

# **Midland County, Texas**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2022



**Midland County, Texas**  
 Annual Comprehensive Financial Report  
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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, 385<sup>th</sup> Judicial District  
Jeff Robnett, 441<sup>st</sup> Judicial District

The Honorable Commissioners Court, Midland County, Texas  
Terry Johnson., County Judge  
Scott Ramsey, County Commissioner, Precinct 1  
Jeff Somers, County Commissioner, Precinct 2  
Luis D. Sanchez, County Commissioner, Precinct 3  
Dianne Anderson, 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, 2022.

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, 2022, 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, 2022, 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 131,872. 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 2022 unemployment rate of 3.0% decreased from the September of 2021 rate of 4.9%. The rate was a bit lower than the national rate of 3.3% which decreased from the 4.6% in 2021 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, 2022, the price per barrel of oil was at \$88.22. 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 \$15,086,877 in road infrastructure during the 2022 fiscal year and \$21,844,663 during the 2021 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 to create a new law enforcement building and a new detention facility to house the growing inmate population due to the increase in Midland County's citizens.

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.

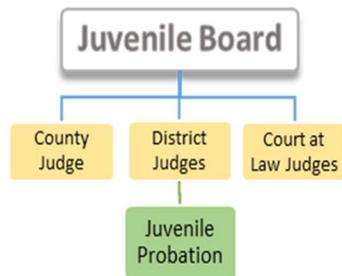
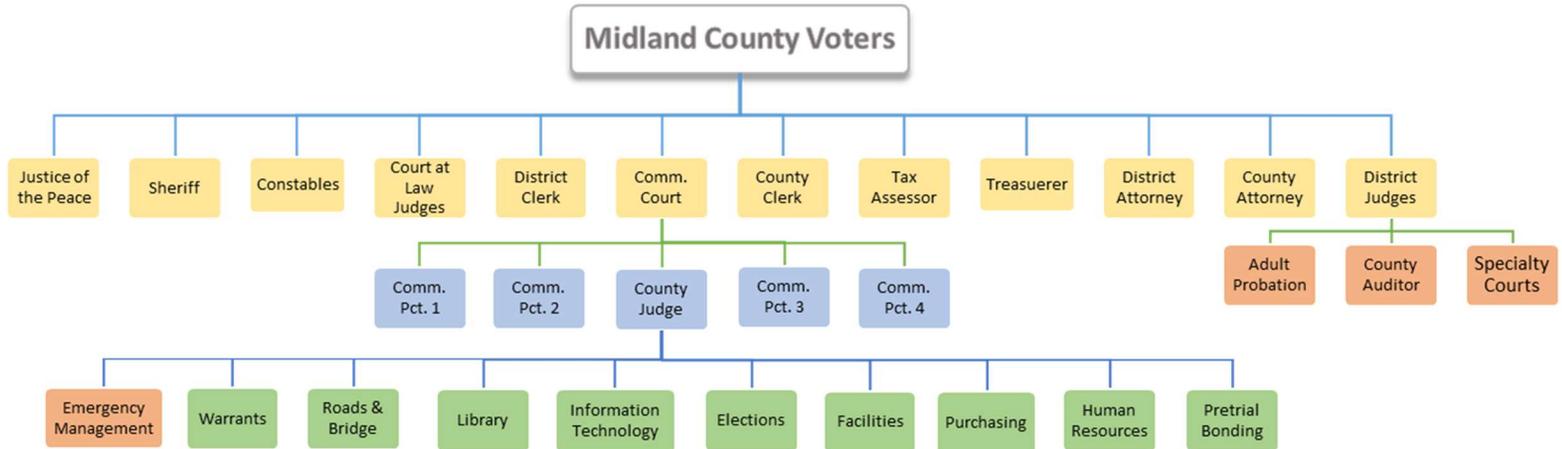
### **Acknowledgements**

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, 2022



**Midland County, Texas**  
Directory of Elected Officials and Appointed Officials  
September 30, 2022

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**COMMISSIONERS COURT:**

County Judge	Judge Terry Johnson
Commissioner Precinct 1	Scott Ramsey
Commissioner Precinct 2	Robin Donnelly
Commissioner Precinct 3	Luis D. Sanchez
Commissioner Precinct 4	Randy Prude

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**COUNTY COURTS OF LAW:**

142nd District Court	Judge David Rogers
238th District Court	Judge Elizabeth B. Leonard
318th District Court	Judge David Lindemood
385th District Court	Judge Leah Robertson
441st District Court	Judge Jeff Robnett
Title IV-D Associate Judge	Judge Karen B. Lewis
Child Protection Court	Judge Ellen Griffith
Drug Court	Judge Elizabeth N. Rainey
County Court at Law	Judge Kyle Peeler
County Court at Law II	Judge Marvin L. Moore
Justice of the Peace Precinct 1	Judge Terry Luck
Justice of the Peace Precinct 2	Judge David Cobos
Justice of the Peace Precinct 3	Judge Billy Johnson
Justice of the Peace Precinct 4	Judge John Barton

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**ELECTED OFFICIALS:**

Constable Precinct 1	Douglas Brown
Constable Precinct 2	Mark Wohleking
Constable Precinct 3	Larry Woodruff
Constable Precinct 4	Jamie Hall
County Attorney	Russell Malm
County Clerk	Alison Haley
County Sheriff	David Criner
County Treasurer	Mitzi Baker
District Attorney	Laura Nodolf
District Clerk	Alex Archuleta
Tax Assessor-Collector	Karen Hood

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**APPOINTED OFFICIALS:**

Chief Adult Probation Officer	Allen Bell
Chief Juvenile Probation Officer	Forest Hanna
County Auditor	Veronica Morales
Fire Marshal/ Emergency Management Coordinator	Justin Bunch

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**DEPARTMENT HEADS:**

County Purchasing Agent	Kristy Engeldahl
Elections	Carolyn Graves
Facilities	Eddie Melendez
Human Resources	Robert Segura
Information Technology	Javier Chacon
Library	Debbie Garza
Pretrial Bonding Officer	Jeanetta Chambers
Road & Bridge	Ruben Mata
Warrants	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 Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Midland County (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by 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.

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by 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 *State of Texas Uniform Grant Management Standards*, and is also not a required part of the basic financial statements.

The combining statements and budgetary schedules and the 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and budgetary schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information Included in the Annual Comprehensive Financial Report**

Management is responsible for the other information included in the Annual Comprehensive Financial Report ("ACFR"). The other information comprises the introductory and statistical sections, as listed in the table of contents, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of 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.

Austin, Texas  
April 25, 2023

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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, 2022. 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 \$255,823,390 (net position). Of this amount, \$(20,453,314) is a deficit unrestricted net position. The County's total net position increased by \$44,242,668.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$164,839,738. Of this total amount, \$45,397,185 or 28% 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 \$45,397,185 or 45% of the total general fund expenditures.
- At the end of the current fiscal year, assigned fund balance for general fund and was \$53,447,163, which consisted of \$50,000,000 in capital projects and \$3,447,163 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 deferred outflows of resources and liabilities and deferred inflows of resources, with the difference 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 131 individual governmental funds of which 122 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 Recovery 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 \$255,823,390 at the close of this fiscal year.

	2022	2021
Current and other assets	\$ 232,107,896	\$ 184,483,685
Capital assets, net of accumulated depreciation	<u>234,951,443</u>	<u>216,956,959</u>
Total assets	467,059,339	401,440,644
Total deferred outflows of resources	45,293,868	57,427,850
Current and other liabilities	42,619,274	26,782,480
Noncurrent liabilities	<u>125,040,840</u>	<u>199,173,585</u>
Total liabilities	167,660,114	225,956,065
Total deferred inflows of resources	88,869,703	21,331,707
Net position:		
Net investment in capital assets	227,679,298	205,076,063
Restricted, legislation and grants	45,319,396	38,322,081
Restricted, debt service	3,278,010	3,341,221
Unrestricted net position (deficit)	<u>(20,453,314)</u>	<u>(35,158,643)</u>
<b>Total net position</b>	<u><u>\$ 255,823,390</u></u>	<u><u>\$ 211,580,722</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, 89% 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 \$44,242,668. The following table provides a summary of the County's operations for years ended September 30, 2022 and 2021.

**Statement of Activities**  
**Years Ended September 30, 2022 and 2021**

	2022		2021	
	Governmental Activities	% of Total	Governmental Activities	% of Total
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 14,419,598	10.0%	\$ 6,412,006	5.5%
Operating grants and contributions	12,862,444	8.9%	16,268,075	13.9%
Capital grants and contributions	291,389	0.2%	394,796	0.3%
General revenues				
Property taxes	53,054,942	36.7%	52,498,540	44.8%
Sales tax	62,650,122	43.4%	41,337,737	35.3%
Bingo tax	116,018	0.1%	125,448	0.1%
Mixed beverage tax	1,276,489	0.9%	963,266	0.8%
Hotel-motel tax	894,122	0.6%	644,543	0.6%
Motor vehicle sales and use tax	2,139,969	1.5%	1,946,240	1.7%
Unrestricted investment earnings	(977,305)	-0.7%	397,601	0.3%
Loss on sale of capital assets	(3,504,226)	-2.4%	(6,016,912)	-5.1%
Miscellaneous	1,183,560	0.8%	2,083,560	1.8%
<b>Total revenues</b>	<b>144,407,122</b>	<b>100.0%</b>	<b>117,054,900</b>	<b>100.0%</b>
<b>Expenses</b>				
General administration	12,139,774	12.1%	14,654,885	13.3%
Judicial	22,909,384	22.9%	28,014,229	25.3%
Financial administration	4,197,662	4.2%	5,290,208	4.8%
Elections	822,653	0.8%	921,254	0.8%
Public safety and corrections	39,691,170	39.6%	43,495,711	39.4%
Health and welfare	1,223,519	1.2%	1,065,080	1.0%
Cultural and recreation	7,717,363	7.7%	8,532,430	7.7%
Conservation and natural resources	215,803	0.2%	199,269	0.2%
Highways and roads	10,939,173	10.9%	7,920,405	7.2%
Interest on long-term debt	307,953	0.3%	437,154	0.4%
<b>Total expenses</b>	<b>100,164,454</b>	<b>100.0%</b>	<b>110,530,625</b>	<b>100.0%</b>
<b>Change in net position</b>	<b>44,242,668</b>		<b>6,524,275</b>	
<b>Net position - beginning of year</b>	<b>211,580,722</b>		<b>205,056,447</b>	
<b>Net position, end of year</b>	<b>\$ 255,823,390</b>		<b>\$ 211,580,722</b>	

**Governmental Activities.** Net position of the governmental activities increased \$44,242,668 during the year. In General Revenues, sales tax increased by \$21,312,385 or 52% due to an increase in consumer spending in the County. Charges for services increased \$8,007,592 or 125% due to more collections for fines and forfeitures. Property tax revenues increased \$556,402 or 1% due to a higher tax rate and appraised values.

Total expenses decreased from the prior year by \$10,366,171, or 9% due primarily to general and administration, judicial, and financial administration expenses. The decrease in general administration, judicial, and financial administration expenses are largely due to the decrease 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 \$164,839,738. The unassigned fund balance, \$45,397,185, 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 \$45,397,185 as compared to \$38,019,053 in unassigned funds in the prior year. The increase is primarily due to an increase in sales tax revenue.

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 57% of total fund expenditures, while total fund balance represents 126% of total fund expenditures.

The road and bridge fund reflects a fund balance of \$35,405,517 which represents an increase of \$5,454,423 as compared with the prior year. The increase is primarily due to spending less funds for county roads compared to prior year.

The debt service fund has a total fund balance of \$3,278,010 as compared to \$3,341,221 in the prior year. The decrease of \$63,211 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 \$15,478,987 an increase of \$6,663,251. Increase is primarily due to a transfer in from the general fund.

Fund balance for the America Recovery Act fund was zero for the year as it represents the expenses incurred and related revenue earned for these funds, with the remaining receipt of funds in unearned revenue at year end.

## **General Fund Budgetary Highlights**

A deficit amended budget was approved for fiscal year 2022 in the amount of \$32,598,880 as compared to the original budget which planned for a deficit of \$39,354,373. The deficit was to be appropriated from the unassigned fund balance. However, actual revenues exceeded the final budget by \$28,151,011. The variance is mainly attributed to actual amounts of \$51,438,758 in property taxes, \$62,650,122 in sales tax, \$(1,240,480) in investment earnings and \$6,807,833 in charges for services.

The original budgeted expenditures differ from the final budgeted expenditures by a decrease of \$6,627,977 which is attributable to amendments to decrease capital outlay expenditures. The favorable variance of \$11,742,977 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, 2022, the County had a total long-term debt outstanding in the amount of \$11,460,112. According to the Texas statutes, the County has a debt margin of \$6,893,593,559.

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 2022:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
General obligation bonds	\$ 11,985,000	\$ -	4,610,000	\$ 7,375,000
Unamortized premium on general obligation bonds	729,084	-	91,135	637,949
Lease obligation	27,655	11,580	39,235	-
Compensated absences	3,207,973	239,190	-	3,447,163
<b>Total</b>	<b>\$ 15,949,712</b>	<b>\$ 250,770</b>	<b>\$ 4,740,370</b>	<b>\$ 11,460,112</b>

**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, 2022, net capital assets of the governmental activities totaled \$234,951,443 reflecting a net increase of \$17,994,484 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 \$12,283,746.

Additional information on the County's capital assets and debt can be found in Note 5 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 2023 budget was adopted on September 12, 2022, with total general fund expenditures of \$108,512,311, an 11% increase from the fiscal year 2022 budgeted expenditures. The County's combined tax rate is \$0.13112 for fiscal year 2023. The Commissioners' Court adopted a budgeted excess of \$32,136,626 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](http://www.co.midland.tx.us).

# **Basic Financial Statements**

**Midland County, Texas**  
Statement of Net Position  
September 30, 2022

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 9,884,391
Certificates of deposit	38,851,700
Investments	145,909,468
Receivables (net of allowance for uncollectibles)	10,366,785
Inventory	761,916
Other assets	126,329
Due from other governments	15,792,097
Net pension asset	10,415,210
Capital assets (net of accumulated depreciation)	
Land	6,946,219
Buildings and improvements	91,672,914
Construction in progress	39,656,150
Infrastructure	83,314,746
Machinery and equipment	13,361,414
	<hr/>
Total assets	467,059,339
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to OPEB	33,497,250
Deferred outflows from refunding of debt	796,980
Deferred outflows related to pension	10,999,638
	<hr/>
Total deferred outflows of resources	45,293,868
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	9,784,482
Accrued interest payable	32,931
Due to other governments	426,404
Unearned revenue	32,375,457
Noncurrent liabilities	
OPEB liability	113,580,728
Due within one year	4,609,805
Due in more than one year	6,850,307
	<hr/>
Total liabilities	167,660,114
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pension	25,774,051
Deferred inflows related to OPEB	63,095,652
	<hr/>
Total deferred inflows of resources	88,869,703
<b>NET POSITION</b>	
Net investment in capital assets	227,679,298
Restricted, legislation and grants	45,319,396
Restricted, debt service	3,278,010
Unrestricted (deficit)	(20,453,314)
	<hr/>
<b>TOTAL NET POSITION</b>	<u><u>\$ 255,823,390</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, 2022

Functions / Programs	Expenses	Program Revenues			Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total
<b>PRIMARY GOVERNMENT</b>					
Governmental activities:					
General administration	\$ 12,139,774	\$ 1,872,088	\$ 335,633	\$ -	\$ (9,932,053)
Judicial	22,909,384	7,697,064	245,745	-	(14,966,575)
Financial administration	4,197,662	-	-	-	(4,197,662)
Elections	822,653	118	61,800	-	(760,735)
Public safety and corrections	39,691,170	2,371,870	421,538	278,821	(36,618,941)
Health and welfare	1,223,519	26,698	2,300,000	-	1,103,179
Culture and recreation	7,717,363	15,259	104,092	-	(7,598,012)
Conservation and natural resources	215,803	-	-	12,568	(203,235)
Highways and roads	10,939,173	2,436,501	9,393,636	-	890,964
Interest on long-term debt	307,953	-	-	-	(307,953)
Total governmental activities	100,164,454	14,419,598	12,862,444	291,389	(72,591,023)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 100,164,454</b>	<b>\$ 14,419,598</b>	<b>\$ 12,862,444</b>	<b>\$ 291,389</b>	<b>\$ (72,591,023)</b>
General revenues:					
Property taxes					\$ 53,054,942
Sales tax					62,650,122
Bingo tax					116,018
Mixed beverage tax					1,276,489
Hotel-motel tax					894,122
Motor vehicle sales and use tax					2,139,969
Unrestricted investment earnings					(977,305)
Loss on sale of capital assets					(3,504,226)
Miscellaneous					1,183,560
Total general revenues					116,833,691
Change in net position					44,242,668
Net position - beginning of year					211,580,722
<b>NET POSITION - END OF YEAR</b>					<b>\$ 255,823,390</b>

