

Midland County, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021

Midland County, Texas
 Annual Comprehensive Financial Report
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 Year Ended September 30, 2021

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Midland County

Veronica Morales
County Auditor
(432) 688-4860

Auditor's Office
2110 N. "A" Street, Suite 154
Midland, Texas 79705

The Honorable District Judges
David Rogers, 142nd Judicial District
Elizabeth B. Leonard, 238th Judicial District
David Lindemood, 318th Judicial District
Leah Robertson, 385th Judicial District
Jeff Robnett, 441st Judicial District

The Honorable Commissioners Court, Midland County, Texas
Terry Johnson., County Judge
Scott Ramsey, County Commissioner, Precinct 1
Robin Donnelly, County Commissioner, Precinct 2
Luis D. Sanchez, County Commissioner, Precinct 3
Randy Prude, County Commissioner, Precinct 4

The Citizens of Midland County

District Judges, Commissioners Court and Fellow Citizens:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Midland County for the fiscal year ended September 30, 2021.

The County Auditor has oversight of all financial records of the County. It is the County Auditor's responsibility to prescribe the systems and procedures for handling the finances of the County, certifying available funds for the County budget, and examining, auditing and approving all disbursements from County funds prior to their submission to the Commissioners Court for approval. In addition, the County Auditor serves as the Chief Financial Officer for federal and state financial award programs, Juvenile Service Department and Adult Probation Department.

This report consists of management's representations concerning the finances of Midland County. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of Midland County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Midland County's financial statements in conformity with GAAP. The County Auditor's Office has oversight responsibility for the following: all fee collecting offices; purchasing; payroll which is prepared by the Treasurer's office; and all invoices/payments requested and approved by county departments. Because the cost of internal controls should not outweigh their benefits, Midland County's comprehensive framework of internal controls has been designed to

provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As financial management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Midland County's financial statements have been audited by Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Midland County for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Midland County's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Midland County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the last section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Midland County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Midland County, organized in 1885, is located in the west part of the state and is part of the Permian Basin. Midland County currently occupies a land area of 902 square miles and serves an estimated population of 149,832. The County is currently considered to be the top growth area in the state, and one of the top growth areas in the country. The county is so named for being halfway (midway) between Fort Worth and El Paso on the Texas Pacific Railway. County governments are political subdivisions of the State. The State has created 254 counties. County government in Texas is, for many people, the primary and most accessible level of government. County governments are political subdivisions of the State. The State has created 254 counties. Initially, counties were primarily created to facilitate the judicial system. As a result of State legislative changes over the years, county governments in Texas are involved not only with the judicial system, but also the delivery of health and welfare services, public safety, cultural and recreational activities, economic development of the region and construction and maintenance of roads and bridges. In comparison to some of the other states, Texas counties have only a very limited ordinance making authority, as specifically granted by the State legislature.

The Commissioners Court serves as the executive branch of county government. The governing body is made up of five members. The County Judge is the chairperson of the court and the Commissioners from each of the four precincts are also members. Among a myriad of constitutional and statutorily imposed duties and responsibilities, the five members of commissioners' court have the exclusive responsibility and authority over a multitude of areas in the operation of county government. To name a few, the commissioners court is responsible for preparing and approving the county's operating budget and budgetary amendments, setting ad valorem property tax rates, reviewing and directing settlement of all claims against the county. Additionally, this body appoints certain county officials and board members. None has the authority to act on their own but must act only as a whole.

Midland County provides essential things that make our communities livable: roads and bridges, public improvements, juvenile detention and education, law enforcement and corrections, a court system to protect our legal rights, public elections, secure storage of our important public records, and protection against threats to public health.

By statute, the County Auditor is solely responsible for projecting the revenues for the County. Once these processes are complete, the Budget Officer files a copy of the proposed budget with the County Clerk. The Commissioners Court holds a public hearing on the proposed budget. Any taxpayer of the County may attend and may participate in the hearing.

At the conclusion of the public hearing, the Commissioners Court takes action on the proposed budget. The Commissioners Court may make any changes in the proposed budget that it considers warranted by law and required in the best interest of the taxpayers.

The Commissioners Court may levy taxes only in accordance with the budget. After final approval of the budget, the Commissioners Court shall file the budget with the County Auditor and County Clerk and may spend County funds only in strict compliance with the budget, except in an emergency.

The Commissioners Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court files a copy of its order amending the budget with the County Clerk. The clerk attaches the copy to the original budget.

The Commissioners Court, by order, may authorize line item transfers between budgeted items within the same fund without authorizing an emergency expenditure.

State Law requires counties to adopt a budget before they adopt a tax rate. The Commissioners Court may levy taxes only in accordance with the budget. Chapter 26 of the Tax Code requires taxing units to comply with truth-in-taxation laws in setting their tax rates for two purposes:

- to make the taxpayers more knowledgeable about tax rate proposals
- and, in certain cases, to allow taxpayers to roll back or limit a tax increase.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Midland County operates.

Local Economy. Midland County continues to be one of the fastest growing counties in the state. It is the 28th most populous county in Texas based on the 2020 U. S. Census Bureau data. Midland County's growth is the result of the increase in oil production in our area. Midland County is one of six counties that contain The Spraberry Trend, the third largest oil field in the United States.

The U.S. Census ranks Midland as one of the fastest growing cities with populations exceeding 50,000. New housing, building permits and new roads also demonstrate the growth. The unemployment rate has been lower than the national average for the past ten years, but with the unprecedented last few years, the County's unemployment rate has been above the national average. The County's September 2021 unemployment rate of 4.9% decreased from the September of 2020 rate of 9.6%. The rate was a bit higher than the national rate of 4.6% which decreased from the 7.7% in 2020 according to the Texas Workforce Commission.

The Permian Basin, which includes Midland County, represents the largest oil production area in the United States and is the second largest in the world. As of September 30, 2021, the price per barrel of oil was at \$72.80. Due to the oil industry, the County has one of the highest levels of domestic migration in the nation. The latest population forecasts project Midland County to more than double its population between 2010 and 2050. In 2020, WalletHub ranked Midland as one of the fastest growing economies in America. Midland has also been ranked one of the best places to live out the American Dream by financial advisors at SmartAsset.

Area schools are addressing the growth as well. Midland has had a 22% increase in enrollment in past ten years according to the Midland Development Corporation. Higher education campuses are expanding and seeing record high student enrollment and graduating classes

Midland County has spent \$21,844,663 in road infrastructure during the 2021 fiscal year and \$24,850,958 during the 2020 fiscal year due to the increasing oil field traffic.

Long-Term Financial Planning. In 2009, Midland County voters approved \$21,995,000 for the constructing, improving, renovating, and equipping existing County Jail facilities and payments of costs of issuance relate thereto. In 2016, proceeds from the sale of the bonds were used to refund a portion of the County's General Obligation Bonds, Series 2009 and pay the costs of issuance of the bonds.

Midland County is currently working on a project with the Midland County Fresh Water Supply District #1 which was established is 2010. The project the county is working on will hopefully establish a reliable water source in addition to the city's resources for all citizens with the county.

The conservative fiscal stewardship and county policies contributed to the affirmation of the County's bond rating of AAA by Fitch Ratings and AA+ by Standard & Poor's throughout 2020. This rating enables the County to have lower interest rates when issuing bonds resulting in substantial savings to the taxpayers.

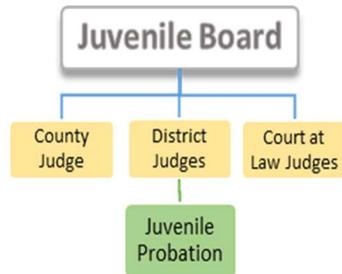
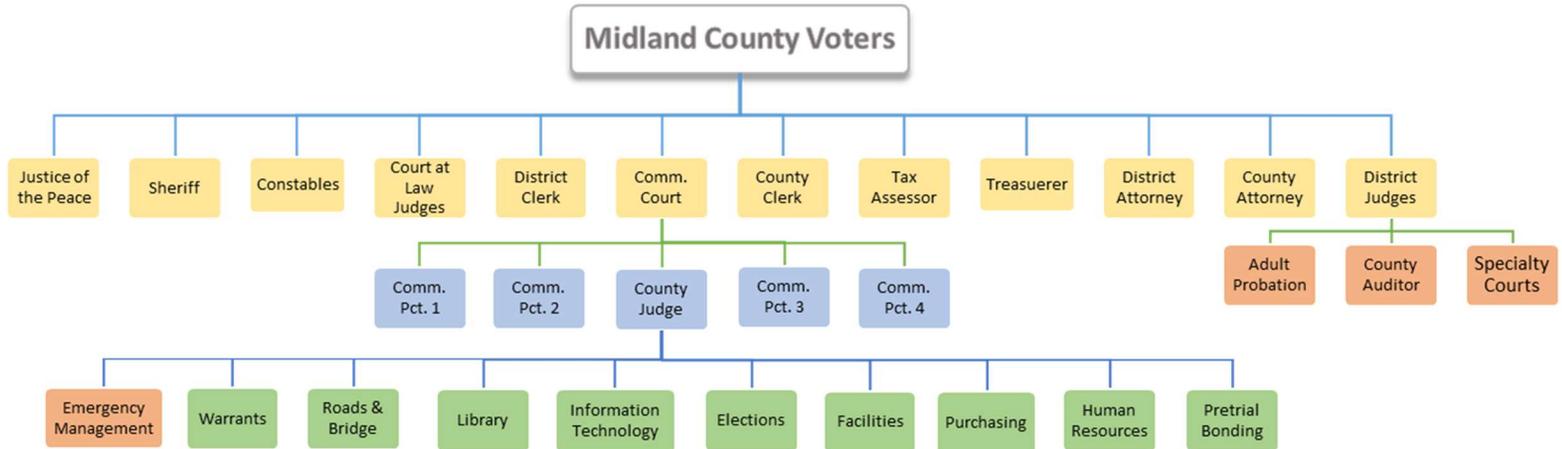
Acknowledgements

The Midland County Commissioners' Court and all other County Officials responsible for the financial operations of Midland County have my sincere thanks for their assistance. I would also like to express my appreciation to the staff of the County Auditor's Office for their help in the preparation the preparation of this report which would not have been possible without their dedicated service.

Respectfully submitted,

Veronica Morales
Midland County Auditor

Midland County, Texas
 Organization Chart
 For the Fiscal Year Ended September 30, 2021



MIDLAND COUNTY, TEXAS
DIRECTORY OF OFFICIALS
September 30, 2021

COMMISSIONERS COURT:

County Judge
Commissioner Precinct 1
Commissioner Precinct 2
Commissioner Precinct 3
Commissioner Precinct 4

Judge Terry Johnson
Scott Ramsey
Robin Donnelly
Luis D. Sanchez
Randy Prude

COUNTY COURTS OF LAW:

142nd District Court
238th District Court
318th District Court
385th District Court
441st District Court
Title IV-D Associate Judge
Child Protection Court
Drug Court
County Court at Law
County Court at Law II
Justice of the Peace Precinct 1
Justice of the Peace Precinct 2
Justice of the Peace Precinct 3
Justice of the Peace Precinct 4

Judge David Rogers
Judge Elizabeth B. Leonard
Judge David Lindemood
Judge Leah Robertson
Judge Jeff Robnett
Judge Karen B. Lewis
Judge Ellen Griffith
Judge Elizabeth N. Rainey
Judge Kyle Peeler
Judge Marvin L. Moore
Judge Terry Luck
Judge David Cobos
Judge Billy Johnson
Judge John Barton

ELECTED OFFICIALS:

Constable Precinct 1
Constable Precinct 2
Constable Precinct 3
Constable Precinct 4
County Attorney
County Clerk
County Sheriff
County Treasurer
District Attorney
District Clerk
Tax Assessor-Collector

Douglas Brown
Mark Wohleking
Larry Woodruff
Jamie Hall
Russell Malm
Alison Haley
David Criner
Mitzi Baker
Laura Nodolf
Alex Archuleta
Karen Hood

APPOINTED OFFICIALS:

Chief Adult Probation Officer
Chief Juvenile Probation Officer
County Auditor
Fire Marshal/ Emergency Management Coordinator

Allen Bell
Forest Hanna
Veronica Morales
Justin Bunch

DEPARTMENT HEADS:

County Purchasing Agent
Elections
Facilities
Human Resources
Information Technology
Library
Pretrial Bonding Officer
Road & Bridge
Warrants

Kristy Engeldahl
Carolyn Graves
Tim Harris
Robert Segura
Mike Atkins
Debbie Garza
Jeanetta Chambers
Ruben Mata
Scott Casbeer

Financial Section

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Independent Auditor's Report

The Honorable County Judge and
Commissioners Court of Midland County
Midland County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Midland County (the County), Texas, as of and for the fiscal year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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 Midland County, Texas, as of September 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable County Judge and
Commissioners Court of Midland County
Midland County, Texas

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2021, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 84 *Fiduciary Activities*. Beginning net position for the fiduciary funds has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplemental information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, individual and combining nonmajor fund financial statements, statistical section and the schedule of expenditures of federal and state awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and audit requirements for Federal Awards (Uniform Guidance) and the State of Texas Single Audit Circular, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual and combining nonmajor fund financial statements and schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual and combining nonmajor fund financial statements and schedule of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Honorable County Judge and
Commissioners Court of Midland County
Midland County, Texas

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2022, on our consideration of the County's internal control over financial reporting and 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 the 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Midland, Texas
May 24, 2022

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Management's Discussion and Analysis

This discussion and analysis of Midland County, Texas (County) is intended to be an easily readable analysis of the County's financial activities based on currently known facts, decisions or conditions for the fiscal year ended September 30, 2021. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the accompanying basic financial statements and notes to the financial statements. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that is furnished in the accompanying letter of transmittal, which can be found on pages iii - vii of this report. This discussion should also be read in conjunction with the basic financials statements and the notes to those financial statements (which immediately follow this discussion). The discussion and analysis includes comparative data from the prior year.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$211,580,722 (net position). Of this amount, \$(35,158,643) is a deficit unrestricted net position. The County's total net position increased by \$6,524,275.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$143,548,971. Of this total amount, \$37,935,397 or 26% is unassigned and available for use within the County's designation and fiscal policies.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$38,019,053 or 41% of the total general fund expenditures.
- At the end of the current fiscal year, assigned fund balance for general fund and was \$53,207,973, which consisted of \$50,000,000 in capital projects and \$3,207,973 of compensated absences.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private sector business. They present the financial picture of the County from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the County, as well as all liabilities, including long-term debt. Additionally, certain eliminations have occurred in regards to interfund activity, payables and receivables.

The *Statement of Net Position* presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position contrasted with budgetary decisions should serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year using full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, e.g., earned but unused vacation/holiday leave and accounts receivable.

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues, governmental activities, from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general administration, judicial, financial administration, elections, public safety and corrections, health and welfare, culture and recreation, conservation and natural resources, highways and roads, and interest on long-term debt.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The County maintains and reports 124 individual governmental funds of which 115 are special revenue funds, three capital projects fund, one debt service fund, three internal service funds, the Road and Bridge Fund, and the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Road and Bridge Fund, the Debt Service Fund, the Capital Projects Fund, and the America Rescue Act Fund, which are classified as major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund, a component of proprietary funds, is used to report activities that provide supplies and services for other programs and activities – such as the County's risk management fund, health care fund and fleet maintenance fund. Because these services benefit governmental functions, the Internal Service Fund is reported with governmental activities in the government-wide financial statements.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund and other major fund budgetary schedules and also includes notes to the supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$211,580,722 at the close of this fiscal year.

Statement of Net Position Governmental Activities

	2021	2020
Current and other assets	\$ 184,483,685	\$ 169,223,275
Capital assets, net of accumulated depreciation	<u>216,956,959</u>	<u>197,965,330</u>
Total assets	401,440,644	367,188,605
Total deferred outflows of resources	57,427,850	48,985,084
Current and other liabilities	26,782,480	11,334,694
Noncurrent liabilities	<u>199,173,585</u>	<u>176,241,152</u>
Total liabilities	225,956,065	187,575,846
Total deferred inflows of resources	21,331,707	23,541,396
Net position:		
Net investment in capital assets	205,076,063	184,932,410
Restricted, legislation and grants	38,322,081	36,232,463
Restricted, debt service	3,341,221	160,965
Unrestricted net position (deficit)	<u>(35,158,643)</u>	<u>(16,269,391)</u>
Total net position	<u><u>\$ 211,580,722</u></u>	<u><u>\$ 205,056,447</u></u>

The County's unrestricted net position, represents those assets which may be used to meet the ongoing obligations to the County's citizens or creditors.

An additional portion of the County's net position, 97% reflects its net investment in capital assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the fiscal year, the County reported positive net position in all categories of net position. The net position increased from the prior fiscal year by \$6,524,275. The following table provides a summary of the County's operations for years ended September 30, 2021 and 2020.

Statement of Activities
Years Ended September 30, 2021 and 2020

	2021		2020	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues				
Program revenues				
Charges for services	\$ 6,412,006	5.5%	\$ 12,401,474	10.1%
Operating grants and contributions	16,268,075	13.9%	3,583,126	2.9%
Capital grants and contributions	394,796	0.3%	-	0.0%
General revenues				
Property taxes	52,498,540	44.8%	49,842,184	40.6%
Sales tax	41,337,737	35.3%	47,853,426	39.0%
Bingo tax	125,448	0.1%	135,069	0.1%
Mixed beverage tax	963,266	0.8%	1,087,605	0.9%
Hotel-motel tax	644,543	0.6%	718,100	0.6%
Motor vehicle sales and use tax	1,946,240	1.7%	2,719,036	2.2%
Unrestricted investment earnings	397,601	0.3%	2,662,164	2.2%
Loss on sale of capital assets	(6,016,912)	-5.1%	(126,955)	-0.1%
Miscellaneous	2,083,560	1.8%	1,788,559	1.5%
Total revenues	117,054,900	100.0%	122,663,788	100.0%
Expenses				
General administration	14,654,885	13.3%	11,554,207	11.0%
Judicial	28,014,229	25.3%	30,044,962	28.6%
Financial administration	5,290,208	4.8%	4,729,367	4.5%
Elections	921,254	0.8%	859,380	0.8%
Public safety and corrections	43,495,711	39.4%	37,288,857	35.5%
Health and welfare	1,065,080	1.0%	4,262,372	4.1%
Cultural and recreation	8,532,430	7.7%	8,536,670	8.1%
Conservation and natural resources	199,269	0.2%	190,518	0.2%
Highways and roads	7,920,405	7.2%	7,040,607	6.7%
Interest on long-term debt	437,154	0.4%	458,837	0.4%
Total expenses	110,530,625	100.0%	104,965,777	100.0%
Change in net position	6,524,275		17,698,011	
Net position - beginning of year	205,056,447		187,358,436	
Net position, end of year	\$ 211,580,722		\$ 205,056,447	

Governmental Activities. Net position of the governmental activities increased \$6,524,275 during the year. In General Revenues, sales tax decreased by \$6,515,689 or 14% due to a decrease in consumer spending in the County. Charges for services decreased \$5,989,468 or 48% due to less collections for fines and forfeitures. Property tax revenues increased \$2,656,356 or 5% due to a higher tax rate and appraised values.

Total expenses increased from the prior year by \$5,564,848, or 5% due primarily to general and administration and public safety and corrections expenses. The increase in general administration and public safety expenses are largely due to the increase in pension expenses.

Governmental Funds Financial Analysis

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the County's fiscal management and accountability.

The general government functions are reported in the general, road and bridge, debt service, capital project, America Rescue Act fund, and nonmajor governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$143,548,971. The unassigned fund balance, \$37,935,397, is used as a management and budgetary tool and is available for spending at the County's discretion. The remainder of the fund balance is nonspendable, restricted, committed or assigned to indicate that it has already been earmarked. The majority of the restricted amount is attributable to road improvements and special revenue funds whose restrictions are stipulated by enabling legislation. The assigned amount is attributable to funds set aside for future capital projects and compensated absences.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$38,019,053 as compared to \$46,601,176 in unassigned funds in the prior year. As a measure of the general fund's liquidity, we compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 49% of total fund expenditures, while total fund balance represents 118% of total fund expenditures.

The road and bridge fund reflects a fund balance of \$29,951,094 which represents an increase of \$1,101,246 as compared with the prior year. The decrease is primarily due to spending less funds for county roads compared to prior year.

The debt service fund has a total fund balance of \$3,341,221 as compared to \$160,965 in the prior year. The increase of \$3,180,256 is due to payment of debt service. All of the fund balance within the debt service fund is restricted for the payment of debt service.

The capital projects fund accounts for receipts and disbursements relating to the acquisition and construction of major capital projects. At the end of the fiscal year, the fund balance is \$8,815,736 an increase of \$4,572,091.

General Fund Budgetary Highlights

A deficit amended budget was approved for fiscal year 2021 in the amount of \$43,886,909 as compared to the original budget which planned for a deficit of \$38,427,083. The deficit was to be appropriated from the unassigned fund balance. However, actual revenues exceeded the final budget by \$10,419,612. Included in this amount is \$4,805,322 in property taxes, \$3,337,737 in sales tax, \$(632,239) in investment income and \$2,115,309 in charges for services.

The original budgeted expenditures differ from the final budgeted expenditures by an increase of \$4,733,688 which is attributable to amendments to increase capital outlay expenditures. The favorable variance of \$17,846,227 between actual and budgeted expenditures is mainly due to the County departments being conservative and holding expenditures to a minimum to support the overall County budget.

Debt Administration and Capital Assets

Long-term Debt. At September 30, 2021, the County had a total long-term debt outstanding in the amount of \$15,949,702. According to the Texas statutes, the County has a debt margin of \$7,307,636,186.

The County's bond rating is "AA+" from Standard & Poor's, "Aa" from Moody's and an AAA rating from Fitch for general obligation debt.

The following represents the activity of the long-term debt of the County for fiscal year 2021:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
General obligation bonds	\$ 13,220,000	\$ -	\$ 1,235,000	\$ 11,985,000
Unamortized premium on general obligation bonds	820,219	-	91,135	729,084
Capital lease obligation	38,676	11,580	22,601	27,655
Compensated absences	3,758,985	-	551,022	3,207,963
Total	\$ 17,837,880	\$ 11,580	\$ 1,899,758	\$ 15,949,702

Capital Assets. The capital assets of the County are those assets (land, buildings and improvements, roads, machinery and equipment and construction in progress), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2021, net capital assets of the governmental activities totaled \$216,956,959 reflecting a net increase of \$18,991,627 in asset additions less retirements and adjustments. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for buildings and improvements, infrastructure and machinery and equipment totaled \$10,692,031.

Additional information on the County's capital assets and debt can be found in Notes 5 and 10 in the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

The annual budget is developed to provide efficient, effective and controlled use of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

The final fiscal year 2022 budget was adopted on September 13, 2021, with total general fund expenditures of \$97,625,534, an 8% increase from the fiscal year 2021 budgeted expenditures. The County's combined tax rate is \$0.141635 for fiscal year 2022. The Commissioners' Court adopted a budgeted excess of \$39,354,413 with the deficit to be appropriated from the unassigned fund balance.

Request for Information

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the County Auditor at P.O. Box 421, Midland, Texas 79702, 432-688-4860, or visit the County's web site at www.co.midland.tx.us.

