

WARD COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED DECEMBER 31, 2024

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

WARD COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

WARD COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

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WARD COUNTY, TEXAS

**COUNTY OFFICIALS
DECEMBER 31, 2024**

Greg Holly	County Judge
Guy Thames	Commissioner Precinct 1
Larry Hanna	Commissioner Precinct 2
Billy Redmon	Commissioner Precinct 3
Eddie Nelms	Commissioner Precinct 4
Denise Valles	County Clerk
Carleigh Ennis	County Auditor
Loretta Pipkin	County Treasurer
Vicki Heflin	Tax-Assessor-Collector
Danny Bustos	Justice of Peace 1 and 4
Roy Bean	Justice of Peace 2 and 3
Michael Franco	Sheriff

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

WARD, TEXAS 79423-1954

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Unmodified and Disclaimer of 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 (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Discretely Presented Component Unit	Disclaimer
Major Governmental Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Disclaimer of Opinion on the Aggregate Discretely Presented Component Unit

We do not express an opinion on the omitted financial statements of the aggregate discretely presented component unit of the County. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Unit section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component unit.

Unmodified Opinions on Governmental Activities, Each Major Fund, and 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 of the County as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Disclaimer of 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 material component units to be reported within the financial statements of the primary government. The effects of not including the financial data of the Ward Memorial Hospital has not been determined because no data has been provided or audited as a part of the County's financial statement audit.

Basis for Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in accordance with auditing standards generally accepted in the United States of America (GAAS) and 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 the County 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 audit opinions

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 County's 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 GAAS 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, individually or in the aggregate, they would influence the judgement made by a reasonable user based the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgment 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 the County'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 the County's ability to continue as a going concern 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, schedule of changes in net pension liability (asset) and related ratios, schedule of employer contributions, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Management has omitted Management's Discussion and Analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements and schedule of expenditures of state awards, as required by the *State of Texas Uniform Grant Management Standards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statements and the schedule of expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

September 22, 2025

BASIC FINANCIAL STATEMENTS

WARD COUNTY, TEXAS

Exhibit A-1

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 102,535,562
Receivables	1,121,045
Taxes Receivable - Net of Allowance	41,595,803
Office Receivables - Net of Allowance	98,225
Net Pension Asset	713,291
Capital Assets (Net of Accumulated Depreciation):	
Construction Work in Progress	23,301,456
NonDepreciable Property	185,773
Depreciable Property	49,048,872
Total Assets	<u>\$ 218,600,027</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension	\$ 2,595,858
OPEB	2,591,696
Total Deferred Outflows of Resources	<u>\$ 5,187,554</u>
LIABILITIES:	
Accounts Payable	\$ 4,663,731
Accrued Wages Payable	434,851
Noncurrent Liabilities	
Total OPEB Liability	18,929,191
Compensated Absences	372,440
Total Liabilities	<u>\$ 24,400,213</u>
DEFERRED INFLOWS OF RESOURCES:	
OPEB	\$ 4,987,725
Unavailable Revenue - Current Taxes	55,962,800
Unavailable Revenue - Grants	43,586
Total Deferred Inflows of Resources	<u>\$ 60,994,111</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 72,536,101
Restricted For:	
Net Pension Asset	713,291
Enabling Legislation	15,144,214
Grants	1,772,602
Unrestricted	48,227,049
Total Net Position	<u><u>\$ 138,393,257</u></u>

The accompanying notes are an integral part of this statement.

WARD COUNTY, TEXAS

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position
	Expenses	Fines, Fees & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Primary Gov.
					Governmental Activities
PRIMARY GOVERNMENT:					
Governmental Activities					
General Government	\$ 8,974,756	\$ 1,184,045	\$ 1,060,085	\$ 2,330,471	\$ (4,400,155)
Public Safety	8,665,612	824,544	1,442,474		(6,398,594)
Road and Bridge	3,507,856	308,888	52,671	2,304,068	(842,229)
Health and Welfare	10,528,154		24,504		(10,503,650)
Culture and Recreation	2,516,052	135,113			(2,380,939)
Depreciation	3,166,279				(3,166,279)
Total Governmental Activities	<u>\$ 37,358,709</u>	<u>\$ 2,452,590</u>	<u>\$ 2,579,734</u>	<u>\$ 4,634,539</u>	<u>\$ (27,691,846)</u>
General Revenues:					
Property Taxes					\$ 46,512,334
Rents and Royalties					109,604
Other Revenue					239,910
Investment Earnings					5,600,035
Total General Revenues					<u>\$ 52,461,883</u>
Change in Net Position					<u>\$ 24,770,037</u>
Net Position - Beginning					158,236,094
Prior Period Adjustment - Deferred Inflows - Current Taxes					(34,787,694)
Prior Period Adjustment - Fund Balances					<u>(9,825,180)</u>
Net Position - Ending					<u>\$ 138,393,257</u>

The accompanying notes are an integral part of this statement.

WARD COUNTY, TEXAS

Exhibit A-3

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 86,083,671	\$ 16,451,891	\$ 102,535,562
Receivables		1,121,045	1,121,045
Taxes Receivable - Net of Allowance	36,230,547	5,365,256	41,595,803
Due from Other Funds		1,853,135	1,853,135
Total Assets	<u>\$ 122,314,218</u>	<u>\$ 24,791,327</u>	<u>\$ 147,105,545</u>
LIABILITIES:			
Accounts Payable	\$ 4,104,574	\$ 559,157	\$ 4,663,731
Accrued Wages Payable	337,887	96,964	434,851
Due to Other Funds	1,853,135		1,853,135
Total Liabilities	<u>\$ 6,295,596</u>	<u>\$ 656,121</u>	<u>\$ 6,951,717</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Current Taxes	\$ 48,744,410	\$ 7,218,390	\$ 55,962,800
Unavailable Revenue - Grants	43,586		43,586
Total Deferred Inflows of Resources	<u>\$ 48,787,996</u>	<u>\$ 7,218,390</u>	<u>\$ 56,006,386</u>
FUND BALANCES:			
Restricted - Enabling Legislation	\$	\$ 15,144,214	\$ 15,144,214
Restricted - Grants		1,772,602	1,772,602
Unassigned	67,230,626		67,230,626
Total Fund Balances	<u>\$ 67,230,626</u>	<u>\$ 16,916,816</u>	<u>\$ 84,147,442</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 122,314,218</u>	<u>\$ 24,791,327</u>	<u>\$ 147,105,545</u>

The accompanying notes are an integral part of this statement.

WARD COUNTY, TEXAS

Exhibit A-4

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balances - Governmental Funds Balance Sheet	\$ 84,147,442
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets net of depreciation used in governmental activities are not reported in the funds.	72,536,101
Compensated absences are not recorded in the fund financial statements but are reported in the SNP.	(372,440)
Net Pension Asset (Liability) and related Deferred Inflows and Outflows are not reported in the funds.	3,309,149
Total OPEB Liability and related Deferred Inflows and Outflows are not reported in the funds.	(21,325,220)
To record the Justice of Peace and County/Dist. Clerk fines receivable.	<u>98,225</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>138,393,257</u></u>

The accompanying notes are an integral part of this statement.

WARD COUNTY, TEXAS

Exhibit A-5

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Property Taxes	\$ 40,385,186	\$ 6,127,148	\$ 46,512,334
Licenses and Permits	35,923		35,923
Intergovernmental Revenues and Grants	742,557	6,457,316	7,199,873
Charges for Services	470,780	2,127	472,907
Fines and Fees	1,308,890	499,757	1,808,647
Recreation Fees	135,113		135,113
Investment Earnings	4,616,495	983,540	5,600,035
Rents and Royalties	109,604		109,604
Miscellaneous	99,664	140,246	239,910
Contributions and Donations	14,400		14,400
Total Revenues	<u>\$ 47,918,612</u>	<u>\$ 14,210,134</u>	<u>\$ 62,128,746</u>
Expenditures:			
Current:			
General Government	\$ 9,603,699	\$ 1,011,792	\$ 10,615,491
Public Safety	24,049,461	3,767,246	27,816,707
Road and Bridge		7,004,184	7,004,184
Health and Welfare	10,997,369		10,997,369
Culture and Recreation	7,496,939		7,496,939
Total Expenditures	<u>\$ 52,147,468</u>	<u>\$ 11,783,222</u>	<u>\$ 63,930,690</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (4,228,856)</u>	<u>\$ 2,426,912</u>	<u>\$ (1,801,944)</u>
Other Financing Sources (Uses):			
Transfers In (Out)	\$ 368,547	\$ (368,547)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 368,547</u>	<u>\$ (368,547)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (3,860,309)	\$ 2,058,365	\$ (1,801,944)
Fund Balances - Beginning	84,905,401	10,869,165	95,774,566
Prior Period Adjustment	<u>(13,814,466)</u>	<u>3,989,286</u>	<u>(9,825,180)</u>
Fund Balances - Ending	<u>\$ 67,230,626</u>	<u>\$ 16,916,816</u>	<u>\$ 84,147,442</u>

The accompanying notes are an integral part of this statement.

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WARD COUNTY, TEXAS

Exhibit A-6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ (1,801,944)
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital assets are not reported as expenses in the SOA.	28,161,483
The depreciation of capital assets used in governmental activities is not reported in the funds.	(3,166,279)
The change in compensated absences from year to year is recorded as an expense in the SOA.	(35,549)
Change in net pension asset (liability) and related deferred inflows and outflows are not recorded in the funds.	<u>1,612,326</u>
Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ 24,770,037</u>

The accompanying notes are an integral part of this statement.

