conjunction with the Independent Auditor's Report on page 1, and the County's Basic Financial Statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

The County's net position increased by \$17,126,098 as a result of this year's operations. The County does not have any business-type activities, so the increase above is attributable to our governmental activities. (Exhibit B-1)

During the year, the County had expenditures that were \$15,872,682 less than the \$42,636,388 generated in tax and other revenues for governmental programs (before special items). (Exhibit C-3)

Total cost of all the County's programs was \$25,774,362. (Exhibit B-1)

The General Fund ended the year with a fund balance of \$33,210,694. (Exhibit C-3) This is an increase of \$6,881,944 from the prior year fund balance attributable to less transfers out in the current year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 11-15). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 16) 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. The remaining statements, fiduciary statements, provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the County.

The notes to the financial statements (starting on page 23) 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 AS A WHOLE

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins on page 4. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position (page 11) includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting, which is the basis used by the private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who pay the costs of some programs (such as court costs and fees) and grants provided by outside parties and agencies (program revenues), and revenues provided by the taxpayers or other unrestricted sources (general revenues). All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's Net Position and changes in them. The County's Net Position (the difference between assets and liabilities) provides one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's Net Position 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 Net Position and the Statement of Activities we present only the following activity:

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.

REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements begin on page 16 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 kind of funds – governmental and proprietary – use different accounting approaches.

REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS-continued

Governmental Funds: Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and reported balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

THE COUNTY AS TRUSTEE

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for certain funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 21. Fiduciary funds are not reflected in the government-wide financial statements because the County cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the Net Position (Table I) and changes in Net Position (Table II) of the County's governmental activities.

Net position of the County's governmental activities were \$100,037,612 at December 31, 2020. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation, or other legal requirements – was \$34,277,320 at December 31, 2020. This increase was impacted by the District's change in net position of governmental activities. (Exhibit C-4)

Table I
Ward County, Texas Net Position

	Governmental Activities	
	2020	2019
Current and other assets	\$ 79,070,357	\$ 62,860,798
Capital Assets	39,139,046	36,713,961
Total assets	118,209,403	99,574,759
Deferred Outflow Related to OPEB	3,551,508	1,306,642
Deferred Outflow Related to Pension	2,078,683	4,552,623
Total Deferred Outflows	5,630,191	5,859,265
Long-term liabilities	21,418,074	20,891,660
Other liabilities	623,499	567,634
Total Liabilities	22,041,573	21,459,294
Deferred Inflow Related to OPEB	698,175	916,355
Deferred Inflow Related to Pension	1,062,234	146,861
Total Deferred Inflows	1,760,409	1,063,216
Net Position:		
Invested in capital assets, net of related debt	39,139,046	36,713,961
Restricted	19,670,856	11,920,233
Unrestricted	41,227,710	34,277,320
Total Net Position	\$ 100,037,612	\$ 82,911,514

Table II
Changes in Net Position

	Governmental Activities	
	2020	2019
Revenues:		
Program Receipts:		
Charges for Services	\$ 956,649	\$ 1,580,579
Grants & Contributions	1,188,913	924,862
General Receipts:		
Ad-Valorem Taxes	40,288,293	34,252,120
Hotel/Motel Tax	450,000	450,000
Sales taxes	102,878	105,763
Licenses and permits	343,320	377,077
Miscellaneous	620,338	878,566
Investment Earnings	263,098	868,620
Total Revenue	<u>\$ 44,213,489</u>	<u>\$ 39,437,587</u>
Expenses:		
General Government	\$ 6,437,417	\$ 6,126,487
Public Safety	5,924,544	5,212,250
Highways and Streets	3,979,801	3,044,443
Culture and Recreation	2,470,256	2,216,503
Indigent Assistance	235,239	222,126
Emergency Medical Services	976,582	1,220,950
County and District Clerks	1,144,848	693,906
County and District Attorneys	728,917	680,065
Corrections	633,181	577,532
Justices of the Peace	720,926	564,979
Miscellaneous	2,522,651	833,249
Total Expenses	<u>\$ 25,774,362</u>	<u>\$ 21,392,490</u>
Increase (decrease) in Net Position before transfers	\$ 18,439,127	\$ 18,045,097
Gain on Disposition of Assets	148,046	(22,526)
Insurance Recovery	38,925	
Transfers	<u>(1,500,000)</u>	<u>(1,045,865)</u>
Increase (decrease) in Net Position	\$ 17,126,098	\$ 16,976,706
Prior Period Adjustment	-	(2,319)
Net Position - Jan 1	<u>82,911,514</u>	<u>65,937,127</u>
Net Position - December 31	<u>\$ 100,037,612</u>	<u>\$ 82,911,514</u>

The cost of all governmental activities this year was \$25,774,362. (Exhibit B-1) However, as shown in the Statement of Activities on pages 12 thru 15, some of the costs were paid by those who directly benefited from the programs (\$956,649) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1,188,913).

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$52,881,550.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$33,210,694.

General Fund Budgetary Highlights

Over the course of the year, the Commissioners' Court made revisions to the County's budget. These budget amendments increased budgeted disbursements by \$729,800.

The resources available for appropriation were \$2,995,140 more than budgeted for the General Fund, which is due to an increase in mineral valuations. (Exhibit G-1)

Expenditures were \$2,339,168 less than budgeted, which is attributable to overall expenditures being less than anticipated. (Exhibit G-1)

Actual expenditures were less than budgeted amounts for function 100 in the amount of \$659,118 and for function 420 in the amount of \$468,182. These differences are the result of actual expenditures being less than anticipated. (Exhibit G-1)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2020, the County had invested \$39.1 million in a broad range of capital assets, including land, buildings and equipment.

Additions for the year included buildings/improvements, vehicles, machinery/equipment and construction in progress.

More detailed information can be found in Note 5 on page 33 of this report.

Long-Term Obligations

At the end of the year, the County had \$21.4 million of long-term obligations.

More detailed information about the County's long-term liabilities can be found in Note 8 on page 36.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2021 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 steady 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 2021. Amounts available for appropriation in the budget are \$33,459,111, an decrease of 2.80% compared to the 2020 budget of \$34,424,357. Budgeted expenditures are expected to decrease by 3.76% to \$21,128,032 from \$21,953,555 in 2020. There are budgeted interfund transfers to Construction Funds for \$13,000,000, EMS for \$850,000, Ward Memorial Hospital for \$1,500,000 and other funds for \$950,000. If these estimates are realized, the County's budgetary General Fund Balance will decrease by \$3,968,900.

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 Auditor's Office at the Ward County Courthouse, 400 S. Allen St., Monahans, Texas, 79756.

The County's legally separate component unit, Ward Memorial Hospital, has its own financial audit. If you have questions about this report or need additional financial information, contact the Hospital's management at the Ward Memorial Hospital, 406 S. Gary Avenue, Monahans, Texas, 79756.

FINANCIAL STATEMENTS

WARD COUNTY, TX
STATEMENT OF NET POSITION
DECEMBER 31, 2020

EXHIBIT A-1

Data Control Codes	<u>Primary Government</u> Governmental Activities
ASSETS	
1010 Cash and Cash Equivalents	\$ 51,964,525
1050 Taxes Receivable, Net	24,825,653
1150 Accounts Receivable (Net)	808,606
1260 Due from Other Governments	248,092
1300 Due from Fiduciary Funds	1,223,481
Capital Assets:	
1710 Land Purchase and Improvements	185,773
1720 Infrastructure, Net	3,971,768
1730 Buildings, Net	25,987,251
1750 Furniture and Equipment, Net	3,790,494
1760 Vehicles	1,004,001
1780 Construction in Progress	4,199,759
1000 Total Assets	<u>118,209,403</u>
DEFERRED OUTFLOWS OF RESOURCES	
1997 Deferred Outflow Related to Pension Plan	2,078,683
1998 Deferred Resource Outflow Related to OPEB	3,551,508
1500 Total Deferred Outflows of Resources	<u>5,630,191</u>
LIABILITIES	
2010 Accounts Payable	554,549
2240 Notes Payable - Current	68,950
Noncurrent Liabilities:	
2502 Net OPEB Liability	19,222,405
2550 Compensated Absences	298,796
2580 Net Pension Liability	1,896,873
2000 Total Liabilities	<u>22,041,573</u>
DEFERRED INFLOWS OF RESOURCES	
2602 Deferred Inflow Related to Pension Plan	1,062,234
2604 Deferred Resource Inflow Related to OPEB	698,175
2500 Total Deferred Inflows of Resources	<u>1,760,409</u>
NET POSITION	
3200 Net Investment in Capital Assets	39,139,046
3890 Restricted for Other Purposes	19,670,856
3900 Unrestricted Net Position	41,227,710
3000 Total Net Position	<u>\$ 100,037,612</u>

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TX
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Data Control Codes	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
100 General Government	\$ 3,927,605	\$ -	\$ -
120 Judicial	622,376	5,691	35,297
140 Elections	73,715	-	-
150 Financial Administration	638,171	-	-
160 Courthouse	174,651	11,383	-
170 Tax Assessor/Collector	499,339	128,666	-
180 Agricultural Extension Unit	137,742	-	-
190 Home Agent	363,818	-	-
210 Sheriff	2,807,585	34,148	115,888
220 Fire Protection	701,141	-	-
230 Corrections	633,181	11,383	329,440
250 Jail	2,414,533	-	-
260 Department of Public Safety	1,285	-	-
310 Highways & Streets	3,979,801	-	11,766
330 County Clerk	772,686	347,175	-
360 District Clerk	372,162	45,531	-
370 Justice of the Peace	720,926	56,914	-
380 County Attorney	567,441	-	23,531
390 Constable	54,593	-	-
400 District Attorney	161,476	-	176,486
410 Health	542,226	-	282,377
420 EMS	976,582	250,817	11,766
440 Indigent Welfare	36,266	-	-
450 Indigent Legal Care	198,973	-	23,531
490 Victim Services	114,417	-	94,126
510 Community Center	1,148,799	50,134	-
520 Parks	69,442	2,600	-
530 Museums	82,648	-	2,345
540 Coliseum	150,075	8,161	-
550 Libraries	481,022	4,046	-
560 Senior Citizens Center	530,292	-	82,360
570 Emergency Management	8,400	-	-
590 4-H Rifle Barn	7,978	-	-
610 Conservation	16,709	-	-
660 Economic Opportunity	554,037	-	-
800 Capital Outlay	62,269	-	-
900 Intergovernmental	1,170,000	-	-
TOTAL PRIMARY GOVERNMENT	\$ 25,774,362	\$ 956,649	\$ 1,188,913

Data	General Revenues:
Control	Taxes:
Codes	5010 Property Taxes, Levied for General Purposes
	5120 General Sales and Use Taxes
	5150 Gross Receipts Business Tax
	5700 Miscellaneous Revenue
	5800 Investment Earnings
	Transfers In (Out):

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
(3,927,605)		
(581,388)		
(73,715)		
(638,171)		
(163,268)		
(370,673)		
(137,742)		
(363,818)		
(2,657,549)		
(701,141)		
(292,358)		
(2,414,533)		
(1,285)		
(3,968,035)		
(425,511)		
(326,631)		
(664,012)		
(543,910)		
(54,593)		
15,010		
(259,849)		
(713,999)		
(36,266)		
(175,442)		
(20,291)		
(1,098,665)		
(66,842)		
(80,303)		
(141,914)		
(476,976)		
(447,932)		
(8,400)		
(7,978)		
(16,709)		
(554,037)		
(62,269)		
(1,170,000)		
(23,628,800)		
(23,628,800)		
40,288,293		
102,878		
450,000		
963,658		
263,098		

WARD COUNTY, TX
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Data Control Codes			Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions	
	5996	Sale of Real & Personal Property		
	5997	Insurance Recovery		
		Total General Revenues and Transfers		
		Change in Net Position		
		Net Position-- Beginning		
		Net Position - Ending		