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Basic Financial Statements

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Midland County, Texas
Statement of Net Position
September 30, 2021

	Primary Government
	Governmental Activities
ASSETS	
Cash	\$ 9,543,971
Certificates of deposit	38,038,221
Investments	115,075,117
Receivables (net of allowance for uncollectibles)	8,704,772
Inventory	1,382,109
Other assets	35,610
Due from other governments	11,703,885
Capital assets (net of accumulated depreciation)	
Land	6,252,538
Buildings and improvements	95,857,550
Construction in progress	30,131,042
Infrastructure	70,047,450
Machinery and equipment	14,668,379
Total assets	<u>401,440,644</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	41,777,149
Deferred outflows from refunding of debt	910,834
Deferred outflows related to pension	14,739,867
Total deferred outflows of resources	<u>57,427,850</u>
LIABILITIES	
Accounts payable and other current liabilities	8,894,115
Accrued interest payable	50,001
Due to other governments	385,956
Unearned revenue	17,452,408
Noncurrent liabilities	
Net pension liability	18,041,660
OPEB liability	165,182,223
Due within one year	4,355,229
Due in more than one year	11,594,473
Total liabilities	<u>225,956,065</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	5,912,027
Deferred inflows related to OPEB	15,419,680
Total deferred inflows of resources	<u>21,331,707</u>
NET POSITION	
Net investment in capital assets	205,076,063
Restricted, legislation and grants	38,322,081
Restricted, debt service	3,341,221
Unrestricted (deficit)	<u>(35,158,643)</u>
TOTAL NET POSITION	<u><u>\$ 211,580,722</u></u>

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

Midland County, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2021

<u>Functions / Programs</u>	<u>Expenses</u>
Primary Government	
Governmental activities:	
General administration	\$ 14,654,885
Judicial	28,014,229
Financial administration	5,290,208
Elections	921,254
Public safety and corrections	43,495,711
Health and welfare	1,065,080
Culture and recreation	8,532,430
Conservation and natural resources	199,269
Highways and roads	7,920,405
Interest on long-term debt	437,154
	<hr/>
Total governmental activities	110,530,625
	<hr/>
TOTAL PRIMARY GOVERNMENT	\$ 110,530,625
	<hr/> <hr/>

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

Charges for Services	Program Revenues		Changes in Net Position
	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total
\$ 1,432,145	\$ 5,851,966	\$ -	\$ (7,370,774)
62,119	775,762	-	(27,176,348)
-	-	-	(5,290,208)
10	319,290	-	(601,954)
2,561,918	2,368,289	378,915	(38,186,589)
24,250	-	-	(1,040,830)
19,378	-	-	(8,513,052)
-	-	15,881	(183,388)
2,312,186	6,952,768	-	1,344,549
-	-	-	(437,154)
<u>6,412,006</u>	<u>16,268,075</u>	<u>394,796</u>	<u>(87,455,748)</u>
<u>\$ 6,412,006</u>	<u>\$ 16,268,075</u>	<u>\$ 394,796</u>	<u>(87,455,748)</u>
General revenues:			
Property taxes			52,498,540
Sales tax			41,337,737
Bingo tax			125,448
Mixed beverage tax			963,266
Hotel-motel tax			644,543
Motor vehicle sales and use tax			1,946,240
Unrestricted investment earnings			397,601
Loss on sale of capital assets			(6,016,912)
Miscellaneous			2,083,560
Total general revenues			<u>93,980,023</u>
Change in net position			6,524,275
Net position - beginning of year			<u>205,056,447</u>
NET POSITION - END OF YEAR			<u><u>\$ 211,580,722</u></u>

Midland County, Texas
 Balance Sheet – Governmental Funds
 September 30, 2021

	General Fund	Road and Bridge Fund
ASSETS		
Cash	\$ 2,104,404	\$ 1
Certificates of deposit	38,038,221	-
Investments	94,829,736	5,042,782
Property taxes receivable, (net of allowance for uncollectibles)	1,707,008	-
Accounts receivable, (net of allowance for uncollectibles)	6,465,159	225
Due from other funds	459,378	24,527,259
Due from other governmental agencies	8,896,293	745,796
Inventory	-	1,353,124
Prepaid expenses	4,467	-
TOTAL ASSETS	\$ 152,504,666	\$ 31,669,187
LIABILITIES		
Accounts payable	\$ 3,374,413	1,665,665
Benefits payable	1,001,384	52,428
Due to other funds	47,857,825	-
Due to other governmental agencies	385,956	-
Unearned revenue	194,636	-
Other liabilities	133,153	-
Total liabilities	52,947,367	1,718,093
DEFERRED INFLOWS OF RESOURCES		
Deferred tax revenue	1,588,828	-
Other deferred inflows	6,092,435	-
Total deferred inflows	7,681,263	-
FUND BALANCES		
Nonspendable		
Prepays	4,467	-
Inventories	-	1,353,124
Restricted		
Road improvements	-	28,597,970
Debt service	-	-
Hotel occupancy revenue	644,543	-
Legislation	-	-
Federal and state grants	-	-
Committed		
Capital projects	-	-
Employee motivation	-	-
Donations	-	-
Assigned		
Compensated absences	3,207,973	-
Capital projects	50,000,000	-
Unassigned	38,019,053	-
Total fund balances	91,876,036	29,951,094
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 152,504,666	\$ 31,669,187

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

Debt Service Fund	Capital Projects Fund	America Recovery Act	Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,334,951	\$ 2,261	\$ 1	\$ 2,425,545	\$ 7,867,163
-	-	-	-	38,038,221
-	3,672,700	-	5,232,147	108,777,365
63,372	-	-	-	1,770,380
-	-	-	356,436	6,821,820
2,587	5,200,000	17,173,771	2,057,069	49,420,064
-	-	-	1,509,744	11,151,833
-	-	-	28,985	1,382,109
-	-	-	4,481	8,948
<u>\$ 3,400,910</u>	<u>\$ 8,874,961</u>	<u>\$ 17,173,772</u>	<u>\$ 11,614,407</u>	<u>\$ 225,237,903</u>
\$ 300	\$ 59,225	\$ -	\$ 843,296	\$ 5,942,899
-	-	-	91,933	1,145,745
-	-	-	1,010,241	48,868,066
-	-	-	-	385,956
-	-	17,173,772	84,000	17,452,408
-	-	-	-	133,153
<u>300</u>	<u>59,225</u>	<u>17,173,772</u>	<u>2,029,470</u>	<u>73,928,227</u>
59,389	-	-	-	1,648,217
-	-	-	20,053	6,112,488
<u>59,389</u>	<u>-</u>	<u>-</u>	<u>20,053</u>	<u>7,760,705</u>
-	-	-	4,481	8,948
-	-	-	36,084	1,389,208
-	-	-	-	28,597,970
3,341,221	-	-	-	3,341,221
-	-	-	-	644,543
-	-	-	7,287,737	7,287,737
-	-	-	1,791,831	1,791,831
-	8,815,736	-	-	8,815,736
-	-	-	27,624	27,624
-	-	-	500,783	500,783
-	-	-	-	3,207,973
-	-	-	-	50,000,000
-	-	-	(83,656)	37,935,397
<u>3,341,221</u>	<u>8,815,736</u>	<u>-</u>	<u>9,564,884</u>	<u>143,548,971</u>
<u>\$ 3,400,910</u>	<u>\$ 8,874,961</u>	<u>\$ 17,173,772</u>	<u>\$ 11,614,407</u>	<u>\$ 225,237,903</u>

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Midland County, Texas

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position September 30, 2021

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (PAGE 21)	\$ 143,548,971
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	216,956,959
Certain assets, such as fines and fees receivable, are not available to pay for current-period expenditures and therefore, are deferred in the governmental funds.	7,760,769
Internal service funds are used by management to account for the self-insurance fund of the government. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	6,441,476
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	(15,949,712)
Interest is accrued on bonds payable in the government-wide financial statements whereas in the fund financial statements interest expenditures are reported when due.	(50,001)
Deferred outflows of resources for pension, OPEB, and long-term debt related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	57,427,850
Deferred inflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(21,331,707)
OPEB liability not reported in the fund financial statements.	(165,182,223)
Net pension liability is not reported in the fund financial statements.	<u>(18,041,660)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES (PAGE 17)	<u><u>\$ 211,580,722</u></u>

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

Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,710,712	\$ -	\$ -	\$ 51,916,034
-	-	-	41,337,737
-	-	-	644,543
-	-	468,647	2,652,715
-	-	-	3,275,452
-	-	8,562,652	10,367,818
-	-	1,727,903	8,304,532
-	1,030	18,752	390,877
-	-	920,521	3,240,130
<u>1,710,712</u>	<u>1,030</u>	<u>11,698,475</u>	<u>122,129,838</u>
-	-	851	12,297,440
-	215,168	1,911,290	22,813,070
-	-	6,869	4,037,548
-	-	305,704	775,630
-	110,683	2,827,653	33,149,571
-	-	26,056	996,906
-	169,091	5,488	4,839,233
-	-	-	181,412
-	203,997	-	4,702,564
-	-	7,692,984	34,693,314
<u>1,660,456</u>	<u>-</u>	<u>-</u>	<u>1,660,456</u>
<u>1,660,456</u>	<u>698,939</u>	<u>12,776,895</u>	<u>120,147,144</u>
50,256	(697,909)	(1,078,420)	1,982,694
3,130,000	5,270,000	2,430,681	35,283,271
-	-	-	(36,283,271)
<u>3,130,000</u>	<u>5,270,000</u>	<u>2,430,681</u>	<u>(1,000,000)</u>
3,180,256	4,572,091	1,352,261	982,694
<u>160,965</u>	<u>4,243,645</u>	<u>8,212,623</u>	<u>142,566,277</u>
<u>\$ 3,341,221</u>	<u>\$ 8,815,736</u>	<u>\$ 9,564,884</u>	<u>\$ 143,548,971</u>

Midland County, Texas

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended September 30, 2021

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS (PAGE 25) \$ 982,694

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	25,115,284
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, and adjustments) is to decrease net position.	(6,123,657)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	929,491
Long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,224,542
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(13,498,290)
Internal service funds are used by management to charge the costs of the garage, warehouse and self-insurance funds to individual funds. The net income of activities of internal service funds is reported with governmental activities.	<u>(2,105,789)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (PAGE 19)	<u><u>\$ 6,524,275</u></u>

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

Midland County, Texas

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds For the Fiscal Year Ended September 30, 2021

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for current services	\$ 11,538,751
Total operating revenues	11,538,751
OPERATING EXPENSES	
Fleet maintenance	675,534
Claims expense	10,595,662
Administration costs	1,105,178
Premium costs	2,119,833
Capital outlay services	160,157
Total operating expenses	14,656,364
Operating loss	(3,117,613)
NONOPERATING REVENUES	
Investment income	6,724
Miscellaneous income	5,100
Total nonoperating revenues	11,824
Loss before transfers	(3,105,789)
Transfers in	1,000,000
Change in net position	(2,105,789)
Net position - beginning of year	8,547,265
NET POSITION - END OF YEAR	\$ 6,441,476

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

Midland County, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2021

	<u>Investment Trust Funds</u>	<u>Custodial Funds</u>
ASSETS		
Cash	\$ 4,875,041	\$ 6,210,889
Investments held in trust	1,860,985	40,665
Accounts receivable	-	290,140
Due from other funds	250	254
TOTAL ASSETS	<u>6,736,276</u>	<u>6,541,948</u>
LIABILITIES		
Accounts payable	-	52,828
Due to other funds	2,379	550,123
Due to other governmental agencies	-	918,982
Other liabilities	-	30,942
TOTAL LIABILITIES	<u>2,379</u>	<u>1,552,875</u>
NET POSITION		
Individuals, organizations, and other governments	<u>6,733,897</u>	<u>4,989,073</u>
TOTAL NET POSITION	<u>\$ 6,733,897</u>	<u>\$ 4,989,073</u>

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

Midland County, Texas

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended September 30, 2021

	Investment Trust Funds	Custodial Funds
ADDITIONS		
Fees for other government	\$ -	\$ 2,478,416
Fees from other governments	-	43,077
Grant contributions	-	1,678,216
Held for Others	10,947,362	3,756,459
Interest Income	-	4,821
Total additions	<u>10,947,362</u>	<u>7,960,989</u>
DEDUCTIONS		
Administrative expenses	-	1,625,282
Payment to other governments	-	2,592,674
Payment to individuals	16,302,226	3,410,893
Total deductions	<u>16,302,226</u>	<u>7,628,849</u>
OTHER FINANCING SOURCES AND USES		
Operating transfers in	-	30,267
Operating transfers (out)	-	(30,267)
Total other financing sources and uses	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(5,354,864)	332,140
NET POSITION - BEGINNING OF YEAR, AS ORIGINALLY STATED	-	-
Cumulative effect of adoption of GASB 84	12,088,761	4,656,933
NET POSITION - BEGINNING OF YEAR, AS RESTATED	<u>12,088,761</u>	<u>4,656,933</u>
NET POSITION - END OF YEAR	<u>\$ 6,733,897</u>	<u>\$ 4,989,073</u>

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

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Notes to the Financial Statements

Midland County, Texas
 Annual Financial Report
 For the Fiscal Year Ended September 30, 2021
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Midland County, Texas

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

Midland County, Texas (the County) is a body, corporate and political, created under Article IX, Section 1, of the Constitution of the State of Texas. The County operates under the State of Texas statutes, and provides such services as are authorized by state law to advance the welfare, health, morals, comfort, safety and convenience of the County and its inhabitants. The Commissioners' Court, consisting of four County Commissioners and the County Judge, as elected, is the policy making body of the County. The County does not have any tax abatements in the current year.

The financial statements of the County are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Reporting Entity

Generally accepted accounting principles require that these financial statements present the County (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

In addition, Governmental Accounting Standards Board Statement No. 39, states that certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or its other component units.

If these certain organizations were excluded, they would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
- The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government. It is a matter of professional judgment to determine whether the nature and the significance of a potential component unit's relationship with the primary government warrant inclusion in the reporting entity.

Midland County, Texas

Notes to the Financial Statements

The component units discussed in this note are included in the County's reporting entity because of the nature and significance of their operational or financial relationships with the County.

- Blended Component Units: There are no blended component units.
- Discrete Component Units: The Midland County Housing Finance Corporation (the Finance Corporation) is a nonprofit corporation created pursuant to the Development Corporation Act of 1979, as amended, to issue bonds and offer below market rates to qualifying individuals. A majority of the Finance Corporation's board is appointed by the County's Commissioners Court, and the Court can impose will. The Finance Corporation has no material assets of financial activity other than conduit debt thus are not included in the County's basic financial statements. The financial information for the discretely presented component unit's conduit debt is included in Note 8 to the financial statements.

B. Government-Wide and Fund Financial Statements

The basic financial statements of the County are presented at two basic levels, the government-wide level and the fund level. These statements focus on the County as a whole at the government-wide level and on major funds at the fund level. The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities for the financial reporting entity of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of net position reports all financial and capital resources of the County and is presented in an "assets plus deferred outflows minus liabilities and deferred inflows equal net position" format with net position reported in the order of relative liquidity. Also, assets and liabilities are presented in relative order of liquidity with liabilities which have an average maturity of more than one year separated into the amount due within one year and the amount due in more than one year.

The government-wide statement of activities identifies the relative financial burden of each of the County's functions (General Administration, Judicial, Financial Administration, Elections, Public Safety and Corrections, Health and Welfare, Cultural and Recreation, Conservation and Natural Resources, and Highways and Roads). Direct expenses are clearly identifiable expenses that can be specifically associated with a function or segment. Program revenues are revenues derived directly from the function or segment or from other sources which reduce the net cost of the function to be financed from general government revenues.

Program revenues are: 1) charges to customers who purchase, use, or directly benefit from services provided by a function or segment and which are generated by that function, 2) grants and contributions restricted to operating requirements of a function or segment and, 3) grants and contributions restricted to capital requirements of a function or segment. Items such as taxes, investment earnings and non-specific grants are not included as program revenues but are instead reported as general revenues which normally cover the net cost of a function or segment.

The effect of internal service fund activities in the government-wide statements is eliminated to the extent possible to avoid the effect of "doubling up" internal service fund activity. Internal service funds report activities which provide goods or services to the financial reporting entity on a cost reimbursement basis. Any net profit or loss from these activities is allocated back to the function or segment that benefited from the goods or services provided based upon their proportionate benefit to the extent possible. Any residual assets of internal service funds are reported with governmental activities at the entity-wide level.

Midland County, Texas

Notes to the Financial Statements

Fund level financial statements are presented for governmental funds and proprietary funds with a focus on major funds, and fiduciary funds, which are excluded from the government-wide financial statements because they do not represent assets which can be used to support the County's programs.

A major fund is defined by GASB as a fund meeting certain specific asset, liability, revenue, or expenditure/expense criteria relative to all funds of that type and relative to the total for all governmental and enterprise funds combined. Additionally, any fund deemed particularly important by the County may be reported as a major fund. The financial information for each major fund is presented in a separate column, with nonmajor funds aggregated and displayed in a single column, on either the governmental or proprietary fund financial statements. The fund level statements for proprietary funds also contain combined totals for all internal service funds.

Governmental Funds

The following major funds are used by the County:

General Fund: The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund: This fund is used to account for funds restricted for use for improving County highways and lateral streets and roadways.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Financing is provided by property tax levies.

Capital Projects Fund: The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type activities).

America Recovery Act: The America Recovery Act fund is as special revenue fund that is used to account for and report the proceeds of the America Rescue Plan Act grant that are restricted or committed to expenditure for specified purposes under the grant provisions.

Non major funds used by the County include:

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

Other Fund Types

Internal Service Funds account for the fleet management services and insurance provided to other departments or agencies of the County or to other governments, on a cost reimbursement basis. Internal service funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an internal service fund's principal ongoing operations. Operating expenses for the internal service funds include the cost of personnel and contractual services and supplies. All revenues and expenses not meeting this definition are reported as non-operating revenues and expense.

Investment trust funds are used to report fiduciary activities from the external portion of investment pools and individual investment accounts that are held in a trust where the assets are a) administered through a trust in which the County itself is not a beneficiary, b) dedicated to providing benefits to recipients in accordance with benefit terms, and c) legally protected from the creditors of the County.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds.

Midland County, Texas

Notes to the Financial Statements

C. Measurement Focus and Basis of Accounting

The government-wide statements and proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Exchange and exchange-like transactions in which the County gives or receives value and receives or gives equal value, that create revenues, expenses, gains, losses, assets or liabilities are recognized when the exchange occurs.

Nonexchange transactions in which the County gives or receives value without receiving or giving equal value in exchange, that result in revenues, expenses, gains, losses, assets or liabilities are recognized in accordance with GASB. The treatment of nonexchange transactions is grouped in four classes based upon the principal characteristics of the transaction and reported according to those characteristics. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Capital assets are reported at historical cost and depreciated, except for inexhaustible assets such as land, in accordance with the County's depreciation policy.

Governmental fund financial statements are reported using a current financial resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. In the case of property taxes, available means due within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Property taxes received after the 60 day period are not considered available and, therefore, recorded as a deferred inflow of resources in the Governmental Funds Balance Sheet totaling \$1,707,008 in the General Fund and \$63,372 in the Debt Service Fund. Similarly, a portion of fines and fees are not expected to be are not considered measurable and available and have been recorded as a deferred inflow in the amount of \$6,109,988. Grant revenues are considered to be available if they are to be received within one year. Expenditures are generally recorded when a liability is incurred. However, expenditures related to general long-term debt, compensated absences, and claims and judgments are recorded only when payment is due. Property taxes, fines, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental fund level revenues which have been accrued based upon the susceptible to accrual concept are:

- General Fund – ad valorem taxes, interest and federal and state grant proceeds, except where such grants are expenditure driven and other requirements related to the grant have not been met
- Special Revenue Funds – federal and state grant proceeds and interest, except where such grants are expenditure driven and other requirements related to the grant have not been met
- Debt Service Fund – ad valorem taxes and interest
- Capital Projects Fund – interest

Proprietary fund activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. This measurement focus includes all assets and liabilities on the balance sheet. Operating statements using this focus present a net total position view of increases (revenues) and decreases (expenses) in the fund.

Proprietary fund operating statements distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses generally are the result of providing or delivering goods or services in association with the fund's principal ongoing operations.

Midland County, Texas

Notes to the Financial Statements

Transactions resulting in nonoperating revenues and expenses are normally created by such items as cash flows from capital and related financing activities, noncapital financing activities, investing activities, and include most nonexchange and exchange-like revenues.

D. Cash and Investments

The County pools cash resources of some funds to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has a claim thereon, and interest earned on the investment of these monies is allocated based upon relative equity at month end. The County considers highly liquid debt instruments which have an original maturity of less than three months to be cash equivalents.

The County's investments approximate fair value, except for external pools. Fair value is based on quoted market prices as of the valuation date. Management's intent is to hold all investments to maturity and thereby recover the full value of the various investments made. The gain/loss resulting from valuation will be reported within the "Investment Income" account on the Statement of Revenues, Expenditures and Changes in Fund Balance.

E. Receivables, Payables and Interfund Transactions

Short-term loans between funds are reported as interfund receivables in the fund making the loan and as interfund payables in the fund receiving the loan. Arms-length transactions between funds for goods and services are reported as revenues in the selling fund and as expenses/expenditures in the acquiring fund. Any unpaid amounts are appropriately recorded as interfund receivables/payables. Amounts from one fund to another with no requirement for repayment or without an equivalent flow of assets in return are accounted for as transfers.

F. Inventories

Inventories are stated at the lower cost or market using the first-in, first-out method. Donated inventory is stated at fair market value at the time of donation. Inventories for all funds consist of expendable supplies held for consumption, and are recorded as expenditures or expenses, as appropriate, when consumed rather than when purchased.

G. Prepaid and Capital Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County reports prepaid items using the consumption method.

Capital Assets are defined as a purchase, construction or other acquisition of any equipment, facilities or other similar assets, the cost, of which, is in excess of \$10,000 and has a useful life of more than one year. These assets include property, plant, equipment, infrastructure, and all other tangible and intangible assets purchased or acquired. Purchased or constructed assets are carried at historical cost or estimated historical cost. Infrastructure assets, which include streets and associated drainage, sidewalks, bridges, drainage systems, water and sewer systems, lighting systems and other similar type assets, have been recorded at historical or estimated historical cost. Donated assets are recorded at estimated fair market value at the time of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Midland County, Texas

Notes to the Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital has not been significant and, therefore, not capitalized.

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

Buildings	20 - 30 Years	Machinery and equipment	3 - 20 Years
Improvements	20 - 30 Years	Infrastructure	20 Years

H. Federal and State Grants and Entitlements

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

Capital grants restricted for capital acquisitions or construction, other than those associated with proprietary type funds are accounted for in the applicable Capital Projects Fund.

I. Accrued Employee Benefits Payable

All regular full-time employees are eligible to accrue paid vacation leave by a prescribed formula based on the number of years of service. The maximum amount of vacation leave which may be carried forward by an employee from one year to the next is equal to the amount of leave accrued in the prior twelve month period. Upon leaving employment of the County, the employee is eligible to be paid for accrued unused vacation leave.

Eligible employees also accrue sick leave at an average rate of eight hours per month. Sick leave accumulates up to a maximum of 120 days. Upon termination, accrued unused sick leave may be eligible for payment based upon a formula that is based on the number of years of service.

All employees of the County who are entitled to accrue sick leave and have completed twelve months of continuous service with the County are eligible to use and to be compensated for personal leave from a sick leave pool for catastrophic illnesses or injuries by the employee or a member of the employees' immediate family. Employees may use pool leave after exhausting all personal sick, vacation, and compensatory leave. An employee may receive up to 90 days or one-third of the balance of the hours in the sick leave pool, whichever is less. The sick leave pool consists of hours of sick leave contributed by County employees. Employees are not required to contribute sick leave to the pool and are not required to reimburse the pool for pool leave used.

Compensatory time is also accrued up to a maximum of 240 hours for eligible employees and 480 hours for public safety employees. The employee is eligible to be paid for accrued compensatory time upon termination of employment.

Midland County, Texas
Notes to the Financial Statements

J. Long-Term Obligations

General Obligation Bonds which have been issued to fund purchases and capital projects of the general government and are to be repaid from tax revenues of the County are reported in the government-wide statement of net position.

The government-wide level statements defer bond premiums and discounts and amortize these items over the life of the issued bonds using the effective interest rate method. In the fund level statements, governmental fund types recognize these items in the current period. Bond issue costs are recognized as an expenditure/expense in both the fund level and government-wide level statements.

K. Fund Balance

The County classifies governmental fund balances as nonspendable and spendable. Classifications under the spendable category are restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds but also provide clarity to the level of restriction placed upon fund balance. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The County classifies governmental fund balances as follows:

1. Nonspendable Fund Balance

Includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements. Examples include inventories and prepaid items.

2. Spendable Fund Balance

a. *Restricted Fund Balance*

Includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction.

b. *Committed Fund Balance*

Includes amounts that can be used only for the specific purposes as determined by the governing body by formal action recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. The Commissioners' Court must take action to commit funds for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year.

c. *Assigned Fund Balance*

Includes amounts intended to be used by the County for specific purposes. The County's intent can be expressed by an official or body to which the governing body delegates that authority. The County has delegated to the County Auditor the ability to determine and define the amounts of those components of fund balance that are classified as assigned.

d. *Unassigned Fund Balance*

Includes the residual classification of the General Fund and includes all amounts not contained in other classifications. By accounting for amounts in other funds, the County has implicitly assigned the funds for the purposes of those particular funds.

When an expenditure is made for a purpose in which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

Midland County, Texas

Notes to the Financial Statements

L. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

M. Revenue Recognition – Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time unless the half payment option is elected, in which case one-half of the assessed tax is due November 30th and the balance is due on the following June 30th. All unpaid taxes levied October 1 become delinquent February 1 of the following year.