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

**Midland County, Texas**  
Balance Sheet – Governmental Funds  
September 30, 2022

	<b>General Fund</b>	<b>Road and Bridge Fund</b>	<b>Debt Service Fund</b>
<b>ASSETS</b>			
Cash	\$ 3,003,696	\$ -	\$ 3,272,249
Certificates of deposit	38,851,700	-	-
Investments	71,010,389	17,528,189	-
Property taxes receivable, (net of allowance for uncollectibles)	1,610,185	-	56,719
Accounts receivable, (net of allowance for uncollectibles)	5,648,598	22,402	-
Accrued settlement	-	-	-
Due from other funds	29,173,964	47,070,999	2,321
Due from other governmental agencies	12,094,978	130,683	-
Inventory	-	676,435	-
Prepaid expenditures	93,154	-	-
<b>TOTAL ASSETS</b>	<b>\$ 161,486,664</b>	<b>\$ 65,428,708</b>	<b>\$ 3,331,289</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,700,153	1,264,966	\$ -
Benefits payable	1,054,412	47,375	-
Due to other funds	49,482,703	28,710,850	-
Due to other governmental agencies	426,394	-	-
Unearned revenue	241,414	-	-
Other liabilities	140,701	-	-
Total liabilities	55,045,777	30,023,191	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred tax revenue	1,506,444	-	53,279
Other deferred inflows	5,102,819	-	-
Total deferred inflows of resources	6,609,263	-	53,279
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	93,154	-	-
Inventories	-	676,435	-
Restricted			
Road improvements	-	34,729,082	-
Debt service	-	-	3,278,010
Hotel occupancy revenue	894,122	-	-
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Capital projects	-	-	-
Employee motivation	-	-	-
Donations	-	-	-
Assigned			
Compensated absences	3,447,163	-	-
Other purposes	-	-	-
Capital projects	50,000,000	-	-
Unassigned	45,397,185	-	-
Total fund balances	99,831,624	35,405,517	3,278,010
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 161,486,664</b>	<b>\$ 65,428,708</b>	<b>\$ 3,331,289</b>

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

Capital Projects Fund	America Recovery Act	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1	\$ 1	\$ 1,460,407	\$ 7,736,354
-	-	-	38,851,700
14,446,965	32,219,128	5,992,879	141,197,550
-	-	-	1,666,904
-	-	298,641	5,969,641
-	-	-	-
1,099,704	-	3,100,213	80,447,201
-	-	2,783,010	15,008,671
-	-	85,481	761,916
-	-	6,513	99,667
<u>\$ 15,546,670</u>	<u>\$ 32,219,129</u>	<u>\$ 13,727,144</u>	<u>\$ 291,739,604</u>
\$ 62,323	\$ -	\$ 1,398,280	\$ 6,425,722
-	-	103,478	1,205,265
5,360	171,586	1,293,276	79,663,775
-	-	10	426,404
-	32,047,543	86,500	32,375,457
-	-	-	140,701
<u>67,683</u>	<u>32,219,129</u>	<u>2,881,544</u>	<u>120,237,324</u>
-	-	-	1,559,723
-	-	-	5,102,819
-	-	-	6,662,542
-	-	6,513	99,667
-	-	85,481	761,916
-	-	-	34,729,082
-	-	-	3,278,010
-	-	-	894,122
-	-	8,086,689	8,086,689
-	-	1,609,503	1,609,503
15,478,987	-	-	15,478,987
-	-	27,255	27,255
-	-	605,140	605,140
-	-	-	3,447,163
-	-	425,019	425,019
-	-	-	50,000,000
-	-	-	45,397,185
<u>15,478,987</u>	<u>-</u>	<u>10,845,600</u>	<u>164,839,738</u>
<u>\$ 15,546,670</u>	<u>\$ 32,219,129</u>	<u>\$ 13,727,144</u>	<u>\$ 291,739,604</u>

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## Midland County, Texas

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position September 30, 2022

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ 164,839,738
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.	234,951,443
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.	6,693,825
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.	7,572,780
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	(11,460,112)
Interest is accrued on bonds payable in the government-wide financial statements whereas in the fund financial statements interest expenditures are reported when due.	(32,931)
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.	45,293,868
Deferred inflows of resources for pension and OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(88,869,703)
OPEB liability is not reported in the fund financial statements.	(113,580,728)
Net pension asset is not reported in the fund financial statements.	<u>10,415,210</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 255,823,390</u>

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

## Midland County, Texas

### Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds For the Fiscal Year Ended September 30, 2022

	General Fund	Road and Bridge Fund	Debt Service Fund
<b>REVENUES</b>			
Property tax, penalties and interest	\$ 51,438,758	\$ -	\$ 1,704,678
Sales tax	62,650,122	-	-
Hotel-motel tax	894,122	-	-
Fines and forfeitures	2,303,315	-	-
Licenses and permits	1,276,489	2,374,956	-
Intergovernmental charges	610,270	216,128	-
Charges for current services	6,807,833	-	-
Investment earnings	(1,240,480)	122,985	-
Other revenue	1,899,927	640,298	-
	<hr/>	<hr/>	<hr/>
Total revenues	126,640,356	3,354,367	1,704,678
<b>EXPENDITURES</b>			
Current:			
General administration	13,295,534	-	-
Judicial	21,021,803	-	-
Financial administration	4,145,953	-	-
Elections	754,066	-	-
Public safety and corrections	31,253,986	-	-
Health and welfare	1,153,800	-	-
Culture and recreation	4,993,884	-	-
Conservation and natural resources	203,492	-	-
Highways and roads	-	6,266,245	-
Capital outlay	2,432,022	15,284,503	-
Debt service	-	-	4,922,889
	<hr/>	<hr/>	<hr/>
Total expenditures	79,254,540	21,550,748	4,922,889
Excess (deficiency) of revenues over expenditures	47,385,816	(18,196,381)	(3,218,211)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	30,800,804	3,155,000
Transfers out	(39,430,228)	(7,150,000)	-
	<hr/>	<hr/>	<hr/>
Total other financing (uses) sources	(39,430,228)	23,650,804	3,155,000
Net change in fund balances	7,955,588	5,454,423	(63,211)
Fund balances - beginning of year	91,876,036	29,951,094	3,341,221
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, end of year</b>	<u>\$ 99,831,624</u>	<u>\$ 35,405,517</u>	<u>\$ 3,278,010</u>

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

<b>Capital Projects Fund</b>	<b>America Recovery Act</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 53,143,436
-	-	-	62,650,122
-	-	-	894,122
-	-	150,974	2,454,289
-	-	-	3,651,445
-	2,300,000	11,325,931	14,452,329
-	-	1,936,418	8,744,251
49,131	-	50,368	(1,017,996)
-	-	1,428,712	3,968,937
49,131	2,300,000	14,892,403	148,940,935
42,986	-	6,297	13,344,817
305,564	-	1,250,618	22,577,985
-	-	9,202	4,155,155
-	-	59,742	813,808
503,270	2,300,000	3,277,051	37,334,307
-	-	26,003	1,179,803
17,006	-	7,370	5,018,260
-	-	-	203,492
-	-	-	6,266,245
809,529	-	11,682,144	30,208,198
-	-	-	4,922,889
1,678,355	2,300,000	16,318,427	126,024,959
(1,629,224)	-	(1,426,024)	22,915,976
8,292,475	-	2,831,897	45,080,176
-	-	(125,157)	(46,705,385)
8,292,475	-	2,706,740	(1,625,209)
6,663,251	-	1,280,716	21,290,767
8,815,736	-	9,564,884	143,548,971
<u>\$ 15,478,987</u>	<u>\$ -</u>	<u>\$ 10,845,600</u>	<u>\$ 164,839,738</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, 2022

<b>NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS</b>	\$ 21,290,767
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.	21,605,455
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, and adjustments) is to decrease net position.	(3,610,971)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(1,066,880)
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.	4,631,952
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.	261,041
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.	1,131,304
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 44,242,668</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, 2022

	<b>Governmental Activities Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for current services	\$ 14,221,748
Total operating revenues	14,221,748
<b>OPERATING EXPENSES</b>	
Fleet maintenance	697,870
Claims expense	10,445,965
Administration costs	903,796
Premium costs	2,497,019
Capital outlay services	215,094
Total operating expenses	14,759,744
Operating loss	(537,996)
<b>NONOPERATING REVENUES</b>	
Investment earnings	40,691
Miscellaneous income	3,400
Total nonoperating revenues	44,091
Loss before transfers	(493,905)
Transfers in	2,005,135
Transfers out	(379,926)
Total transfers	1,625,209
Change in net position	1,131,304
Net position - beginning of year	6,441,476
<b>NET POSITION - END OF YEAR</b>	<b>\$ 7,572,780</b>

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, 2022

	<u>Investment Trust Funds</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash	\$ 4,243,569	\$ 6,825,246
Investments held in trust	2,084,881	47,273
Accounts receivable	-	418,906
Due from other funds	285	538,211
Due from other governmental agencies	-	41
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 6,328,735</b>	<b>\$ 7,829,677</b>
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 55,798
Due to other funds	2,914	947,846
Due to other governmental agencies	-	1,163,879
Other liabilities	-	146,029
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>2,914</b>	<b>2,313,552</b>
<b>NET POSITION</b>		
Restricted for Individuals, organizations, and other governments	<hr/> 6,325,821	<hr/> 5,516,125
<b>TOTAL NET POSITION</b>	<b>\$ 6,325,821</b>	<b>\$ 5,516,125</b>
	<hr/>	<hr/>

**Midland County, Texas**

## Statement of Changes in Fiduciary Net Position

## Fiduciary Funds

For the Fiscal Year Ended September 30, 2022

	<b>Investment Trust Funds</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Fees for other government	\$ -	\$ 3,098,203
Grant contributions	-	1,933,433
Held for others	5,854,001	4,279,371
Other income	-	71,495
Interest income	-	2,356
	<hr/>	<hr/>
Total additions	5,854,001	9,384,858
<b>DEDUCTIONS</b>		
Administrative expenses	-	1,837,906
Payment to other governments	-	3,198,576
Payment to individuals	6,262,077	3,821,327
	<hr/>	<hr/>
Total deductions	6,262,077	8,857,809
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	(408,076)	527,049
<b>NET POSITION - BEGINNING OF YEAR</b>	<hr/> 6,733,897	<hr/> 4,989,076
<b>NET POSITION - END OF YEAR</b>	<hr/> <u>\$ 6,325,821</u>	<hr/> <u>\$ 5,516,125</u>

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# **Notes to the Financial Statements**

**Midland County, Texas**  
 Annual Financial Report  
 For the Fiscal Year Ended September 30, 2022  
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## Midland County, Texas

### Notes to 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, 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 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 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 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 \$1,506,444 in the General Fund and \$53,279 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 \$5,102,819. 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.

## **Midland County, Texas**

### Notes to Financial Statements

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.

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 acquisition value at the time of donation.

## Midland County, Texas

### Notes to Financial Statements

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

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 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.

## **Midland County, Texas**

### Notes to Financial Statements

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.

#### **L. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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 30<sup>th</sup> and the balance is due on the following June 30<sup>th</sup>. 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, 2022 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 TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the County's Total Pension Liability is obtained from TCDRS through a report prepared for the District by TCDRS consulting actuary, Milliman, in compliance with GASB 68.

**Midland County, Texas**  
Notes to 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.

**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 \$234,951,443 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 in the current period and therefore are not reported in the governmental funds.” The details of this \$11,460,112 difference are as follows:

Bonds and leases payable	\$ 7,375,000
Bond premium liability	637,949
Compensated absences	<u>3,447,163</u>
<b>Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities.</b>	<b><u>\$ 11,460,112</u></b>

Another element of that reconciliation states that certain assets, such as fines and fees receivable, 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	\$ 1,559,723
Deferred court fines receivable	5,102,819
Deferred retiree health receivable	<u>31,283</u>
<b>Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities.</b>	<b><u>\$ 6,693,825</u></b>

**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.

## Midland County, Texas

### Notes to Financial Statements

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 \$21,605,455 difference are as follows:

Capital additions	\$ 33,889,201
Depreciation expense	(12,283,746)
	<hr/>
<b>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.</b>	<b>\$ 21,605,455</b>
	<hr/> <hr/>

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 \$3,610,971 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. 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. The details of this \$4,631,952 difference are as follows:

Principal repayments	\$ 4,649,235
Amortization of bond premium	91,135
Amortization relating to refunding of debt	(113,854)
Change in accrued interest	(17,070)
Other changes in amortization and accrued liabilities	22,506
	<hr/>
<b>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.</b>	<b>\$ 4,631,952</b>
	<hr/> <hr/>

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 \$261,041 difference are as follows:

Change in pension liability/asset	\$ 28,456,870
Change in deferred inflows from pension liability	(19,862,024)
Change in deferred outflows from pension liability	(3,740,239)
Change in OPEB liability	51,601,495
Change in deferred outflows from OPEB liability	(8,279,899)
Change in deferred inflows from OPEB liability	(47,675,972)
Net change in compensated absences	(239,190)
	<hr/>
<b>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.</b>	<b>\$ 261,041</b>
	<hr/> <hr/>

**Midland County, Texas**  
Notes to Financial Statements

Another element of that reconciliation states that "revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds."

The details of this \$1,066,880 difference are as follows:

Net change in property tax deferred inflow of resources	\$ (88,494)
Net change in fines and fees deferred inflow of resources	(961,584)
Net change in retiree health deferred inflow of resources	<u>(16,802)</u>
<b>Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.</b>	<b><u>\$ (1,066,880)</u></b>

**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, 2022. At year-end, the total carrying amount of the County's deposits was \$9,884,391 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 \$38,851,700. Total bank balance and certificate of deposits was \$48,738,113. The Federal Depository Insurance Corporation (FDIC) covered \$9,884,122 and \$48,737,113 was covered by collateral held by the pledging from a financial institution's agent for the County in the County's name.

**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.

**Midland County, Texas**  
Notes to Financial Statements

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 Lemman 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.

**TexPool Prime:** TexPool Prime is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities, collateralized repurchase and reverse repurchase agreements, AAA rated money market mutual funds, commercial paper and certificates of deposit.

## Midland County, Texas

### Notes to 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, TexPool Prime, 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	\$ 4,745,491	n/a	n/a	3%	25	AAAm - S&P
TexStar	53,640,858	n/a	n/a	29%	12	AAAm - S&P
Texas CLASS	29,532,330	n/a	n/a	16%	82	AAAm - S&P
TexPool-Prime	11,032,945	n/a	n/a	6%	14	AAAm - S&P
Investment by fair value level						
U.S. Treasury Notes	37,063,500	\$ 37,063,500	\$ -	20%	109	AA+/Aaa - S&P
U.S. Agency Bond	9,894,344	-	9,894,344	5%	16	AA+/Aaa - S&P
Certificate of Deposits	38,851,700	38,851,700	-	21%	42	AA+/Aaa - S&P
<b>Total</b>	<b>\$ 184,761,168</b>	<b>\$ 75,915,200</b>	<b>\$ 9,894,344</b>	<b>100%</b>		
Portfolio Weighted Average if Maturity					<u>300</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 Financial Statements

**C. Interest Rate Risk**

In compliance with the County's investment policy, as of September 30, 2022, 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, 2022.

Maturity Schedule	Par Value	Fair Value	% of Portfolio
Less than 1 Month	\$ 98,951,620	\$ 98,951,620	6%
1 to 6 Months	37,236,120	37,207,648	58%
6 to 9 Months	8,530,891	8,500,209	5%
9 to 12 Months	2,800,308	2,753,216	1%
12 to 18 Months	15,958,410	15,343,028	11%
More than 18 Months	22,906,445	22,005,447	19%
<b>Total</b>	<b>\$ 186,383,794</b>	<b>\$ 184,761,168</b>	<b>100%</b>

**Credit Risk**

In compliance with the County's investment policy, as of September 30, 2022, 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, 2022 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:

	General	Road and Bridge	Debt Service	Non Major Funds	Internal Service Funds	Total
Receivables:						
Property taxes	\$ 1,677,276	\$ -	\$ -	\$ -	\$ -	\$ 1,677,276
Accounts receivable	8,617,289	22,402	59,082	298,641	2,730,240	11,727,654
Gross receivables	10,294,565	22,402	59,082	298,641	2,730,240	13,404,930
Less: allowance for uncollectibles	(3,035,782)	-	(2,363)	-	-	(3,038,145)
<b>Net total receivables</b>	<b>\$ 7,258,783</b>	<b>\$ 22,402</b>	<b>\$ 56,719</b>	<b>\$ 298,641</b>	<b>\$ 2,730,240</b>	<b>\$ 10,366,785</b>

**Midland County, Texas**  
Notes to 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, 2022 was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,252,538	\$ 693,681	\$ 247,809	\$ 7,194,028
Construction in progress	30,131,045	28,514,746	(18,989,641)	39,656,150
<b>Total capital assets, not being depreciated</b>	<b>36,383,583</b>	<b>29,208,427</b>	<b>(18,741,832)</b>	<b>46,850,178</b>
Capital assets, being depreciated:				
Buildings and improvements	146,248,156	470,523	(247,809)	146,470,870
Infrastructure	104,983,737	21,257,171	(5,685,777)	120,555,131
Machinery and equipment	41,078,331	1,942,721	(423,849)	42,597,203
<b>Total capital assets being depreciated</b>	<b>292,310,224</b>	<b>23,670,415</b>	<b>(6,357,435)</b>	<b>309,623,204</b>
Less accumulated depreciation for:				
Buildings and improvements	(50,390,606)	(4,655,159)	-	(55,045,765)
Infrastructure	(34,936,286)	(4,460,296)	2,156,197	(37,240,385)
Machinery and equipment	(26,409,956)	(3,168,291)	342,458	(29,235,789)
<b>Total accumulated depreciation</b>	<b>(111,736,848)</b>	<b>(12,283,746)</b>	<b>2,498,655</b>	<b>(121,521,939)</b>
<b>Total capital assets, being depreciated, net</b>	<b>180,573,376</b>	<b>11,386,669</b>	<b>(3,858,780)</b>	<b>188,101,265</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 216,956,959</b>	<b>\$ 40,595,096</b>	<b>\$ (22,600,612)</b>	<b>\$ 234,951,443</b>

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

Governmental Activities:	
General administration	\$ 2,527,681
Judicial	346,458
Financial administration	7,898
Elections	-
Public safety and corrections	2,096,571
Health and welfare	36,733
Cultural and recreation	2,621,460
Highways and roads	4,635,838
Conservation and natural resources	11,107
<b>Total depreciation expense - governmental activities</b>	<b>\$ 12,283,746</b>

**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 TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system. TCDRS, in the aggregate, issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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, 2021:

Retirees or beneficiaries currently receiving benefits	758
Inactive employees entitle to but not yet receiving benefits	404
Active employees	664
<b>Total</b>	1,826

**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 11.21% for the months of the accounting year in 2021, and 11.97% for the months of the accounting year in 2022. The County contributed at a rate of 13.50% for all months included in the fiscal year ended September 30, 2022.

