

Midland County, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

Midland County, Texas
 Annual Comprehensive Financial Report
 Table of Contents
 Year Ended September 30, 2023

Page

Introductory Section

County Auditor's Letter of Transmittal	iii
Organization Chart	vii
Directory of Elected and Appointed Officials.....	viii

Financial Section

Independent Auditor's Report.....	3
Management's Discussion and Analysis	7

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Position.....	16
Statement of Activities.....	17
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Position – Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	26
Statement of Cash Flows – Proprietary Funds	27
Statement of Fiduciary Net Position – Fiduciary Funds	28
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	29
Notes to the Financial Statements	33

Required Supplementary Information

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	68
Texas County District Retirement System Schedule of Employer Contributions	70
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	72
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund	73
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual - American Recovery Act Fund	74
Notes to Required Supplementary Information – Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	75

Supplementary Information

Combining Statements and Budgetary Schedules	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Road and Bridge Fund	78
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Debt Service Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Capital Projects Fund.....	80

Midland County, Texas
 Annual Financial Report
 Table of Contents – Continued
 For the Fiscal Year Ended September 30, 2023

Page

Combining Balance Sheet – Nonmajor Governmental Funds.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds.....	104
Combining Statement of Net Position – Internal Service Funds	128
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	129
Combining Statement of Cash Flows – Internal Service Funds	130
Combining Statement of Fiduciary Net Position – Fiduciary Funds – Investment Trust Funds.....	132
Combining Statement of Revenues, Expenses and Changes in Fiduciary Net Position – Fiduciary Funds – Investment Trust Funds	133
Combining Statement of Fiduciary Net Position – Fiduciary Funds – Custodial Funds	134
Combining Statement of Revenues, Expenses and Changes in Fiduciary Net Position – Fiduciary Funds – Custodial Funds.....	138

Statistical Section (Unaudited)

Net Position Information	145
Changes in Net Position Information	146
Governmental Fund Balances	147
Governmental Fund – Changes in Fund Balances.....	148
Revenue Base Information – Assessed Value of Taxable Property	149
Revenue Rates Information – Direct and Overlapping Property Tax Rates	150
Principal Property Tax Payers.....	151
Property Tax Levies and Collections.....	152
Ratios of Outstanding Debt	153
Ratios of Net Bonded Debt to Assessed Value and Net Bonded Debt per Capita.....	154
Direct and Overlapping Governmental Activities Debt	155
Debt Limitations	156
Demographic and Economic Statistics	157
Full-time Equivalent County Government Employees by Function/Program	158
Operation Indicators Information	159
Capital Assets Information by Function/Program.....	160
Principal Employers.....	161

Internal Control and Compliance

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 <i>Government Auditing Standards</i>	165
Independent Auditor's Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance Required by the Uniform Guidance and Texas Grant Management Standards.....	167
Schedule of Expenditure of Federal and State Awards.....	170
Notes to the Schedule of Expenditures of Federal and State Awards.....	173
Schedule of Findings and Questioned Costs	174



Midland County

Veronica Morales
County Auditor
(432) 688-4860

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

March 26, 2024

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

The Honorable Commissioners Court, Midland County, Texas
Terry Johnson., County Judge
Scott Ramsey, County Commissioner, Precinct 1
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, 2023.

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, 2023, 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, 2023, 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 134,066. 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 2023 unemployment rate of 2.5% decreased from the September of 2022 rate of 3.0%. The rate was a bit lower than the national rate of 3.6% which increased from the 3.3% reported in September of 2022 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, 2023, the price per barrel of oil was at \$92.22. 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 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 \$18,775,381 in road infrastructure during the 2023 fiscal year and \$15,086,877 during the 2022 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