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WARD COUNTY, TEXAS

Exhibit A-7

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024**

	<u>Custodial Funds</u>
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ <u>1,860,465</u>
Total Current Assets	\$ <u><u>1,860,465</u></u>
NET POSITION:	
Restricted For:	
Individuals, Organizations and Other Governments	\$ <u>1,860,465</u>
Total Net Position	\$ <u><u>1,860,465</u></u>

The accompanying notes are an integral part of this statement.

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WARD COUNTY, TEXAS

EXHIBIT A-8

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Custodial Funds
ADDITIONS:	
Receipts from Tax Assessor Fee Office	\$ 106,459,889
Receipts from County Clerk Fee Office	369,108
Receipts from District Clerk Fee Office	1,015,934
Receipts from County Attorney	14,586
Receipts from Sheriff Fee Office	174,060
Receipts from Probation	499,179
Receipts from Other	1,272,488
Receipts from Sheriff Commissary and Inmates	10,031
Investment Earnings for Beneficiaries	359,455
Total Additions	<u>\$ 110,174,730</u>
DEDUCTIONS:	
Tax Assessor Payments	\$ 105,149,376
County Clerk Fee Payments and Trust Distribution	300,683
District Clerk Fee Payments and Trust Distribution	1,008,459
County Attorney Fee Payments	9,090
Sheriff Fee Payments	168,892
Probation Fee Payments	497,374
Other Payments	1,301,730
Sheriff Commissary and Inmate Payments	5,079
Total Deductions	<u>\$ 108,440,683</u>
Change in Net Position	\$ 1,734,047
Net Position- Beginning	901,785
Prior Period Adjustment	<u>(775,367)</u>
Net Position - Ending	<u><u>\$ 1,860,465</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The authority of county governments and their specific functions and responsibilities are created by and are dependent upon laws and legal regulations of the Texas State Constitution and Vernon's Annotated Civil Statutes (V.A.C.S.).

Ward County, Texas (the County) operates under a County Judge/Commissioners' Court type of government as provided by state statute. The financial and reporting policies 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 Governmental Units*.

The Commissioners' Court has governance responsibilities over all activities related to the County. 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 GASB, Statement No. 61, "*The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*".

The County has a component unit that has been omitted from this audit report, Ward Memorial Hospital.

The County's major functions include general government, public safety, road and bridge, health and welfare, culture and recreation, and depreciation (which is not allocated to the various functions).

B. 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 County non-fiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, fines, fees, grants, and other intergovernmental revenues.

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 department and, therefore, are clearly identifiable to a particular department. 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 Balance. 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 on the government-wide Statement of Activities.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The fund financial statements provide information about the County's funds, including custodial funds. 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 operations in a separate column. All remaining governmental funds are aggregated and reported as non-major governmental funds.

C. 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 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, deferred inflows of resources, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in fund balance (i.e., revenues and other financing sources and expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available. Available means collectible within the current period or expected to be collected within 30 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 include unmatured principal and interest on general long-term obligations which are recognized when due. This exception is in conformity with GAAP.

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 but are not available until the year they have been budgeted for, therefore the levy is recorded as deferred revenue as of October 1 of each year and recognized as revenue on January 1 of the following year. The delinquent portion of property taxes receivable are recognized as deferred revenue and taxes receivable, net of an allowance for estimated uncollectible taxes, at December 31 of each year. 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 deferred revenues. Licenses and permits, fines and forfeits, and miscellaneous revenues are recorded as 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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 materially unrestricted and irrevocable, except for failure to comply with required compliance requirements, revenues are recognized when received 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 reimbursable-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

Custodial Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

D. FUND ACCOUNTING

The County applies GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which the amounts in the funds may be spent. Application of the Statement requires the County to classify and report amounts in the appropriate fund balance classifications. The County's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned. From interpretation of the adopted policy the County will spend its fund in the following order: Committed, Assigned, and Unassigned, if more than one classification of fund balance is available.

The County reports the following classifications:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Restrictions are placed on fund balances when legally enforceable legislation establishes the County's right to assess, levy, or charge fees to be used for a specific purpose – such as the County's property tax revenue for debt service requirements, which must be used to repay debt. Legal enforceability means that the County can be compelled by an external party to use resources created by enabling legislation only for the purposes specified by the legislation.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Commissioners' Court. Committed amounts cannot be used for any other purposes unless the Commissioners' Court removes those constraints by taking the same type of actions (legislation, resolution, and ordinance). Committed fund balances include non-liquidated encumbrances at year end that are carried forward to the next fiscal year. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Commissioners' Court. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the County Auditor or (b) an appointed body or official to which the Commissioners' Court has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment with the General Fund conveys that the intended use of those amounts is for specific purposes that are narrower than the general purposes of the County itself.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. County funds do not include funds held by County offices, which are not yet remitted to the County Treasurer. County funds are amounts which have been received by the County Treasurer and which are subject to control by the Commissioners' Court. These various County funds, which are reported as Governmental Funds in the financial statements of this report, are grouped into two fund types: General Fund and Special Revenue Funds. The remaining funds held by other County offices are reported as Custodial Funds and are not subject to control by the Commissioners' Court.

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The County maintains the following funds:

Major Governmental Funds:

General Fund – This fund is used to account 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.

Non-Major Governmental Funds:

All Other Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally or contractually restricted to expenditures for specific purposes, such as, records management fees imposed by the fee offices of the County. These fees can only be used for records management and not used as general funds of the County.

Fiduciary Funds:

Fiduciary Funds, which include funds held by County offices, also are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other government, and/or other funds. These include Custodial Funds. Formal budgetary accounting is not required for Fiduciary Funds.

E. DEFERRED INFLOWS OF RESOURCES – GOVERNMENTAL FUNDS

In addition to liabilities, the balance sheet 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 line 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. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. OTHER ACCOUNTING POLICIES

1. Capital assets include land, buildings and improvements, machinery and equipment, and infrastructure and are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects when constructed.

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Buildings, vehicles, furniture and equipment, and infrastructure of the County are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	7-50
Machinery and Equipment	5-15
Infrastructure	7-20

2. The County provides statutory workers' compensation insurance for its employees through Texas Association of Counties (TAC), a joint insurance fund, in which the County is a member. Health insurance is provided to the County's employees through a licensed insurer paid by the County.

II. PROPERTY TAX

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

The tax rate assessed to finance operations of the County for the year ended December 31, 2024 was \$0.62 per \$100 valuation.

The County's taxes on real property are a lien against such property until paid. The County may foreclose real property upon which it has a lien for unpaid taxes. Although the County makes little effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title on property.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At December 31, 2024, the carrying amount of the County's deposits (cash and interest-bearing savings accounts, Texpool, reported as cash and cash equivalents) were \$102,535,562 and the bank balance was \$119,524,271.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The Public Funds Investment Act (Government Code Chapter 2256) (the Act) 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 of portfolio investments, (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.

TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end and during the year ended December 31, 2024 were covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus, positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The County does not have any securities and is not exposed to custodial credit risk.

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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.

B. DISAGGREGATION OF RECEIVABLES

Receivables at December 31, 2024, were as follows:

	General Fund	Other Governmental Funds	Total Receivables
Governmental Activities			
Property Taxes - Delinquent	\$ 1,220,737	\$ 186,128	\$ 1,406,865
Property Taxes - Current	36,230,547	5,365,256	41,595,803
Government Wide Office Receivables	98,225		98,225
Intergovernmental Receivables			
Due from State		1,121,045	1,121,045
Less: Allowance for Uncollectible	(1,220,737)	(186,128)	(1,406,865)
Total - Governmental	<u>\$ 36,328,772</u>	<u>\$ 6,486,301</u>	<u>\$ 42,815,073</u>

C. INTERFUND BALANCES AND TRANSFERS

Current property taxes are collected all in the general fund until they are disbursed January 1 of each year to the Road and Bridge and Farm to Mark Road Funds..

Due to	Due From	Amount	Description of Balance
Road and Bridge and FM Road	General Fund	\$ 1,853,135	Current Property Tax Collections
		<u>\$ 1,853,135</u>	
 Transfer In	 Transfer Out	 Amount	 Description of Transfer
General Fund	Event Center	\$ (682,040)	Reimbursements
Juvenile Probation	General Fund	150,000	Budgeted Operating Transfer
DA Forfeiture	General Fund	163,493	Budgeted Operating Transfer
		<u>\$ (368,547)</u>	

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

D. CAPITAL ASSET ACTIVITY

Capital asset activity for the County for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Governmental Activities				
Construction Work in Progress	\$ 4,783,848	\$ 18,517,608	\$	\$ 23,301,456
Land	185,773			185,773
Buildings and Improvements	47,371,675	4,408,082		51,779,757
Machinery and Equipment	16,497,374	2,042,725	(46,901)	18,493,198
Infrastructure	6,012,004	3,193,068		9,205,072
Totals at Historic Cost	\$ 74,850,674	\$ 28,161,483	\$ (46,901)	\$ 102,965,256
Less: Accumulated Depreciation				
Buildings and Improvements	\$ 14,450,613	\$ 1,304,146	\$	\$ 15,754,759
Machinery and Equipment	10,555,282	1,396,073		11,951,355
Infrastructure	2,256,981	466,060		2,723,041
Total Accumulated Depreciation	\$ 27,262,876	\$ 3,166,279	\$ 0	\$ 30,429,155
Governmental Activities Capital Assets, Net	\$ 47,587,798	\$ 24,995,204	\$ (46,901)	\$ 72,536,101

Current year depreciation expense was not allocated to the various governmental functions.