## Midland County, Texas

### Notes to Financial Statements

The deposit rate payable by the employee members for calendar year 2021 and 2022 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 (Asset)

The County's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

#### Actuarial Assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age (level percent of pay)
Asset Valuation Method	5 Years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increase	1.70%
Investment Rate of Return	7.60%
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, 2021 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 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%	3.80%
Global Equities	2.50%	4.10%
International Equities-Developed	5.00%	3.80%
International Equities-Emerging	6.00%	4.30%
Investment-Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	1.77%
Direct Lending	16.00%	6.25%
Distressed Debt	4.00%	4.50%
REIT Equities	2.00%	3.10%
Master Limited Partnerships	2.00%	3.85%
Private Real Estate Partnerships	6.00%	5.10%
Private Equity	25.00%	6.80%
Hedge Funds	6.00%	1.55%
Cash Equivalents	2.00%	-1.05%
<b>Total</b>	<b>100.0%</b>	

#### Discount Rate

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

**Midland County, Texas**  
Notes to Financial Statements

**Changes in the Net Pension Liability (Asset)**

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, 2020	\$ 198,990,842	\$ 180,949,182	\$ 18,041,660
Changes for the year:			
Service cost	6,114,036	-	6,114,036
Interest on total pension liability (1)	15,196,540	-	15,196,540
Effect of economic/demographic gains or losses	(1,184,407)	-	(1,184,407)
Effect of assumptions changes or inputs	(377,217)	-	(377,217)
Refund of contributions	(928,109)	(928,109)	-
Benefit payments	(9,564,825)	(9,564,825)	-
Administrative expenses	-	(118,298)	118,298
Member contributions	-	2,996,243	(2,996,243)
Net investment income	-	39,548,161	(39,548,161)
Employer contributions	-	5,778,470	(5,778,470)
Other (3)	-	1,246	(1,246)
<b>Balances as of December 31, 2021</b>	<b>\$ 208,246,860</b>	<b>\$ 218,662,070</b>	<b>\$ (10,415,210)</b>

(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, 2021, 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	\$ 236,519,792	\$ 208,246,860	\$ 184,720,205
Fiduciary net pension	218,662,070	218,662,070	218,662,070
<b>Net pension liability / (asset)</b>	<b>\$ 17,857,722</b>	<b>\$ (10,415,210)</b>	<b>\$ (33,941,865)</b>

**Midland County, Texas**  
Notes to Financial Statements

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

For the year ended September 30, 2022, the County recognized pension expense of \$981,346 related to the December 31, 2021 valuation. At September 30, 2022, 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	\$ 1,051,468	\$ 789,605
Changes of assumptions	5,682,313	251,479
Net difference between projected and actual investment earnings	-	24,732,967
Contributions subsequent to the measurement date	4,265,857	-
<b>Total</b>	<b>\$ 10,999,638</b>	<b>\$ 25,774,051</b>

Deferred outflows of resources related to the Plan resulting from contributions subsequent to the measurement date of \$4,265,857 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2022 (i.e. recognized in the County's financial statements September 30, 2022). 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
2022	\$ (2,408,735)
2023	(5,548,142)
2024	(5,910,494)
2025	(5,172,899)
<b>Total</b>	<b>\$ (19,040,270)</b>

**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 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 \$2,001,070 to the health care fund for post-retirement health care as well as \$28,531 for a medical supplement; County contributions for both totaled \$2,029,601.

Employees covered by benefits as of December 31, 2021:

Retirees or beneficiaries currently receiving benefits	203
Inactive employees entitled to but not yet receiving benefits	-
Active employees	546
<b>Total</b>	749

**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 \$2,786,081 for the year ended September 30, 2022.

**D. Net OPEB Liability**

The County's net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2020.

**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, 2022
Benefits Valued	Medical, prescription drug, and dental benefits.
Discount Rate	4.77%
Salary Increase	3.00%
Inflation Rate	2.50%
Healthcare Trend Rates	
Medical/RX	8.00%
Dental	3.50%

**Midland County, Texas**  
Notes to 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 OPEB Liability / (Asset) (a) – (b)
Balances as of October 1, 2021	\$ 165,182,223	\$ -	\$ 165,182,223
Changes for the year:			
Service cost	7,216,833	-	7,216,833
Interest	4,155,649	-	4,155,649
Differences between expected and actual experience	750,007		750,007
Changes of assumptions	(60,937,903)	-	(60,937,903)
Benefit payments	(2,786,081)	(2,786,081)	-
Contributions - employer	-	2,786,081	(2,786,081)
<b>Balances as of September 30, 2022</b>	<b>\$ 113,580,728</b>	<b>\$ -</b>	<b>\$ 113,580,728</b>

**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	\$ 135,221,174	\$ 113,580,728	\$ 96,645,692
<b>Net OPEB liability</b>	<b>\$ 135,221,174</b>	<b>\$ 113,580,728</b>	<b>\$ 96,645,692</b>

**Midland County, Texas**  
Notes to 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:

	<u>1% Decrease in Healthcare Trend</u>	<u>Current Trend Rates</u>	<u>1% Increase in Healthcare Trend</u>
Total OPEB liability	\$ 93,482,530	\$ 113,580,728	\$ 140,214,296
<b>Net OPEB liability</b>	<u>\$ 93,482,530</u>	<u>\$ 113,580,728</u>	<u>\$ 140,214,296</u>

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

For the year ended September 30, 2022, the County recognized pension expense of \$7,140,457 related to the October 1, 2020 valuation. At September 30, 2022, the County reported deferred inflows and outflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 11,575,329	\$ -
Changes of assumptions	<u>21,921,921</u>	<u>63,095,652</u>
<b>Total</b>	<u>\$ 33,497,250</u>	<u>\$ 63,095,652</u>

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

<u>Year ended September 30,</u>	<u>OPEB Expense Amount</u>
2023	\$ 4,232,025
2024	4,232,025
2025	3,307,287
2026	3,809,237
2027	7,956,550
Thereafter	<u>6,061,278</u>
<b>Total</b>	<u>\$ 29,598,402</u>

**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, 2022, the bonds were either called in full or are considered conduit debt, therefore there is no liability to the Finance Corporation or the County.

**Midland County, Texas**  
Notes to Financial Statements

**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.

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, 2022 arising from these transactions were as follows:

	Interfund	
	Receivable	Payable
General Fund	\$ 29,173,964	\$ 49,482,703
Road and Bridge Fund	47,070,999	28,710,850
Special Revenue Funds		
Law Library	70	-
County Clerk Records Management Fund	10,889	-
Records Preservation Fund	9,059	-
District Clerk Records Management Fund	217,378	-
Courthouse Security Fund	119,086	-
County Clerk Record Archives	10,429	-
County Clerk Vital Stat Preservation Fund	102	-
Voter Registration Chapter 19 Fund	-	898
Employee Activity	-	123
Dealer Inventory Fund	345	-
Justice Court Building Security Fund	49,912	-
Local Truancy Prevention Fund	46,926	-
County Attorney State Supplement	153,845	-
Truancy Prevention Fund	66,632	-
Pretrial Intervention Program Fund	459,015	-
Election Contracts	104,912	-
Child Abuse Prevention	16,656	-
Appellate Justice System	5	-
Guardianship	166,804	-
Rabies Control	65,680	-
District Court Records Technology Fund	97,051	-
County and District Court Technology Fund	22,931	-
Justice Court Technology Fund	425,676	-
Donations SO Mounted Patrol	43,054	-
Donations Constable 4 Bulletproof Vest	500	-
Donations Sheriff's Office	248,993	-
Donations Agrilife	50	-
L.E.O.S.E. Funds	27,259	-
District Attorney Drug Forfeiture	35,747	3

**Midland County, Texas**  
Notes to Financial Statements

	Interfund Continued	
	Receivable	Payable
7th Administration Judicial Region	-	14,623
High Intensity Drug Trafficking Area	-	73,230
Texas VINE Grant	-	6,519
Crime Victim Services Fund	-	2,013
Truancy Court	9,593	-
Donation SO Bulletproof Vest	13,468	-
Title IV-E Federal Foster Care	-	54
Juvenile Probation Grants	32,359	80,201
Justice Assistance Grants	-	10,907
Donation Library	148,157	-
Donation Juvenile	147	-
Donation Dare Program	23,902	-
District Attorney Bomb Dog	11,911	-
OOG Justice Assistant Grant	-	16,734
Donation K - 9 Unit	46,235	-
Jury Service Fund	30,093	-
County Transportation Infrastructure Fund Grant	-	1,077,394
Public Assistant Grant-Covid 19	-	5,907
Juvenile Board Housing Revenue	139,429	-
Commissary Fund	-	4,670
Justice Court Support Fund	57,510	-
Clerk of the Court Fund	126,206	-
Dist Clk County Rec Mgmt & Pres	62,187	-
Co Clk County Rec Mgmt & Pres	10	-
America Recovery Act	-	171,586
Debt Service Fund	2,321	-
Capital Projects Fund	1,099,704	5,360
	<hr/>	<hr/>
Total governmental funds	80,447,201	79,663,775
	<hr/>	<hr/>
Internal Service Fund	-	371,162
	<hr/>	<hr/>
Total internal service fund	-	371,162

**Midland County, Texas**  
Notes to Financial Statements

	Interfund Continued	
	Receivable	Payable
Fiduciary Funds		
Investment Trust Fund District Clerk	285	2,914
District Clerk	655	11,908
County Clerk	35	26,805
Sheriff's Office	-	501
Justice of the Peace Precinct #1	-	23,026
Justice of the Peace Precinct #2	-	36,337
Justice of the Peace Precinct #3	-	17,520
Justice of the Peace Precinct #4	-	13,444
Tax Collector Assessor	369,990	818,305
Bail Security Fund	129,544	-
CSCD - Basic Supervision	25,805	-
CSCD - Midland Outpatient Treatment Center	4,071	-
Sex Offender Caseload	2,070	-
DWI Repeat Offender Caseload	2,526	-
Drug Court	1,865	-
CSCD - DWI Court	843	-
CSCD - Transitional Treatment Court	807	-
	<hr/>	<hr/>
Total fiduciary funds	538,496	950,760
	<hr/>	<hr/>
<b>Total</b>	<b>\$80,985,697</b>	<b>\$80,985,697</b>

Interfund transfers for the fiscal year ended September 30, 2022 are as follows:

	Interfund	
	Transfers In	Transfers Out
General fund	\$ -	\$ 39,430,228
Road and bridge fund	30,800,804	7,150,000
Debt service fund	3,155,000	-
Capital projects fund	8,292,475	-
Internal service fund	2,005,135	379,926
Nonmajor governmental funds:		
County Clerk Records Archive	-	125,157
Court Records Preservation	125,157	-
Mental Health Deputies	411,029	-
County Transportation Infrastructure Fund Grant	2,294,377	-
CARES - HAVA Election Security	1,334	-
	<hr/>	<hr/>
<b>Total</b>	<b>\$ 47,085,311</b>	<b>\$ 47,085,311</b>

**Midland County, Texas**  
Notes to Financial Statements

**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, 2022:

	Balance October 1, 2021	Additions	Reductions	Balance September 30, 2022	Due Within One Year
General Obligation Bonds-Series 2016	\$ 11,985,000	\$ -	\$ 4,610,000	\$ 7,375,000	\$ 1,335,000
Unamortized premium on General Obligation Bonds Series 2016	729,084	-	91,135	637,949	-
Lease obligation	27,655	11,580	39,235	-	-
Compensated absences	3,207,973	239,190	-	3,447,163	3,274,805
<b>Totals</b>	<b>\$ 15,949,712</b>	<b>\$ 250,770</b>	<b>\$ 4,740,370</b>	<b>\$ 11,460,112</b>	<b>\$ 4,609,805</b>

**B. Bonds**

Certificates of Obligation and General Obligation Bonds at September 30, 2022 consist of the following:

\$14,625,000 General Obligation Refunding Bonds, Series 2016, annual installments beginning 2016 through 2027, interest at 2.00% to 3.50%.	<u>\$ 7,375,000</u>
<b>Total bonds outstanding</b>	<u><u>\$ 7,375,000</u></u>

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, 2022 is as follows:

Year Ending September 30,	General Obligation Bonds		
	Principal	Interest	Total
2023	\$ 1,335,000	\$ 236,750	\$ 1,571,750
2024	1,385,000	182,350	1,567,350
2025	1,500,000	124,650	1,624,650
2026	1,555,000	71,325	1,626,325
2027	1,600,000	24,000	1,624,000
<b>Total</b>	<b>\$ 7,375,000</b>	<b>\$ 639,075</b>	<b>\$ 8,014,075</b>

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.

**Midland County, Texas**  
Notes to Financial Statements

**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.

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	\$ 1,024,189
Insured claims (including (IBNRs)	10,012,703
Claim payments	<u>(9,602,611)</u>
Unpaid claims, September 2021	1,434,281
Insured claims (including (IBNRs)	10,001,026
Claim payments	<u>(10,002,609)</u>
<b>Unpaid claims, September 30, 2022</b>	<b>\$ <u>1,432,698</u></b>

Unpaid claims are reported in accounts payables.

**Note 13. Short Term Leases**

Rental expense related to leased equipment totaled approximately \$450,013 for the fiscal year ended September 30, 2022.

**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. 96, *Subscription-Based Information Technology Arrangements (GASB 96)*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. 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; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 will be implemented in the County's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 99, *Omnibus 2022 (GASB 99)*, enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. These requirements were implemented in the County's fiscal year 2022 financial statements with no impact to amounts previously reported. The requirements related to PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. These requirements for GASB 99 will be implemented in the County's fiscal year 2023 financial statements and the impact has not yet been determined. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements for GASB 99 will be implemented in the County's fiscal year 2024 financial statements and the impact has not yet been determined.

## **Midland County, Texas**

### Notes to Financial Statements

GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 will be implemented in the County's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the County's fiscal year 2025 financial statements and the impact has not yet been determined.

## **Required Supplementary Information**

## Midland County, Texas

### Texas County District Retirement System Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios for the Employees of Midland County For the Fiscal Year Ended September 30, 2022

	Year Ended December 31,		
	2014*	2015	2016
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 3,534,733	\$ 3,778,801	\$ 4,109,757
Interest (on the total pension liability)	9,896,745	6,379,917	10,803,047
Effect on plan changes	-	(730,658)	-
Effect of economic/demographic (gains) or losses	(406,390)	(1,063,811)	(1,016,375)
Effect of assumptions changes or inputs	-	1,434,304	-
Benefit payments/refunds of contributions	(5,437,548)	(5,802,281)	(6,818,064)
Net change in total pension liability	7,587,540	3,996,272	7,078,365
Total pension liability - beginning	123,114,923	130,702,463	134,698,735
<b>TOTAL PENSION LIABILITY - ENDING (a)</b>	<b>\$ 130,702,463</b>	<b>\$ 134,698,735</b>	<b>\$ 141,777,100</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ 3,752,055	\$ 4,010,993	\$ 4,128,546
Contributions - Employee	2,020,340	2,159,763	2,223,064
Investment income net of investment expenses	7,596,673	(588,745)	8,804,585
Benefit payments/refunds of contributions	(5,437,547)	(5,802,281)	(6,818,063)
Administrative expense	(89,152)	(85,841)	(95,823)
Other	(411,369)	(31,542)	(100,900)
Net change in plan fiduciary net position	7,431,000	(337,653)	8,141,409
Plan fiduciary net position - beginning	111,951,500	119,382,500	119,044,847
<b>PLAN FIDUCIARY NET POSITION - ENDING (b)</b>	<b>\$ 119,382,500</b>	<b>\$ 119,044,847</b>	<b>\$ 127,186,256</b>
<b>NET PENSION LIABILITY (ASSET) - ENDING (a) - (b)</b>	<b>\$ 11,319,963</b>	<b>\$ 15,653,888</b>	<b>\$ 14,590,844</b>
Plan fiduciary net position as a percentage of total pension liability	91.34%	88.38%	89.71%
Covered payroll	\$ 28,861,998	\$ 30,853,764	\$ 31,758,063
Net pension liability (asset) as a percentage of covered payroll	39.22%	50.74%	45.94%

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

#### Notes to Schedule:

As of December 31 - Measurement date

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."

