

WARD COUNTY, TEXAS

**ANNUAL FINANCIAL AND
COMPLIANCE REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

WARD COUNTY, TEXAS
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	Management's Discussion and Analysis	5
	<u>Financial Statements</u>	
	Government Wide Statements:	
A-1	Government-Wide Statement of Net Position	12
B-1	Government-Wide Statement of Activities	13
	<u>Governmental Fund Financial Statements</u>	
C-1	Balance Sheet	17
C-2	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	19
C-4	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	21
E-1	Statement of Net Position - Fiduciary Funds	22
E-2	Statement of Changes in Fiduciary Fund Net Position - Fiduciary Funds	23
	Notes to the Financial Statements	24

WARD COUNTY, TEXAS
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS (continued)

<u>Exhibit</u>		<u>Page</u>
<u>Required Supplemental Information</u>		
G-1	Schedule of Revenues, Expenditures and Changes in Fund Balance Budget & Actual General Fund	55
	Notes to Required Supplementary Information	57
G-2	Schedules of Changes in Net Pension Liability and Related Ratios	58
G-3	Schedule of Employer Contributions	60
G-4	Schedule of Changes in the Total OPEB Liability and Related Ratios	62
	Notes to the Schedule of Contributions	64
<u>Combining Statements of Nonmajor Governmental Funds</u>		
H-1	Combining Balance Sheet Nonmajor Governmental Funds	65
H-2	Combining Statement of Revenues, Expenditure and Changes in Fund Balances Nonmajor Governmental Funds	73
<u>Combining Schedule for Custodial Funds</u>		
H-3	Combining Statement of Net Position	81
H-4	Combining Statement of Additions, Deductions and Changes in Net Position	85
<u>Federal Awards Section</u>		
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	89
	Schedule of Findings and Responses	91
	Schedule of Status of Prior Year Findings	92
	Corrective Action Plan	93

INDEPENDENT AUDITOR'S REPORT

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

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ward County, Texas, as of and for the year ended December 31, 2022, 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.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above does not present fairly the financial position of the aggregate discretely presented component unit of Ward County, Texas as of December 31, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund, and the Aggregate Remaining Fund Information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for Ward County, Texas, as of December 31, 2022, 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.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and in the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ward County, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements do not include financial data for Ward County, Texas's legally separate component unit, Ward Memorial Hospital. Accounting principles generally accepted in the United States of America require the 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 unit. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component unit on the aggregate discretely presented component unit has not been determined.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ward County, Texas ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to

those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Ward County, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ward County, Texas's ability to continue for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 on pages 5-11, page 58, page 62, and page 55, respectively, 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.

Supplementary 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 September 26, 2023, 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
September 26, 2023

WARD COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2022

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, 2022. 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 12.

FINANCIAL HIGHLIGHTS

The County's net position increased by \$24,000,162 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 \$13,174,641 less than the \$36,939,794 generated in tax and other revenues for governmental programs (before special items). (Exhibit C-3)

Total cost of all the County's programs was \$23,686,035. (Exhibit B-1)

The General Fund ended the year with a fund balance of \$35,206,546. (Exhibit C-3) This is a increase of \$3,103,397 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 12-16). 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 17) 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 24) 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 5. 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 12) 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 17 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 22. 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 \$133,607,071 at December 31, 2022. 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 \$51,244,925 at December 31, 2022. This increase was impacted by the District's change in net position of governmental activities. (Exhibit B-1)

Table I
Ward County, Texas Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 114,333,935	\$ 89,273,060
Capital Assets	40,318,351	40,627,272
Net Pension Asset	5,619,405	-
Total assets	160,271,691	129,900,332
Deferred Outflow Related to OPEB	3,632,049	2,984,475
Deferred Outflow Related to Pension	3,505,125	4,240,096
Total Deferred Outflows	7,137,174	7,224,571
Long-term liabilities	20,585,215	23,947,080
Other liabilities	2,643,129	1,537,776
Total Liabilities	23,228,344	25,484,856
Deferred Inflow Related to OPEB	3,377,460	479,995
Deferred Inflow Related to Pension	7,195,990	1,553,143
Total Deferred Inflows	10,573,450	2,033,138
Net Position:		
Invested in capital assets, net of related debt	40,318,351	40,627,272
Restricted	42,043,793	33,624,095
Unrestricted	51,244,927	35,355,542
Total Net Position	\$ 133,607,071	\$ 109,606,909

**Table II
Changes in Net Position**

	Governmental Activities	
	2022	2021
Revenues:		
Program Receipts:		
Charges for Services	\$ 1,346,704	\$ 1,013,790
Grants & Contributions	881,453	1,665,440
General Receipts:		
Ad-Valorem Taxes	44,299,654	31,817,580
Hotel/Motel Tax	450,000	468,500
Sales taxes	91,822	91,489
Licenses and permits	315,694	299,827
Miscellaneous	751,226	716,686
Investment Earnings	1,203,455	20,429
Total Revenue	<u>\$ 49,340,008</u>	<u>\$ 36,093,741</u>
Expenses:		
General Government	\$ 6,404,761	\$ 6,247,845
Public Safety	5,194,258	5,531,774
Highways and Streets	3,874,181	4,949,209
Culture and Recreation	2,765,215	2,573,439
Indigent Assistance	222,502	204,054
Emergency Medical Services	1,443,083	1,270,556
County and District Clerks	895,588	825,714
County and District Attorneys	556,248	783,234
Corrections	427,256	660,644
Justices of the Peace	613,211	697,198
Miscellaneous	1,289,732	1,282,531
Total	<u>\$ 23,686,035</u>	<u>\$ 25,026,198</u>
Increase (decrease) in Net Position before transfers	\$ 25,653,973	\$ 11,067,543
Gain on Disposition of Assets	-	-
Insurance Recovery	-	-
Transfers	<u>(1,653,811)</u>	<u>(1,498,246)</u>
Increase (decrease) in Net Position	\$ 24,000,162	\$ 9,569,297
Net Position - Jan 1	<u>109,606,909</u>	<u>100,037,612</u>
Net Position - December 31	<u>\$ 133,607,071</u>	<u>\$ 109,606,909</u>

The cost of all governmental activities this year was \$23,686,035. (Exhibit B-1) However, as shown in the Statement of Activities on pages 13 thru 16, some of the costs were paid by those who directly benefited from the programs (\$1,346,704) or by other governments and organizations that subsidized certain programs with grants and contributions (\$881,453).

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 17) reported a combined fund balance of \$77,250,339.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$35,206,546.

General Fund Budgetary Highlights

Over the course of the year, the Commissioners' Court made revisions to the County's budget. These budget amendments were made within the same function.

The resources available for appropriation were \$1,846,937 more than budgeted for the General Fund, which is due to an increase in mineral valuations. (Exhibit G-1)

Expenditures were \$1,770,909 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 \$345,377; function 510 in the amount of \$564,252; function 800 in the amount of \$337,616. 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, 2022, the County had invested \$40.3 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 34 of this report.

Long-Term Obligations

At the end of the year, the County had \$20.6 million of long-term obligations.

More detailed information about the County's long-term liabilities can be found in Note 8 on page 38.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2023 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 2023. Amounts available for appropriation in the budget are \$41,639,352, an increase of 36.84% compared to the 2022 budget of \$30,429,933. Budgeted expenditures are expected to decrease by 19.11% to \$25,252,917 from \$21,201,753 in 2022. There are budgeted interfund transfers to Construction Funds for \$8,700,000, EMS for \$1,150,000, Event Center Park for \$1,500,000, Pool Fund for \$1,000,000 and Ward Memorial Hospital for \$4,000,000. If these estimates are realized, the County's budgetary General Fund Balance will increase by \$36,435.

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, 2022

EXHIBIT A-1

Data Control Codes	<u>Primary Government</u> Governmental Activities
ASSETS	
1010 Cash and Cash Equivalents	\$ 78,818,388
1050 Taxes Receivable, Net	33,995,140
1150 Accounts Receivable, Net	5,510,767
1151 Allowance for Uncollectible Del. Taxe & Fines	(5,065,442)
1260 Due from Other Governments	21,038
1300 Due from Fiduciary Funds	1,041,105
1390 Due from Others	12,939
Capital Assets:	
1710 Land Purchase and Improvements	185,773
1720 Infrastructure, Net	3,979,519
1730 Buildings, Net	30,630,855
1750 Furniture and Equipment, Net	3,681,572
1760 Vehicles, Net	1,436,725
1780 Construction in Progress	403,907
1800 Net Pension Asset	5,619,405
1000 Total Assets	<u>160,271,691</u>
DEFERRED OUTFLOWS OF RESOURCES	
1997 Deferred Outflow Related to Pension Plan	3,505,125
1998 Deferred Outflow Related to OPEB	3,632,049
1500 Total Deferred Outflows of Resources	<u>7,137,174</u>
LIABILITIES	
2010 Accounts Payable	287,426
2090 Due to Others	370
2230 Unearned Revenues	2,355,333
Noncurrent Liabilities:	
Due in More Than One Year:	
2502 Uncompensated Absences	257,331
2585 Net OPEB Liability	20,327,884
2000 Total Liabilities	<u>23,228,344</u>
DEFERRED INFLOWS OF RESOURCES	
2602 Deferred Inflow Related to Pension Plan	7,195,990
2603 Deferred Inflow Related to OPEB	3,377,460
2500 Total Deferred Inflows of Resources	<u>10,573,450</u>
NET POSITION	
3200 Net Investment in Capital Assets & Lease Assets	40,318,351
3890 Restricted for Other Purposes	42,043,793
3900 Unrestricted	51,244,927
3000 Total Net Position	<u>\$ 133,607,071</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, 2022

Data Control Codes	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
100 General Government	\$ 4,057,279	\$ -	\$ -
120 Judicial	599,538	62,317	31,879
140 Elections	61,165	-	15,940
150 Financial Administration	574,004	-	-
160 Courthouse	157,254	12,463	-
170 Tax Assessor/Collector	472,074	160,796	-
180 Agricultural Extension Unit	151,380	-	-
190 Home Agent	332,067	-	-
210 Sheriff	2,846,190	37,390	79,698
220 Fire Protection	108,956	-	-
230 Corrections	427,256	12,463	167,365
250 Jail	2,238,202	-	-
260 Department of Public Safety	910	-	-
310 Highways & Streets	3,874,181	-	7,970
330 County Clerk	483,960	311,584	-
360 District Clerk	411,628	31,158	-
370 Justice of the Peace	613,211	68,548	-
380 County Attorney	386,901	-	23,909
390 Constable	54,408	-	-
400 District Attorney	169,347	-	135,486
410 Health	301,193	-	63,758
420 EMS	1,443,083	505,056	15,940
440 Indigent Welfare	38,781	-	-
450 Indigent Legal Care	183,721	-	23,909
490 Victim Services	83,887	-	71,728
510 Community Center	1,351,781	64,284	-
520 Parks	189,527	67,299	-
530 Museums	76,708	-	84,475
540 Coliseum	104,404	6,232	-
550 Libraries	517,334	7,114	39,849
560 Senior Citizens Center	519,103	-	119,547
570 Emergency Management	8,400	-	-
590 4-H Rifle Barn	8,127	-	-
610 Conservation	90,698	-	-
660 Economic Opportunity	457,638	-	-
800 Capital Outlay	19,139	-	-
900 Intergovernmental	272,600	-	-
TOTAL PRIMARY GOVERNMENT	\$ 23,686,035	\$ 1,346,704	\$ 881,453

