

WARD COUNTY, TEXAS

**ANNUAL FINANCIAL AND
COMPLIANCE REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

WARD COUNTY, TEXAS
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

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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, 2023, 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, 2023, 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, 2023, 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.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended December 31, 2023, the County implemented Governmental Accounting Standards Board (GASB) *Statement No. 96, Subscription-Based Information Technology Arrangements*. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

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, budgetary comparison and schedule of expenditures of state awards, as required by the *Texas Grant Management Standards* information on pages 5-11, pages 58-61, pages 62-64, pages 55-57 and page 98, 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 and schedule of expenditures of state awards, as required by the *Texas Grant Management Standards* 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 December 13, 2024, 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
December 13, 2024

WARD COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2023

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, 2023. 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 \$24,621,103 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 \$22,428,506 less than the \$55,853,578 generated in tax and other revenues for governmental programs (before special items). (Exhibit C-3)

Total cost of all the County's programs was \$27,640,480. (Exhibit B-1)

The General Fund ended the year with a fund balance of \$42,268,900. (Exhibit C-3) This is a increase of \$7,062,354 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 \$158,236,094 at December 31, 2023. 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 \$100,521,489 at December 31, 2023. 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	
	2023	2022
Current and other assets	\$ 134,626,988	\$ 114,333,935
Capital Assets	47,587,798	40,318,351
Net Pension Asset	-	5,619,405
Total assets	182,214,786	160,271,691
Deferred Outflow Related to OPEB	4,087,410	3,632,049
Deferred Outflow Related to Pension	2,591,696	3,505,125
Total Deferred Outflows	6,679,106	7,137,174
Long-term liabilities	21,350,271	20,585,215
Other liabilities	4,000,689	2,643,129
Total Liabilities	25,350,960	23,228,344
Deferred Inflow Related to OPEB	319,113	3,377,460
Deferred Inflow Related to Pension	4,987,725	7,195,990
Total Deferred Inflows	5,306,838	10,573,450
Net Position:		
Invested in capital assets, net of related debt	47,587,798	40,318,351
Restricted	10,126,807	42,043,793
Unrestricted	100,521,489	51,244,927
Total Net Position	\$ 158,236,094	\$ 133,607,071

Table II
Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues:		
Program Receipts:		
Charges for Services	\$ 1,038,664	\$ 1,346,704
Grants & Contributions	1,879,996	881,453
General Receipts:		
Ad-Valorem Taxes	46,589,709	44,299,654
Hotel/Motel Tax	550,000	450,000
Sales taxes	97,646	91,822
Licenses and permits	352,405	315,694
Miscellaneous	978,037	751,226
Investment Earnings	4,928,831	1,203,455
Total Revenue	\$ 56,415,288	\$ 49,340,008
Expenses:		
General Government	\$ 7,106,412	\$ 6,404,761
Public Safety	6,033,053	5,194,258
Highways and Streets	5,188,756	3,874,181
Culture and Recreation	2,716,545	2,765,215
Indigent Assistance	206,858	222,502
Emergency Medical Services	1,498,126	1,443,083
County and District Clerks	788,672	895,588
County and District Attorneys	726,241	556,248
Corrections	635,597	427,256
Justices of the Peace	765,941	613,211
Miscellaneous	1,974,279	1,289,732
Total Expenses	\$ 27,640,480	\$ 23,686,035
Increase (decrease) in Net Position before transfers	\$ 28,774,808	\$ 25,653,973
Transfers	(4,153,705)	1,653,811)
Increase (decrease) in Net Position	\$ 24,621,103	\$ 24,000,162
Net Position - Jan 1	133,607,071	109,606,909
Prior Period Adjustment	7,920	-
Net Position - December 31	\$ 158,236,094	\$ 133,607,071

The cost of all governmental activities this year was \$27,640,480. (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 (\$1,038,664) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1,879,996).

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 \$95,774,566.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$42,268,900.

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 \$5,333,429 more than budgeted for the General Fund, which is due to an increase in mineral valuations. (Exhibit G-1)

Expenditures were \$2,527,316 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 210 in the amount of \$375,775; function 420 in the amount of \$506,847; function 800 in the amount of \$860,005. 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, 2023, the County had invested \$47.6 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 \$21.4 million of long-term obligations.

More detailed information about the County's long-term liabilities can be found in Note 8 on page 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 2024 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 2024. Amounts available for appropriation in the budget are \$46,200,863, an increase of 10.95% compared to the 2023 budget of \$41,639,352. Budgeted expenditures are expected to decrease by 9.82% to \$27,731,523 from \$25,252,917 in 2023. There are budgeted interfund transfers to Construction Funds for \$7,400,000, EMS for \$1,000,000, Information Technology Fund for \$100,000 and Ward Memorial Hospital for \$10,500,000. If these estimates are realized, the County's budgetary General Fund Balance will increase by \$469,340.

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, 2023

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1010 Cash and Cash Equivalents	\$ 98,129,866
1150 Accounts Receivable, Net	34,885,918
1260 Due from Other Governments	1,047,301
1300 Due from Fiduciary Funds	522,078
1390 Due from Others	13,930
1430 Prepaid Items	27,895
Capital Assets:	
1710 Land Purchase and Improvements	185,773
1720 Infrastructure, Net	3,755,023
1730 Buildings, Net	32,921,062
1750 Furniture and Equipment, Net	4,283,039
1760 Vehicles, Net	1,569,395
1770 Right-to-Use Lease Assets	74,106
1772 SBITA Assets	15,552
1780 Construction in Progress	4,783,848
1000 Total Assets	<u>182,214,786</u>
DEFERRED OUTFLOWS OF RESOURCES	
1997 Deferred Outflow Related to Pension Plan	4,087,410
1998 Deferred Outflow Related to OPEB	2,591,696
1500 Total Deferred Outflows of Resources	<u>6,679,106</u>
LIABILITIES	
2010 Accounts Payable	1,606,525
2081 Due to Fiduciary Funds	24,601
2230 Unearned Revenues	2,335,378
Noncurrent Liabilities:	
2501 Due Within One Year	34,185
Due in More Than One Year:	
2502 Uncompensated Abscenses	314,053
2570 Right-to-Use Lease Liabilities - Noncurrent	35,553
2580 Net Pension Liability	2,071,474
2585 Net OPEB Liability	18,929,191
2000 Total Liabilities	<u>25,350,960</u>
DEFERRED INFLOWS OF RESOURCES	
2602 Deferred Inflow Related to Pension Plan	319,113
2603 Deferred Inflow Related to OPEB	4,987,725
2500 Total Deferred Inflows of Resources	<u>5,306,838</u>
NET POSITION	
3200 Net Investment in Capital Assets and Lease Assets	47,587,798
3890 Restricted for Other Purposes	10,126,807
3900 Unrestricted	100,521,489
3000 Total Net Position	<u>\$ 158,236,094</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, 2023

		Program Revenues		
Data Control Codes		Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
100	General Government	\$ 4,372,702	\$ -	\$ -
120	Judicial	707,444	55,876	37,319
140	Elections	42,281	-	18,660
150	Financial Administration	709,764	-	-
160	Administration	191,294	11,175	-
170	General Services	552,818	153,059	-
180	Agricultural Extension Unit	134,459	-	-
190	Home Agent	395,650	-	-
210	Sheriff	3,284,450	33,526	74,638
220	Fire Protection	119,392	-	-
230	Corrections	635,597	11,175	223,915
250	Jail	2,628,252	-	-
260	Public Safety	959	-	-
310	Highways and Streets	5,188,756	-	1,007,619
330	County Clerk	392,510	273,793	-
360	District Clerk	396,162	39,113	-
370	Justice of the Peace	765,941	61,464	-
380	County Attorney	501,551	-	18,660
390	Constable	68,178	-	-
400	District Attorney	224,690	-	186,596
410	Health	490,044	-	74,638
420	EMS	1,498,126	259,046	18,660
440	Indigent Welfare	41,230	-	-
450	Indigent Legal Care	165,628	-	18,660
490	Victim Services	61,938	-	55,979
510	Recreation	1,736,226	66,164	-
520	Parks	221,813	56,367	-
530	Museums	84,074	-	14,035
540	Coliseum	146,542	11,175	-
550	Libraries	527,890	6,731	-
560	Senior Citizens	620,200	-	130,617
590	4-H Rifle Barn	8,035	-	-
610	Conservation	104,414	-	-
660	Economic Opportunity	523,671	-	-
800	Capital Outlay	47,799	-	-
900	Intergovernmental	50,000	-	-
TOTAL PRIMARY GOVERNMENT		\$ 27,640,480	\$ 1,038,664	\$ 1,879,996

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
(4,372,702)		
(614,249)		
(23,621)		
(709,764)		
(180,119)		
(399,759)		
(134,459)		
(395,650)		
(3,176,286)		
(119,392)		
(400,507)		
(2,628,252)		
(959)		
(4,181,137)		
(118,717)		
(357,049)		
(704,477)		
(482,891)		
(68,178)		
(38,094)		
(415,406)		
(1,220,420)		
(41,230)		
(146,968)		
(5,959)		
(1,670,062)		
(165,446)		
(70,039)		
(135,367)		
(521,159)		
(489,583)		
(8,035)		
(104,414)		
(523,671)		
(47,799)		
(50,000)		
(24,721,820)		
(24,721,820)		

WARD COUNTY, TX
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Data Control Codes	Program Revenues		
	Expenses	Charges for Services	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	Investment Earnings		
	Transfers In (Out):		
	Total General Revenues and Transfers		
	Change in Net Position		
	Net Position - Beginning		
	Prior Period Adjustment		
	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
46,589,709		
97,646		
550,000		
1,330,442		
4,928,831		
(4,153,705)		
49,342,923		
24,621,103	-	-
133,607,071	-	-
7,920	-	-
\$ 158,236,094	\$ -	\$ -

WARD COUNTY, TX
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

Data Control Codes	General Fund	Building Const/Reno Fund	Other Funds	Total Governmental Funds
ASSETS				
1010 Cash and Cash Equivalents	\$ 42,748,551	\$ 41,138,522	\$ 14,242,793	\$ 98,129,866
1050 Taxes Receivable	35,025,577	-	-	35,025,577
1051 Allowance for Uncollectible Taxes (credit)	(700,512)	-	-	(700,512)
1150 Accounts Receivable	5,533,256	-	-	5,533,256
1151 Allowance for Uncollectible Del. Taxes & Fines	(4,972,403)	-	-	(4,972,403)
1260 Due from Other Governments	-	-	1,047,301	1,047,301
1300 Due from Other Funds	532,664	1,611,191	14,176	2,158,031
1390 Due from Others	13,930	-	-	13,930
1430 Prepaid Items	27,895	-	-	27,895
1000 Total Assets	<u>\$ 78,208,958</u>	<u>\$ 42,749,713</u>	<u>\$ 15,304,270</u>	<u>\$ 136,262,941</u>
LIABILITIES				
2010 Accounts Payable	\$ 1,054,139	\$ 113,212	\$ 439,174	\$ 1,606,525
2080 Due to Other Funds	-	-	1,660,553	1,660,553
2230 Unearned Revenues	-	-	2,335,378	2,335,378
2000 Total Liabilities	<u>1,054,139</u>	<u>113,212</u>	<u>4,435,105</u>	<u>5,602,456</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	34,787,694	-	-	34,787,694
2604 Unavailable Revenue - Fines	98,225	-	-	98,225
2600 Total Deferred Inflows of Resources	<u>34,885,919</u>	<u>-</u>	<u>-</u>	<u>34,885,919</u>
FUND BALANCES				
3460 Restricted for Commisary	-	-	23,269	23,269
3490 Other Restricted Fund Balance	-	-	10,103,538	10,103,538
3590 Other Assigned Fund Balance	-	42,636,501	742,358	43,378,859
3600 Unassigned Fund Balance	42,268,900	-	-	42,268,900
3000 Total Fund Balances	<u>42,268,900</u>	<u>42,636,501</u>	<u>10,869,165</u>	<u>95,774,566</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 78,208,958</u>	<u>\$ 42,749,713</u>	<u>\$ 15,304,270</u>	<u>\$ 136,262,941</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, 2023