E. DEFERRED INFLOWS OF RESOURCES – CURRENT TAXES

The County's year ends December 31, 2024, but the County has already levied taxes as of October 1, 2024 for their budget year ended December 31, 2025. This timing difference makes current tax levy deferred inflows of resources until January 1, 2025. Deferred Inflows of Resources were \$55,962,800 for the year ended December 31, 2024.

F. RISK MANAGEMENT

Workers' Compensation

During the fiscal year ended December 31, 2024 employees of the County were covered by a workers' compensation plan administered by Texas Association of Counties. The County paid a contribution of \$130,071 for the fiscal year ended December 31, 2024. These figures are subject to change based upon actual payroll figures.

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

G. RETIREMENT PENSION PLAN

Plan Description

The County provides retirement, disability and death benefits for all of its full time employees through a non-traditional defined benefit pension plan in TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over 870 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a Annual Comprehensive Financial Report (ACFR) on a calendar basis. The ACFR is available upon written request from the Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS. Members can retire at ages 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service.

Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Pension Plan Fiduciary Net Position

Detailed information about the TCDRS fiduciary net position is available in a separately-issued ACFR that includes financial statements and required supplementary information mentioned in the above section.

The information provided by TCDRS shows the following information regarding the Pension Plan fiduciary net position for the County as of December 31, 2024.

Net Pension Liability/ (Asset)	Total
Total Pension Liability	\$ 60,353,018
Less: Plan Fiduciary Net Position	(61,066,309)
Net Pension Liability/ (Asset)	\$ (713,291)
Fiduciary Net Position as Percentage of Total Pension Liability	101.18%

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Benefits Provided

TCDRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries). The normal service retirement is at age 60 with 8 years of credited service, when the sum of the member's age and years of credited service equals 75 or more years, or after 30 years of service regardless of age. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

The plan is funded by monthly contributions from employee deposits and from employer contributions based on the covered payroll of employee members. Under the variable rate plan provisions, the contribution rate of the employer is actuarially determined annually. The required contribution was determined as part of the December 31, 2023 actuarial valuation using the entry age actuarial cost method.

The actuarial assumptions at December 31, 2023 included (a) a 7.50% investment rate of return (net of administrative expenses), and (b) a projected salary increase of 4.70%. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The employer contribution rate was 14.00% for 2023. The deposit rate payable by employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the Texas state statutes governing TCDRS.

	Contribution Rates	
	2022	2023
Member	7.00%	7.00%
Employer	14.00%	14.00%
2023 Employer Contributions	\$	2,089,867
2023 Member Contributions		769,644

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	
Smoothing Period	Five Years
Recognition Method	Non-Asymptotic
Corridor	None
Remaining Amortization Period	8.7 Years
Discount Rate	7.60%
Long-Term Expected Investment	
Rate of Return*	7.50%
Salary Increases*	4.70%
Payroll Growth Rate	3.00%

**Includes Inflation of 2.50%*

The actuarial methods and assumptions are primarily based on a study of the County's workforce and estimate of benefits it will pay its employees. The economic and demographic assumptions have been established based on the 2021 experience study for TCDRS, details of which can be found in the 2021 Investigation and Experience Report on the TCDRS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.50%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of December 31, 2023 are summarized below:

Asset Class	Target Allocation**	Long-Term Expected Portfolio Real Rate of Return*
U.S. Equities	11.50%	4.75%
Global Equities	2.50%	4.75%
International Equities - Developed	5.00%	4.75%
International Equities - Emerging	6.00%	4.75%
Investment-Grade Bonds	3.00%	2.35%
Strategic Credit	9.00%	3.65%
Direct Lending	16.00%	7.25%
Distressed Debt	4.00%	6.90%
REIT Equities	2.00%	4.10%
Master Limited Partnerships	2.00%	5.20%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.75%
Hedge Funds	6.00%	3.25%
Cash Equivalents	2.00%	0.60%
Total	100.00%	

* - Geometric real rates of return in addition to assumed inflation of 2.20%, per Cliffwater's 2024 capital market assumptions

** - Target asset allocation adopted at the March 2024 TCDRS Board Meeting

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was one percent less than and one percent greater than the discount rate that was used (7.60%) in measuring the 2023 Net Pension Liability/ (Asset).

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total Pension Liability	\$ 67,908,227	\$ 60,353,018	\$ 54,009,140
Fiduciary Net Position	(61,066,309)	(61,066,309)	(61,066,309)
Net Pension Liability/(Asset)	\$ 6,841,918	\$ (713,291)	\$ (7,057,169)

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

At December 31, 2023, the County reported an asset of \$(713,291) for its proportionate share of the TCDRS net pension liability/asset.

The net pension liability (asset) was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability (asset) was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period January 1, 2023 through December 31, 2023.

For the plan year ended December 31, 2023, there were no changes in assumptions and plan provisions.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

At December 31, 2023, the County reported its proportionate share of the TCDRS deferred outflows of resources related to pensions from the following sources:

	<u>Deferred (Inflows) Outflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 123,305
Contribution Deferrals	2,178,336
Net Difference Between Projected and Actual Earnings	<u>294,217</u>
Total	<u>\$ 2,595,858</u>

The net amounts of the employer's balances of deferred (inflows) outflows related to pensions will be recognized in pension expense as follows:

	<u>Pension Expense Amount</u>
2024	\$ 1,863,030
2025	(126,209)
2026	1,235,364
2027	<u>(376,327)</u>
	<u>\$ 2,595,858</u>

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Pension Expense

Pension expense for the plan for the year ended December 31, 2023 was \$573,096 and was calculated as follows:

	<u>Pension Expense</u>
Service Cost	\$ 1,630,164
Interest on Total Pension Liability	4,365,821
Administrative Expenses	31,887
Member Contributions	(769,644)
Expected Investment Return Net of Investment Expenses	(4,190,328)
Amortization of Deferred Inflows and Outflows of Resources	(485,424)
Other	<u>(9,380)</u>
Total Net Amounts as of December 31, 2023	<u>\$ 573,096</u>

Employees Covered by Benefit Terms

At the December 31, 2023 valuation and measurement date, the plan reported the following regarding employees covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	137
Inactive Employees Entitled to but not Yet Receiving Benefits	191
Active Employees	<u>201</u>
Total Plan Employees	<u>529</u>

H. OPEB

Plan Description:

The County provides certain health care benefits for retired employees. The Ward County Retiree Health Care Plan is a single-employer defined benefit postretirement health care plan sponsored and administered by the County.

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.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Benefits Provided:

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.

Employees covered by benefit terms:

At December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	75
Inactive Employees Entitled to but not Yet Receiving Benefits	
Active Employees and Beneficiaries	136
Total Covered Employees and Beneficiaries	<u>211</u>

Total OPEB Liability

The County's Total OPEB Liability was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial assumption:

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.30% per year
Medical Trend Rate	6.70%-6.90% Declining to 3.70% after 2031
Discount Rate	3.66%

The Discount rate was based on the Fidelity Index's "Bond Buyer General Obligation 20-bond Municipal Index" rate as of December 31, 2023.

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Changes in Total OPEB Liability

Balance 12/31/2022	\$ 20,327,884
Changes for the Year	
Service Cost	\$ 1,020,970
Interest (on the Total OPEB Liability)	790,630
Difference Between Expected and Actual Experience	(3,207,633)
Changes of Assumptions or Other Inputs	189,820
Benefit Payments	(192,480)
Net Changes	<u>\$ (1,398,693)</u>
Balance 12/31/2023	<u>\$ 18,929,191</u>

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%) than the current rate.

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

Health Care Cost Trend Rate Sensitivity Analysis

The following presents the total OPEB liability of the plan using the assumed healthcare cost trend rate, as well as, what the total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease in HCT Rate	Current HCT Rate Assumption	1% Increase in HCT Rate
County's 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, 2024, the County recognized OPEB expense of \$1,444,405.

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual		
Economic Experience	\$ 1,727,901	\$ 2,553,014
Changes in Actuarial Assumptions	<u>863,795</u>	<u>2,434,711</u>
Total	<u>\$ 2,591,696</u>	<u>\$ 4,987,725</u>

\$943,970 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2024	\$ (405,358)
2025	(452,885)
2026	(870,217)
2027	<u>(667,569)</u>
	<u>\$ (2,396,029)</u>

Changes of assumptions reflect the effects of changes in the discount rate each period.

I. LITIGATION AND COMMITMENTS

There is no pending litigation against the County at December 31, 2024 that would have a material effect on the financial statements.

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WARD COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

J. PRIOR PERIOD ADJUSTMENTS

In preparation of the financial statements as of and for the year ended December 31, 2024, it was discovered that there were errors in calculations of certain balances presented in the County's financial statements as of and for the year ended December 31, 2023. Rather than restate those financial statements, the County included corrections to those errors as prior period adjustments in the accompanying financial statements.