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
(4,057,279)		
(505,342)		
(45,225)		
(574,004)		
(144,791)		
(311,278)		
(151,380)		
(332,067)		
(2,729,102)		
(108,956)		
(247,428)		
(2,238,202)		
(910)		
(3,866,211)		
(172,376)		
(380,470)		
(544,663)		
(362,992)		
(54,408)		
(33,861)		
(237,435)		
(922,087)		
(38,781)		
(159,812)		
(12,159)		
(1,287,497)		
(122,228)		
7,767		
(98,172)		
(470,371)		
(399,556)		
(8,400)		
(8,127)		
(90,698)		
(457,638)		
(19,139)		
(272,600)		
(21,457,878)		
(21,457,878)		

WARD COUNTY, TX
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2022

Data Control Codes		Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
	General Revenues:			
	Taxes:			
5010	Property Taxes, Levied for General Purposes			
5120	General Sales and Use Taxes			
5150	Gross Receipts Business Tax			
5700	Miscellaneous Revenue			
5800				
	Transfers In (Out):			
	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
44,299,654		
91,822		
450,000		
1,066,920		
1,203,455		
(1,653,811)		
45,458,040		
24,000,162	-	-
109,606,909	-	-
<u>\$ 133,607,071</u>	<u>\$ -</u>	<u>\$ -</u>

WARD COUNTY, TX
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

Data Control Codes	General Fund	Building Const/Renov Fund	Other Funds	Total Governmental Funds
ASSETS				
1010 Cash and Cash Equivalents	\$ 34,361,289	\$ 30,834,770	\$ 13,622,329	\$ 78,818,388
1050 Taxes Receivable	34,688,918	-	-	34,688,918
1051 Allowance for Uncollectible Taxes (credit)	(693,778)	-	-	(693,778)
1150 Accounts Receivable, Net	5,510,767	-	-	5,510,767
1151 Allowance for Uncollectible Del. Taxe & Fines	(5,065,442)	-	-	(5,065,442)
1260 Due from Other Governments	-	-	21,038	21,038
1300 Due from Other Funds	1,032,777	1,773,724	28,847	2,835,348
1390 Due from Others	12,937	-	-	12,937
1000 Total Assets	<u>\$ 69,847,468</u>	<u>\$ 32,608,494</u>	<u>\$ 13,672,214</u>	<u>\$ 116,128,176</u>
LIABILITIES				
2010 Accounts Payable	\$ 200,087	\$ -	\$ 87,339	\$ 287,426
2080 Due to Other Funds	-	-	1,794,243	1,794,243
2090 Due to Others	370	-	-	370
2230 Unearned Revenues	-	-	2,355,333	2,355,333
2000 Total Liabilities	<u>200,457</u>	<u>-</u>	<u>4,236,915</u>	<u>4,437,372</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	34,355,977	-	-	34,355,977
2602 Unavailable Revenue - Fines	84,488	-	-	84,488
2600 Total Deferred Inflows of Resources	<u>34,440,465</u>	<u>-</u>	<u>-</u>	<u>34,440,465</u>
FUND BALANCES				
3460 Restricted for Commissary	-	-	20,109	20,109
3490 Other Restricted Fund Balance	-	32,608,494	9,415,190	42,023,684
3600 Unassigned Fund Balance	35,206,546	-	-	35,206,546
3000 Total Fund Balances	<u>35,206,546</u>	<u>32,608,494</u>	<u>9,435,299</u>	<u>77,250,339</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 69,847,468</u>	<u>\$ 32,608,494</u>	<u>\$ 13,672,214</u>	<u>\$ 116,128,176</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, 2022

Total Fund Balances - Governmental Funds	\$	77,250,339
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.		21,837,149
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 2022 capital outlays and debt principal payments is to increase net position.		2,135,619
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 asset of \$8,480,936, a Deferred Resource Outflow of \$(734,971) and a Deferred Resource of Inflow of \$(5,642,847). The net effect of these was to increase the ending net position by \$2,103,118.		2,103,118
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 asset of \$(439,314), a Deferred Resource Outflow of \$647,574 and a Deferred Resource of Inflow of \$2,897,465. The net effect of these was to decrease the ending net position by \$1,810,577.		(1,810,577)
The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(2,349,042)
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.		34,440,465
Net Position of Governmental Activities	\$	133,607,071

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, 2022

EXHIBIT C-3

Data Control Codes	General Fund	Building Const/Renov Fund	Other Funds	Total Governmental Funds
REVENUES:				
Taxes:				
5110 Property Taxes	\$ 28,430,425	\$ -	\$ 3,387,057	\$ 31,817,482
5120 General Sales and Use Taxes	91,822	-	-	91,822
5150 Gross Receipts Business Tax	-	-	450,000	450,000
5200 Licenses and Permits	315,694	-	-	315,694
5300 Intergovernmental Revenue and Grants	153,207	-	643,770	796,977
5400 Charges for Services	465,015	-	158,150	623,165
5416 General Government Charges for Services	79,784	-	-	79,784
5456 Patient Revenue	505,055	-	-	505,055
5472 Swimming Pool Fees	35,637	-	-	35,637
5476 Library Use Fees	7,114	-	-	7,114
5479 Facilities Receipts	95,946	-	-	95,946
5510 Fines	538,743	-	22,905	561,648
5520 Forfeits	750	-	62,752	63,502
5610 Investment Earnings	504,585	481,115	217,759	1,203,459
5620 Rents and Royalties	57,548	-	-	57,548
5640 Contributions & Donations from Private Sources	54,475	-	30,000	84,475
5700 Other Revenue	133,006	-	17,480	150,486
5020 Total Revenues	<u>31,468,806</u>	<u>481,115</u>	<u>4,989,873</u>	<u>36,939,794</u>
EXPENDITURES:				
Current:				
0100 General Government	4,046,847	-	-	4,046,847
0120 Judicial	520,453	-	600	521,053
0140 Elections	42,757	-	15,138	57,895
0150 Financial Administration	495,055	-	-	495,055
0160 Courthouse	136,851	-	770	137,621
0170 Tax Assessor/Collector	415,779	-	-	415,779
0180 Agricultural Extension Unit	181,908	-	-	181,908
0190 Home Agent	287,776	-	-	287,776
0210 Sheriff	2,671,317	-	94,697	2,766,014
0220 Fire Protection	107,765	-	-	107,765
0230 Corrections	20,467	-	371,784	392,251
0250 Jail	1,992,313	-	12,691	2,005,004
0260 Department of Public Safety	910	-	-	910
0310 Highways & Streets	2,235,703	-	2,488,881	4,724,584
0330 County Clerk	316,892	-	134,602	451,494
0360 District Clerk	366,987	-	5,000	371,987
0370 Justice of the Peace	529,359	-	-	529,359
0380 County Attorney	327,220	-	11,952	339,172
0390 Constable	47,201	-	-	47,201
0400 District Attorney	-	-	135,966	135,966
0410 Health	301,193	-	-	301,193
0420 EMS	1,295,787	-	-	1,295,787
0440 Indigent Welfare	38,781	-	-	38,781
0450 Indigent Legal Care	183,721	-	-	183,721
0490 Victim Services	-	-	75,930	75,930
0510 Community Center	1,253,115	-	-	1,253,115
0520 Parks	174,278	-	-	174,278
0530 Museums	69,258	-	284,391	353,649
0540 Coliseum	104,284	-	-	104,284
0550 Libraries	423,882	-	39,486	463,368
0560 Senior Citizens Center	350,163	-	119,642	469,805
0570 Emergency Management	8,400	-	-	8,400
0590 4-H Rifle Barn	8,127	-	-	8,127
0610 Conservation	78,734	-	-	78,734
0660 Economic Opportunity	-	-	459,173	459,173
Debt Service:				
0790 Other Debt Service	34,475	-	-	34,475
Capital Outlay:				
0800 Capital Outlay	174,078	-	14	174,092
Intergovernmental:				

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, 2022

EXHIBIT C-3 (Cont'd)

Data Control Codes	General Fund	Building Const/Renov Fund	Other Funds	Total Governmental Funds
0900 Intergovernmental	272,600	-	-	272,600
6030 Total Expenditures	19,514,436	-	4,250,717	23,765,153
1100 Excess of Revenues Over Expenditures	11,954,370	481,115	739,156	13,174,641
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	2,270	-	-	2,270
7915 Transfers In	584	7,281,912	3,314,432	10,596,928
8911 Transfers Out	(8,853,827)	-	(3,396,912)	(12,250,739)
7080 Total Other Financing Sources (Uses)	(8,850,973)	7,281,912	(82,480)	(1,651,541)
1200 Net Change in Fund Balances	3,103,397	7,763,027	656,676	11,523,100
0100 Fund Balance - (Beginning)	32,103,149	24,845,467	8,778,623	65,727,239
3000 Fund Balance - December 31 (Ending)	\$ 35,206,546	\$ 32,608,494	\$ 9,435,299	\$ 77,250,339

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, 2022

Total Net Change in Fund Balances - Governmental Funds	\$	11,523,100
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 2022 capital outlays and debt principal payments is to increase the change in net position.		2,135,619
The entries required by GASB 68 did require that some expenses on B-1 be adjusted. Total credits to expenses were \$4,945,386 and total debits to expenses were \$2,842,268. The net effect on the change in net position on Exhibit B-1 is an increase of \$2,103,118.		2,103,118
The entries required by GASB 75 did require that some expenses on B-1 be adjusted. Total credits to expenses were \$595,766 and total debits to expenses were \$2,406,343. The net effect on the change in net position on Exhibit B-1 is a decrease of \$1,810,577.		(1,810,577)
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.		(2,349,042)
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.		12,397,944
Change in Net Position of Governmental Activities	\$	24,000,162