For fund financial statements, property tax revenues are recognized when they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. This is no longer than sixty days after year-end.

An allowance equal to 4% of the outstanding taxes at September 30, 2021 has been reported on the County's property taxes. The tax is levied based on the estimated market values as determined by the Midland County Appraisal District.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most sensitive estimates affecting the County's financial statements is management's estimates over allowance for doubtful collections of receivables, liability for health care claims, and useful lives of capital assets for depreciation expense. Management also made estimates using actuarial assumptions underlying the calculations for net pension liability and other post-employment benefits obligations.

O. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, the County specific information about its Fiduciary Net Position in the Texas County and District Retirement System (TCDRS) and additions to/deductions from the County's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the County's Total Pension Liability is obtained from TCERS through a report prepared for the District by TCERS consulting actuary, Milliman, in compliance with GASB 68.

Midland County, Texas
Notes to the Financial Statements

P. Other Post-Employment Benefits

The County's OPEB plan has been determined using the flow of economic resources measurement focus and the full accrual basis of accounting. This includes for purpose of measuring the OPEB liability, deferred out flows, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Q. Implementation of New Accounting Standard

GASB Statement No. 84, *Fiduciary Activities* (GASB 84), establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2018; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 84 to reporting periods beginning after December 15, 2019, with earlier application encouraged. GASB 84 was implemented in the County's 2021 financial statements, resulting in a cumulative effect adjustment as of October 1, 2020 of \$16,745,694 to net position in the fiduciary financial statements due to reclassification of certain fiduciary activities to conform to the new standard.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position.

The governmental fund balance sheet includes as reconciliation between fund balance – total government funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation is recording of capital assets in the amount of \$216,966,382 used in governmental activities that are recorded in the fund level financial statements.

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$15,949,712 difference are as follows:

Bonds and capital leases payable	\$ 12,012,655
Bond premium liability	729,084
Compensated absences	<u>3,207,963</u>
Net adjustment to decrease fund balance - total governmental funds	
to arrive at net position - governmental activities.	<u><u>\$ 15,949,702</u></u>

Midland County, Texas
Notes to the Financial Statements

Another element of that reconciliation states that "other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred funds." The details of this difference are as follows:

Deferred property taxes receivable	\$ 1,648,217
Deferred court fines receivable	6,064,467
Deferred retiree health receivable	<u>48,085</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities.	<u><u>\$ 7,760,769</u></u>

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation *between net changes in fund balances – total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$25,115,284 difference are as follows:

Capital additions	\$ 35,807,315
Depreciation expense	<u>(10,692,031)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$ 25,115,284</u></u>

Another element of that reconciliation states that, "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, and adjustments) is to decrease net position." The total amount of \$6,123,657 is related to loss on disposition of assets.

Another element of that reconciliation states that the, issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$1,224,542 difference are as follows:

Principal repayments	\$ 1,257,601
Amortization of bond premium	91,135
Amortization relating to refunding of debt	(113,854)
Change in accrued interest	6,175
Other changes in amortization and accrued liabilities	<u>(16,515)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$ 1,224,542</u></u>

Midland County, Texas
Notes to the Financial Statements

Another element of that reconciliation states that “some expenses reported in the statement of activities did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$13,498,290 difference are as follows:

Change in pension liability	\$ (6,321,137)
Change in deferred inflows from pension liability	(1,918,725)
Change in deferred outflows from pension liability	8,758,210
Change in OPEB liability	(18,494,475)
Change in deferred outflows from OPEB liability	(201,590)
Change in deferred inflows from OPEB liability	4,128,415
Net change in compensated absences	<u>551,022</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$ (13,498,280)</u></u>

Another element of that reconciliation states that “revenues in the statement of activities that did not provide current financial resources and therefore are not reported as revenues in governmental funds.”

The details of this \$929,491 difference are as follows:

Net change in property tax deferred revenue	\$ 582,506
Net change in fines and fees deferred revenue	334,968
Net change in retiree health deferred revenue	<u>12,017</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$ 929,491</u></u>

Note 3. Cash and Investments

A. Deposits

State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The County's deposits were fully insured or collateralized as required by the state statutes at September 30, 2021. At year-end, the total carrying amount of the County's deposits was \$9,543,971 in cash and cash equivalents which includes cash and equivalents within the County's fiduciary funds. The total carrying amount of the County's certificate of deposits with two financial institutions was \$38,038,221. Total bank balance and certificate of deposits was \$47,582,192. The Federal Depository Insurance Corporation (FDIC) covered \$9,543,971 and \$38,038,221 was covered by collateral held by the pledging from a financial institution's agent for the County in the County's name.

Midland County, Texas
Notes to the Financial Statements

B. Investments

State statutes and county policies authorize the County's investments. The County is authorized to invest in U.S. Government obligations and its agencies or instrumentalities, direct obligations of this state or its agencies and instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States with ten years or less stated final maturity (cannot be an inverse floater, a principal only or interest only), obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent rating, no-load, SEC registered mutual funds with a weighted average stated maturity of less than two years that are invested in allowable securities, obligations or Texas and its agencies, fully collateralized repurchase agreements and reverse repurchase agreements, prime domestic commercial paper, prime domestic banker's acceptances, insured or collateralized certificates of deposit, government pools and no-load SEC registered money market funds consisting of any of these securities listed.

The table below identifies the investment types that are authorized by the County's investment policies.

Authorized Investments	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Government Securities, Agencies, and Instrumentality's	3 years	100%	None
Certificate of Deposit	3 years	35%	None
Repurchase Agreement	3 years	15%	None
Local Government Investment Pools	3 years	100%	None
Money Market Mutual Funds	3 years	25%	None

The County did hold investments that are not SEC-registered. The investments not SEC-registered are:

TEXPOOL: The State Comptroller of Public Accounts oversees TexPool (the Texas Local Government Investment Pool), but Leman Brothers and Federated Investors manage the daily operations of the pool under a contract with the Comptroller. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

TexStar: TexStar is administered by First Southwest Asset Management, Inc. and JPMorgan Chase. TexStar is a local government investment pool created under the Interlocal Cooperation Act and is rated AAAM by Standard and Poor's. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas Public Fund Investment Act.

Charles Schwab: Charles Schwab Corporation is a provider of financial services, which includes securities brokerage, banking, money management and financial advisory services to individual investors, independent investment advisors, and corporate and retirement plan sponsors and participants. Charles Schwab maintains a high-quality investment portfolio with no subprime securities or collateralized debt obligations. Charles Schwab maintains A ratings from Standard & Poor's and Fitch, an A2 rating from Moody's. Charles Schwab is traded publicly on the New York Stock Exchange.

Texas CLASS: Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. The pool is governed by a board of trustees, who are elected annually by its participants. Texas CLASS is rated 'AAAM' by Standard and Poor's Ratings Services. The 'AAAM' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management.

Midland County, Texas

Notes to the Financial Statements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs-other than quoted prices included within Level 1-that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Texas Class, TexPool, and TexStar are measured at amortized cost and are exempt for fair value reporting.

U.S. Government Agency Securities in Level 2 of fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

U.S. Treasury Bonds and Certificate of Deposits classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The County has recurring fair value measurements as presented in the table below. The County's investment balances and weighted average maturity of such investments (excluding the investments held in trust) are as follows:

	Fair Value Measurements			Percent of Total Investment	Weighted Average Maturity (Days)	Credit Risk and Rating Agency
	Fair Value	Level 1 Inputs	Level 2 Inputs			
Investments measured at amortized cost						
investment pools						
TexPool	\$ 4,901,323	n/a	n/a	3%	1	AAAm - S&P
TexStar	12,665,677	n/a	n/a	8%	7	AAAm - S&P
Texas CLASS	32,515,173	n/a	n/a	21%	9	AAAm - S&P
TexPool-Prime	16,432,053	n/a	n/a	11%	6	AAAm - S&P
Investment by fair value level						
U.S. Treasury Notes	34,974,780	34,974,780	-	23%	122	AA+/Aaa - S&P
U.S. Agency Bond	13,586,111	-	13,586,111	9%	41	AA+/Aaa - S&P
Certificate of Deposits	38,038,221	38,038,221	-	25%	45	AA+/Aaa - S&P
Total	<u>\$ 153,113,338</u>	<u>\$ 73,013,001</u>	<u>\$ 13,586,111</u>	<u>100%</u>		
Portfolio Weighted Average if Maturity					<u>231</u>	

Weighted average maturity of the portfolio by investment type reflected in the table is stated in days. For investment pools, the recent weighted average maturity is presented based on the statewide investment pool. Interest bearing bank deposits is not included in the portfolio's weighted average maturity presented.

Midland County, Texas
Notes to the Financial Statements

C. Interest Rate Risk

In compliance with the County's investment policy, as of September 30, 2021, the County minimized the interest rate risk, related to the decline in market value of securities due to rising interest rates in the portfolio by: 1) limiting the effective duration of security types not to exceed three years with the exception of securities purchases related to reserve funds, 2) structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity, 3) monitoring credit rating of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act, and 4) investing operating funds primarily in shorter-term securities and government investment pools.

The following table details the maturity schedule of the County's investments as of September 30, 2021.

<u>Maturity Schedule</u>	<u>Par Value</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Less than 1 Month	\$ 7,922,582	\$ 7,948,817	6%
1 to 6 Months	90,497,369	90,597,643	58%
6 to 9 Months	7,935,225	7,977,317	5%
9 to 12 Months	2,165,000	2,202,784	1%
12 to 18 Months	17,817,769	18,012,950	11%
More than 18 Months	26,250,221	26,373,827	19%
Total	<u>\$ 152,588,166</u>	<u>\$ 153,113,338</u>	<u>100%</u>

Credit Risk

In compliance with the County's investment policy, as of September 30, 2021, the County minimized credit risk losses due to default of a security issuer or backer, by: 1) limiting investments to the safest types of securities by purchasing investments in US Treasury Notes and Bills that were rated AAA and Aaa by Standard & Poor's, Fitch and Moody's, respectively, 2) pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the County will do business, and 3) diversifying the investment portfolio so that potential losses on individual securities were minimized.

Note 4. Receivables

Receivables as of September 30, 2021 for the County's individual major funds, non-major funds in the aggregate and internal service funds, including applicable allowances for uncollectible amounts, are as follows:

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Non Major Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:						
Property taxes	\$ 1,778,133	\$ -	\$ 66,013	\$ -	\$ -	\$ 1,844,146
Accounts receivable	9,771,159	225	-	356,436	112,572	10,240,392
Gross receivables	11,549,292	225	66,013	356,436	112,572	12,084,538
Less: allowance for uncollectibles	(3,377,125)	-	(2,641)	-	-	(3,379,766)
Net total receivables	<u>\$ 8,172,167</u>	<u>\$ 225</u>	<u>\$ 63,372</u>	<u>\$ 356,436</u>	<u>\$ 112,572</u>	<u>\$ 8,704,772</u>

Midland County, Texas
Notes to the Financial Statements

Note 5. Capital Assets

Capital asset acquisition and disposal of the reporting entity was restricted to activities of the primary government only. Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 5,944,657	\$ 307,881	\$ -	\$ 6,252,538
Construction in progress	37,329,501	32,615,527	(39,813,983)	30,131,045
Total capital assets, not being depreciated	43,274,158	32,923,408	(39,813,983)	36,383,583
Capital assets, being depreciated:				
Buildings and improvements	135,133,332	11,114,824	-	146,248,156
Infrastructure	83,215,255	28,502,540	(6,734,058)	104,983,737
Machinery and equipment	41,603,689	3,080,526	(3,605,884)	41,078,331
Total capital assets being depreciated	259,952,276	42,697,890	(10,339,942)	292,310,224
Less accumulated depreciation for:				
Buildings and improvements	(45,801,847)	(4,588,759)	-	(50,390,606)
Infrastructure	(34,521,298)	(2,876,255)	2,461,267	(34,936,286)
Machinery and equipment	(24,937,957)	(3,227,017)	1,755,018	(26,409,956)
Total accumulated depreciation	(105,261,102)	(10,692,031)	4,216,285	(111,736,848)
Total capital assets, being depreciated, net	154,691,174	32,005,859	(6,123,657)	180,573,376
Governmental activities capital assets, net	\$ 197,965,332	\$ 64,929,267	\$ (45,937,640)	\$ 216,956,959

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General administration	\$ 2,395,145
Judicial	373,628
Financial administration	8,690
Public safety and corrections	2,228,724
Health and welfare	31,083
Cultural and recreation	2,600,776
Highways and roads	3,042,878
Conservation and natural resources	11,107
Total depreciation expense - governmental activities	\$ 10,692,031

Note 6. Employee Retirement Benefits

A. Plan Description

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

Midland County, Texas

Notes to the Financial Statements

The plan provisions are adopted by the governing body of the employer (the County), within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more.

Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

B. Benefits Provided

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 TCDRS Act 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 deposits and the employer financed monetary credits to a monthly annuity using the UP-1984 Table with an age setback of five years or ten years for retirees or beneficiaries, respectively, at an interest rate of 7.00%.

Employees covered by benefits as of December 31, 2020:

Retirees or beneficiaries currently receiving benefits	385
Inactive employees entitle to but not yet receiving benefits	736
Active employees	675
Total	<u><u>1,796</u></u>

C. Contributions

The County has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the minimum contribution rate of the County is actuarially determined annually, however the County may elect to contribute at a rate higher than the actuarially determined rate, or make additional lump sum contributions on an ad hoc basis to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. The County's actuarially determined rates were 11.60% for the months of the accounting year in 2020, and 11.21% for the months of the accounting year in 2021. The County contributed at a rate of 13.50% for all months included in the fiscal year ended September 30, 2021.

The deposit rate payable by the employee members for calendar year 2020 and 2021 is 7.00%, as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

D. Net Pension Liability

The County's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Midland County, Texas
Notes to the Financial Statements

Actuarial Assumptions

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
	5 Years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increase	1.60%
Investment Rate of Return	7.50%
Payroll Growth	3.00%

Mortality rates for depositing members were based on the RP-2000 Active Employee Mortality Table for Males or Females, as appropriate, with a two-year set-forward for males and a four-year setback for females, based on projection scale AA. Mortality rates service retirees, beneficiaries and non-depositing members were based on the RP-2000 Combined Mortality Table, with a projection scale of AA with a one year age set-forward for males and no age adjustment for females. Mortality rates for disabled retirees RP-2000 Disabled Mortality Table for Males or Females, as appropriate, with no age adjustment for males and a two year set-forward females, based on projection scale AA.

Family composition for current retirees' beneficiary information is supplied by TCDRS. For the purpose of calculating the Survivor Benefit for current depositing and non-depositing members, male members are assumed to have a female beneficiary who is three years younger. Female members are assumed to have a male beneficiary who is three years older.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68.

E. Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

Midland County, Texas

Notes to the Financial Statements

Long-Term Rate of Return

The long-term expected rate of return on 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	11.50%	4.25%
Global Equities	2.50%	4.55%
International Equities-Developed	5.00%	4.25%
International Equities-Emerging	6.00%	4.75%
Investment-Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	2.11%
Direct Lending	16.00%	6.70%
Distressed Debt	4.00%	5.70%
REIT Equities	2.00%	3.45%
Master Limited Partnerships	2.00%	5.10%
Private Real Estate Partnerships	6.00%	4.90%
Private Equity	25.00%	7.25%
Hedge Funds	6.00%	1.85%
Cash Equivalents	2.00%	-0.70%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 8.10%, which is consistent with the prior year discount rate. 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 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The best estimates of geometric real rates of return for each major asset class included in the TCDRS' target asset allocation as of January 2021 are summarized below:

Midland County, Texas
Notes to the Financial Statements

Changes in the Net Pension Liability

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of December 31, 2019	\$ 176,185,881	\$ 164,465,358	\$ 11,720,523
Changes for the year:			
Service cost	5,008,948	-	5,008,948
Interest on total pension liability (1)	14,301,454	-	14,301,454
Effect of economic/demographic gains or losses	1,581,274	-	1,581,274
Effect of assumptions changes or inputs	11,364,625	-	11,364,625
Refund of contributions	(633,650)	(633,650)	-
Benefit payments	(8,817,691)	(8,817,691)	-
Administrative expenses	-	(132,404)	132,404
Member contributions	-	3,098,052	(3,098,052)
Net investment income	-	16,989,602	(16,989,602)
Employer contributions	-	5,974,816	(5,974,816)
Other (3)	-	5,098	(5,098)
Balances as of December 31, 2020	<u>\$ 198,990,841</u>	<u>\$ 180,949,181</u>	<u>\$ 18,041,660</u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) No plan changes valued.

(3) Relates to allocation of system-wide items.

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the County as of December 31, 2020, calculated using the discount rate of 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate.

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total pension liability	\$ 225,313,990	\$ 198,990,841	\$ 177,025,673
Fiduciary net pension	180,949,182	180,949,181	180,949,182
Net pension liability / (asset)	<u>\$ 44,364,808</u>	<u>\$ 18,041,660</u>	<u>\$ (3,923,509)</u>

Midland County, Texas
Notes to the Financial Statements

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

For the year ended September 30, 2021, the County recognized pension expense of \$5,220,164 related to the December 31, 2020 valuation. At September 30, 2021, the County reported deferred inflows and outflows of resources related to the Plan from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ -	\$ 2,008,033
Changes of assumptions	-	8,523,469
Net difference between projected and actual investment earnings	5,912,027	-
Contributions subsequent to the measurement date	-	4,208,365
	<u> </u>	<u> </u>
Total	<u>\$ 5,912,027</u>	<u>\$ 14,739,867</u>

Deferred outflows of resources related to the Plan resulting from contributions subsequent to the measurement date of \$4,208,365 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2021 (i.e. recognized in the County's financial statements September 30, 2021). Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Pension Expense Amount
<u> </u>	<u> </u>
2021	\$ 1,927,071
2022	3,284,073
2023	145,928
2024	(737,597)
	<u> </u>
Total	<u>\$ 4,619,475</u>

Note 7. Other Post-Employment Benefits

A. Plan Description

In addition to providing pension benefits (described in Note 6), the County provides certain post-employment health care benefits (OPEB). County employees qualify for OPEB if they are considered retired or disabled. Retired employees who have 30 years or service, are at least age 60 with 8 years of service, or their age and service years sum to 75. Disabled employees have at least 8 years' service and incurred a work related injury or are disabled with 30 years of service. Employees who qualify may elect OPEB for their spouses and dependents under age 26. Spouses and dependents may elect to continue under the County's plan if retiree dies. The County assumes \$619 of the monthly premium and the individuals under the plan assume the remaining premium.

Midland County, Texas
Notes to the Financial Statements

B. Funding Policy

Local Government Code Section 157.1010 assigns the authority to establish and amend benefit provisions to the Commissioners' Court. The County is under no legal obligation to pay these premiums, and the decision to provide these benefits is made by the Commissioners' Court on a year-to-year basis.

During the year, the County contributed approximately \$1,854,080 to the health care fund for post-retirement health care as well as \$32,667 for a medical supplement; County contributions for both totaled \$1,886,747.

Employees covered by benefits as of December 31, 2020:

Retirees or beneficiaries currently receiving benefits	181
Inactive employees entitle to but not yet receiving benefits	-
Active employees	<u>511</u>
Total	<u><u>692</u></u>

C. Contributions

The County has elected the annually determined contribution. The plan is funded by monthly contributions from both employee members and the employer based on an actuarially determined contribution. The annual actuarially determined contribution is a recommended minimum contribution to fully fund postemployment healthcare benefits of both active and inactive participants of the County, however the County may elect to contribute more than the actuarially determined contribution, or make additional lump sum contributions on an ad hoc basis to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. The County's actuarially determined contribution was \$2,527,279 for the year ended September 30, 2021.

D. Net OPEB Liability

The County's net OPEB liability was measured as of October 1, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total OPEB Liability in the October 1, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	October 1, 2020
Measurement Date	September 30, 2021
Benefits Valued	Medical, prescription drug, and dental benefits.
Discount Rate	2.43%
Salary Increase	3.00%
Inflation Rate	2.50%
Healthcare Trend Rates	
Medical/RX	7.00%
Dental	3.50%

Midland County, Texas

Notes to the Financial Statements

Determining the value of the future healthcare benefits is challenged by the fact that assumptions must be made about many future events that are especially hard to predict. Future increases in healthcare costs are affected by many factors, including OPEB inflammation, Utilization, Technological advances, Cost shifting, and Cost leveraging. OPEB obligations are also heavily influenced by demographic assumptions such as Withdraw rates, Retirement rates, Mortality rates and Election rates. 85% of employees are assumed to elect medical and dental coverage at retirement. 30 % of these future retirees electing coverage are assumed to include spouse coverage. 40% of employees who retire after age 65 and elect medical coverage are assumed to elect coverage in the Medicare supplemental plan. 60% of employees who retire after age 65 and elect medical coverage are assumed to elect coverage in the County group plan. The withdrawal rates below are the Middle Termination Group rates from the TCDRS December 31, 2019 retirement plan actuarial valuation. TCDRS Pre-Retirement Male rates are 90% of RP-2014 Active Employee Mortality Table male rates, projected generationally using 110% of MP-2014 Ultimate Projection Scale. Female rates are 90% of RP-2014 Active Employee Mortality Table female rates, projected generationally using 110% of MP-2014 Ultimate Projection Scale. TCDRS Post Employment Male rates 130% of RP-2014 Healthy Annuitant Mortality Table male rates, projected generationally using 110% of MP-2014 Ultimate Projection Scale. Females rates are 110% of RP-2014 Healthy Annuitant Mortality Table female rates, projected generationally using 110% of MP-2014 Ultimate Projection Scale.

Changes in Net OPEB Liability

Changes in OPEB Liability / (Asset)	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of October 1, 2020	\$ 146,687,748	\$ -	\$ 146,687,748
Changes for the year:			
Service cost	8,611,467	-	8,611,467
Interest	3,694,384	-	3,694,384
Differences between expected and actual experience	5,284,242	-	5,284,242
Changes of assumptions	3,431,661	-	3,431,661
Benefit payments	(2,527,279)	(2,527,279)	-
Contributions - employer	-	2,527,279	(2,527,279)
Balances as of September 30, 2021	\$ 165,182,223	\$ -	\$ 165,182,223

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Total OPEB liability	\$ 203,567,294	\$ 165,182,223	\$ 135,974,611
Net OPEB liability	\$ 203,567,294	\$ 165,182,223	\$ 135,974,611

Midland County, Texas
Notes to the Financial Statements

The following presents the total OPEB liability of the County, as well as, what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Trend Rates	Current Trend Rates	1% Increase in Healthcare Trend Rates
Total OPEB liability	\$ 131,913,712	\$ 165,182,223	\$ 210,473,806
Net OPEB liability	\$ 131,913,712	\$ 165,182,223	\$ 210,473,806

E. OPEB Expense and Deferred Inflows of Resources related to OPEB

For the year ended September 30, 2021, the County recognized pension expense of \$17,094,929 related to the October 1, 2020 valuation. At September 30, 2021, the County reported deferred inflows and outflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 14,167,210	\$ -
Changes of assumptions	27,609,939	15,419,680
Total	\$ 41,777,149	\$ 15,419,680

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	OPEB Expense Amount
2022	\$ 4,789,078
2023	4,789,078
2024	4,789,078
2025	5,713,816
2026	5,211,866
Thereafter	1,064,553
Total	\$ 26,357,469

Note 8. Discrete Component Unit

As discussed in Note 1A, the Midland Housing Finance Corporation (Finance Corporation) is a component unit of the County. At September 30, 2021, the bonds were either called in full or are considered conduit debt, therefore there is no liability to the Finance Corporation or the County.

Note 9. Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental and proprietary-type funds financial statements generally reflect such transactions as transfers. The internal service funds record charges for service to County departments as operating revenue.

Midland County, Texas
Notes to the Financial Statements

All County funds record these payments to the internal service funds as operating expenses. The proprietary funds record operating subsidies as other income whereas the fund paying the subsidy records it as either an expenditure or transfer.