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(1,500,000)		
148,046		
38,925		
40,754,898		
17,126,098	-	-
82,911,514	-	-
<u>\$ 100,037,612</u>	<u>\$ -</u>	<u>\$ -</u>

WARD COUNTY, TX
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

Data Control Codes	General Fund	Building Constr/Renov Fund	Other Funds	Total Governmental Funds
ASSETS				
1010 Cash and Cash Equivalents	\$ 31,950,724	\$ 12,065,438	\$ 7,948,363	\$ 51,964,525
1050 Taxes Receivable	25,332,299	-	-	25,332,299
1051 Allowance for Uncollectible Taxes (credit)	(506,646)	-	-	(506,646)
1150 Delinquent Taxes and Fines Accounts Receivable	4,817,984	-	-	4,817,984
1151 Allowance for Uncollectible Delinquent Taxes and F	(4,009,378)	-	-	(4,009,378)
1260 Due from Other Governments	-	-	248,092	248,092
1300 Due from Other Funds	1,371,956	-	99,617	1,471,573
1000 Total Assets	<u>\$ 58,956,939</u>	<u>\$ 12,065,438</u>	<u>\$ 8,296,072</u>	<u>\$ 79,318,449</u>
LIABILITIES				
2010 Accounts Payable	\$ 111,987	\$ -	\$ 442,562	\$ 554,549
2080 Due to Other Funds	-	-	248,092	248,092
2000 Total Liabilities	<u>111,987</u>	<u>-</u>	<u>690,654</u>	<u>802,641</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	25,203,739	-	-	25,203,739
2602 Deferred Inflow Related to Pension Plan	430,519	-	-	430,519
2600 Total Deferred Inflows of Resources	<u>25,634,258</u>	<u>-</u>	<u>-</u>	<u>25,634,258</u>
FUND BALANCES				
3460 Restricted for Commissary	-	-	12,513	12,513
3490 Other Restricted Fund Balance	-	12,065,438	7,592,905	19,658,343
3600 Unassigned Fund Balance	33,210,694	-	-	33,210,694
3000 Total Fund Balances	<u>33,210,694</u>	<u>12,065,438</u>	<u>7,605,418</u>	<u>52,881,550</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 58,956,939</u>	<u>\$ 12,065,438</u>	<u>\$ 8,296,072</u>	<u>\$ 79,318,449</u>

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TX
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2020

Total Fund Balances - Governmental Funds	\$	52,881,550
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		20,618,350
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2020 capital outlays and debt principal payments is to increase net position.		4,513,656
This fiscal year required that the County report their net pension liability in the Government Wide Statement of Net Position. The items reported as a result of this implementation included changes in net pension liability of \$3,750,255, a Deferred Resource Inflow of \$2,899,621 and a Deferred Resource Outflow of \$(489,692). The net effect of these was to decrease the ending net position by \$360,942.		360,942
This fiscal year required that the County report their net OPEB liability in the Government Wide Statement of Net Position. The items reported as a result of this implementation included changes in net OPEB liability of \$(4,195,805), a Deferred Resource Inflow of \$218,180 and a Deferred Resource Outflow of \$2,244,866. The net effect of these was to decrease the ending net position by \$(1,732,759).		(1,732,759)
The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(2,169,435)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		25,565,308
Net Position of Governmental Activities	\$	100,037,612

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT C-3

Data Control Codes	General Fund	Building Constr/Renov Fund	Other Funds	Total Governmental Funds
REVENUES:				
Taxes:				
5110 Property Taxes	\$ 34,603,622	\$ -	\$ 3,673,264	\$ 38,276,886
5120 General Sales and Use Taxes	102,877	-	-	102,877
5150 Gross Receipts Business Tax	-	-	450,000	450,000
5200 Licenses and Permits	343,320	-	-	343,320
5300 Intergovernmental Revenue and Grants	148,219	-	1,028,353	1,176,572
5400 Charges for Services	433,079	-	136,061	569,140
5416 General Government Charges for Services	71,752	-	-	71,752
5456 Patient Revenue	250,817	-	-	250,817
5472 Swimming Pool Fees	2,600	-	-	2,600
5476 Library Use Fees	4,046	-	-	4,046
5479 Facilities Receipts	58,295	-	-	58,295
5510 Fines	594,211	-	24,187	618,398
5520 Forfeits	933	-	15,282	16,215
5610 Investment Earnings	168,987	51,956	42,155	263,098
5620 Rents and Royalties	96,501	-	-	96,501
5640 Contributions & Donations from Private Sources	12,341	-	-	12,341
5700 Other Revenue	276,698	-	46,832	323,530
5020 Total Revenues	<u>37,168,298</u>	<u>51,956</u>	<u>5,416,134</u>	<u>42,636,388</u>
EXPENDITURES:				
Current:				
0100 General Government	3,950,905	-	-	3,950,905
0120 Judicial	472,377	-	3,370	475,747
0140 Elections	148,799	-	-	148,799
0150 Financial Administration	480,877	-	-	480,877
0160 Courthouse	134,906	-	875	135,781
0170 Tax Assessor/Collector	389,437	-	-	389,437
0180 Agricultural Extension Unit	103,817	-	-	103,817
0190 Home Agent	276,867	-	-	276,867
0210 Sheriff	2,393,045	-	173,707	2,566,752
0220 Fire Protection	698,665	-	-	698,665
0230 Corrections	26,410	-	515,248	541,658
0250 Jail	2,056,788	-	26,073	2,082,861
0260 Department of Public Safety	1,285	-	-	1,285
0310 Highways & Streets	2,094,146	-	2,126,915	4,221,061
0330 County Clerk	302,388	-	380,933	683,321
0360 District Clerk	281,274	-	-	281,274
0370 Justice of the Peace	543,951	-	-	543,951
0380 County Attorney	446,860	-	28,591	475,451
0390 Constable	42,253	-	-	42,253
0400 District Attorney	-	-	161,476	161,476
0410 Health	302,426	-	239,800	542,226
0420 EMS	1,020,748	-	-	1,020,748
0440 Indigent Welfare	36,266	-	-	36,266
0450 Indigent Legal Care	198,973	-	-	198,973
0490 Victim Services	-	-	98,495	98,495
0510 Community Center	1,025,688	-	-	1,025,688
0520 Parks	69,442	-	-	69,442
0530 Museums	67,859	-	-	67,859
0540 Coliseum	235,530	-	-	235,530
0550 Libraries	374,762	-	-	374,762
0560 Senior Citizens Center	339,457	-	85,106	424,563
0570 Emergency Management	8,400	-	-	8,400
0590 4-H Rifle Barn	7,978	-	-	7,978
0610 Conservation	16,709	-	-	16,709
0660 Economic Opportunity	-	-	456,036	456,036
Capital Outlay:				
0800 Capital Outlay	267,940	-	2,479,853	2,747,793
Intergovernmental:				
0900 Intergovernmental	1,170,000	-	-	1,170,000

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT C-3 (Cont'd)

Data Control Codes	General Fund	Building Constr/Renov Fund	Other Funds	Total Governmental Funds
6030 Total Expenditures	19,987,228	-	6,776,478	26,763,706
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	17,181,070	51,956	(1,360,344)	15,872,682
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	164,986	-	-	164,986
7914 Non-Current Loans	68,950	-	-	68,950
7915 Transfers In	80,282	3,700,000	8,467,270	12,247,552
7949 Other Resources - Insurance Recovery	38,925	-	-	38,925
8911 Transfers Out (Use)	(10,652,269)	-	(3,095,282)	(13,747,551)
7080 Total Other Financing Sources (Uses)	(10,299,126)	3,700,000	5,371,988	(1,227,138)
1200 Net Change in Fund Balances	6,881,944	3,751,956	4,011,644	14,645,544
0100 Fund Balance - January 1 (Beginning)	26,315,772	8,313,482	3,606,752	38,236,006
1300 Prior Period Adjustment	12,978	-	(12,978)	-
3000 Fund Balance - December 31 (Ending)	<u>\$ 33,210,694</u>	<u>\$ 12,065,438</u>	<u>\$ 7,605,418</u>	<u>\$ 52,881,550</u>

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TX
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	14,645,544
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2020 capital outlays and debt principal payments is to increase the change in net position.		4,513,656
The entries required by GASB 68 did require that some expenses on B-1 be adjusted. Total credits to expenses were \$3,065,632 and total debits to expenses were \$2,704,690. The net effect on the change in net position on Exhibit B-1 is an increase of \$360,942.		360,942
The entries required by GASB 75 to require that some expenses on B-1 be adjusted. Total credits to expenses were \$218,180 and total debits to expenses were \$1,950,939. The changes in the ending net position as a result of reporting the OPEB items was to decrease the change in net position.		(1,732,759)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(2,169,435)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase the change in net position.		1,508,150
Change in Net Position of Governmental Activities	\$	17,126,098

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TX
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 3,269,915
Due from Fiduciary Funds	52,255
Due from Others	35
Total Assets	3,322,205
LIABILITIES	
Accounts Payable	2,140
Due to Other Funds	1,223,480
Due to Fiduciary Funds	52,256
Due to Others	1,390,925
Total Liabilities	2,668,801
NET POSITION	
Unrestricted Net Position	653,404
Total Net Position	\$ 653,404

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TX
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial Funds
ADDITIONS:	
Intergovernmental Revenue and Grants	\$ 820,954
Charges for Services	37,312
Fines	378,026
Forfeits	55,897
Investment Earnings	6,032
Other Revenue	229,470
Total Additions	<u>1,527,691</u>
DEDUCTIONS:	
Personnel Services - Salaries and Wages	781,203
Personnel Services - Social Security	79,996
Personnel Services - Retirement	112,501
Purchased Services - Professional	9,000
Purchased Services - Other Professional	4,312
Purchased Services - Technical	26,836
Repair and Maintenance Services	11,853
Rentals	32,100
Other Operating Costs	82,603
Communications	20,095
Travel	18,851
Operating Cost - User Defined	92,601
Miscellaneous Operating Cost	1,000
Supplies	24,317
General Supplies	53,840
Energy	11,806
Total Deductions	<u>1,362,914</u>
Net Change in Fiduciary Net Position	164,777
Total Net Position - January 1 (Beginning)	<u>488,627</u>
Total Net Position - December 31 (Ending)	<u><u>\$ 653,404</u></u>

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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. Ward County (the County) operates under a county judge/commissioners court type of government as provided by state statute. The financial and reporting of the County conform to generally accepted accounting principles (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Government Units*.

The Commissioner's Court has governance responsibilities over all activities related to Ward County, Texas. The County receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities; however, the County is not included in any other governmental "reporting entity" as defined by authoritative guidance. There are no component units included within the reporting entity.

The County provides the following services to its citizens: public safety (law enforcement and detention), public transportation (roads and bridges), health and welfare (pauper care, health clinic facilities, meals for the elderly and indigent health care), culture and recreation facilities, conservation, public facilities, judicial and legal, elections functions, and general and financial administrative services.

Government-wide and Fund Financial Statements

The Statement of Net Position 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, fines and fees, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Statement of Activities presents a comparison between expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: a) fees, fines and charges paid by the recipients of goods or services offered by the program, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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 Revenues, Expenditures and Changes in Fund Balances. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from agency funds on the government-wide Statement of Net Position.

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. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Under the modified accrual basis of accounting, revenues are recognized in the accounting period or expected to be collected within 60 days after year end and be used to pay liabilities of the current period. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Exceptions to this general rule included unmatured principal and interest on general long-term obligations which are recognized when due. This exception is in conformity with generally accepted accounting principles.

Property tax revenues and sales tax receipts are considered measurable and available when collected by the respective intermediary collecting agency and recognized as revenue at that time. Property tax revenues are considered measurable at the time of levy and are recognized as unearned revenue, net of an allowance for estimated uncollectible taxes, at that time. Property tax revenues are considered available if collected within 60 days subsequent to year end. All tax collections expected to be received subsequent to year end are, therefore, reported as unearned revenues. Licenses and permits, fines and forfeits, and miscellaneous revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded on the accrual basis in all funds.