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, 2022

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 2,809,163
Due from Other Governments	12,854
Due from Fiduciary Funds	56,584
Furniture and Equipment	5,995
Accumulated Depreciation - Furniture & Equipment	(550)
Capital Assets	101,223
Accumulated Depreciation - Capital Assets	(3,615)
Total Assets	<u>2,981,654</u>
LIABILITIES	
Accounts Payable	8,007
Due to Other Funds	1,041,105
Due to Fiduciary Funds	56,584
Due to Others	1,089,652
Total Liabilities	<u>2,195,348</u>
NET POSITION	
Net Investment in Capital Assets & Lease Assets	103,053
Restricted for CSCD/Pretrial	55,233
Restricted for Adult Probation	306,244
Restricted for DA Forfeiture	222,367
Restricted for DA Seizure	39,299
Restricted for DA Pretrial	13,615
Restricted for Flexible Spending	17,222
Restricted for Victim's Assistance	29,273
Total Net Position	<u>\$ 786,306</u>

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

WARD COUNTY, TX
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Custodial Funds
ADDITIONS:	
Intergovernmental Revenue and Grants	\$ 604,891
Charges for Services	19,442
Fines	236,734
Forfeits	39,903
Investment Earnings	10,774
Other Revenue	90,674
Transfers In	154,395
Total Additions	<u>1,156,813</u>
DEDUCTIONS:	
Personnel Services - Salaries and Wages	669,173
Personnel Services - Employee Benefits	184,579
Purchased Professional & Technical Services	25,450
Purchased Property Services	27,885
Other Operating Costs	158,032
Supplies	79,633
Depreciation Expense	4,165
Total Deductions	<u>1,148,917</u>
Net Change in Fiduciary Net Position	7,896
Total Net Position - (Beginning)	<u>778,410</u>
Total Net Position - December 31 (Ending)	<u>\$ 786,306</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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 TCERS's Fiduciary Net Position have been determined on the same basis as they are reported as TCERS. 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, 2022

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, 2022.

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 demand deposit accounts, time deposits and TexPool accounts at December 31, 2022.

The total carrying amount of the County Treasurer's demand deposits at December 31, 2022 was \$1,565,885 and the bank balance was \$2,058,097. The County Treasurer's demand deposits at December 31, 2022, and during the year ended December 31, 2021, were covered by FDIC insurance and pledged collateral. Pledged securities and FDIC insurance fell short of the date of highest demand deposit on October 14, 2022 by \$703,139. The following is disclosed regarding coverage of combined balances on the date of highest demand deposit:

The County held no undeposited funds on December 31, 2022.

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, 2022 is provided by TexPool.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Note 3: DEPOSITS, INVESTMENTS AND SECURITIES – continued

The County’s cash equivalents held with TexPool at December 31, 2022 are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
TexPool	<u>\$80,061,666</u>	<u>\$80,061,666</u>

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 October 14, 2022 demand deposits were not 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, 2022.

Interest Rate Risk

The County has not been exposed to any interest rate risk as of December 31, 2022.

Concentration of Credit Risk

The County has not been exposed to any concentration of credit risk as of December 31, 2022.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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	\$ 1,114,727	\$ -	\$ 1,114,727
Fines & Fees	4,396,040	-	4,396,040
Total Gross Receivables	<u>5,510,767</u>	<u>-</u>	<u>5,510,767</u>
Less: Allowance for Uncollectible Accounts			
Taxes	(753,890)	-	(753,890)
Fines & Fees	(4,311,552)	-	(4,311,552)
Total Allowance	<u>(5,065,442)</u>	<u>-</u>	<u>(5,065,442)</u>
Net Total Receivables	<u>\$ 445,325</u>	<u>\$ -</u>	<u>\$ 445,325</u>

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

Governmental Activities:

	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Land	\$ 185,773	\$ -	\$ -	\$ 185,773
Buildings & Improvements	41,106,768	2,935,651	-	44,042,419
Vehicles	2,797,640	391,408	-	3,189,048
Furniture, Machinery & Equipment	10,849,472	553,659	(41,500)	11,361,631
Infrastructure	5,366,594	564,036	-	5,930,630
Construction in Progress	2,808,537	439,344	(2,843,974)	403,907
Total General Fixed Assets	63,114,784	4,884,098	(2,885,474)	65,113,408
Less: Accumulated Depreciation				
	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Buildings & Improvements	(12,441,021)	(970,543)	-	(13,411,564)
Vehicles	(1,447,898)	(304,425)	-	(1,752,323)
Machinery & Equipment	(6,935,437)	(786,122)	(41,500)	(7,680,059)
Infrastructure	(1,663,156)	(287,955)	-	(1,951,111)
Total Accumulated Depreciation	(22,487,512)	(2,349,045)	(41,500)	(24,795,057)
Governmental Activities				
Capital Assets - Net	\$ 40,627,272	\$ 2,535,053	\$ (2,926,974)	\$ 40,318,351

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 5: CAPITAL ASSETS - continued

Depreciation expense was charged to governmental functions as follows:

	General		
100	Government	\$	31,205
120	Judicial		92,390
140	Elections		3,849
150	Financial Administration		92,938
160	Courthouse		23,112
170	Tax		66,268
180	Agri		22,576
190	Home Agent		52,137
210	Sheriff		393,208
220	Fire Protection		1,405
230	Corrections		41,210
250	Jail		281,443
310	Highways & Streets		408,325
330	County Clerk		53,729
360	District Clerk		46,665
370	Justice of the Peace		98,709
380	County Attorney		56,187
390	Constable		8,485
400	District Attorney		39,295
420	EMS		173,395
490	Victims		9,366
510	Recreation		126,098
520	Parks		17,949
530	Museums		8,768
540	Coliseum		141
550	Libraries		63,528
560	Senior Citizens Center		58,034
610	Conservation		14,081
660	Economic Opportunity		<u>64,549</u>
	Total Depreciation	\$	<u><u>2,349,045</u></u>

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 6: INTERFUND BALANCES AND TRANSFERS

Interfund balances at December 31, 2022 consisted of the following individual fund balances:

	Due From	Due To	Purpose
General Fund:			
Agency Funds	\$ 1,012,258	\$ -	Collections of fees not yet remitted
Special Revenue Funds	20,519	-	Unreimbursed Grant item
Total General Fund	<u>1,032,777</u>	<u>-</u>	
Special Revenue Funds:			
General Fund	-	20,519	Unreimbursed Grant item
Special Revenue	1,773,724	-	Transfer to Road Fund
Special Revenue	-	1,773,724	Transfer to Road Fund
Agency Fund	28,847	-	Collections of fees not yet remitted
Total Special Revenue Funds	<u>1,802,571</u>	<u>1,794,243</u>	
Agency Funds:			
General Fund	-	1,012,258	Collections of fees not yet remitted
Agency Fund	-	56,584	Collections of fees not yet remitted
Agency Fund	56,584	-	Collections of fees not yet remitted
Special Revenue Fund	-	28,847	Collections of fees not yet remitted
Total Agency Funds	<u>56,584</u>	<u>1,097,689</u>	
Total Due To's/Due From's	<u>\$ 2,891,932</u>	<u>\$ 2,891,932</u>	

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Note 6: INTERFUND BALANCES AND TRANSFERS - continued

Interfund Transfers consist of the following:

	Transfers In	Transfers Out	Purpose
Transfers from General Fund to/from:			
Special Revenue Fund	-	6,900,000	Operating Transfer - Building Construction
Hospital	584	1,500,000	Operating Transfers - Hospital
Special Revenue Fund	-	296,100	Operating Transfer- Juvenile Probation
Special Revenue Fund	-	-	Operating Transfer - Animal Shelter
Special Revenue Fund	-	2,910	Operating Transfer - Hotel/Motel
Special Revenue Fund	-	422	Operating Transfer- Victims of Crime Act Fund
Agency Fund	-	154,395	Operating Transfer - DA Forfeiture
	<u>584</u>	<u>8,853,827</u>	
Transfers to/from 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
Special Revenue Fund	3,015,000	-	Operating Transfer - PCT 1, 2, 3, 4 Road Funds
Special Revenue Fund	-	250,521	Operating Transfer - Animal Shelter
Special Revenue Fund	2,910	-	Operating Transfer - Hotel/Motel
General Fund	-	131,391	Operating Transfer - Library Renovation
General Fund	7,281,912	-	Operating Transfer - Building Construction
General Fund	296,100	-	Operating Transfer - Juvenile Probation
General Fund	422	-	Operating Transfer- Victims of Crime Act Fund
	<u>10,596,344</u>	<u>3,396,912</u>	
Transfers to/from Custodial Fund to/from:			
General Fund	154,395	-	Operating Transfer - DA Forfeiture
	<u>154,395</u>	<u>-</u>	
Total transfers	\$ <u>10,751,323</u>	\$ <u>12,250,739</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, 2022 was as follows:

	Beginning Balance	New Debt	Repayment	Ending Balance
Short-term loan	\$ 34,475	-	34,475	\$ -

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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 \$257,331; and net other postemployment benefits obligation of \$20,327,884. The balance for long-term obligations at December 31, 2022 was \$20,585,215.

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, 2022, deferred inflows in the General Fund were comprised of the following:

	General Fund
Net Unrealized Property Taxes	\$ 34,355,977
Net Unrealized Fines & Penalties	84,488
Total Deferred Inflows	\$ 34,440,465

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 \$234,457 in property, general liability, and professional liability insurance premiums for the year ended December 31, 2022.

Health Insurance

For 2022, the County paid \$1,980,104 in health and dental insurance premiums.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 \$21,393 for the year ended December 31, 2022. 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 \$68,620.

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, 2022

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, 2021, pension expense was as follows:

Service Cost	\$	1,720,383
Interest on total pension liability		3,886,555
Effect on plan changes		-
Administrative Expenses		31,643
Member contributions		(720,569)
Expected investment return net of investment expenses		(3,636,021)
Recognition of deferred inflows/outflows of resources		
Recognition of economic/demographic gains or losses		(88,563)
Recognition of assumption changes or inputs		593,030
Recognition of investment gains or losses		(1,853,709)
Other		(20,923)
		<u> </u>
Pension Expense	\$	<u> (88,175)</u>

As of December 31, 2021, 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	\$ 473,485	\$ 142,570
Changes of assumptions	182,125	1,368,184
Net difference between projected and actual earnings	6,540,381	-
Contributions made subsequent to measurement date	N/A	1,994,371
		<u> </u>
Totals	\$ 7,195,991	\$ 3,505,125

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Note 11: EMPLOYEES' RETIREMENT PLAN - continued

The \$1,994,371 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$	(1,011,502)
2023		(1,734,356)
2024		(1,564,238)
2025		(1,375,141)
2026		-
Thereafter		-
Total	\$	(5,685,237)

Plan Information

At December 31, 2021, the County had 195 current and 167 former employees and 121 retirees participating in the Plan.