Individual fund interfund receivable and payable balances at September 30, 2021 arising from these transactions were as follows:

	Interfund	
	Receivable	Payable
General Fund	\$ 459,378	\$ 47,857,825
Road and Bridge Fund	24,527,259	-
America Recovery Act	17,173,771	-
Special Revenue Funds		
District Attorney Hot Check	586	46
District Attorney Bomb Dog	11,911	-
County Clerk Records Management Fund	12,501	-
Records Preservation Fund	8,529	-
District Clerk Records Management Fund	210,992	-
Courthouse Security Fund	35,449	-
County Clerk Record Archives	12,484	-
Jury Service Fund	2,430	-
County Clerk Vital Stat Preservation Fund	60	-
Juvenile Board Housing Revenue	69,618	-
Truancy Court	6,749	-
Donation - SO Detention	68	-
Sheriff Federal Forfeiture	-	51,589
Donation CIU Volunteer Support	3,106	-
SWAT Donations	24,612	-
Voter Registration Chapter 19 Fund	-	1,501
Unclaimed Juvenile Restitution	5,415	-
Dealer Inventory Fund	257	1
Justice Court Building Security Fund	39,887	-
Juvenile Delinquency Prevention	195	-
Juvenile Case Management	54,827	-
County Attorney State Supplement	137,045	-
Truancy Prevention Fund	66,714	-
Pretrial Intervention Program Fund	15,619	-
Court Records Preservation	590	135,334
County and District Court Technology Fund	15,798	-
Child Abuse Prevention	15,501	-
Appellate Justice System	290	-
Guardianship	146,484	-
Rabies Control	66,230	-
District Court Records Technology Fund	86,446	-
Justice Court Technology Fund	405,656	-
Donations SO Mounted Patrol	46,094	-
Donations Constable 4 Bulletproof Vest	500	-

Midland County, Texas
Notes to the Financial Statements

	Interfund	
	Receivable	Payable
Donations Constable 4	130	-
L.E.O.S.E. Funds	34,737	1
District Attorney Drug Forfeiture	116,052	-
7th Administration Judicial Region	-	3,502
Law Library	2,030	-
OAG Victim Coordinator & Liaison	-	4,809
Other Victims' Assistance Fund	-	10,427
Crime Victim Services Fund	-	2,013
High Intensity Drug Trafficking Area	-	77,307
Donation SO Bulletproof Vest	8,703	-
Donation Constable 2	10	-
Juvenile Probation Grants	128,895	60,584
Donation Library	143,755	-
Donation Dare Program	23,902	-
County Transportation Infrastructure Fund Grant	-	572,159
Donations Horseshoe	11,866	-
Donations Agrilife	50	-
Donations - SO Civil & Warrants	140	-
Donation - Downtown Library	5,000	-
Title IV-E Federal Foster Care	32,921	-
Donation K - 9 Unit	46,235	-
Texas VINE Grant	-	13,027
Public Assistant Grant-Covid 19	-	72,843
Commissary Fund	-	5,098
Debt Service Fund	2,587	-
Capital Projects Fund	5,200,000	-
Total governmental funds	49,420,064	48,868,066
	Interfund	
	Receivable	Payable
Fiduciary Funds		
District Clerk	-	23,904
Investment Trust Fund District Clerk	250	2,379
County Clerk	-	44,244
District Attorney	-	16,205
Sheriff	200	4,732
Justice of the Peace Precinct #1	-	16,457
Justice of the Peace Precinct #2	-	20,977
Justice of the Peace Precinct #3	-	12,963
Justice of the Peace Precinct #4	54	6,452
Tax Collector Assessor	-	340,954
CSCD - Basic Supervision	-	41,648
CSCD - Midland Outpatient Treatment Center	-	6,915
Sex Offender Caseload	-	2,708
DWI Repeat Offender Caseload	-	6,336
Drug Court	-	3,534
CSCD - DWI Court	-	354
CSCD - Transitional Treatment Court	-	1,740
Total agency funds	504	552,502
Total	\$ 49,420,568	\$ 49,420,568

Midland County, Texas
Notes to the Financial Statements

Interfund transfers for the fiscal year ended September 30, 2021 are as follows:

	Interfund	
	Transfers In	Transfers Out
General fund	\$ -	36,283,205
Road and bridge fund	24,452,590	66
Debt service fund	3,130,000	-
Nonmajor governmental funds:		
Road and Bridge Safety Program	66	-
Mental Health Deputies	378,914	-
County Transportation Infrastructure Fund Grant	1,418,500	-
TWDB Flood Infrastructure Grant	612,478	-
CARES - HAVA	6,057	-
CARES - HAVA Election Security	14,666	-
Capital projects fund	5,270,000	-
Internal service fund	1,000,000	-
Total	\$ 36,283,271	\$ 36,283,271

Note 10. Long-Term Debt

A. Governmental Activities

The following is a summary of debt transactions for governmental activities of the County for the year ended September 30, 2021:

	Balance			Balance		Due Within
	October 1, 2020	Additions	Reductions	September 30, 2021	One Year	
General Obligation Bonds-Series 2016	\$ 13,220,000	\$ -	\$ 1,235,000	\$ 11,985,000	\$ 1,280,000	
Unamortized premium on General Obligation Bonds Series 2016	820,219	-	91,135	729,084	-	
Capital lease obligation	38,676	11,580	22,601	27,655	27,655	
Compensated absences	3,758,985	-	551,022	3,207,963	3,047,574	
Totals	\$ 17,837,880	\$ 11,580	\$ 1,899,758	\$ 15,949,702	\$ 4,355,229	

B. Bonds

Certificates of Obligation and General Obligation Bonds at September 30, 2021 consist of the following:

\$14,625,000 General Obligation Refunding Bonds, Series 2016, annual installments beginning 2016 through 2029, interest at 2.00% to 3.50%.	\$ 11,985,000
Total bonds outstanding	\$ 11,985,000

Midland County, Texas
Notes to the Financial Statements

Principal payments are due annually for Certificates of Obligation and Refunding Bonds on February 15 and interest payments are due semiannually on February 15 and August 15. The annual requirements to amortize all bonded debt outstanding as of September 30, 2021 is as follows:

General Obligation Bonds Year Ending September 30,	Principal	Interest	Total
2022	1,280,000	374,406	1,654,406
2023	1,335,000	322,106	1,657,106
2024	1,385,000	267,706	1,652,706
2025	1,500,000	210,006	1,710,006
2026	1,555,000	156,681	1,711,681
2027-2031	4,930,000	196,266	5,126,266
Total	\$ 11,985,000	\$ 1,527,171	\$ 13,512,171

The County issued the Series 2016 General Obligation Bonds for the purpose of constructing, improving, renovating and equipping existing County Jail facilities and the payment of costs of issuance related thereto.

There are a number of limitations and restrictions contained in the bond and note indentures. The County is in compliance with all significant limitations and restrictions.

C. Capital Leases

The County leases various equipment under capital lease obligations. The cost of the various equipment is \$39,067 and included in the County's capital assets.

Future minimum lease payments under capital leases are as follows:

Year Ending September 30,	
2022	\$ 16,381
2023	14,520
Total minimum lease payments	30,901
Less amounts representing interest	3,246
Present value of minimum lease payments	27,655
Less	
Less current maturities	27,655
Total	\$ -

Note 11. Deferred Compensation Plan

The County offers its officials and employees three deferred compensation plans established in accordance with Internal Revenue Code Section 457. Federal law requires all assets and income of Internal Revenue Code Section 457 deferred compensation plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries.

Midland County, Texas

Notes to the Financial Statements

Assets of the County's plan are administered by a private corporation under contract with the County. The private administrator amended the plan as of January 1, 1997, to comply with the new federal law. Consequently, the plan's assets and liabilities are not included in the County's financial statements.

Note 12. Health Care

For several years the County has maintained a Medical/Dental Self-Insurance Fund. The purpose of this fund is to pay medical and dental claims for the County officials, employees, retirees and their covered dependents and to minimize the cost of medical and dental insurance for the employees and the County. Medical claims exceeding \$175,000 per covered individual are covered through a private insurance carrier. The County accrues liabilities for claims which are foreseeable and probable.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in each of the internal service funds as accounts payable.

Changes in the balances of claims liabilities during the past two years are as follows:

Unpaid claims, September 30, 2020	\$ 1,174,344
Insured claims (including (IBNRs)	7,354,367
Claim payments	<u>(7,504,522)</u>
Unpaid claims, September 2021	1,024,189
Insured claims (including (IBNRs)	10,012,703
Claim payments	<u>(9,602,611)</u>
Unpaid claims, September 30, 2021	<u>\$ 1,434,281</u>

Unpaid claims are reported in accounts payables.

Note 13. Operating Leases

The County's future minimum rental commitments for various equipment, accounted for as operating leases at September 30, 2021 are as follows:

Operating Leases	
<u>Year Ending September 30,</u>	
2022	\$ 151,487
2023	118,018
2024	55,975
2025	<u>10,735</u>
Total future minimum rental commitments	<u>\$ 336,215</u>

Rental expense related to leased equipment totaled approximately \$176,051 for the fiscal year ended September 30, 2021.

Midland County, Texas

Notes to the Financial Statements

Note 14. Contingencies

A. Federal / State Assisted Programs – Compliance Audits

The County participates in numerous state and federally assisted programs, on both a direct and state pass-through basis. In connection with these grants, the County is required to comply with specific terms and agreements, as well as applicable federal and state laws and regulations. Such compliance is subject to review and audit by grantors and their representatives, including audits under the "single audit" concept and compliance examinations which build upon such audits.

In the opinion of management, the County has complied with all requirements. However, since such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of such disallowance of claimed expenditures, the County expects the resulting liability not to have a material adverse effect to its financial position.

B. Litigation

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

Note 15. New Pronouncements

GASB Statement No. 87. Leases. Statement 87 was issued June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying assets. This standard becomes effective for the County fiscal year 2022. The County has not determined the impact of this statement.

GASB Statement No. 91. Conduit Debt Obligations. Statement 91 was issued May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard becomes effective for the County fiscal year 2022, The County has not determined the impact of this statement.

GASB Statement No. 92. Omnibus 2020. Statement 92 was issued January 2020. The primary objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB standards. The statement addresses a variety of topics including Leases (GASB 87) and postemployment benefits. This standard becomes effective for the County fiscal year 2022, the County has not determined the impact of this statement.

Midland County, Texas

Notes to the Financial Statements

GASB Statement No. 93, Replacement of Interbank Offered Rates. Statement 93 was issued March 2020. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment.
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of *reference rate*, as it is used in Statement 53, as amended

This standard becomes effective for the County fiscal year 2022. The County has not determined the impact of this statement.

GASB Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance. Statement 95 was issued May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

Midland County, Texas

Notes to the Financial Statements

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued. This standard becomes effective at the time the standard was issued. The implementation had no significant effect on the County's financial statements.

GASB Statement No. 96. Subscription -Based Information Technology Arrangements. Statement 96 was issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This standard becomes effective for the County fiscal year 2023, The County has not determined the impact of this statement.

GASB Statement No. 97. Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32. Statement 97 was issued June 2020.

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard becomes effective for the County fiscal year 2022, The County has not determined the impact of this statement.

GASB Statement No. 98. The Annual Comprehensive Financial Report. Statement 98 was issued October 2021. This Statement established the term annual comprehensive financial reporting and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This standard becomes effective for the County fiscal year 2022, the County has not determined the impact of this statement.

The County's management is reviewing the implementation process of these standards by gathering required information.

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Required Supplementary Information

Midland County, Texas

Texas County District Retirement System Schedule of Changes in the Employer's Net Pension Liability and Related Ratios For the Employees of Midland County For the Fiscal Year Ended September 30, 2021

	Year Ended December 31,						
	2014*	2015	2016	2017	2018	2019	2020
TOTAL PENSION LIABILITY							
Service cost	\$ 3,534,733	\$ 3,778,801	\$ 4,109,757	\$ 3,983,311	\$ 4,125,520	\$ 4,612,531	\$ 5,008,948
Interest (on the total pension liability)	9,896,745	6,379,917	10,803,047	11,510,020	12,583,509	13,430,990	14,301,454
Effect on plan changes	-	(730,658)	-	4,889,608	-	-	-
Effect of economic/demographic (gains) or losses	(406,390)	(1,063,811)	(1,016,375)	614,667	1,201,649	1,043,331	1,581,274
Effect of assumptions changes or inputs	-	1,434,304	-	(243,854)	-	-	11,364,625
Benefit payments/refunds of contributions	(5,437,548)	(5,802,281)	(6,818,064)	(7,468,193)	(7,824,768)	(8,049,540)	(9,451,341)
Net change in total pension liability	7,587,540	3,996,272	7,078,365	13,285,559	10,085,910	11,037,312	22,804,960
Total pension liability - beginning	123,114,923	130,702,463	134,698,735	141,777,100	155,062,659	165,148,569	176,185,881
TOTAL PENSION LIABILITY - ENDING (a)	\$ 130,702,463	\$ 134,698,735	\$ 141,777,100	\$ 155,062,659	\$ 165,148,569	\$ 176,185,881	\$ 198,990,841
PLAN FIDUCIARY NET POSITION							
Contributions - Employer	\$ 3,752,055	\$ 4,010,993	\$ 4,128,546	\$ 4,216,870	\$ 4,840,534	\$ 5,299,011	\$ 5,974,816
Contributions - Employee	2,020,340	2,159,763	2,223,064	2,270,620	2,509,903	2,747,642	3,098,052
Investment income net of investment expenses	7,596,673	(588,745)	8,804,585	18,548,981	(2,699,993)	23,213,611	16,989,602
Benefit payments/refunds of contributions	(5,437,547)	(5,802,281)	(6,818,063)	(7,468,193)	(7,824,768)	(8,049,540)	(9,451,341)
Administrative expense	(89,152)	(85,841)	(95,823)	(96,193)	(113,538)	(125,329)	(132,404)
Other	(411,369)	(31,542)	(100,900)	(14,050)	397	23,136	5,099
Net change in plan fiduciary net position	7,431,000	(337,653)	8,141,409	17,458,035	(3,287,465)	23,108,531	16,483,824
Plan fiduciary net position - beginning	111,951,500	119,382,500	119,044,847	127,186,256	144,644,291	141,356,826	164,465,357
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 119,382,500	\$ 119,044,847	\$ 127,186,256	\$ 144,644,291	\$ 141,356,826	\$ 164,465,357	\$ 180,949,181
NET PENSION LIABILITY - ENDING (a) - (b)	\$ 11,319,963	\$ 15,653,888	\$ 14,590,844	\$ 10,418,368	\$ 23,791,743	\$ 11,720,524	\$ 18,041,660
Plan fiduciary net position as a percentage of total pension liability	91.34%	88.38%	89.71%	93.28%	85.59%	93.35%	90.93%
Covered payroll	\$ 28,861,998	\$ 30,853,764	\$ 31,758,063	\$ 32,437,430	\$ 35,855,752	\$ 39,252,023	\$ 44,257,887
Net pension liability as a percentage of covered payroll	39.22%	50.74%	45.94%	32.12%	66.35%	29.86%	40.76%

*Numbers changed from prior year due to amended actuarial report.

Notes to Schedule:

As of December 31 - Measurement date

Only seven years of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-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."

Midland County, Texas
Texas County District Retirement System
Schedule of Employer Contributions
For the Fiscal Year Ended September 30, 2021

	Year Ended December 31,							
	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 2,880,840	\$ 3,232,544	\$ 3,236,560	\$ 3,153,576	\$ 3,156,162	\$ 4,241,735	\$ 4,549,310	\$ 5,133,915
Contributions in relation to the actuarially determined contribution	3,766,720	3,752,055	4,010,993	4,128,546	4,216,870	4,840,534	5,299,011	5,974,816
CONTRIBUTION EXCESS	<u>\$ (885,880)</u>	<u>\$ (519,511)</u>	<u>\$ (774,433)</u>	<u>\$ (974,970)</u>	<u>\$ (1,060,708)</u>	<u>\$ (598,799)</u>	<u>\$ (749,701)</u>	<u>\$ (840,901)</u>
Covered payroll	\$ 26,333,090	\$ 28,681,998	\$ 30,853,764	\$ 31,758,063	\$ 32,437,430	\$ 35,855,752	\$ 39,252,023	\$ 44,257,887
Contributions as a percentage of covered payroll	14.30%	13.08%	13.00%	13.00%	13.00%	13.50%	13.50%	13.50%

Notes to Schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	13.4 years (based on contribution rate calculated in 12/31/20 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service, 4.6% average over career including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for services retirement are assumed to commence receiving benefit payments based on age. The average age of service retirement of recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality for females, birth projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality, and other assumptions were reflected
	2017: New mortality assumptions were reflected
	2019: New inflation, mortality and other assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule
	2016: No changes in plan provisions were reflected in the Schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after
	2018: Employer contributions reflect that the current service matching rate was increased to 200%
	2019: No changes in plan provisions were reflected in the Schedule.
2020: No changes in plan provisions were reflected in the Schedule.	

Only eight years of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-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."

Midland County, Texas
Schedule of Changes in County's Total OPEB
Liability and Related Ratios
For the Fiscal Year Ended September 30, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 5,687,029	\$ 3,483,904	\$ 3,917,478	\$ 8,611,467
Interest	4,001,055	3,879,135	3,896,774	3,694,384
Differences between expected and actual experience	-	8,918,260	-	5,284,242
Changes of assumptions	(14,083,734)	(7,492,165)	35,052,227	3,431,661
Benefit payments	<u>(1,563,350)</u>	<u>(2,125,399)</u>	<u>(2,200,014)</u>	<u>(2,527,279)</u>
Net change in total OPEB liability	(5,959,000)	6,663,735	40,666,465	18,494,475
Total OPEB liability - beginning	<u>105,316,548</u>	<u>99,357,548</u>	<u>106,021,283</u>	<u>146,687,748</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 99,357,548</u>	<u>\$ 106,021,283</u>	<u>\$ 146,687,748</u>	<u>\$ 165,182,223</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 1,563,350	\$ 2,125,399	\$ 2,200,014	\$ 2,527,279
NET OPEB LIABILITY - ENDING	<u>\$ 99,357,548</u>	<u>\$ 106,021,283</u>	<u>\$ 146,687,748</u>	<u>\$ 165,182,223</u>
Plan fiduciary net position as a percentage of total liability	1.57%	2.00%	1.50%	1.53%
Covered payroll	\$ 25,900,000	\$ 32,062,563	\$ 29,283,267	\$ 32,470,622
Contributions as a percentage of covered payroll	6.04%	6.63%	7.51%	7.78%

Notes to Schedule:

As of September 30 - Measurement date

The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, September 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

This column shows the prior Statement 75 OPEB expense for comparative purposes.

The September 30, 2019 total OPEB liability is determined using a 3.58% final discount rate equal to the September 30, 2019 bond rate.

The September 30, 2020 total OPEB liability is determined using a 2.14% preliminary discount rate equal to the September 30, 2020 bond rate. Preliminary discount rate results will be updated once the measurement date bond rate is available and any significant plan/assumption changes are considered.

The September 30, 2021 total OPEB liability is determined using a 2.43% final discount rate equal to the September 30, 2021 bond rate.

Interest on the total OPEB liability- $[(\text{total OPEB liability} + \text{service cost}) \times \text{discount rate}] - [\text{benefit payments} \times ((1 + \text{discount rate})^{1/2} - 1)]$ where total OPEB liability, service cost discount rate are as of the beginning of measurement period and measurement period benefits payments are assumed to be paid mid-year.

Difference between expected and actual experience for fiscal years 2020 and 2021 are detailed in the Changes in Actuarial Accrued Liability since the Last Valuation section on page 17. Balances and amortizations of all past differences not fully recognized are calculated in the amortization of differences between expected and actual experience section on.

Changes in assumption and other inputs for fiscal year 2020 and 2021 are detailed in the Changes in Actuarial Accrued Liability since the last valuation section. Balances and amortizations of all past changes not fully recognized are calculated in the amortizations of changes in assumptions and other inputs section.

Midland County, Texas

Schedule of the County's Contributions for OPEB For the Fiscal Year Ended September 30, 2021

	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020
Actuarially determined contribution	\$ 2,125,399	\$ 2,200,014	\$ 2,527,279
Contributions in relation to the actuarially determined contribution	2,125,399	2,200,014	2,527,279
CONTRIBUTION EXCESS (DEFICIENCY)	\$ -	\$ -	\$ -
Covered payroll	\$ 25,900,000	\$ 23,062,563	\$ 29,283,267
Contributions as a percentage of covered payroll	8.21%	9.54%	8.63%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of October 1, 2021

Methods and assumptions used to determine contribution rates:

Actuarial Cost method	Entry Age
Amortization method	Average working lifetime
Remaining amortization period	13.4 years
Healthcare cost trend rates	
Medical/RX	7.00%
Dental	3.50%
Inflation Rate	2.50%
Salary Increase:	4.60%
Mortality	Male rates: 130% of RP-2014 Active Employee Mortality Table male rates, projected generationally using 110% of MP- 2014 Ultimate Projection Scale Female rates: 110% of RP-2014 Active Employee Mortality Table male rates, projected generationally using 110% of MP- 2014 Ultimate Projection Scale

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compile, the County will present information for those years for which information is available.

Midland County, Texas

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual For the Fiscal Year Ended September 30, 2021

	Original Budget
REVENUES	
Property tax, penalties and interest	\$ 45,400,000
Sales tax	38,000,000
Hotel-motel tax	300,000
Fines and forfeitures	3,045,000
Licenses and permits	400,000
Intergovernmental charges	548,500
Charges for current services	4,473,320
Investment income	1,000,000
Other revenue	1,098,700
Total revenues	<u>94,265,520</u>
EXPENDITURES	
Current:	
General administration	17,440,881
Judicial	23,902,770
Financial administration	4,098,020
Elections	747,259
Public safety and corrections	32,440,335
Health and welfare	2,155,159
Culture and recreation	5,129,523
Conservation and natural resources	221,213
Capital outlay	4,611,396
Total expenditures	<u>90,746,556</u>
Excess of revenues (deficiency) over expenditures	3,518,964
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(41,946,047)</u>
Total other financing sources (uses)	<u>(41,946,047)</u>
Net change in fund balance	(38,427,083)
Fund balance - beginning of year	<u>101,099,196</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 62,672,113</u></u>

Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 45,400,000	\$ 50,205,322	\$ 4,805,322
38,000,000	41,337,737	3,337,737
300,000	644,543	344,543
3,045,000	2,184,068	(860,932)
400,000	963,266	563,266
548,500	519,301	(29,199)
4,461,320	6,576,629	2,115,309
1,000,000	367,761	(632,239)
1,119,630	1,895,435	775,805
<hr/> 94,274,450	<hr/> 104,694,062	<hr/> 10,419,612
16,235,846	12,296,589	3,939,257
23,965,264	20,686,612	3,278,652
4,111,762	4,030,679	81,083
748,682	469,926	278,756
32,895,768	30,211,235	2,684,533
1,156,385	970,850	185,535
5,179,930	4,664,654	515,276
220,777	181,412	39,365
10,965,830	4,122,060	6,843,770
<hr/> 95,480,244	<hr/> 77,634,017	<hr/> 17,846,227
(1,205,794)	27,060,045	28,265,839
<hr/> (42,681,115)	<hr/> (36,283,205)	<hr/> 6,397,910
<hr/> (42,681,115)	<hr/> (36,283,205)	<hr/> 6,397,910
(43,886,909)	(9,223,160)	34,663,749
<hr/> 101,099,196	<hr/> 101,099,196	<hr/> -
<hr/> <hr/> \$ 57,212,287	<hr/> <hr/> \$ 91,876,036	<hr/> <hr/> \$ 34,663,749

Midland County, Texas

Road and Bridge Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2021

	Original Budget
REVENUES	
Licenses	\$ 1,835,000
Intergovernmental charges	25,000
Investment income	10,000
Other revenues	150,000
Total revenues	2,020,000
EXPENDITURES	
Highways and roads	6,041,333
Capital outlay	30,770,682
Total expenditures	36,812,015
Deficiency of revenues over expenditures	(34,792,015)
OTHER FINANCING SOURCES	
Transfers in	24,400,000
Transfers out	-
Total other financing sources	24,400,000
Net change in fund balance	(10,392,015)
Fund balance - beginning of year	28,849,848
FUND BALANCE, END OF YEAR	\$ 18,457,833

Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 1,835,000	\$ 2,312,186	\$ 477,186
25,000	1,285,865	1,260,865
10,000	3,334	(6,666)
150,000	424,174	274,174
2,020,000	4,025,559	2,005,559
6,181,609	4,498,567	1,683,042
34,561,689	22,878,270	11,683,419
40,743,298	27,376,837	13,366,461
(38,723,298)	(23,351,278)	15,372,020
24,452,590	24,452,590	-
-	(66)	(66)
24,452,590	24,452,524	(66)
(14,270,708)	1,101,246	15,371,954
28,849,848	28,849,848	-
<u>\$ 14,579,140</u>	<u>\$ 29,951,094</u>	<u>\$ 15,371,954</u>

Midland County, Texas

Debt Service Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2021

	Original Budget
REVENUES	
Property tax, penalties and interest	\$ 1,660,206
Total revenues	1,660,206
EXPENDITURES	
Debt service:	
Principal	4,565,000
Interests and fiscal charges	426,506
Total expenditures	4,991,506
Excess of revenues over expenditures	(3,331,300)
OTHER FINANCING	
Transfers in	3,330,000
Total other financing uses	3,330,000
Net change in fund balance	(1,300)
Fund balance - beginning of year	160,965
FUND BALANCE - END OF YEAR	\$ 159,665

Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 1,660,206	\$ 1,710,712	\$ 50,506
1,660,206	1,710,712	50,506
1,235,000	1,235,000	-
424,206	425,456	(1,250)
1,659,206	1,660,456	(1,250)
1,000	50,256	49,256
3,330,000	3,130,000	(200,000)
3,330,000	3,130,000	(200,000)
3,331,000	3,180,256	(150,744)
160,965	160,965	-
<u>\$ 3,491,965</u>	<u>\$ 3,341,221</u>	<u>\$ (150,744)</u>

Midland County, Texas

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2021

	Original Budget
REVENUES	
Investment income	\$ 809
Total revenues	809
EXPENDITURES	
Judicial	-
Public safety and corrections	-
Culture and recreation	-
Highways and roads	-
Capital outlay	12,449,592
Total expenditures	12,449,592
Deficiency of revenues over expenditures	(12,448,783)
OTHER FINANCING SOURCES	
Transfers in	8,500,000
Total other financing sources	8,500,000
Net change in fund balance	(3,948,783)
Fund balance - beginning of year	4,243,645
FUND BALANCE - END OF YEAR	\$ 294,862

Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 809	\$ 1,030	\$ 221
809	1,030	221
367,364	215,168	152,196
2,894,275	110,683	2,783,592
142,892	169,091	(26,199)
72,033	203,997	(131,964)
10,302,482	-	10,302,482
13,779,046	698,939	13,080,107
(13,778,237)	(697,909)	13,080,328
8,570,000	5,270,000	(3,300,000)
8,570,000	5,270,000	(3,300,000)
(5,208,237)	4,572,091	9,780,328
4,243,645	4,243,645	-
\$ (964,592)	\$ 8,815,736	\$ 9,780,328

Midland County, Texas

Notes to Required Supplementary Information
Schedules of Revenues, Expenditures and Changes
in Fund Balance – Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2021

A. Budgetary Information

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

1. Prior to the beginning of each fiscal year, the County Judge submits to the Commissioners' Court a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget for the next fiscal year is legally enacted by the Commissioners' Court through the passage of a court order.
4. The Commissioners' Court has the authority to transfer balances or portions thereof, from one expenditure account to another within a single office, department or agency of the County. During the year, several supplementary appropriations were necessary. These changes are reflected in the budget amounts presented.
5. The level at which expenditures may not legally exceed appropriations is the legally adopted annual operating budget for each fund in total.
6. Annual budgets are legally adopted for all governmental funds. These budgets are adopted on a generally accepted accounting principle (GAAP) basis.
7. At the close of each fiscal year, all appropriations lapse.