The following table summarizes the prior period adjustments:

Description of prior period adjustment	Governmental Funds	Governmental Activities
(1) To correct opening balances of deferred inflows and receivables related to Property Taxes collected from October 1, 2023 to December 31, 2023.	\$ (10,600,547)	\$ (10,600,547)
(2) Moving fund balances between Fiduciary Funds and Special Revenue Funds.	775,367	775,367
(3) To correct deferred inflows in the Statement of Net Position. The prior year deferred inflows related to Property Taxes was recognized as revenue in 2023 Statement of Activities. Due to the property tax year starting October 1st of each year this should not happen for the three months of next year's tax levy collected at the end of the calendar year.		(34,787,694)
Net Increase in Fund Balance/Net Position	\$ <u>(9,825,180)</u>	\$ <u>(44,612,874)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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WARD COUNTY, TEXAS

Exhibit B-1

**SCHEDULE OF CHANGES IN NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
TOTAL PENSION LIABILITY:										
Service Cost	\$ 1,025,795	\$ 1,065,573	\$ 1,289,562	\$ 1,220,849	\$ 1,176,634	\$ 1,263,128	\$ 1,324,183	\$ 1,720,383	\$ 1,642,232	\$ 1,630,164
Interest Cost	2,389,344	2,564,982	2,725,435	2,918,183	3,210,871	3,443,087	3,649,539	3,886,555	4,048,208	4,365,821
Effect of Plan Changes		(200,349)		750,512					1,267,364	
Effect of Economic/Demographic losses	122,990	(285,504)	(587,442)	286,149	342,347	(69,533)	285,140	(684,153)	54,284	128,217
Effect of Assumptions Changes or Inputs		419,397		235,686			2,736,370	(273,188)		
Benefit Payments/Refunds of Contributions	(1,446,422)	(1,548,884)	(1,623,814)	(1,649,829)	(1,861,743)	(2,040,723)	(2,261,463)	(2,354,810)	(2,537,377)	(3,115,023)
Net Change in Total Pension Liability	\$ 2,091,707	\$ 2,015,215	\$ 1,803,741	\$ 3,761,550	\$ 2,868,109	\$ 2,595,959	\$ 5,733,769	\$ 2,294,787	\$ 4,474,711	\$ 3,009,179
Total Pension Liability, Beginning	29,704,291	31,795,998	33,811,213	35,614,954	39,376,504	42,244,613	44,840,572	50,574,341	52,869,128	57,343,839
Total Pension Liability, Ending	\$ 31,795,998	\$ 33,811,213	\$ 35,614,954	\$ 39,376,504	\$ 42,244,613	\$ 44,840,572	\$ 50,574,341	\$ 52,869,128	\$ 57,343,839	\$ 60,353,018
FIDUCIARY NET POSITION:										
Employer Contributions	\$ 1,427,366	\$ 1,440,837	\$ 1,158,941	\$ 983,921	\$ 1,495,065	\$ 1,774,834	\$ 1,924,248	\$ 1,908,949	\$ 1,997,973	\$ 2,089,867
Member Contributions	466,347	511,730	528,891	530,617	574,999	617,140	689,468	720,569	725,159	769,644
Investment Income, Net of Expenses	1,882,931	(408,425)	2,248,196	4,743,948	(688,791)	6,009,679	4,437,092	10,511,734	(3,444,525)	6,071,963
Benefit Payments/Refunds of Contributions	(1,446,422)	(1,548,884)	(1,623,814)	(1,649,829)	(1,861,743)	(2,040,723)	(2,261,463)	(2,354,810)	(2,537,377)	(3,115,023)
Administrative Expenses	(22,466)	(21,868)	(24,441)	(24,671)	(29,395)	(32,725)	(34,912)	(31,643)	(32,391)	(31,887)
Other	116,532	29,580	(124,605)	(2,044)	9,932	18,010	14,678	20,923	74,993	9,380
Net Change in Fiduciary Net Position	\$ 2,424,288	\$ 2,970	\$ 2,163,168	\$ 4,581,942	\$ (499,933)	\$ 6,346,215	\$ 4,769,111	\$ 10,775,722	\$ (3,216,168)	\$ 5,793,944
Fiduciary Net Position, Beginning	27,925,050	30,349,338	30,352,308	32,515,476	37,097,418	36,597,485	42,943,700	47,712,811	58,488,533	55,272,365
Fiduciary Net Position, Ending	\$ 30,349,338	\$ 30,352,308	\$ 32,515,476	\$ 37,097,418	\$ 36,597,485	\$ 42,943,700	\$ 47,712,811	\$ 58,488,533	\$ 55,272,365	\$ 61,066,309
NET PENSION LIABILITY (ASSET):	\$ 1,446,660	\$ 3,458,905	\$ 3,099,478	\$ 2,279,086	\$ 5,647,128	\$ 1,896,872	\$ 2,861,530	\$ (5,619,405)	\$ 2,071,474	\$ (713,291)
Fiduciary Net Position as a % of Total Pension Liability	95.45%	89.77%	91.30%	94.21%	86.63%	95.77%	94.34%	110.63%	96.39%	101.18%
County's Covered-Employee Payroll	\$ 6,662,106	\$ 7,310,432	\$ 7,555,592	\$ 7,580,245	\$ 8,214,265	\$ 8,816,291	\$ 9,849,545	\$ 9,743,764	\$ 10,359,423	\$ 10,994,921
Net Pension Liability (Asset) as a % of Covered Payroll	21.71%	47.31%	41.02%	30.07%	68.75%	21.52%	29.05%	-57.67%	20.00%	-6.49%

See notes to required supplementary information.

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WARD COUNTY, TEXAS

Exhibit B-2

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Year Ending December 31,	Contractually Required Contribution	Actual Employer Contribution	Excess (Deficiency)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 940,837	\$ 1,440,837	\$ 500,000	\$ 7,310,432	19.71%
2016	908,941	1,158,941	250,000	7,555,592	15.34%
2017	965,723	983,921	18,198	7,580,245	12.98%
2018	1,145,065	1,495,065	350,000	8,214,265	18.20%
2019	1,228,991	1,774,834	545,843	8,816,291	20.13%
2020	1,373,027	1,924,248	551,221	9,849,545	19.54%
2021	1,254,022	1,908,949	654,927	9,743,764	19.59%
2022	1,413,023	1,997,973	584,950	10,359,423	19.29%
2023	1,444,733	2,089,867	645,134	10,994,921	19.01%
2024	1,678,336	2,178,336	500,000	11,606,745	18.77%

See notes to required supplementary information.

WARD COUNTY, TEXAS

Exhibit B-3

**SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u>
TOTAL OPEB LIABILITY:						
Service Cost	\$ 779,013	\$ 690,773	\$ 1,110,402	\$ 1,333,219	\$ 1,410,370	\$ 1,020,970
Interest Cost	469,814	536,134	436,843	430,545	453,761	790,630
Effect of Plan Changes						
Effect of Economic/Demographic losses			1,642,603		1,839,008	(3,207,633)
Effect of Assumptions Changes or Inputs	(1,352,715)	1,610,512	1,396,274	277,418	(3,840,214)	189,820
Benefit Payments/Refunds of Contributions	<u>(389,269)</u>	<u>(389,041)</u>	<u>(390,317)</u>	<u>(496,389)</u>	<u>(302,239)</u>	<u>(192,480)</u>
Net Change in Total OPEB Liability	\$ (493,157)	\$ 2,448,378	\$ 4,195,805	\$ 1,544,793	\$ (439,314)	\$ (1,398,693)
Total OPEB Liability, Beginning	<u>13,071,379</u>	<u>12,578,222</u>	<u>15,026,600</u>	<u>19,222,405</u>	<u>20,767,198</u>	<u>20,327,884</u>
Total OPEB Liability, Ending	\$ <u>12,578,222</u>	\$ <u>15,026,600</u>	\$ <u>19,222,405</u>	\$ <u>20,767,198</u>	\$ <u>20,327,884</u>	\$ <u>18,929,191</u>
County's Covered-Employee Payroll	\$ <u>7,374,796</u>	\$ <u>7,596,040</u>	\$ <u>7,602,770</u>	\$ <u>7,602,770</u>	\$ <u>9,225,000</u>	\$ <u>10,200,000</u>
Total OPEB Liability as a % of Covered Payroll	<u>170.56%</u>	<u>197.82%</u>	<u>252.83%</u>	<u>273.15%</u>	<u>220.36%</u>	<u>185.58%</u>

Note: Only seven years of data is presented in accordance with GASB #75. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

See notes to required supplementary information.