Total Fund Balances - Governmental Funds	\$ 95,774,566
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.	21,916,265
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 2023 capital outlays and debt principal payments is to increase net position.	9,710,071
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 a net pension liability of \$(7,690,879), a Deferred Resource Inflow of \$6,880,479 and a Deferred Resource Outflow of \$578,682. The net effect of these was to decrease the ending net position by \$(231,718).	(231,718)
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 a net OPEB liability of \$(1,398,693), a Deferred Resource Inflow of \$1,610,265 and a Deferred Resource Outflow of \$1,040,353. The net effect of these was to decrease the ending net position by \$1,251,925.	(1,251,925)
The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(2,567,084)
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.	34,885,919
Net Position of Governmental Activities	\$ 158,236,094

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, 2023

EXHIBIT C-3

Data Control Codes	General Fund	Building Const/Reno Fund	Other Funds	Total Governmental Funds
REVENUES:				
Taxes:				
5110 Property Taxes	\$ 41,798,546	\$ -	\$ 4,261,553	\$ 46,060,099
5120 General Sales and Use Taxes	97,646	-	-	97,646
5150 Gross Receipts Business Tax	-	-	550,000	550,000
5200 Licenses and Permits	352,405	-	-	352,405
5300 Intergovernmental Revenue and Grants	184,482	-	1,681,479	1,865,961
5400 Charges for Services	416,120	-	142,642	558,762
5416 General Government Charges for Services	91,595	-	-	91,595
5456 Patient Revenue	259,046	-	-	259,046
5472 Swimming Pool Fees	30,636	-	-	30,636
5476 Library Use Fees	6,731	-	-	6,731
5479 Facilities Receipts	91,895	-	-	91,895
5510 Fines	694,037	-	18,530	712,567
5520 Forfeits	1,120	-	47,074	48,194
5610 Investment Earnings	2,025,826	2,059,716	843,289	4,928,831
5620 Rents and Royalties	59,926	-	-	59,926
5640 Contributions & Donations from Private Sources	14,035	-	-	14,035
5700 Other Revenue	101,068	-	24,181	125,249
5020 Total Revenues	46,225,114	2,059,716	7,568,748	55,853,578
EXPENDITURES:				
Current:				
0100 General Government	4,342,379	-	-	4,342,379
0120 Judicial	555,740	-	1,650	557,390
0140 Elections	26,949	-	12,630	39,579
0150 Financial Administration	548,774	-	-	548,774
0160 Administration	151,615	-	-	151,615
0170 General Services	439,778	-	-	439,778
0180 Agricultural Extension Unit	105,924	-	-	105,924
0190 Other General Government Functions	369,940	-	-	369,940
0210 Police	2,741,777	-	110,081	2,851,858
0220 Fire Protection	117,000	-	-	117,000
0230 Corrections	33,163	-	381,151	414,314
0250 Jail	2,171,796	2,069,176	9,801	4,250,773
0260 Public Safety	959	-	-	959
0310 Highways and Streets	2,263,421	-	4,084,772	6,348,193
0330 Cemetery	304,141	-	750	304,891
0360 District Clerk	308,404	-	-	308,404
0370 Justice of the Peace	594,194	-	-	594,194
0380 County Attorney	382,995	-	13,565	396,560
0390 Constable	53,422	-	-	53,422
0400 Health and Welfare	-	-	145,876	145,876
0410 Health	480,950	-	9,094	490,044
0420 EMS	1,199,760	-	-	1,199,760
0440 Indigent Welfare	41,230	-	-	41,230
0450 Indigent Legal Care	165,628	-	-	165,628
0490 Other (Define)	-	-	50,419	50,419
0510 Recreation	4,216,078	-	-	4,216,078
0520 Parks	314,589	-	-	314,589
0530 Museums	69,039	-	2,626,803	2,695,842
0540 Coliseum	145,954	-	-	145,954
0550 Libraries	425,564	-	-	425,564
0560 Senior Citizens	387,582	-	127,475	515,057
0590 4-H Rifle Barn	8,035	-	-	8,035
0610 Conservation	80,994	-	-	80,994
0660 Economic Opportunity	-	-	415,647	415,647
Debt Service:				
0790 Other Debt Service	54,975	-	-	54,975
Capital Outlay:				
0800 Capital Outlay	206,108	-	-	206,108
0810 Define - Capital Outlay	-	-	7,325	7,325
Intergovernmental:				

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

WARD COUNTY, TX EXHIBIT C-3 (Cont'd)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Data Control Codes	General Fund	Building Const/Reno Fund	Other Funds	Total Governmental Funds
0900 Intergovernmental	50,000	-	-	50,000
6030 Total Expenditures	23,358,857	2,069,176	7,997,039	33,425,072
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	22,866,257	(9,460)	(428,291)	22,428,506
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	74,213	-	68,500	142,713
7913 Proceeds from Right-to-Use Leases	106,713	-	-	106,713
7915 Transfers In	1,022,103	10,200,000	6,430,657	17,652,760
8911 Transfers Out	(17,006,932)	(162,533)	(4,637,000)	(21,806,465)
7080 Total Other Financing Sources (Uses)	(15,803,903)	10,037,467	1,862,157	(3,904,279)
1200 Net Change in Fund Balances	7,062,354	10,028,007	1,433,866	18,524,227
0100 Fund Balance - January 1 (Beginning)	35,206,546	32,608,494	9,435,299	77,250,339
3000 Fund Balance - December 31 (Ending)	\$ 42,268,900	\$ 42,636,501	\$ 10,869,165	\$ 95,774,566

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, 2023

Total Net Change in Fund Balances - Governmental Funds	\$ 18,524,227
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 2023 capital outlays and debt principal payments is to increase the change in net position.	9,702,151
The entries required by GASB 68 did require that some expenses on B-1 be adjusted. Total credits to expenses were \$4,593,499 and total debits to expenses were \$4,825,217. The net effect on the change in net position on Exhibit B-1 is an decrease of \$231,718.	(231,718)
The entries required by GASB 758 did require that some expenses on B-1 be adjusted. Total credits to expenses were \$1,558,629 and total debits to expenses of \$2,810,554. The net effect on change in net position on Exhibit B-1 is a decrease of \$1,251,925.	(1,251,925)
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.	(2,567,084)
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.	445,452
Change in Net Position of Governmental Activities	<u>\$ 24,621,103</u>

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, 2023

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 2,927,146
Due from Other Funds	24,601
Due from Fiduciary Funds	59,542
Furniture and Equipment	5,995
Accumulated Depreciation - Furniture & Equipment	(1,149)
Capital Assets	101,223
Accumulated Depreciation - Capital Assets	(21,691)
Total Assets	<u>3,095,667</u>
LIABILITIES	
Accounts Payable	11,420
Due to Other Funds	522,078
Due to Fiduciary Funds	59,542
Due to Others	1,532,452
Total Liabilities	<u>2,125,492</u>
NET POSITION	
Unrestricted	<u>970,175</u>
Total Net Position	<u>\$ 970,175</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, 2023

	Custodial Funds
ADDITIONS:	
Intergovernmental Revenue and Grants	\$ 486,984
Charges for Services	37,733
Fines	215,803
Forfeits	48,159
Investment Earnings	32,819
Other Revenue	265,850
Transfer In	153,808
Total Additions	<u>1,241,156</u>
DEDUCTIONS:	
Personnel Services - Salaries and Wages	564,699
Personnel Services - Employee Benefits	142,084
Purchased Professional & Technical Services	15,650
Purchased Property Services	43,648
Other Operating Costs	228,436
Supplies	44,096
Depreciation	18,675
Total Deductions	<u>1,057,288</u>
Net Change in Fiduciary Net Position	183,868
Total Net Position - January 1 (Beginning)	<u>786,307</u>
Total Net Position - December 31 (Ending)	<u><u>\$ 970,175</u></u>

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

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023

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, 2023

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, 2023

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.

Special Revenue 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, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital and Right to Use 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.

Right to Use assets are originally measured at the initial amount of the lease, adjusted for payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right to use asset is depreciated on a straight-line basis over its useful life.

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.

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

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

Net Position – In the Government-Wide Statements, equity is classified as net position and displayed in three components.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Net investment in capital assets – Consists of capital assets including restricted capital assets, net accumulated depreciation, and reduced by the outstanding debt balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external group such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. A restricted net position totaling \$1,233,331 represents funds restricted for debt service, grants, and contracts.

Unrestricted net position – All other net positions that do not meet the definition of the “restricted” or “net investment in capital assets”.

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

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

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

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

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension expense, information about the Fiduciary Net Position of Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported as

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Subscription-Based Information Technology Arrangements - The County has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combinations with tangible capital assets (the underlying IT assets). The County recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgements related to SBITAs include how the County determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The County uses the interest rate charged by the SBITA vendor as the discount rate. If that rate is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs, if material.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend or that depend on an index or a rate, termination penalties if the County is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The County monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County Judge submits an annual budget to the Commissioners Court in accordance with the

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023.

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, 2023.

The total carrying amount of the County Treasurer's demand deposits at December 31, 2023 was \$1,965,659 and the bank balance was \$2,318,001. The County Treasurer's demand deposits at December 13, 2023, and during the year ended December 31, 2023, were covered by FDIC insurance and pledged collateral. The following is disclosed regarding coverage of combined balances on the date of highest demand deposit:

The County held of undeposited funds of \$588 on December 31, 2023.

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, 2023 is provided by TexPool.

The County's cash equivalents held with TexPool at December 31, 2023 are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
TexPool	<u>\$99,090,765</u>	<u>\$99,090,765</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 December 13, 2023 demand deposits were 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, 2023.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Interest Rate Risk

The County has not been exposed to any interest rate risk as of December 31, 2023.

Concentration of Credit Risk

The County has not been exposed to any concentration of credit risk as of December 31, 2023.