Actuarial Assumptions

The actuarial assumptions that determine the total pension liability as of December 31, 2021 were based on the results of an actuarial experience investigation of TCDRS over the years 2017-2020, except where required to be different by GASB 68. They were recommended by Milliman, Inc., adopted by the TCDRS Board of Trustees in 2021 and first used in the Dec. 31, 2021 actuarial valuation.

There were two assumptions that changed for the Dec. 31, 2020 actuarial valuation: the investment return assumption and the price inflation assumption. The change in the price inflation assumption also impacted the salary increases assumption and the payroll growth assumption. They were recommended by Milliman, Inc., adopted by the TCDRS Board of Trustees in Mar. 2021 and first used in the Dec. 31, 2020 actuarial valuation.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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 (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	9.3 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of return	7.50%, 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	135% of the RP-2010 General Retirees Table for males and 120% of the RP-2010 General Retiree Tables for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
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> <p>2019: New inflation, mortality and other 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> <p>2020: No changes in plan provisions were reflected in the Schedule.</p> <p>2021: 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 show in the Notes to Schedule.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 January 2022 information for a 10-year time horizon.

Note that the valuation assumption for the long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	3.80%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment - Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	4.50%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%
	Total	100.00%	

⁽¹⁾ Target asset allocation adopted at the March 2022 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation of 2.6%, per Cliffwater's 2022 capital market assumptions.

⁽³⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 11: EMPLOYEES' RETIREMENT PLAN - continued

Discount Rate

The discount rate used to measure the total pension liability was 7.60%.

Sensitivity Analysis

The following presents the net pension liability of the County calculated using the discount rate of 7.60%, 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 (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	6.60%	7.60%	8.60%
Total pension liability	\$ 59,664,330	\$ 52,869,126	\$ 47,148,946
Fiduciary net position	58,488,532	58,488,532	58,488,532
Net pension liability/(asset)	\$ 1,175,798	\$ (5,619,406)	\$ (11,339,586)

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, 2022

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, 2022, the following employees were covered by the benefit terms:

Inactive employees, retiree's spouses or beneficiaries currently receiving benefit payment	84
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	123
Total	207

The OPEB Liability of \$20,327,884 was measured as of December 31, 2022.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation Date	January 1, 2020 January 1, 2022
Measurement Date	January 1, 2020 January 1, 2022
Actuarial Cost Method	Entry Age Normal
Discount Rate ⁽¹⁾	December 31, 2021: 2.06% December 31, 2022: 3.72%
Inflation	December 31, 2021: 2.20% December 31, 2022: 2.30%
Medical Trend Rate	December 31, 2021: Pre-65 - 5.10% Post-65 - 5.10% December 31, 2022: Pre-65 - 6.03% Post-65 - 6.03%

⁽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, 2022

Note 12: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

Per Capital Medical Benefit Costs	Age	Retiree		Spouse	
		Male	Female	Male	Female
	45	\$ 9,212	\$ 13,837	\$ 6,425	\$ 8,387
	50	\$ 10,531	\$ 13,226	\$ 7,737	\$ 9,479
	55	\$ 12,021	\$ 12,847	\$ 9,203	\$ 10,447
	60	\$ 13,857	\$ 13,875	\$ 11,046	\$ 11,545
	65*	\$ 2,703	\$ 2,525	\$ 2,703	\$ 2,525
	70	\$ 3,230	\$ 2,921	\$ 3,230	\$ 2,921

Per Capita Dental Benefit Costs	Age	Retiree		Spouse	
		Male	Female	Male	Female
	45	\$ 207	\$ 238	\$ 218	\$ 249
	50	\$ 224	\$ 254	\$ 235	\$ 265
	55	\$ 253	\$ 276	\$ 264	\$ 287
	60	\$ 289	\$ 300	\$ 300	\$ 311
	65	\$ 326	\$ 319	\$ 337	\$ 329
	70	\$ 358	\$ 331	\$ 369	\$ 342

*Medical costs decrease with Medicare eligibility

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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
2022	6.30%	6.30%
2023	6.70%	6.70%
2024	7.20%	7.10%
2025	6.60%	6.60%
2026	5.90%	5.90%
2027	5.20%	5.20%
2028	5.00%	5.00%
2029	4.80%	4.80%
2030	4.60%	4.60%
Grading to	3.70%	3.70%

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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	Mortality assumptions were updated from mortality scale MP-2021 to mortality Scale MP-Ultimate at the December 31, 2022 measurement date. This assumption change increased the total OPEB liability by approximately \$0.92 million.
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 2.06% at the December 31, 2021 measurement date to 3.72 at the December 31, 2022 measurement date. This assumption change increased total OPEB liability by approximately \$5.57 million.
Mortality	Mortality assumptions were updated from mortality scale MP-2021 to mortality Scale MP-Ultimate at the December 31, 2022 measurement date. This assumption change increased the total OPEB liability by approximately \$0.92 million.

WARD COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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, calculated using the discount rate of 3.72%, 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 (2.72%) or 1-percentage-point higher (4.72%):

	1% Decrease 2.72%	Current Discount Rate 2.06%	1% Increase 4.72%
Total OPEB Liability	\$ 23,600,580	\$ 20,327,884	\$ 17,687,995

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	\$ 17,247,392	\$ 20,327,884	\$ 24,281,758

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

For the year ended December 31, 2022, the County recognized OPEB expense related to retiree health insurance benefits of \$2,112,816.

At December 31, 2022, 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	\$	-	\$	2,339,820
Changes in Assumptions		(3,377,460)		1,292,229
Total	\$	(3,377,460)	\$	3,632,049

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022. 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
2023	\$ 248,685
2024	210,522
2025	162,995
2026	(254,337)
2027	(113,276)
Thereafter*	-
Total	\$ 254,589

*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, 2022 were \$19,612 and \$2,152,857, respectively.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 13: DEFERRED COMPENSATION PLAN

Nationwide

Beginning Balance, January 1, 2022	Contributions and Market Gains	Withdrawals, Fees and Market Losses	Ending Balance, December 31, 2022
\$ 18,481	\$ 1,131	\$ -	\$ 19,612

Empower

Beginning Balance, January 1, 2022	Contributions and Market Gains	Withdrawals and Market Losses	Ending Balance, December 31, 2022
\$2,375,934	\$158,151	(\$381,228)	\$2,152,857

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 2022 the County Judge earned \$0 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, 2022

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	Private Grants	
Border Prosecution Grant	\$ -	\$ 114,452	\$ -		\$ 114,452
Child Abuse Prevention	-	-	53		53
Hancher Library Foundations	-	-	-	39,486	39,486
Indigent Defense Grant - TX Task for on Indigent Defense	-	22,585	-		22,585
LEOSE Funds	-	-	2,993		2,993
State of Texas - Lateral Road Funds	-	-	11,408		11,408
State of Texas - Salary Supplements	-	-	51,501		51,501
State of Texas - State Juror Reimbursement Fee	-	-	2,890		2,890
Texas J-RAC pass through revenues to EMS	-	-	15,333		15,333
Texas Juvenile Probation Commission Funds	-	163,391	-		163,391
Title XX Meals on Wheels	-	-	21,514		21,514
Tobacco Settlement	-	-	60,898		60,898
HAVA Election Security Grant	15,138	-	-		15,138
Stonegarden Grant	80,185	-	-		80,185
Victims of Crime Acts Formula Grant Program	75,508	-	-		75,508
Congregate Meals, Home Delivered Meals & Cash Payments in Lieu of Donated Commodities - DHHS	119,642	-	-	-	119,642
TOTALS	\$ 290,473	\$ 300,428	\$ 166,590	\$ 39,486	\$ 796,977

Note 16: LITIGATION

The County is party to various legal actions arising in the ordinary course of its business and is a member of the Texas Association of Counties Risk Management Pool. As explained in Governmental Accounting Standards Board No. 10, paragraph 69, a member who participates in a risk transfer pool transfers risk to the pool. Each TAC Pool is responsible for any potential or contingent litigation or claims costs of the members. The specific losses covered by the TAC Pools are outlined in the coverage documents of each fund. The TAC Interlocal agreements do not permit additional assessments of contributions on members of the funds. Members need only to report contributions as insurance expense, and they do not need to account for any potential or contingent risk management litigation or claims costs.

REQUIRED SUPPLEMENTARY INFORMATION

WARD COUNTY, TX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
Taxes:					
5110	Property Taxes	\$ 27,379,575	\$ 27,379,575	\$ 28,430,425	\$ 1,050,850
5120	General Sales and Use Taxes	90,000	90,000	91,822	1,822
5200	Licenses and Permits	335,000	335,000	315,694	(19,306)
5300	Intergovernmental Revenue and Grants	214,519	214,519	153,207	(61,312)
5400	Charges for Services	402,500	402,500	465,015	62,515
5416	General Government Charges for Services	75,000	75,000	79,784	4,784
5456	Patient Revenue	250,000	250,000	505,055	255,055
5472	Swimming Pool Fees	28,450	28,450	35,637	7,187
5476	Library Use Fees	7,000	7,000	7,114	114
5479	Facilities Receipts	120,000	120,000	95,946	(24,054)
5510	Fines	575,000	575,000	538,743	(36,257)
5520	Forfeits	-	-	750	750
5610	Investment Earnings	26,625	26,625	504,585	477,960
5620	Rents and Royalties	40,000	40,000	57,548	17,548
5640	Contributions & Donations from Private Sources	23,000	23,000	54,475	31,475
5700	Other Revenue	55,200	55,200	133,006	77,806
5020	Total Revenues	29,621,869	29,621,869	31,468,806	1,846,937
EXPENDITURES:					
Current:					
0100	General Government	4,392,224	4,392,224	4,046,847	345,377
0120	Judicial	570,369	570,369	520,453	49,916
0140	Elections	74,621	74,621	42,757	31,864
0150	Financial Administration	497,049	497,049	495,055	1,994
0160	Courthouse	153,119	153,119	136,851	16,268
0170	Tax Assessor/Collector	410,032	410,032	415,779	(5,747)
0180	Agricultural Extension Unit	189,416	189,416	181,908	7,508
0190	Home Agent	283,523	283,523	287,776	(4,253)
0210	Sheriff	2,566,939	2,566,939	2,671,317	(104,378)
0220	Fire Protection	155,330	155,330	107,765	47,565
0230	Corrections	27,694	27,694	20,467	7,227
0250	Jail	2,097,438	2,097,438	1,992,313	105,125
0260	Department of Public Safety	2,000	2,000	910	1,090
0310	Highways & Streets	2,284,244	2,284,244	2,235,703	48,541
0330	County Clerk	319,476	319,476	316,892	2,584
0360	District Clerk	397,181	397,181	366,987	30,194
0370	Justice of the Peace	583,770	583,770	529,359	54,411
0380	County Attorney	476,236	476,236	327,220	149,016
0390	Constable	54,230	54,230	47,201	7,029
0410	Health	275,000	275,000	301,193	(26,193)
0420	EMS	1,164,560	1,164,560	1,295,787	(131,227)
0440	Indigent Welfare	41,450	41,450	38,781	2,669
0450	Indigent Legal Care	233,000	233,000	183,721	49,279
0510	Community Center	1,817,367	1,817,367	1,253,115	564,252
0520	Parks	226,150	226,150	174,278	51,872
0530	Museums	74,763	74,763	69,258	5,505
0540	Coliseum	139,894	139,894	104,284	35,610
0550	Libraries	518,423	518,423	423,882	94,541
0560	Senior Citizens Center	365,316	365,316	350,163	15,153
0570	Emergency Management	15,065	15,065	8,400	6,665
0590	4-H Rifle Barn	9,700	9,700	8,127	1,573
0610	Conservation	80,472	80,472	78,734	1,738
Debt Service:					