Intergovernmental revenues are recorded on a basis applicable to the legal and contractual requirements of the individual grant programs. If funds must be expended on the specific purpose or project before any amounts will be paid to the County, revenues are recognized as the expenditures or expenses are recorded. If funds are virtually unrestricted and irrevocable, except for failure to comply with required compliance requirements, revenues are recognized or susceptible to accrual. Federal and State grants awarded on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other federal and state reimbursable-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

Fiduciary Funds are accounted for by GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities focusing on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with who a fiduciary relationship exists. An activity meeting the criteria is reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension and other employee benefit trust funds; (2) investment trust funds; (3) private-purpose trust funds and; custodial funds.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Accounting

The County reports the following major governmental funds:

General Fund - The General Fund is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose, provided it is expended or transferred in accordance with the legally adopted budget of the County.

Building/Construction Fund - The Building/Construction Fund is used to account for and reports financial resources that are restricted to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The Building/Construction Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Other Funds - The Special Revenue Funds account for revenues derived from earmarked revenue sources that are legally restricted to expenditures for a specific purpose.

Fiduciary Funds - Fiduciary funds account for assets held in either a trustee capacity or in a custodial capacity for individuals, private organizations, other governmental units or other funds meeting the criteria established by GASB Statement 84, *Fiduciary Activities*. For the County, these are limited to custodial funds that hold assets not in trust on behalf of others in a purely custodial capacity.

Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Equity

Cash and Cash Equivalents - Highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes - Property taxes are levied 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 the property to secure payment of all taxes, penalties, and interest ultimately imposed.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Generally, a capitalization threshold of \$5,000 is used.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction is included as part of the capitalized value of the assets constructed. There was no capitalized interest during the current year.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building and Improvements	20-50
Furniture and Equipment	5-10
Vehicles and Heavy Equipment	5-10
Infrastructure	20-35

Compensated Absences - A liability for unused vacation and comp time for all full-time employees and personal time off for EMS personnel is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

1. Leave or compensation is attributable to services already rendered.
2. Leave or compensation is not contingent on specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent that the liabilities have matured (i.e., are due for payment). Compensated absences are accrued as long-term debt in the government-wide statements.

Upon termination from the County employment, an employee that has completed a year of employment shall be entitled to payment for the total accrued but unused days of vacation. Comp time earned, but not taken, is paid at termination, but cannot accumulate beyond County specified limits. Once the maximum number of compensatory hours has been accumulated, employees are paid immediately for any additional compensatory hours earned. Sick leave accrues at a rate of 8 hours per month or 96 hours per year up to a maximum of 480 hours, but compensation is paid only for illness-related absences. Unused sick leave is non-vesting and will not be paid on termination, thus vacation and comp time is the only accrued compensation liabilities recorded.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Interfund Activity - Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Deferred Outflows/Inflows of Resources -In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources for the difference between projected and actual earnings for its pension plan and contributions made to the pension plan after the measurement date, but before the end of the fiscal year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines and fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Federal and State Grants and Entitlements - Grants, entitlements and shared revenues may be accounted for within any of the fund types. The purpose and requirements for each grant or entitlement are carefully analyzed to determine the proper fund type in which to record the related transactions. Grants or entitlements received for purposes normally financed through a particular fund type may be accounted for in that type provided that applicable legal restrictions are appropriately satisfied. Such revenues received for purposes normally financed through the general fund are accounted for within the Special Revenue Funds.

Fund Equity - In the fund financials, fund balance is the difference between governmental fund assets and liabilities reflected on the balance sheet.

The fund balance of the General Fund is of primary significance because the General Fund is the primary fund which finances most functions in the County.

The order of spending and availability of the fund balance shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and then unassigned funds.

The five classifications of fund balance of the governmental types are as follows:

Non-spendable fund balance classification includes amounts that cannot be spent because they are either not in a spendable form or they are legally or contractually required to be maintained intact. Examples of these funds are inventories or prepaid items. Additionally, these items are not expected to be converted to cash.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Restricted fund balance represents those funds other than non-spendable that are restricted to specific purposes such as externally imposed by creditors, grantors, contributors or laws or regulations of other governments. Additionally, these funds are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance represents those funds that can only be used for specific purposes per the formal action (i.e., resolution) as a posted Commissioners' Court agenda item of the Ward County Commissioners' Court. These funds cannot be used for any other purpose unless the Court removes or changes the specified use by taking the same type of action it employed to previously commit the funds. These funds include contractual obligations entered into by the Commissioners' Court.

Assigned fund balance represents those funds designated by the commissioners' court to be used for specific purposes, but are neither restricted nor committed. The resources of these funds could represent operating transfers to special revenue funds from the general fund and the interest earnings associated with those transfers and those funds that are not classified as restricted, non-spendable or committed.

Unassigned fund balance is the resulting difference between total fund balances less the previous types of fund balances and is at the discretion of the Commissioners' Court. The general fund is the only fund type that may represent a positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts, restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

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

Other Post-Employment Benefits (Retiree Health Insurance) – The fiduciary net position of the County's Retiree Health Insurance Benefits has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the County's Retiree Health Insurance Benefit's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay as you go plan and all cash is held in a cash account.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County Judge submits an annual budget to the Commissioners Court in accordance with the laws of the State of Texas. The budget is presented to the Commissioners Court for review, budget workshops are held with the various County department officials, and public hearings are held to address priorities and the allocation of resources. Prior to September 30, the Commissioners' Court adopts the annual fiscal year budgets for all County operating funds. Once approved, the Commissioners' Court may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

The budget for the general fund is prepared on the GAAP basis. Revenues are budgeted in the year receipt is expected; and expenditures are budgeted in the year that the liability is incurred.

All the County's funds held positive fund equity at December 31, 2020.

Note 3: 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's cash and cash equivalents were comprised of eight demand deposit accounts, twelve time deposits and forty-one TexPool accounts at December 31, 2020.

The total carrying amount of the County Treasurer's demand deposits at December 31, 2020 was \$2,115,527 and the bank balance was \$2,028,773. The County Treasurer's demand deposits at December 31, 2020, and during the year ended December 31, 2020, were covered by FDIC insurance and pledged collateral. Pledged securities and FDIC insurance exceeded the date of highest demand deposit on February 3, 2020 by \$6,071,754. 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>
Tejas Bank	\$5,351,290	\$11,423,044	\$500,000	February 2020

The County held no in undeposited funds on December 31, 2020.

A portion of the County's cash and cash equivalents consist of balances held by TexPool, a branch of the State government. To minimize credit risk, TexPool's investment policy allows the portfolio's investment manager to only invest in obligations of the U.S. Government, its agencies; repurchase agreements; and no-load AAAM money market mutual funds registered with the SEC. Texpool is rated AAAM by Standard & Poor's. Market value at December 31, 2020 is provided by TexPool.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 3: DEPOSITS, INVESTMENTS AND SECURITIES – continued

The County's cash equivalents held with TexPool at December 31, 2020 are shown below:

Name	Carrying Amount	Market Value
TexPool	\$53,118,913	\$53,118,913

Custodial Credit Risk for Deposits and Investments

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 February 03, 2020 demand deposits were adequately covered by pledged securities and FDIC insurance.

Foreign Currency Risk

The County has no investments or deposits of a foreign currency as of December 31, 2020.

Interest Rate Risk

The County has not been exposed to any interest rate risk as of December 31, 2020.

Concentration of Credit Risk

The County has not been exposed to any concentration of credit risk as of December 31, 2020.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 3: DEPOSITS, INVESTMENTS AND SECURITIES – continued

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.

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.

Note 4: RECEIVABLES

Receivables at year end, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Other Funds	Total Governmental Funds
Receivables			
Delinquent Taxes	\$ 1,051,408	\$ -	\$ 1,051,408
Fines & Fees	3,766,576	-	3,766,576
Total Gross Receivables	<u>4,817,984</u>	<u>-</u>	<u>4,817,984</u>
Less: Allowance for Uncollectible Accounts			
Taxes	(673,322)	-	(673,322)
Fines & Fees	(3,336,056)	-	(3,336,056)
Total Allowance	<u>(4,009,378)</u>	<u>-</u>	<u>(4,009,378)</u>
Net Total Receivables	<u>\$ 808,606</u>	<u>\$ -</u>	<u>\$ 808,606</u>

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

Governmental Activities:

	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Land	\$ 185,773	\$ -	\$ -	\$ 185,773
Buildings & Improvements	37,631,885	481,095	-	38,112,980
Vehicles	2,579,640	329,957	(523,595)	2,386,002
Furniture, Machinery & Equipment	9,697,559	1,386,609	(675,034)	10,409,134
Infrastructure	5,366,594	-	-	5,366,594
Construction in Progress	1,785,960	2,671,737	(257,937)	4,199,759
Total General Fixed Assets	57,247,411	4,869,398	(1,456,566)	60,660,242
Less: Accumulated Depreciation				
	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Buildings & Improvements	(11,223,044)	(902,685)	-	(12,125,729)
Vehicles	(1,666,701)	(233,205)	(517,905)	(1,382,001)
Machinery & Equipment	(6,517,209)	(765,215)	(663,784)	(6,618,640)
Infrastructure	(1,126,496)	(268,330)	-	(1,394,826)
Total Accumulated Depreciation	(18,546,655)	(2,169,435)	(1,181,689)	(21,521,196)
Governmental Activities				
Capital Assets - Net	\$ 38,700,756	\$ 2,699,963	\$ (2,638,255)	\$ 39,139,046

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 5: CAPITAL ASSETS - continued

Depreciation expense was charged to governmental functions as follows:

	General		
10	Government	\$	29,959
12	Judicial		87,822
14	Elections		4,315
15	Financial Administration		94,210
16	Courthouse		23,280
17	Tax		65,824
18	Agri		20,320
19	Home Agent		52,079
21	Sheriff		355,775
22	Fire Protection		1,484
23	Corrections		54,817
25	Jail		254,353
31	Highways & Streets		404,687
33	County Clerk		53,525
36	District Clerk		54,436
37	Justice of the Peace		105,997
38	County Attorney		55,097
39	Constable		7,391
42	EMS		114,900
49	Victims		9,536
51	Recreation		123,764
53	Museums		8,857
55	Libraries		63,644
56	Senior Citizens Center		63,326
66	Economic Opportunity		<u>60,037</u>
	Total Depreciation	\$	<u>2,169,435</u>

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 6: INTERFUND BALANCES AND TRANSFERS

Interfund balances at December 31, 2020 consisted of the following individual fund balances:

	Due From	Due To	Purpose
General Fund:			
Agency Funds	\$ 1,123,864	\$ -	Collections of fees not yet remitted
Special Revenue Funds	<u>248,092</u>	<u>-</u>	Unreimbursed Grant item
Total General Fund	<u>1,371,956</u>	<u>-</u>	
Special Revenue Funds:			
General Fund	-	248,092	Unreimbursed Grant item
Agency Fund	<u>99,616</u>	<u>-</u>	Collections of fees not yet remitted
Total Special Revenue Funds	<u>99,616</u>	<u>248,092</u>	
Agency Funds:			
General Fund	-	1,123,864	Collections of fees not yet remitted
Agency Fund	52,256		Collections of fees not yet remitted
Agency Fund	-	52,256	Collections of fees not yet remitted
Special Revenue Fund	<u>-</u>	<u>99,616</u>	Collections of fees not yet remitted
Total Agency Funds	<u>52,256</u>	<u>1,275,736</u>	
Total Due To's/Due From's	<u>\$ 1,523,828</u>	<u>\$ 1,523,828</u>	

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 6: INTERFUND BALANCES AND TRANSFERS - continued

Interfund Transfers consist of the following:

	Transfers		Purpose
	In	Out	
Transfers from General Fund to:			
Special Revenue Fund	-	1,500,000	Operating Transfer - Library Renovation
Special Revenue Fund	-	2,000,000	Operating Transfer - Event Center Park
Special Revenue Fund	80,282	1,800,000	Completion of Arena Construction
Special Revenue Fund	-	3,700,000	Operating Transfer - Building Construction
Hospital	-	1,500,000	Operating Transfers - Hospital
Special Revenue Fund	-	142,758	Operating Transfer- Juvenile Probation
Special Revenue Fund	-	58	Operating Transfer - Title IV-E/JPO
Special Revenue Fund	-	3,188	Operating Transfer - Hotel/Motel
Special Revenue Fund	-	6,265	Operating Transfer- Victims of Crime Act Fund
	<u>80,282</u>	<u>10,652,269</u>	
Transfers to Special Revenue Funds from:			
Special Revenue Fund	-	1,000,000	Operating Transfer - PCT 1 Road Funds
Special Revenue Fund	-	15,000	Operating Transfer - PCT 2 Road Funds
Special Revenue Fund	-	1,000,000	Operating Transfer - PCT 3 Road Funds
Special Revenue Fund	-	1,000,000	Operating Transfer - PCT 4 Road Funds
General Fund	1,500,000	-	Operating Transfer - Library Renovation
General Fund	2,000,000	-	Operating Transfer - Event Center Park
General Fund	1,800,000	80,282	Completion of Arena Construction
General Fund	3,700,000	-	Operating Transfer - Building Construction
General Fund	142,758	-	Operating Transfer - Juvenile Probation
General Fund	6,265	-	Operating Transfer- Victims of Crime Act Fund
General Fund	58	-	Operating Transfer - Title IV-E/JPO
General Fund	3,188	-	Operating Transfer - Hotel/Motel
	<u>9,152,269</u>	<u>3,095,282</u>	
Transfers from Special Revenue Fund to:			
Special Revenue Fund	<u>3,015,000</u>	-	Operating Transfer - PCT 1, 2, 3, 4 Road Funds
	<u>3,015,000</u>	-	
Total transfers	\$ <u>12,247,551</u>	\$ <u>13,747,551</u>	

Note 7: SHORT-TERM OBLIGATIONS

The County incurred a short-term obligation with the purchase of onboard computers for the Sheriff Departments patrol vehicles to be paid off in two years. Short-term debt activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	New Debt	Repayment	Ending Balance
Short-term loan	\$ -	103,425	34,475	\$ 68,950

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 8: LONG-TERM OBLIGATIONS

Long-term obligations are comprised of compensated absences, which includes annual vacation pay, comp pay, and personal time off pay (for EMS staff) of \$298,796; net other postemployment benefits obligation of \$19,222,405; and net pension liability of \$1,896,873. The balance for long-term obligations at December 31, 2020 was \$21,418,074.

Note 9: DEFERRED INFLOWS OF RESOURCES

Governmental Funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

At the end of December 31, 2020, deferred inflows in the General Fund were comprised of the following:

	General Fund
Net Unrealized Property Taxes	\$ 25,203,739
Net Unrealized Fines & Penalties	430,519
Total Deferred Inflows	\$ 25,634,258

Note 10: RISK MANAGEMENT

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 \$198,877 in property, general liability, and professional liability insurance premiums for the year ended December 31, 2020.

Health Insurance

For 2020, the County paid \$1,856,635 in health and dental insurance premiums.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Life Insurance/Aero Care

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 \$25,333 for the year ended December 31, 2020. In addition the Commissioners contracted with Aero Care to cover the air transport for the residents of Ward County for one year in the amount of \$57,183.

Worker's Compensation

The County's worker's compensation plan is administered by the Texas Association of Counties (TAC) under fully-funded (pooled) coverage in which the County is a member.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 11: EMPLOYEES' RETIREMENT PLAN

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through an agent multiple employer defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). Article 33 of the State Statutes grants the authority to establish and amend the benefit terms to the TCDRS Board of Trustees (TCDRS Board). TCDRS issues a publicly available financial report that can be obtained at www.tcdrs.org.

At the measurement date, December 31, 2019, pension expense was as follows:

Service Cost	\$ 1,263,128
Interest on total pension liability	3,443,087
Effect on plan changes	-
Administrative Expenses	32,725
Member contributions	(617,140)
Expected investment return net of investment expenses	(2,977,760)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(7,120)
Recognition of assumption changes or inputs	58,922
Recognition of investment gains or losses	332,904
Other	<u>(18,008)</u>
Pension Expense	<u>\$ 1,510,736</u>

As of December 31, 2019, the deferred inflows and outflows of resources are as follows:

<u>Deferred Inflows/Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 52,149	\$ 242,711
Changes of assumptions	-	58,921
Net difference between projected and actual earnings	1,010,085	-
Contributions made subsequent to measurement date	N/A	1,777,051
Totals	<u>\$ 1,062,234</u>	<u>\$ 2,078,683</u>

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 11: EMPLOYEES' RETIREMENT PLAN - continued

The \$1,777,051 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$	(49,419)
2021		(221,270)
2022		116,470
2023		(606,383)
2024		-
Thereafter		-
Total	\$	(760,602)

Plan Information

At December 31, 2019, the County had 170 current and 162 former employees and 109 retirees participating in the Plan.

Actuarial Assumptions

The actuarial assumptions that determine the total pension liability as of December 31, 2019 were based on the results of an actuarial experience study for the period January 1, 2013-December 31, 2016, except where required to be different by GASB 68.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 11: EMPLOYEES' RETIREMENT PLAN - continued

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	10.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment rate of return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: Employer contributions reflect that a 50% CPI COLA was adopted 2019: No changes in plan provisions were reflected in the Schedule.

*Only changes effective 2015 and later are shown in the Notes to Schedule

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 11: EMPLOYEES' RETIREMENT PLAN - continued

Long-term Rate of Investment Return and Target Allocation

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater, LLC. The numbers shown are based on April 2020 information for a 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum every four years, and is set based on a long-term time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 to December 31, 2016 for more details.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities - Developed	MSCI World Ex USA (net) Index	7.00%	5.20%
International Equities - Emerging	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%
Total		100.00%	

⁽¹⁾ Target asset allocation adopted at the June 2020 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.80%, per Cliffwater's 2020 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 11: EMPLOYEES' RETIREMENT PLAN - continued

Discount Rate

The discount rate used to measure the total pension liability was 8.10%.

Sensitivity Analysis

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

	1% Decrease	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Total pension liability	\$ 50,144,424	\$ 44,840,570	\$ 40,324,012
Fiduciary net position	42,943,697	42,943,697	42,943,697
Net pension liability/(asset)	<u>\$ 7,200,727</u>	<u>\$ 1,896,872</u>	<u>\$ (2,619,685)</u>

Note 12: POSTEMPLOYMENT HEALTHCARE BENEFITS

Description

The County offers health insurance benefits to all qualified retirees who elect to participate in the plan. The plan is considered a single-employer defined benefit plan and benefits are paid directly from general assets on a pay as you go basis. The healthcare benefits cover medical, dental and hospitalization costs for retirees and their dependents. Retirees over age 65 are required to enroll in Medicare. Medical, dental and life insurance coverage is available in the event of disability. The authority under which the Plan's benefit provisions are established or amended is the Commissioner's Court. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits

The County offers postemployment health, dental and life insurance benefits to all employees who retire from the County if they receive a TCDRS pension and retire from the County (1) on or after age 60 with at least 8 years of service, (2) after the sum of their age and service exceeds 75 (Rule of 75), or (3) at any age with at least 30 years of service. Retirees who do not have eight years of service with Ward County at the time of TCDRS retirement may continue on the medical plan but must pay 100% of the premium for continued coverage. Coverage is available to dependents of retirees who are currently receiving benefits. If the retiree predeceases the dependent, coverage for the dependent falls under COBRA. Life insurance in the amount of \$5,000 is provided for retirees only. If the retiree had 8 years of service with the County at TCDRS retirement, the County will pay 100% of the life insurance premium. If the retiree did not have 8 years of service with the County at TCDRS retirement, the retiree must pay 100% of life insurance premium.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

The plan does not issue a stand-alone report. For inquiries relating to the plan, please contact Ellen Friar, Ward County, 400 S. Allen, Monahans, TX 79756.

Employees covered by benefit terms

At January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees, retiree's spouses or beneficiaries currently receiving benefit payment	74
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	124
Total	198

The OPEB Liability of \$19,222,405 was measured as of December 31, 2020.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation Timing	The valuation is performed at January 1, 2020 with measurements at December 31, 2019 and December 31, 2020.
Actuarial Cost Method	Entry Age Normal
Discount Rate ⁽¹⁾	December 31, 2019: 2.74% December 31, 2020: 2.12%
Inflation	December 31, 2019: 2.20% December 31, 2020: 2.20%
Salary Increases	Used the 2019 TCDRS report, varying on plan entry age. The rates from this report is compounded with the wage increase rate of 3.25% per year for the total salary increase rates.

⁽¹⁾The Discount Rate is based on the Bond Buyer's 20-year General Obligation Index immediately prior to or coincident with the measurement date.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

Per Capital Medical Benefit Costs	Age	Retiree		Spouse	
		Male	Female	Male	Female
	45	\$ 10,402	\$ 15,114	\$ 7,088	\$ 8,606
	50	\$ 11,389	\$ 14,072	\$ 8,308	\$ 9,665
	55	\$ 12,388	\$ 13,244	\$ 9,585	\$ 10,746
	60	\$ 14,178	\$ 14,143	\$ 11,421	\$ 11,902
	64	\$ 17,066	\$ 15,639	\$ 13,865	\$ 13,142
	65	\$ 5,633	\$ 5,410	\$ 5,633	\$ 5,410
	70	\$ 6,286	\$ 5,822	\$ 6,286	\$ 5,822
	75	\$ 6,854	\$ 6,113	\$ 6,854	\$ 6,113
	80	\$ 7,126	\$ 6,193	\$ 7,126	\$ 6,193

Per Capita Dental Benefit Costs	Age	Retiree		Spouse	
		Male	Female	Male	Female
	45	\$ 354	\$ 407	\$ 378	\$ 431
	50	\$ 388	\$ 439	\$ 412	\$ 463
	55	\$ 442	\$ 480	\$ 466	\$ 504
	60	\$ 502	\$ 520	\$ 526	\$ 544
	64	\$ 545	\$ 540	\$ 569	\$ 564
	65	\$ 556	\$ 543	\$ 580	\$ 567
	70	\$ 600	\$ 554	\$ 624	\$ 578
	75	\$ 600	\$ 554	\$ 624	\$ 578
	80	\$ 600	\$ 554	\$ 624	\$ 578

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

Medical Inflation (Trend Assumption)

The trend assumptions for medical, pharmacy costs, dental, and retiree premiums are summarized below:

Year	Pre-65	Post-65
2020	5.10%	5.10%
2021	5.80%	5.80%
2022	4.90%	4.90%
2023	4.80%	4.80%
2024	4.70%	4.70%
2025	4.60%	4.60%
2026	4.50%	4.50%
2027	4.50%	4.50%
2028	4.30%	4.30%
2029-2036	4.40%	4.40%
2037-2045	4.50%	4.50%
2046-2049	4.60%	4.60%
2050-2052	4.50%	4.50%
2053-2063	4.40%	4.40%
2064-2065	4.30%	4.30%
2066	4.20%	4.20%
2067-2068	4.10%	4.10%
2069	4.00%	4.00%
2070-2071	3.90%	3.90%
2072	3.80%	3.80%
2073+	3.70%	3.70%

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

Coverage Assumption	100% of active employees are assumed to elect coverage at retirement.
Marriage Assumptions	50% of members are assumed to elect spousal coverage at retirement. When provided, actual ages for spouses are used. Otherwise, it is assumed that female spouses are 3 years younger than male spouses.
Mortality	December 31, 2019: Sex Distinct PubG.H-2010 projected forward (fully generational) with MP-2019. Pub-2010 tables for disabled lives and contingent survivors will also be used. December 31, 2020: Sex Distinct PubG.H-2010 projected forward (fully generational) with MP-2020. Pub-2010 tables for disabled lives and contingent survivors will also be used.
Retirement Rates	Used the December 2019 TCDRS Report.
Termination Rates	Used the 2019 TCDRS Report for the Middle Termination Group. Sample termination rates vary on plan entry age.
Disability	Used sample rates of disability from the 2019 TCDRS Report.
Changes in Actuarial Assumptions	
Discount Rate	The discount rate was updated from 2.74% at the December 31, 2019 measurement date to 2.12% at the December 31, 2020 measurement date.
Mortality	The mortality assumptions were updated from mortality scale MP-2019 to mortality scale MP-2020 at the December 31, 2020 measurement date.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

Sensitivity of the total OPEB liability to changes in the discount rate.