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			
Property Taxes	\$ 35,025,577	\$ -	\$ 35,025,577
Fines & Fees	5,533,256	-	5,533,256
Total Gross Receivables	40,558,833	-	40,558,833
Less: Allowance for Uncollectible Accounts			
Taxes	(700,512)	-	(700,512)
Fines & Fees	(4,972,403)	-	(4,972,403)
Total Allowance	(5,672,915)	-	(5,672,915)
Net Total Receivables	\$ 34,885,918	\$ -	\$ 34,885,918

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

Governmental Activities:

	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Land	\$ 185,773	\$ -	\$ -	\$ 185,773
Buildings & Improvements	44,042,419	3,329,256	-	47,371,675
Vehicles	3,189,048	475,871	-	3,664,919
Furniture, Machinery & Equipment	11,361,631	1,463,911	(153,800)	12,671,742
Leased Equipment	-	106,713	-	106,713
SBITA*	54,000	-	-	54,000
Infrastructure	5,930,630	81,374	-	6,012,004
Construction in Progress	403,907	7,445,974	(3,066,033)	4,783,848
Total General Fixed Assets	65,167,408	12,903,099	(3,219,833)	74,850,674
Less: Accumulated Depreciation				
	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Buildings & Improvements	(13,411,564)	(1,039,049)	-	(14,450,613)
Vehicles	(1,752,323)	(343,201)	-	(2,095,524)
Furniture, Machinery & Equipment	(7,680,059)	(835,989)	(127,345)	(8,388,703)
Leased Equipment	-	(32,607)	-	(32,607)
SBITA*	(28,080)	(10,368)	-	(38,448)
Infrastructure	(1,951,111)	(305,870)	-	(2,256,981)
Total Accumulated Depreciation	(24,823,137)	(2,567,084)	(127,345)	(27,262,876)
Governmental Activities				
Capital Assets - Net	\$ 40,344,271	\$ 10,336,015	\$ (3,347,178)	\$ 47,587,798

*Prior period adjustment

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 5: CAPITAL ASSETS - continued

Depreciation expense was charged to governmental functions as follows:

	General	
100	Government	\$ 32,034
120	Judicial	93,782
140	Elections	1,688
150	Financial Administration	100,616
160	Courthouse	24,798
170	Tax	70,648
180	Agri	17,834
190	Home Agent	54,851
210	Sheriff	406,392
220	Fire Protection	1,495
230	Corrections	147,658
250	Jail	285,083
310	Highways & Streets	407,320
330	County Clerk	54,761
360	District Clerk	54,847
370	Justice of the Peace	107,339
380	County Attorney	65,618
390	Constable	9,222
400	District Attorney	49,258
420	EMS	186,474
490	Victims	7,199
510	Recreation	150,273
520	Parks	16,317
530	Museums	9,395
540	Coliseum	368
550	Libraries	63,952
560	Senior Citizens Center	65,712
610	Conservation	14,638
660	Economic Opportunity	67,512
		<hr/>
	Total Depreciation	<u>\$ 2,567,084</u>

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 6: INTERFUND BALANCES AND TRANSFERS

Interfund balances at December 31, 2023 consisted of the following individual fund balances:

	Due From	Due To	Purpose
General Fund:			
Agency Funds	\$ 507,903	\$ -	Collections of fees not yet remitted
Special Revenue Funds	24,761	-	Unreimbursed Grant item
Total General Fund	532,664	-	
Special Revenue Funds:			
General Fund	-	24,761	Unreimbursed Grant item
Special Revenue	1,611,191	-	Transfer to Road Fund
Special Revenue	-	1,611,191	Transfer to Road Fund
Agency Fund	14,175	24,601	Collections of fees not yet remitted
Total Special Revenue Funds	1,625,366	1,660,553	
Agency Funds:			
General Fund	-	507,903	Collections of fees not yet remitted
Agency Fund	-	59,542	Collections of fees not yet remitted
Agency Fund	59,542	-	Collections of fees not yet remitted
Special Revenue Fund	24,601	14,175	Collections of fees not yet remitted
Total Agency Funds	84,143	581,620	
Total Due To's/Due From's	\$ 2,242,173	\$ 2,242,173	

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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	-	10,200,000	Operating Transfer - Building Construction
Special Revenue Fund	-	1,500,000	Operating Transfer - Event Center Park
Special Revenue Fund	1,022,000	1,000,000	Operating Transfer - Pool Fund
Hospital	103	4,000,000	Operating Transfers - Hospital
Special Revenue Fund	-	150,000	Operating Transfer- Juvenile Probation
Special Revenue Fund	-	-	Operating Transfer - Pool
Special Revenue Fund	-	2,823	Operating Transfer - Hotel/Motel
Special Revenue Fund	-	301	Operating Transfer- Victims of Crime Act Fund
Agency Fund	-	153,808	Operating Transfer - DA Forfeiture
	<u>1,022,103</u>	<u>17,006,932</u>	
Transfers to/from Special Revenue Funds from:			
Special Revenue Fund	1,200,000	-	Operating Transfer - PCT 1 Road Funds
Special Revenue Fund	15,000	-	Operating Transfer - PCT 2 Road Funds
Special Revenue Fund	1,200,000	-	Operating Transfer - PCT 3 Road Funds
Special Revenue Fund	1,200,000	-	Operating Transfer - PCT 4 Road Funds
Special Revenue Fund	-	3,615,000	Operating Transfer - Farm to Market Road
Special Revenue Fund	-	162,533	Operating Transfer - Building Construction
Special Revenue Fund	162,533	-	Operating Transfer - Road Grant
Special Revenue Fund	1,000,000	1,022,000	Operating Transfer - Pool
Special Revenue Fund	2,823	-	Operating Transfer - Hotel/Motel
General Fund	1,500,000	-	Operating Transfer - Event Center Park
General Fund	10,200,000	-	Operating Transfer - Building Construction
General Fund	150,000	-	Operating Transfer - Juvenile Probation
General Fund	301	-	Operating Transfer- Victims of Crime Act Fund
	<u>16,630,657</u>	<u>4,799,533</u>	
Transfers to/from Custodial Fund to/from:			
General Fund	153,808	-	Operating Transfer - DA Forfeiture
	<u>153,808</u>	<u>-</u>	
Total transfers	\$ <u>17,806,568</u>	\$ <u>21,806,465</u>	

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 7: LONG-TERM OBLIGATIONS

Long-term obligations for December 31, 2023 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balances
Compensated Abscenses	\$ 318,352	-	4,299	\$ 314,053
Leases	-	106,713	36,975	69,738
SBITA's*	17,888	-	17,888	-
OPEB Liability	20,767,198		1,838,007	18,929,191
Net Pension Liability	2,861,530	-	790,056	2,071,474
Totals	\$23,964,968	106,713	2,687,225	\$ 21,384,456

*Final year of SBITA.

Note 8: 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, 2023, deferred inflows in the General Fund were comprised of the following:

	General Fund
Net Unrealized Property Taxes	\$ 34,787,694
Net Unrealized Fines & Penalties	98,225
Total Deferred Inflows	\$ 34,885,919

Note 9: 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.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 \$260,740 in property, general liability, and professional liability insurance premiums for the year ended December 31, 2023.

Health Insurance

For 2023, the County paid \$2,158,507 in health and dental insurance premiums.

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 \$23,809 for the year ended December 31, 2023. 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.

Note 10: 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, 2022, pension expense was as follows:

Service Cost	\$ 1,642,232
Interest on total pension liability	4,048,208
Effect on plan changes	1,267,364
Administrative Expenses	32,391
Member contributions	(725,159)
Expected investment return net of investment expenses	(4,453,647)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(160,578)
Recognition of assumption changes or inputs	593,030
Recognition of investment gains or losses	149,251
Other	(74,992)
Pension Expense	\$ 2,318,099

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 10: EMPLOYEES' RETIREMENT PLAN - continued

As of December 31, 2022, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 228,051	\$ 111,998
Changes of assumptions	91,062	684,091
Net difference between projected and actual earnings	-	1,208,540
Contributions made subsequent to measurement date	N/A	2,082,781
Totals	\$ 319,113	\$ 4,087,410

The \$2,082,781 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ (141,151)
2024	28,967
2025	218,064
2026	1,579,636
2027	-
Thereafter	-
Total	<u>\$ 1,685,516</u>

Plan Information

At December 31, 2022, the County had 200 current and 173 former employees and 134 retirees participating in the Plan.

Actuarial Assumptions

The actuarial assumptions that determine the total pension liability as of December 31, 2022 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., and adopted by the TCDRS Board of Trustees in March 2021.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the 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	11.3 years (based on contribution rate calculated in 12/31/2022 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 Pub-2010 General Retirees Table for males and 120% of the Pub-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*	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
	2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule.
	2016: No changes in plan provisions were reflected in the Schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: Employer contributions reflect that a 50% CPI COLA was adopted
	2019: No changes in plan provisions were reflected in the Schedule.
	2020: No changes in plan provisions were reflected in the Schedule.
	2021: No changes in plan provisions were reflected in the Schedule.
	2022: No changes in plan provisions were reflected in the Schedule.

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

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 10: 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 2023 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%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment - Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index.	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%
		Total	100.00%

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation of 2.3%, per Cliffwater's 2023 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, 2023

Note 10: 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 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 64,467,923	\$ 57,343,838	\$ 51,337,470
Fiduciary net position	55,272,363	55,272,363	55,272,363
Net pension liability/(asset)	\$ 9,195,560	\$ 2,071,475	\$ (3,934,893)

Note 11: 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, 2023

Note 11: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

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

Employees covered by benefit terms

At January 1, 2023, the following employees were covered by the benefit terms:

Inactive employees, retiree's spouses or beneficiaries currently receiving benefit payment	75
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	136
Total	<u>211</u>

The OPEB Liability of \$18,929,191 was measured as of December 31, 2023.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2023 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, 2022 January 1, 2023
Measurement Date	January 1, 2022 January 1, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate ⁽¹⁾	December 31, 2022: 3.72% December 31, 2023: 3.66%
Inflation	December 31, 2022: 2.30% December 31, 2023: 2.30%
Medical Trend Rate	December 31, 2022: Pre-65 - 6.03% Post-65 - 6.03% December 31, 2023: Pre-65 - 6.90% Post-65 - 6.70%

⁽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, 2023

Note 11: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

Per Capital Medical Benefit Costs	Age	Retiree		Spouse	
		Male	Female	Male	Female
	45	\$ 10,975	\$ 16,374	\$ 7,158	\$ 10,892
	50	\$ 12,447	\$ 15,551	\$ 8,524	\$ 12,212
	55	\$ 14,118	\$ 15,005	\$ 10,049	\$ 13,354
	60	\$ 16,181	\$ 16,078	\$ 11,963	\$ 14,628
	65	\$ 6,357	\$ 6,106	\$ 6,106	\$ 6,357
	70	\$ 7,000	\$ 6,577	\$ 6,724	\$ 6,847

Per Capita Dental Benefit Costs	Age	Retiree		Spouse	
		Male	Female	Male	Female
	45	\$ 208	\$ 240	\$ 219	\$ 251
	50	\$ 225	\$ 256	\$ 237	\$ 267
	55	\$ 253	\$ 279	\$ 264	\$ 290
	60	\$ 292	\$ 308	\$ 303	\$ 319
	65	\$ 334	\$ 328	\$ 345	\$ 339
	70	\$ 369	\$ 337	\$ 381	\$ 348

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 11: POSTEMPLOYMENT HEALTHCARE BENEFITS continued

Medical Inflation (Trend Assumption) The trend assumptions for medical, pharmacy costs, dental, and retiree premium are summarized below:

Year	Pre-65	Post-65
2023	6.90%	6.70%
2024	7.30%	9.20%
2025	6.40%	7.40%
2026	5.60%	5.60%
2027	5.40%	5.40%
2028	5.20%	5.20%
2029	5.00%	5.00%
2030	4.80%	4.80%
2031	4.60%	4.60%
Grading to	3.70%	3.70%

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 11: 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	2010 Public General Healthy Retiree with 100% of MP Ultimate Scale. This assumption includes a margin for future improvements in longevity.
Retirement Rates	Used the December 2023 TCDRS Report.
Termination Rates	Used the 2023 TCDRS Report for the Middle Termination Group. Sample termination rates vary on plan entry age.
Disability	Used sample rates of disability from the 2023 TCDRS Report.
Changes in Actuarial Assumptions	
Discount Rate	The discount rate was updated from 3.72% at the December 31, 2022 measurement date to 3.66 at the December 31, 2023 measurement date. This assumption change increased total OPEB liability by approximately \$0.16 million.
Disability	The disability assumptions were updated from the previous valuation at the December 31, 2023 measurement date. This assumption change decreased the total OPEB liability by approximately \$0.01 million.
Termination	The termination assumptions were updated from the previous valuation at the December 31, 2023 measurement date. This assumption change decreased the total OPEB liability by approximately \$0.04 million.
Retirement	The retirement assumptions were updated from the previous valuation at the December 31, 2023 measurement date. This assumption change decreased the total OPEB liability by approximately \$0.16 million.
Salary Scale	The salary scale assumptions were updated from the previous valuation at the December 31, 2023 measurement date. This assumption change increased the total OPEB liability by approximately \$0.1 million.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 11: 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 3.66%, 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 (2.66%) or 1-percentage-point higher (4.66%):

	1% Decrease 2.66%	Current Discount Rate 3.66%	1% Increase 4.66%
Total OPEB Liability	\$ 22,119,101	\$ 18,929,191	\$ 16,382,846

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

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 15,991,635	\$ 18,929,191	\$ 22,734,860

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

For the year ended December 31, 2023, the County recognized OPEB expense related to retiree health insurance benefits of \$1,444,405.