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, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
0790 Other Debt Service	-	-	34,475	(34,475)
Capital Outlay:				
0800 Capital Outlay	511,694	511,694	174,078	337,616
Intergovernmental:				
0900 Intergovernmental	277,600	277,600	272,600	5,000
6030 Total Expenditures	21,285,345	21,285,345	19,514,436	1,770,909
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	8,336,524	8,336,524	11,954,370	3,617,846
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	2,270	2,270
7915 Transfers In	1,122,600	1,122,600	584	(1,122,016)
8911 Transfers Out	(9,818,700)	(9,818,700)	(8,853,827)	964,873
7080 Total Other Financing Sources (Uses)	(8,696,100)	(8,696,100)	(8,850,973)	(154,873)
1200 Net Change in Fund Balances	(359,576)	(359,576)	3,103,397	3,462,973
0100 Fund Balance - (Beginning)	32,103,149	32,103,149	32,103,149	-
3000 Fund Balance - December 31 (Ending)	\$ 31,743,573	\$ 31,743,573	\$ 35,206,546	\$ 3,462,973

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

Ward County, Texas
Notes to Required Supplementary Information
December 31, 2022

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 2021 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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
A. Total Pension Liability			
Service Cost	\$ 1,720,383	\$ 1,324,183	\$ 1,263,128
Interest (on the Total Pension Liability)	3,886,555	3,649,539	3,443,087
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(684,153)	285,140	(69,533)
Changes of Assumptions	(273,188)	2,736,370	-
Benefit Payments, Including Refunds of Employee Contributions	(2,354,810)	(2,261,463)	(2,040,723)
Net Change in Total Pension Liability	\$ 2,294,787	\$ 5,733,769	\$ 2,595,959
Total Pension Liability - Beginning	50,574,339	44,840,570	42,244,611
Total Pension Liability - Ending	\$ 52,869,126	\$ 50,574,339	\$ 44,840,570
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 1,908,949	\$ 1,924,248	\$ 1,774,834
Contributions - Employee	720,569	689,468	617,140
Net Investment Income	10,511,734	4,437,092	6,009,679
Benefit Payments, Including Refunds of Employee Contributions	(2,354,810)	(2,261,463)	(2,040,723)
Administrative Expense	(31,643)	(34,912)	(32,725)
Other	20,923	14,679	18,008
Net Change in Plan Fiduciary Net Position	\$ 10,775,722	\$ 4,769,112	\$ 6,346,213
Plan Fiduciary Net Position - Beginning	47,712,809	42,943,697	36,597,483
Plan Fiduciary Net Position - Ending	\$ 58,488,531	\$ 47,712,809	\$ 42,943,696
C. Net Pension Liability (Asset)	\$ (5,619,405)	\$ 2,861,530	\$ 1,896,874
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.63%	94.34%	95.77%
E. Covered Payroll	\$ 9,743,764	\$ 9,849,545	\$ 8,816,291
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll	(57.67%)	29.05%	21.52%

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 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$	1,176,634	\$ 1,220,849	\$ 1,289,562	\$ 1,065,573	\$ 1,025,795
	3,210,871	2,918,183	2,725,435	2,564,982	2,389,344
	-	750,512	-	(200,349)	-
	342,347	286,149	(587,442)	(285,504)	122,990
	-	235,686	-	419,397	-
	(1,861,743)	(1,649,829)	(1,623,814)	(1,548,884)	(1,446,422)
\$	2,868,109	\$ 3,761,550	\$ 1,803,741	\$ 2,015,215	\$ 2,091,707
	39,376,502	35,614,953	33,811,212	31,795,998	29,704,291
\$	42,244,611	\$ 39,376,503	\$ 35,614,953	\$ 33,811,213	\$ 31,795,998
\$	1,495,065	\$ 983,921	\$ 1,158,941	\$ 1,440,837	\$ 1,427,366
	574,999	530,617	528,891	511,730	466,347
	(688,791)	4,743,948	2,248,196	(408,425)	1,882,931
	(1,861,743)	(1,649,829)	(1,623,814)	(1,548,884)	(1,446,422)
	(29,395)	(24,671)	(24,441)	(21,868)	(22,466)
	9,933	(2,046)	(124,605)	29,578	116,532
\$	(499,932)	\$ 4,581,940	\$ 2,163,168	\$ 2,968	\$ 2,424,288
	37,097,415	32,515,475	30,352,307	30,349,338	27,925,050
\$	36,597,483	\$ 37,097,415	\$ 32,515,475	\$ 30,352,306	\$ 30,349,338
\$	5,647,128	\$ 2,279,088	\$ 3,099,478	\$ 3,458,907	\$ 1,446,660
	86.63%	94.21%	91.30%	89.77%	95.45%
\$	8,214,265	\$ 7,580,245	\$ 7,555,592	\$ 7,310,432	\$ 6,662,106
	68.75%	30.07%	41.02%	47.31%	21.71%

WARD COUNTY, TX
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2022

	2022	2021	2020
Actuarially Determined Contribution	\$ 1,254,022	\$ 1,373,027	\$ 1,228,991
Contributions in Relation to the Actuarially Determined Contributions	1,908,949	1,924,248	1,774,834
Contribution Deficiency (Excess)	\$ (654,927)	\$ (551,221)	\$ (545,843)
Covered Employee Payroll	\$ 9,743,764	\$ 9,849,545	\$ 8,816,291
Contributions as a Percentage of Covered Employee Payroll	19.60%	19.50%	20.13%

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.

	2019	2018	2017	2016	2015	2014	2013
\$	1,145,065	\$ 965,723	\$ 908,941	\$ 940,837	\$ 927,366	\$ 881,225	\$ 816,290
	1,495,065	983,921	1,158,941	1,440,837	1,427,366	1,181,255	1,116,288
\$	(350,000)	\$ (18,198)	\$ (250,000)	\$ (500,000)	\$ (500,000)	\$ (300,030)	\$ (299,998)
\$	8,214,265	\$ 7,580,245	\$ 7,555,592	\$ 7,310,432	\$ 6,662,106	\$ 6,218,945	\$ 5,814,033
	18.20%	13.00%	15.30%	19.70%	21.40%	19.00%	19.20%

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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
Total OPEB Liability			
Service Cost	\$ 1,410,370	\$ 1,333,219	\$ 1,110,402
Interest on the Total OPEB Liability	453,761	430,545	436,843
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	1,839,008	-	1,642,603
Changes of Assumptions	(3,840,214)	277,418	1,396,274
Benefit Payments*	(302,239)	(496,389)	(390,317)
Net Change in Total OPEB Liability	(439,314)	1,544,793	4,195,805
Total OPEB Liability - Beginning	20,767,198	19,222,405	15,026,600
Total OPEB Liability - Ending	\$ 20,327,884	\$ 20,767,198	\$ 19,222,405
Covered Payroll	\$ 9,225,000	\$ 7,602,770	\$ 7,602,770
Total OPEB Liability as a Percentage of Covered Payroll	220.36%	273.15%	252.83%

*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.

	FY 2019 Plan Year 2018		FY 2018 Plan Year 2017
\$	690,773	\$	779,013
	536,134		469,814
	-		-
	-		-
	1,610,512		(1,352,715)
	(389,041)		(389,269)
	2,448,378		(493,157)
	12,578,222		13,071,379
\$	15,026,600	\$	12,578,222
\$	7,596,040	\$	7,374,796
	197.82%		170.56%

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	9.3 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, 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	135% of the RP-2010 General Retirees Table for males and 120% General Retiree Tables for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
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> <p>2019: New inflation, mortality and other 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> <p>2020: No changes in plan provisions were reflected in the Schedule.</p> <p>2021: 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, 2022

Data Control Codes	200 Title XX Home Delivered Meals	202 LEOSE Training Funds	203 Specialty Court Office	205 Court Facility Fee Fund
ASSETS				
1010 Cash and Cash Equivalents	\$ -	\$ 11,053	\$ 1,575	\$ 4,420
1260 Due from Other Governments	-	-	-	-
1300 Due from Other Funds	-	-	-	-
1300 Due from Fiduciary Funds	-	-	92	804
1000 Total Assets	<u>\$ -</u>	<u>\$ 11,053</u>	<u>\$ 1,667</u>	<u>\$ 5,224</u>
LIABILITIES				
2010 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2080 Due to Other Funds	-	-	-	-
2230 Unearned Revenues	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3460 Restricted for Commissary	-	-	-	-
3490 Other Restricted Fund Balance	-	11,053	1,667	5,224
3000 Total Fund Balances	<u>-</u>	<u>11,053</u>	<u>1,667</u>	<u>5,224</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 11,053</u>	<u>\$ 1,667</u>	<u>\$ 5,224</u>

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

206 Language Access Fund	207 Court Initiated Guardianship	210 American Rescue Plan Act	216 Lateral Road Fund	217 Farm to Market Road Fund	219 Border Prosecution Fund	221 Holman House Fund	222 Check Fees Fund
\$ 1,212	\$ 1,200	\$ 2,366,290	\$ 36,736	\$ 2,335,276	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	270	-	-	-	-	-	-
196	-	-	-	4,015	-	-	-
<u>\$ 1,408</u>	<u>\$ 1,470</u>	<u>\$ 2,366,290</u>	<u>\$ 36,736</u>	<u>\$ 2,339,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 17,170	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	2,330,471	-	-	-	-	-
-	-	<u>2,330,471</u>	-	<u>17,170</u>	-	-	-
-	-	-	-	-	-	-	-
1,408	1,470	35,819	36,736	2,322,121	-	-	-
<u>1,408</u>	<u>1,470</u>	<u>35,819</u>	<u>36,736</u>	<u>2,322,121</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,408</u>	<u>\$ 1,470</u>	<u>\$ 2,366,290</u>	<u>\$ 36,736</u>	<u>\$ 2,339,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WARD COUNTY, TX
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022