	Year Ended December 31,				
	2017	2018	2019	2020	2021
\$	3,983,311	\$ 4,125,520	\$ 4,612,531	\$ 5,008,948	\$ 6,114,036
	11,510,020	12,583,509	13,430,990	14,301,454	15,196,540
	4,889,608	-	-	-	-
	614,667	1,201,649	1,043,331	1,581,274	(1,184,407)
	(243,854)	-	-	11,364,625	(377,217)
	(7,468,193)	(7,824,768)	(8,049,540)	(9,451,341)	(10,492,933)
	13,285,559	10,085,910	11,037,312	22,804,960	9,256,019
	141,777,100	155,062,659	165,148,569	176,185,881	198,990,841
\$	<u>155,062,659</u>	<u>\$ 165,148,569</u>	<u>\$ 176,185,881</u>	<u>\$ 198,990,841</u>	<u>\$ 208,246,860</u>
\$	4,216,870	\$ 4,840,534	\$ 5,299,011	\$ 5,974,816	\$ 5,778,470
	2,270,620	2,509,903	2,747,642	3,098,052	2,996,243
	18,548,981	(2,699,993)	23,213,611	16,989,602	39,548,162
	(7,468,193)	(7,824,768)	(8,049,540)	(9,451,341)	(10,492,933)
	(96,193)	(113,538)	(125,329)	(132,404)	(118,298)
	(14,050)	397	23,136	5,099	1,245
	17,458,035	(3,287,465)	23,108,531	16,483,824	37,712,889
	127,186,256	144,644,291	141,356,826	164,465,357	180,949,181
\$	<u>144,644,291</u>	<u>\$ 141,356,826</u>	<u>\$ 164,465,357</u>	<u>\$ 180,949,181</u>	<u>\$ 218,662,070</u>
\$	<u>10,418,368</u>	<u>\$ 23,791,743</u>	<u>\$ 11,720,524</u>	<u>\$ 18,041,660</u>	<u>\$ (10,415,210)</u>
	93.28%	85.59%	93.35%	90.93%	105.00%
\$	32,437,430	\$ 35,855,752	\$ 39,252,023	\$ 44,257,887	\$ 42,803,478
	32.12%	66.35%	29.86%	40.76%	-24.33%

**Midland County, Texas**  
Texas County District Retirement System  
Schedule of Employer's Contributions  
For the Fiscal Year Ended September 30, 2022

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 2,880,840	\$ 3,232,544	\$ 3,236,560
Contributions in relation to the actuarially determined contribution	3,766,720	3,752,055	4,010,993
<b>CONTRIBUTION EXCESS</b>	<u>\$ (885,880)</u>	<u>\$ (519,511)</u>	<u>\$ (774,433)</u>
Covered payroll	\$ 26,333,090	\$ 28,681,998	\$ 30,853,764
Contributions as a percentage of covered payroll	14.30%	13.08%	13.00%

**Notes to Schedule:**

Valuation date:

Actuarially determined contribution rates are calculated as of December 31, the year prior to the end of the fiscal year in which the contributions are reported. Employer contributions are on a fiscal year basis ending September 30.

Methods and assumptions used to determine contribution rates:

Actuarial Cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	10.6 years (based on contribution rate calculated in 12/31/21 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for services retirement are assumed to commence receiving benefit payments based on age. The average age of service retirement of recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the	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	2015: No changes in plan provisions were reflected in the Schedule 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: Employer contributions reflect that 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. 2021: No changes in plan provisions were reflected in the Schedule.

Only nine 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."

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 3,153,576	\$ 3,156,162	\$ 4,241,735	\$ 4,549,310	\$ 5,133,915	\$ 4,798,270
4,128,546	4,216,870	4,840,534	5,299,011	5,974,816	5,778,470
<u>\$ (974,970)</u>	<u>\$ (1,060,708)</u>	<u>\$ (598,799)</u>	<u>\$ (749,701)</u>	<u>\$ (840,901)</u>	<u>\$ (980,200)</u>
\$ 31,758,063	\$ 32,437,430	\$ 35,855,752	\$ 39,252,023	\$ 44,257,887	\$ 42,803,478
13.00%	13.00%	13.50%	13.50%	13.50%	13.50%

**Midland County, Texas**  
**Schedule of Changes in the County's Total OPEB**  
**Liability and Related Ratios**  
**For the Fiscal Year Ended September 30, 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>TOTAL OPEB LIABILITY</b>					
Service cost	\$ 5,687,029	\$ 3,483,904	\$ 3,917,478	\$ 8,611,467	\$ 7,216,833
Interest	4,001,055	3,879,135	3,896,774	3,694,384	4,155,649
Differences between expected and actual experience	-	8,918,260	-	5,284,242	750,007
Changes of assumptions	(14,083,734)	(7,492,165)	35,052,227	3,431,661	(60,937,903)
Benefit payments	(1,563,350)	(2,125,399)	(2,200,014)	(2,527,279)	(2,786,081)
Net change in total OPEB liability	(5,959,000)	6,663,735	40,666,465	18,494,475	(51,601,495)
Total OPEB liability - beginning	105,316,548	99,357,548	106,021,283	146,687,748	165,182,223
<b>TOTAL OPEB LIABILITY - ENDING</b>	<u>\$ 99,357,548</u>	<u>\$ 106,021,283</u>	<u>\$ 146,687,748</u>	<u>\$ 165,182,223</u>	<u>\$ 113,580,728</u>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 1,563,350	\$ 2,125,399	\$ 2,200,014	\$ 2,527,279	\$ 2,786,081
<b>NET OPEB LIABILITY - ENDING</b>	<u>\$ 99,357,548</u>	<u>\$ 106,021,283</u>	<u>\$ 146,687,748</u>	<u>\$ 165,182,223</u>	<u>\$ 113,580,728</u>
Plan fiduciary net position as a percentage of total liability	1.57%	2.00%	1.50%	1.53%	2.45%
Covered payroll	\$ 25,900,000	\$ 32,062,563	\$ 29,283,267	\$ 32,470,622	\$ 29,731,837
Contributions as a percentage of employee-covered payroll	6.04%	6.63%	7.51%	7.78%	9.37%

**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.

The September 30, 2022 total OPEB liability is determined using a 4.77% final discount rate equal to the September 30, 2022 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 2021 and 2022 are detailed in the Changes in Actuarial Accrued Liability since the Last Valuation section on page 19. 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 2021 and 2022 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, 2022

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution	\$ 2,125,399	\$ 2,200,014	\$ 2,527,279	\$ 2,786,081
Contributions in relation to the actuarially determined contribution	<u>2,125,399</u>	<u>2,200,014</u>	<u>2,527,279</u>	<u>2,786,081</u>
<b>CONTRIBUTION EXCESS (DEFICIENCY)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 25,900,000	\$ 23,062,563	\$ 29,283,267	\$ 29,731,837
Contributions as a percentage of covered payroll	8.21%	9.54%	8.63%	9.37%

**Notes to Schedule:**

Valuation date: October 1, 2020

Measurement date: September 30, 2022

Methods and assumptions used to determine contribution rates:

Actuarial Cost method	Entry Age
Amortization method	Average working lifetime
Remaining amortization period	10.6 years
Asset valuation method	5-year smoothed market
Healthcare cost trend rates	
Medical/RX	8.00%
Dental	3.50%
Inflation Rate	2.50%
Salary Increase:	4.70%
Mortality	Male rates: 135% of RP-2014 Active Employee Mortality Table male rates, projected generationally using 100% of MP- 2014 Ultimate Projection Scale  Female rates: 120% of RP-2014 Active Employee Mortality Table male rates, projected generationally using 100% of MP- 2021 Ultimate Projection Scale

Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions\*  
 2015: New inflation, mortality, and other assumptions were reflected  
 2017: New mortality assumptions were reflected

Changes in Plan Provisions Reflected in the Schedule of Employer Contributions\*  
 2015: No changes in plan provisions were reflected in the Schedule  
 2016: No changes in plan provisions were reflected in the Schedule.  
 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

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.

## 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, 2022

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>				
Property tax, penalties and interest	\$ 46,500,000	\$ 46,500,000	\$ 51,438,758	\$ 4,938,758
Sales tax	40,000,000	40,000,000	62,650,122	22,650,122
Hotel-motel tax	500,000	500,000	894,122	394,122
Fines and forfeitures	2,236,000	2,236,000	2,303,315	67,315
Licenses and permits	650,000	650,000	1,276,489	626,489
Intergovernmental charges	521,500	521,500	610,270	88,770
Charges for current services	6,049,045	6,049,045	6,807,833	758,788
Investment earnings	1,000,000	1,000,000	(1,240,480)	(2,240,480)
Other revenue	947,800	1,032,800	1,899,927	867,127
<b>Total revenues</b>	<b>98,404,345</b>	<b>98,489,345</b>	<b>126,640,356</b>	<b>28,151,011</b>
<b>EXPENDITURES</b>				
Current:				
General administration	17,931,683	17,138,519	13,295,534	3,842,985
Judicial	26,379,281	24,446,737	21,021,803	3,424,934
Financial administration	4,244,173	4,244,599	4,145,953	98,646
Elections	972,541	987,286	754,066	233,220
Public safety and corrections	33,790,241	34,034,565	31,253,986	2,780,579
Health and welfare	1,475,149	1,494,984	1,153,800	341,184
Culture and recreation	5,449,836	5,592,413	4,993,884	598,529
Conservation and natural resources	220,746	223,062	203,492	19,570
Capital outlay	7,161,844	2,835,352	2,432,022	403,330
<b>Total expenditures</b>	<b>97,625,494</b>	<b>90,997,517</b>	<b>79,254,540</b>	<b>11,742,977</b>
Excess of revenues (deficiency) over expenditures	778,851	7,491,828	47,385,816	39,893,988
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	85,000	-	(85,000)
Transfers out	(40,133,224)	(40,175,708)	(39,430,228)	745,480
<b>Total other financing sources (uses)</b>	<b>(40,133,224)</b>	<b>(40,090,708)</b>	<b>(39,430,228)</b>	<b>660,480</b>
Net change in fund balance	(39,354,373)	(32,598,880)	7,955,588	40,554,468
Fund balance - beginning of year	91,876,036	91,876,036	91,876,036	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 52,521,663</b>	<b>\$ 59,277,156</b>	<b>\$ 99,831,624</b>	<b>\$ 40,554,468</b>

## Midland County, Texas

American Recovery Act Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance – Budget (GAAP Basis) and Actual  
For the Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental charges	\$ 17,173,771	\$ 17,173,771	\$ 2,300,000	\$ (14,873,771)
Total revenues	17,173,771	17,173,771	2,300,000	(14,873,771)
<b>EXPENDITURES</b>				
Public safety and corrections	34,347,543	34,347,543	2,300,000	32,047,543
Total expenditures	34,347,543	34,347,543	2,300,000	32,047,543
Deficiency of revenues over expenditures	(17,173,772)	(17,173,772)	-	17,173,772
Net change in fund balance	(17,173,772)	(17,173,772)	-	17,173,772
Fund balance - beginning of year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ (17,173,772)</b>	<b>\$ (17,173,772)</b>	<b>\$ -</b>	<b>\$ 17,173,772</b>

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## **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, 2022

### **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.

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## **Supplementary Information**

## 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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Licenses	\$ 1,835,000	\$ 1,835,000	\$ 2,374,956	\$ 539,956
Intergovernmental charges	25,000	25,000	216,128	191,128
Investment earnings	2,000	2,000	122,985	120,985
Other revenues	200,000	200,000	640,298	440,298
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	2,062,000	2,062,000	3,354,367	1,292,367
<b>EXPENDITURES</b>				
Highways and roads	7,485,270	7,190,271	6,266,245	924,026
Capital outlay	41,001,450	25,523,085	15,284,503	10,238,582
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	48,486,720	32,713,356	21,550,748	11,162,608
Deficiency of revenues over expenditures	(46,424,720)	(30,651,356)	(18,196,381)	12,454,975
<b>OTHER FINANCING SOURCES</b>				
Transfers in	31,340,504	30,770,804	30,800,804	30,000
Transfers out	-	-	(7,150,000)	(7,150,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	31,340,504	30,770,804	23,650,804	(7,120,000)
Net change in fund balance	(15,084,216)	119,448	5,454,423	5,334,975
Fund balance - beginning of year	29,951,094	29,951,094	29,951,094	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 14,866,878</u>	<u>\$ 30,070,542</u>	<u>\$ 35,405,517</u>	<u>\$ 5,334,975</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Property tax, penalties and interest	\$ 1,656,406	\$ 1,656,406	\$ 1,704,678	\$ 48,272
Total revenues	1,656,406	1,656,406	1,704,678	48,272
<b>EXPENDITURES</b>				
Debt service:				
Principal	4,435,000	4,610,000	4,610,000	-
Interest and fiscal charges	376,406	378,706	312,889	65,817
Total expenditures	4,811,406	4,988,706	4,922,889	65,817
Excess (deficiency) of revenues over (under) expenditures	(3,155,000)	(3,332,300)	(3,218,211)	114,089
<b>OTHER FINANCING SOURCES</b>				
Transfers in	3,155,000	3,155,000	3,155,000	-
Total other financing sources	3,155,000	3,155,000	3,155,000	-
Net change in fund balance	-	(177,300)	(63,211)	114,089
Fund balance - beginning of year	3,341,221	3,341,221	3,341,221	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,341,221</u>	<u>\$ 3,163,921</u>	<u>\$ 3,278,010</u>	<u>\$ 114,089</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, 2022

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>				
Investment earnings	\$ 500	\$ 500	\$ 49,131	\$ 48,631
Total revenues	500	500	49,131	48,631
<b>EXPENDITURES</b>				
Judicial	1,500,000	1,696,718	305,564	1,391,154
Public safety and corrections	1,032,070	8,001,970	503,270	7,498,700
Health and welfare	400,000	-	-	-
Culture and recreation	-	17,006	17,006	-
General administration	-	43,000	42,986	14
Capital outlay	2,000,000	2,000,000	809,529	1,190,471
Total expenditures	4,932,070	11,758,694	1,678,355	10,080,339
Deficiency of revenues over expenditures	(4,931,570)	(11,758,194)	(1,629,224)	10,128,970
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,135,500	9,292,475	8,292,475	(1,000,000)
Total other financing sources	2,135,500	9,292,475	8,292,475	(1,000,000)
Net change in fund balance	(2,796,070)	(2,465,719)	6,663,251	9,128,970
Fund balance - beginning of year	8,815,736	8,815,736	8,815,736	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 6,019,666</b>	<b>\$ 6,350,017</b>	<b>\$ 15,478,987</b>	<b>\$ 9,128,970</b>

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

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 September 30, 2022

	<b>District Attorney Hot Check</b>	<b>Law Library</b>	<b>County Clerk Records Management</b>
<b>ASSETS</b>			
Cash	\$ 28	\$ 34,037	\$ -
Investments	116,322	86,996	2,063,869
Accounts receivable	-	12	-
Due from other funds	-	70	10,889
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 116,350</b>	<b>\$ 121,115</b>	<b>\$ 2,074,758</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 1,090	\$ 2,055
Benefits payable	1,880	2,379	6,763
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total liabilities	1,880	3,469	8,818
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	114,470	117,646	2,065,940
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	114,470	117,646	2,065,940
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 116,350</b>	<b>\$ 121,115</b>	<b>\$ 2,074,758</b>

<u>Records Preservation</u>	<u>District Clerk Records Management</u>	<u>Juvenile Probation Fees</u>	<u>Courthouse Security</u>	<u>County Clerk Records Archive</u>	<u>County Clerk Vital Statistics</u>
\$ 4	\$ (1)	\$ -	\$ 2	\$ (1)	\$ 262
54,141	-	24,626	40,662	2,472,323	169,273
-	-	126	-	204,990	-
9,059	217,378	-	119,086	10,429	102
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 63,204</u>	<u>\$ 217,377</u>	<u>\$ 24,752</u>	<u>\$ 159,750</u>	<u>\$ 2,687,741</u>	<u>\$ 169,637</u>
\$ 512	\$ 4,104	\$ 6,051	\$ -	\$ -	\$ -
-	-	-	4,039	6,346	49
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
512	4,104	6,051	4,039	6,346	49
-	-	-	-	-	-
-	-	-	-	-	-
62,692	213,273	18,701	155,711	2,681,395	169,588
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>62,692</u>	<u>213,273</u>	<u>18,701</u>	<u>155,711</u>	<u>2,681,395</u>	<u>169,588</u>
<u>\$ 63,204</u>	<u>\$ 217,377</u>	<u>\$ 24,752</u>	<u>\$ 159,750</u>	<u>\$ 2,687,741</u>	<u>\$ 169,637</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<b>Voter Registration Chapter 19</b>	<b>Employee Activity</b>	<b>Dealer Inventory</b>
<b>ASSETS</b>			
Cash	\$ -	\$ 2	\$ (1)
Investments	-	26,501	25,142
Accounts receivable	-	1,172	-
Due from other funds	-	-	345
Due from other governmental agencies	940	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 940</b>	<b>\$ 27,675</b>	<b>\$ 25,486</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 42	\$ 297	\$ -
Benefits payable	-	-	128
Due to other funds	898	123	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total liabilities	940	420	128
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	25,358
Federal and state grants	-	-	-
Committed			
Employee motivation	-	27,255	-
Donations	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	-	27,255	25,358
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 940</b>	<b>\$ 27,675</b>	<b>\$ 25,486</b>

<b>Justice Court Building Security</b>	<b>Local Truancy Prevention Fund</b>	<b>County Attorney State Supplement</b>	<b>Truancy Prevention Fund</b>	<b>Juvenile Delinquency Prevention</b>	<b>Pre-Trial Intervention Program</b>
\$ -	\$ 2	\$ 1	\$ 1	\$ 195	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
49,912	46,926	153,845	66,632	-	459,015
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 49,912</u>	<u>\$ 46,928</u>	<u>\$ 153,846</u>	<u>\$ 66,633</u>	<u>\$ 195</u>	<u>\$ 459,016</u>
\$ -	\$ -	\$ 2,229	\$ -	\$ -	\$ 2,510
-	2,413	2,038	-	-	15,122
-	-	-	-	-	-
-	-	-	-	-	-
-	-	84,000	-	-	-
-	2,413	88,267	-	-	17,632
-	-	-	-	-	-
-	-	-	-	-	-
49,912	44,515	-	66,633	195	441,384
-	-	-	-	-	-
-	-	-	-	-	-
-	-	65,579	-	-	-
-	-	-	-	-	-
<u>49,912</u>	<u>44,515</u>	<u>65,579</u>	<u>66,633</u>	<u>195</u>	<u>441,384</u>
<u>\$ 49,912</u>	<u>\$ 46,928</u>	<u>\$ 153,846</u>	<u>\$ 66,633</u>	<u>\$ 195</u>	<u>\$ 459,016</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<u>Election Contracts</u>	<u>Unclaimed Juvenile Restitution</u>	<u>Court Records Preservation</u>
<b>ASSETS</b>			
Cash	\$ (2)	\$ 5,416	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	104,912	-	-
Due from other governmental agencies	5,565	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 110,475</u>	<u>\$ 5,416</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	110,475	5,416	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>110,475</u>	<u>5,416</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 110,475</u>	<u>\$ 5,416</u>	<u>\$ -</u>