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%):

	1% Decrease 1.12%	Current Discount Rate 2.12%	1% Increase 3.12%
Total OPEB Liability	\$ 22,601,508	\$ 19,222,405	\$ 16,512,703

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates, as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one lower or one percent higher:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 15,996,197	\$ 19,222,405	\$ 23,435,665

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended December 31, 2020, the County recognized OPEB expense related to retiree health insurance benefits of \$2,123,076.

At December 31, 2020, the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,377,667
Changes in Assumptions	(698,175)	2,173,841
Total	\$ (698,175)	\$ 3,551,508

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

\$0 reported as deferred outflows of resources related to retiree health insurance benefits resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability as of December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Net deferred outflows/(inflows) of resources
2021	\$ 575,831
2022	575,831
2023	575,831
2024	537,668
2025	490,141
Thereafter*	98,031
Total	\$ 2,853,333

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

Note 13: 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, 2020 were \$17,292 and \$1,919,227, respectively.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Note 13: DEFERRED COMPENSATION PLAN

Nationwide Retirement Solutions

Beginning Balance, January 1, 2020	Contributions and Market Gains	Withdrawals, Fees and Market Losses	Ending Balance, December 31, 2020
<u>\$ 16,055</u>	<u>\$ 1,237</u>	<u>\$ -</u>	<u>\$ 17,292</u>

MassMutual

Beginning Balance, January 1, 2020	Contributions and Market Gains	Withdrawals and Market Losses	Ending Balance, December 31, 2020
<u>\$1,665,510</u>	<u>\$256,587</u>	<u>(\$2,870)</u>	<u>\$1,919,227</u>

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 14: 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.

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 2020 the County Judge earned \$1,620 from Ward County for court-appointed representation of indigent defendants in district court.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 15: 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			Totals
	Federal Grants	State Grants	Intergovernmental	
Border Prosecution Grant	\$ -	\$ 135,664	\$ -	\$ 135,664
Child Abuse Prevention	-	-	72	72
Federal & County Prisoner Revenue	-	-	195	195
Indigent Defense Grant - TX Task for on Indigent Defense	-	24,675	-	24,675
LEOSE Funds	-	-	3,947	3,947
State of Texas - Lateral Road Funds	-	-	11,359	11,359
State of Texas - Salary Supplements	-	-	60,885	60,885
State of Texas - State Juror Reimbursement Fee	-	-	3,638	3,638
Texas J-RAC pass through revenues to EMS	-	14,682	-	14,682
Texas Juvenile Probation Commission Funds	-	336,727	-	336,727
Title XX Meals on Wheels	-	-	25,812	25,812
Tobacco Settlement	-	-	44,144	44,144
CARES Act	239,800	-	-	239,800
Stonegarden Grant	97,637	-	-	97,637
Victims of Crime Acts Formula Grant Program	92,229	-	-	92,229
Congregate Meals, Home Delivered Meals & Cash Payments in Lieu of Donated Commodities - DHHS and Department of Agriculture	85,106	-	-	85,106
TOTALS	\$ 514,772	\$ 511,748	\$ 150,052	\$ 1,176,572

Note 16: 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.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 17: PRIOR PERIOD ADJUSTMENT

The County had the following prior-period adjustment in 2020:

	<u>Exhibit B-1</u>	<u>Exhibit C-3</u>
Adjustment for prior year expenditures to Victims of Crime Act Formula Grant	<u>\$ 12,978</u>	<u>\$ (12,978)</u>

REQUIRED SUPPLEMENTAL INFORMATION

WARD COUNTY, TX
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
Taxes:					
5110	Property Taxes	\$ 30,331,370	\$ 30,831,371	\$ 34,603,622	\$ 3,772,251
5120	General Sales and Use Taxes	85,000	85,000	102,877	17,877
5200	Licenses and Permits	333,000	333,000	343,320	10,320
5300	Intergovernmental Revenue and Grants	135,033	379,833	148,219	(231,614)
5400	Charges for Services	607,254	607,254	433,079	(174,175)
5416	General Government Charges for Services	87,000	87,000	71,752	(15,248)
5456	Patient Revenue	350,000	350,000	250,817	(99,183)
5472	Swimming Pool Fees	34,000	34,000	2,600	(31,400)
5476	Library Use Fees	7,000	7,000	4,046	(2,954)
5479	Facilities Receipts	165,000	165,000	58,295	(106,705)
5510	Fines	626,500	620,000	594,211	(25,789)
5520	Forfeits	-	-	933	933
5610	Investment Earnings	620,000	626,500	168,987	(457,513)
5620	Rents and Royalties	15,000	15,000	96,501	81,501
5640	Contributions & Donations from Private Sources	5,000	5,000	12,341	7,341
5700	Other Revenue	27,200	27,200	276,698	249,498
5020	Total Revenues	33,428,357	34,173,158	37,168,298	2,995,140
EXPENDITURES:					
Current:					
0100	General Government	4,337,232	4,610,023	3,950,905	659,118
0120	Judicial	524,222	524,401	472,377	52,024
0140	Elections	141,451	149,501	148,799	702
0150	Financial Administration	475,060	479,230	480,877	(1,647)
0160	Courthouse	147,641	139,951	134,906	5,045
0170	Tax Assessor/Collector	382,053	382,053	389,437	(7,384)
0180	Agricultural Extension Unit	186,944	134,074	103,817	30,257
0190	Home Agent	275,167	276,667	276,867	(200)
0210	Sheriff	2,506,473	2,453,233	2,393,045	60,188
0220	Fire Protection	648,571	698,631	698,665	(34)
0230	Corrections	48,644	48,824	26,410	22,414
0250	Jail	2,041,730	2,109,970	2,056,788	53,182
0260	Department of Public Safety	4,000	4,000	1,285	2,715
0310	Highways & Streets	2,127,825	2,127,825	2,094,146	33,679
0330	County Clerk	305,703	305,703	302,388	3,315
0360	District Clerk	378,193	379,043	281,274	97,769
0370	Justice of the Peace	562,789	556,064	543,951	12,113
0380	County Attorney	465,644	465,644	446,860	18,784
0390	Constable	51,000	51,105	42,253	8,852
0410	Health	205,000	321,100	302,426	18,674
0420	EMS	1,483,930	1,488,930	1,020,748	468,182
0440	Indigent Welfare	41,450	41,450	36,266	5,184
0450	Indigent Legal Care	213,000	213,000	198,973	14,027
0510	Community Center	1,183,161	1,230,661	1,025,688	204,973
0520	Parks	232,330	210,330	69,442	140,888
0530	Museums	70,423	74,323	67,859	6,464
0540	Coliseum	172,000	264,500	235,530	28,970
0550	Libraries	440,041	432,141	374,762	57,379
0560	Senior Citizens Center	339,224	346,224	339,457	6,767
0570	Emergency Management	15,065	10,265	8,400	1,865
0590	4-H Rifle Barn	9,200	9,200	7,978	1,222
0610	Conservation	20,700	20,700	16,709	3,991
Capital Outlay:					

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TX
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
0800 Capital Outlay	390,730	597,630	267,940	329,690
Intergovernmental:				
0900 Intergovernmental	1,170,000	1,170,000	1,170,000	-
6030 Total Expenditures	21,596,596	22,326,396	19,987,228	2,339,168
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	11,831,761	11,846,762	17,181,070	5,334,308
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	164,986	164,986
7914 Non-Current Loans	-	-	68,950	68,950
7915 Transfers In	1,015,000	1,015,000	80,282	(934,718)
7949 Other Resources - Insurance Recovery	-	-	38,925	38,925
8911 Transfers Out (Use)	(11,640,000)	(11,655,000)	(10,652,269)	1,002,731
7080 Total Other Financing Sources (Uses)	(10,625,000)	(10,640,000)	(10,299,126)	340,874
1200 Net Change in Fund Balances	1,206,761	1,206,762	6,881,944	5,675,182
0100 Fund Balance - January 1 (Beginning)	26,315,772	26,315,772	26,315,772	-
1300 Prior Period Adjustment	12,978	12,978	12,978	-
3000 Fund Balance - December 31 (Ending)	\$ 27,535,511	\$ 27,535,512	\$ 33,210,694	\$ 5,675,182

The notes to the financial statements are an integral part of this statement.

Ward County, Texas
Notes to Required Supplementary Information
December 31, 2020

Budgetary Information

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

1. The County Judge, as budget officer, with the assistance of the County Auditor, prepares a budget to cover all proposed expenditures and the means of financing them for the succeeding year, and delivers the proposed budget to Commissioners Court.
2. Commissioners Court holds budget sessions with each department head.
3. Commissioners Court holds budget hearings for the public at which all interested person's comments concerning the budget are heard.
4. Commissioners Court formally adopts the budget in open court meeting.
5. The adopted budget becomes the authorization for all legal expenditures for the County for the fiscal year. Appropriations lapse at the end of the fiscal year.
6. The formally adopted budget may legally be amended by commissioners in accordance with article LGC-111-010 or LGC-111-011.
7. Annual budget is legally adopted for the General Fund.
8. An appropriate resolution (the appropriated budget) to control the level of expenditures should be legally enacted prior to September 30. The County maintains its legal level of budgetary control at the department level. Amendments to the 2020 budget were approved by the Commissioners Court as provided by law.
9. All budget appropriations lapse at year-end.

WARD COUNTY, TX
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
A. Total Pension Liability			
Service Cost	\$ 1,263,128	\$ 1,176,634	\$ 1,220,849
Interest (on the Total Pension Liability)	3,443,087	3,210,871	2,918,183
Changes of Benefit Terms	-	-	750,512
Difference between Expected and Actual Experience	(69,533)	342,347	286,149
Changes of Assumptions	-	-	235,686
Benefit Payments, Including Refunds of Employee Contributions	(2,040,723)	(1,861,743)	(1,649,829)
Net Change in Total Pension Liability	\$ 2,595,959	\$ 2,868,109	\$ 3,761,550
Total Pension Liability - Beginning	42,244,611	39,376,502	35,614,953
Total Pension Liability - Ending	\$ 44,840,570	\$ 42,244,611	\$ 39,376,503
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 1,774,834	\$ 1,495,065	\$ 983,921
Contributions - Employee	617,140	574,999	530,617
Net Investment Income	6,009,679	(688,791)	4,743,948
Benefit Payments, Including Refunds of Employee Contributions	(2,040,723)	(1,861,743)	(1,649,829)
Administrative Expense	(32,725)	(29,395)	(24,671)
Other	18,008	9,933	(2,046)
Net Change in Plan Fiduciary Net Position	\$ 6,346,213	\$ (499,932)	\$ 4,581,940
Plan Fiduciary Net Position - Beginning	36,597,483	37,097,415	32,515,475
Plan Fiduciary Net Position - Ending	\$ 42,943,696	\$ 36,597,483	\$ 37,097,415
C. Net Pension Liability	\$ 1,896,874	\$ 5,647,128	\$ 2,279,088
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.77%	86.63%	94.21%
E. Covered Payroll	\$ 8,816,291	\$ 8,214,265	\$ 7,580,245
F. Net Pension Liability as a Percentage of Covered Payroll	21.52%	68.75%	30.07%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$	1,289,562	\$ 1,065,573	\$ 1,025,795
	2,725,435	2,564,982	2,389,344
	-	(200,349)	-
	(587,442)	(285,504)	122,990
	-	419,397	-
	(1,623,814)	(1,548,884)	(1,446,422)
\$	1,803,741	\$ 2,015,215	\$ 2,091,707
	33,811,212	31,795,998	29,704,291
\$	35,614,953	\$ 33,811,213	\$ 31,795,998
\$	1,158,941	\$ 1,440,837	\$ 1,427,366
	528,891	511,730	466,347
	2,248,196	(408,425)	1,882,931
	(1,623,814)	(1,548,884)	(1,446,422)
	(24,441)	(21,868)	(22,466)
	(124,605)	29,578	116,532
\$	2,163,168	\$ 2,968	\$ 2,424,288
	30,352,307	30,349,338	27,925,050
\$	32,515,475	\$ 30,352,306	\$ 30,349,338
\$	3,099,478	\$ 3,458,907	\$ 1,446,660
	91.30%	89.77%	95.45%
\$	7,555,592	\$ 7,310,432	\$ 6,662,106
	41.02%	47.31%	21.71%