Excess of Expenditures over Appropriations

For the year ended September 30, 2021, expenditures exceeded budget for capital projects funds the following:

	Variance With Final Budget - (Unfavorable)
Interests and fiscal charges	(1,250)

The unfavorable variance in the Debt Service fund for the interests and fiscal charges expenditures is related to redemption fees for two bonds that were not taken into account during the budget process.

Supplementary Information

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Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds account for revenues derived from earmarked revenue sources that are legally restricted to expenditures for a specific purpose. The following are the County's Special Revenue Funds:

District Attorney Hot Check	Sheriff Federal Forfeiture
Law Library	Indigent Defense Improvement Grant
County Clerk Records Management	7 th Administration Judicial Region
Records Preservation	High Intensity Drug Trafficking Area Grant
District Clerk Records Management	Truancy Court
Juvenile Probation Fees	Mental Health Deputies
Courthouse Security	Texas Vine Grant
County Clerk Records Archive	Crime Victim Services Grant
County Clerk Vital Statistics	Donation SO Bulletproof Vest
Voter Registration Chapter 19	Donation CIU Volunteer Support
Employee Activity	Donation Teen Leadership Account
Dealer Inventory	Donation Constable 2
Justice Court Building Security	Title IV-E Federal Foster Care
Juvenile Case Management	Juvenile Probation State Grants
County Attorney State Supplement	Justice Assistance Grants
Truancy Prevention Fund	Donation Cemetery Care
Juvenile Delinquency Prevention	Donation Library
Pre-Trial Intervention Program	Donation Juvenile
Election Contracts	Donation Dare Program
Unclaimed Juvenile Restitution	District Attorney Bomb Dog
Court Records Preservation	OOG Justice Assistant Grant
Scofflaw Implementation Fee	Donation K-9 Unit
Child Abuse Prevention	Donation Gratitude Square
Appellate Justice System	OAG Victim Coordinator & Liaison
Guardianship	Library Grants
Abandoned Motor Vehicles	Jury Service Fund
Rabies Control	Donation SO Detention
District Court Records Technology	Donation CIU Victim Assistance
County and District Court Technology	Donation Warrants Bulletproof
Justice Court Technology	Donation So Civil & Warrants
SWAT Donation	County Transportation Infrastructure Grant (CERTZ)
Donations SO Mounted Patrol	Donation Downtown Library
Donations Constable 4 Bulletproof Vest	CARES Coronavirus Relief Fund
Donations Horseshoe	CARES HAVA
Donations Sheriff's Office	CARES HAVA Election Security
Donation Constable 4	DOJ Coronavirus Emergency Supplement
Donations Agrilife	Public Assistant Grant Covid 19
Donations Impacts	Juvenile Board Housing Revenue
L.E.O.S.E. Funds	Commissary Fund
District Attorney Victims of Crime	Wraparound Project – Juvenile
District Attorney Drug Forfeiture	TWDB Flood Infrastructure Grant
Sheriff Abell Hanger	Solid Waste Disposal Grant
Sheriff Local Drug Forfeiture	Coronavirus Emergency Supplement
	Road and Bridge Safety Program

Midland County, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2021

	District Attorney Hot Check	Law Library	County Clerk Records Management
ASSETS			
Cash	\$ 1	\$ 2,560	\$ -
Investments	107,727	123,171	1,872,801
Accounts receivable	-	13	-
Due from other funds	586	2,030	12,501
Due from other governmental agencies	15,000	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 123,314	\$ 127,774	\$ 1,885,302
LIABILITIES			
Accounts payable	\$ -	\$ 6,945	\$ 2,715
Benefits payable	1,539	2,117	5,724
Due to other funds	46	-	-
Unearned revenue	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	1,585	9,062	8,439
FUND BALANCES			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	121,729	118,712	1,876,863
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Unassigned	-	-	-
Total fund balances	121,729	118,712	1,876,863
TOTAL LIABILITIES AND FUND BALANCES	\$ 123,314	\$ 127,774	\$ 1,885,302

Records Preservation	District Clerk Records Management	Juvenile Probation Fees	Courthouse Security	County Clerk Records Archive	County Clerk Vital Statistics
\$ 2	\$ (1)	\$ -	\$ (1)	\$ (1)	\$ 327
43,006	-	25,395	17,317	2,049,158	155,788
-	-	45	-	201,269	-
8,529	210,992	-	35,449	12,484	60
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 51,537</u>	<u>\$ 210,991</u>	<u>\$ 25,440</u>	<u>\$ 52,765</u>	<u>\$ 2,262,910</u>	<u>\$ 156,175</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	5,174	4,092	28
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,174	4,092	28
-	-	-	-	-	-
-	-	-	-	-	-
51,537	210,991	25,440	47,591	2,258,818	156,147
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>51,537</u>	<u>210,991</u>	<u>25,440</u>	<u>47,591</u>	<u>2,258,818</u>	<u>156,147</u>
<u>\$ 51,537</u>	<u>\$ 210,991</u>	<u>\$ 25,440</u>	<u>\$ 52,765</u>	<u>\$ 2,262,910</u>	<u>\$ 156,175</u>

Midland County, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2021

	Voter Registration Chapter 19	Employee Activity	Dealer Inventory
ASSETS			
Cash	\$ 1	\$ -	\$ (1)
Investments	-	26,569	29,398
Accounts receivable	-	1,515	-
Due from other funds	-	-	257
Due from other governmental agencies	1,536	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 1,537	\$ 28,084	\$ 29,654
LIABILITIES			
Accounts payable	\$ 35	\$ 460	\$ -
Benefits payable	-	-	122
Due to other funds	1,501	-	1
Unearned revenue	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	1,536	460	123
FUND BALANCES			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	1	-	29,531
Federal and state grants	-	-	-
Committed			
Employee motivation	-	27,624	-
Donations	-	-	-
Unassigned	-	-	-
Total fund balances	1	27,624	29,531
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,537	\$ 28,084	\$ 29,654

<u>Justice Court Building Security</u>	<u>Juvenile Case Management</u>	<u>County Attorney State Supplement</u>	<u>Truancy Prevention Fund</u>	<u>Juvenile Delinquency Prevention</u>	<u>Pre-Trial Intervention Program</u>
\$ -	\$ 1	\$ 2	\$ 1	\$ -	\$ 426,248
-	-	-	-	-	-
-	-	-	-	-	-
39,887	54,827	137,045	66,714	195	15,619
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 39,887</u>	<u>\$ 54,828</u>	<u>\$ 137,047</u>	<u>\$ 66,715</u>	<u>\$ 195</u>	<u>\$ 441,867</u>
\$ -	\$ -	\$ 2,786	\$ -	\$ -	\$ 125
-	2,146	1,840	-	-	8,011
-	-	-	-	-	-
-	-	84,000	-	-	-
-	-	-	-	-	-
-	2,146	88,626	-	-	8,136
-	-	-	-	-	-
-	-	-	-	-	-
39,887	52,682	-	66,715	195	433,731
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	48,421	-	-	-
<u>39,887</u>	<u>52,682</u>	<u>48,421</u>	<u>66,715</u>	<u>195</u>	<u>433,731</u>
<u>\$ 39,887</u>	<u>\$ 54,828</u>	<u>\$ 137,047</u>	<u>\$ 66,715</u>	<u>\$ 195</u>	<u>\$ 441,867</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2021

	<u>Election Contracts</u>	<u>Unclaimed Juvenile Restitution</u>	<u>Court Records Preservation</u>
ASSETS			
Cash	\$ 108,396	\$ 1	\$ -
Investments	-	-	-
Accounts receivable	(7)	-	-
Due from other funds	-	5,415	590
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 108,389</u>	<u>\$ 5,416</u>	<u>\$ 590</u>
LIABILITIES			
Accounts payable	\$ 1,654	\$ -	\$ -
Benefits payable	-	-	-
Due to other funds	-	-	135,334
Unearned revenue	-	-	-
Deferred grant revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,654	-	135,334
FUND BALANCES			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	106,735	5,416	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Unassigned	-	-	(134,744)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	106,735	5,416	(134,744)
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 108,389</u>	<u>\$ 5,416</u>	<u>\$ 590</u>

<u>Scofflaw Implementation Fee</u>	<u>Child Abuse Prevention</u>	<u>Appellate Justice System</u>	<u>Guardianship</u>	<u>Abandoned Motor Vehicles</u>	<u>Rabies Control</u>
\$ 16,199	\$ 1	\$ 4,155	\$ -	\$ 9,601	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
-	15,501	290	146,484	-	66,230
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,199</u>	<u>\$ 15,502</u>	<u>\$ 4,445</u>	<u>\$ 146,484</u>	<u>\$ 9,601</u>	<u>\$ 66,231</u>
\$ -	\$ -	\$ 4,445	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,445	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,199	15,502	-	146,484	9,601	66,231
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,199</u>	<u>15,502</u>	<u>-</u>	<u>146,484</u>	<u>9,601</u>	<u>66,231</u>
<u>\$ 16,199</u>	<u>\$ 15,502</u>	<u>\$ 4,445</u>	<u>\$ 146,484</u>	<u>\$ 9,601</u>	<u>\$ 66,231</u>

Midland County, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2021

	District Court Records Technology	County and District Court Technology	Justice Court Technology
ASSETS			
Cash	\$ 1	\$ -	\$ 1
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	86,446	15,798	405,656
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
	<u>86,447</u>	<u>15,798</u>	<u>405,657</u>
TOTAL ASSETS	\$ 86,447	\$ 15,798	\$ 405,657
LIABILITIES			
Accounts payable	\$ -	\$ 701	\$ -
Benefits payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Deferred grant revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	-	701	-
FUND BALANCES			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	86,447	15,097	405,657
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Unassigned	-	-	-
	<u>86,447</u>	<u>15,097</u>	<u>405,657</u>
Total fund balances	86,447	15,097	405,657
TOTAL LIABILITIES AND FUND BALANCES	\$ 86,447	\$ 15,798	\$ 405,657

<u>SWAT Donation</u>	<u>Donations SO Mounted Patrol</u>	<u>Donations Const 4 Bullet Proof Vest</u>	<u>Donations Horseshoe</u>	<u>Donations Sheriff's Office</u>	<u>Donations Constable 4</u>	<u>Donations AgriLife</u>	<u>Donation Impacts</u>
\$ -	\$ -	\$ -	\$ -	172,483	\$ 1	\$ -	\$ 500
-	-	-	-	-	-	-	-
-	-	-	-	-	350	-	-
24,612	46,094	500	11,866	-	130	50	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 24,612</u>	<u>\$ 46,094</u>	<u>\$ 500</u>	<u>\$ 11,866</u>	<u>\$ 172,483</u>	<u>\$ 481</u>	<u>\$ 50</u>	<u>\$ 500</u>
\$ -	\$ 315	\$ -	\$ -	\$ 14,854	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	315	-	-	14,854	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
24,612	45,779	500	11,866	157,629	481	50	500
-	-	-	-	-	-	-	-
<u>24,612</u>	<u>45,779</u>	<u>500</u>	<u>11,866</u>	<u>157,629</u>	<u>481</u>	<u>50</u>	<u>500</u>
<u>\$ 24,612</u>	<u>\$ 46,094</u>	<u>\$ 500</u>	<u>\$ 11,866</u>	<u>\$ 172,483</u>	<u>\$ 481</u>	<u>\$ 50</u>	<u>\$ 500</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2021

	L.E.O.S.E. Funds	District Attorney Victims of Crime	District Attorney Drug Forfeiture
ASSETS			
Cash	\$ 11,358	\$ -	\$ (1)
Investments	-	10,205	201,925
Accounts receivable	-	-	38,697
Due from other funds	34,737	-	116,052
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 46,095	\$ 10,205	\$ 356,673
LIABILITIES			
Accounts payable	\$ 2,023	\$ -	\$ 40,017
Benefits payable	-	-	1,418
Due to other funds	1	-	-
Unearned revenue	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	2,024	-	41,435
FUND BALANCES			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	44,071	-	315,238
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	10,205	-
Unassigned	-	-	-
Total fund balances	44,071	10,205	315,238
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,095	\$ 10,205	\$ 356,673

Sheriff Abell Hanger	Sheriff Local Drug Forfeiture	Sheriff Federal Forfeiture	Indigent Defense Improvement Grant	7th Administration Judicial Region	High Intensity Drug Trafficking Area
\$ -	\$ 187,539	\$ -	\$ 6,033	\$ (1)	529
192	41,460	336,402	-	-	-
-	44,546	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,635	86,863
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 192</u>	<u>\$ 273,545</u>	<u>\$ 336,402</u>	<u>\$ 6,033</u>	<u>\$ 6,634</u>	<u>\$ 87,392</u>
\$ -	\$ -	\$ 619	\$ -	\$ 65	\$ 840
-	-	-	-	3,067	9,245
-	-	51,589	-	3,502	77,307
-	-	-	-	-	-
-	-	-	-	-	-
-	-	52,208	-	6,634	87,392
-	-	-	-	-	-
-	-	-	-	-	-
-	273,545	284,194	-	-	-
-	-	-	6,033	-	-
-	-	-	-	-	-
192	-	-	-	-	-
-	-	-	-	-	-
<u>192</u>	<u>273,545</u>	<u>284,194</u>	<u>6,033</u>	<u>-</u>	<u>-</u>
<u>\$ 192</u>	<u>\$ 273,545</u>	<u>\$ 336,402</u>	<u>\$ 6,033</u>	<u>\$ 6,634</u>	<u>\$ 87,392</u>

Midland County, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2021

	Truancy Court	Mental Health Deputies	Texas VINE Grant
ASSETS			
Cash	\$ 1	\$ 4,601	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	6,749	-	-
Due from other governmental agencies	-	11,667	15,200
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 6,750	\$ 16,268	\$ 15,200
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 2,173
Benefits payable	-	16,106	-
Due to other funds	-	-	13,027
Unearned revenue	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	-	16,106	15,200
FUND BALANCES			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	6,750	-	-
Federal and state grants	-	162	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Unassigned	-	-	-
Total fund balances	6,750	162	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,750	\$ 16,268	\$ 15,200

Crime Victim Services Grant	Donation SO Bulletproof Vest	Donation CIU Volunteer Support	Donation Teen Leadership Account	Donation Constable 2	Title IV-E Federal Foster Care
\$ 1	\$ 1	\$ -	\$ 1,722	\$ -	2
-	-	-	-	-	191,633
-	-	-	-	-	-
-	8,703	3,106	-	10	32,921
29	-	-	-	-	22,319
1,983	-	-	-	-	-
-	-	-	-	-	-
\$ 2,013	\$ 8,704	\$ 3,106	\$ 1,722	\$ 10	\$ 246,875
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,642
-	-	-	-	-	-
2,013	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,013	-	-	-	-	17,642
1,983	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,983)	-	-	-	-	229,233
-	-	-	-	-	-
-	8,704	3,106	1,722	10	-
-	-	-	-	-	-
-	8,704	3,106	1,722	10	229,233
\$ 2,013	\$ 8,704	\$ 3,106	\$ 1,722	\$ 10	\$ 246,875

Midland County, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2021

	Juvenile Probation State Grants	Justice Assistance Grants	Donation Cemetery Care
ASSETS			
Cash	6	\$ 10,542	\$ 793
Investments	-	-	-
Accounts receivable	175	-	-
Due from other funds	128,895	-	-
Due from other governmental agencies	72,195	-	-
Prepaid expenses	2,498	-	-
Inventory	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 203,769</u></u>	<u><u>\$ 10,542</u></u>	<u><u>\$ 793</u></u>
LIABILITIES			
Accounts payable	132,096	\$ -	\$ -
Benefits payable	11,089	-	-
Due to other funds	60,584	-	-
Unearned revenue	-	-	-
Deferred grant revenue	-	10,542	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	203,769	10,542	-
FUND BALANCES			
Nonspendable			
Prepays	2,498	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	(2,498)	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	793
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	-	-	793
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 203,769</u></u>	<u><u>\$ 10,542</u></u>	<u><u>\$ 793</u></u>

<u>Donation Library</u>	<u>Donation Juvenile</u>	<u>Donation Dare Program</u>	<u>District Attorney Bomb Dog</u>	<u>OOG Justice Assistant Grant</u>	<u>Donation K-9 Unit</u>
\$ 370	\$ 148	\$ 1	\$ -	\$ 2	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
143,755	-	23,902	11,911	-	46,235
-	-	-	-	13,116	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 144,125</u>	<u>\$ 148</u>	<u>\$ 23,903</u>	<u>\$ 11,911</u>	<u>\$ 13,118</u>	<u>\$ 46,236</u>
\$ -	\$ -	\$ -	\$ -	\$ 194	\$ -
-	-	-	-	2,497	-
-	-	-	-	10,427	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	13,118	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
144,125	148	23,903	11,911	-	46,236
-	-	-	-	-	-
<u>144,125</u>	<u>148</u>	<u>23,903</u>	<u>11,911</u>	<u>-</u>	<u>46,236</u>
<u>\$ 144,125</u>	<u>\$ 148</u>	<u>\$ 23,903</u>	<u>\$ 11,911</u>	<u>\$ 13,118</u>	<u>\$ 46,236</u>

Midland County, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2021

	Donation Gratitude Square	OAG Victim Coordinator & Liaison	Library Grants
ASSETS			
Cash	\$ 2,900	\$ -	\$ 2,500
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	-	5,136	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 2,900	\$ 5,136	\$ 2,500
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Benefits payable	-	327	-
Due to other funds	-	4,809	-
Unearned revenue	-	-	-
Deferred grant revenue	-	-	2,500
Total liabilities	-	5,136	2,500
FUND BALANCES			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	2,900	-	-
Unassigned	-	-	-
Total fund balances	2,900	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,900	\$ 5,136	\$ 2,500

<u>Jury Service Fund</u>	<u>Donation - SO Detention</u>	<u>Donation-CIU Victim Assistance</u>	<u>Donation - Warrants Bulletproof</u>	<u>Donation - SO Civil & Warrants</u>	<u>County Transportation Infrastructure Fund Grant Program</u>
\$ -	\$ -	\$ 176	\$ 61	\$ -	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
2,430	68	-	-	140	-
-	-	-	-	-	1,055,839
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,430</u>	<u>\$ 68</u>	<u>\$ 176</u>	<u>\$ 61</u>	<u>\$ 140</u>	<u>\$ 1,055,840</u>
\$ -	\$ -	34	\$ -	\$ -	472,766
-	-	-	-	-	10,915
-	-	-	-	-	572,159
-	-	-	-	-	-
-	-	-	-	-	-
-	-	34	-	-	1,055,840
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	68	142	61	140	-
2,430	-	-	-	-	-
<u>2,430</u>	<u>68</u>	<u>142</u>	<u>61</u>	<u>140</u>	<u>-</u>
<u>\$ 2,430</u>	<u>\$ 68</u>	<u>\$ 176</u>	<u>\$ 61</u>	<u>\$ 140</u>	<u>\$ 1,055,840</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2021

	<u>Donation - Downtown Library</u>	<u>CARES - Coronavirus Relief Fund</u>	<u>CARES - HAVA</u>
ASSETS			
Cash	\$ -	\$ -	\$ 71,143
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	5,000	-	-
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 71,143</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	71,143
Benefits payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	-	-	71,143
FUND BALANCES			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	5,000	-	-
Unassigned	-	-	-
Total fund balances	<u>5,000</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 71,143</u>

<u>CARES - HAVA Election Security</u>	<u>DOJ Coronavirus Emergency Supp</u>	<u>Public Assistance Grant- Covid 19</u>	<u>Juvenile Board Housing Revenue</u>	<u>Commissary Fund</u>	<u>Wraparound Project - Juvenile</u>	<u>TWDB Flood Infrastructure Grant</u>
\$ 7,311	\$ -	\$ -	\$ 1	\$ 963,920	\$ 3	\$ 413,165
-	-	-	-	-	-	-
-	-	-	-	69,833	-	-
-	-	-	69,618	-	-	-
-	-	74,295	10,640	-	-	119,274
-	-	-	-	-	-	-
-	-	-	-	28,985	-	-
<u>\$ 7,311</u>	<u>\$ -</u>	<u>\$ 74,295</u>	<u>\$ 80,259</u>	<u>\$ 1,062,738</u>	<u>\$ 3</u>	<u>\$ 532,439</u>
\$ 300	\$ -	1,452	\$ -	\$ 27,663	\$ -	39,234
-	-	-	-	6,473	3	-
-	-	72,843	-	5,098	-	-
-	-	-	-	-	-	-
7,011	-	-	-	-	-	-
7,311	-	74,295	-	39,234	3	39,234
-	-	-	-	-	-	-
-	-	-	-	36,084	-	-
-	-	-	-	-	-	-
-	-	-	80,259	987,420	-	493,205
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	80,259	1,023,504	-	493,205
<u>\$ 7,311</u>	<u>\$ -</u>	<u>\$ 74,295</u>	<u>\$ 80,259</u>	<u>\$ 1,062,738</u>	<u>\$ 3</u>	<u>\$ 532,439</u>

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Midland County, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2021