<b>Scofflaw Implementation Fee</b>	<b>Child Abuse Prevention</b>	<b>Appellate Justice System</b>	<b>Guardianship</b>	<b>Abandoned Motor Vehicles</b>	<b>Rabies Control</b>
\$ 16,319	\$ 1	\$ 1,498	\$ -	\$ 12,390	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
-	16,656	5	166,804	-	65,680
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,319</u>	<u>\$ 16,657</u>	<u>\$ 1,503</u>	<u>\$ 166,804</u>	<u>\$ 12,390</u>	<u>\$ 65,681</u>
\$ -	\$ -	\$ 1,503	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,503	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,319	16,657	-	166,804	12,390	65,681
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,319</u>	<u>16,657</u>	<u>-</u>	<u>166,804</u>	<u>12,390</u>	<u>65,681</u>
<u>\$ 16,319</u>	<u>\$ 16,657</u>	<u>\$ 1,503</u>	<u>\$ 166,804</u>	<u>\$ 12,390</u>	<u>\$ 65,681</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<b>District Court Records Technology</b>	<b>County and District Court Technology</b>	<b>Justice Court Technology</b>
<b>ASSETS</b>			
Cash	\$ 1	\$ 2	\$ 1
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	97,051	22,931	425,676
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 97,052</b>	<b>\$ 22,933</b>	<b>\$ 425,677</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 702	\$ 299
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	702	299
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	97,052	22,231	425,378
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	97,052	22,231	425,378
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 97,052</b>	<b>\$ 22,933</b>	<b>\$ 425,677</b>

<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>
\$ 866	\$ 1	\$ -	\$ 11,866	\$ (2)	\$ 131
-	-	-	-	-	-
-	-	-	-	-	350
-	43,054	500	-	248,993	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 866</u>	<u>\$ 43,055</u>	<u>\$ 500</u>	<u>\$ 11,866</u>	<u>\$ 248,991</u>	<u>\$ 481</u>
\$ 834	\$ 730	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
834	730	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32	42,325	500	11,866	248,991	481
-	-	-	-	-	-
-	-	-	-	-	-
<u>32</u>	<u>42,325</u>	<u>500</u>	<u>11,866</u>	<u>248,991</u>	<u>481</u>
<u>\$ 866</u>	<u>\$ 43,055</u>	<u>\$ 500</u>	<u>\$ 11,866</u>	<u>\$ 248,991</u>	<u>\$ 481</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<u>Donations AgriLife</u>	<u>Donation Impacts</u>	<u>L.E.O.S.E. Funds</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 500	\$ 21,038
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	50	-	27,259
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 50</u>	<u>\$ 500</u>	<u>\$ 48,297</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 64
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	64
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	48,233
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	50	500	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>50</u>	<u>500</u>	<u>48,233</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 50</u>	<u>\$ 500</u>	<u>\$ 48,297</u>

<b>District Attorney Victims of Crime</b>	<b>District Attorney Drug Forfeiture</b>	<b>Sheriff Abell Hanger</b>	<b>Sheriff Local Drug Forfeiture</b>	<b>Sheriff Federal Forfeiture</b>	<b>Indigent Defense Improvement Grant</b>
\$ -	\$ (1)	\$ -	\$ -	\$ -	\$ 6,033
10,227	369,958	149	299,749	177,930	-
-	34,635	-	-	22	-
-	35,747	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 10,227</u>	<u>\$ 440,339</u>	<u>\$ 149</u>	<u>\$ 299,749</u>	<u>\$ 177,952</u>	<u>\$ 6,033</u>
\$ -	\$ 24,245	\$ -	\$ -	\$ 29,210	\$ -
-	1,536	-	-	-	-
-	3	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	25,784	-	-	29,210	-
-	-	-	-	-	-
-	-	-	-	-	-
-	414,555	-	299,749	148,742	-
-	-	-	-	-	6,033
-	-	-	-	-	-
10,227	-	149	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,227</u>	<u>414,555</u>	<u>149</u>	<u>299,749</u>	<u>148,742</u>	<u>6,033</u>
<u>\$ 10,227</u>	<u>\$ 440,339</u>	<u>\$ 149</u>	<u>\$ 299,749</u>	<u>\$ 177,952</u>	<u>\$ 6,033</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<b>7th Administration Judicial Region</b>	<b>High Intensity Drug Trafficking Area</b>	<b>Truancy Court</b>
<b>ASSETS</b>			
Cash	\$ -	\$ 529	\$ 1
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	9,593
Due from other governmental agencies	15,161	98,741	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 15,161</b>	<b>\$ 99,270</b>	<b>\$ 9,594</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 52	\$ 3,479	\$ -
Benefits payable	486	22,561	-
Due to other funds	14,623	73,230	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total liabilities	15,161	99,270	-
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	9,594
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	-	-	9,594
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,161</b>	<b>\$ 99,270</b>	<b>\$ 9,594</b>

<b>Mental Health Deputies</b>	<b>Texas VINE Grant</b>	<b>Crime Victim Services Grant</b>	<b>Donation SO Bulletproof Vest</b>	<b>Donation CIU Volunteer Support</b>	<b>Donation Teen Leadership Account</b>
\$ 3,822	\$ -	\$ 1	\$ 1	\$ 2,026	\$ 1,584
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	13,468	-	-
11,667	8,620	29	-	-	-
-	-	1,983	-	-	-
-	-	-	-	-	-
<b>\$ 15,489</b>	<b>\$ 8,620</b>	<b>\$ 2,013</b>	<b>\$ 13,469</b>	<b>\$ 2,026</b>	<b>\$ 1,584</b>
\$ -	\$ 2,101	\$ -	\$ -	\$ -	\$ -
15,327	-	-	-	-	-
-	6,519	2,013	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,327	8,620	2,013	-	-	-
-	-	1,983	-	-	-
-	-	-	-	-	-
162	-	(1,983)	-	-	-
-	-	-	-	-	-
-	-	-	13,469	2,026	1,584
-	-	-	-	-	-
-	-	-	-	-	-
162	-	-	13,469	2,026	1,584
<b>\$ 15,489</b>	<b>\$ 8,620</b>	<b>\$ 2,013</b>	<b>\$ 13,469</b>	<b>\$ 2,026</b>	<b>\$ 1,584</b>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<u>Donation Constable 2</u>	<u>Title IV-E Federal Foster Care</u>	<u>Juvenile Probation State Grants</u>
<b>ASSETS</b>			
Cash	\$ 10	\$ 86,405	\$ 43,258
Investments	-	55,011	-
Accounts receivable	-	-	-
Due from other funds	-	-	32,359
Due from other governmental agencies	-	-	136,116
Prepaid expenses	-	-	4,530
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 10</u>	<u>\$ 141,416</u>	<u>\$ 216,263</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 250	\$ 124,459
Benefits payable	-	-	11,603
Due to other funds	-	54	80,201
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	304	216,263
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	4,530
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	141,112	(4,530)
Committed			
Employee motivation	-	-	-
Donations	10	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>10</u>	<u>141,112</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 10</u>	<u>\$ 141,416</u>	<u>\$ 216,263</u>

<b>Justice Assistance Grants</b>	<b>Donation Cemetery Care</b>	<b>Donation Library</b>	<b>Donation Juvenile</b>	<b>Donation Dare Program</b>	<b>District Attorney Bomb Dog</b>
\$ 1	\$ 793	\$ 5,166	\$ 1	\$ 1	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	148,157	147	23,902	11,911
10,906	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 10,907</b>	<b>\$ 793</b>	<b>\$ 153,323</b>	<b>\$ 148</b>	<b>\$ 23,903</b>	<b>\$ 11,911</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
10,907	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,907	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	793	153,323	148	23,903	11,911
-	-	-	-	-	-
-	-	-	-	-	-
<b>-</b>	<b>793</b>	<b>153,323</b>	<b>148</b>	<b>23,903</b>	<b>11,911</b>
<b>\$ 10,907</b>	<b>\$ 793</b>	<b>\$ 153,323</b>	<b>\$ 148</b>	<b>\$ 23,903</b>	<b>\$ 11,911</b>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<b>OOG Justice Assistant Grant</b>	<b>Donation K-9 Unit</b>	<b>Donation Gratitude Square</b>
<b>ASSETS</b>			
Cash	\$ -	\$ 1	\$ 1,400
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	46,235	-
Due from other governmental agencies	19,503	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 19,503</b>	<b>\$ 46,236</b>	<b>\$ 1,400</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Benefits payable	2,769	-	-
Due to other funds	16,734	-	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total liabilities	19,503	-	-
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	46,236	1,400
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	-	46,236	1,400
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 19,503</b>	<b>\$ 46,236</b>	<b>\$ 1,400</b>

<u>Library Grants</u>	<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 &amp; Warrants</u>
\$ 2,500	\$ -	\$ 68	\$ 291	\$ 61	\$ 140
-	-	-	-	-	-
-	-	-	-	-	-
-	30,093	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,500</u>	<u>\$ 30,093</u>	<u>\$ 68</u>	<u>\$ 291</u>	<u>\$ 61</u>	<u>\$ 140</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,500	-	-	-	-	-
<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	68	291	61	140
-	30,093	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>30,093</u>	<u>68</u>	<u>291</u>	<u>61</u>	<u>140</u>
<u>\$ 2,500</u>	<u>\$ 30,093</u>	<u>\$ 68</u>	<u>\$ 291</u>	<u>\$ 61</u>	<u>\$ 140</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<b>County Transportation Infrastructure Fund Grant Program</b>	<b>Donation - Downtown Library</b>	<b>CARES - HAVA Election Security</b>
<b>ASSETS</b>			
Cash	\$ -	\$ 5,000	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	2,251,219	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,251,219</b>	<b>\$ 5,000</b>	<b>\$ -</b>
<b>LIABILITIES</b>			
Accounts payable	1,173,815	-	-
Benefits payable	-	-	-
Due to other funds	1,077,394	-	-
Due to other governmental agencies	10	-	-
Unearned revenue	-	-	-
Total liabilities	2,251,219	-	-
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	5,000	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	-	5,000	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,251,219</b>	<b>\$ 5,000</b>	<b>\$ -</b>

<b>DOJ Coronavirus Emergency Supp</b>	<b>Public Assistance Grant- Covid 19</b>	<b>Juvenile Board Housing Revenue</b>	<b>Commissary Fund</b>	<b>TWDB Flood Infrastructure Grant</b>	<b>Road and Bridge Safety Program</b>
\$ -	\$ 1	\$ -	\$ 1,006,174	\$ 77,491	\$ 237
-	-	-	-	-	-
-	-	-	57,334	-	-
-	-	139,429	-	-	-
-	5,906	10,780	-	207,857	-
-	-	-	-	-	-
-	-	-	85,481	-	-
<b>\$ -</b>	<b>\$ 5,907</b>	<b>\$ 150,209</b>	<b>\$ 1,148,989</b>	<b>\$ 285,348</b>	<b>\$ 237</b>
-	-	13,448	4,199	-	-
-	-	-	8,039	-	-
-	5,907	-	4,670	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,907	13,448	16,908	-	-
-	-	-	-	-	-
-	-	-	85,481	-	-
-	-	-	-	-	-
-	-	136,761	1,046,600	285,348	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	237
-	-	-	-	-	-
-	-	136,761	1,132,081	285,348	237
<b>\$ -</b>	<b>\$ 5,907</b>	<b>\$ 150,209</b>	<b>\$ 1,148,989</b>	<b>\$ 285,348</b>	<b>\$ 237</b>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<b>Court Facility Fee Fund</b>	<b>Judicial Education &amp; Supp Fund</b>	<b>District Attny - Fed Forfeiture</b>
<b>ASSETS</b>			
Cash	\$ 50,801	\$ 2,760	\$ 2,332
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 50,801</b>	<b>\$ 2,760</b>	<b>\$ 2,332</b>
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Assigned	50,801	2,760	2,332
Unassigned	-	-	-
Total fund balances	50,801	2,760	2,332
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 50,801</b>	<b>\$ 2,760</b>	<b>\$ 2,332</b>



**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2022

	<u>Donation - Law Library</u>	<u>Emp Christmas Event Donation</u>	<u>TSLAC Digital Outreach Program</u>
<b>ASSETS</b>			
Cash	\$ 500	\$ 18,814	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$ 500</u>	<u>\$ 18,814</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	-
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	500	18,814	-
Assigned	-	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	500	18,814	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 500</u>	<u>\$ 18,814</u>	<u>\$ -</u>

<b>TSLAC Business Ctr at Centennial</b>	<b>Donations Emergency Management</b>	<b>Totals</b>
\$ -	\$ -	\$ 1,460,407
-	-	5,992,879
-	-	298,641
-	-	3,100,213
-	-	2,783,010
-	-	6,513
-	-	85,481
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,727,144</u>
-	-	\$ 1,398,280
-	-	103,478
-	-	1,293,276
-	-	10
-	-	86,500
-	-	2,881,544
-	-	6,513
-	-	85,481
-	-	8,086,689
-	-	1,609,503
-	-	27,255
-	-	605,140
-	-	425,019
-	-	-
-	-	10,845,600
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,727,144</u>

**Midland County, Texas**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance

For the Fiscal Year Ended September 30, 2022

	<b>District Attorney Hot Check</b>	<b>Law Library</b>	<b>County Clerk Records Management</b>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	22,500	-	-
Charges for services	6,245	122,395	388,024
Investment earnings	226	190	12,968
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	28,971	122,585	400,992
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	36,230	123,651	211,915
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	36,230	123,651	211,915
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(7,259)	(1,066)	189,077
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(7,259)	(1,066)	189,077
Fund balances - beginning of year	121,729	118,712	1,876,863
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 114,470</b>	<b>\$ 117,646</b>	<b>\$ 2,065,940</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Records Preservation</u>	<u>District Clerk Records Management</u>	<u>Juvenile Probation Fees</u>	<u>Courthouse Security</u>	<u>County Clerk Records Archive</u>	<u>County Clerk Vital Statistics</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
47,187	6,386	3,180	141,979	381,020	12,554
318	-	45	360	20,438	1,336
-	-	-	-	419,091	-
47,505	6,386	3,225	142,339	820,549	13,890
-	-	-	-	-	-
36,350	4,104	-	-	272,815	449
-	-	-	-	-	-
-	-	9,964	34,219	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,350	4,104	9,964	34,219	272,815	449
11,155	2,282	(6,739)	108,120	547,734	13,441
-	-	-	-	-	-
-	-	-	-	(125,157)	-
-	-	-	-	(125,157)	-
11,155	2,282	(6,739)	108,120	422,577	13,441
51,537	210,991	25,440	47,591	2,258,818	156,147
<u>\$ 62,692</u>	<u>\$ 213,273</u>	<u>\$ 18,701</u>	<u>\$ 155,711</u>	<u>\$ 2,681,395</u>	<u>\$ 169,588</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, 2022

	<u>Voter Registration Chapter 19</u>	<u>Employee Activity</u>	<u>Dealer Inventory</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	14,054	-	-
Charges for services	-	5,879	-
Investment earnings	-	-	5,029
Other revenue	-	49	-
	<hr/>	<hr/>	<hr/>
Total revenues	14,054	5,928	5,029
<b>EXPENDITURES</b>			
Current			
General administration	-	6,297	-
Judicial	-	-	-
Financial administration	-	-	9,202
Elections	14,055	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	14,055	6,297	9,202
Excess (deficiency) of revenues over (under) expenditures	(1)	(369)	(4,173)
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
Net change in fund balances	(1)	(369)	(4,173)
Fund balances - beginning of year	1	27,624	29,531
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 27,255</u>	<u>\$ 25,358</u>

<u>Justice Court Building Security</u>	<u>Local Truancy Prevention Fund</u>	<u>County Attorney State Supplement</u>	<u>Truancy Prevention Fund</u>	<u>Juvenile Delinquency Prevention</u>	<u>Pre-Trial Intervention Program</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	84,000	-	-	-
10,025	42,004	-	1,094	-	284,714
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
10,025	42,004	84,000	1,094	-	284,714
-	-	-	-	-	-
-	50,171	66,842	-	-	277,061
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,176	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	50,171	66,842	1,176	-	277,061
10,025	(8,167)	17,158	(82)	-	7,653
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	-
10,025	(8,167)	17,158	(82)	-	7,653
39,887	52,682	48,421	66,715	195	433,731
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 49,912	\$ 44,515	\$ 65,579	\$ 66,633	\$ 195	\$ 441,384

**Midland County, Texas**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance - Continued

For the Fiscal Year Ended September 30, 2022

	<u>Election Contracts</u>	<u>Unclaimed Juvenile Restitution</u>	<u>Court Records Preservation</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	41,075	-	9,587
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	41,075	-	9,587
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	37,335	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	37,335	-	-
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	3,740	-	9,587
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	125,157
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	125,157
	<hr/>	<hr/>	<hr/>
Net change in fund balances	3,740	-	134,744
Fund balances - beginning of year	106,735	5,416	(134,744)
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 110,475</u>	<u>\$ 5,416</u>	<u>\$ -</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>
\$ 120	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	1,155	-	20,320	2,761	-
-	-	-	-	28	-
-	-	-	-	-	-
120	1,155	-	20,320	2,789	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	550
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	550
120	1,155	-	20,320	2,789	(550)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
120	1,155	-	20,320	2,789	(550)
16,199	15,502	-	146,484	9,601	66,231
<u>\$ 16,319</u>	<u>\$ 16,657</u>	<u>\$ -</u>	<u>\$ 166,804</u>	<u>\$ 12,390</u>	<u>\$ 65,681</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, 2022