WARD COUNTY, TX
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2020

	2020	2019	2018
Actuarially Determined Contribution	\$ 1,228,991	\$ 1,145,065	\$ 965,723
Contributions in Relation to the Actuarially Determined Contributions	1,774,834	1,495,065	983,921
Contribution Deficiency (Excess)	<u>\$ (545,843)</u>	<u>\$ (350,000)</u>	<u>\$ (18,198)</u>
Covered Employee Payroll	\$ 8,816,291	\$ 8,214,265	\$ 7,580,245
Contributions as a Percentage of Covered Employee Payroll	20.13%	18.20%	13.00%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

	2017	2016	2015	2014	2013	2012	2011
\$	908,941	\$ 940,837	\$ 927,366	\$ 881,225	\$ 816,290	\$ 761,260	774,401
	1,158,941	1,440,837	1,427,366	1,181,255	1,116,288	1,061,259	1,074,401
\$	(250,000)	\$ (500,000)	\$ (500,000)	\$ (300,030)	\$ (299,998)	\$ (299,999)	\$ (300,000)
\$	7,555,592	\$ 7,310,432	\$ 6,662,106	\$ 6,218,945	\$ 5,814,033	\$ 5,693,796	5,449,690
	15.30%	19.70%	21.40%	19.00%	19.20%	18.60%	19.70%

WARD COUNTY, TX
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
Total OPEB Liability			
Service Cost	\$ 1,110,402	\$ 690,773	\$ 779,013
Interest on the Total OPEB Liability	436,843	536,134	469,814
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	1,642,603	-	-
Changes of Assumptions	1,396,274	1,610,512	(1,352,715)
Benefit Payments*	(390,317)	(389,041)	(389,269)
Net Change in Total OPEB Liability	4,195,805	2,448,378	(493,157)
Total OPEB Liability - Beginning	15,026,600	12,578,222	13,071,379
Total OPEB Liability - Ending	\$ 19,222,405	\$ 15,026,600	\$ 12,578,222
Covered Payroll	\$ 7,602,770	\$ 7,596,040	\$ 7,374,796
Total OPEB Liability as a Percentage of Covered Payroll	252.83%	197.82%	170.56%

*The Supplemental Death Benefit Fund is considered to be an unfunded OPEB plan under GASB 75. Because of this benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Note: GASB Codification, Vol. 2, P52.139 states that the information on this schedule should be determined as of the measurement date of the plan.

As required by GASB 75, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

Notes to the Schedule of Contributions

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	10.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for redent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	<p>2015: New inflation, mortality and other assumptions were reflected</p> <p>2017: New mortality assumptions were reflected.</p>
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	<p>2015: No changes in plan provisions were reflected in the Schedule.</p> <p>2016: No changes in plan provisions were reflected in the Schedule.</p> <p>2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.</p> <p>2018: Employer contributions reflect that a 50% CPI Cola was Adopted.</p> <p>2019: No changes in plan provisions were reflected in the Schedule.</p>

**Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.*

COMBINING STATEMENTS OF NON-MAJOR
GOVERNMENTAL FUNDS

WARD COUNTY, TX
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2020

Data Control Codes	200 Title XX Home Delivered Meals	201 CARES Act	202 LEOSE Training Funds
ASSETS			
1010 Cash and Cash Equivalents	\$ -	\$ -	\$ 14,460
1260 Due from Other Governments	-	213,202	-
1300 Due from Fiduciary Funds	-	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ 213,202</u>	<u>\$ 14,460</u>
LIABILITIES			
2010 Accounts Payable	\$ -	\$ -	\$ -
2080 Due to Other Funds	-	213,202	-
2000 Total Liabilities	<u>-</u>	<u>213,202</u>	<u>-</u>
FUND BALANCES			
3260 Restricted for Commissary	-	-	-
3290 Other Restricted Fund Balance	-	-	14,460
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>14,460</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 213,202</u>	<u>\$ 14,460</u>

The notes to the financial statements are an integral part of this statement.

203 Specialty Court Fund	216 Lateral Road Fund	217 Farm to Market Road Fund	219 Border Prosecution Grant	221 Holman House Fund	222 Check Fees Fund	224 Sheriff's State Forfeiture	229 Record & Preservation Fund
\$ 291	\$ 39,305	\$ 1,939,461	\$ -	\$ 24,117	\$ -	\$ 72,351	\$ 40,052
-	-	-	-	-	-	-	-
30	-	88,602	-	-	-	-	572
<u>\$ 321</u>	<u>\$ 39,305</u>	<u>\$ 2,028,063</u>	<u>\$ -</u>	<u>\$ 24,117</u>	<u>\$ -</u>	<u>\$ 72,351</u>	<u>\$ 40,624</u>
\$ -	\$ 1,925	\$ 20,480	\$ -	\$ -	\$ -	\$ 132	\$ -
-	-	-	-	-	-	-	-
-	1,925	20,480	-	-	-	132	-
-	-	-	-	-	-	-	-
321	37,380	2,007,583	-	24,117	-	72,219	40,624
<u>321</u>	<u>37,380</u>	<u>2,007,583</u>	<u>-</u>	<u>24,117</u>	<u>-</u>	<u>72,219</u>	<u>40,624</u>
<u>\$ 321</u>	<u>\$ 39,305</u>	<u>\$ 2,028,063</u>	<u>\$ -</u>	<u>\$ 24,117</u>	<u>\$ -</u>	<u>\$ 72,351</u>	<u>\$ 40,624</u>

WARD COUNTY, TX
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2020

Data Control Codes	230 Courthouse Security Fund Fund	232 Juvenile Probation Fund	234 County Records M&P Fund	235 Court Reporter Serv Fund
ASSETS				
1010 Cash and Cash Equivalents	\$ 123,751	\$ 54,753	\$ 133,423	\$ 6,374
1260 Due from Other Governments	-	-	-	-
1300 Due from Fiduciary Funds	1,416	246	3,395	176
1000 Total Assets	<u>\$ 125,167</u>	<u>\$ 54,999</u>	<u>\$ 136,818</u>	<u>\$ 6,550</u>
LIABILITIES				
2010 Accounts Payable	\$ -	\$ 6,273	\$ 4,195	\$ 850
2080 Due to Other Funds	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>6,273</u>	<u>4,195</u>	<u>850</u>
FUND BALANCES				
3260 Restricted for Commissary	-	-	-	-
3290 Other Restricted Fund Balance	125,167	48,726	132,623	5,700
3000 Total Fund Balances	<u>\$ 125,167</u>	<u>\$ 48,726</u>	<u>\$ 132,623</u>	<u>\$ 5,700</u>
4000 Total Liabilities and Fund Balances	<u>\$ 125,167</u>	<u>\$ 54,999</u>	<u>\$ 136,818</u>	<u>\$ 6,550</u>

The notes to the financial statements are an integral part of this statement.

237 County Attorney Pretrial Fund	239 JP Court Technology Fund	240 Title IV-E /JPO Fund	241 County Clerk Archive Fund	242 County Clerk Archive Fund	243 District Clerk Records Mngmnt Fund	244 Victims of Crime Act Formula Grant	245 JP Security Fund
\$ 31,973	\$ 46,553	\$ 23,457	\$ -	\$ 541,622	\$ 8,258	\$ -	\$ 39,949
-	-	-	-	-	-	6,920	-
-	789	-	-	3,360	85	-	41
<u>\$ 31,973</u>	<u>\$ 47,342</u>	<u>\$ 23,457</u>	<u>\$ -</u>	<u>\$ 544,982</u>	<u>\$ 8,343</u>	<u>\$ 6,920</u>	<u>\$ 39,990</u>
\$ -	\$ -	\$ -	\$ -	\$ 359,100	\$ -	\$ -	\$ -
-	-	-	-	-	-	6,920	-
-	-	-	-	359,100	-	6,920	-
-	-	-	-	-	-	-	-
31,973	47,342	23,457	-	185,882	8,343	-	39,990
<u>31,973</u>	<u>47,342</u>	<u>23,457</u>	<u>-</u>	<u>185,882</u>	<u>8,343</u>	<u>-</u>	<u>39,990</u>
<u>\$ 31,973</u>	<u>\$ 47,342</u>	<u>\$ 23,457</u>	<u>\$ -</u>	<u>\$ 544,982</u>	<u>\$ 8,343</u>	<u>\$ 6,920</u>	<u>\$ 39,990</u>

WARD COUNTY, TX
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2020

Data Control Codes	247 Child Abuse Prevention	248 Co/District Court Tech Fund	249 Co/District Preservation Fund	250 Hotel/Motel Tax Fund
ASSETS				
1010 Cash and Cash Equivalents	\$ 289	\$ 4,733	\$ 8,406	\$ 378,004
1260 Due from Other Governments	-	-	-	-
1300 Due from Fiduciary Funds	-	32	100	-
1000 Total Assets	<u>\$ 289</u>	<u>\$ 4,765</u>	<u>\$ 8,506</u>	<u>\$ 378,004</u>
LIABILITIES				
2010 Accounts Payable	\$ -	\$ -	\$ -	\$ 4,692
2080 Due to Other Funds	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,692</u>
FUND BALANCES				
3260 Restricted for Commissary	-	-	-	-
3290 Other Restricted Fund Balance	289	4,765	8,506	373,312
3000 Total Fund Balances	<u>289</u>	<u>4,765</u>	<u>8,506</u>	<u>373,312</u>
4000 Total Liabilities and Fund Balances	<u>\$ 289</u>	<u>\$ 4,765</u>	<u>\$ 8,506</u>	<u>\$ 378,004</u>

The notes to the financial statements are an integral part of this statement.