Data Control Codes	224 Sheriff's State Forfeiture	229 Records Management & Preservation	230 Courthouse Security Fund	232 Juvenile Probation Fund
ASSETS				
1010 Cash and Cash Equivalents	\$ 71,611	\$ 9,479	\$ 160,834	\$ 145,476
1260 Due from Other Governments	-	-	-	-
1300 Due from Other Funds	-	-	-	-
1300 Due from Fiduciary Funds	-	1,199	2,513	65
1000 Total Assets	<u>\$ 71,611</u>	<u>\$ 10,678</u>	<u>\$ 163,347</u>	<u>\$ 145,541</u>
LIABILITIES				
2010 Accounts Payable	-	-	-	7,780
2080 Due to Other Funds	-	-	-	-
2230 Unearned Revenues	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,780</u>
FUND BALANCES				
Restricted Fund Balance:				
3460 Restricted for Commissary	-	-	-	-
3490 Other Restricted Fund Balance	71,611	10,678	163,347	137,761
3000 Total Fund Balances	<u>71,611</u>	<u>10,678</u>	<u>163,347</u>	<u>137,761</u>
4000 Total Liabilities and Fund Balances	<u>\$ 71,611</u>	<u>\$ 10,678</u>	<u>\$ 163,347</u>	<u>\$ 145,541</u>

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

234 County Clerk Records M&P Fund	235 Court Reporter Service Fund	237 County Attorney Pretrial Fund	239 JP Court Technology Fund	240 Title IV-E JPO Fund	241 Hancher Library Foundation	242 County Clerk Archive Fund	243 District Clerk Records Mngmnt Fund
\$ 121,848	\$ 9,584	\$ 45,023	\$ 551	\$ 11,431	\$ -	\$ 277,322	\$ 4,483
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,975	1,034	3,150	814	-	-	6,730	-
<u>\$ 128,823</u>	<u>\$ 10,618</u>	<u>\$ 48,173</u>	<u>\$ 1,365</u>	<u>\$ 11,431</u>	<u>\$ -</u>	<u>\$ 284,052</u>	<u>\$ 4,483</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
128,823	10,618	48,173	1,365	11,431	-	284,052	4,483
<u>128,823</u>	<u>10,618</u>	<u>48,173</u>	<u>1,365</u>	<u>11,431</u>	<u>-</u>	<u>284,052</u>	<u>4,483</u>
<u>\$ 128,823</u>	<u>\$ 10,618</u>	<u>\$ 48,173</u>	<u>\$ 1,365</u>	<u>\$ 11,431</u>	<u>\$ -</u>	<u>\$ 284,052</u>	<u>\$ 4,483</u>

WARD COUNTY, TX
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022

Data Control Codes	244 Victims of Crime Act Formula Grant	245 JP Security Fund	247 Child Abuse Prevention Fund	248 Co/District Court Tech Fund	
ASSETS					
1010	Cash and Cash Equivalents	\$ -	\$ 30,785	\$ 376	\$ 3,343
1260	Due from Other Governments	11,865	-	-	-
1300	Due from Other Funds	-	-	-	-
1300	Due from Fiduciary Funds	-	11	13	38
1000	Total Assets	<u>\$ 11,865</u>	<u>\$ 30,796</u>	<u>\$ 389</u>	<u>\$ 3,381</u>
LIABILITIES					
2010	Accounts Payable	\$ 519	\$ -	\$ -	\$ -
2080	Due to Other Funds	11,346	-	-	-
2230	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>11,865</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3460	Restricted for Commissary	-	-	-	-
3490	Other Restricted Fund Balance	-	30,796	389	3,381
3000	Total Fund Balances	<u>-</u>	<u>30,796</u>	<u>389</u>	<u>3,381</u>
4000	Total Liabilities and Fund Balances	<u>\$ 11,865</u>	<u>\$ 30,796</u>	<u>\$ 389</u>	<u>\$ 3,381</u>

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

249 Co/District Disaster Preservation	250 Hotel/Motel Tax Fund	251 Truancy Court Fund	255 Stonegarden Grant	256 Local Truancy P&D Fund	260 PBAF Library Grant	261 Library Renovation Fund	262 Event Center Park Fund
\$ 9,274	\$ 420,010	\$ 4,045	\$ -	\$ 23,077	\$ 10,000	\$ -	\$ 1,795,201
-	-	-	9,173	-	-	-	-
-	-	-	-	-	-	-	-
-	-	15	-	913	-	-	-
<u>\$ 9,274</u>	<u>\$ 420,010</u>	<u>\$ 4,060</u>	<u>\$ 9,173</u>	<u>\$ 23,990</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 1,795,201</u>
\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,547
-	-	-	9,173	-	-	-	-
-	-	-	-	-	10,000	-	-
<u>-</u>	<u>8</u>	<u>-</u>	<u>9,173</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>14,547</u>
-	-	-	-	-	-	-	-
9,274	420,002	4,060	-	23,990	-	-	1,780,654
<u>9,274</u>	<u>420,002</u>	<u>4,060</u>	<u>-</u>	<u>23,990</u>	<u>-</u>	<u>-</u>	<u>1,780,654</u>
<u>\$ 9,274</u>	<u>\$ 420,010</u>	<u>\$ 4,060</u>	<u>\$ 9,173</u>	<u>\$ 23,990</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 1,795,201</u>

WARD COUNTY, TX
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022

Data Control Codes	264 HAVA Grant Fund	266 Animal Shelter Fund	267 Sheriff's Commissary Fund	270 TxDOT Road Grant
ASSETS				
1010 Cash and Cash Equivalents	\$ 14,862	\$ -	\$ 20,109	\$ 1,801,873
1260 Due from Other Governments	-	-	-	-
1300 Due from Other Funds	-	-	-	-
1300 Due from Fiduciary Funds	-	-	-	-
1000 Total Assets	<u>\$ 14,862</u>	<u>\$ -</u>	<u>\$ 20,109</u>	<u>\$ 1,801,873</u>
LIABILITIES				
2010 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2080 Due to Other Funds	-	-	-	1,773,724
2230 Unearned Revenues	14,862	-	-	-
2000 Total Liabilities	<u>14,862</u>	<u>-</u>	<u>-</u>	<u>1,773,724</u>
FUND BALANCES				
Restricted Fund Balance:				
3460 Restricted for Commissary	-	-	20,109	-
3490 Other Restricted Fund Balance	-	-	-	28,149
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>20,109</u>	<u>28,149</u>
4000 Total Liabilities and Fund Balances	<u>\$ 14,862</u>	<u>\$ -</u>	<u>\$ 20,109</u>	<u>\$ 1,801,873</u>

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

282 Archives Donation Fund	291 PCT 1 Road Funds	292 PCT 2 Road Funds	293 PCT 3 Road Fund	294 Pct 4 Road Fund	299 Title III Part C Fund	Total Nonmajor Governmental Funds
\$ -	\$ 1,962,283	\$ 4,092	\$ 1,675,545	\$ 232,050	\$ -	\$ 13,622,329
-	-	-	-	-	-	21,038
-	-	-	-	-	-	270
-	-	-	-	-	-	28,577
<u>\$ -</u>	<u>\$ 1,962,283</u>	<u>\$ 4,092</u>	<u>\$ 1,675,545</u>	<u>\$ 232,050</u>	<u>\$ -</u>	<u>\$ 13,672,214</u>
\$ -	\$ 1,987	\$ -	\$ 1,034	\$ 44,294	\$ -	\$ 87,339
-	-	-	-	-	-	1,794,243
-	-	-	-	-	-	2,355,333
-	1,987	-	1,034	44,294	-	4,236,915
-	-	-	-	-	-	20,109
-	1,960,296	4,092	1,674,511	187,756	-	9,415,190
-	1,960,296	4,092	1,674,511	187,756	-	9,435,299
<u>\$ -</u>	<u>\$ 1,962,283</u>	<u>\$ 4,092</u>	<u>\$ 1,675,545</u>	<u>\$ 232,050</u>	<u>\$ -</u>	<u>\$ 13,672,214</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Data Control Codes	200 Title XX Home Delivered Meals	202 LEOSE Training Funds	203 Specialty Court Office	205 Court Facility Fee Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	21,514	2,993	-	-
5400 Charges for Services	-	-	837	5,224
5510 Fines	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	-	-	-
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	-	-	-	-
5020 Total Revenues	<u>21,514</u>	<u>2,993</u>	<u>837</u>	<u>5,224</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	-	-	-	-
0160 Courthouse	-	-	-	-
0210 Sheriff	-	-	-	-
0230 Corrections	-	-	-	-
0250 Jail	-	1,771	-	-
0310 Highways & Streets	-	-	-	-
0330 County Clerk	-	-	-	-
0360 District Clerk	-	-	-	-
0380 County Attorney	-	-	-	-
0400 District Attorney	21,514	-	-	-
0490 Victim Services	-	-	-	-
0530 Museums	-	-	-	-
0550 Libraries	-	-	-	-
0560 Senior Citizens Center	-	-	-	-
0660 Economic Opportunity	-	-	-	-
Capital Outlay:				
0800 Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>21,514</u>	<u>1,771</u>	<u>-</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>1,222</u>	<u>837</u>	<u>5,224</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	1,222	837	5,224
0100 Fund Balance - (Beginning)	<u>-</u>	<u>9,831</u>	<u>830</u>	<u>-</u>
3000 Fund Balance - December 31 (Ending)	<u>\$ -</u>	<u>\$ 11,053</u>	<u>\$ 1,667</u>	<u>\$ 5,224</u>