At December 31, 2023, 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	\$ (2,553,014)	\$ 1,727,901
Changes in Assumptions	(2,434,711)	863,795
Total	<u>\$ (4,987,725)</u>	<u>\$ 2,591,696</u>

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 11: 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, 2023. 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
2024	\$ (405,358)
2025	(452,885)
2026	(870,217)
2027	(667,569)
2028	-
Thereafter*	-
Total	<u>\$ (2,396,029)</u>

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

Note 12: 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, 2023 were \$20,709 and \$2,639,763, respectively.

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 12: DEFERRED COMPENSATION PLAN - continued

Nationwide

Beginning Balance, January 1, 2023	Contributions and Market Gains	Withdrawals, Fees and Market Losses	Ending Balance, December 31, 2023
\$ 19,612	\$ 1,097	\$ -	\$ 20,709

Empower

Beginning Balance, January 1, 2023	Contributions and Market Gains	Withdrawals and Market Losses	Ending Balance, December 31, 2023
\$2,152,857	\$505,233	(\$18,327)	\$2,639,763

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 13: 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 2023 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, 2023

Note 14: 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	\$ -	\$ 124,880	\$ -		\$ 124,880
Child Abuse Prevention	-	-	310		310
PBAF Library Grant	-	-	-	7,325	7,325
Indigent Defense Grant - TX Task for on Indigent Defense	-	22,265	-		22,265
LEOSE Funds	-	-	3,175		3,175
Outside County Support	-	-	33,746		33,746
State of Texas - Lateral Road Funds	-	-	10,654		10,654
State of Texas - Salary Supplements	-	-	48,533		48,533
State of Texas - State Juror Reimbursement Fee	-	-	6,710		6,710
Texas J-RAC pass through revenues to EMS	-	-	12,510		12,510
Texas Juvenile Probation Commission Funds	-	223,778	-		223,778
Title XX Meals on Wheels	-	-	20,996		20,996
Tobacco Settlement	-	-	60,718		60,718
TxDOT Road Grant	-	997,939	-		997,939
HAVA Election Security Grant	12,630	-	-		12,630
OPIOD Settlement	-	-	21,321		21,321
Stonegarden Grant	80,878	-	-		80,878
Victims of Crime Acts Formula Grant Program	50,118	-	-		50,118
Congregate Meals, Home Delivered Meals & Cash Payments in Lieu of Donated Commodities - DHHS and Department of Agriculture	127,475	-	-	-	127,475
TOTALS	\$ 271,101	\$ 1,368,862	\$ 218,673	\$ 7,325	\$ 1,865,961

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 15: 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.

Note 16: CAPITAL LEASES

The County entered into a lease agreement for hardware to mount in vehicles for its Sheriff's Department. The lease period is for three years with an interest rate of 4%. A summary of changes in commitment under lease for the year ended December 31, 2023 is as follows:

<u>Assets Leased</u>	<u>New Lease</u>	<u>Retirements/ Payments</u>	<u>Payable Amount Outstanding December 31, 2023</u>
Peacemaker Technologies	<u>\$ 106,713</u>	<u>\$ 36,975</u>	<u>\$ 69,738</u>

Principal and interest requirements for future periods are shown in the table that follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 34,185	\$ 2,790	\$ 36,975
2025	<u>35,553</u>	<u>1,422</u>	<u>36,975</u>
Total Lease Obligation	<u>\$ 69,738</u>	<u>\$ 4,212</u>	<u>\$ 73,950</u>

WARD COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 17: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA's)

The County entered into a SBITA that allow a right-to-use the SBITA vendor's information technology software over the subscription term. The County is required to make annual payments. The SBITA rate, term and ending subscription liabilities are as follows:

<u>Vendor</u>	<u>Interest Rates</u>	<u>Beginning Liability</u>	<u>Term</u>	<u>Current Balance</u>	<u>Payments</u>	<u>Payable Amount Outstanding December 31, 2023</u>
Net Data	<u>0%</u>	<u>\$ 54,000</u>	3 Yrs	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ -</u>

Note 18: TAX ABATEMENTS

The County entered into a tax abatement agreement with a local business under Chapter 312 of the Texas Tax Code, Property Redevelopment and Tax Abatement Act and the Guidelines and Criteria for Granting Tax Abatement and Reinvestments Zones adopted by the Commissioners' Court on November 23, 2020 (the "Guidelines "). This Act grants the Commissioners Court the authority to execute tax abatement agreements for the County.

No commitments have been made as part of the agreement other than to reduce incremental assessed values. The County agreed to a 60% abatement of all categories of ad valorem property taxes levied by the County on the improvements and facilities during the first five years of the abatement period and to a 30% abatement of property taxes for the final five years of the abatement period. The amount of the abatement is deducted from the recipient's tax bill. The County is not subject to tax abatement agreements entered into by other governmental entities.

For the year ended December 31, 2023, the County's abated property taxes were:

<u>Purpose</u>	<u>No. of entities</u>	<u>Assessed Value Abated</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Lithium-ion battery storage facility	1	60%	\$ 193,295

Note 19: PRIOR PERIOD ADJUSTMENT

The County had a prior period adjustment as follows:

	<u>Exhibit B-1</u>	<u>Exhibit C-3</u>
Prior Period Adjustment Regarding Implementation of GASB 96 to a prior year SBITA	<u>\$ 7,920</u>	<u>\$ -</u>

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, 2023

Data		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
Control Codes	Original				
REVENUES:					
Taxes:					
5110	Property Taxes	\$ 38,551,869	\$ 38,551,869	\$ 41,798,546	\$ 3,246,677
5120	General Sales and Use Taxes	90,000	90,000	97,646	7,646
5200	Licenses and Permits	332,000	332,000	352,405	20,405
5300	Intergovernmental Revenue and Grants	162,366	162,366	184,482	22,116
5400	Charges for Services	376,000	376,000	416,120	40,120
5416	General Government Charges for Services	75,000	75,000	91,595	16,595
5456	Patient Revenue	650,000	650,000	259,046	(390,954)
5472	Swimming Pool Fees	28,000	28,000	30,636	2,636
5476	Library Use Fees	7,000	7,000	6,731	(269)
5479	Facilities Receipts	85,000	85,000	91,895	6,895
5510	Fines	325,000	325,000	694,037	369,037
5520	Forfeits	-	-	1,120	1,120
5610	Investment Earnings	110,750	110,750	2,025,826	1,915,076
5620	Rents and Royalties	40,000	40,000	59,926	19,926
5640	Contributions & Donations from Private Sources	3,500	3,500	14,035	10,535
5700	Other Revenue	55,200	55,200	101,068	45,868
5020	Total Revenues	40,891,685	40,891,685	46,225,114	5,333,429
EXPENDITURES:					
Current:					
0100	General Government	4,515,619	4,515,619	4,342,379	173,240
0120	Judicial	599,836	599,836	555,740	44,096
0140	Elections	59,562	59,562	26,949	32,613
0150	Financial Administration	561,973	561,973	548,774	13,199
0160	Administration	239,685	239,685	151,615	88,070
0170	General Services	438,118	438,118	439,778	(1,660)
0180	Agricultural Extension Unit	145,871	145,871	105,924	39,947
0190	Other General Government Functions	369,637	369,637	369,940	(303)
0210	Police	3,117,552	3,117,552	2,741,777	375,775
0220	Fire Protection	166,940	166,940	117,000	49,940
0230	Corrections	80,594	80,594	33,163	47,431
0250	Jail	2,422,147	2,422,147	2,171,796	250,351
0260	Public Safety	3,000	3,000	959	2,041
0310	Highways and Streets	2,511,622	2,511,622	2,263,421	248,201
0330	Cemetery	339,402	339,402	304,141	35,261
0360	District Clerk	410,927	410,927	308,404	102,523
0370	Justice of the Peace	616,268	616,268	594,194	22,074
0380	County Attorney	545,152	545,152	382,995	162,157
0390	Constable	58,962	58,962	53,422	5,540
0410	Health	275,000	275,000	480,950	(205,950)
0420	EMS	1,706,607	1,706,607	1,199,760	506,847
0440	Indigent Welfare	41,450	41,450	41,230	220
0450	Indigent Legal Care	233,000	233,000	165,628	67,372
0510	Recreation	3,615,783	3,615,783	4,216,078	(600,295)
0520	Parks	420,070	420,070	314,589	105,481
0530	Museums	79,315	79,315	69,039	10,276
0540	Coliseum	169,625	169,625	145,954	23,671
0550	Libraries	537,995	537,995	425,564	112,431
0560	Senior Citizens	393,657	393,657	387,582	6,075
0590	4-H Rifle Barn	10,000	10,000	8,035	1,965
0610	Conservation	84,691	84,691	80,994	3,697
Debt Service:					
0790	Other Debt Service	-	-	54,975	(54,975)

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, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
Capital Outlay:				
0800 Capital Outlay	1,066,113	1,066,113	206,108	860,005
Intergovernmental:				
0900 Intergovernmental	50,000	50,000	50,000	-
6030 Total Expenditures	25,886,173	25,886,173	23,358,857	2,527,316
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	15,005,512	15,005,512	22,866,257	7,860,745
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	74,213	74,213
7913 Proceeds from Right-to-Use Leases	-	-	106,713	106,713
7915 Transfers In	2,175,000	2,175,000	1,022,103	(1,152,897)
8911 Transfers Out	(18,100,000)	(18,100,000)	(17,006,932)	1,093,068
7080 Total Other Financing Sources (Uses)	(15,925,000)	(15,925,000)	(15,803,903)	121,097
1200 Net Change in Fund Balances	(919,488)	(919,488)	7,062,354	7,981,842
0100 Fund Balance - January 1 (Beginning)	35,206,546	35,206,546	35,206,546	-
3000 Fund Balance - December 31 (Ending)	\$ 34,287,058	\$ 34,287,058	\$ 42,268,900	\$ 7,981,842