	<b>District Court Records Technology</b>	<b>County and District Court Technology</b>	<b>Justice Court Technology</b>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	10,605	7,134	33,625
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	10,605	7,134	33,625
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	13,904
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	13,904
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	10,605	7,134	19,721
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	10,605	7,134	19,721
Fund balances - beginning of year	86,447	15,097	405,657
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 97,052</b>	<b>\$ 22,231</b>	<b>\$ 425,378</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,100	-	-	131,800	-
-	10,100	-	-	131,800	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,580	13,554	-	-	40,438	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,580	13,554	-	-	40,438	-
(24,580)	(3,454)	-	-	91,362	-
-	-	-	-	-	-
-	-	-	-	-	-
(24,580)	(3,454)	-	-	91,362	-
24,612	45,779	500	11,866	157,629	481
<u>\$ 32</u>	<u>\$ 42,325</u>	<u>\$ 500</u>	<u>\$ 11,866</u>	<u>\$ 248,991</u>	<u>\$ 481</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, 2022

	<u>Donations AgriLife</u>	<u>Donation Impacts</u>	<u>L.E.O.S.E. Funds</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	10,865
Charges for services	-	-	-
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	-	10,865
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	6,703
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	6,703
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	-	4,162
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	4,162
Fund balances - beginning of year	50	500	44,071
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 50</u>	<u>\$ 500</u>	<u>\$ 48,233</u>

<b>District Attorney Victims of Crime</b>	<b>District Attorney Drug Forfeiture</b>	<b>Sheriff Abell Hanger</b>	<b>Sheriff Local Drug Forfeiture</b>	<b>Sheriff Federal Forfeiture</b>	<b>Indigent Defense Improvement Grant</b>
\$ -	\$ 124,251	\$ -	\$ 24,271	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
22	2,387	-	1,933	1,385	-
-	-	-	-	-	-
22	126,638	-	26,204	1,385	-
-	-	-	-	-	-
-	27,321	-	-	-	-
-	-	-	-	-	-
-	-	43	-	86,534	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	50,303	-
-	27,321	43	-	136,837	-
22	99,317	(43)	26,204	(135,452)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22	99,317	(43)	26,204	(135,452)	-
10,205	315,238	192	273,545	284,194	6,033
<u>\$ 10,227</u>	<u>\$ 414,555</u>	<u>\$ 149</u>	<u>\$ 299,749</u>	<u>\$ 148,742</u>	<u>\$ 6,033</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, 2022

	<b>7th Administration Judicial Region</b>	<b>High Intensity Drug Trafficking Area</b>	<b>Truancy Court</b>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	294,328	-
Charges for services	-	-	3,029
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	294,328	3,029
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	185
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	294,328	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	294,328	185
Excess (deficiency) of revenues over (under) expenditures	-	-	2,844
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
Net change in fund balances	-	-	2,844
Fund balances - beginning of year	-	-	6,750
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,594</b>

<u>Mental Health Deputies</u>	<u>Texas VINE Grant</u>	<u>Crime Victim Services Grant</u>	<u>Donation SO Bulletproof Vest</u>	<u>Donation CIU Volunteer Support</u>	<u>Donation Teen Leadership Account</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70,000	26,003	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	84,000	-	-
70,000	26,003	-	84,000	-	-
-	-	-	-	-	-
-	-	-	-	-	138
-	-	-	-	-	-
-	-	-	-	-	-
481,029	-	-	79,235	1,080	-
-	26,003	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
481,029	26,003	-	79,235	1,080	138
(411,029)	-	-	4,765	(1,080)	(138)
411,029	-	-	-	-	-
-	-	-	-	-	-
411,029	-	-	-	-	-
-	-	-	4,765	(1,080)	(138)
162	-	-	8,704	3,106	1,722
<u>\$ 162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,469</u>	<u>\$ 2,026</u>	<u>\$ 1,584</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, 2022

	<u>Donation Constable 2</u>	<u>Title IV-E Federal Foster Care</u>	<u>Juvenile Probation State Grants</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,119,256
Charges for services	-	-	-
Investment earnings	-	921	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	921	1,119,256
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	50,134	1,032,851
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	38,908	86,405
	<hr/>	<hr/>	<hr/>
Total expenditures	-	89,042	1,119,256
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	(88,121)	-
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	(88,121)	-
Fund balances - beginning of year	10	229,233	-
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 10</u>	<u>\$ 141,112</u>	<u>\$ -</u>

<u>Justice Assistance Grants</u>	<u>Donation Cemetery Care</u>	<u>Donation Library</u>	<u>Donation Juvenile</u>	<u>Donation Dare Program</u>	<u>District Attorney Bomb Dog</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,910	-	-	-	-	-
-	-	-	-	-	-
19	-	-	-	-	-
-	-	12,568	-	-	-
10,929	-	12,568	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,929	-	-	-	-	-
-	-	-	-	-	-
-	-	3,370	-	-	-
-	-	-	-	-	-
10,929	-	3,370	-	-	-
-	-	9,198	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,198	-	-	-
-	793	144,125	148	23,903	11,911
\$ -	\$ 793	\$ 153,323	\$ 148	\$ 23,903	\$ 11,911

**Midland County, Texas**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance - Continued  
For the Fiscal Year Ended September 30, 2022

	<u>OOG Justice Assistant Grant</u>	<u>Donation K-9 Unit</u>	<u>Donation Gratitude Square</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	60,033	-	-
Charges for services	-	-	-
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	60,033	-	-
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	60,033	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	1,500
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	60,033	-	1,500
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,500)
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
Net change in fund balances	-	-	(1,500)
Fund balances - beginning of year	-	46,236	2,900
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 46,236</u>	<u>\$ 1,400</u>

<u>Library Grants</u>	<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 &amp; Warrants</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,500	-	-	-	-	-
-	27,663	-	-	-	-
-	-	-	-	-	-
-	-	-	300	-	-
2,500	27,663	-	300	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	151	-	-
2,500	-	-	-	-	-
-	-	-	-	-	-
2,500	-	-	151	-	-
-	27,663	-	149	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	27,663	-	149	-	-
-	2,430	68	142	61	140
<u>\$ -</u>	<u>\$ 30,093</u>	<u>\$ 68</u>	<u>\$ 291</u>	<u>\$ 61</u>	<u>\$ 140</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, 2022

	<b>County Transportation Infrastructure Fund Grant Program</b>	<b>Donation - Downtown Library</b>	<b>CARES - HAVA Election Security</b>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	9,177,508	-	6,672
Charges for services	-	-	-
Investment earnings	-	-	346
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	9,177,508	-	7,018
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	8,352
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	11,471,885	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	11,471,885	-	8,352
Excess (deficiency) of revenues over (under) expenditures	(2,294,377)	-	(1,334)
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	2,294,377	-	1,334
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	2,294,377	-	1,334
Net change in fund balances	-	-	-
Fund balances - beginning of year	-	5,000	-
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ -</b>

<b>DOJ Coronavirus Emergency Supp</b>	<b>Public Assistance Grant- Covid 19</b>	<b>Juvenile Board Housing Revenue</b>	<b>Commissary Fund</b>	<b>TWDB Flood Infrastructure Grant</b>	<b>Road and Bridge Safety Program</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26,147	5,906	83,300	-	207,857	-
-	-	-	-	-	-
-	-	-	2,417	-	-
-	-	-	741,148	-	-
26,147	5,906	83,300	743,565	207,857	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,147	5,906	26,798	634,988	415,714	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,147	5,906	26,798	634,988	415,714	-
-	-	56,502	108,577	(207,857)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	56,502	108,577	(207,857)	-
-	-	80,259	1,023,504	493,205	237
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,761</u>	<u>\$ 1,132,081</u>	<u>\$ 285,348</u>	<u>\$ 237</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, 2022

	<b>Court Facility Fee Fund</b>	<b>Judicial Education &amp; Supp Fund</b>	<b>District Attny - Fed Forfeiture</b>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ 2,332
Intergovernmental	-	-	-
Charges for services	50,801	2,760	-
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	50,801	2,760	2,332
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	50,801	2,760	2,332
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	50,801	2,760	2,332
Fund balances - beginning of year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 50,801</b>	<b>\$ 2,760</b>	<b>\$ 2,332</b>

<u>Justice Court Support Fund</u>	<u>Language Access Fund</u>	<u>Clerk of the Court Fund</u>	<u>Dist Clk County Rec Mgmt &amp; Pres</u>	<u>Co Clk County Rec Mgmt &amp; Pres</u>	<u>Donation - Warrants Department</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
57,511	14,521	126,207	62,188	12,790	-
-	-	-	-	-	-
-	-	-	-	-	10,342
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
57,511	14,521	126,207	62,188	12,790	10,342
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
57,511	14,521	126,207	62,188	12,790	10,342
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
57,511	14,521	126,207	62,188	12,790	10,342
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 57,511</u>	<u>\$ 14,521</u>	<u>\$ 126,207</u>	<u>\$ 62,188</u>	<u>\$ 12,790</u>	<u>\$ 10,342</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, 2022

	<u>Donation - Law Library</u>	<u>Emp Christmas Event Donation</u>	<u>TSLAC Digital Outreach Program</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	50,167
Charges for services	-	-	-
Investment earnings	-	-	-
Other revenue	500	18,814	-
	<hr/>	<hr/>	<hr/>
Total revenues	500	18,814	50,167
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	50,167
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	50,167
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	500	18,814	-
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	500	18,814	-
Fund balances - beginning of year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 500</u>	<u>\$ 18,814</u>	<u>\$ -</u>

<b>TSLAC Business Ctr at Centennial</b>	<b>Donations Emergency Management</b>	<b>Totals</b>
\$ -	\$ -	\$ 150,974
53,925	-	11,325,931
-	-	1,936,418
-	-	50,368
-	42,279	1,428,712
53,925	42,279	14,892,403
-	-	6,297
19,282	-	1,250,618
-	-	9,202
-	-	59,742
-	42,279	3,277,051
-	-	26,003
-	-	7,370
34,643	-	11,682,144
53,925	42,279	16,318,427
-	-	(1,426,024)
-	-	2,831,897
-	-	(125,157)
-	-	2,706,740
-	-	1,280,716
-	-	9,564,884
<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,845,600</b>

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### **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

**Midland County, Texas**  
Internal Service Funds  
Combining Statement of Net Position  
September 30, 2022

	<u>Risk Management</u>	<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets				
Cash and equivalents	\$ 920	\$ 1,706,841	\$ 440,276	\$ 2,148,037
Investments	4,204,673	507,245	-	4,711,918
Accounts receivable	2,553,282	176,958	-	2,730,240
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	6,758,875	2,391,044	440,276	9,590,195
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	6,758,875	2,391,044	466,938	9,616,857
<b>LIABILITIES</b>				
Accounts payable	58,386	38,449	112,099	208,934
Accrued liabilities	-	1,432,698	-	1,432,698
Deferred revenue	-	31,283	-	31,283
Due to other funds	371,162	-	-	371,162
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	429,548	1,502,430	112,099	2,044,077
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET POSITION</b>				
Unrestricted	6,329,327	888,614	354,839	7,572,780
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<u>\$ 6,329,327</u>	<u>\$ 888,614</u>	<u>\$ 354,839</u>	<u>\$ 7,572,780</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, 2022

	Risk Management	Health Care	Fleet Maintenance	Totals
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,808,222	\$ 9,745,811	\$ 667,715	\$ 14,221,748
Total operating revenues	3,808,222	9,745,811	667,715	14,221,748
<b>OPERATING EXPENSES</b>				
Fleet maintenance	16,903	-	680,967	697,870
Claims expense	466,166	9,979,799	-	10,445,965
Administration costs	-	903,796	-	903,796
Premium cost	1,478,373	1,018,646	-	2,497,019
Capital Outlay	215,094	-	-	215,094
Total operating expenses	2,176,536	11,902,241	680,967	14,759,744
Operating income (loss)	1,631,686	(2,156,430)	(13,252)	(537,996)
<b>NONOPERATING REVENUES</b>				
Investment earnings	34,427	6,264	-	40,691
Miscellaneous income	-	3,400	-	3,400
Total nonoperating revenues	34,427	9,664	-	44,091
Income (loss) before transfers	1,666,113	(2,146,766)	(13,252)	(493,905)
Transfers in	-	2,000,000	5,135	2,005,135
Transfers out	(379,926)	-	-	(379,926)
Total transfers	(379,926)	2,000,000	5,135	1,625,209
Change in net position	1,286,187	(146,766)	(8,117)	1,131,304
Net position - beginning of year	5,043,140	1,035,380	362,956	6,441,476
<b>NET POSITION - END OF YEAR</b>	<b>\$ 6,329,327</b>	<b>\$ 888,614</b>	<b>\$ 354,839</b>	<b>\$ 7,572,780</b>

**Midland County, Texas**  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended September 30, 2022

	<u>Risk Management</u>	<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from charges for services	\$ 1,256,406	\$ 9,679,959	\$ 667,715	\$ 11,604,080
Cash paid for services	(1,849,081)	(11,909,388)	(629,516)	(14,387,985)
Net cash provided by (used in) operating activities	(592,675)	(2,229,429)	38,199	(2,783,905)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	2,000,000	5,135	2,005,135
Transfers out	(379,926)	-	-	(379,926)
Net cash provided by (used in) noncapital financing activities	(379,926)	2,000,000	5,135	1,625,209
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of investments	900,884	684,950	-	1,585,834
Investment earnings received	34,427	6,264	-	40,691
Miscellaneous income received	-	3,400	-	3,400
Net cash provided by investing activities	935,311	694,614	-	1,629,925
Net change in cash	(37,290)	465,185	43,334	471,229
Cash and cash equivalents, beginning of year	38,210	1,241,656	396,942	1,676,808
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 920</u>	<u>\$ 1,706,841</u>	<u>\$ 440,276</u>	<u>\$ 2,148,037</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,631,686	\$ (2,156,430)	\$ (13,252)	\$ (537,996)
Adjustments to reconcile operating income (loss) to net cash used in operating activities				
Accounts receivable	(2,551,816)	(65,852)	-	(2,617,668)
Accounts payable	(43,707)	(1,471,128)	51,451	(1,463,384)
Accrued liabilities	-	1,432,698	-	1,432,698
Deferred revenue	-	31,283	-	31,283
Due to other funds	371,162	-	-	371,162
Total adjustments	(2,224,361)	(72,999)	51,451	(2,245,909)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ (592,675)</u>	<u>\$ (2,229,429)</u>	<u>\$ 38,199</u>	<u>\$ (2,783,905)</u>

## **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 3  
Constable Precinct 4  
Warrant Services  
Unclaimed Property Fund  
Bail 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 Fiduciary Net Position

September 30, 2022

	<b>Investment Trust Fund District Clerk</b>	<b>Investment Trust Fund County Clerk</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,280,676	\$ 962,893	\$ 4,243,569
Investments held in trust	2,030,032	54,849	2,084,881
Due from other funds	285	-	285
<b>TOTAL ASSETS</b>	<u>5,310,993</u>	<u>1,017,742</u>	<u>6,328,735</u>
<b>LIABILITIES</b>			
Due to other funds	2,914	-	2,914
<b>TOTAL LIABILITIES</b>	<u>2,914</u>	<u>-</u>	<u>2,914</u>
<b>NET POSITION</b>			
Restricted for Individuals, organizations, and other governments	<u>5,308,079</u>	<u>1,017,742</u>	<u>6,325,821</u>
<b>TOTAL NET POSITION</b>	<u>\$ 5,308,079</u>	<u>\$ 1,017,742</u>	<u>\$ 6,325,821</u>

**Midland County, Texas**

Fiduciary Funds – Investment Trust Funds

Combining Statement of Changes in

Fiduciary Net Position

For the Fiscal Year Ended September 30, 2022

	<b>Investment Trust Fund District Clerk</b>	<b>Investment Trust Fund County Clerk</b>	<b>Totals</b>
<b>ADDITIONS</b>			
Held for others	\$ 5,338,839	\$ 515,162	\$ 5,854,001
Total additions	5,338,839	515,162	5,854,001
<b>DEDUCTIONS</b>			
Payments to individuals	6,180,553	81,524	6,262,077
Total deductions	6,180,553	81,524	6,262,077
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	(841,714)	433,638	(408,076)
<b>NET POSITION - BEGINNING OF YEAR</b>	6,149,793	584,104	6,733,897
<b>NET POSITION - END OF YEAR</b>	<u>\$ 5,308,079</u>	<u>\$ 1,017,742</u>	<u>\$ 6,325,821</u>

**Midland County, Texas**  
 Fiduciary Funds – Custodial Funds  
 Combining Statement of Fiduciary Net Position  
 September 30, 2022

	<b>District Clerk</b>	<b>County Clerk</b>	<b>District Attorney</b>	<b>Sheriff's Office</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 271,836	\$ 1,704,731	\$ 13,466	\$ 608,955
Investments held in trust	-	-	-	-
Accounts receivable	7,787	8,874	-	1
Due from other funds	655	35	-	-
Due from other governmental agencies	-	-	-	-
<b>TOTAL ASSETS</b>	<b>280,278</b>	<b>1,713,640</b>	<b>13,466</b>	<b>608,956</b>
<b>LIABILITIES</b>				
Accounts payable	21	722	-	195
Due to other funds	11,908	26,805	-	501
Due to other governmental agencies	-	2,407	-	-
Other liabilities	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>11,929</b>	<b>29,934</b>	<b>-</b>	<b>696</b>
<b>NET POSITION</b>				
Restricted for Individuals, organizations, and other governments	268,349	1,683,706	13,466	608,260
<b>TOTAL NET POSITION</b>	<b>\$ 268,349</b>	<b>\$ 1,683,706</b>	<b>\$ 13,466</b>	<b>\$ 608,260</b>