	Solid Waste Disposal Grant	Coronavirus Emergency Supplement	Road and Bridge Safety Program	Totals
ASSETS				
Cash	\$ -	\$ -	\$ 237	\$ 2,425,545
Investments	-	-	-	5,232,147
Accounts receivable	-	-	-	356,436
Due from other funds	-	-	-	2,057,069
Due from other governmental agencies	-	-	-	1,509,744
Prepaid expenses	-	-	-	4,481
Inventory	-	-	-	28,985
TOTAL ASSETS	\$ -	\$ -	\$ 237	\$ 11,614,407
LIABILITIES				
Accounts payable	-	-	-	\$ 843,296
Benefits payable	-	-	-	91,933
Due to other funds	-	-	-	1,010,241
Unearned revenue	-	-	-	84,000
Deferred grant revenue	-	-	-	20,053
Total liabilities	-	-	-	2,049,523
FUND BALANCES				
Nonspendable				
Prepays	-	-	-	4,481
Inventories	-	-	-	36,084
Restricted				
Legislation	-	-	-	7,287,737
Federal and state grants	-	-	-	1,791,831
Committed				
Employee motivation	-	-	-	27,624
Donations	-	-	-	500,783
Unassigned	-	-	237	(83,656)
Total fund balances	-	-	237	9,564,884
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 237	\$ 11,614,407

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended September 30, 2021

	District Attorney Hot Check	Law Library	County Clerk Records Management
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	22,500	-	-
Charges for services	6,444	121,584	411,655
Investment income	(15)	(13)	654
Other revenue	-	-	-
Total revenues	<u>28,929</u>	<u>121,571</u>	<u>412,309</u>
EXPENDITURES			
Current			
General administration	-	-	-
Judicial	30,892	125,065	256,692
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>30,892</u>	<u>125,065</u>	<u>256,692</u>
Excess (deficiency) of revenues over (under) expenditures	(1,963)	(3,494)	155,617
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,963)	(3,494)	155,617
Fund balances - beginning of year	<u>123,692</u>	<u>122,206</u>	<u>1,721,246</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 121,729</u></u>	<u><u>\$ 118,712</u></u>	<u><u>\$ 1,876,863</u></u>

Records Preservation	District Clerk Records Management	Juvenile Probation Fees	Courthouse Security	County Clerk Records Archive	County Clerk Vital Statistics
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
53,431	18,407	4,475	102,513	406,328	12,322
154	-	(3)	42	1,742	145
-	-	-	-	29,858	-
53,585	18,407	4,472	102,555	437,928	12,467
-	-	-	-	-	-
69,355	10,660	-	-	92,118	1,013
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,752	101,587	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
69,355	10,660	6,752	101,587	92,118	1,013
(15,770)	7,747	(2,280)	968	345,810	11,454
-	-	-	-	-	-
-	-	-	-	-	-
(15,770)	7,747	(2,280)	968	345,810	11,454
67,307	203,244	27,720	46,623	1,913,008	144,693
<u>\$ 51,537</u>	<u>\$ 210,991</u>	<u>\$ 25,440</u>	<u>\$ 47,591</u>	<u>\$ 2,258,818</u>	<u>\$ 156,147</u>

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance – Continued
For the Fiscal Year Ended September 30, 2021

	Voter Registration Chapter 19	Employee Activity	Dealer Inventory
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	13,025	-	-
Charges for services	-	-	-
Investment income	-	(2)	9,042
Other revenue	-	5,533	-
Total revenues	13,025	5,531	9,042
EXPENDITURES			
Current			
General administration	-	851	-
Judicial	-	-	-
Financial administration	-	-	6,869
Elections	13,024	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	13,024	851	6,869
Excess (deficiency) of revenues over (under) expenditures	1	4,680	2,173
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	1	4,680	2,173
Fund balances - beginning of year	-	22,944	27,358
FUND BALANCES - END OF YEAR	\$ 1	\$ 27,624	\$ 29,531

Justice Court Building Security	Juvenile Case Management	County Attorney State Supplement	Truancy Prevention Fund	Juvenile Delinquency Prevention	Pre-Trial Intervention Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	154,000	-	-	-
10,247	43,292	-	1,424	-	247,503
-	-	-	-	-	-
-	-	-	-	-	-
10,247	43,292	154,000	1,424	-	247,503
-	-	-	-	-	-
-	50,079	78,596	-	-	265,235
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	50,079	78,596	-	-	265,235
10,247	(6,787)	75,404	1,424	-	(17,732)
-	-	-	-	-	-
-	-	-	-	-	-
10,247	(6,787)	75,404	1,424	-	(17,732)
29,640	59,469	(26,983)	65,291	195	451,463
<u>\$ 39,887</u>	<u>\$ 52,682</u>	<u>\$ 48,421</u>	<u>\$ 66,715</u>	<u>\$ 195</u>	<u>\$ 433,731</u>

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance – Continued
For the Fiscal Year Ended September 30, 2021

	Election Contracts	Unclaimed Juvenile Restitution	Court Records Preservation
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	154,930	-	36,922
Investment income	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	154,930	-	36,922
EXPENDITURES			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	140,845	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	140,845	-	-
Excess (deficiency) of revenues over (under) expenditures	14,085	-	36,922
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
Net change in fund balances	14,085	-	36,922
Fund balances - beginning of year	92,650	5,416	(171,666)
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	<u>\$ 106,735</u>	<u>\$ 5,416</u>	<u>\$ (134,744)</u>

Scofflaw Implementation Fee	Child Abuse Prevention	Appellate Justice System	Guardianship	Abandoned Motor Vehicles	Rabies Control
\$ 240	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	2,411	-	13,440	4,560	-
-	-	-	-	41	-
-	-	-	-	-	-
240	2,411	-	13,440	4,601	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
240	2,411	-	13,440	4,601	-
-	-	-	-	-	-
-	-	-	-	-	-
240	2,411	-	13,440	4,601	-
15,959	13,091	-	133,044	5,000	66,231
<u>\$ 16,199</u>	<u>\$ 15,502</u>	<u>\$ -</u>	<u>\$ 146,484</u>	<u>\$ 9,601</u>	<u>\$ 66,231</u>

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance – Continued
For the Fiscal Year Ended September 30, 2021

	District Court Records Technology	County and District Court Technology	Justice Court Technology
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	33,281	5,657	34,645
Investment income	-	-	-
Other revenue	-	-	-
Total revenues	<u>33,281</u>	<u>5,657</u>	<u>34,645</u>
EXPENDITURES			
Current			
General administration	-	-	-
Judicial	-	-	22,376
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>22,376</u>
Excess (deficiency) of revenues over (under) expenditures	33,281	5,657	12,269
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	33,281	5,657	12,269
Fund balances - beginning of year	<u>53,166</u>	<u>9,440</u>	<u>393,388</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 86,447</u></u>	<u><u>\$ 15,097</u></u>	<u><u>\$ 405,657</u></u>

<u>SWAT Donations</u>	<u>Donations SO Mounted Patrol</u>	<u>Donations Const 4 Bullet Proof Vest</u>	<u>Donations Horseshoe</u>	<u>Donations Sheriff's Office</u>	<u>Donations Constable 4</u>	<u>Donations AgriLife</u>	<u>Donation Impacts</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,610	-	-	208,450	-	-	-
-	2,610	-	-	208,450	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
37,503	6,179	-	-	101,940	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,065	-	-	-
37,503	6,179	-	-	104,005	-	-	-
(37,503)	(3,569)	-	-	104,445	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(37,503)	(3,569)	-	-	104,445	-	-	-
62,115	49,348	500	11,866	53,184	481	50	500
<u>\$ 24,612</u>	<u>\$ 45,779</u>	<u>\$ 500</u>	<u>\$ 11,866</u>	<u>\$ 157,629</u>	<u>\$ 481</u>	<u>\$ 50</u>	<u>\$ 500</u>

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance – Continued
For the Fiscal Year Ended September 30, 2021

	L.E.O.S.E. Funds	District Attorney Victims of Crime	District Attorney Drug Forfeiture
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ 195,617
Intergovernmental	15,120	-	-
Charges for services	-	-	-
Investment income	-	(2)	60
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	15,120	(2)	195,677
EXPENDITURES			
Current			
General administration	-	-	-
Judicial	-	-	47,610
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	12,117	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	12,117	-	47,610
Excess (deficiency) of revenues over (under) expenditures	3,003	(2)	148,067
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	3,003	(2)	148,067
Fund balances - beginning of year	41,068	10,207	167,171
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	\$ 44,071	\$ 10,205	\$ 315,238

Sheriff Abell Hanger	Sheriff Local Drug Forfeiture	Sheriff Federal Forfeiture	Indigent Defense Improvement Grant	7th Administration Judicial Region	High Intensity Drug Trafficking Area
\$ -	\$ 254,893	\$ 17,897	\$ -	\$ -	\$ -
-	-	-	-	-	282,206
-	-	-	-	-	-
-	6	172	-	-	-
-	-	-	-	-	-
-	254,899	18,069	-	-	282,206
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
49	8	41,423	-	-	282,206
-	-	-	-	-	-
-	-	-	-	-	-
-	-	157,132	-	-	-
49	8	198,555	-	-	282,206
(49)	254,891	(180,486)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(49)	254,891	(180,486)	-	-	-
241	18,654	464,680	6,033	-	-
\$ 192	\$ 273,545	\$ 284,194	\$ 6,033	\$ -	\$ -

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance – Continued
For the Fiscal Year Ended September 30, 2021

	Truancy Court	Mental Health Deputies	Texas VINE Grant
REVENUES			
Fines and forfeitures	-	\$ -	\$ -
Intergovernmental	-	70,000	26,056
Charges for services	450	-	-
Investment income	-	-	-
Other revenue	-	-	-
Total revenues	450	70,000	26,056
EXPENDITURES			
Current			
General administration	-	-	-
Judicial	866	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	448,752	-
Health and welfare	-	-	26,056
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	866	448,752	26,056
Excess (deficiency) of revenues over (under) expenditures	(416)	(378,752)	-
OTHER FINANCING SOURCES			
Operating transfers in	-	378,914	-
Total other financing sources	-	378,914	-
Net change in fund balances	(416)	162	-
Fund balances - beginning of year	7,166	-	-
FUND BALANCES - END OF YEAR	\$ 6,750	\$ 162	\$ -

<u>Crime Victim Services Grant</u>	<u>Donation SO Bulletproof Vest</u>	<u>Donation CIU Volunteer Support</u>	<u>Donation Teen Leadership Account</u>	<u>Donation Constable 2</u>	<u>Title IV-E Federal Foster Care</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	190
-	-	-	-	-	-
-	-	-	-	-	190
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(800)	-	-
-	-	-	-	-	-
-	-	867	-	-	42,974
-	-	-	-	-	-
-	-	-	-	-	-
-	-	867	(800)	-	42,974
-	-	(867)	800	-	(42,784)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(867)	800	-	(42,784)
-	8,704	3,973	922	10	272,017
<u>\$ -</u>	<u>\$ 8,704</u>	<u>\$ 3,106</u>	<u>\$ 1,722</u>	<u>\$ 10</u>	<u>\$ 229,233</u>

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance – Continued
For the Fiscal Year Ended September 30, 2021

	Juvenile Probation State Grants	Justice Assistance Grants	Donation Cemetery Care
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	936,222	12,032	-
Charges for services	-	-	-
Investment income	-	121	-
Other revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total revenues	936,222	12,153	-
EXPENDITURES			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	938,893	12,190	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	938,893	12,190	-
Excess (deficiency) of revenues over (under) expenditures	(2,671)	(37)	-
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources	-	-	-
Net change in fund balances	(2,671)	(37)	-
Fund balances - beginning of year	2,671	37	793
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 793</u>

<u>Donation Library</u>	<u>Donation Juvenile</u>	<u>Donation Dare Program</u>	<u>District Attorney Bomb Dog</u>	<u>OOG Justice Assistant Grant</u>	<u>Donation K-9 Unit</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	49,049	-
-	-	-	-	-	-
-	-	-	-	-	-
10,881	-	-	-	-	-
<u>10,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,049</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	284	49,049	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,488	-	-	-	-	-
-	-	-	-	-	-
<u>5,488</u>	<u>-</u>	<u>-</u>	<u>284</u>	<u>49,049</u>	<u>-</u>
5,393	-	-	(284)	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,393	-	-	(284)	-	-
138,732	148	23,903	12,195	-	46,236
<u>\$ 144,125</u>	<u>\$ 148</u>	<u>\$ 23,903</u>	<u>\$ 11,911</u>	<u>\$ -</u>	<u>\$ 46,236</u>

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance – Continued
For the Fiscal Year Ended September 30, 2021

	Donation Gratitude Square	OAG Victim Coordinator & Liaison	Library Grants
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	35,542	-
Charges for services	-	-	-
Investment income	-	-	-
Other revenue	-	-	-
Total revenues	-	35,542	-
EXPENDITURES			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	35,542	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	7,000	-	-
Total expenditures	7,000	35,542	-
Excess (deficiency) of revenues over (under) expenditures	(7,000)	-	-
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(7,000)	-	-
Fund balances - beginning of year	9,900	-	-
FUND BALANCES - END OF YEAR	\$ 2,900	\$ -	\$ -

<u>Jury Service Fund</u>	<u>Donation - SO Detention</u>	<u>Donation-CIU Victim Assistance</u>	<u>Donation - Warrants Bulletproof</u>	<u>Donation - SO Civil & Warrants</u>	<u>County Transportation Infrastructure Fund Grant Program</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	5,666,902
1,618	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,666,902</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	402	-	5,010	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	7,085,402
<u>-</u>	<u>-</u>	<u>402</u>	<u>-</u>	<u>5,010</u>	<u>7,085,402</u>
1,618	-	(402)	-	(5,010)	(1,418,500)
-	-	-	-	-	1,418,500
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,418,500</u>
1,618	-	(402)	-	(5,010)	-
812	68	544	61	5,150	-
<u>\$ 2,430</u>	<u>\$ 68</u>	<u>\$ 142</u>	<u>\$ 61</u>	<u>\$ 140</u>	<u>\$ -</u>

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance – Continued
For the Fiscal Year Ended September 30, 2021

	<u>Donation - Downtown Library</u>	<u>CARES - Coronavirus Relief Fund</u>	<u>CARES - HAVA</u>
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	735,050	32,095
Charges for services	-	-	364
Investment income	-	-	500
Other revenue	5,000	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	5,000	735,050	32,959
EXPENDITURES			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	39,016
Public safety and corrections	-	293,665	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	441,385	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	735,050	39,016
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	5,000	-	(6,057)
OTHER FINANCING SOURCES			
Operating transfers in	-	-	6,057
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	6,057
	<hr/>	<hr/>	<hr/>
Net change in fund balances	5,000	-	-
Fund balances - beginning of year	-	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>

CARES - HAVA Election Security	DOJ Coronavirus Emergency Supp	Public Assistance Grant- Covid 19	Juvenile Board Housing Revenue	Commissary Fund	Wraparound Project - Juvenile	TWDB Flood Infrastructure Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98,153	24,595	74,295	91,000	-	83,103	119,274
-	-	-	-	-	-	-
-	-	-	-	5,918	-	-
-	-	-	-	658,018	-	-
<u>98,153</u>	<u>24,595</u>	<u>74,295</u>	<u>91,000</u>	<u>663,936</u>	<u>83,103</u>	<u>119,274</u>
-	-	-	-	-	-	-
-	-	-	-	812,200	-	-
-	-	-	-	-	-	-
112,819	-	-	-	-	-	-
-	24,595	74,295	16,621	-	83,103	238,547
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>112,819</u>	<u>24,595</u>	<u>74,295</u>	<u>16,621</u>	<u>812,200</u>	<u>83,103</u>	<u>238,547</u>
(14,666)	-	-	74,379	(148,264)	-	(119,273)
<u>14,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>612,478</u>
<u>14,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>612,478</u>
-	-	-	74,379	(148,264)	-	493,205
-	-	-	5,880	1,171,768	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,259</u>	<u>\$ 1,023,504</u>	<u>\$ -</u>	<u>\$ 493,205</u>

Midland County, Texas

Nonmajor Governmental Funds – Combining Statement
of Revenues, Expenditures and Changes in Fund Balance – Continued
For the Fiscal Year Ended September 30, 2021

	Solid Waste Disposal Grant	Coronavirus Emergency Supplement	Road and Bridge Safety Program	Totals
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 468,647
Intergovernmental	12,000	10,433	-	8,562,652
Charges for services	-	-	-	1,727,903
Investment income	-	-	-	18,752
Other revenue	-	-	171	920,521
Total revenues	12,000	10,433	171	11,698,475
EXPENDITURES				
Current				
General administration	-	-	-	851
Judicial	-	-	-	1,911,290
Financial administration	-	-	-	6,869
Elections	-	-	-	305,704
Public safety and corrections	12,000	10,433	-	2,827,653
Health and welfare	-	-	-	26,056
Culture and recreation	-	-	-	5,488
Capital outlay	-	-	-	7,692,984
Total expenditures	12,000	10,433	-	12,776,895
Excess (deficiency) of revenues over (under) expenditures	-	-	171	(1,078,420)
OTHER FINANCING SOURCES				
Operating transfers in	-	-	66	2,430,681
Total other financing sources	-	-	66	2,430,681
Net change in fund balances	-	-	237	1,352,261
Fund balances - beginning of year	-	-	-	8,212,623
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 237	\$ 9,564,884

Nonmajor Internal Service Funds

The Internal Service Funds account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The three Internal Service Funds are:

Risk Management
Health Care
Fleet Maintenance

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Midland County, Texas
Internal Service Funds
Combining Statement of Net Position
September 30, 2021

	<u>Risk Management</u>	<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Total</u>
ASSETS				
Current assets				
Cash and equivalents	\$ 38,210	\$ 1,241,656	\$ 396,942	\$ 1,676,808
Investments	5,105,557	1,192,195	-	6,297,752
Accounts receivable	1,466	111,106	-	112,572
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	5,145,233	2,544,957	396,942	8,087,132
Non-current assets				
Other assets	-	-	26,662	26,662
	<hr/>	<hr/>	<hr/>	<hr/>
Total non-current assets	-	-	26,662	26,662
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	5,145,233	2,544,957	423,604	8,113,794
LIABILITIES				
Accounts payable	102,093	1,509,577	60,648	1,672,318
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	102,093	1,509,577	60,648	1,672,318
NET POSITION				
Unrestricted	5,043,140	1,035,380	362,956	6,441,476
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 5,043,140</u>	<u>\$ 1,035,380</u>	<u>\$ 362,956</u>	<u>\$ 6,441,476</u>

Midland County, Texas

Internal Service Funds

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position

For the Fiscal Year Ended September 30, 2021

	Risk Management
OPERATING REVENUES	
Charges for services	\$ 1,293,350
Total operating revenues	1,293,350
OPERATING EXPENSES	
Fleet maintenance	13,256
Claims expense	648,910
Administration costs	96,107
Premium cost	1,108,976
Capital Outlay	160,157
Total operating expenses	2,027,406
Operating loss	(734,056)
NONOPERATING REVENUES	
Investment income	5,585
Miscellaneous income	-
Total nonoperating revenues	5,585
Loss before transfers	(728,471)
Transfers in	-
Change in net position	(728,471)
Net position - beginning of year	5,771,611
NET POSITION - END OF YEAR	\$ 5,043,140

Health Care	Fleet Maintenance	Totals
\$ 9,606,487	\$ 638,914	\$ 11,538,751
9,606,487	638,914	11,538,751
-	662,278	675,534
9,946,752	-	10,595,662
1,009,071	-	1,105,178
1,010,857	-	2,119,833
-	-	160,157
11,966,680	662,278	14,656,364
(2,360,193)	(23,364)	(3,117,613)
1,139	-	6,724
5,100	-	5,100
6,239	-	11,824
(2,353,954)	(23,364)	(3,105,789)
1,000,000	-	1,000,000
(1,353,954)	(23,364)	(2,105,789)
2,389,334	386,320	8,547,265
\$ 1,035,380	\$ 362,956	\$ 6,441,476

Midland County, Texas
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2021

	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 1,327,011
Cash paid for services	(2,008,896)
	<hr/>
Net cash provided by (used in) operating activities	(681,885)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	656,336
Investment income received	5,585
Miscellaneous income received	-
	<hr/>
Net cash provided by investing activities	661,921
	<hr/>
Net change in cash	(19,964)
Cash and cash equivalents, beginning of year	58,174
	<hr/>
CASH AND CASH EQUIVALENTS, end of year	\$ 38,210
	<hr/> <hr/>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (734,056)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities	
Accounts receivable	33,661
Accrued Settlement	-
Accounts payable	18,510
	<hr/>
Total adjustments	52,171
	<hr/>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (681,885)
	<hr/> <hr/>

Health Care	Fleet Maintenance	Totals
\$ 9,529,393	\$ 844,601	\$ 11,701,005
(11,546,057)	(656,577)	(14,211,530)
(2,016,664)	188,024	(2,510,525)
1,917,410	-	2,573,746
1,139	-	6,724
5,113	-	5,113
1,923,662	-	2,585,583
906,998	188,024	1,075,058
334,658	208,918	601,750
\$ 1,241,656	\$ 396,942	\$ 1,676,808
\$ (2,360,193)	\$ (23,364)	\$ (3,117,613)
(77,094)	-	(43,433)
-	205,687	205,687
420,623	5,701	444,834
343,529	211,388	607,088
\$ (2,016,664)	\$ 188,024	\$ (2,510,525)

Fiduciary Funds

Investment Trust Funds

Investment Trust Funds are used to report fiduciary activities from the external portion of investment accounts that are held in a trust. The following comprise the County's Investment Trust Funds:

Investment Trust Fund District Clerk
Investment Trust Fund County Clerk

Custodial Funds

Custodial Funds serve primarily as clearing mechanisms for cash resources, which are collected by a governmental unit, held as such for a brief period, and then distributed to authorized recipients. The following comprise the County's Custodial Funds:

District Clerk
County Clerk
District Attorney
Sheriff's Office
Justice of the Peace Precinct #1
Justice of the Peace Precinct #2
Justice of the Peace Precinct #3
Justice of the Peace Precinct #4
Juvenile Probation
Tax Assessor Collector
Constable Precinct 4
Unclaimed Property Fund
Basic Security Fund
CS&CD Basic Supervision
CS&CD Midland Outpatient Treatment Center
Sex Offender Caseload
DWI Repeat Offender Caseload
Drug Court
CS&CD DWI Court
CS&CD Transitional Treatment Court

Midland County, Texas

Fiduciary Funds – Investment Trust Funds
Combining Statement of Net Position
September 30, 2021

	Investment Trust Fund District Clerk	Investment Trust Fund County Clerk	Totals
ASSETS			
Cash and cash equivalents	\$ 4,315,181	\$ 559,860	\$ 4,875,041
Investments held in trust	1,836,741	24,244	1,860,985
Due from other funds	250	-	250
TOTAL ASSETS	<u>6,152,172</u>	<u>584,104</u>	<u>6,736,276</u>
LIABILITIES			
Due to other funds	2,379	-	2,379
TOTAL LIABILITIES	<u>2,379</u>	<u>-</u>	<u>2,379</u>
NET POSITION			
Individuals, organizations, and other governments	6,149,793	584,104	6,733,897
TOTAL NET POSITION	<u>\$ 6,149,793</u>	<u>\$ 584,104</u>	<u>\$ 6,733,897</u>

Midland County, Texas
 Fiduciary Funds – Custodial Funds
 Combining Statement of Net Position
 September 30, 2021

	<u>District Clerk</u>	<u>County Clerk</u>	<u>District Attorney</u>	<u>Sheriff's Office</u>	<u>Justice of the Peace Precinct #1</u>
ASSETS					
Cash and cash equivalents	236,319	1,674,995	43,453	717,341	19,100
Investments held in trust	-	-	-	-	-
Accounts receivable	6,001	8,291	-	1	3,446
Due from other funds	-	-	-	200	-
TOTAL ASSETS	<u>242,320</u>	<u>1,683,286</u>	<u>43,453</u>	<u>717,542</u>	<u>22,546</u>
LIABILITIES					
Accounts payable	-	4,266	-	196	104
Due to other funds	23,904	44,244	16,205	4,732	16,457
Due to other governmental agencies	-	350	-	-	-
Other liabilities	-	-	-	-	-
TOTAL LIABILITIES	<u>23,904</u>	<u>48,860</u>	<u>16,205</u>	<u>4,928</u>	<u>16,561</u>
NET POSITION					
Individuals, organizations, and other governments	<u>218,416</u>	<u>1,634,426</u>	<u>27,248</u>	<u>712,614</u>	<u>5,985</u>
TOTAL NET POSITION	<u>\$ 218,416</u>	<u>\$ 1,634,426</u>	<u>\$ 27,248</u>	<u>\$ 712,614</u>	<u>\$ 5,985</u>