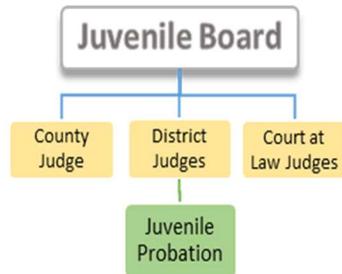
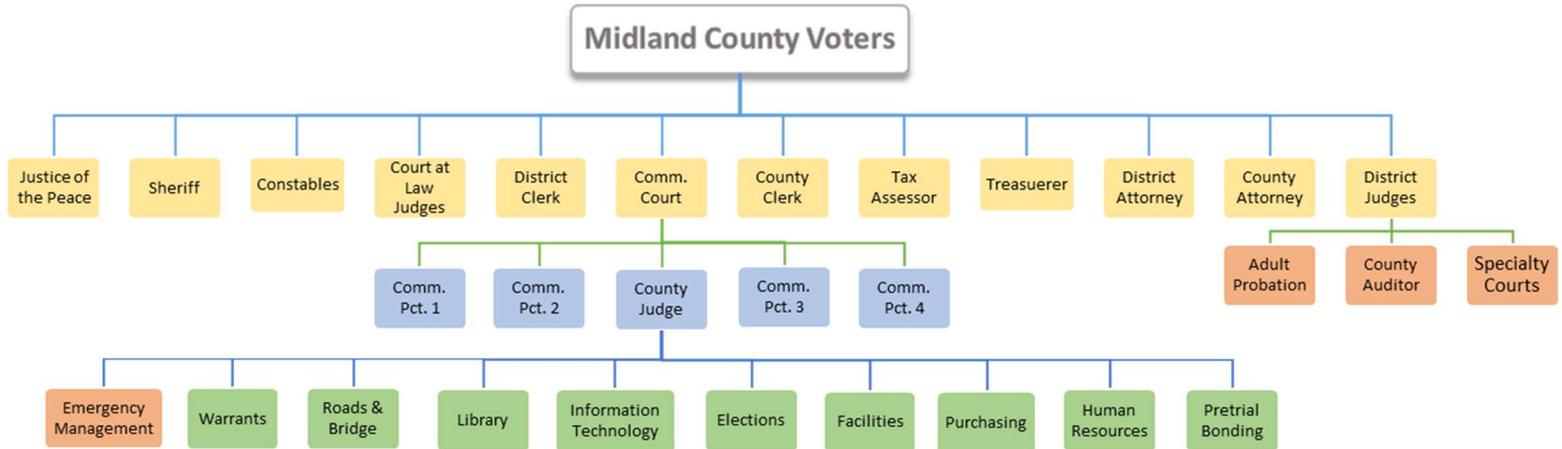
The Midland County Commissioners Court and all other County Officials responsible for the financial operations of Midland County have my sincere thanks for their assistance. I would also like to express my appreciation to the staff of the County Auditor's Office for their help in the preparation the 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, 2023



Midland County, Texas
 Directory of Elected Officials and Appointed Officials
 September 30, 2023

COMMISSIONERS COURT:

County Judge	Judge Terry Johnson
Commissioner Precinct 1	Scott Ramsey
Commissioner Precinct 2	Jeff Somers
Commissioner Precinct 3	Luis D. Sanchez
Commissioner Precinct 4	Dianne Anderson

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 Mark Dettman
County Court at Law II	Judge Marvin L. Moore
Justice of the Peace Precinct 1	Judge Edelmira Subia
Justice of the Peace Precinct 2	Judge David Cobos
Justice of the Peace Precinct 3	Judge Susan Rayos
Justice of the Peace Precinct 4	Judge John Barton

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	Sara Gray
District Attorney	Laura Nodolf
District Clerk	Alex Archuleta
Tax Assessor-Collector	Karen Hood

APPOINTED OFFICIALS:

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

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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 (*Government Auditing Standards*). 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.

Emphasis of Matter

As discussed in Note 1 of the basic financial statements, during the year ended September 30, 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, and Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Our opinions are not modified with respect to these matters.

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.

Weaver and Tidwell, L.L.P.
1601 South MoPac Expressway, Suite D250 | Austin, Texas 78746
Main: 512.609.1900

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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 GAAS. 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 (ACFR)

Management is responsible for the other information included in the 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 March 26, 2024 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
March 26, 2024

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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, 2023. 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 - vi 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 \$343,894,046 (net position). Of this amount, \$15,396,473 is unrestricted net position. The County's total net position increased by \$88,070,656.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$197,094,127. Of this total amount, \$66,668,500 or 34% 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 \$66,668,500 or 68% of the total general fund expenditures.
- At the end of the current fiscal year, assigned fund balance for general fund was \$53,749,872, which consisted of \$50,000,000 in capital projects and \$3,749,872 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 121 individual governmental funds of which 113 are special revenue funds, two capital projects funds, 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 \$343,894,046 at the close of this fiscal year.

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 232,354,131	\$ 232,107,896
Capital assets, net of accumulated depreciation	<u>293,421,257</u>	<u>234,951,443</u>
 Total assets	 525,775,388	 467,059,339
Total deferred outflows of resources	40,279,640	45,293,868
 Current and other liabilities	 20,274,471	 42,619,274
Noncurrent liabilities	<u>151,061,070</u>	<u>125,040,840</u>
 Total liabilities	 171,335,541	 167,660,114
Total deferred inflows of resources	50,825,441	88,869,703
 Net position:		
Net investment in capital assets	289,526,523	227,679,298
Restricted	39,739,846	48,597,406
Unrestricted net position (deficit)	<u>14,627,677</u>	<u>(20,453,314)</u>
 Total net position	 <u><u>\$ 343,894,046</u></u>	 <u><u>\$ 255,823,390</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, 84% 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 \$88,070,656. The following table provides a summary of the County's operations for years ended September 30, 2023 and 2022.