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

206 Language Access Fund	207 Court Initiated Guardianship	210 American Rescue Plan Act	216 Lateral Road Fund	217 Farm to Market Road Fund	219 Border Prosecution Fund	221 Holman House Fund	222 Check Fees Fund
\$ -	\$ -	\$ -	\$ -	\$ 3,387,057	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,408	1,470	-	11,408	-	114,452	-	-
-	-	-	-	-	-	-	-
-	-	35,627	488	37,673	-	1	-
-	-	-	-	-	-	-	-
<u>1,408</u>	<u>1,470</u>	<u>35,627</u>	<u>11,896</u>	<u>3,424,730</u>	<u>114,452</u>	<u>1</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	8,858	353,536	-	-	-
-	-	-	-	-	-	18,424	-
-	-	-	-	-	-	-	310
-	-	-	-	-	114,452	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	8,858	353,536	114,452	18,424	310
1,408	1,470	35,627	3,038	3,071,194	-	(18,423)	(310)
-	-	-	-	-	-	-	-
-	-	-	-	(3,015,000)	-	-	-
-	-	-	-	(3,015,000)	-	-	-
1,408	1,470	35,627	3,038	56,194	-	(18,423)	(310)
-	-	192	33,698	2,265,927	-	18,423	310
<u>\$ 1,408</u>	<u>\$ 1,470</u>	<u>\$ 35,819</u>	<u>\$ 36,736</u>	<u>\$ 2,322,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Data Control Codes	224 Sheriff's State Forfeiture	229 Records Management & Preservation	230 Courthouse Security Fund	232 Juvenile Probation Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	-	-	163,391
5400 Charges for Services	-	10,455	13,047	-
5510 Fines	-	-	-	1,944
5520 Forfeits	62,752	-	-	-
5610 Investment Earnings	1,057	575	2,389	2,657
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	-	-	9,381	-
5020 Total Revenues	<u>63,809</u>	<u>11,030</u>	<u>24,817</u>	<u>167,992</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	-	-	-	-
0160 Courthouse	-	-	770	-
0210 Sheriff	14,512	-	-	-
0230 Corrections	-	-	-	347,293
0250 Jail	-	-	-	-
0310 Highways & Streets	-	-	-	-
0330 County Clerk	-	45,191	-	-
0360 District Clerk	-	-	-	-
0380 County Attorney	-	-	-	-
0400 District Attorney	-	-	-	-
0490 Victim Services	-	-	-	-
0530 Museums	-	-	-	-
0550 Libraries	-	-	-	-
0560 Senior Citizens Center	-	-	-	-
0660 Economic Opportunity	-	-	-	-
Capital Outlay:				
0800 Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>14,512</u>	<u>45,191</u>	<u>770</u>	<u>347,293</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>49,297</u>	<u>(34,161)</u>	<u>24,047</u>	<u>(179,301)</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	296,100
8911 Transfers Out	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,100</u>
1200 Net Change in Fund Balance	49,297	(34,161)	24,047	116,799
0100 Fund Balance - (Beginning)	<u>22,314</u>	<u>44,839</u>	<u>139,300</u>	<u>20,962</u>
3000 Fund Balance - December 31 (Ending)	<u>\$ 71,611</u>	<u>\$ 10,678</u>	<u>\$ 163,347</u>	<u>\$ 137,761</u>

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

234 County Clerk Records M&P Fund	235 Court Reporter Service Fund	237 County Attorney Pretrial Fund	239 JP Court Technology Fund	240 Title IV-E JPO Fund	241 Hancher Library Foundation	242 County Clerk Archive Fund	243 District Clerk Records Mngmnt Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	39,486	-	-
49,171	6,703	-	10,626	-	-	48,790	80
-	-	20,961	-	-	-	-	-
2,113	117	581	114	179	-	4,151	144
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>51,284</u>	<u>6,820</u>	<u>21,542</u>	<u>10,740</u>	<u>179</u>	<u>39,486</u>	<u>52,941</u>	<u>224</u>
-	600	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	19,607	4,884	-	-	-
-	-	-	-	-	-	-	-
68,987	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,000
-	-	11,642	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	39,486	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>68,987</u>	<u>600</u>	<u>11,642</u>	<u>19,607</u>	<u>4,884</u>	<u>39,486</u>	<u>-</u>	<u>5,000</u>
<u>(17,703)</u>	<u>6,220</u>	<u>9,900</u>	<u>(8,867)</u>	<u>(4,705)</u>	<u>-</u>	<u>52,941</u>	<u>(4,776)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(17,703)	6,220	9,900	(8,867)	(4,705)	-	52,941	(4,776)
<u>146,526</u>	<u>4,398</u>	<u>38,273</u>	<u>10,232</u>	<u>16,136</u>	<u>-</u>	<u>231,111</u>	<u>9,259</u>
<u>\$ 128,823</u>	<u>\$ 10,618</u>	<u>\$ 48,173</u>	<u>\$ 1,365</u>	<u>\$ 11,431</u>	<u>\$ -</u>	<u>\$ 284,052</u>	<u>\$ 4,483</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Data Control Codes	244 Victims of Crime Act Formula Grant	245 JP Security Fund	247 Child Abuse Prevention Fund	248 Co/District Court Tech Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	75,508	-	53	-
5400 Charges for Services	-	401	-	236
5510 Fines	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	474	-	-
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	-	-	-	-
5020 Total Revenues	<u>75,508</u>	<u>875</u>	<u>53</u>	<u>236</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	-	-	-	-
0160 Courthouse	-	-	-	-
0210 Sheriff	-	-	-	-
0230 Corrections	-	-	-	-
0250 Jail	-	-	-	-
0310 Highways & Streets	-	-	-	-
0330 County Clerk	-	-	-	2,000
0360 District Clerk	-	-	-	-
0380 County Attorney	-	-	-	-
0400 District Attorney	-	-	-	-
0490 Victim Services	75,930	-	-	-
0530 Museums	-	-	-	-
0550 Libraries	-	-	-	-
0560 Senior Citizens Center	-	-	-	-
0660 Economic Opportunity	-	-	-	-
Capital Outlay:				
0800 Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>75,930</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(422)</u>	<u>875</u>	<u>53</u>	<u>(1,764)</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	422	-	-	-
8911 Transfers Out	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>422</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	875	53	(1,764)
0100 Fund Balance - (Beginning)	<u>-</u>	<u>29,921</u>	<u>336</u>	<u>5,145</u>
3000 Fund Balance - December 31 (Ending)	<u>\$ -</u>	<u>\$ 30,796</u>	<u>\$ 389</u>	<u>\$ 3,381</u>

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

249 Co/District Disaster Preservation	250 Hotel/Motel Tax Fund	251 Truancy Court Fund	255 Stonegarden Grant	256 Local Truancy P&D Fund	260 PBAF Library Grant	261 Library Renovation Fund	262 Event Center Park Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	450,000	-	-	-	-	-	-
-	-	-	80,185	-	-	-	-
-	-	130	-	9,572	-	-	-
-	-	-	-	-	-	-	-
145	5,067	-	-	-	-	14	28,826
-	-	-	-	-	-	-	30,000
-	-	-	-	-	-	-	-
<u>145</u>	<u>455,067</u>	<u>130</u>	<u>80,185</u>	<u>9,572</u>	<u>-</u>	<u>14</u>	<u>58,826</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	80,185	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	284,391
-	-	-	-	-	-	-	-
-	459,173	-	-	-	-	-	-
-	-	-	-	-	-	14	-
-	<u>459,173</u>	<u>-</u>	<u>80,185</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>284,391</u>
<u>145</u>	<u>(4,106)</u>	<u>130</u>	<u>-</u>	<u>9,572</u>	<u>-</u>	<u>-</u>	<u>(225,565)</u>
-	2,910	-	-	-	-	-	-
-	-	-	-	-	-	(131,391)	-
-	<u>2,910</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131,391)</u>	<u>-</u>
145	(1,196)	130	-	9,572	-	(131,391)	(225,565)
9,129	421,198	3,930	-	14,418	-	131,391	2,006,219
<u>\$ 9,274</u>	<u>\$ 420,002</u>	<u>\$ 4,060</u>	<u>\$ -</u>	<u>\$ 23,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,780,654</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Data Control Codes	264 HAVA Grant Fund	266 Animal Shelter Fund	267 Sheriff's Commissary Fund	270 TxDOT Road Grant
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	15,138	-	-	-
5400 Charges for Services	-	-	-	-
5510 Fines	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	454	-	28,149
5640 Contributions & Donations from Private Sources	-	-	-	-
5700 Other Revenue	-	-	8,099	-
5020 Total Revenues	<u>15,138</u>	<u>454</u>	<u>8,099</u>	<u>28,149</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	15,138	-	-	-
0160 Courthouse	-	-	-	-
0210 Sheriff	-	-	-	-
0230 Corrections	-	-	-	-
0250 Jail	-	-	10,920	-
0310 Highways & Streets	-	-	-	-
0330 County Clerk	-	-	-	-
0360 District Clerk	-	-	-	-
0380 County Attorney	-	-	-	-
0400 District Attorney	-	-	-	-
0490 Victim Services	-	-	-	-
0530 Museums	-	-	-	-
0550 Libraries	-	-	-	-
0560 Senior Citizens Center	-	-	-	-
0660 Economic Opportunity	-	-	-	-
Capital Outlay:				
0800 Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>15,138</u>	<u>-</u>	<u>10,920</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>454</u>	<u>(2,821)</u>	<u>28,149</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out	-	(250,521)	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>(250,521)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	(250,067)	(2,821)	28,149
0100 Fund Balance - (Beginning)	<u>-</u>	<u>250,067</u>	<u>22,930</u>	<u>-</u>
3000 Fund Balance - December 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,109</u>	<u>\$ 28,149</u>

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

282 Archives Donation Fund	291 PCT 1 Road Funds	292 PCT 2 Road Funds	293 PCT 3 Road Fund	294 Pct 4 Road Fund	299 Title III Part C Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,387,057
-	-	-	-	-	-	450,000
-	-	-	-	-	119,642	643,770
-	-	-	-	-	-	158,150
-	-	-	-	-	-	22,905
-	-	-	-	-	-	62,752
-	32,397	69	29,510	4,788	-	217,759
-	-	-	-	-	-	30,000
-	-	-	-	-	-	17,480
-	<u>32,397</u>	<u>69</u>	<u>29,510</u>	<u>4,788</u>	<u>119,642</u>	<u>4,989,873</u>
-	-	-	-	-	-	600
-	-	-	-	-	-	15,138
-	-	-	-	-	-	770
-	-	-	-	-	-	94,697
-	-	-	-	-	-	371,784
-	-	-	-	-	-	12,691
-	465,522	76,465	654,676	929,824	-	2,488,881
-	-	-	-	-	-	134,602
-	-	-	-	-	-	5,000
-	-	-	-	-	-	11,952
-	-	-	-	-	-	135,966
-	-	-	-	-	-	75,930
-	-	-	-	-	-	284,391
-	-	-	-	-	-	39,486
-	-	-	-	-	119,642	119,642
-	-	-	-	-	-	459,173
-	-	-	-	-	-	14
-	<u>465,522</u>	<u>76,465</u>	<u>654,676</u>	<u>929,824</u>	<u>119,642</u>	<u>4,250,717</u>
-	<u>(433,125)</u>	<u>(76,396)</u>	<u>(625,166)</u>	<u>(925,036)</u>	-	<u>739,156</u>
-	1,000,000	15,000	1,000,000	1,000,000	-	3,314,432
-	-	-	-	-	-	(3,396,912)
-	<u>1,000,000</u>	<u>15,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	-	<u>(82,480)</u>
-	566,875	(61,396)	374,834	74,964	-	656,676
-	<u>1,393,421</u>	<u>65,488</u>	<u>1,299,677</u>	<u>112,792</u>	-	<u>8,778,623</u>
\$ -	\$ <u>1,960,296</u>	\$ <u>4,092</u>	\$ <u>1,674,511</u>	\$ <u>187,756</u>	\$ -	\$ <u>9,435,299</u>