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WARD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit B-4

	(Unaudited) Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property Taxes	\$ 40,105,100	\$ 40,105,100	\$ 40,385,186	\$ 280,086
Licenses and Permits	27,500	27,500	35,923	8,423
Intergovernmental Revenues and Grants	560,866	735,866	742,557	6,691
Charges for Services	515,000	515,000	470,780	(44,220)
Fines and Fees	962,400	962,400	1,308,890	346,490
Recreation Fees	136,500	136,500	135,113	(1,387)
Investment Earnings	2,296,000	2,302,322	4,616,495	2,314,173
Rents and Royalties	70,000	70,000	109,604	39,604
Miscellaneous	40,200	48,200	99,664	51,464
Contributions and Donations	2,500	14,500	14,400	(100)
Total Revenues	\$ 44,716,066	\$ 44,917,388	\$ 47,918,612	\$ 3,001,224
Expenditures:				
General Government:				
County Judge	\$ 269,469	\$ 270,269	\$ 275,566	\$ (5,297)
Information Technology	208,480	168,275	127,599	40,676
County Auditor	348,196	348,196	342,935	5,261
County Treasurer	192,782	192,782	196,381	(3,599)
Tax Assessor Collector	459,819	460,144	432,261	27,883
Facilities Superintendent	285,733	288,693	285,986	2,707
Courthouse	668,421	668,421	540,066	128,355
Courthouse Annex	95,927	88,427	85,781	2,646
Unallocated Departmental Costs	4,024,648	4,071,148	4,041,483	29,665
Elections	53,300	53,300	46,641	6,659
District Court Expense	163,057	159,057	129,660	29,397
Law Library	40,000	40,000	35,894	4,106
District Clerk	312,218	354,018	357,938	(3,920)
County Clerk	365,179	366,009	329,723	36,286
Justice of the Peace 1	321,322	321,322	310,833	10,489
Justice of the Peace 2	318,566	319,526	312,752	6,774
District Attorney	189,493	368,571	154,946	213,625
County Attorney	375,974	375,974	373,969	2,005
Permanent Improvements	750,000	889,628	765,407	124,221
Intergovernmental Expenditures	80,000	80,000	80,000	0
Jury	206,893	239,893	216,229	23,664
Information Technology	100,000	100,000	39,627	60,373
Extension Agent	147,707	162,977	122,022	40,955
Public Safety				
Juvenile Probation	25,544	25,544	17,423	8,121
Adult Probation	5,750	5,750	716	5,034
Constable 1	29,538	29,538	28,728	810
Constable 2	31,443	31,443	27,648	3,795
Sheriff	23,178,782	23,471,879	19,126,157	4,345,722
Sheriff SB 22	350,000	352,244	354,662	(2,418)
County Jail	2,356,766	2,597,156	2,568,971	28,185
Department of Public Safety	3,000	3,000	0	3,000
Fire Protection	166,900	181,940	132,135	49,805
Emergency Management	7,280	7,640	1,623	6,017
EMS	1,415,525	1,938,525	1,791,398	147,127
Health and Welfare				
Indigent Defense Fees	258,000	258,000	201,695	56,305
Indigent Health Care	275,000	298,000	214,843	83,157
Indigent Welfare	41,450	41,450	38,158	3,292
Mental Health	17,696	25,696	24,504	1,192
Veteran's Service Officer	25,977	25,977	13,166	12,811
County Hospitals	10,500,000	10,505,003	10,505,003	0
Culture and Recreation				
Senior Citizen's Center	398,446	475,461	466,287	9,174
Golden Treasure	11,300	11,300	8,981	2,319
Reyhmeier Building	11,300	11,300	6,367	4,933
Coliseum/Arena	219,898	218,898	186,409	32,489
Barstow Community Center	40,518	40,618	41,143	(525)
Grandfalls Community Center	55,591	55,591	16,428	39,163
Monahans Community Center	14,900	14,900	8,796	6,104
Ward County Event Center	294,500	399,800	348,145	51,655
PYOTE Community Center	37,963	41,813	39,086	2,727
Wickett Community Center	32,663	33,163	33,052	111
Ward County Golf Course	921,332	1,498,844	1,425,692	73,152
Recreation Department	100,925	100,925	99,079	1,846
Monahan's Ball Parks	3,538,000	4,555,422	3,769,754	785,668
Barstow Park	15,000	33,195	31,587	1,608
Grandfalls park	12,250	12,250	9,494	2,756
Event Center Park	12,500	30,800	29,804	996
PYOTE Park	76,500	78,060	69,737	8,323
Wickett Park	12,500	9,450	8,157	1,293
Grandfalls Pool	34,050	34,050	3,743	30,307
PYOTE Pool	29,150	27,765	27,743	22
Wickett Pool	29,150	28,265	28,205	60
Barstow Library	58,702	56,192	56,624	(432)
Grandfalls Library	81,596	90,096	76,140	13,956
Monahans Library	345,768	361,543	296,424	65,119
Ward County Historical Commission	2,000	2,000	0	2,000
PYOTE Museum	6,650	6,650	3,182	3,468
Ward County Museum Complex	76,463	76,463	67,468	8,995
4-H Rifle Barn	10,500	10,500	10,318	182
Total Expenditures	\$ 55,459,455	\$ 58,846,408	\$ 52,147,468	\$ 6,698,940
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (10,743,389)	\$ (13,929,020)	\$ (4,228,856)	\$ 9,700,164
Other Financing Uses:				
Transfers Out	\$ (300,000)	\$ (293,513)	\$ 368,547	\$ 662,060
Total Other Financing Uses	\$ (300,000)	\$ (293,513)	\$ 368,547	\$ 662,060
Net Change in Fund Balances	\$ (11,043,389)	\$ (14,222,533)	\$ (3,860,309)	\$ 10,362,224
Fund Balances - Beginning	71,090,935	71,090,935	71,090,935	
Fund Balances - Ending	\$ 60,047,546	\$ 56,868,402	\$ 67,230,626	

See notes to required supplementary information.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

A. PENSION PLAN

CHANGES OF BENEFIT TERMS

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

CHANGES OF ASSUMPTIONS

There were no changes that affected measurement of the total pension liability during the measurement period.

B. OPEB PLAN

CHANGES OF BENEFIT TERMS

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

CHANGES OF ASSUMPTIONS

1. The Discount Rate was changed from 3.72% to 3.66%
2. Disability Rate Tables were updated based on experience.
3. Termination Rate Tables were updated based on experience.
4. Retirement Rate Tables were updated based on experience.
5. Salary Scale Assumption were updated based on experience.

C. BUDGETARY DATA

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

1. The County Judge, as budget officer, 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 persons' comments concerning the budget are heard.
4. Commissioners' Court formally adopts the budget in the 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 689A-11 or 689A-20 of Vernon's Annotated Civil Statutes.

An appropriate resolution (the appropriated budget) to control the level of expenditures must be legally enacted on or about January 1. The County maintains its legal level of budgetary control at the department level. Amendments to the 2024 budget were approved by the Commissioners' Court as provided by law.

Any excess expenditures in the general and road bridge funds are available to be covered by fund balances.

COMBINING STATEMENTS

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WARD COUNTY, TEXAS

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

Exhibit C-1

	Road and Bridge Fund	Constables and Sheriff LEOSE Fund	Title IV-E Fund	CVA Fund	Juvenile Probation Fund	Adult Probation Fund	County Pretrial Fund	DA Forfeiture Fund	DA Seizure Fund	Total Non-Major Special Revenue Funds (See Exhibit C-3)	Total Non-Major Governmental Funds (See Exhibit A-3)
ASSETS:											
Cash and Cash Equivalents	\$ 2,049,396	\$ 15,621	\$	\$ 35,356	\$ 101,719	\$ 402,113	\$ 61,139	\$ 418,441	\$ 25,915	\$ 13,342,191	\$ 16,451,891
Receivables					18,043	15,510		98,241		989,251	1,121,045
Taxes Receivable - (Net of Allowance)	2,109,932									3,255,324	5,365,256
Due from Other Funds	728,761									1,124,374	1,853,135
Total Assets	<u>\$ 4,888,089</u>	<u>\$ 15,621</u>	<u>\$ 0</u>	<u>\$ 35,356</u>	<u>\$ 119,762</u>	<u>\$ 417,623</u>	<u>\$ 61,139</u>	<u>\$ 516,682</u>	<u>\$ 25,915</u>	<u>\$ 18,711,140</u>	<u>\$ 24,791,327</u>
LIABILITIES:											
Accounts Payable	\$ 4,262	\$	\$	\$	\$ 326	\$ 2,471	\$	\$ 3,108	\$	\$ 548,990	\$ 559,157
Accrued Wages Payable	56,138				6,956	15,328		9,721		8,821	96,964
Total Liabilities	<u>\$ 60,400</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,282</u>	<u>\$ 17,799</u>	<u>\$ 0</u>	<u>\$ 12,829</u>	<u>\$ 0</u>	<u>\$ 557,811</u>	<u>\$ 656,121</u>
DEFERRED INFLOWS OF RESOURCES:											
Unavailable Revenue - Delinquent Taxes	\$ 2,838,693	\$	\$	\$	\$	\$	\$	\$	\$	\$ 4,379,697	\$ 7,218,390
Total Deferred Inflows of Resources	<u>\$ 2,838,693</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,379,697</u>	<u>\$ 7,218,390</u>
FUND BALANCES:											
Restricted for Enabling Legislation	\$ 1,988,996	\$	\$	\$	\$	\$	\$ 61,139	\$ 503,853	\$ 25,915	\$ 12,564,311	\$ 15,144,214
Restricted for Grants		15,621		35,356	112,480	399,824				1,209,321	1,772,602
Total Fund Balances	<u>\$ 1,988,996</u>	<u>\$ 15,621</u>	<u>\$ 0</u>	<u>\$ 35,356</u>	<u>\$ 112,480</u>	<u>\$ 399,824</u>	<u>\$ 61,139</u>	<u>\$ 503,853</u>	<u>\$ 25,915</u>	<u>\$ 13,773,632</u>	<u>\$ 16,916,816</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 4,888,089</u>	<u>\$ 15,621</u>	<u>\$ 0</u>	<u>\$ 35,356</u>	<u>\$ 119,762</u>	<u>\$ 417,623</u>	<u>\$ 61,139</u>	<u>\$ 516,682</u>	<u>\$ 25,915</u>	<u>\$ 18,711,140</u>	<u>\$ 24,791,327</u>