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

Ward County, Texas
Notes to Required Supplementary Information
December 31, 2023

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 2023 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, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
A. Total Pension Liability			
Service Cost	\$ 1,642,232	\$ 1,720,383	\$ 1,324,183
Interest (on the Total Pension Liability)	4,048,208	3,886,555	3,649,539
Changes of Benefit Terms	1,267,364	-	-
Difference between Expected and Actual Experience	54,284	(684,153)	285,140
Changes of Assumptions	-	(273,188)	2,736,370
Benefit Payments, Including Refunds of Employee Contributions	(2,537,377)	(2,354,810)	(2,261,463)
Net Change in Total Pension Liability	\$ 4,474,711	\$ 2,294,787	\$ 5,733,769
Total Pension Liability - Beginning	52,869,126	50,574,339	44,840,570
Total Pension Liability - Ending	\$ 57,343,837	\$ 52,869,126	\$ 50,574,339
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 1,997,973	\$ 1,908,949	\$ 1,924,248
Contributions - Employee	725,159	720,569	689,468
Net Investment Income	(3,444,525)	10,511,734	4,437,092
Benefit Payments, Including Refunds of Employee Contributions	(2,537,377)	(2,354,810)	(2,261,463)
Administrative Expense	(32,391)	(31,643)	(34,912)
Other	74,992	20,923	14,679
Net Change in Plan Fiduciary Net Position	\$ (3,216,169)	\$ 10,775,722	\$ 4,769,112
Plan Fiduciary Net Position - Beginning	58,488,531	47,712,809	42,943,697
Plan Fiduciary Net Position - Ending	\$ 55,272,362	\$ 58,488,531	\$ 47,712,809
C. Net Pension Liability (Asset)	\$ 2,071,475	\$ (5,619,405)	\$ 2,861,530
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.39%	110.63%	94.34%
E. Covered Payroll	\$ 10,359,423	\$ 9,743,764	\$ 9,849,545
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll	20.00%	(57.67%)	29.05%

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 2020 Plan Year 2019		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	
\$	1,263,128	\$	1,176,634	\$	1,220,849	\$	1,289,562	\$	1,065,573	\$	1,025,795
	3,443,087		3,210,871		2,918,183		2,725,435		2,564,982		2,389,344
	-		-		750,512		-		(200,349)		-
	(69,533)		342,347		286,149		(587,442)		(285,504)		122,990
	-		-		235,686		-		419,397		-
	(2,040,723)		(1,861,743)		(1,649,829)		(1,623,814)		(1,548,884)		(1,446,422)
\$	2,595,959	\$	2,868,109	\$	3,761,550	\$	1,803,741	\$	2,015,215	\$	2,091,707
	42,244,611		39,376,502		35,614,953		33,811,212		31,795,998		29,704,291
\$	44,840,570	\$	42,244,611	\$	39,376,503	\$	35,614,953	\$	33,811,213	\$	31,795,998
\$	1,774,834	\$	1,495,065	\$	983,921	\$	1,158,941	\$	1,440,837	\$	1,427,366
	617,140		574,999		530,617		528,891		511,730		466,347
	6,009,679		(688,791)		4,743,948		2,248,196		(408,425)		1,882,931
	(2,040,723)		(1,861,743)		(1,649,829)		(1,623,814)		(1,548,884)		(1,446,422)
	(32,725)		(29,395)		(24,671)		(24,441)		(21,868)		(22,466)
	18,008		9,933		(2,046)		(124,605)		29,578		116,532
\$	6,346,213	\$	(499,932)	\$	4,581,940	\$	2,163,168	\$	2,968	\$	2,424,288
	36,597,483		37,097,415		32,515,475		30,352,307		30,349,338		27,925,050
\$	42,943,696	\$	36,597,483	\$	37,097,415	\$	32,515,475	\$	30,352,306	\$	30,349,338
\$	1,896,874	\$	5,647,128	\$	2,279,088	\$	3,099,478	\$	3,458,907	\$	1,446,660
	95.77%		86.63%		94.21%		91.30%		89.77%		95.45%
\$	8,816,291	\$	8,214,265	\$	7,580,245	\$	7,555,592	\$	7,310,432	\$	6,662,106
	21.52%		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 2023

	2023	2022	2021
Actuarially Determined Contribution	\$ 1,413,023	\$ 1,254,022	\$ 1,373,027
Contributions in Relation to the Actuarially Determined Contributions	1,997,973	1,908,949	1,924,248
Contribution Deficiency (Excess)	\$ (584,950)	\$ (654,927)	\$ (551,221)
Covered Employee Payroll	\$ 10,359,423	\$ 9,743,764	\$ 9,849,545
Contributions as a Percentage of Covered Employee Payroll	19.29%	19.60%	19.50%

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.

	2020		2019		2018		2017		2016		2015		2014
\$	1,228,991	\$	1,145,065	\$	965,723	\$	908,941	\$	940,837	\$	927,366	\$	881,225
	1,774,834		1,495,065		983,921		1,158,941		1,440,837		1,427,366		1,181,255
\$	(545,843)	\$	(350,000)	\$	(18,198)	\$	(250,000)	\$	(500,000)	\$	(500,000)	\$	(300,030)
\$	8,816,291	\$	8,214,265	\$	7,580,245	\$	7,555,592	\$	7,310,432	\$	6,662,106	\$	6,218,945
	20.13%		18.20%		13.00%		15.30%		19.70%		21.40%		19.00%

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, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
Total OPEB Liability			
Service Cost	\$ 1,020,970	\$ 1,410,370	\$ 1,333,219
Interest on the Total OPEB Liability	790,630	453,761	430,545
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(3,207,633)	1,839,008	-
Changes of Assumptions	189,820	(3,840,214)	277,418
Benefit Payments*	(192,480)	(302,239)	(496,389)
Net Change in Total OPEB Liability	(1,398,693)	(439,314)	1,544,793
Total OPEB Liability - Beginning	20,327,884	20,767,198	19,222,405
Total OPEB Liability - Ending	\$ 18,929,191	\$ 20,327,884	\$ 20,767,198
Covered Payroll	\$ 10,200,000	\$ 9,225,000	\$ 7,602,770
Total OPEB Liability as a Percentage of Covered Payroll	185.58%	220.36%	273.15%

*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 2020 Plan Year 2019		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
\$	1,110,402	\$	690,773	\$	779,013
	436,843		536,134		469,814
	-		-		-
	1,642,603		-		-
	1,396,274		1,610,512		(1,352,715)
	(390,317)		(389,041)		(389,269)
	4,195,805		2,448,378		(493,157)
	15,026,600		12,578,222		13,071,379
\$	19,222,405	\$	15,026,600	\$	12,085,065
\$	7,602,770	\$	7,596,040	\$	7,374,796
	252.83%		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	11.3 years (based on contribution rate calculated in 12/31/2022 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*	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
	2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule.
	2016: No changes in plan provisions were reflected in the Schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: Employer contributions reflect that a 50% CPI Cola was Adopted.
	2019: No changes in plan provisions were reflected in the Schedule.
	2020: No changes in plan provisions were reflected in the Schedule.
	2021: No changes in plan provisions were reflected in the Schedule.
	2022: No changes in plan provisions were reflected in the Schedule.

**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, 2023

Data Control Codes		118 Veteran's Fund	200 Title XX Home Deliv Meals	202 LEOSE Training Funds	203 Specialty Court Fund
ASSETS					
1010	Cash and Cash Equivalents	\$ 408	\$ -	\$ 11,892	\$ 2,806
1260	Due from Other Governments	-	-	-	-
1300	Due from Other Funds	-	-	-	-
1300	Due from Fiduciary Funds	-	-	-	23
1000	Total Assets	<u>\$ 408</u>	<u>\$ -</u>	<u>\$ 11,892</u>	<u>\$ 2,829</u>
LIABILITIES					
2010	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2080	Due to Other Funds	-	-	-	-
2081	Due to Fiduciary Funds	-	-	-	-
2230	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3460	Restricted for Commisary	-	-	-	-
3490	Other Restricted Fund Balance	408	-	11,892	2,829
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>408</u>	<u>-</u>	<u>11,892</u>	<u>2,829</u>
4000	Total Liabilities and Fund Balances	<u>\$ 408</u>	<u>\$ -</u>	<u>\$ 11,892</u>	<u>\$ 2,829</u>

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

205 Court Facility Fee Fund	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	224 Sheriff's State Forf Fund
\$ 9,826	\$ 2,596	\$ 2,460	\$ 2,487,546	\$ 43,394	\$ 2,855,613	\$ -	\$ 93,982
-	-	-	-	-	-	24,601	-
-	-	30	-	-	-	-	-
260	81	-	-	-	3,025	-	-
<u>\$ 10,086</u>	<u>\$ 2,677</u>	<u>\$ 2,490</u>	<u>\$ 2,487,546</u>	<u>\$ 43,394</u>	<u>\$ 2,858,638</u>	<u>\$ 24,601</u>	<u>\$ 93,982</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,129	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	24,601	-
-	-	-	2,330,471	-	-	-	-
-	-	-	<u>2,330,471</u>	-	<u>7,129</u>	<u>24,601</u>	-
-	-	-	-	-	-	-	-
10,086	2,677	2,490	157,075	43,394	2,851,509	-	93,982
-	-	-	-	-	-	-	-
<u>10,086</u>	<u>2,677</u>	<u>2,490</u>	<u>157,075</u>	<u>43,394</u>	<u>2,851,509</u>	<u>-</u>	<u>93,982</u>
<u>\$ 10,086</u>	<u>\$ 2,677</u>	<u>\$ 2,490</u>	<u>\$ 2,487,546</u>	<u>\$ 43,394</u>	<u>\$ 2,858,638</u>	<u>\$ 24,601</u>	<u>\$ 93,982</u>

WARD COUNTY, TX
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

Data Control Codes		229 Records Mngmnt & Fund	230 Courthouse Security Fund	232 Juvenile Probation Fund	234 County Clerk Records M&P Fund
ASSETS					
1010	Cash and Cash Equivalents	\$ 17,860	\$ 194,793	\$ 152,265	\$ 175,713
1260	Due from Other Governments	-	-	-	-
1300	Due from Other Funds	-	-	-	-
1300	Due from Fiduciary Funds	510	1,635	341	2,541
1000	Total Assets	<u>\$ 18,370</u>	<u>\$ 196,428</u>	<u>\$ 152,606</u>	<u>\$ 178,254</u>
LIABILITIES					
2010	Accounts Payable	\$ -	\$ -	\$ 605	\$ -
2080	Due to Other Funds	-	-	-	-
2081	Due to Fiduciary Funds	-	-	-	-
2230	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>605</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3460	Restricted for Commisary	-	-	-	-
3490	Other Restricted Fund Balance	18,370	196,428	152,001	178,254
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>18,370</u>	<u>196,428</u>	<u>152,001</u>	<u>178,254</u>
4000	Total Liabilities and Fund Balances	<u>\$ 18,370</u>	<u>\$ 196,428</u>	<u>\$ 152,606</u>	<u>\$ 178,254</u>