COMBINING SCHEDULE FOR CUSTODIAL FUNDS

WARD COUNTY, TX
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	856 Sheriff's Inmate Fund	858 Tax Collector's Fund	859 County Clerk Fund	860 District Clerk Accounts	861 Community Supervision Corrections
ASSETS					
Cash and Cash Equivalents	\$ 14,843	\$ 914,421	\$ 150,773	\$ 793,418	\$ 26,871
Due from Other Governments	-	-	-	-	-
Due from Fiduciary Funds	-	-	4,900	-	-
Furniture and Equipment	-	-	-	-	-
Accumulated Depreciation - Furniture &	-	-	-	-	-
Capital Assets	-	-	-	-	-
Accumulated Depreciation - Capital Assets	-	-	-	-	-
Total Assets	<u>\$ 14,843</u>	<u>\$ 914,421</u>	<u>\$ 155,673</u>	<u>\$ 793,418</u>	<u>\$ 26,871</u>
LIABILITIES					
Accounts Payable	-	-	-	-	-
Due to Other Funds	-	914,421	61,288	8,363	1,797
Due to Fiduciary Funds	449	-	3,011	3,930	24,329
Due to Others	14,394	-	91,374	781,125	745
Total Liabilities	<u>14,843</u>	<u>914,421</u>	<u>155,673</u>	<u>793,418</u>	<u>26,871</u>
NET POSITION					
Net Investment in Capital Assets & Lease	-	-	-	-	-
Restricted for CSCD/Pretrial	-	-	-	-	-
Restricted for Adult Probation	-	-	-	-	-
Restricted for DA Forfeiture	-	-	-	-	-
Restricted for DA Seizure	-	-	-	-	-
Restricted for DA Pretrial	-	-	-	-	-
Restricted for Flexible Spending	-	-	-	-	-
Restricted for Victim's Assistance	-	-	-	-	-
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	867 DA Forfeiture Fund	868 DA Siezure Fund	869 DA Pretrial Fund	871 Juvenile Probation Fees	873 Flexible Spending Fund
\$ 55,233	\$ 286,916	\$ 35,686	\$ 213,794	\$ 39,299	\$ 14,705	\$ 255	\$ 19,858
-	-	-	12,854	-	-	-	-
-	19,328	-	-	-	-	-	-
-	-	-	5,995	-	-	-	-
-	-	-	(550)	-	-	-	-
-	-	-	101,223	-	-	-	-
-	-	-	(3,615)	-	-	-	-
<u>55,233</u>	<u>306,244</u>	<u>35,686</u>	<u>329,701</u>	<u>39,299</u>	<u>14,705</u>	<u>255</u>	<u>19,858</u>
-	-	-	4,281	-	1,090	-	2,636
-	-	-	-	-	-	85	-
-	-	-	-	-	-	-	-
-	-	35,686	-	-	-	170	-
-	-	<u>35,686</u>	<u>4,281</u>	<u>-</u>	<u>1,090</u>	<u>255</u>	<u>2,636</u>
-	-	-	103,053	-	-	-	-
55,233	-	-	-	-	-	-	-
-	306,244	-	-	-	-	-	-
-	-	-	222,367	-	-	-	-
-	-	-	-	39,299	-	-	-
-	-	-	-	-	13,615	-	-
-	-	-	-	-	-	-	17,222
-	-	-	-	-	-	-	-
<u>\$ 55,233</u>	<u>\$ 306,244</u>	<u>\$ -</u>	<u>\$ 325,420</u>	<u>\$ 39,299</u>	<u>\$ 13,615</u>	<u>\$ -</u>	<u>\$ 17,222</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	874 State Court Costs Fund	876 JP Fee Fund	877 County Attorney's Trust	878 Ward County Senior Citizens Fund	883 Victim's Assistance Fund
ASSETS					
Cash and Cash Equivalents	\$ 83,168	\$ 64,713	\$ 12,642	\$ 53,395	\$ 29,173
Due from Other Governments	-	-	-	-	-
Due from Fiduciary Funds	32,256	-	-	-	100
Furniture and Equipment	-	-	-	-	-
Accumulated Depreciation - Furniture &	-	-	-	-	-
Capital Assets	-	-	-	-	-
Accumulated Depreciation - Capital Assets	-	-	-	-	-
Total Assets	<u>115,424</u>	<u>64,713</u>	<u>12,642</u>	<u>53,395</u>	<u>29,273</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	-
Due to Other Funds	12,735	39,266	3,150	-	-
Due to Fiduciary Funds	-	24,865	-	-	-
Due to Others	102,689	582	9,492	53,395	-
Total Liabilities	<u>115,424</u>	<u>64,713</u>	<u>12,642</u>	<u>53,395</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets & Lease	-	-	-	-	-
Restricted for CSCD/Pretrial	-	-	-	-	-
Restricted for Adult Probation	-	-	-	-	-
Restricted for DA Forfeiture	-	-	-	-	-
Restricted for DA Seizure	-	-	-	-	-
Restricted for DA Pretrial	-	-	-	-	-
Restricted for Flexible Spending	-	-	-	-	-
Restricted for Victim's Assistance	-	-	-	-	29,273
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>29,273</u>

<u>Total</u>
<u>Custodial Funds</u>
\$ 2,809,163
12,854
56,584
5,995
(550)
101,223
(3,615)
<u>2,981,654</u>
8,007
1,041,105
56,584
1,089,652
<u>2,195,348</u>
103,053
55,233
306,244
222,367
39,299
13,615
17,222
29,273
<u>\$ 786,306</u>

WARD COUNTY, TX
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 DECEMBER 31, 2022

	856 Sheriff's Inmate Fund	858 Tax Collector's Fund	859 County Clerk Fund	860 District Clerk Accounts	861 Community Supervision Corrections
ADDITIONS:					
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Forfeits	-	-	-	-	-
Investment Earnings	-	-	-	-	-
Other Revenue	67,058	-	-	-	-
Transfers In	-	-	-	-	-
Total Additions	<u>67,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEDUCTIONS:					
Personnel Services - Salaries and Wages	-	-	-	-	-
Personnel Services - Employee Benefits	-	-	-	-	-
Purchased Professional & Technical	-	-	-	-	-
Purchased Property Services	-	-	-	-	-
Other Operating Costs	67,058	-	-	-	-
Supplies	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Total Deductions	<u>67,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	-	-	-	-	-
Total Net Position - (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position - December 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT H-4 (Cont'd)

862 CSCD Pretrial Fund	864 Adult Probation Fund	865 Tax Account	867 DA Forfeiture Fund	868 DA Siezure Fund	869 DA Pretrial Fund	871 Juvenile Probation Fees	873 Flexible Spending Fund
\$ -	\$ 477,641	\$ -	\$ 127,250	\$ -	\$ -	\$ -	\$ -
-	-	-	18,333	-	-	-	-
-	236,734	-	-	-	-	-	-
-	-	-	1,794	38,109	-	-	-
868	4,481	-	4,628	-	-	-	325
-	-	-	-	-	-	-	23,616
-	-	-	154,395	-	-	-	-
<u>868</u>	<u>718,856</u>	<u>-</u>	<u>306,400</u>	<u>38,109</u>	<u>-</u>	<u>-</u>	<u>23,941</u>
-	501,397	-	167,776	-	-	-	-
-	108,274	-	51,705	-	-	-	24,600
-	25,450	-	-	-	-	-	-
-	973	-	26,912	-	-	-	-
349	45,085	-	24,814	12,807	4,089	-	-
-	29,107	-	37,565	-	12,961	-	-
-	-	-	4,165	-	-	-	-
<u>349</u>	<u>710,286</u>	<u>-</u>	<u>312,937</u>	<u>12,807</u>	<u>17,050</u>	<u>-</u>	<u>24,600</u>
519	8,570	-	(6,537)	25,302	(17,050)	-	(659)
<u>54,714</u>	<u>297,674</u>	<u>-</u>	<u>331,957</u>	<u>13,997</u>	<u>30,665</u>	<u>-</u>	<u>17,881</u>
<u>\$ 55,233</u>	<u>\$ 306,244</u>	<u>\$ -</u>	<u>\$ 325,420</u>	<u>\$ 39,299</u>	<u>\$ 13,615</u>	<u>\$ -</u>	<u>\$ 17,222</u>

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

	874 State Court Costs Fund	876 JP Fee Fund	877 County Attorney's Trust	878 Ward County Senior Citizens Fund	883 Victim's Assistance Fund
ADDITIONS:					
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	1,109
Fines	-	-	-	-	-
Forfeits	-	-	-	-	-
Investment Earnings	-	-	-	-	472
Other Revenue	-	-	-	-	-
Transfers In	-	-	-	-	-
Total Additions	-	-	-	-	1,581
DEDUCTIONS:					
Personnel Services - Salaries and Wages	-	-	-	-	-
Personnel Services - Employee Benefits	-	-	-	-	-
Purchased Professional & Technical	-	-	-	-	-
Purchased Property Services	-	-	-	-	-
Other Operating Costs	-	-	-	-	3,830
Supplies	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Total Deductions	-	-	-	-	3,830
Change in Net Position	-	-	-	-	(2,249)
Total Net Position - (Beginning)	-	-	-	-	31,522
Total Net Position - December 31 (Ending)	\$ -	\$ -	\$ -	\$ -	\$ 29,273

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

<u>Total</u>
<u>Custodial Funds</u>
\$ 604,891
19,442
236,734
39,903
10,774
90,674
154,395
<u>1,156,813</u>
669,173
184,579
25,450
27,885
158,032
79,633
4,165
<u>1,148,917</u>
7,896
<u>778,410</u>
<u><u>\$ 786,306</u></u>

FEDERAL AWARDS SECTION

**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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 26, 2023.

Report on 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) as a basis for designing 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.

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.

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.

Report on 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
September 26, 2023

WARD COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
YEAR ENDED DECEMBER 31, 2022

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, 2022

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

No findings.