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 3	Constable Precinct 4
\$ 25,382	\$ 46,973	\$ 16,665	\$ 19,407	\$ 5,483	\$ 2,967,735	\$ 302	\$ 101
-	-	-	-	-	-	-	-
4,050	8,797	2,570	1,708	467	373,024	-	-
-	-	-	-	-	369,990	-	-
-	-	-	-	-	-	-	-
<u>29,432</u>	<u>55,770</u>	<u>19,235</u>	<u>21,115</u>	<u>5,950</u>	<u>3,710,749</u>	<u>302</u>	<u>101</u>
105	330	10	465	239	22,030	302	101
23,026	36,337	17,520	13,444	-	818,305	-	-
2,130	18,221	966	3,149	-	1,137,006	-	-
-	-	-	-	-	-	-	-
<u>25,261</u>	<u>54,888</u>	<u>18,496</u>	<u>17,058</u>	<u>239</u>	<u>1,977,341</u>	<u>302</u>	<u>101</u>
4,171	882	739	4,057	5,711	1,733,408	-	-
<u>\$ 4,171</u>	<u>\$ 882</u>	<u>\$ 739</u>	<u>\$ 4,057</u>	<u>\$ 5,711</u>	<u>\$ 1,733,408</u>	<u>\$ -</u>	<u>\$ -</u>

# Midland County, Texas

Fiduciary Funds – Custodial Funds

Combining Statement of Fiduciary Net Position - Continued

September 30, 2022

	Warrant Services	Unclaimed Property Fund	Bail Security Fund	CS&CD Basic Supervision
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,906	\$ -	67,418	\$ 909,434
Investments held in trust	-	47,273	-	-
Accounts receivable	4,608	-	-	-
Due from other funds	-	-	129,544	25,805
Due from other governmental agencies	-	-	-	41
<b>TOTAL ASSETS</b>	<b>15,514</b>	<b>47,273</b>	<b>196,962</b>	<b>935,280</b>
<b>LIABILITIES</b>				
Accounts payable	15,514	-	-	14,905
Due to other funds	-	-	-	-
Due to other governmental agencies	-	-	-	-
Other liabilities	-	-	-	98,571
<b>TOTAL LIABILITIES</b>	<b>15,514</b>	<b>-</b>	<b>-</b>	<b>113,476</b>
<b>NET POSITION</b>				
Restricted for Individuals, organizations, and other governments	-	47,273	196,962	821,804
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ 47,273</b>	<b>\$ 196,962</b>	<b>\$ 821,804</b>

<b>CS&amp;CD Midland Outpatient Treatment Center</b>	<b>Sex Offender Caseload</b>	<b>DWI Repeat Offender Caseload</b>	<b>Drug Court</b>	<b>CS&amp;CD DWI Court</b>	<b>CS&amp;CD Transitional Treatment Court</b>	<b>Totals</b>
\$ 39,018	\$ 31,766	\$ 45,591	\$ 24,447	\$ 11,215	\$ 4,415	\$ 6,825,246
-	-	-	-	-	-	47,273
7,020	-	-	-	-	-	418,906
4,071	2,070	2,526	1,865	843	807	538,211
-	-	-	-	-	-	41
<u>50,109</u>	<u>33,836</u>	<u>48,117</u>	<u>26,312</u>	<u>12,058</u>	<u>5,222</u>	<u>7,829,677</u>
366	64	183	120	63	63	55,798
-	-	-	-	-	-	947,846
-	-	-	-	-	-	1,163,879
<u>15,752</u>	<u>8,062</u>	<u>9,843</u>	<u>7,384</u>	<u>3,275</u>	<u>3,142</u>	<u>146,029</u>
<u>16,118</u>	<u>8,126</u>	<u>10,026</u>	<u>7,504</u>	<u>3,338</u>	<u>3,205</u>	<u>2,313,552</u>
<u>33,991</u>	<u>25,710</u>	<u>38,091</u>	<u>18,808</u>	<u>8,720</u>	<u>2,017</u>	<u>5,516,125</u>
<u>\$ 33,991</u>	<u>\$ 25,710</u>	<u>\$ 38,091</u>	<u>\$ 18,808</u>	<u>\$ 8,720</u>	<u>\$ 2,017</u>	<u>\$ 5,516,125</u>

**Midland County, Texas**  
 Fiduciary Funds – Custodial Funds  
 Combining Statement Changes in  
 Fiduciary Net Position  
 For the Fiscal Year Ended September 30, 2022

	<u>District Clerk</u>	<u>County Clerk</u>	<u>District Attorney</u>	<u>Sheriff's Office</u>
<b>ADDITIONS</b>				
Fees for other governments	\$ 44,711	\$ -	\$ -	\$ 514,096
Grant contributions	-	-	-	-
Held for others	408,160	511,308	150,359	2,920,090
Other income	-	-	-	-
Interest income	-	-	-	-
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Total additions	452,871	511,308	150,359	3,434,186
<b>DEDUCTIONS</b>				
Administrative expenses	-	-	-	-
Payments to other governments	44,711	1,021	-	972,932
Payments to individuals	358,227	461,007	164,141	2,565,608
	<hr/>	<hr/>	<hr/>	<hr/>
Total deductions	402,938	462,028	164,141	3,538,540
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	49,933	49,280	(13,782)	(104,354)
<b>NET POSITION - BEGINNING OF YEAR</b>	218,416	1,634,426	27,248	712,614
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<b>NET POSITION - END OF YEAR</b>	<u>\$ 268,349</u>	<u>\$ 1,683,706</u>	<u>\$ 13,466</u>	<u>\$ 608,260</u>

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 3	Constable Precinct 4
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,539,396	\$ -	\$ -
-	-	-	-	-	-	-	-
1,750	16,098	-	5,802	8,384	236,724	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,750	16,098	-	5,802	8,384	2,776,120	-	-
-	-	-	-	-	-	-	-
2,614	3,165	-	-	-	2,174,133	-	-
950	18,873	2,234	7,890	6,274	235,199	-	3
3,564	22,038	2,234	7,890	6,274	2,409,332	-	3
(1,814)	(5,940)	(2,234)	(2,088)	2,110	366,788	-	(3)
5,985	6,822	2,973	6,145	3,601	1,366,620	-	3
\$ 4,171	\$ 882	\$ 739	\$ 4,057	\$ 5,711	\$ 1,733,408	\$ -	\$ -

**Midland County, Texas**  
 Fiduciary Funds – Custodial Funds  
 Combining Statement of Changes in  
 Fiduciary Net Position - Continued  
 For the Fiscal Year Ended September 30, 2022

	<b>Warrant Services</b>	<b>Unclaimed Property Fund</b>	<b>Bail Security Fund</b>	<b>CS&amp;CD Basic Supervision</b>
<b>ADDITIONS</b>				
Fees for other governments	\$ -	\$ -	\$ -	\$ -
Grant contributions	-	-	-	1,038,389
Held for others	-	6,736	13,960	-
Other income	-	-	-	728
Interest income	-	-	-	2,356
Total additions	-	6,736	13,960	1,041,473
<b>DEDUCTIONS</b>				
Administrative expenses	-	-	-	845,092
Payments to other governments	-	-	-	-
Payments to individuals	-	128	793	-
Total deductions	-	128	793	845,092
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-	6,608	13,167	196,381
<b>NET POSITION - BEGINNING OF YEAR</b>	-	40,665	183,795	625,423
<b>NET POSITION - END OF YEAR</b>	\$ -	\$ 47,273	\$ 196,962	\$ 821,804

<b>CS&amp;CD Midland Outpatient Treatment Center</b>	<b>Sex Offender Caseload</b>	<b>DWI Repeat Offender Caseload</b>	<b>Drug Court</b>	<b>CS&amp;CD DWI Court</b>	<b>CS&amp;CD Transitional Treatment Court</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,098,203
314,798	133,534	224,181	130,400	59,900	32,231	1,933,433
-	-	-	-	-	-	4,279,371
9,829	416	-	15,211	7,957	37,354	71,495
-	-	-	-	-	-	2,356
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324,627	133,950	224,181	145,611	67,857	69,585	9,384,858
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333,788	131,398	232,889	150,839	72,550	71,350	1,837,906
-	-	-	-	-	-	3,198,576
-	-	-	-	-	-	3,821,327
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333,788	131,398	232,889	150,839	72,550	71,350	8,857,809
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(9,161)	2,552	(8,708)	(5,228)	(4,693)	(1,765)	527,049
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
43,152	23,158	46,799	24,036	13,413	3,782	4,989,076
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\$ 33,991	\$ 25,710	\$ 38,091	\$ 18,808	\$ 8,720	\$ 2,017	\$ 5,516,125

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**Statistical Data**  
(Unaudited)

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**Midland County, Texas**  
**Net Position Information<sup>1</sup>**  
**Last Ten Fiscal Years**

**Table 1**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Invested in capital assets, net of related debt	\$ 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	\$ 227,679,298
Restricted, debt service and other	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	48,597,406
Unrestricted	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)	(20,453,314)
Total governmental activities net assets	\$ 186,407,068	\$ 210,573,887	\$ 219,191,447	\$ 200,274,539	\$ 214,599,267	\$ 170,242,375	\$ 187,358,436	\$ 205,056,447	\$ 211,580,722	\$ 255,823,390

Source: Current and prior years' financial statements

<sup>1</sup> 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Program Revenues</b>										
Governmental activities:										
Fees, fines, and charges for services:										
General administration	\$ 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	\$ 1,872,088
Judicial	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	7,697,064
Elections	68,619	51,806	15,571	40	115	20	40	85	10	118
Public safety and corrections	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	2,371,870
Health and welfare	17,500	23,275	30,850	32,000	28,900	21,650	17,920	26,500	24,250	26,698
Culture and recreation	419,895	27,237	105,803	19,996	17,187	18,156	19,004	13,003	19,378	15,259
Highways and roads	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	2,436,501
Operating grants and contributions	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	12,862,444
Capital grants and contributions	69,987	3,814,514	-	-	-	-	-	-	394,796	291,389
Total primary government program revenues	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	27,573,431
<b>Expenses</b>										
Governmental activities:										
General administration	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	12,139,774
Judicial	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	22,909,384
Financial administration	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	4,197,662
Elections	506,899	564,981	487,880	560,889	620,092	663,714	1,631,715	859,380	921,254	822,653
Public safety and corrections	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	39,691,170
Health and welfare	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	1,223,519
Culture and recreation	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	7,717,363
Conservation and natural resources	178,396	2,167,721	2,519,168	163,249	157,712	172,464	166,396	190,518	199,269	215,803
Highways and roads	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	10,939,173
Interest on long-term debt	1,220,125	906,326	831,023	749,969	609,706	573,520	603,803	458,837	437,154	307,953
Total primary government expenses	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	100,164,454
<b>Net Expense</b>										
Governmental activities	(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)	(72,591,023)
Total primary government net expense	(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)	(72,591,023)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes:										
Property taxes	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	53,054,942
Sales tax	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	62,650,122
Bingo tax	132,391	132,239	120,486	106,714	85,450	92,258	111,081	135,069	125,448	116,018
Mixed beverage tax	535,106	753,884	799,928	751,591	849,297	1,028,666	884,428	1,087,605	963,266	1,276,489
Occupancy tax	838,466	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	3,437,136	644,543	894,122
Motor vehicle sales and use tax	1,505,898	1,789,228	2,356,340	1,811,134	1,616,241	2,074,277	-	1,946,240	2,139,969	-
Unrestricted investment earnings	386,454	386,725	488,116	628,335	764,559	1,814,350	4,019,211	2,662,164	397,601	(977,305)
Gain (loss) on sale of assets	2,309,548	-	-	-	(196,698)	(275,795)	(2,113,914)	(126,955)	(6,016,912)	(3,504,226)
Miscellaneous	754,050	856,564	957,408	1,363,020	1,202,180	1,275,870	1,522,746	1,788,559	2,083,560	1,183,560
Total governmental activities	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	116,833,691
<b>Change in Net Assets</b>										
Governmental activities	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	44,242,668
Total primary government	\$ 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	\$ 44,242,668

Source: Current and prior years' financial statements

<sup>1</sup> Midland County began collecting the Hotel Occupancy tax August 2007.

**Midland County, Texas**  
**Governmental Fund Balances**  
**Last Ten Fiscal Years**

**Table 3**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	12,917	129,295	32,095	36,551	178,988	17,015	41,733	20,935	4,467	93,154
Restricted	838,466	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	718,100	644,543	894,122
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	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	53,447,163
Unassigned	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	45,397,185
Total general fund	<u>\$ 69,975,419</u>	<u>\$ 66,099,192</u>	<u>\$ 69,352,921</u>	<u>\$ 65,952,197</u>	<u>\$ 80,782,069</u>	<u>\$ 118,603,794</u>	<u>\$ 116,417,086</u>	<u>\$ 101,099,196</u>	<u>\$ 91,876,036</u>	<u>\$ 99,831,624</u>
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Road and bridge fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Nonmajor governmental funds	-	-	-	-	-	-	-	-	-	-
Road and bridge fund										
Nonspendable	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	676,435
Restricted	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	34,729,082
Committed	1,627,215	-	-	-	-	-	-	-	-	-
Assigned	-	2,825,234	13,257	-	-	-	-	-	-	-
Debt service fund										
Restricted	6,934,835	360,419	399,900	1,087,402	29,321	67,338	144,619	160,965	3,341,221	3,278,010
Capital projects fund										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,003,084	695,596	662,720	662,720	-	-	-	-	-	-
Committed	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	15,478,987
Nonmajor governmental funds										
Nonspendable	2,440	4,666	125	-	1,998	902	13,973	36,852	40,565	91,994
Restricted	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	9,696,192
Committed	292,723	287,550	328,728	446,591	464,253	445,705	382,279	470,753	528,407	632,395
Assigned	467,306	-	-	-	-	-	-	-	-	425,019
Unassigned	-	-	-	-	-	-	-	(199,417)	(83,656)	-
Total all other governmental funds	<u>\$ 31,872,394</u>	<u>\$ 26,890,198</u>	<u>\$ 20,367,743</u>	<u>\$ 25,090,065</u>	<u>\$ 28,735,642</u>	<u>\$ 23,791,906</u>	<u>\$ 28,473,680</u>	<u>\$ 41,467,081</u>	<u>\$ 51,672,935</u>	<u>\$ 65,008,114</u>
Total governmental funds	<u>\$ 101,847,813</u>	<u>\$ 92,989,390</u>	<u>\$ 89,720,664</u>	<u>\$ 91,042,262</u>	<u>\$ 109,517,711</u>	<u>\$ 142,395,700</u>	<u>\$ 144,890,766</u>	<u>\$ 142,566,277</u>	<u>\$ 143,548,971</u>	<u>\$ 164,839,738</u>

Source: Current and past years' financial statements

<sup>1</sup> 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Property Tax, Penalties and Interest	\$ 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	\$ 53,143,436
Sales Tax	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	62,650,122
Hotel-Motel Tax	838,466	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	718,100	644,543	894,122
Fines and Forfeitures	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	2,454,289
Licenses and Permits	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	3,651,445
Intergovernmental Charges	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	14,452,329
Charges for Current Services	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	8,744,251
Investment Earnings	377,277	376,896	481,097	594,812	688,599	1,665,098	3,828,914	2,572,109	390,877	(1,017,996)
Other Revenue	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	3,968,937
<b>Total Revenues</b>	<b>\$ 79,126,076</b>	<b>\$ 89,833,728</b>	<b>\$ 87,625,917</b>	<b>\$ 81,522,657</b>	<b>\$ 93,052,924</b>	<b>\$ 120,757,219</b>	<b>\$ 131,446,455</b>	<b>\$ 121,921,336</b>	<b>\$ 122,129,838</b>	<b>\$ 148,940,935</b>
<b>Expenditures</b>										
Current										
General Administration	\$ 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	\$ 13,344,817
Judicial	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	22,577,985
Financial Administration	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	4,155,155
Elections	497,847	557,381	487,880	560,854	567,462	577,393	564,276	795,194	775,630	813,808
Public Safety and Corrections	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	37,334,307
Health and Welfare	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	1,179,803
Culture and Recreation	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	5,018,260
Conservation and Natural Resources	171,080	126,123	135,311	152,177	136,680	160,638	155,895	182,311	181,412	203,492
Highways and Roads	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	6,266,245
Capital Outlay	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	30,208,198
Debt Service	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	4,922,889
<b>Total Expenditures</b>	<b>\$ 66,490,467</b>	<b>\$ 97,692,363</b>	<b>\$ 90,317,074</b>	<b>\$ 80,379,457</b>	<b>\$ 74,561,475</b>	<b>\$ 87,879,230</b>	<b>\$ 127,985,345</b>	<b>\$ 125,382,715</b>	<b>\$ 120,147,144</b>	<b>\$ 126,024,959</b>
<b>Other Financing Sources (Uses)</b>										
Certificates of Obligation Issued	\$ -	\$ -	\$ -	\$ 14,625,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reoffering Premium	-	-	-	1,184,760	-	-	-	-	-	-
Capital Lease Proceeds	-	-	15,000	-	-	-	-	-	-	-
Payment to escrow	-	-	-	(15,844,041)	-	-	-	-	-	-
Proceeds from sale of capital lease	2,747,452	212	79,706	57,092	-	-	-	-	-	-
Transfers In	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	45,080,176
Transfers (Out)	(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)	(46,705,385)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 2,747,452</b>	<b>\$ (999,788)</b>	<b>\$ (577,569)</b>	<b>\$ 182,101</b>	<b>\$ (16,000)</b>	<b>\$ -</b>	<b>\$ (966,044)</b>	<b>\$ 1,136,890</b>	<b>\$ (1,000,000)</b>	<b>\$ (1,625,209)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 15,383,061</b>	<b>\$ (8,858,423)</b>	<b>\$ (3,268,726)</b>	<b>\$ 1,325,301</b>	<b>\$ 18,475,449</b>	<b>\$ 32,877,989</b>	<b>\$ 2,495,066</b>	<b>\$ (2,324,489)</b>	<b>\$ 982,694</b>	<b>\$ 21,290,767</b>
Debt Service as a percent of non-capital expenditures	4.69%	12.78%	2.69%	2.57%	2.52%	2.21%	1.71%	1.76%	1.94%	5.14%