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

235 Court Reporter Serv Fund	237 County Attorney Pretrial Fund	239 JP Court Technology Fund	240 Title IV-E JPO Fund	242 County Clerk Archive Fund	243 District Clerk Mngmnt & Pres Fund	244 Victims of Crime Act Formula Grant	245 JP Security Fund
\$ 15,506	\$ 50,489	\$ 12,184	\$ 6,924	\$ 336,348	\$ 4,792	\$ -	\$ 32,665
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
330	910	915	-	2,480	5	-	11
<u>\$ 15,836</u>	<u>\$ 51,399</u>	<u>\$ 13,099</u>	<u>\$ 6,924</u>	<u>\$ 338,828</u>	<u>\$ 4,797</u>	<u>\$ -</u>	<u>\$ 32,676</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15,836	51,399	13,099	6,924	338,828	4,797	-	32,676
-	-	-	-	-	-	-	-
<u>15,836</u>	<u>51,399</u>	<u>13,099</u>	<u>6,924</u>	<u>338,828</u>	<u>4,797</u>	<u>-</u>	<u>32,676</u>
<u>\$ 15,836</u>	<u>\$ 51,399</u>	<u>\$ 13,099</u>	<u>\$ 6,924</u>	<u>\$ 338,828</u>	<u>\$ 4,797</u>	<u>\$ -</u>	<u>\$ 32,676</u>

WARD COUNTY, TX
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

Data Control Codes		247 Child Abuse Prevention Fund	248 Co/Dist Court Technology Fund	249 Co/Dist Disaster Preservation	250 Hotel/Motel Tax Fund
ASSETS					
1010	Cash and Cash Equivalents	\$ 699	\$ 3,766	\$ 9,749	\$ 575,944
1260	Due from Other Governments	-	-	-	-
1300	Due from Other Funds	-	-	-	-
1300	Due from Fiduciary Funds	-	23	-	-
1000	Total Assets	<u>\$ 699</u>	<u>\$ 3,789</u>	<u>\$ 9,749</u>	<u>\$ 575,944</u>
LIABILITIES					
2010	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2080	Due to Other Funds	-	-	-	-
2081	Due to Fiduciary Funds	-	-	-	-
2230	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3460	Restricted for Commisary	-	-	-	-
3490	Other Restricted Fund Balance	699	3,789	9,749	575,944
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>699</u>	<u>3,789</u>	<u>9,749</u>	<u>575,944</u>
4000	Total Liabilities and Fund Balances	<u>\$ 699</u>	<u>\$ 3,789</u>	<u>\$ 9,749</u>	<u>\$ 575,944</u>

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

251 Truancy Court Fund	255 Stonegarden Grant	256 Local Truancy P&D Fund	260 PBAF Library Grant	262 Event Center Park Fund	264 HAVA Grant	265 OPIOD Settlement	266 Pool Fund
\$ 4,249	\$ -	\$ 37,245	\$ 2,675	\$ 739,498	\$ 2,232	\$ 12,927	\$ 2,860
-	24,761	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15	-	1,041	-	-	-	-	-
<u>\$ 4,264</u>	<u>\$ 24,761</u>	<u>\$ 38,286</u>	<u>\$ 2,675</u>	<u>\$ 739,498</u>	<u>\$ 2,232</u>	<u>\$ 12,927</u>	<u>\$ 2,860</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	24,761	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,675	-	2,232	-	-
<u>-</u>	<u>24,761</u>	<u>-</u>	<u>2,675</u>	<u>-</u>	<u>2,232</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
4,264	-	38,286	-	-	-	12,927	-
-	-	-	-	739,498	-	-	2,860
<u>4,264</u>	<u>-</u>	<u>38,286</u>	<u>-</u>	<u>739,498</u>	<u>-</u>	<u>12,927</u>	<u>2,860</u>
<u>\$ 4,264</u>	<u>\$ 24,761</u>	<u>\$ 38,286</u>	<u>\$ 2,675</u>	<u>\$ 739,498</u>	<u>\$ 2,232</u>	<u>\$ 12,927</u>	<u>\$ 2,860</u>

WARD COUNTY, TX
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

Data Control Codes		267 Sheriff's Commissary	270 Road Grant Fund	291 Pct 1 Road Fund	292 Pct 2 Road Fund
ASSETS					
1010	Cash and Cash Equivalents	\$ 23,269	\$ 1,057,117	\$ 2,551,868	\$ 12,088
1260	Due from Other Governments	-	997,939	-	-
1300	Due from Other Funds	-	-	-	-
1300	Due from Fiduciary Funds	-	-	-	-
1000	Total Assets	<u>\$ 23,269</u>	<u>\$ 2,055,056</u>	<u>\$ 2,551,868</u>	<u>\$ 12,088</u>
LIABILITIES					
2010	Accounts Payable	\$ -	\$ 415,716	\$ 10,706	\$ -
2080	Due to Other Funds	-	1,611,191	-	-
2081	Due to Fiduciary Funds	-	-	-	-
2230	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>2,026,907</u>	<u>10,706</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3460	Restricted for Commisary	23,269	-	-	-
3490	Other Restricted Fund Balance	-	28,149	2,541,162	12,088
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>23,269</u>	<u>28,149</u>	<u>2,541,162</u>	<u>12,088</u>
4000	Total Liabilities and Fund Balances	<u>\$ 23,269</u>	<u>\$ 2,055,056</u>	<u>\$ 2,551,868</u>	<u>\$ 12,088</u>

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

293 Pct 3 Road Fund	294 Pct 4 Road Fund	299 Title III Part C Fund	Total Nonmajor Governmental Funds
\$ 2,484,775	\$ 211,770	\$ -	\$ 14,242,793
-	-	-	1,047,301
-	-	-	30
-	-	-	14,146
<u>\$ 2,484,775</u>	<u>\$ 211,770</u>	<u>\$ -</u>	<u>\$ 15,304,270</u>
\$ 1,546	\$ 3,472	\$ -	\$ 439,174
-	-	-	1,635,952
-	-	-	24,601
-	-	-	2,335,378
<u>1,546</u>	<u>3,472</u>	<u>-</u>	<u>4,435,105</u>
-	-	-	23,269
2,483,229	208,298	-	10,103,538
-	-	-	742,358
<u>2,483,229</u>	<u>208,298</u>	<u>-</u>	<u>10,869,165</u>
<u>\$ 2,484,775</u>	<u>\$ 211,770</u>	<u>\$ -</u>	<u>\$ 15,304,270</u>

WARD COUNTY, TX
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Data Control Codes	118 Veteran's Fund	200 Title XX Home Deliv Meals	202 LEOSE Training Funds	203 Specialty Court Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	20,996	3,175	-
5400 Charges for Services	408	-	-	1,162
5510 Fines	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	-	-	-
5700 Other Revenue	-	-	-	-
5020 Total Revenues	<u>408</u>	<u>20,996</u>	<u>3,175</u>	<u>1,162</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	-	-	-	-
0210 Police	-	-	-	-
0230 Corrections	-	-	-	-
0250 Jail	-	-	2,336	-
0310 Highways and Streets	-	-	-	-
0330 Cemetery	-	-	-	-
0380 County Attorney	-	-	-	-
0400 Health and Welfare	-	20,996	-	-
0410 Health	-	-	-	-
0490 Other (Define)	-	-	-	-
0530 Museums	-	-	-	-
0560 Senior Citizens	-	-	-	-
0660 Economic Opportunity	-	-	-	-
Capital Outlay:				
0810 Define - Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>-</u>	<u>20,996</u>	<u>2,336</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>408</u>	<u>-</u>	<u>839</u>	<u>1,162</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
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	408	-	839	1,162
0100 Fund Balance - January 1 (Beginning)	<u>-</u>	<u>-</u>	<u>11,053</u>	<u>1,667</u>
3000 Fund Balance - December 31 (Ending)	<u>\$ 408</u>	<u>\$ -</u>	<u>\$ 11,892</u>	<u>\$ 2,829</u>

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

205 Court Facility Fee Fund	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	224 Sheriff's State Forf Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,261,553	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	10,654	-	124,880	-
4,862	1,269	1,020	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	47,074
-	-	-	121,256	2,004	139,850	-	4,500
-	-	-	-	-	-	-	-
<u>4,862</u>	<u>1,269</u>	<u>1,020</u>	<u>121,256</u>	<u>12,658</u>	<u>4,401,403</u>	<u>124,880</u>	<u>51,574</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	29,203
-	-	-	-	-	-	-	-
-	-	-	-	6,000	257,015	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	124,880	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>257,015</u>	<u>124,880</u>	<u>29,203</u>
<u>4,862</u>	<u>1,269</u>	<u>1,020</u>	<u>121,256</u>	<u>6,658</u>	<u>4,144,388</u>	<u>-</u>	<u>22,371</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(3,615,000)	-	-
-	-	-	-	-	(3,615,000)	-	-
<u>4,862</u>	<u>1,269</u>	<u>1,020</u>	<u>121,256</u>	<u>6,658</u>	<u>529,388</u>	<u>-</u>	<u>22,371</u>
<u>5,224</u>	<u>1,408</u>	<u>1,470</u>	<u>35,819</u>	<u>36,736</u>	<u>2,322,121</u>	<u>-</u>	<u>71,611</u>
<u>\$ 10,086</u>	<u>\$ 2,677</u>	<u>\$ 2,490</u>	<u>\$ 157,075</u>	<u>\$ 43,394</u>	<u>\$ 2,851,509</u>	<u>\$ -</u>	<u>\$ 93,982</u>

WARD COUNTY, TX
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Data Control Codes	229 Records Mngmnt & Fund	230 Courthouse Security Fund	232 Juvenile Probation Fund	234 County Clerk Records M&P Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	-	223,778	-
5400 Charges for Services	7,767	10,721	-	42,040
5510 Fines	-	-	3,922	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	675	8,805	11,437	7,391
5700 Other Revenue	-	13,555	-	-
5020 Total Revenues	<u>8,442</u>	<u>33,081</u>	<u>239,137</u>	<u>49,431</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	-	-	-	-
0210 Police	-	-	-	-
0230 Corrections	-	-	374,898	-
0250 Jail	-	-	-	-
0310 Highways and Streets	-	-	-	-
0330 Cemetery	750	-	-	-
0380 County Attorney	-	-	-	-
0400 Health and Welfare	-	-	-	-
0410 Health	-	-	-	-
0490 Other (Define)	-	-	-	-
0530 Museums	-	-	-	-
0560 Senior Citizens	-	-	-	-
0660 Economic Opportunity	-	-	-	-
Capital Outlay:				
0810 Define - Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>750</u>	<u>-</u>	<u>374,898</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,692</u>	<u>33,081</u>	<u>(135,761)</u>	<u>49,431</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	150,000	-
8911 Transfers Out	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
1200 Net Change in Fund Balance	7,692	33,081	14,239	49,431
0100 Fund Balance - January 1 (Beginning)	<u>10,678</u>	<u>163,347</u>	<u>137,762</u>	<u>128,823</u>
3000 Fund Balance - December 31 (Ending)	<u>\$ 18,370</u>	<u>\$ 196,428</u>	<u>\$ 152,001</u>	<u>\$ 178,254</u>