Justice of the Peace Precinct #2	Justice of the Peace Precinct #3	Justice of the Peace Precinct #4	Juvenile Probation	Tax Assessor Collector	Constable Precinct 3	Constable Precinct 4
24,897	10,684	11,980	3,601	2,359,550	302	101
-	-	-	-	-	-	-
3,165	5,252	705	-	250,432	-	-
-	-	54	-	-	-	-
<u>28,062</u>	<u>15,936</u>	<u>12,739</u>	<u>3,601</u>	<u>2,609,982</u>	<u>302</u>	<u>101</u>
263	-	142	-	14	302	101
20,977	12,963	6,452	-	340,954	-	-
-	-	-	-	902,394	-	-
-	-	-	-	-	-	-
<u>21,240</u>	<u>12,963</u>	<u>6,594</u>	<u>-</u>	<u>1,243,362</u>	<u>302</u>	<u>101</u>
6,822	2,973	6,145	3,601	1,366,620	-	-
<u>\$ 6,822</u>	<u>\$ 2,973</u>	<u>\$ 6,145</u>	<u>\$ 3,601</u>	<u>\$ 1,366,620</u>	<u>\$ -</u>	<u>\$ -</u>

Midland County, Texas

Fiduciary Funds – Custodial Funds

Combining Statement of Net Position - Continued

September 30, 2021

	<u>Warrant Services</u>	<u>Unclaimed Property Fund</u>	<u>Bail Security Fund</u>	<u>CS&CD Basic Supervision</u>	<u>CS&CD Midland Outpatient Treatment Center</u>
ASSETS					
Cash and cash equivalents	\$ 7,365	\$ -	\$ 183,795	\$ 713,924	\$ 55,383
Investments held in trust	-	40,665	-	-	-
Accounts receivable	6,297	-	-	2,500	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>13,662</u>	<u>40,665</u>	<u>183,795</u>	<u>716,424</u>	<u>55,383</u>
LIABILITIES					
Accounts payable	13,662	-	-	27,803	174
Due to other funds	-	-	-	41,648	6,915
Due to other governmental agencies	-	-	-	-	2,023
Other liabilities	-	-	-	21,550	3,119
TOTAL LIABILITIES	<u>13,662</u>	<u>-</u>	<u>-</u>	<u>91,001</u>	<u>12,231</u>
NET POSITION					
Individuals, organizations, and other governments	-	40,665	183,795	625,423	43,152
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 40,665</u>	<u>\$ 183,795</u>	<u>\$ 625,423</u>	<u>\$ 43,152</u>

<u>Sex Offender Caseload</u>	<u>DWI Repeat Offender Caseload</u>	<u>Drug Court</u>	<u>CS&CD DWI Court</u>	<u>CS&CD Transitional Treatment Court</u>	<u>Totals</u>
\$ 34,873	\$ 56,850	\$ 30,543	\$ 17,941	\$ 7,892	\$ 6,210,889
-	-	-	-	-	40,665
-	-	2,340	1,710	-	290,140
-	-	-	-	-	254
<u>34,873</u>	<u>56,850</u>	<u>32,883</u>	<u>\$ 19,651</u>	<u>\$ 7,892</u>	<u>\$ 6,541,948</u>
4,773	822	130	\$ 65	\$ 11	\$ 52,828
2,708	6,336	3,534	354	1,740	550,123
3,383	476	3,301	5,616	1,439	918,982
851	2,417	1,882	203	920	30,942
<u>11,715</u>	<u>10,051</u>	<u>8,847</u>	<u>\$ 6,238</u>	<u>\$ 4,110</u>	<u>\$ 1,552,875</u>
<u>23,158</u>	<u>46,799</u>	<u>24,036</u>	<u>13,413</u>	<u>3,782</u>	<u>4,989,073</u>
<u>\$ 23,158</u>	<u>\$ 46,799</u>	<u>\$ 24,036</u>	<u>\$ 13,413</u>	<u>\$ 3,782</u>	<u>\$ 4,989,073</u>

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Midland County, Texas

Fiduciary Funds – Investment Trust Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended September 30, 2021

	Investment Trust Fund District Clerk	Investment Trust Fund County Clerk	Totals
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Held for others	\$ 10,863,285	\$ 84,077	\$ 10,947,362
Total additions	10,863,285	84,077	10,947,362
DEDUCTIONS			
Payments to other governments	-	-	-
Payments to individuals	15,906,210	396,016	16,302,226
Total deductions	15,906,210	396,016	16,302,226
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(5,042,925)	(311,939)	(5,354,864)
NET POSITION - BEGINNING OF YEAR, AS ORIGINALLY STATED	-	-	-
Cumulative effect of adoption of GASB 84	11,192,718	896,043	12,088,761
NET POSITION - BEGINNING OF YEAR, AS RESTATED	11,192,718	896,043	12,088,761
NET POSITION - END OF YEAR	<u>\$ 6,149,793</u>	<u>\$ 584,104</u>	<u>\$ 6,733,897</u>

Midland County, Texas

Fiduciary Funds – Custodial Funds

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended September 30, 2021

	<u>District Clerk</u>	<u>County Clerk</u>	<u>District Attorney</u>	<u>Sheriff's Office</u>	<u>Justice of the Peace Precinct #1</u>
ADDITIONS					
Fees for other governments	\$ 26,855	\$ 16,206	\$ -	\$ -	\$ -
Fees from other governments	-	-	-	-	-
Grant contributions	-	-	-	-	-
Held for others	152,124	382,273	158,706	2,752,839	2,454
Interest income	-	-	-	-	-
Total additions	<u>178,979</u>	<u>398,479</u>	<u>158,706</u>	<u>2,752,839</u>	<u>2,454</u>
DEDUCTIONS					
Administrative expenses	-	-	-	-	-
Payments to other governments	26,855	16,560	-	237,629	-
Payments to individuals	<u>154,902</u>	<u>476,540</u>	<u>160,056</u>	<u>2,382,141</u>	<u>420</u>
Total deductions	<u>181,757</u>	<u>493,100</u>	<u>160,056</u>	<u>2,619,770</u>	<u>420</u>
OTHER FINANCING SOURCES AND USES					
Operating transfers in	-	-	-	-	-
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE)					
IN FIDUCIARY NET POSITION	(2,778)	(94,621)	(1,350)	133,069	2,034
NET POSITION - BEGINNING OF YEAR,					
AS ORIGINALLY STATED	-	-	-	-	-
Cumulative effect of adoption of GASB 84	<u>221,194</u>	<u>1,729,047</u>	<u>28,598</u>	<u>579,545</u>	<u>3,951</u>
NET POSITION - BEGINNING OF YEAR, AS RESTATED	<u>221,194</u>	<u>1,729,047</u>	<u>28,598</u>	<u>579,545</u>	<u>3,951</u>
NET POSITION - END OF YEAR	<u>\$ 218,416</u>	<u>\$ 1,634,426</u>	<u>\$ 27,248</u>	<u>\$ 712,614</u>	<u>\$ 5,985</u>

<u>Justice of the Peace Precinct #2</u>	<u>Justice of the Peace Precinct #3</u>	<u>Justice of the Peace Precinct #4</u>	<u>Juvenile Probation</u>	<u>Tax Assessor Collector</u>	<u>Constable Precinct 3</u>	<u>Constable Precinct 4</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,435,355	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,982	638	5,078	4,331	221,624	-	-
-	-	-	-	-	-	-
<u>2,982</u>	<u>638</u>	<u>5,078</u>	<u>4,331</u>	<u>2,656,979</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	2,311,630	-	-
5,187	1,127	6,397	472	223,648	-	3
<u>5,187</u>	<u>1,127</u>	<u>6,397</u>	<u>472</u>	<u>2,535,278</u>	<u>-</u>	<u>3</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,205)	(489)	(1,319)	3,859	121,701	-	(3)
-	-	-	-	-	-	-
9,027	3,462	7,464	(258)	1,244,919	-	3
<u>9,027</u>	<u>3,462</u>	<u>7,464</u>	<u>(258)</u>	<u>1,244,919</u>	<u>-</u>	<u>3</u>
<u>\$ 6,822</u>	<u>\$ 2,973</u>	<u>\$ 6,145</u>	<u>\$ 3,601</u>	<u>\$ 1,366,620</u>	<u>\$ -</u>	<u>\$ -</u>

Midland County, Texas

Fiduciary Funds – Custodial Funds

Combining Statement of Revenues, Expenses and Changes in Net Position - Continued

For the Fiscal Year Ended September 30, 2021

	Warrant Services	Unclaimed Property Fund	Bail Security Fund	CS&CD Basic Supervision
ADDITIONS				
Fees for other governments	\$ -	\$ -	\$ -	\$ -
Fees from other governments	-	-	-	1,015
Grant contributions	-	-	-	766,734
Held for others	-	9,410	64,000	-
Interest income	-	-	-	4,821
Total additions	-	9,410	64,000	772,570
DEDUCTIONS				
Administrative expenses	-	-	-	677,552
Payments to other governments	-	-	-	-
Payments to individuals	-	-	-	-
Total deductions	-	-	-	677,552
OTHER FINANCING SOURCES AND USES				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	(30,267)
Total other financing sources and uses	-	-	-	(30,267)
NET INCREASE (DECREASE)				
IN FIDUCIARY NET POSITION	-	9,410	64,000	64,751
NET POSITION - BEGINNING OF YEAR,				
AS ORIGINALLY STATED	-	-	-	-
Cumulative effect of adoption of GASB 84	-	31,255	119,795	560,672
NET POSITION - BEGINNING OF YEAR, AS RESTATED				
	-	31,255	119,795	560,672
NET POSITION - END OF YEAR				
	\$ -	\$ 40,665	\$ 183,795	\$ 625,423

CS&CD Midland Outpatient Treatment Center	Sex Offender Caseload	DWI Repeat Offender Caseload	Drug Court	CS&CD DWI Court	CS&CD Transitional Treatment Court	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,478,416
-	-	-	24,631	17,431	-	43,077
212,354	144,615	211,538	193,699	90,384	58,892	1,678,216
-	-	-	-	-	-	3,756,459
-	-	-	-	-	-	4,821
212,354	144,615	211,538	218,330	107,815	58,892	7,960,989
207,164	149,477	197,202	223,983	109,319	60,585	1,625,282
-	-	-	-	-	-	2,592,674
-	-	-	-	-	-	3,410,893
207,164	149,477	197,202	223,983	109,319	60,585	7,628,849
-	-	-	17,355	10,177	2,735	30,267
-	-	-	-	-	-	(30,267)
-	-	-	17,355	10,177	2,735	-
5,190	(4,862)	14,336	11,702	8,673	1,042	332,140
-	-	-	-	-	-	-
37,962	28,020	32,463	12,334	4,740	2,740	4,656,933
37,962	28,020	32,463	12,334	4,740	2,740	4,656,933
\$ 43,152	\$ 23,158	\$ 46,799	\$ 24,036	\$ 13,413	\$ 3,782	\$ 4,989,073

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Statistical Data

(Unaudited)

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Midland County, Texas
Net Position Information¹
Last Ten Fiscal Years

Table 1

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Invested in capital assets, net of related debt	\$ 68,658,903	\$ 74,455,972	\$ 108,066,451	\$ 125,347,288	\$ 128,759,583	\$ 129,496,408	\$ 136,570,111	\$ 156,289,954	\$ 184,932,410	\$ 205,076,063
Restricted, debt service	515,403	6,875,870	5,152,937	6,191,586	16,866,784	17,113,407	18,066,315	26,443,262	36,393,428	41,663,302
Unrestricted	95,749,635	105,075,226	97,354,499	87,652,573	54,648,172	67,989,452	15,605,949	4,625,220	(16,269,391)	(35,158,643)
Total governmental activities net assets	<u>\$ 164,923,941</u>	<u>\$ 186,407,068</u>	<u>\$ 210,573,887</u>	<u>\$ 219,191,447</u>	<u>\$ 200,274,539</u>	<u>\$ 214,599,267</u>	<u>\$ 170,242,375</u>	<u>\$ 187,358,436</u>	<u>\$ 205,056,447</u>	<u>\$ 211,580,722</u>

Source: Current and prior years' financial statements

¹ Reporting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County, as is the case with several special revenue funds restricted to the purposes of the fund. Public trust net assets are restricted by applicable trust and bond indentures to the purposes of the trust, appropriately reported in separate funds at the fund reporting level.

Midland County, Texas
Changes in Net Position Information
Last Ten Fiscal Years

Table 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues										
Governmental activities:										
Fees, fines, and charges for services:										
General administration	\$ 970,332	\$ 1,150,868	\$ 1,202,492	\$ 1,159,848	\$ 1,119,566	\$ 939,295	\$ 1,033,967	\$ 1,219,805	\$ 957,758	\$ 1,432,145
Judicial	5,682,820	4,111,105	5,223,333	6,766,617	3,803,762	8,311,927	10,052,259	8,385,259	6,915,547	62,119
Elections	43,527	68,619	51,806	15,571	40	115	20	40	85	10
Public safety and corrections	1,334,539	1,448,175	1,719,351	1,800,449	1,740,928	1,972,228	1,925,888	1,866,185	2,224,097	2,561,918
Health and welfare	24,800	17,500	23,275	30,850	32,000	28,900	21,650	17,920	26,500	24,250
Culture and recreation	393,712	419,895	27,237	105,803	19,996	17,187	18,156	19,004	13,003	19,378
Highways and roads	2,369,145	2,423,226	3,376,066	2,417,970	2,079,363	2,088,216	2,428,518	2,514,813	2,265,070	2,312,186
Operating grants and contributions	2,284,436	2,184,688	2,634,399	2,229,127	2,123,179	3,813,111	4,851,414	4,356,765	3,583,126	16,268,075
Capital grants and contributions	17,502	69,987	3,814,514	-	-	-	-	-	-	394,796
Total primary government program revenues	13,120,813	11,894,063	18,072,473	14,526,235	10,918,834	17,170,979	20,331,872	18,379,791	15,985,186	23,074,877
Expenses										
Governmental activities:										
General administration	9,160,753	10,057,877	11,700,816	11,805,385	11,915,192	12,293,502	17,947,404	18,505,517	11,554,207	14,654,885
Judicial	11,883,961	12,986,637	15,000,485	15,660,986	17,129,275	18,802,089	22,075,443	21,813,790	30,044,962	28,014,229
Financial administration	2,420,644	2,735,855	2,949,724	3,213,036	3,345,084	3,667,133	4,289,197	4,151,659	4,729,367	5,290,208
Elections	571,875	506,899	564,981	487,880	560,889	620,092	663,714	1,631,715	859,380	921,254
Public safety and corrections	17,858,374	20,950,248	23,491,340	24,518,270	27,079,545	29,011,325	33,491,236	33,404,842	37,288,857	43,495,711
Health and welfare	788,022	979,296	2,515,521	1,257,712	1,188,446	1,217,139	1,546,433	15,089,872	4,262,372	1,065,080
Culture and recreation	2,965,887	4,533,049	4,433,045	5,258,833	6,050,548	6,626,791	6,997,642	7,283,193	8,536,670	8,532,430
Conservation and natural resources	223,305	178,396	2,167,721	2,519,168	163,249	157,712	172,464	166,396	190,518	199,269
Highways and roads	4,664,656	5,018,322	4,629,443	6,290,771	7,891,750	6,878,014	6,933,675	10,067,230	7,040,607	7,920,405
Interest on long-term debt	1,271,344	1,220,125	906,326	831,023	749,969	609,706	573,520	603,803	458,837	437,154
Total primary government expenses	51,808,821	59,166,704	68,359,402	71,843,064	76,073,947	79,883,503	94,690,728	112,718,017	104,965,777	110,530,625
Net Expense										
Governmental activities	(38,688,008)	(47,272,641)	(50,286,929)	(57,316,829)	(65,155,113)	(62,712,524)	(74,358,856)	(94,338,226)	(88,980,591)	(87,455,748)
Total primary government net expense	(38,688,008)	(47,272,641)	(50,286,929)	(57,316,829)	(65,155,113)	(62,712,524)	(74,358,856)	(94,338,226)	(88,980,591)	(87,455,748)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	26,420,493	25,393,305	26,110,285	27,077,403	31,691,056	33,198,763	37,169,388	39,540,881	49,842,184	52,498,540
Sales tax	34,304,031	36,900,900	44,018,335	41,183,068	30,790,248	38,616,646	58,706,976	63,324,445	47,853,426	41,337,737
Bingo tax	118,837	132,391	132,239	120,486	106,714	85,450	92,258	111,081	135,069	125,448
Mixed beverage tax	458,722	535,106	753,884	799,928	751,591	849,297	1,028,666	884,428	1,087,605	963,266
Occupancy tax	708,461	838,466	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	3,437,136	644,543
Motor vehicle sales and use tax	1,014,821	1,505,898	1,789,228	2,356,340	1,811,134	1,616,241	2,074,277	2,767,048	-	1,946,240
Unrestricted investment earnings	255,530	386,454	386,725	488,116	628,335	764,559	1,814,350	4,019,211	2,662,164	397,601
Gain (loss) on sale of assets	-	2,309,548	-	-	-	(196,698)	(275,795)	(2,113,914)	(126,955)	(6,016,912)
Miscellaneous	226,368	754,050	856,564	957,408	1,363,020	1,202,180	1,275,870	1,522,746	1,788,559	2,083,560
Total governmental activities	63,507,263	68,756,118	75,037,538	74,064,279	67,837,578	77,042,678	103,496,559	111,454,287	106,679,188	93,980,023
Change in Net Assets										
Governmental activities	24,819,255	21,483,477	24,750,609	16,747,450	2,682,465	14,330,154	29,137,703	17,116,061	17,698,597	6,524,275
Total primary government	\$ 24,819,255	\$ 21,483,477	\$ 24,750,609	\$ 16,747,450	\$ 2,682,465	\$ 14,330,154	\$ 29,137,703	\$ 17,116,061	\$ 17,698,597	\$ 6,524,275

Source: Current and prior years' financial statements

¹ Midland County began collecting the Hotel Occupancy tax August 2007.

Midland County, Texas
Governmental Fund Balances
Last Ten Fiscal Years

Table 3

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	23,340	12,917	129,295	32,095	36,551	178,988	17,015	41,733	20,935	4,467
Restricted	708,461	838,466	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	718,100	644,543
Committed	21,647,030	-	-	-	-	-	-	-	-	-
Assigned	12,733,349	38,071,117	36,666,677	34,638,524	17,692,680	17,605,498	18,031,931	53,274,399	53,758,985	53,207,973
Unassigned	31,177,360	31,052,919	28,312,942	33,600,772	47,527,486	62,091,343	98,944,279	61,702,593	46,601,176	38,019,053
Total general fund	\$ 66,289,540	\$ 69,975,419	\$ 66,099,192	\$ 69,352,921	\$ 65,952,197	\$ 80,782,069	\$ 118,603,794	\$ 116,417,086	\$ 101,099,196	\$ 91,876,036
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Road and bridge fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Nonmajor governmental funds	-	-	-	-	-	-	-	-	-	-
Road and bridge fund										
Nonspendable	680,620	970,555	1,901,890	1,411,149	1,218,621	1,229,723	1,253,509	1,454,890	1,239,920	1,353,124
Restricted	1,958,108	1,806,167	2,075,488	5,335,304	9,120,890	10,072,227	9,925,624	17,944,687	27,609,928	28,597,970
Committed	1,217,414	1,627,215	-	-	-	-	-	-	-	-
Assigned	-	-	2,825,234	13,257	-	-	-	-	-	-
Debt service fund										
Restricted	633,300	6,934,835	360,419	399,900	1,087,402	29,321	67,338	144,619	160,965	3,341,221
Capital projects fund										
Nonspendable	365	-	-	-	-	-	-	-	-	-
Restricted	2,989,712	1,003,084	695,596	662,720	662,720	-	-	-	-	-
Committed	9,185,965	15,687,348	14,576,696	7,432,493	7,211,937	10,821,782	5,636,044	1,577,637	4,243,645	8,815,736
Nonmajor governmental funds										
Nonspendable	884	2,440	4,666	125	-	1,998	902	13,973	36,852	40,565
Restricted	2,511,462	3,080,721	4,162,659	4,784,067	5,341,904	6,116,338	6,462,784	6,955,595	7,904,435	9,079,568
Committed	84,234	292,723	287,550	328,728	446,591	464,253	445,705	382,279	470,753	528,407
Assigned	913,148	467,306	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(199,417)	(83,656)
Total all other governmental funds	\$ 20,175,212	\$ 31,872,394	\$ 26,890,198	\$ 20,367,743	\$ 25,090,065	\$ 28,735,642	\$ 23,791,906	\$ 28,473,680	\$ 41,467,081	\$ 51,672,935
Total governmental funds	\$ 86,464,752	\$ 101,847,813	\$ 92,989,390	\$ 89,720,664	\$ 91,042,262	\$ 109,517,711	\$ 142,395,700	\$ 144,890,766	\$ 142,566,277	\$ 143,548,971

Source: Current and past years' financial statements

¹ The County implemented GASB 54 in fiscal year 2011.

Midland County, Texas
Governmental Fund – Changes in Fund Balances
Last Ten Fiscal Years

Table 4

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property Tax, Penalties and Interest	\$ 26,615,931	\$ 25,525,917	\$ 26,243,452	\$ 27,156,172	\$ 31,580,561	\$ 33,028,491	\$ 37,054,992	\$ 39,681,430	\$ 49,641,071	\$ 51,916,034
Sales Tax	34,304,031	36,900,900	44,018,335	41,183,068	30,790,248	38,616,646	58,706,976	63,324,445	47,853,426	41,337,737
Hotel-Motel Tax	708,461	838,466	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	718,100	644,543
Fines and Forfeitures	2,559,947	2,617,996	3,076,654	3,684,888	3,781,591	2,890,265	3,193,739	3,484,504	2,556,124	2,652,715
Licenses and Permits	2,827,867	2,958,332	3,131,580	2,918,186	2,830,954	2,937,513	3,457,184	3,399,241	3,352,675	3,275,452
Intergovernmental Charges	2,175,915	1,969,778	2,615,091	2,244,804	2,720,213	4,336,237	4,183,015	4,194,211	3,421,380	10,367,818
Charges for Current Services	5,428,681	6,612,934	7,230,096	7,102,030	6,803,023	8,021,444	8,534,328	9,761,598	8,763,699	8,320,637
Investment Income	244,947	377,277	376,896	481,097	594,812	688,599	1,665,098	3,828,914	2,572,109	390,877
Other Revenue	1,215,376	1,324,476	2,151,346	1,774,142	1,725,775	1,627,489	2,351,318	2,373,751	3,042,752	3,224,025
Total Revenues	\$ 76,081,156	\$ 79,126,076	\$ 89,833,728	\$ 87,625,917	\$ 81,522,657	\$ 93,052,924	\$ 120,757,219	\$ 131,446,455	\$ 121,921,336	\$ 122,129,838
Expenditures										
Current										
General Administration	\$ 7,459,722	\$ 8,005,410	\$ 8,635,230	\$ 9,172,043	\$ 10,159,248	\$ 9,799,559	\$ 13,923,243	\$ 15,218,270	\$ 13,915,081	\$ 12,297,440
Judicial	11,680,071	12,892,667	14,723,240	15,830,047	16,865,773	16,494,966	18,687,971	19,748,101	27,415,747	22,813,070
Financial Administration	2,389,323	2,701,314	2,931,640	3,196,337	3,287,777	3,165,349	3,491,474	3,720,114	4,126,909	4,037,548
Elections	525,992	497,847	557,381	487,880	560,854	567,462	577,393	564,276	795,194	775,630
Public Safety and Corrections	17,353,802	19,557,652	21,521,148	23,403,233	25,000,367	23,985,553	26,357,893	28,651,070	31,388,099	33,149,571
Health and Welfare	771,465	959,450	2,493,446	1,248,439	1,171,988	1,179,744	1,306,649	14,780,195	4,279,291	996,906
Culture and Recreation	2,331,975	3,902,323	3,276,870	4,411,971	3,926,223	4,005,542	4,336,293	4,751,575	5,712,053	4,839,233
Conservation and Natural Resources	219,145	171,080	126,123	135,311	152,177	136,680	160,638	155,895	182,311	181,412
Highways and Roads	2,702,726	2,984,077	2,910,036	5,927,887	3,944,721	4,631,434	4,558,568	7,730,344	4,510,221	4,702,564
Capital Outlay	7,862,296	12,276,795	32,139,266	24,737,607	13,596,000	8,940,480	12,820,588	31,009,430	31,399,253	34,693,314
Debt Service	2,541,602	2,541,852	8,377,983	1,766,319	1,714,329	1,654,706	1,658,520	1,656,075	1,658,556	1,660,456
Total Expenditures	\$ 55,838,119	\$ 66,490,467	\$ 97,692,363	\$ 90,317,074	\$ 80,379,457	\$ 74,561,475	\$ 87,879,230	\$ 127,985,345	\$ 125,382,715	\$ 120,147,144
Other Financing Sources (Uses)										
Certificates of Obligation Issued	\$ -	\$ -	\$ -	\$ -	\$ 14,625,000	\$ -	\$ -	\$ -	\$ -	\$ -
Reoffering Premium	-	-	-	-	1,184,760	-	-	-	-	-
Capital Lease Proceeds	16,000	-	-	15,000	-	-	-	-	-	-
Payment to escrow	-	-	-	-	(15,844,041)	-	-	-	-	-
Proceeds from sale of capital lease	-	2,747,452	212	79,706	57,092	-	-	-	-	-
Transfers In	15,509,861	25,355,367	28,889,140	17,644,858	16,575,711	11,882,274	3,737,871	29,174,517	46,777,756	35,283,271
Transfers (Out)	(16,509,861)	(25,355,367)	(29,889,140)	(18,317,133)	(16,416,421)	(11,898,274)	(3,737,871)	(30,140,561)	(45,640,866)	(36,283,271)
Total Other Financing Sources (Uses)	\$ (984,000)	\$ 2,747,452	\$ (999,788)	\$ (577,569)	\$ 182,101	\$ (16,000)	\$ -	\$ (966,044)	\$ 1,136,890	\$ (1,000,000)
NET CHANGE IN FUND BALANCES	\$ 19,259,037	\$ 15,383,061	\$ (8,858,423)	\$ (3,268,726)	\$ 1,325,301	\$ 18,475,449	\$ 32,877,989	\$ 2,495,066	\$ (2,324,489)	\$ 982,694
Debt Service as a percent of non-capital expenditures	5.30%	4.69%	12.78%	2.69%	2.57%	2.52%	2.21%	1.71%	1.76%	1.94%