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WARD COUNTY, TEXAS

Exhibit C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Road and Bridge Fund	Constables and Sheriff LEOSE Fund	Title IV-E Fund	CVA Fund	Juvenile Probation Fund	Adult Probation Fund	County Pretrial Fund	DA Forfeiture Fund	DA Seizure Fund	Total Non-Major Special Revenue Funds (See Exhibit C-4)	Total Non-Major Governmental Funds (See Exhibit A-5)
Revenue:											
Taxes:											
Property Taxes	\$ 2,157,675	\$	\$	\$	\$ 263,347	\$ 759,482	\$	\$ 186,888	\$	\$ 3,969,473	\$ 6,127,148
Intergovernmental Revenues and Grants	41,973	6,241								5,199,385	6,457,316
Charges for Services				2,127							2,127
Fines and Fees	308,888								12,268	178,601	499,757
Investment Earnings	147,546		136	1,661	8,538	17,763	3,076	18,300	1,117	785,403	983,540
Miscellaneous								140,246			140,246
Total Revenues	<u>\$ 2,656,082</u>	<u>\$ 6,241</u>	<u>\$ 136</u>	<u>\$ 3,788</u>	<u>\$ 271,885</u>	<u>\$ 777,245</u>	<u>\$ 3,076</u>	<u>\$ 345,434</u>	<u>\$ 13,385</u>	<u>\$ 10,132,862</u>	<u>\$ 14,210,134</u>
Expenditures:											
Current:											
Courthouse	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 25,094	\$ 25,094
Unallocated Departmental Costs										628,218	628,218
District Attorney								353,629	3,274	1,577	358,480
Juvenile Probation			7,060		461,406						468,466
Adult Probation						740,361					740,361
Constable 1		870									870
Constable 2		732								2,548,712	2,549,444
Sheriff		910								7,195	8,105
Precinct 1	778,179									466,344	1,244,523
Precinct 2	130,283										130,283
Precinct 3	549,467									404,558	954,025
Precinct 4	721,127									1,104,213	1,825,340
All Precincts	53,072									2,796,941	2,850,013
Total Expenditures	<u>\$ 2,232,128</u>	<u>\$ 2,512</u>	<u>\$ 7,060</u>	<u>\$ 0</u>	<u>\$ 461,406</u>	<u>\$ 740,361</u>	<u>\$ 0</u>	<u>\$ 353,629</u>	<u>\$ 3,274</u>	<u>\$ 7,982,852</u>	<u>\$ 11,783,222</u>
Deficiency of Revenues Under Expenditures	<u>\$ 423,954</u>	<u>\$ 3,729</u>	<u>\$ (6,924)</u>	<u>\$ 3,788</u>	<u>\$ (189,521)</u>	<u>\$ 36,884</u>	<u>\$ 3,076</u>	<u>\$ (8,195)</u>	<u>\$ 10,111</u>	<u>\$ 2,150,010</u>	<u>\$ 2,426,912</u>
Other Financing Sources:											
Transfers In (Out)	\$	\$	\$	\$	\$ 150,000	\$	\$	\$ 163,493	\$	\$ (682,040)	\$ (368,547)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 150,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 163,493</u>	<u>\$ 0</u>	<u>\$ (682,040)</u>	<u>\$ (368,547)</u>
Net Change in Fund Balances	\$ 423,954	\$ 3,729	\$ (6,924)	\$ 3,788	\$ (39,521)	\$ 36,884	\$ 3,076	\$ 155,298	\$ 10,111	\$ 1,467,970	\$ 2,058,365
Fund Balances - Beginning	1,565,042	11,892	6,924	31,568	152,001	362,940	58,063	348,555	15,804	12,305,662	14,858,451
Fund Balances - Ending	<u>\$ 1,988,996</u>	<u>\$ 15,621</u>	<u>\$ 0</u>	<u>\$ 35,356</u>	<u>\$ 112,480</u>	<u>\$ 399,824</u>	<u>\$ 61,139</u>	<u>\$ 503,853</u>	<u>\$ 25,915</u>	<u>\$ 13,773,632</u>	<u>\$ 16,916,816</u>

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WARD COUNTY, TEXAS

Exhibit C-3

**COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024**

	DA Pretrial Fund	Event Center Park Fund	Lateral Road Fund	Farm to Market Road Fund	Pct. 1 Roads Fund	Pct. 2 Roads Fund	Pct. 3 Roads Fund	Pct. 4 Roads Fund	ARPA Fund	Check Fees Fund	Non-Major Special Revenue Funds (See Exhibit C-5)	Total Non-Major Special Revenue Funds (See Exhibit C-1)
ASSETS:												
Cash and Cash Equivalents	\$ 20,675	\$	\$ 56,392	\$ 3,164,168	\$ 3,546,880	\$ 28,440	\$ 3,531,974	\$ 426,781	\$	\$ 30	\$ 2,566,851	\$ 13,342,191
Receivables				3,255,324							989,251	989,251
Taxes Receivable - (Net of Allowance)				1,124,374								3,255,324
Due from Other Funds												1,124,374
Total Assets	<u>\$ 20,675</u>	<u>\$ 0</u>	<u>\$ 56,392</u>	<u>\$ 7,543,866</u>	<u>\$ 3,546,880</u>	<u>\$ 28,440</u>	<u>\$ 3,531,974</u>	<u>\$ 426,781</u>	<u>\$ 0</u>	<u>\$ 30</u>	<u>\$ 3,556,102</u>	<u>\$ 18,711,140</u>
LIABILITIES:												
Accounts Payable	\$	\$	\$	\$ 17,920	\$ 1,029	\$	\$ 433	\$ 13,304	\$	\$	\$ 516,304	\$ 548,990
Accrued Wages Payable											8,821	8,821
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,920</u>	<u>\$ 1,029</u>	<u>\$ 0</u>	<u>\$ 433</u>	<u>\$ 13,304</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 525,125</u>	<u>\$ 557,811</u>
DEFERRED INFLOWS OF RESOURCES:												
Unavailable Revenue - Delinquent Taxes	\$	\$	\$	\$ 4,379,697	\$	\$	\$	\$	\$	\$	\$	\$ 4,379,697
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,379,697</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,379,697</u>
FUND BALANCES:												
Restricted for Enabling Legislation	\$ 20,675	\$	\$ 56,392	\$ 3,146,249	\$ 3,545,851	\$ 28,440	\$ 3,531,541	\$ 413,477	\$	\$ 30	\$ 1,821,656	\$ 12,564,311
Restricted for Grants											1,209,321	1,209,321
Total Fund Balances	<u>\$ 20,675</u>	<u>\$ 0</u>	<u>\$ 56,392</u>	<u>\$ 3,146,249</u>	<u>\$ 3,545,851</u>	<u>\$ 28,440</u>	<u>\$ 3,531,541</u>	<u>\$ 413,477</u>	<u>\$ 0</u>	<u>\$ 30</u>	<u>\$ 3,030,977</u>	<u>\$ 13,773,632</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 20,675</u>	<u>\$ 0</u>	<u>\$ 56,392</u>	<u>\$ 7,543,866</u>	<u>\$ 3,546,880</u>	<u>\$ 28,440</u>	<u>\$ 3,531,974</u>	<u>\$ 426,781</u>	<u>\$ 0</u>	<u>\$ 30</u>	<u>\$ 3,556,102</u>	<u>\$ 18,711,140</u>

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WARD COUNTY, TEXAS

Exhibit C-4

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	DA Pretrial Fund	Event Center Park Fund	Lateral Road Fund	Farm to Market Road Fund	Pct. 1 Roads Fund	Pct. 2 Roads Fund	Pct. 3 Roads Fund	Pct. 4 Roads Fund	ARPA Fund	Check Fees Fund	Non-Major Special Revenue Funds (See Exhibit C-6)	Total Non-Major Special Revenue Funds (See Exhibit C-2)
Revenue:												
Taxes:												
Property Taxes	\$	\$	\$	\$ 3,969,473	\$	\$	\$	\$	\$	\$	\$	\$ 3,969,473
Intergovernmental Revenues and Grants			10,698						2,330,471		2,858,216	5,199,385
Fines and Fees										30	178,571	178,601
Investment Earnings		6,500	2,333	165,863	187,359	1,352	185,320	34,987	61,166		140,523	785,403
Total Revenues	\$ 0	\$ 6,500	\$ 13,031	\$ 4,135,336	\$ 187,359	\$ 1,352	\$ 185,320	\$ 34,987	\$ 2,391,637	\$ 30	\$ 3,177,310	\$ 10,132,862
Expenditures:												
Current:												
Courthouse	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	25,094	25,094
Unallocated Departmental Costs		63,958									564,260	628,218
District Attorney	1,577											1,577
Constable 2									2,548,712			2,548,712
Sheriff											7,195	7,195
Precinct 1				83,674	382,670							466,344
Precinct 3			33	67,517			337,008					404,558
Precinct 4				74,405				1,029,808				1,104,213
All Precincts											2,796,941	2,796,941
Total Expenditures	\$ 1,577	\$ 63,958	\$ 33	\$ 225,596	\$ 382,670	\$ 0	\$ 337,008	\$ 1,029,808	\$ 2,548,712	\$ 0	\$ 3,393,490	\$ 7,982,852
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,577)	\$ (57,458)	\$ 12,998	\$ 3,909,740	\$ (195,311)	\$ 1,352	\$ (151,688)	\$ (994,821)	\$ (157,075)	\$ 30	\$ (216,180)	\$ 2,150,010
Other Financing Sources (Uses):												
Transfers In (Out)	\$	\$ (682,040)	\$	\$ (3,615,000)	\$ 1,200,000	\$ 15,000	\$ 1,200,000	\$ 1,200,000	\$	\$	\$	\$ (682,040)
Total Other Financing Sources (Uses)	\$ 0	\$ (682,040)	\$ 0	\$ (3,615,000)	\$ 1,200,000	\$ 15,000	\$ 1,200,000	\$ 1,200,000	\$ 0	\$ 0	\$ 0	\$ (682,040)
Net Change in Fund Balances	\$ (1,577)	\$ (739,498)	\$ 12,998	\$ 294,740	\$ 1,004,689	\$ 16,352	\$ 1,048,312	\$ 205,179	\$ (157,075)	\$ 30	\$ (216,180)	\$ 1,467,970
Fund Balances - Beginning	22,252	739,498	43,394	2,851,509	2,541,162	12,088	2,483,229	208,298	157,075	0	3,247,157	12,305,662
Fund Balances - Ending	\$ 20,675	\$ 0	\$ 56,392	\$ 3,146,249	\$ 3,545,851	\$ 28,440	\$ 3,531,541	\$ 413,477	\$ 0	\$ 30	\$ 3,030,977	\$ 13,773,632