Source: Current and past years' financial statements

**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>
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
2022	27,603,382,205	8,960,450,012	36,563,832,217	0.141635

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
2013	\$ 0.1500	\$ -	\$ 0.0048	\$ 0.1548	\$ 1.1401	\$ 0.4611	\$ 0.1397	\$ 0.1442	\$ -	\$ 2.0399
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
2022	0.1371	-	0.0045	0.1416	1.0236	0.3672	0.1086	0.1012	0.0300	1.7722

Source: Midland County Budget

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

**Table 7**

2022			2013		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pioneer Natural Res -WI-	\$ 5,853,425,190	16.01%	Pioneer Natural Res -WI-	\$ 1,046,077,070	6.43%
Endeavor Energy Resources LP	2,388,371,770	6.53%	Endeavor Energy Resources LP	474,092,490	2.91%
XTO Energy Inc	1,941,644,540	5.31%	Fasken Oil & Ranch LTD	393,649,140	2.42%
Chevron USA Inc WI	1,907,204,780	5.22%	Chevron	295,259,840	1.82%
COG Operating LLC WI	1,498,214,100	4.10%	COG Operating LLC	282,126,540	1.73%
Diamondback E&P LLC WI	1,159,321,800	3.17%	Oxy USA WTP LP	213,844,850	1.31%
Crownquest Operating LLC	842,102,240	2.30%	Apache	159,485,380	0.98%
Ovintiv USA Inc	626,367,910	1.71%	Fasken Land & Mineral LTD	144,340,780	0.89%
Apache Corp WI	554,544,060	1.52%	Henry Resources	121,243,560	0.75%
Chevron USA Inc RI/ORI	416,905,900	1.14%	Well Services Division STC	115,157,550	0.71%
<b>Total</b>	<b>\$ 17,188,102,290</b>	<b>47.01%</b>	<b>Total</b>	<b>\$ 3,245,277,200</b>	<b>19.95%</b>

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
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%
2022	36,563,832,217	0.141635	51,787,184	18,173,144	35.09%	33,154,683	64.02%	459,357	0.89%

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>
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
2022	7,375,000	7,375,000	0.04%	55.93

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

## Midland County, Texas

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

**Table 10**

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
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
2022	131,872	36,563,832,217	7,375,000	123,008	7,251,992	0.020	54.99

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
<b>Debt Repaid with Property Taxes</b>			
City of Midland	\$ 494,790,000	100%	\$ 494,790,000
Midland Independent School District	154,225,982	100%	154,225,982
Midland Community College	17,814,536	100%	17,814,536
Midland County Hospital District	149,935,000	100%	149,935,000
Greenwood Independent School District	50,054,841	100%	50,054,841
City of Odessa	229,295,000	8%	18,650,789
Subtotal, overlapping debt			885,471,148
<b>Midland County (direct debt)</b>			<u>7,375,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 892,846,148</u></u>

Source: 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 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	\$ 6,900,845,551
Total net debt applicable to limit	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	7,251,992
Debt margin	<u>\$ 3,192,583,177</u>	<u>\$ 3,587,967,517</u>	<u>\$ 4,028,564,868</u>	<u>\$ 4,025,613,255</u>	<u>\$ 4,025,613,255</u>	<u>\$ 4,505,279,094</u>	<u>\$ 5,224,124,950</u>	<u>\$ 7,249,417,732</u>	<u>\$ 7,307,636,186</u>	<u>\$ 6,893,593,559</u>
Total net debt applicable to the limit as a percentage of debt limit	0.61%	0.52%	0.44%	0.41%	0.41%	0.34%	0.27%	0.18%	0.12%	0.11%

**Debt Margin Calculation for Fiscal Year 2021**

Assessed Value of Real Property	\$ 27,603,382,205
Assessed Value of Personal & Other Property	8,960,450,012
Total Assessed Value	<u>\$ 36,563,832,217</u>
Debt Limit, 25% of Real Property Assessed Value (1)	\$ 6,900,845,551
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	7,375,000
Less: Assets in Debt Service Funds Available for Payment of Principal	<u>123,008</u>
Total Amount of Debt Applicable to Debt Limit	<u>7,251,992</u>
Legal Debt Margin	<u>\$ 6,893,593,559</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>
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
2022	131,872	19,276,301	111,308	3.0

Sources: Population figures for 2022 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**

<b>Function / Program</b>	Fiscal Year				
	2018	2019	2020	2021	2022
General administration	30	30	31	31	40
Judicial	152	168	174	176	176
Financial administration	43	42	45	45	46
Elections	5	5	5	5	5
Public safety and corrections	285	297	317	323	334
Health and welfare	3	3	4	4	4
Culture and recreation	35	37	42	45	46
Conservation and natural resources	3	4	4	4	4
Highways and roads	33	37	37	37	37
<b>Total</b>	<b>589</b>	<b>623</b>	<b>659</b>	<b>670</b>	<b>692</b>

Source: Midland County Treasurers Office

**Midland County, Texas**  
 Operation Indicators Information  
 Last Five Fiscal Years

**Table 15**

FUNCTION / PROGRAM	Fiscal Year				
	2018	2019	2020	2021	2022
<b>General Government</b>					
Commissioners Court					
Number of Official Public Meetings					
Regular Sessions	49	43	25	24	24
Special Sessions (Work Sessions)	3	14	11	8	14
<b>Public Safety</b>					
Inmates Booked	10,759	10,477	8,145	8,136	9,427
Arrests	12,400	11,690	9,404	9,168	10,790
<b>Judicial</b>					
District Courts					
Civil Cases Filed					
Civil Cases Filed	1,557	1,427	1,393	1,345	1,238
Civil Cases Disposed					
Civil Cases Disposed	1,218	1,523	1,120	1,471	1,364
Criminal Cases Filed					
Criminal Cases Filed	2,077	1,854	1,446	1,447	1,172
Criminal Cases Disposed					
Criminal Cases Disposed	2,521	2,499	1,951	1,941	1,980
County Courts-at-Law					
Civil Cases Filed					
Civil Cases Filed	1,102	830	269	352	543
Civil Cases Disposed					
Civil Cases Disposed	1,041	983	722	632	460
Criminal Cases Filed					
Criminal Cases Filed	4,241	4,193	3,247	2,968	3,604
Criminal Cases Disposed					
Criminal Cases Disposed	4,015	3,825	2,206	2,662	4,267
Juvenile Cases Filed					
Juvenile Cases Filed	63	54	78	77	75
Juvenile Cases Disposed					
Juvenile Cases Disposed	65	62	91	81	79
Probate and Mental Health Cases Filed					
Probate and Mental Health Cases Filed	586	588	499	649	680
Probate and Mental Health Cases Disposed					
Probate and Mental Health Cases Disposed	142	130	124	146	188
Justice of the Peace Courts					
Civil Cases Filed					
Civil Cases Filed	2,813	3,399	2,521	2,625	3,025
Civil Cases Disposed					
Civil Cases Disposed	1,890	2,377	2,803	2,093	3,039
Criminal Cases Filed					
Criminal Cases Filed	19,682	24,623	17,273	9,315	9,998
Criminal Cases Disposed					
Criminal Cases Disposed	13,347	18,498	16,544	6,464	6,856
Juvenile Cases Filed					
Juvenile Cases Filed	464	499	573	370	596
<b>Culture and Recreation</b>					
Events Held	210	228	181	252	194
<b>Elections</b>					
Number of Registered Voters	80,506	84,588	86,534	90,596	93,720
<b>Highways</b>					
Permits Granted	234	263	185	125	201
Work Requests	156	494	44	521	144

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				
	2018	2019	2020	2021	2022
<b>Buildings</b>					
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	8	8	10	10	10
Health & Welfare	1	1	1	1	1
<b>Patrol cars</b>	31	32	37	43	40
<b>Elections</b>					
Electronic voting machines	272	250	250	281	280
<b>Highways</b>					
Miles of roads maintained	376	423	471	425	425

Source: Various county departments.

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

**Table 17**

2022			2013		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Midland Independent School District	3,055	3.06%	Midland Independent School District	3,009	3.56%
Endeavor Energy Resources	1,200	1.20%	Warren Equipment Companies	2,008	2.37%
Midland Memorial Hospital	1,886	1.89%	Midland Memorial Hospital	1,670	1.97%
Endeavor Energy Resources	1,200	1.20%	Dawson Geophysical	1,522	1.80%
Pioneer Natural Resources	1,174	1.18%	Midland College	1,201	1.42%
City of Midland	1,046	1.05%	Schlumberger Oil Field Service	950	1.12%
Walmart	952	0.95%	City of Midland	909	1.07%
HEB	890	0.89%	Walmart	790	0.93%
Midland County	659	0.66%	Midland County	600	0.71%
Midland College	620	0.62%	Concho Resources	509	0.60%
<b>Total</b>	<b>12,682</b>	<b>12.71%</b>	<b>Total</b>	<b>13,168</b>	<b>15.56%</b>
Average Annual Employment for Midland, TX from BLS:		99,745			84,627

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 an 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 25, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 this limitation during our audit, we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

The 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.

Austin, Texas  
April 25, 2023



**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 Uniform Grant Management Standards**

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

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Midland County, Texas (the County)'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2022. 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.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2022.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and UGMS. Our responsibilities under those standards, the Uniform Guidance and UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### **Auditor's Responsibilities for the Audit of Compliance**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

The Honorable County Judge and  
Commissioners Court of Midland County

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

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
April 25, 2023

**Midland County, Texas**  
 Schedule of Expenditures of Federal and State Awards  
 For the Fiscal Year Ended September 30, 2022

Federal / Pass-through Grantor Program Title	Federal Assistance Listing Number	Grant Identifying Number	Total Grant Expenditures
<b>FEDERAL AWARDS</b>			
<b><u>U.S. Department of Treasury</u></b>			
Direct Programs			
COVID 19 State & Local Recovery Funds (SLFRF)	21.027	1505-0271	\$ 2,300,000
Total Direct Programs			2,300,000
<b>Total U.S. Department of Treasury</b>			2,300,000
<b><u>Election Assistance Commission</u></b>			
Passed Through Texas Secretary of State			
2018 HAVA Election Security Grant	90.404	TX18101001-01-165	6,672
Total Passed Through Texas Secretary of State			6,672
<b>Total Election Assistance Commission</b>			6,672
<b><u>United States Department of Justice</u></b>			
Passed Through City of Midland			
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - 2021 COM-Automatic Vehicle Locator Project/MC-Tactical Team Equip & Supplies	16.738	15PBJA-21-GG-01889-JAGX	383
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - 2020 COM-Automatic Vehicle Locator Project/MC-Tactical Team Equip & Supplies	16.738	2020-DJ-BX-0260	10,527
Total Passed Through City of Midland			10,910
Passed Through Office of the Governor			
Victim Assistance DA	16.575	3640503	60,033
COVID 19 Coronavirus Supplement Funding	16.034	2020-VD-BX-1507	26,147
Total Passed Through Office of the Governor			86,180
Equitable Sharing Program- Sheriff Forfeiture	16.922	TX1650000	136,839
<b>Total United States Department of Justice</b>			233,929
<b><u>United States Department of Homeland Security</u></b>			
Passed Through Texas Department Emergency Management			
COVID 19 Public Assistance Category B (Emergency Protective Measures)	97.036	677130	5,906
Total Passed Through Texas Department of Emergency Mangement			5,906
<b>Total United States Department of Homeland Security</b>			5,906
<b><u>Department of Health and Human Services</u></b>			
Passed Through Office of the Attorney General			
Child Support Enforcement	93.563	22-C0052	1,643
Total Passed Through Office of the Attorney General			1,643
<b>Total Department of Health and Human Services</b>			1,643
<b><u>Executive Office of the President - National Drug Control Policy</u></b>			
Passed Through West Texas HIDTA			
2020 High Intensity Drug Trafficking Area Grant	95.001	G20SW0013A	68,138
2021 High Intensity Drug Trafficking Area Grant	95.001	G21SW0013A	226,190
Total Passed Through West Texas HIDTA			294,328
<b>Total Executive Office of the President - National Drug Control Policy</b>			294,328
<b><u>National Endowment for the Humanities (NEH)</u></b>			
Passed Through Texas State Library and Archives Commission			
Grants to States Programs			
Inter-Library Loan Reimbursement Program	45.310	903297	6,879
Texas Supports Libraries Grant Programs - Digital Literacy	45.310	TSL-22012	50,167
Special Projects Grant Program - Business Center	45.310	SPP-22009	53,925
Total Passed Through Texas State Library and Archives Commission			110,971
<b>Total National Endowment for the Humanities (NEH)</b>			110,971
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 2,953,449</b>

# Midland County, Texas

## Schedule of Expenditures of Federal and State Awards – Continued For the Fiscal Year Ended September 30, 2022

Federal /Pass-through Grantor Program Title	Federal Assistance Listing Number	Grant Identifying Number	Total Grant Expenditures
<b>STATE AWARDS</b>			
<b><u>Office of the Attorney General</u></b>			
FY 2022 Texas VINE Annual Maintenance Grant (VINE)		2219269	\$ 23,902
FY 2023 Texas VINE Annual Maintenance Grant (VINE)		C-00341	2,101
<b>Total Office of the Attorney General</b>			<u>26,003</u>
<b><u>Office of Court Administration</u></b>			
Indigent Defense FY2022 Formula Grant		212-20-165	126,133
<b>Total Office of Court Administration</b>			<u>126,133</u>
<b><u>Texas Water Development Board</u></b>			
Flood Infrastructure Fund Category 1		G1001282	207,857
<b>Total Texas Water Development Board</b>			<u>207,857</u>
<b><u>Texas Department of Criminal Justice (TDCJ)</u></b>			
Passed Through PermianCare for MHMR			
Mental Health Services Provider Agreement			64,167
Mental Health Services Provider Agreement			5,833
Total Passed Through PermianCare for MHMR			<u>70,000</u>
<b>Total Texas Department of Criminal Justice (TDCJ)</b>			<u>70,000</u>
<b><u>Texas Department of Transportation</u></b>			
County Transportation Infrastructure Fund Grant Program		CTIF-01-165	9,177,508
<b>Total Texas Department of Transportation</b>			<u>9,177,508</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u>9,607,501</u>
<b>TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS</b>			<u>\$ 12,560,950</u>

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## **Midland County, Texas**

Notes to the Schedule of Expenditures of Federal and State Awards  
For the Fiscal Year Ended September 30, 2022

### **Note 1. General**

The accompanying schedule of expenditures of federal and state awards presents the activity of all applicable federal and state awards of Midland County, Texas (the County). The County's reporting entity is defined in Note 1 to the County's financial statements. Federal and state awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included in the respective schedule.

### **Note 2. Basis of Accounting**

The accompanying schedule of expenditures of federal and state awards is presented using the modified accrual basis of accounting. Expenditures are recognized when the related fund liability is incurred. Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as deferred revenue until earned.

### **Note 3. Relationship to Federal Financial Reports**

Grant expenditure reports as of September 30, 2022, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

### **Note 4. Indirect Cost Rate**

The County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Midland County, Texas**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended September 30, 2022

**I. Summary of the Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:  
 Material weakness(es) identified?        Yes   X   No

Significant deficiencies identified that are  
 not considered to be material weaknesses?        Yes   X   None Reported

Noncompliance material to financial  
 statements noted?        Yes   X   No

Federal and State Awards

Internal control over major programs:  
 · Material weakness(es) identified?        Yes   X   No  
 · Significant deficiencies identified that  
 are not considered to be material weakness(es)?        Yes   X   None Reported

State Awards

Internal control over major programs:  
 · Material weakness(es) identified?        Yes   X   No  
 · Significant deficiencies identified that  
 are not considered to be material weakness(es)?        Yes   X   None Reported

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

Any audit findings disclosed that are  
 required to be reported in accordance  
 with 2 CFR 200.516(a) or the State of Texas  
 Single Audit Circular        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Program or Cluster</u>
Federal	<b>U.S. Department of Treasury</b> COVID 19 State & Local Recovery Funds (SLFRF)
21.027	
State	<b>Texas Department of Transportation</b> County Transportation Infrastructure Fund Grant Program
N/A	

Dollar threshold used to distinguish  
 between type A and type B programs:

	<u>Federal</u>	<u>State</u>
	\$ 750,000	\$ 300,000

Auditee qualified as low-risk auditee?

Federal	<u>      </u> Yes <u>  X  </u> No
State	<u>      </u> Yes <u>  X  </u> No

**Midland County, Texas**

Schedule of Findings and Questioned Costs - Continued  
For the Fiscal Year Ended September 30, 2022

**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

**IV. Schedule of Prior Audit Findings and Questioned Costs**

None