Midland County, Texas
 Assessed Value of Taxable Property
 Last Ten Fiscal Years

Table 5

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>
2012	\$ 10,662,418,645	\$ 2,548,822,720	\$ 13,211,241,365	0.198207
2013	12,848,573,368	3,415,362,500	16,263,935,868	0.154789
2014	14,426,648,389	4,157,580,540	18,584,228,929	0.140178
2015	16,185,219,872	5,050,363,940	21,235,583,812	0.126523
2016	16,168,763,412	6,092,448,580	22,261,211,992	0.140811
2017	15,489,025,901	5,605,347,040	21,094,372,941	0.155992
2018	18,082,987,025	5,760,214,380	23,843,201,405	0.153169
2019	20,953,541,326	6,967,668,231	27,921,209,557	0.140000
2020	29,049,907,077	8,919,242,255	37,969,149,332	0.128000
2021	29,265,119,867	9,001,099,585	38,266,219,452	0.133045

Source: Midland County Appraisal District

Midland County, Texas

Direct and Overlapping Property Tax Rates

(Per \$100 of Assessed Value)

Last Ten Fiscal Years

Table 6

Midland County Texas					Overlapping Rates					
Fiscal Year	General	Road & Bridge	Debt Service	Total Funds	MISD	City of Midland	Hospital District	Midland College	Midland Utility District	Total all Entities
2012	0.1788	-	0.0194	0.1982	1.1411	0.4705	0.1622	0.1679	-	2.1399
2013	0.1500	-	0.0048	0.1548	1.1401	0.4611	0.1397	0.1442	-	2.0398
2014	0.1306	-	0.0096	0.1402	1.1301	0.4319	0.1257	0.1332	0.0300	1.9910
2015	0.1181	-	0.0084	0.1265	1.1401	0.3939	0.1183	0.1244	0.0296	1.9328
2016	0.1328	-	0.0080	0.1408	1.1401	0.3805	0.1198	0.1259	0.0276	1.9347
2017	0.1533	-	0.0027	0.1560	1.1201	0.3997	0.1351	0.1371	0.0276	1.9755
2018	0.1461	-	0.0070	0.1532	1.1276	0.4084	0.1300	0.1253	0.0276	1.9720
2019	0.1339	-	0.0061	0.1400	1.1201	0.3922	0.1262	0.1147	0.0276	1.9208
2020	0.1237	-	0.0043	0.1280	1.0501	0.3647	0.0991	0.0912	0.0276	1.7607
2021	0.1288	-	0.0042	0.1330	1.0266	0.3589	0.0996	0.0922	0.0292	1.7396

Source: Midland County Budget

Midland County, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 7

2021			2012		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pioneer Natural Res -WI-	\$ 2,456,827,090	6.42%	Pioneer Natural Res -WI-	\$ 1,045,848,710	7.92%
Endeavor Energy Resources LP	1,153,494,890	3.01%	Endeavor Energy Resources LP	474,092,490	3.59%
Chevron USA Inc WI	926,239,750	2.42%	Fasken Oil & Ranch LTD	334,937,090	2.54%
XTO Energy Inc	912,606,020	2.38%	Chevron	295,259,840	2.23%
COG Operating LLC WI	833,266,600	2.18%	COG Operating LLC	283,706,710	2.15%
Diamondback E&P LLC WI	575,827,360	1.50%	Oxy USA WTP LP	213,844,850	1.62%
Apache Corp WI	248,560,940	0.65%	Apache	159,485,380	1.21%
Propetro Services	246,338,680	0.64%	Fasken Land & Mineral LTD	144,340,780	1.09%
Targa Permian LP (PLT)	240,822,450	0.63%	Henry Resources	121,243,560	0.92%
Ovintiv USA Inc	240,450,470	0.63%	Well Services Division STC	115,157,550	0.87%
Total	\$ 7,834,434,250	20.47%	Total	\$ 3,187,916,960	24.13%

Source: Midland County Tax Office

Midland County, Texas
Property Tax Levies and Collections
Fiscal Years Ended September 30, 2012 through 2021

Table 8

Fiscal Year End	Assessed Value	Tax Rate	Tax Levy	Collections				Uncollected	
				October- December	Percent of Levy	January- June	Percent of Levy	June 30th of Next Year	Percent of Levy
2012	13,037,340,605	\$ 0.198207	25,840,922	10,751,424	41.61%	14,899,445	57.66%	190,053	0.74%
2013	16,263,935,868	\$ 0.154789	25,174,784	10,984,748	43.63%	13,753,880	54.63%	436,156	1.73%
2014	18,584,228,929	\$ 0.140178	25,750,185	11,628,235	45.16%	13,889,491	53.94%	232,459	0.90%
2015	21,235,583,812	\$ 0.126523	26,593,450	6,409,613	24.10%	19,757,504	74.29%	426,333	1.60%
2016	22,261,211,992	\$ 0.140811	31,346,210	11,607,488	37.03%	19,160,694	61.13%	578,028	1.84%
2017	21,094,372,941	\$ 0.155992	32,905,534	13,300,934	40.42%	18,669,273	56.74%	935,327	2.84%
2018	23,843,201,405	\$ 0.153169	36,520,393	12,257,342	33.56%	23,442,013	64.19%	821,039	2.25%
2019	27,921,209,557	\$ 0.140000	39,089,693	11,793,847	30.17%	26,639,360	68.15%	656,486	1.68%
2020	37,969,149,332	\$ 0.128000	48,600,511	15,163,364	31.20%	33,131,123	68.17%	306,024	0.63%
2021	38,266,219,452	\$ 0.133045	49,303,728	18,471,860	37.47%	31,635,666	64.16%	(803,798)	-1.63%

Source: Midland County Tax Office

Midland County, Texas
 Ratios of Outstanding Debt
 Last Ten Fiscal Years

Table 9

<u>Fiscal Year</u>	<u>Certificates of Obligation</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2012	\$ 27,805,000	\$ 27,805,000	0.21%	198.41
2013	26,495,000	26,495,000	0.16%	180.01
2014	19,055,000	19,055,000	0.11%	125.31
2015	18,140,000	18,140,000	0.10%	116.29
2016	17,665,000	17,665,000	0.10%	109.67
2017	16,620,000	16,620,000	0.10%	99.69
2018	15,535,000	15,535,000	0.09%	111.35
2019	14,405,000	14,405,000	0.07%	102.26
2020	13,220,000	13,220,000	0.06%	88.45
2021	11,985,000	11,985,000	0.06%	79.99

Sources: Current and past years' financial statements
 See Table 13 for personal income and population data.

Midland County, Texas**Table 10**

Ratios of Net Bonded Debt to Assessed Value
and Net Bonded Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Debt Service Designated Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012	140,308	\$ 13,211,241,365	\$ 27,805,000	\$ 633,300	\$ 27,171,700	0.206	193.66
2013	146,645	16,263,935,868	26,495,000	6,934,835	19,560,165	0.120	133.38
2014	151,468	18,584,228,929	19,055,000	360,420	18,694,580	0.101	123.42
2015	155,830	21,235,583,812	18,140,000	399,900	17,740,100	0.084	113.84
2016	161,077	22,261,211,992	17,665,000	1,087,402	16,577,598	0.074	102.92
2017	166,718	21,094,372,941	16,620,000	29,320	16,590,680	0.079	99.51
2018	139,512	23,843,201,405	15,535,000	67,338	15,467,662	0.065	110.87
2019	140,866	27,921,209,557	14,405,000	144,618	14,260,382	0.051	101.23
2020	149,455	37,969,149,332	13,220,000	160,963	13,059,037	0.034	87.38
2021	149,832	38,266,219,452	11,985,000	3,341,219	8,643,781	0.023	57.69

Source: Midland Development Corp., Current and past years' financial statements. Each year is calculated based on prior year census.

Note: Funds were transferred into the 2004 Certificate of Obligation in order to pay off the balance on the bond. Due to timing of the invoice, the bond was paid in full in FY 2014.

Midland County, Texas

Direct and Overlapping Governmental Activities Debt
As of September 30, 2021

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
City of Midland	\$ 257,100,000	100%	\$ 257,100,000
Midland Independent School District	170,180,982	100%	170,180,982
Midland Community College	21,275,978	100%	21,275,978
Midland County Hospital District	155,960,000	100%	155,960,000
Greenwood Independent School District	51,598,452	100%	51,598,452
City of Odessa	137,658,760	8%	11,197,124
Subtotal, overlapping debt			667,312,536
Midland County (direct debt)			<u>11,985,000</u>
Total direct and overlapping debt			<u><u>\$ 679,297,536</u></u>

Sources: Financial statements of the various governmental agencies.

Note: Overlapping governments are those that coincide, at least partly, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Midland County. This process recognizes that when considering the county's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Midland County, Texas
Debt Limitations
Last Ten Fiscal Years

Table 12

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 2,665,604,661	\$ 3,212,143,342	\$ 3,606,662,097	\$ 4,046,304,968	\$ 4,042,190,853	\$ 3,872,256,475	\$ 4,520,746,756	\$ 5,238,385,332	\$ 7,262,476,769	\$ 7,316,279,967
Total net debt applicable to limit	27,171,700	19,560,165	18,694,580	17,740,100	16,577,598	16,590,680	15,467,662	14,260,382	13,059,037	8,643,781
Debt margin	\$ 2,638,432,961	\$ 3,192,583,177	\$ 3,587,967,517	\$ 4,028,564,868	\$ 4,025,613,255	\$ 3,855,665,795	\$ 4,505,279,094	\$ 5,224,124,950	\$ 7,249,417,732	\$ 7,307,636,186
Total net debt applicable to the limit as a percentage of debt limit	1.03%	0.61%	0.52%	0.44%	0.41%	0.43%	0.34%	0.27%	0.18%	0.12%

Debt Margin Calculation for Fiscal Year 2021

Assessed Value of Real Property	\$ 29,265,119,867
Assessed Value of Personal & Other Property	9,001,099,585
Total Assessed Value	<u>\$ 38,266,219,452</u>
Debt Limit, 25% of Real Property Assessed Value (1)	\$ 7,316,279,967
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	11,985,000
Less: Assets in Debt Service Funds Available for Payment of Principal	<u>3,341,219</u>
Total Amount of Debt Applicable to Debt Limit	<u>8,643,781</u>
Legal Debt Margin	<u>\$ 7,307,636,186</u>

Source: Current and past years' financial statements

Note 1: Limit is set by provisions under Article III, Section 52 of the Texas State Constitution

Midland County, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 13

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate Percentage</u>
2012	140,139	\$ 13,549,464	\$ 96,686	3.4
2013	147,185	16,174,537	109,893	3.1
2014	152,057	17,254,309	113,473	2.6
2015	155,990	18,876,831	121,013	3.3
2016	161,077	17,168,895	106,588	3.8
2017	166,718	17,148,261	105,486	2.5
2018	139,512	17,421,000	75,002	2.2
2019	140,866	21,478,156	124,455	2.0
2020	149,455	21,856,025	128,766	9.5
2021	149,832	19,796,649	107,779	4.9

Sources: Population figures for 2021 are an estimate provided by the Midland Development Corp., Personal Income and Per Capita Personal Income are from the US Bureau of Economic Analysis, and US Bureau of Labor Statistics provided data on Unemployment Rates. Information is based on previous year information from fiscal year stated.

<http://www.bea.gov>

Midland County, Texas

Full-Time Equivalent County Government
 Employees by Function/Program
 Last Five Fiscal Years

Table 14

Function / Program	Fiscal Year				
	2017	2018	2019	2020	2021
General administration	29	30	30	31	31
Judicial	146	152	168	174	176
Financial administration	42	43	42	45	45
Elections	5	5	5	5	5
Public safety and corrections	281	285	297	317	323
Health and welfare	3	3	3	4	4
Culture and recreation	36	35	37	42	45
Conservation and natural resources	1	3	4	4	4
Highways and roads	32	33	37	37	37
Total	575	589	623	659	670

Source: Midland County Treasurers Office

Midland County, Texas
 Operation Indicators Information
 Last Five Fiscal Years

Table 15

FUNCTION / PROGRAM	Fiscal Year				
	2017	2018	2019	2020	2021
General Government					
Commissioners Court					
Number of Official Public Meetings					
Regular Sessions	24	49	43	25	24
Special Sessions (Work Sessions)	5	3	14	11	8
Public Safety					
Inmates Booked	11,549	10,759	10,477	8,145	8,136
Arrests	13,214	12,400	11,690	9,404	9,168
Judicial					
District Courts					
Civil Cases Filed	1,681	1,557	1,427	1,393	1,345
Civil Cases Disposed	1,284	1,218	1,523	1,120	1,471
Criminal Cases Filed	2,223	2,077	1,854	1,446	1,447
Criminal Cases Disposed	2,715	2,521	2,499	1,951	1,941
County Courts-at-Law					
Civil Cases Filed	1,143	1,102	830	269	352
Civil Cases Disposed	992	1,041	983	722	632
Criminal Cases Filed	4,536	4,241	4,193	3,247	2,968
Criminal Cases Disposed	4,341	4,015	3,825	2,206	2,662
Juvenile Cases Filed	108	63	54	78	77
Juvenile Cases Disposed	71	65	62	91	81
Probate and Mental Health Cases Filed	616	586	588	499	649
Probate and Mental Health Cases Disposed	156	142	130	124	146
Justice of the Peace Courts					
Civil Cases Filed	2,257	2,813	3,399	2,521	2,625
Civil Cases Disposed	1,545	1,890	2,377	2,803	2,093
Criminal Cases Filed	14,206	19,682	24,623	17,273	9,315
Criminal Cases Disposed	12,197	13,347	18,498	16,544	6,464
Juvenile Cases Filed	379	464	499	573	370
Culture and Recreation					
Events Held	174	210	228	181	252
Elections					
Number of Registered Voters	80,329	80,506	84,588	86,534	90,596
Highways					
Permits Granted	271	234	263	185	125
Work Requests	159	156	494	44	521

Sources: Office of Court Administration and various county departments

Midland County, Texas**Table 16**Capital Assets Information By Function/Program
Last Five Fiscal Years

FUNCTION / PROGRAM	Fiscal Years				
	2017	2018	2019	2020	2021
Buildings					
General admin	2	2	2	2	2
Judicial	2	2	2	2	2
Public safety	9	9	9	9	9
Highways	1	1	1	1	1
Culture and recreation	7	8	8	10	10
Health & Welfare	1	1	1	1	1
Patrol cars	32	31	32	37	43
Elections					
Electronic voting machines	272	272	250	250	281
Highways					
Miles of roads maintained	356	376	423	471	425

Source: Various county departments.

Midland County, Texas
Principal Employers
Current Year and Nine Years Ago

Table 17

2021			2012		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Midland Independent School District	2,736	2.65%	Midland Independent School District	2,887	3.61%
Pioneer Natural Resources	2,674	2.59%	Midland Memorial Hospital	1,645	2.06%
Midland Memorial Hospital	1,853	1.80%	Dawson Geophysical	1,463	1.83%
Dawson Geophysical	1,300	1.26%	City of Midland	937	1.17%
Endeavor Energy Resources	966	0.94%	Pioneer National Gas Resources	900	1.12%
Walmart	950	0.92%	Midland College	787	0.98%
City of Midland	890	0.86%	Texas Health & Human Services Call Center	700	0.87%
Midland College	800	0.78%	Warren Equipment Companies	620	0.77%
HEB	732	0.71%	Midland County	608	0.76%
Midland County	660	0.64%	Basic Energy Services	582	0.73%
Total	13,561	13.14%	Total	11,129	13.91%
Average Annual Employment for Midland, TX from BLS:		103,167			80,025

Source: Bureau of Labor Statistics, Midland Development Corporation, Texas Workforce Commission LMCI, individual employers consider this proprietary information and may be estimated. 2021 data is not currently available, 2020 and 2012 data from City of Midland CAFR is used.

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Internal Control and Compliance

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on the Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To Honorable County Judge and
Commissioners Court of Midland County
Midland 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 Midland County, Texas (the County), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 24, 2022.

Internal Control over Financial Reporting

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

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. Given these limitation during our audit, we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

To Honorable County Judge and
Commissioners Court of Midland County

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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Midland, Texas
May 24, 2022



**Independent Auditor's Report on Compliance for the Major Federal and State Programs and
Report on Internal Control over Compliance in Accordance with the Uniform Guidance and State of
Texas Single Audit Circular**

To Honorable County Judge and
Commissioners Court of Midland County
Midland County, Texas

Report on Compliance for the Major Federal and State Programs

We have audited Midland County, Texas (the County) compliance with the types of compliance requirements described in the U.S Office of Management and Budget (OMB) *Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on the County's major federal and state programs for the fiscal year ended September 30, 2021. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Single Audit Circular. Those standards, Uniform Guidance, and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal and state programs occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal and state programs. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal and State Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended September 30, 2021.

To Honorable County Judge and
Commissioners Court of Midland County

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal and state programs and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 the federal and state programs 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 the federal and state programs 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 the federal and state programs 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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Midland, Texas
May 24, 2022

Midland County, Texas
 Schedule of Expenditures of Federal and State Awards
 For the Fiscal Year Ended September 30, 2021

Federal /Pass-through Grantor Program Title	Federal Assistance Listing Number	Grant Identifying Number	Passed Through to Subrecipients	Total Grant Expenditures
FEDERAL AWARDS				
<u>U.S. Department of Treasury</u>				
COVID-19 Coronavirus Relief Fund	21.019	362	\$ 74,063	\$ 735,050
Total U.S. Department of Treasury			74,063	735,050
<u>Election Assistance Commission</u>				
COVID-19 Help America Vote Act Requirements Payments - CARES HAVA Election Grant	90.401	TX20101CARES-165	-	32,095
2018 HAVA Election Security Grant	90.404	TX18101001-01-0165	-	98,153
Total Election Assistance Commission			-	130,248
<u>United States Department of Justice</u>				
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - COM-Automatic Vehicle Locator Project/MC-Tactical Team Equip & Supplies 2018	16.738	2018-H3448-TX-DJ	-	404
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - COM-Automatic Vehicle Locator Project/MC-Tactical Team Equip & Supplies 2019	16.738	2019-DJ-BX-0733	-	11,614
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - COM-Automatic Vehicle Locator Project/MC-Tactical Team Equip & Supplies 2020	16.738	2020-DJ-BX-0260	-	14
Total F.A. Number 16.738				12,032
Crime Victim Assistance	16.575	3640502	-	49,049
Total F.A. Number 16.575				49,049
COVID-19 Coronavirus Emergency Supplement Funding Program	16.034	4144901	-	10,433
COVID-19 Supplement	16.034	2020-VD-BX-1507	-	24,595
Total F.A. Number 16.034				35,028
Equitable Sharing Program- Sheriff Forfeiture	16.922	TX1650000	-	198,555
Total F.A. Number 16.922				198,555
Total United States Department of Justice			-	294,664
<u>United States Department of Homeland Security</u>				
COVID-19 Public Assistance Category B (Emergency Protective Measures)	97.036	551695	-	68,245
COVID-19 Public Assistance Category B (Emergency Protective Measures)	97.036	185832	-	6,050
Total United States Department of Homeland Security			-	74,295
<u>Department of Health and Human Services</u>				
Stephanie Tubbs Jones Child Welfare Services Program - Title IV-E Foster Care Maintenance Svcs	93.645	285000002	-	2
Child Support Enforcement- Title IV Child Support	93.563	22-C0052	-	1,587
Total Texas Department of Criminal Justice			-	1,589
<u>Executive Office of the President - National Drug Control Policy</u>				
High Intensity Drug Trafficking Areas Program - 2019	95.001	G19SW0013A	-	84,901
High Intensity Drug Trafficking Areas Program -2020	95.001	G20SW0013A	-	197,305
Total Executive Office of the President - National Drug Control Policy			-	282,206
<u>National Endowment for the Humanities (NEH)</u>				
Inter-Library Loan Reimbursement Program	45.31	902297	-	7,116
Total Institute of Museum and Library Services			-	7,116
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 74,063	\$ 1,525,168

Midland County, Texas

Schedule of Expenditures of Federal and State Awards – Continued For the Fiscal Year Ended September 30, 2021

				-	282,206
Total Executive Office of the President - National Drug Control Policy					
<u>National Endowment for the Humanities (NEH)</u>					
	45.31	902297		-	7,116
Total Institute of Museum and Library Services				-	7,116
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 74,063</u>	<u>\$ 1,525,168</u>
Federal /Pass-through Grantor Program Title	Federal Assistance Listing Number	Grant Identifying Number	Passed Through to Subrecipients	Total Grant Expenditures	
STATE AWARDS					
<u>Office of the Attorney General</u>					
FY 2021 Victim Coordinator and Liaison Grant (OVAG)		2108959	\$ -	\$ 35,542	
FY 2021 Texas VINE Annual Maintenance Grant (VINE)		2111524	-	23,883	
FY 2022 Texas VINE Annual Maintenance Grant (VINE)		2219269	-	2,173	
Total Office of the Attorney General			-	61,598	
<u>Office of Court Administration</u>					
Indigent Defense FY2021 Formula Grant		212-20-165	-	127,007	
Total Office of Court Administration			-	127,007	
<u>Texas Commission on Environmental Quality</u>					
Passed Through Permian Basin Regional Planning Commission Solid Waste Disposal Grant		21-09-01	-	12,000	
Total Texas Commission on Environmental Quality			-	12,000	
<u>Texas Water Development Board</u>					
Flood Infrastructure Fund Category 1		G1001282	-	119,274	
Total Texas Water Development Board			-	119,274	
<u>Texas Department of Criminal Justice (TDCJ)</u>					
Passed Through PermianCare for MHMR Mental Health Services Provider Agreement			-	64,167	
Mental Health Services Provider Agreement			-	5,833	
Total Texas Department of Criminal Justice (TDCJ)			-	70,000	
<u>Texas Department of Transportation</u>					
County Transportation Infrastructure Fund Grant Program		CTIF-02-165	-	5,666,903	
Total Texas Department of Transportation			-	5,666,903	
<u>Texas Commission on the Arts</u>					
Outspoken Bean		90867	-	835	
Lucas Miller		90866	-	745	
Elizabeth Ellis		90848	-	535	

Midland County, Texas

Notes to Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2021

Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the County under programs of the State of Texas for fiscal year ended September 30, 2021.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of Texas Single Audit Circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement. See Note 1 of the notes to the financial statements for the County's significant accounting policies. The County has elected to use the 10% de minimis indirect cost rates as allowed under the *Uniform Guidance*.

Midland County, Texas

Schedule of Findings and Questioned Costs – Continued
For the Fiscal Year Ended September 30, 2021

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with Generally Accepted Government Auditing Standards.

None

III. Findings and Questioned Costs for Federal Awards:

None



Veronica Morales

County Auditor

Summary Schedule of Prior Audit Findings

Finding 2020-001

Material Weakness – Inappropriate internal control processes for review of invoices for goods and services from a contract vendor.

Status

The finding has been resolved in the year ended September 30, 2021.