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WARD COUNTY, TEXAS

Exhibit C-5

**COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024**

	Sheriff's State Forfeiture Fund	Court Records Management and Preservation Fund	Courthouse Security Fund	Specialty County Fund	CC Records Management and Preservation Fund	Court Reporter Service Fund	CA Pretrial Fund	JP Court Technology Fund	CC Archive Fund	DC Records Management and Preservation Fund	Non-Major Special Revenue Funds (See Exhibit C-7)	Total Non-Major Special Revenue Funds (See Exhibit C-3)
ASSETS:												
Cash and Cash Equivalents	\$ 93,334	\$ 27,476	\$ 233,469	\$ 4,280	\$ 229,880	\$ 13,448	\$ 58,363	\$ 25,941	\$ 399,755	\$ 5,072	\$ 1,475,833	\$ 2,566,851
Receivables											989,251	989,251
Total Assets	<u>\$ 93,334</u>	<u>\$ 27,476</u>	<u>\$ 233,469</u>	<u>\$ 4,280</u>	<u>\$ 229,880</u>	<u>\$ 13,448</u>	<u>\$ 58,363</u>	<u>\$ 25,941</u>	<u>\$ 399,755</u>	<u>\$ 5,072</u>	<u>\$ 2,465,084</u>	<u>\$ 3,556,102</u>
LIABILITIES:												
Accounts Payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 516,304	\$ 516,304
Accrued Wages Payable											8,821	8,821
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 525,125</u>	<u>\$ 525,125</u>
FUND BALANCES:												
Restricted for Enabling Legislation	\$ 93,334	\$ 27,476	\$ 233,469	\$ 4,280	\$ 229,880	\$ 13,448	\$ 58,363	\$ 25,941	\$ 399,755	\$ 5,072	\$ 730,638	\$ 1,821,656
Restricted for Grants											1,209,321	1,209,321
Total Fund Balances	<u>\$ 93,334</u>	<u>\$ 27,476</u>	<u>\$ 233,469</u>	<u>\$ 4,280</u>	<u>\$ 229,880</u>	<u>\$ 13,448</u>	<u>\$ 58,363</u>	<u>\$ 25,941</u>	<u>\$ 399,755</u>	<u>\$ 5,072</u>	<u>\$ 1,939,959</u>	<u>\$ 3,030,977</u>
Total Liabilities and Fund Balances	<u>\$ 93,334</u>	<u>\$ 27,476</u>	<u>\$ 233,469</u>	<u>\$ 4,280</u>	<u>\$ 229,880</u>	<u>\$ 13,448</u>	<u>\$ 58,363</u>	<u>\$ 25,941</u>	<u>\$ 399,755</u>	<u>\$ 5,072</u>	<u>\$ 2,465,084</u>	<u>\$ 3,556,102</u>

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WARD COUNTY, TEXAS

Exhibit C-6

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Sheriff's State Forfeiture Fund	Court Records Management and Preservation Fund	Courthouse Security Fund	Specialty County Fund	CC Records Management and Preservation Fund	Court Reporter Service Fund	CA Pretrial Fund	JP Court Technology Fund	CC Archive Fund	DC Records Management and Preservation Fund	Non-Major Special Revenue Funds (See Exhibit C-8)	Total Non-Major Special Revenue Funds (See Exhibit C-4)
Revenue:												
Intergovernmental Revenues and Grants	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fines and Fees	1,637	8,298	26,381	1,451	41,814	6,450	12,100	13,363	42,633	25	2,858,216	2,858,216
Investment Earnings	4,910	1,058	10,660		9,812	821	2,680	822	18,294	250	24,419	178,571
Total Revenues	<u>\$ 6,547</u>	<u>\$ 9,356</u>	<u>\$ 37,041</u>	<u>\$ 1,451</u>	<u>\$ 51,626</u>	<u>\$ 7,271</u>	<u>\$ 14,780</u>	<u>\$ 14,185</u>	<u>\$ 60,927</u>	<u>\$ 275</u>	<u>\$ 2,973,851</u>	<u>\$ 3,177,310</u>
Expenditures:												
Current:												
Courthouse	\$	\$ 250	\$	\$	\$	\$ 9,659	\$ 7,816	\$ 1,343	\$	\$	\$ 6,026	\$ 25,094
Unallocated Departmental Costs											564,260	564,260
Sheriff	7,195											7,195
All Precincts											2,796,941	2,796,941
Total Expenditures	<u>\$ 7,195</u>	<u>\$ 250</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,659</u>	<u>\$ 7,816</u>	<u>\$ 1,343</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,367,227</u>	<u>\$ 3,393,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (648)</u>	<u>\$ 9,106</u>	<u>\$ 37,041</u>	<u>\$ 1,451</u>	<u>\$ 51,626</u>	<u>\$ (2,388)</u>	<u>\$ 6,964</u>	<u>\$ 12,842</u>	<u>\$ 60,927</u>	<u>\$ 275</u>	<u>\$ (393,376)</u>	<u>\$ (216,180)</u>
Net Change in Fund Balances	<u>\$ (648)</u>	<u>\$ 9,106</u>	<u>\$ 37,041</u>	<u>\$ 1,451</u>	<u>\$ 51,626</u>	<u>\$ (2,388)</u>	<u>\$ 6,964</u>	<u>\$ 12,842</u>	<u>\$ 60,927</u>	<u>\$ 275</u>	<u>\$ (393,376)</u>	<u>\$ (216,180)</u>
Fund Balances - Beginning	<u>93,982</u>	<u>18,370</u>	<u>196,428</u>	<u>2,829</u>	<u>178,254</u>	<u>15,836</u>	<u>51,399</u>	<u>13,099</u>	<u>338,828</u>	<u>4,797</u>	<u>2,333,335</u>	<u>3,247,157</u>
Fund Balances - Ending	<u><u>\$ 93,334</u></u>	<u><u>\$ 27,476</u></u>	<u><u>\$ 233,469</u></u>	<u><u>\$ 4,280</u></u>	<u><u>\$ 229,880</u></u>	<u><u>\$ 13,448</u></u>	<u><u>\$ 58,363</u></u>	<u><u>\$ 25,941</u></u>	<u><u>\$ 399,755</u></u>	<u><u>\$ 5,072</u></u>	<u><u>\$ 1,939,959</u></u>	<u><u>\$ 3,030,977</u></u>

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WARD COUNTY, TEXAS

Exhibit C-7

**COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024**

	JP Court Security Fund	Child Abuse Prevention Fund	CC and DC Technology Fund	CC and DC Disaster Preservation Fund	HOT Fund	Truancy Court Fund	Local Truancy Fund	Court Facility Fee Fund	Language Access Fund	Court Initiated Guardianship Fund	Non-Major Special Revenue Funds (See Exhibit C-9)	Total Non-Major Special Revenue Funds (See Exhibit C-5)
ASSETS:												
Cash and Cash Equivalents	\$ 28,660	\$ 889	\$ 4,158	\$ 10,265	\$ 593,622	\$ 4,489	\$ 55,561	\$ 15,261	\$ 3,963	\$ 3,480	\$ 755,485	\$ 1,475,833
Receivables											989,251	989,251
Total Assets	<u>\$ 28,660</u>	<u>\$ 889</u>	<u>\$ 4,158</u>	<u>\$ 10,265</u>	<u>\$ 593,622</u>	<u>\$ 4,489</u>	<u>\$ 55,561</u>	<u>\$ 15,261</u>	<u>\$ 3,963</u>	<u>\$ 3,480</u>	<u>\$ 1,744,736</u>	<u>\$ 2,465,084</u>
LIABILITIES:												
Accounts Payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 516,304	\$ 516,304
Accrued Wages Payable					8,821							8,821
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,821</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 516,304</u>	<u>\$ 525,125</u>
FUND BALANCES:												
Restricted for Enabling Legislation	\$ 28,660	\$ 889	\$ 4,158	\$ 10,265	\$ 584,801	\$ 4,489	\$ 55,561	\$ 15,261	\$ 3,963	\$ 3,480	\$ 19,111	\$ 730,638
Restricted for Grants											1,209,321	1,209,321
Total Fund Balances	<u>\$ 28,660</u>	<u>\$ 889</u>	<u>\$ 4,158</u>	<u>\$ 10,265</u>	<u>\$ 584,801</u>	<u>\$ 4,489</u>	<u>\$ 55,561</u>	<u>\$ 15,261</u>	<u>\$ 3,963</u>	<u>\$ 3,480</u>	<u>\$ 1,228,432</u>	<u>\$ 1,939,959</u>
Total Liabilities and Fund Balances	<u>\$ 28,660</u>	<u>\$ 889</u>	<u>\$ 4,158</u>	<u>\$ 10,265</u>	<u>\$ 593,622</u>	<u>\$ 4,489</u>	<u>\$ 55,561</u>	<u>\$ 15,261</u>	<u>\$ 3,963</u>	<u>\$ 3,480</u>	<u>\$ 1,744,736</u>	<u>\$ 2,465,084</u>