251 Truancy Court Fund	255 Stonegarden Grant	256 Local Truancy P&D	260 Arena Fund	261 Library Renovation Fund	262 Event Center Park Fund	267 Sheriff's Commissary	282 Archives Donation Fund
\$ 3,690	\$ -	\$ 6,792	\$ -	\$ 869,043	\$ 2,005,622	\$ 12,513	\$ 1,528
-	27,970	-	-	-	-	-	-
-	-	773	-	-	-	-	-
<u>\$ 3,690</u>	<u>\$ 27,970</u>	<u>\$ 7,565</u>	<u>\$ -</u>	<u>\$ 869,043</u>	<u>\$ 2,005,622</u>	<u>\$ 12,513</u>	<u>\$ 1,528</u>
\$ -	\$ -	\$ -	\$ -	\$ 30,024	\$ -	\$ -	\$ -
-	27,970	-	-	-	-	-	-
-	27,970	-	-	30,024	-	-	-
-	-	-	-	-	-	12,513	-
3,690	-	7,565	-	839,019	2,005,622	-	1,528
<u>3,690</u>	<u>-</u>	<u>7,565</u>	<u>-</u>	<u>839,019</u>	<u>2,005,622</u>	<u>12,513</u>	<u>1,528</u>
<u>\$ 3,690</u>	<u>\$ 27,970</u>	<u>\$ 7,565</u>	<u>\$ -</u>	<u>\$ 869,043</u>	<u>\$ 2,005,622</u>	<u>\$ 12,513</u>	<u>\$ 1,528</u>

WARD COUNTY, TX
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2020

Data Control Codes	291 PCT 1 Road Funds	292 PCT 2 Road Funds	293 PCT 3 Road Funds	294 PCT 4 Road Funds
ASSETS				
1010 Cash and Cash Equivalents	\$ 645,772	\$ 50,470	\$ 760,388	\$ 60,963
1260 Due from Other Governments	-	-	-	-
1300 Due from Fiduciary Funds	-	-	-	-
1000 Total Assets	<u>\$ 645,772</u>	<u>\$ 50,470</u>	<u>\$ 760,388</u>	<u>\$ 60,963</u>
LIABILITIES				
2010 Accounts Payable	\$ 2,544	\$ -	\$ 2,964	\$ 9,383
2080 Due to Other Funds	-	-	-	-
2000 Total Liabilities	<u>2,544</u>	<u>-</u>	<u>2,964</u>	<u>9,383</u>
FUND BALANCES				
3260 Restricted for Commissary	-	-	-	-
3290 Other Restricted Fund Balance	643,228	50,470	757,424	51,580
3000 Total Fund Balances	<u>643,228</u>	<u>50,470</u>	<u>757,424</u>	<u>51,580</u>
4000 Total Liabilities and Fund Balances	<u>\$ 645,772</u>	<u>\$ 50,470</u>	<u>\$ 760,388</u>	<u>\$ 60,963</u>

The notes to the financial statements are an integral part of this statement.

299 Title III Part C Fund	Total Nonmajor Governmental Funds
\$ -	\$ 7,948,363
-	248,092
-	99,617
<u>\$ -</u>	<u>\$ 8,296,072</u>
\$ -	\$ 442,562
-	248,092
<u>-</u>	<u>690,654</u>
-	12,513
-	7,592,905
<u>-</u>	<u>7,605,418</u>
<u>\$ -</u>	<u>\$ 8,296,072</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Data Control Codes	200 Title XX Home Delivered Meals	201 CARES Act	202 LEOSE Training Funds
REVENUES:			
Taxes:			
5110 Property Taxes	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-
5300 Intergovernmental Revenue and Grants	25,812	239,800	3,947
5400 Charges for Services	-	-	-
5510 Fines	-	-	-
5520 Forfeits	-	-	-
5610 Investment Earnings	-	-	-
5700 Other Revenue	-	-	-
5020 Total Revenues	<u>25,812</u>	<u>239,800</u>	<u>3,947</u>
EXPENDITURES:			
Current:			
General Government:			
0120 Judicial	-	-	-
0160 Courthouse	-	-	-
0210 Sheriff	-	-	-
0230 Corrections	-	-	-
0250 Jail	-	-	2,316
0310 Highways & Streets	-	-	-
0330 County Clerk	-	-	-
0380 County Attorney	-	-	-
0400 District Attorney	25,812	-	-
0410 Health	-	239,800	-
0490 Victim Services	-	-	-
0560 Senior Citizens Center	-	-	-
0660 Economic Opportunity	-	-	-
Capital Outlay:			
0800 Capital Outlay	-	-	-
6030 Total Expenditures	<u>25,812</u>	<u>239,800</u>	<u>2,316</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>1,631</u>
OTHER FINANCING SOURCES (USES):			
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	1,631
0100 Fund Balance - January 1 (Beginning)	-	-	12,829
1300 Prior Period Adjustment	-	-	-
3000 Fund Balance - December 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,460</u>

The notes to the financial statements are an integral part of this statement.

203 Specialty Court Fund	216 Lateral Road Fund	217 Farm to Market Road Fund	219 Border Prosecution Grant	221 Holman House Fund	222 Check Fees Fund	224 Sheriff's State Forfeiture	229 Record & Preservation Fund
\$ -	\$ -	\$ 3,673,264	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	11,359	-	135,664	-	-	-	-
321	-	-	-	-	60	-	6,633
-	-	-	-	-	-	-	-
-	169	10,932	-	120	1	15,282	174
-	-	-	-	-	-	569	-
<u>321</u>	<u>11,528</u>	<u>3,684,196</u>	<u>135,664</u>	<u>120</u>	<u>61</u>	<u>15,851</u>	<u>6,807</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	76,070	-
-	-	-	-	-	-	-	-
-	7,831	190,676	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	395	-	-
-	-	-	135,664	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	7,831	190,676	135,664	-	395	76,070	-
321	3,697	3,493,520	-	120	(334)	(60,219)	6,807
-	-	-	-	-	-	-	-
-	-	(3,015,000)	-	-	-	-	-
-	-	(3,015,000)	-	-	-	-	-
321	3,697	478,520	-	120	(334)	(60,219)	6,807
-	33,683	1,529,063	-	23,997	334	132,438	33,817
-	-	-	-	-	-	-	-
<u>\$ 321</u>	<u>\$ 37,380</u>	<u>\$ 2,007,583</u>	<u>\$ -</u>	<u>\$ 24,117</u>	<u>\$ -</u>	<u>\$ 72,219</u>	<u>\$ 40,624</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Data Control Codes	230 Courthouse Security Fund Fund	232 Juvenile Probation Fund	234 County Records M&P Fund	235 Court Reporter Serv Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	336,727	-	-
5400 Charges for Services	9,920	-	47,575	3,386
5510 Fines	-	2,842	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	548	663	547	30
5700 Other Revenue	7,413	-	-	-
5020 Total Revenues	<u>17,881</u>	<u>340,232</u>	<u>48,122</u>	<u>3,416</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	3,370
0160 Courthouse	875	-	-	-
0210 Sheriff	-	-	-	-
0230 Corrections	-	505,166	-	-
0250 Jail	-	-	-	-
0310 Highways & Streets	-	-	-	-
0330 County Clerk	-	-	21,833	-
0380 County Attorney	-	-	-	-
0400 District Attorney	-	-	-	-
0410 Health	-	-	-	-
0490 Victim Services	-	-	-	-
0560 Senior Citizens Center	-	-	-	-
0660 Economic Opportunity	-	-	-	-
Capital Outlay:				
0800 Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>875</u>	<u>505,166</u>	<u>21,833</u>	<u>3,370</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,006</u>	<u>(164,934)</u>	<u>26,289</u>	<u>46</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	142,758	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>142,758</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	17,006	(22,176)	26,289	46
0100 Fund Balance - January 1 (Beginning)	108,161	70,902	106,334	5,654
1300 Prior Period Adjustment	-	-	-	-
3000 Fund Balance - December 31 (Ending)	<u>\$ 125,167</u>	<u>\$ 48,726</u>	<u>\$ 132,623</u>	<u>\$ 5,700</u>

The notes to the financial statements are an integral part of this statement.

237 County Attorney Pretrial Fund	239 JP Court Technology Fund	240 Title IV-E /JPO Fund	241 County Clerk Archive Fund	242 County Clerk Archive Fund	243 District Clerk Records Mngmnt Fund	244 Victims of Crime Act Formula Grant	245 JP Security Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	92,229	-
-	9,920	-	-	47,340	1,220	-	1,006
21,345	-	-	-	-	-	-	-
-	211	137	-	2,494	36	-	193
171	-	-	-	-	-	-	-
<u>21,516</u>	<u>10,131</u>	<u>137</u>	<u>-</u>	<u>49,834</u>	<u>1,256</u>	<u>92,229</u>	<u>1,199</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,617	5,465	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	359,100	-	-	-
28,196	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	98,495	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>28,196</u>	<u>4,617</u>	<u>5,465</u>	<u>-</u>	<u>359,100</u>	<u>-</u>	<u>98,495</u>	<u>-</u>
<u>(6,680)</u>	<u>5,514</u>	<u>(5,328)</u>	<u>-</u>	<u>(309,266)</u>	<u>1,256</u>	<u>(6,266)</u>	<u>1,199</u>
-	-	58	-	-	-	6,266	-
-	-	-	-	-	-	-	-
-	-	58	-	-	-	6,266	-
(6,680)	5,514	(5,270)	-	(309,266)	1,256	-	1,199
38,653	41,828	28,727	-	495,148	7,087	12,978	38,791
-	-	-	-	-	-	(12,978)	-
<u>\$ 31,973</u>	<u>\$ 47,342</u>	<u>\$ 23,457</u>	<u>\$ -</u>	<u>\$ 185,882</u>	<u>\$ 8,343</u>	<u>\$ -</u>	<u>\$ 39,990</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Data Control Codes	247 Child Abuse Prevention	248 Co/District Court Tech Fund	249 Co/District Preservation Fund	250 Hotel/Motel Tax Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	450,000
5300 Intergovernmental Revenue and Grants	72	-	-	-
5400 Charges for Services	-	325	650	-
5510 Fines	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	-	38	1,565
5700 Other Revenue	-	-	-	-
5020 Total Revenues	<u>72</u>	<u>325</u>	<u>688</u>	<u>451,565</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0160 Courthouse	-	-	-	-
0210 Sheriff	-	-	-	-
0230 Corrections	-	-	-	-
0250 Jail	-	-	-	-
0310 Highways & Streets	-	-	-	-
0330 County Clerk	-	-	-	-
0380 County Attorney	-	-	-	-
0400 District Attorney	-	-	-	-
0410 Health	-	-	-	-
0490 Victim Services	-	-	-	-
0560 Senior Citizens Center	-	-	-	-
0660 Economic Opportunity	-	-	-	456,036
Capital Outlay:				
0800 Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>456,036</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>72</u>	<u>325</u>	<u>688</u>	<u>(4,471)</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	3,188
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,188</u>
1200 Net Change in Fund Balance	72	325	688	(1,283)
0100 Fund Balance - January 1 (Beginning)	217	4,440	7,818	374,595
1300 Prior Period Adjustment	-	-	-	-
3000 Fund Balance - December 31 (Ending)	<u>\$ 289</u>	<u>\$ 4,765</u>	<u>\$ 8,506</u>	<u>\$ 373,312</u>

The notes to the financial statements are an integral part of this statement.

251 Truancy Court Fund	255 Stonegarden Grant	256 Local Truancy P&D	260 Arena Fund	261 Library Renovation Fund	262 Event Center Park Fund	267 Sheriff's Commissary	282 Archives Donation Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	97,637	-	-	-	-	-	-
140	-	7,565	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,865	4,033	5,622	27	-
-	-	-	-	-	-	34,848	-
<u>140</u>	<u>97,637</u>	<u>7,565</u>	<u>2,865</u>	<u>4,033</u>	<u>5,622</u>	<u>34,875</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	97,637	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	23,757	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,814,839	665,014	-	-	-
-	97,637	-	1,814,839	665,014	-	23,757	-
<u>140</u>	<u>-</u>	<u>7,565</u>	<u>(1,811,974)</u>	<u>(660,981)</u>	<u>5,622</u>	<u>11,118</u>	<u>-</u>
-	-	-	1,800,000	1,500,000	2,000,000	-	-
-	-	-	(80,282)	-	-	-	-
-	-	-	1,719,718	1,500,000	2,000,000	-	-
140	-	7,565	(92,256)	839,019	2,005,622	11,118	-
3,550	-	-	92,256	-	-	1,395	1,528
-	-	-	-	-	-	-	-
<u>\$ 3,690</u>	<u>\$ -</u>	<u>\$ 7,565</u>	<u>\$ -</u>	<u>\$ 839,019</u>	<u>\$ 2,005,622</u>	<u>\$ 12,513</u>	<u>\$ 1,528</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Data Control Codes	291 PCT 1 Road Funds	292 PCT 2 Road Funds	293 PCT 3 Road Funds	294 PCT 4 Road Funds
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	-	-	-
5400 Charges for Services	-	-	-	-
5510 Fines	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	4,133	220	4,292	2,365
5700 Other Revenue	<u>4,571</u>	<u>-</u>	<u>-</u>	<u>-</u>
5020 Total Revenues	<u>8,704</u>	<u>220</u>	<u>4,292</u>	<u>2,365</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0160 Courthouse	-	-	-	-
0210 Sheriff	-	-	-	-
0230 Corrections	-	-	-	-
0250 Jail	-	-	-	-
0310 Highways & Streets	545,500	360	423,367	959,181
0330 County Clerk	-	-	-	-
0380 County Attorney	-	-	-	-
0400 District Attorney	-	-	-	-
0410 Health	-	-	-	-
0490 Victim Services	-	-	-	-
0560 Senior Citizens Center	-	-	-	-
0660 Economic Opportunity	-	-	-	-
Capital Outlay:				
0800 Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6030 Total Expenditures	<u>545,500</u>	<u>360</u>	<u>423,367</u>	<u>959,181</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(536,796)</u>	<u>(140)</u>	<u>(419,075)</u>	<u>(956,816)</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	1,000,000	15,000	1,000,000	1,000,000
8911 Transfers Out (Use)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7080 Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>15,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
1200 Net Change in Fund Balance	463,204	14,860	580,925	43,184
0100 Fund Balance - January 1 (Beginning)	180,024	35,610	176,499	8,396
1300 Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - December 31 (Ending)	<u>\$ 643,228</u>	<u>\$ 50,470</u>	<u>\$ 757,424</u>	<u>\$ 51,580</u>

The notes to the financial statements are an integral part of this statement.