Statement of Activities
Years Ended September 30, 2023 and 2022

	2023		2022	
	Governmental Activities	% of Total	Governmental Activities	% of Total
Revenues				
Program revenues:				
Charges for services	\$ 15,246,602	7.5%	\$ 14,419,598	10.0%
Operating grants and contributions	28,506,071	13.9%	12,862,444	8.9%
Capital grants and contributions	415,073	0.2%	291,389	0.2%
General revenues:				
Property taxes	67,546,903	33.0%	53,054,942	36.7%
Sales tax	76,894,595	37.6%	62,650,122	43.4%
Bingo tax	111,021	0.1%	116,018	0.1%
Mixed beverage tax	1,473,209	0.7%	1,276,489	0.9%
Hotel-motel tax	1,293,033	0.6%	894,122	0.6%
Motor vehicle sales and use tax	2,722,623	1.3%	2,139,969	1.5%
Unrestricted investment earnings	8,206,919	4.0%	(977,305)	-0.7%
Gain (Loss) on sale of capital assets	217,968	0.1%	(3,504,226)	-2.4%
Miscellaneous	1,967,080	1.0%	1,183,560	0.8%
Total revenues	204,601,097	100.0%	144,407,122	100.0%
Expenses				
General administration	8,910,178	7.6%	12,139,774	12.1%
Judicial	26,539,708	22.8%	22,909,384	22.9%
Financial administration	4,830,675	4.1%	4,197,662	4.2%
Elections	795,662	0.7%	822,653	0.8%
Public safety and corrections	53,386,526	45.8%	39,691,170	39.6%
Health and welfare	1,581,088	1.4%	1,223,519	1.2%
Cultural and recreation	8,906,025	7.6%	7,717,363	7.7%
Conservation and natural resources	178,366	0.2%	215,803	0.2%
Highways and roads	10,061,760	8.6%	10,939,173	10.9%
Interest on long-term debt	1,340,453	1.2%	307,953	0.3%
Total expenses	116,530,441	100.0%	100,164,454	100.0%
Change in net position	88,070,656		44,242,668	
Net position - beginning of year	255,823,390		211,580,722	
Net position, end of year	\$ 343,894,046		\$ 255,823,390	

Governmental Activities. Net position of the governmental activities increased \$88,070,656 during the year. In General Revenues, sales tax increased by \$14,244,473 or 23% due to an increase in consumer spending in the County. Property tax revenues increased \$14,491,961 or 27% due to a higher tax rate and appraised values. Investment earnings also increased \$9,184,224 due to more favorable market conditions. In Program Revenues, grants and contributions increased \$15,767,311 or 120% due to continued increase in spending of available grant dollars.

Total expenses increased from the prior year by \$16,365,987 or 16% due primarily to public safety and corrections and judicial 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 governmental 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, unassigned 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 \$197,094,127. The unassigned fund balance, \$66,668,500, 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 \$66,668,500 as compared to \$45,397,185 in unassigned funds in the prior year. The increase is primarily due to an increase in sales tax and property 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 68% of total fund expenditures, while total fund balance represents 124% of total fund expenditures.

The road and bridge fund reflects a fund balance of \$27,641,748 which represents a decrease of \$7,763,769 as compared with the prior year. The decrease is primarily due to an increase in capital expenditures compared to prior year, as well as a prior year net transfer in of over \$23 million.

The debt service fund has a total fund balance of \$241,175 as compared to \$3,278,010 in the prior year. The decrease of \$3,036,835 is due to payment of debt service and an over \$3 million transfer in, during prior year. 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 \$35,420,501, which is an increase of \$19,941,514. The increase is primarily due to a \$31,605,000 transfer in from the general fund in the current year.

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 2023 in the amount of \$81,857,247 as compared to the original budget which planned for a deficit of \$75,706,136. The deficit was to be appropriated from the unassigned fund balance. However, actual revenues exceeded the final budget by \$41,999,904. The variance is mainly attributed to actual amounts of \$65,426,927 in property taxes, \$76,894,595 in sales tax, \$5,876,073 in investment earnings and \$7,667,523 in charges for services exceeding budgeted amounts.

The original budgeted expenditures differ from the final budgeted expenditures by \$5,805,193 which is attributable to amendments to increase capital outlay expenditures. The favorable variance of \$64,574,650 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, 2023, the County had a total long-term debt outstanding in the amount of \$8,306,124. According to the Texas statutes, the County has a debt margin of \$10,295,637,714.