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

235 Court Reporter Serv Fund	237 County Attorney Pretrial Fund	239 JP Court Technology Fund	240 Title IV-E JPO Fund	242 County Clerk Archive Fund	243 District Clerk Mngmnt & Pres Fund	244 Victims of Crime Act Formula Grant	245 JP Security Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	50,118	-
6,246	-	12,831	-	39,485	85	-	302
-	14,608	-	-	-	-	-	-
-	-	-	-	-	-	-	-
622	2,183	272	377	15,291	229	-	1,578
-	-	-	-	-	-	-	-
<u>6,868</u>	<u>16,791</u>	<u>13,103</u>	<u>377</u>	<u>54,776</u>	<u>314</u>	<u>50,118</u>	<u>1,880</u>
1,650	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,369	4,884	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	13,565	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	50,419	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,650</u>	<u>13,565</u>	<u>1,369</u>	<u>4,884</u>	<u>-</u>	<u>-</u>	<u>50,419</u>	<u>-</u>
<u>5,218</u>	<u>3,226</u>	<u>11,734</u>	<u>(4,507)</u>	<u>54,776</u>	<u>314</u>	<u>(301)</u>	<u>1,880</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	301	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	301	-
5,218	3,226	11,734	(4,507)	54,776	314	-	1,880
10,618	48,173	1,365	11,431	284,052	4,483	-	30,796
<u>\$ 15,836</u>	<u>\$ 51,399</u>	<u>\$ 13,099</u>	<u>\$ 6,924</u>	<u>\$ 338,828</u>	<u>\$ 4,797</u>	<u>\$ -</u>	<u>\$ 32,676</u>

WARD COUNTY, TX
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Data Control Codes	247 Child Abuse Prevention Fund	248 Co/Dist Court Technology Fund	249 Co/Dist Disaster Preservation	250 Hotel/Motel Tax Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	550,000
5300 Intergovernmental Revenue and Grants	310	-	-	-
5400 Charges for Services	-	408	-	-
5510 Fines	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	-	475	18,766
5700 Other Revenue	-	-	-	-
5020 Total Revenues	<u>310</u>	<u>408</u>	<u>475</u>	<u>568,766</u>
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	-	-	-	-
0210 Police	-	-	-	-
0230 Corrections	-	-	-	-
0250 Jail	-	-	-	-
0310 Highways and Streets	-	-	-	-
0330 Cemetery	-	-	-	-
0380 County Attorney	-	-	-	-
0400 Health and Welfare	-	-	-	-
0410 Health	-	-	-	-
0490 Other (Define)	-	-	-	-
0530 Museums	-	-	-	-
0560 Senior Citizens	-	-	-	-
0660 Economic Opportunity	-	-	-	415,647
Capital Outlay:				
0810 Define - Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>415,647</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>310</u>	<u>408</u>	<u>475</u>	<u>153,119</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	2,823
8911 Transfers Out	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,823</u>
1200 Net Change in Fund Balance	310	408	475	155,942
0100 Fund Balance - January 1 (Beginning)	<u>389</u>	<u>3,381</u>	<u>9,274</u>	<u>420,002</u>
3000 Fund Balance - December 31 (Ending)	<u>\$ 699</u>	<u>\$ 3,789</u>	<u>\$ 9,749</u>	<u>\$ 575,944</u>

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

251 Truancy Court Fund	255 Stonegarden Grant	256 Local Truancy P&D Fund	260 PBAF Library Grant	262 Event Center Park Fund	264 HAVA Grant	265 OPIOD Settlement	266 Pool Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	80,878	-	7,325	-	12,630	21,321	-
204	-	13,832	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	464	-	85,647	-	700	24,860
-	-	-	-	-	-	-	-
204	80,878	14,296	7,325	85,647	12,630	22,021	24,860
-	-	-	-	-	-	-	-
-	80,878	-	-	-	12,630	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,094	-
-	-	-	-	2,626,803	-	-	-
-	-	-	-	-	-	-	-
-	-	-	7,325	-	-	-	-
-	80,878	-	7,325	2,626,803	12,630	9,094	-
204	-	14,296	-	(2,541,156)	-	12,927	24,860
-	-	-	-	-	-	-	-
-	-	-	-	1,500,000	-	-	1,000,000
-	-	-	-	-	-	-	(1,022,000)
-	-	-	-	1,500,000	-	-	(22,000)
204	-	14,296	-	(1,041,156)	-	12,927	2,860
4,060	-	23,990	-	1,780,654	-	-	-
\$ 4,264	\$ -	\$ 38,286	\$ -	\$ 739,498	\$ -	\$ 12,927	\$ 2,860

WARD COUNTY, TX
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Data Control Codes	267 Sheriff's Commissary	270 Road Grant Fund	291 Pct 1 Road Fund	292 Pct 2 Road Fund
REVENUES:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	997,939	-	-
5400 Charges for Services	-	-	-	-
5510 Fines	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	-	86,952	144,889	863
5700 Other Revenue	10,626	-	-	-
5020 Total Revenues	10,626	1,084,891	144,889	863
EXPENDITURES:				
Current:				
General Government:				
0120 Judicial	-	-	-	-
0140 Elections	-	-	-	-
0210 Police	-	-	-	-
0230 Corrections	-	-	-	-
0250 Jail	7,465	-	-	-
0310 Highways and Streets	-	1,247,424	797,523	7,867
0330 Cemetery	-	-	-	-
0380 County Attorney	-	-	-	-
0400 Health and Welfare	-	-	-	-
0410 Health	-	-	-	-
0490 Other (Define)	-	-	-	-
0530 Museums	-	-	-	-
0560 Senior Citizens	-	-	-	-
0660 Economic Opportunity	-	-	-	-
Capital Outlay:				
0810 Define - Capital Outlay	-	-	-	-
6030 Total Expenditures	7,465	1,247,424	797,523	7,867
1100 Excess (Deficiency) of Revenues Over (Under)	3,161	(162,533)	(652,634)	(7,004)
Expenditures				
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	33,500	-
7915 Transfers In	-	162,533	1,200,000	15,000
8911 Transfers Out	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	162,533	1,233,500	15,000
1200 Net Change in Fund Balance	3,161	-	580,866	7,996
0100 Fund Balance - January 1 (Beginning)	20,108	28,149	1,960,296	4,092
3000 Fund Balance - December 31 (Ending)	\$ 23,269	\$ 28,149	\$ 2,541,162	\$ 12,088

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

293 Pct 3 Road Fund	294 Pct 4 Road Fund	299 Title III Part C Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 4,261,553
-	-	-	550,000
-	-	127,475	1,681,479
-	-	-	142,642
-	-	-	18,530
-	-	-	47,074
135,424	27,779	-	843,289
-	-	-	24,181
<u>135,424</u>	<u>27,779</u>	<u>127,475</u>	<u>7,568,748</u>
-	-	-	1,650
-	-	-	12,630
-	-	-	110,081
-	-	-	381,151
-	-	-	9,801
526,706	1,242,237	-	4,084,772
-	-	-	750
-	-	-	13,565
-	-	-	145,876
-	-	-	9,094
-	-	-	50,419
-	-	-	2,626,803
-	-	127,475	127,475
-	-	-	415,647
-	-	-	7,325
<u>526,706</u>	<u>1,242,237</u>	<u>127,475</u>	<u>7,997,039</u>
<u>(391,282)</u>	<u>(1,214,458)</u>	<u>-</u>	<u>(428,291)</u>
-	35,000	-	68,500
1,200,000	1,200,000	-	6,430,657
-	-	-	(4,637,000)
<u>1,200,000</u>	<u>1,235,000</u>	<u>-</u>	<u>1,862,157</u>
808,718	20,542	-	1,433,866
<u>1,674,511</u>	<u>187,756</u>	<u>-</u>	<u>9,435,299</u>
<u>\$ 2,483,229</u>	<u>\$ 208,298</u>	<u>\$ -</u>	<u>\$ 10,869,165</u>

COMBINING SCHEDULE FOR CUSTODIAL FUNDS

WARD COUNTY, TX
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	855 Sheriff's Office Trust	856 Sheriff's Inmate Account	858 Tax Collector's	859 County Clerk Accounts	860 District Clerk Accounts
ASSETS					
Cash and Cash Equivalents	\$ 615	\$ 16,506	\$ 618,554	\$ 115,737	\$ 954,661
Due from Other Funds	-	-	-	-	-
Due from Fiduciary Funds	-	-	-	-	-
Furniture and Equipment	-	-	-	-	-
Accumulated Depreciation - Furniture &	-	-	-	-	-
Capital Assets	-	-	-	-	-
Accumulated Depreciation - Capital Assets	-	-	-	-	-
Total Assets	<u>\$ 615</u>	<u>\$ 16,506</u>	<u>\$ 618,554</u>	<u>\$ 115,737</u>	<u>\$ 954,661</u>
LIABILITIES					
Accounts Payable	-	-	-	-	-
Due to Other Funds	-	-	423,004	25,980	4,550
Due to Fiduciary Funds	615	-	-	924	1,248
Due to Others	-	16,506	195,550	88,833	948,863
Total Liabilities	<u>615</u>	<u>16,506</u>	<u>618,554</u>	<u>115,737</u>	<u>954,661</u>
NET POSITION					
Unrestricted	-	-	-	-	-
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.

861 Community Supervision Corrections	862 CSCD/ Pretrial Fund	864 Adult Probation Fund	865 Tax Account	867 DA Forfeiture Fund	868 DA Seizure Fund	869 DA Pretrial Fund	871 Juvenile Probation Fees
\$ 35,837	\$ 58,063	\$ 344,215	\$ 40,109	\$ 359,711	\$ 15,804	\$ 22,252	\$ 1,991
-	-	-	-	24,601	-	-	-
-	-	19,516	-	-	-	-	-
-	-	-	-	5,995	-	-	-
-	-	-	-	(1,149)	-	-	-
-	-	-	-	101,223	-	-	-
-	-	-	-	(21,691)	-	-	-
<u>35,837</u>	<u>58,063</u>	<u>363,731</u>	<u>40,109</u>	<u>468,690</u>	<u>15,804</u>	<u>22,252</u>	<u>1,991</u>
-	-	791	-	7,686	-	-	-
-	-	-	-	-	-	-	741
19,516	-	-	-	-	-	-	-
16,321	-	-	40,109	-	-	-	1,250
<u>35,837</u>	<u>-</u>	<u>791</u>	<u>40,109</u>	<u>7,686</u>	<u>-</u>	<u>-</u>	<u>1,991</u>
-	58,063	362,940	-	461,004	15,804	22,252	-
<u>\$ -</u>	<u>\$ 58,063</u>	<u>\$ 362,940</u>	<u>\$ -</u>	<u>\$ 461,004</u>	<u>\$ 15,804</u>	<u>\$ 22,252</u>	<u>\$ -</u>

WARD COUNTY, TX
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	873 Flexible Spending Fund	874 State Court Costs Fund	876 JP Fee Fund	877 County Attorney's Trust	878 Ward County Senior Citizens
ASSETS					
Cash and Cash Equivalents	\$ 21,487	\$ 106,917	\$ 95,117	\$ 16,984	\$ 71,018
Due from Other Funds	-	-	-	-	-
Due from Fiduciary Funds	-	40,026	-	-	-
Furniture and Equipment	-	-	-	-	-
Accumulated Depreciation - Furniture &	-	-	-	-	-
Capital Assets	-	-	-	-	-
Accumulated Depreciation - Capital Assets	-	-	-	-	-
Total Assets	21,487	146,943	95,117	16,984	71,018
LIABILITIES					
Accounts Payable	\$ 2,943	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	9,199	57,694	910	-
Due to Fiduciary Funds	-	-	37,239	-	-
Due to Others	-	137,744	184	16,074	71,018
Total Liabilities	2,943	146,943	95,117	16,984	71,018
NET POSITION					
Unrestricted	18,544	-	-	-	-
Total Net Position	\$ 18,544	\$ -	\$ -	\$ -	\$ -