299 Title III Part C Fund	Total Nonmajor Governmental Funds
\$ -	\$ 3,673,264
-	450,000
85,106	1,028,353
-	136,061
-	24,187
-	15,282
-	42,155
-	46,832
85,106	5,416,134
-	3,370
-	875
-	173,707
-	515,248
-	26,073
-	2,126,915
-	380,933
-	28,591
-	161,476
-	239,800
-	98,495
85,106	85,106
-	456,036
-	2,479,853
85,106	6,776,478
-	(1,360,344)
-	8,467,270
-	(3,095,282)
-	5,371,988
-	4,011,644
-	3,606,752
-	(12,978)
\$ -	\$ 7,605,418

COMBINING SCHEDULE FOR CUSTODIAL FUNDS

WARD COUNTY, TX
 COMBINING STATEMENT OF NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	856 Sheriff's Inmate Account	858 Tax Collector's Fund	859 County Clerk Accounts	860 District Clerk Accounts	861 Community Supervision Corrections
ASSETS					
Cash and Cash Equivalents	\$ 12,505	\$ 1,558,262	\$ 118,361	\$ 605,202	\$ 37,461
Due from Fiduciary Funds	-	-	7,115	-	-
Due from Others	-	-	-	-	-
Total Assets	<u>12,505</u>	<u>1,558,262</u>	<u>125,476</u>	<u>605,202</u>	<u>37,461</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	1,093,730	30,186	4,472	1,084
Due to Fiduciary Funds	-	-	2,859	2,540	26,486
Due to Others	12,505	464,532	92,431	598,190	9,891
Total Liabilities	<u>12,505</u>	<u>1,558,262</u>	<u>125,476</u>	<u>605,202</u>	<u>37,461</u>
NET POSITION					
Unrestricted Net Position	-	-	-	-	-
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

862 CSCD Pretrial Fund	864 Adult Probation Fund	865 Tax Account Fund	867 DA Forfeiture Fund	869 DA Petrial Fund	871 Juvenile Probation Fees	873 Flexible Spending Fund	874 State Court Costs Fund
\$ 54,884	\$ 271,505	\$ 32,897	\$ 256,382	\$ 29,471	\$ 700	\$ 10,876	\$ 98,565
-	19,176	-	-	-	-	-	25,769
-	-	-	-	-	-	-	-
<u>54,884</u>	<u>290,681</u>	<u>32,897</u>	<u>256,382</u>	<u>29,471</u>	<u>700</u>	<u>10,876</u>	<u>124,334</u>
\$ -	\$ -	\$ -	\$ 2,140	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	435	-	28,709
-	-	-	-	-	-	-	-
-	19,176	32,897	-	-	265	-	95,625
-	19,176	32,897	2,140	-	700	-	124,334
<u>54,884</u>	<u>271,505</u>	<u>-</u>	<u>254,242</u>	<u>29,471</u>	<u>-</u>	<u>10,876</u>	<u>-</u>
<u>\$ 54,884</u>	<u>\$ 271,505</u>	<u>\$ -</u>	<u>\$ 254,242</u>	<u>\$ 29,471</u>	<u>\$ -</u>	<u>\$ 10,876</u>	<u>\$ -</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	876 JP Fee Fund	877 County Attorney's Trust	878 Ward County Senior Citizens	883 Victim's Assistance Fund	Total Custodial Funds
ASSETS					
Cash and Cash Equivalents	\$ 85,200	\$ 9,739	\$ 55,479	\$ 32,426	\$ 3,269,915
Due from Fiduciary Funds	-	100	-	95	52,255
Due from Others	35	-	-	-	35
Total Assets	<u>85,235</u>	<u>9,839</u>	<u>55,479</u>	<u>32,521</u>	<u>3,322,205</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,140
Due to Other Funds	64,864	-	-	-	1,223,480
Due to Fiduciary Funds	20,371	-	-	-	52,256
Due to Others	-	9,839	55,479	95	1,390,925
Total Liabilities	<u>85,235</u>	<u>9,839</u>	<u>55,479</u>	<u>95</u>	<u>2,668,801</u>
NET POSITION					
Unrestricted Net Position	-	-	-	32,426	653,404
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,426</u>	<u>653,404</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 DECEMBER 31, 2020

	856 Sheriff's Inmate Account	858 Tax Collector's Fund	859 County Clerk Accounts	860 District Clerk Accounts	861 Community Supervision Corrections
ADDITIONS:					
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Forfeits	-	-	-	-	-
Investment Earnings	-	-	-	-	-
Other Revenue	92,481	-	-	-	-
Total Additions	92,481	-	-	-	-
DEDUCTIONS:					
Personnel Services - Salaries and Wages	-	-	-	-	-
Personnel Services - Social Security	-	-	-	-	-
Personnel Services - Retirement	-	-	-	-	-
Purchased Services - Professional	-	-	-	-	-
Purchased Services - Other Professional	-	-	-	-	-
Purchased Services - Technical	-	-	-	-	-
Repair and Maintenance Services	-	-	-	-	-
Rentals	-	-	-	-	-
Other Operating Costs	-	-	-	-	-
Communications	-	-	-	-	-
Travel	-	-	-	-	-
Operating Cost - User Defined	92,481	-	-	-	-
Miscellaneous Operating Cost	-	-	-	-	-
Supplies	-	-	-	-	-
General Supplies	-	-	-	-	-
Energy	-	-	-	-	-
Total Deductions	92,481	-	-	-	-
Change in Net Position	-	-	-	-	-
Net January 1 (Beginning)	-	-	-	-	-
Net Position - December 31 (Ending)	\$ -	\$ -	\$ -	\$ -	-

The notes to the financial statements are an integral part of this statement.

862 CSCD Pretrial Fund	864 Adult Probation Fund	865 Tax Account Fund	867 DA Forfeiture Fund	869 DA Petrial Fund	871 Juvenile Probation Fees	873 Flexible Spending Fund	874 State Court Costs Fund
\$ -	\$ 626,712	\$ -	\$ 194,242	\$ -	\$ -	\$ -	\$ -
-	-	-	36,667	-	-	-	-
-	373,626	-	-	4,400	-	-	-
-	-	-	55,897	-	-	-	-
345	3,335	-	2,092	-	-	60	-
467	-	-	112,004	502	-	24,016	-
<u>812</u>	<u>1,003,673</u>	<u>-</u>	<u>400,902</u>	<u>4,902</u>	<u>-</u>	<u>24,076</u>	<u>-</u>
-	653,795	-	127,408	-	-	-	-
-	46,619	-	9,507	-	-	23,870	-
-	94,539	-	17,962	-	-	-	-
-	9,000	-	-	-	-	-	-
-	4,312	-	-	-	-	-	-
-	26,836	-	-	-	-	-	-
-	853	-	11,000	-	-	-	-
-	-	-	32,100	-	-	-	-
-	80,903	-	1,700	-	-	-	-
-	1,595	-	17,958	542	-	-	-
-	11,155	-	7,696	-	-	-	-
-	-	-	-	-	-	-	-
-	1,000	-	-	-	-	-	-
-	24,317	-	-	-	-	-	-
-	18,008	-	35,654	178	-	-	-
-	-	-	11,806	-	-	-	-
<u>-</u>	<u>972,932</u>	<u>-</u>	<u>272,791</u>	<u>720</u>	<u>-</u>	<u>23,870</u>	<u>-</u>
812	30,741	-	128,111	4,182	-	206	-
<u>54,072</u>	<u>240,764</u>	<u>-</u>	<u>126,131</u>	<u>25,289</u>	<u>-</u>	<u>10,670</u>	<u>-</u>
<u>\$ 54,884</u>	<u>\$ 271,505</u>	<u>\$ -</u>	<u>\$ 254,242</u>	<u>\$ 29,471</u>	<u>\$ -</u>	<u>\$ 10,876</u>	<u>\$ -</u>

WARD COUNTY, TX
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS AND FUND BALANCE
 YEAR ENDED AUGUST 31, 1997

	876 JP Fee Fund	877 County Attorney's Trust	878 Ward County Senior Citizens	883 Victim's Assistance Fund	Total Custodial Funds
ADDITIONS:					
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -	\$ 820,954
Charges for Services	-	-	-	645	37,312
Fines	-	-	-	-	378,026
Forfeits	-	-	-	-	55,897
Investment Earnings	-	-	-	200	6,032
Other Revenue	-	-	-	-	229,470
Total Additions	-	-	-	845	1,527,691
DEDUCTIONS:					
Personnel Services - Salaries and Wages	-	-	-	-	781,203
Personnel Services - Social Security	-	-	-	-	79,996
Personnel Services - Retirement	-	-	-	-	112,501
Purchased Services - Professional	-	-	-	-	9,000
Purchased Services - Other Professional	-	-	-	-	4,312
Purchased Services - Technical	-	-	-	-	26,836
Repair and Maintenance Services	-	-	-	-	11,853
Rentals	-	-	-	-	32,100
Other Operating Costs	-	-	-	-	82,603
Communications	-	-	-	-	20,095
Travel	-	-	-	-	18,851
Operating Cost - User Defined	-	-	-	120	92,601
Miscellaneous Operating Cost	-	-	-	-	1,000
Supplies	-	-	-	-	24,317
General Supplies	-	-	-	-	53,840
Energy	-	-	-	-	11,806
Total Deductions	-	-	-	120	1,362,914
Change in Net Position	-	-	-	725	164,777
Net January 1 (Beginning)	-	-	-	31,701	488,627
Net Position - December 31 (Ending)	\$ -	\$ -	\$ -	\$ 32,426	\$ 653,404

The notes to the financial statements are an integral part of this statement.

**INDEPENDENT AUDITORS' 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**

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* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Ward (the "County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 31, 2021.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County'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.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith & Rives, PC
Monahans, Texas
August 31, 2021

FEDERAL AWARDS SECTION

**WARD COUNTY, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

I. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued:	Unmodified – County's Financials
	Adverse – Omitted Component Unit

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified
that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial
Statements noted? Yes X No

2. The County was not subject to Federal or State Single Audit.

II. Findings relating to the Financial Statements Which Are Required to be reported in Accordance with *Generally Accepted Auditing Standards*.

No Findings.

WARD COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
YEAR ENDED DECEMBER 31, 2020

A. Auditor's Review of Prior Year Findings

No findings in the prior year.

WARD COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2020

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

No findings.