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WARD COUNTY, TEXAS

Exhibit C-8

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	JP Court Security Fund	Child Abuse Prevention Fund	CC and DC Technology Fund	CC and DC Disaster Preservation Fund	HOT Fund	Truancy Court Fund	Local Truancy Fund	Court Facility Fee Fund	Language Access Fund	Court Initiated Guardianship Fund	Non-Major Special Revenue Funds (See Exhibit C-10)	Total Non-Major Special Revenue Funds (See Exhibit C-6)
Revenue:												
Intergovernmental Revenues and Grants	\$	\$	\$	\$	\$ 550,000	\$	\$	\$	\$	\$	\$ 2,308,216	\$ 2,858,216
Fines and Fees	179	190	369			225	15,076	5,175	1,286	990	929	24,419
Investment Earnings	1,831			516	23,117		2,199				63,553	91,216
Total Revenues	<u>\$ 2,010</u>	<u>\$ 190</u>	<u>\$ 369</u>	<u>\$ 516</u>	<u>\$ 573,117</u>	<u>\$ 225</u>	<u>\$ 17,275</u>	<u>\$ 5,175</u>	<u>\$ 1,286</u>	<u>\$ 990</u>	<u>\$ 2,372,698</u>	<u>\$ 2,973,851</u>
Expenditures:												
Current:												
Courthouse	\$ 6,026	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 6,026
Unallocated Departmental Costs					564,260							564,260
All Precincts											2,796,941	2,796,941
Total Expenditures	<u>\$ 6,026</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 564,260</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,796,941</u>	<u>\$ 3,367,227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (4,016)</u>	<u>\$ 190</u>	<u>\$ 369</u>	<u>\$ 516</u>	<u>\$ 8,857</u>	<u>\$ 225</u>	<u>\$ 17,275</u>	<u>\$ 5,175</u>	<u>\$ 1,286</u>	<u>\$ 990</u>	<u>\$ (424,243)</u>	<u>\$ (393,376)</u>
Net Change in Fund Balances	\$ (4,016)	\$ 190	\$ 369	\$ 516	\$ 8,857	\$ 225	\$ 17,275	\$ 5,175	\$ 1,286	\$ 990	\$ (424,243)	\$ (393,376)
Fund Balances - Beginning	<u>32,676</u>	<u>699</u>	<u>3,789</u>	<u>9,749</u>	<u>575,944</u>	<u>4,264</u>	<u>38,286</u>	<u>10,086</u>	<u>2,677</u>	<u>2,490</u>	<u>1,652,675</u>	<u>2,333,335</u>
Fund Balances - Ending	<u>\$ 28,660</u>	<u>\$ 889</u>	<u>\$ 4,158</u>	<u>\$ 10,265</u>	<u>\$ 584,801</u>	<u>\$ 4,489</u>	<u>\$ 55,561</u>	<u>\$ 15,261</u>	<u>\$ 3,963</u>	<u>\$ 3,480</u>	<u>\$ 1,228,432</u>	<u>\$ 1,939,959</u>

WARD COUNTY, TEXAS

Exhibit C-9

COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024

	Opioid Settlement Fund	Veteran's Fund	Road Grant Fund	Total Non-Major Special Revenue Funds (See Exhibit C-7)
ASSETS:				
Cash and Cash Equivalents	\$ 17,774	\$ 1,337	\$ 736,374	\$ 755,485
Receivables			989,251	989,251
Total Assets	<u>\$ 17,774</u>	<u>\$ 1,337</u>	<u>\$ 1,725,625</u>	<u>\$ 1,744,736</u>
LIABILITIES:				
Accounts Payable	\$	\$	\$ 516,304	\$ 516,304
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 516,304</u>	<u>\$ 516,304</u>
FUND BALANCES:				
Restricted for Enabling Legislation	\$ 17,774	\$ 1,337	\$	\$ 19,111
Restricted for Grants			1,209,321	1,209,321
Total Fund Balances	<u>\$ 17,774</u>	<u>\$ 1,337</u>	<u>\$ 1,209,321</u>	<u>\$ 1,228,432</u>
Total Liabilities and Fund Balances	<u>\$ 17,774</u>	<u>\$ 1,337</u>	<u>\$ 1,725,625</u>	<u>\$ 1,744,736</u>

WARD COUNTY, TEXAS

Exhibit C-10

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Opioid Settlement Fund	Veteran's Fund	Road Grant Fund	Total Non-Major Special Revenue Funds (See Exhibit C-8)
Revenue:				
Intergovernmental Revenues and Grants	\$ 4,148	\$	\$ 2,304,068	\$ 2,308,216
Fines and Fees		929		929
Investment Earnings	699		62,854	63,553
Total Revenues	<u>\$ 4,847</u>	<u>\$ 929</u>	<u>\$ 2,366,922</u>	<u>\$ 2,372,698</u>
Expenditures:				
Current:				
All Precincts	\$	\$	\$ 2,796,941	\$ 2,796,941
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,796,941</u>	<u>\$ 2,796,941</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,847</u>	<u>\$ 929</u>	<u>\$ (430,019)</u>	<u>\$ (424,243)</u>
Net Change in Fund Balances	\$ 4,847	\$ 929	\$ (430,019)	\$ (424,243)
Fund Balances - Beginning	<u>12,927</u>	<u>408</u>	<u>1,639,340</u>	<u>1,652,675</u>
Fund Balances - Ending	<u><u>\$ 17,774</u></u>	<u><u>\$ 1,337</u></u>	<u><u>\$ 1,209,321</u></u>	<u><u>\$ 1,228,432</u></u>

OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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WARD, TEXAS 79423-1954

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

To the 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 Ward County, Texas (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 22, 2025.

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 County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

September 22, 2025

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE STATE OF TEXAS
UNIFORM GRANT MANAGEMENT STANDARDS**

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Ward County, Texas' compliance with the types of compliance requirements described in the State of Texas Uniform Grant Management Standards ("UGMS") that could have a direct and material effect on each of Ward County, Texas' major state programs for the year ended December 31, 2024. Ward County, Texas' 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, Ward County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2024.

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 Comptroller General of the United States (*Government Auditing Standards*); and UGMS. Our responsibilities under those standards, and UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our audit 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 the County'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, Texas' 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 GAAS, Government Auditing Standards, and UGMS 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 judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and UGMS, we:

- Exercise professional judgment 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 the County'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 the County'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 in accordance with UGMS, but not for the purpose of expressing an opinion on the effectiveness of the County'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.

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 a 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.

Our consideration of the 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.

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 UGMS. Accordingly, this report is not suitable for any other purpose.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

September 22, 2025

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WARD COUNTY, TEXAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

State Awards

Internal control over major programs:

Material weakness(es) identified? yes **X** no

Significant deficiency identified that are
not considered to be material weaknesses? yes **X** no

Type of auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be
reported in accordance with UGMS yes **X** no

Identification of major programs:

Name of State Program or Cluster

County Transportation Infrastructure Fund Grant Program

Dollar threshold used to distinguish between
type A and type B programs: \$ **750,000**

Auditee qualified as low-risk auditee? yes **X** no

Section II - Findings Related to the Financial Statements

The audit disclosed no findings required to be reported.

Section IV - Findings and Questioned Costs Related to the State Awards

The audit disclosed no findings required to be reported.

WARD COUNTY, TEXAS

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
There were no state findings in the current or prior year.		

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

State Grantor Pass-Through Grantor/Program or Cluster Title	Entity Identifying Number	State Expenditures
<u>Texas Department of Transportation</u>		
County Transportation Infrastructure Fund Grant Program	CTIF_02_248	\$ <u>2,304,068</u>
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		\$ <u>2,304,068</u>
<u>Texas Indigent Defense Commission</u>		
Indigent Defense Formula Grant	212-24-38	\$ <u>20,356</u>
TOTAL TEXAS INDIGENT DEFENSE COMMISSION		\$ <u>20,356</u>
TOTAL EXPENDITURES OF STATE AWARDS		\$ <u><u>2,324,424</u></u>

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WARD COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES
STATE AWARDS
DECEMBER 31, 2024

BASIS OF PRESENTATION

The accompanying schedule of expenditures state awards (the Schedule) state grant activity of Ward County, Texas. The information in the Schedule is presented in accordance with the requirements of the State of Texas Uniform Grants Management Standards (UGMS).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. These expenditures are recognized following the cost principles contained in the UGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Grant funding from the Texas Juvenile Justice Department was reported in a separate regulatory audit for the year ended August 31, 2024. This report was submitted to the agency by the required timeline.