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

883 Victim's Assistance Fund	Total Custodial Funds
\$ 31,568	\$ 2,927,146
-	24,601
-	59,542
-	5,995
-	(1,149)
-	101,223
-	(21,691)
<u>31,568</u>	<u>3,095,667</u>
-	11,420
-	522,078
-	59,542
-	<u>1,532,452</u>
-	<u>2,125,492</u>
<u>31,568</u>	<u>970,175</u>
<u>\$ 31,568</u>	<u>\$ 970,175</u>

WARD COUNTY, TX
COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023

	855 Sheriff's Office Trust	856 Sheriff's Inmate Account	858 Tax Collector's	859 County Clerk Accounts	860 District Clerk Accounts
ADDITIONS:					
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Forfeits	-	-	-	-	-
Investment Earnings	-	-	-	-	-
Other Revenue	-	78,249	-	-	-
Transfer In	-	-	-	-	-
Total Additions	-	78,249	-	-	-
DEDUCTIONS:					
Personnel Services - Salaries and Wages	-	-	-	-	-
Personnel Services - Employee Benefits	-	-	-	-	-
Purchased Professional & Technical	-	-	-	-	-
Purchased Property Services	-	-	-	-	-
Other Operating Costs	-	78,249	-	-	-
Supplies	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Deductions	-	78,249	-	-	-
Change in Net Position	-	-	-	-	-
Total Net Position - January 1 (Beginning)	-	-	-	-	-
Total Net Position - December 31 (Ending)	\$ -	\$ -	\$ -	\$ -	\$ -

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

861 Community Supervision Corrections	862 CSCD/ Pretrial Fund	864 Adult Probation Fund	865 Tax Account	867 DA Forfeiture Fund	868 DA Seizure Fund	869 DA Pretrial Fund	871 Juvenile Probation Fees
\$ -	\$ -	\$ 486,984	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	36,667	-	-	-
-	-	215,803	-	-	-	-	-
-	-	-	-	25,407	22,752	-	-
-	2,830	15,159	-	12,005	274	-	-
-	-	-	-	157,818	-	10,783	-
-	-	-	-	153,808	-	-	-
-	2,830	717,946	-	385,705	23,026	10,783	-
-	-	441,488	-	123,211	-	-	-
-	-	95,355	-	28,000	-	-	-
-	-	15,650	-	-	-	-	-
-	-	1,553	-	42,095	-	-	-
-	-	85,788	-	17,605	46,521	-	-
-	-	21,417	-	20,532	-	2,147	-
-	-	-	-	18,675	-	-	-
-	-	661,251	-	250,118	46,521	2,147	-
-	2,830	56,695	-	135,587	(23,495)	8,636	-
-	55,233	306,245	-	325,417	39,299	13,616	-
\$ -	\$ 58,063	\$ 362,940	\$ -	\$ 461,004	\$ 15,804	\$ 22,252	\$ -

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

	873 Flexible Spending Fund	874 State Court Costs Fund	876 JP Fee Fund	877 County Attorney's Trust	878 Ward County Senior Citizens
ADDITIONS:					
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Forfeits	-	-	-	-	-
Investment Earnings	1,050	-	-	-	-
Other Revenue	19,000	-	-	-	-
Transfer In	-	-	-	-	-
Total Additions	20,050	-	-	-	-
DEDUCTIONS:					
Personnel Services - Salaries and Wages	-	-	-	-	-
Personnel Services - Employee Benefits	18,729	-	-	-	-
Purchased Professional & Technical	-	-	-	-	-
Purchased Property Services	-	-	-	-	-
Other Operating Costs	-	-	-	-	-
Supplies	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Deductions	18,729	-	-	-	-
Change in Net Position	1,321	-	-	-	-
Total Net Position - January 1 (Beginning)	17,223	-	-	-	-
Total Net Position - December 31 (Ending)	\$ 18,544	\$ -	\$ -	\$ -	\$ -

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

883 Victim's Assistance Fund	Total Custodial Funds
\$ -	\$ 486,984
1,066	37,733
-	215,803
-	48,159
1,501	32,819
-	265,850
-	153,808
<u>2,567</u>	<u>1,241,156</u>
-	564,699
-	142,084
-	15,650
-	43,648
273	228,436
-	44,096
-	18,675
<u>273</u>	<u>1,057,288</u>
2,294	183,868
<u>29,274</u>	<u>786,307</u>
<u>\$ 31,568</u>	<u>\$ 970,175</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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 13, 2024.

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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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
December 13, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE STATE OF
TEXAS UNIFORM GRANTS MANAGEMENT STANDARDS (TxGMS)**

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

Report on Compliance for Each Major State Program

Opinion on State Program

We have audited the County Of Ward, Texas (the "County's") compliance with the types of compliance requirements described in the *State of Texas Uniform Grants Management Standards* ("UGMS") that could have a direct and material effect on each of the County's major state programs for the year ended December 31, 2023. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above could have a direct and material effect on the County Transportation Infrastructure Grant for the Year ended December 31, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ward County, Texas and to meet our ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of Ward County, Texas's compliance with the compliance requirements referred to above.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE STATE OF TEXAS UNIFORM GRANTS MANAGEMENT STANDARDS (TxGMS)

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

Report on Compliance for Each Major State Program

Opinion on State Program

We have audited the County Of Ward, Texas (the "County's") compliance with the types of compliance requirements described in the *State of Texas Uniform Grants Management Standards ("UGMS")* that could have a direct and material effect on each of the County's major state programs for the year ended December 31, 2023. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above could have a direct and material effect on the County Transportation Infrastructure Grant for the Year ended December 31, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ward County, Texas and to meet our ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of Ward County, Texas's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ward County, Texas state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ward County's compliance based on our audit. 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, *Government Auditing Standards*, and the *TxGMS* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Ward County, Texas's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Ward County, Texas's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ward County, Texas's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance with the *TxGMS*, but not for the purpose of expressing an opinion on the effectiveness of Ward County, Texas's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The County's corrective action plan was not subjected to auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of the finding & questioned costs as item **2023-001**.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The County's corrective action plan was not subjected to auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the TxGMS. Accordingly, this report is not suitable for any other purpose.

Smith & Rives, PC
Monahans, Texas
December 13, 2024

I. Summary of the Auditor's Results

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

One or more material weaknesses identified? Yes ☒ No ☐

Noncompliance material to financial Statements noted?	Yes	X	No

Internal control over major programs:

One or more material weaknesses identified?	Yes	<u>X</u>	No
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One or more significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported

Type of auditor's report issued on compliance for major programs: Qualified Opinion

Any audit findings disclosed that are required to be reported in accordance with State of Texas Uniform Grants Management? Yes X No

Identification of major Type A State Programs:

Contract No.

Name of State Program

CITIF-02-238

County Transportation Infrastructure

Dollar Threshold to determine major Type A State Programs	\$750,000
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Auditee qualified as low-risk auditee? Yes X No

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

No Findings

III. Findings and Questioned Costs for State Awards.

Reference No. 2023-001

Condition: The County did not obtain all the certified payrolls for the contractor or subcontractor work performed during the fiscal year ended December 31, 2023. The County's agent (Grantworks, Inc) collected some but not all the required certified payrolls for the year.

Criteria: All laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by State of Texas assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL) (40 USC 3141-3144, 3146, and 3147). Non-State entities shall include in their construction contracts subject to the Wage Rate Requirements (which still may be referenced as the Davis-Bacon Act) a provision that the contractor or subcontractor comply with those requirements and the DOL regulations. This includes a requirement for the contractor or subcontractor to submit to the Non-State entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). In addition, according to 2 CFR Part 200.303, the non-State entity must establish and maintain effective internal control over the State award that provides reasonable assurance that the non-State entity is managing the State award that provides reasonable assurance that the non-State entity is managing the State award in compliance with State statutes, regulations, and the terms and conditions of the State award.

Questioned Costs: Unknown

Context: The County's agent (Grantworks, Inc) did not obtain all the certified payrolls for contractor or subcontractor work performed from the construction contractor for the project for this program. This contractor accounted for 97.57% of the construction expenditures during the fiscal year 2023.

Effect: Not all certified payrolls were obtained or reviewed for the project so laborers and mechanics employed by the contractor or subcontractor may not have been paid prevailing wage rates.

Cause: The County's agent (Grantworks, Inc) did not ensure that all required certified payrolls were obtained. There were certified payrolls collected for a September billing, but not collected for a December billing.

Identification as a Repeat Finding: Not applicable.

Recommendation: We recommend that the County require its agent (Grantworks, Inc) to collect these certified payrolls that are contemporaneous to the construction period. This will ensure that the County will know that the contractor or subcontractor follows the Davis-Bacon Act.

Views of Responsible Officials: See Corrective Action Plan.

WARD COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
YEAR ENDED DECEMBER 31, 2023

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, 2023

For the following corrective action plan, the contact person is Carleigh Ennis, County Auditor:

Findings and Questioned Costs Related to the Financial Statements

No findings.

Findings and Questioned Costs Related to State Awards

2023-001 Significant Deficiency – Davis-Bacon Act – Wage Rate Requirements

The County will assign a responsible party to ensure that the County's agent (Grantworks Inc) obtains the required certified payrolls during the period of construction so that the County is in compliance with the Davis-Bacon Act.

WARD COUNTY, TX
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2023

EXHIBIT K-1

Grant Agency/Project Title	Contract Number	FY 2023 Expenditures
TEXAS DEPARTMENT OF TRANSPORTATION 2023 County Transportation Infrastructure Fund	CTIF-01-238	\$ 997,939
TEXAS JUVENILE PROBATION COMMISSION State Aid	A-2023(24)-238	\$ 208,378
Commitment Reduction	R-2023(24)-238	1,410
Salary Adjustment		13,990
Total Texas Juvenile Probation Commission		\$ 223,778
TEXAS INDIGENT DEFENSE COMMISSION 2023 formula grant	212-14-238	\$ 22,265
GOVERNOR'S CRIMINAL JUSTICE DIVISION CH-Border Prosecution Unit	2537310	\$ 124,880
Total Expenditures of State Awards		\$ 1,368,862

WARD COUNTY, TEXAS
NOTES ON ACCOUNTING POLICIES FOR STATE AWARDS
YEAR ENDED DECEMBER 31, 2021

1. GENERAL

The accompanying Schedule of Expenditures of State Awards (the "Schedule") presents the activity of all applicable state awards of Ward County, Texas for the year ended December 31, 2023.

For the purposes of the Schedule, state awards include all grants, contracts and similar agreements entered into directly between the County and agencies and departments of the State of Texas and all sub-awards to the County pursuant to state grants, contracts and similar agreements. Major programs are identified by the independent auditor in accordance with the provisions of the Texas Grant Management Standards ("TxGMS").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR STATE AWARDS

Expenditures for direct costs and employee benefits are recognized as incurred using the modified accrual basis of accounting (accrual basis for proprietary funds) to the extent grants are approved and applicable government cost principles specified by each grant, contract and agreement. Such expenditures are recognized following the cost principles contained in the State of Texas Grant Management Standards ("TxGMS"). The County does not recover indirect costs unless expressly allowed by each award.

Additionally, amounts reported as expenditures in the Schedule may not agree in the related financial reports filed with the grantor agencies because accruals that would not be included until the next report filed with the agency.

3. COMMITMENTS AND CONTINGENCIES

The County participates in several state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required, and the collectability of any related receivable at December 31, 2023 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with rules and regulations governing the grants.