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 2023:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023
General obligation bonds-series 2016	\$ 7,375,000	\$ -	\$ 4,490,000	\$ 2,885,000
Unamortized premium on general obligation bonds series 2016	637,949	-	91,135	546,814
Compensated absences	3,447,163	302,709	-	3,749,872
Leases payable	-	560,943	166,968	393,975
Subscriptions payable	-	1,107,936	377,473	730,463
Totals	\$ 11,460,112	\$ 1,971,588	\$ 5,125,576	\$ 8,306,124

Capital Assets. The capital assets of the County are those assets (land, buildings and improvements, roads, machinery and equipment and construction in progress, right to use asset-leases and right to use asset-subscriptions), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2023, net capital assets of the governmental activities totaled \$293,421,257 reflecting a net increase of \$58,469,814 in asset additions less retirements and adjustments. The majority of capital asset additions were infrastructure assets, mainly roads, and construction in progress related to building roads and beginning construction on a new law enforcement building. Depreciation and amortization on capital assets is recognized in the Government-wide financial statements. Annual depreciation and amortization for buildings and improvements, infrastructure, machinery and equipment, right to use asset-leases and right to use asset-subscriptions totaled \$13,355,396.

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 2024 budget was adopted on September 11, 2023, with total general fund expenditures of \$107,053,864, a 1% decrease from the fiscal year 2023 budgeted expenditures. The County's combined tax rate is \$0.120430 for fiscal year 2024. The Commissioners Court adopted a budgeted excess of \$52,202,404 with the deficit to be appropriated from the unassigned fund balance.

Request for Information

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

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Basic Financial Statements

Midland County, Texas
Statement of Net Position
September 30, 2023

	<u>Primary Governmental Activities</u>
ASSETS	
Cash	\$ 2,650,822
Certificates of deposit	39,459,518
Investments	166,169,046
Receivables (net of allowance for uncollectibles)	9,221,590
Inventory	789,871
Other assets	220,687
Due from other governments	13,842,597
Capital assets (net of accumulated depreciation and amortization):	
Land	19,593,803
Buildings and improvements	88,164,729
Construction in progress	66,693,189
Infrastructure	105,293,369
Machinery and equipment	12,323,082
Right to use asset - leases	390,131
Right to use asset - subscription	962,954
	<hr/>
Total assets	525,775,388
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	27,722,637
Deferred outflows from refunding of debt	683,126
Deferred outflows related to pension	11,873,877
	<hr/>
Total deferred outflows of resources	40,279,640
 LIABILITIES	
Accounts payable and other current liabilities	11,011,142
Accrued interest payable	21,608
Due to other governments	492,841
Unearned revenue	8,748,880
Noncurrent liabilities:	
Net pension liability (asset)	18,977,895
OPEB liability	123,777,051
Due within one year	5,478,953
Due in more than one year	2,827,171
	<hr/>
Total liabilities	171,335,541
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	991,722
Deferred inflows related to OPEB	49,833,719
	<hr/>
Total deferred inflows of resources	50,825,441
 NET POSITION	
Net investment in capital assets	289,526,523
Restricted, legislation and grants	39,461,187
Restricted, debt service	278,659
Unrestricted	14,627,677
	<hr/>
TOTAL NET POSITION	\$ 343,894,046

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, 2023

Functions / Programs	Expenses	Program Revenues		Changes in Net Position Primary Government Total	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
PRIMARY GOVERNMENT					
Governmental activities:					
General administration	\$ 8,910,178	\$ 2,700,962	\$ 265,207	\$ -	\$ (5,944,009)
Judicial	26,539,708	6,599,959	92,420	63,221	(19,784,108)
Financial administration	4,830,675	-	-	-	(4,830,675)
Elections	795,662	5,966	62,462	-	(727,234)
Public safety and corrections	53,386,526	2,774,768	552,698	327,663	(49,731,397)
Health and welfare	1,581,088	22,850	23,557,749	20,000	22,019,511
Culture and recreation	8,906,025	18,714	44,355	-	(8,842,956)
Conservation and natural resources	178,366	-	-	4,189	(174,177)
Highways and roads	10,061,760	3,123,383	3,931,180	-	(3,007,197)
Interest on long-term debt	1,340,453	-	-	-	(1,340,453)
Total governmental activities	116,530,441	15,246,602	28,506,071	415,073	(72,362,695)
TOTAL PRIMARY GOVERNMENT	\$ 116,530,441	\$ 15,246,602	\$ 28,506,071	\$ 415,073	\$ (72,362,695)
General revenues:					
Property taxes				\$ 67,546,903	
Sales tax				76,894,595	
Bingo tax				111,021	
Mixed beverage tax				1,473,209	
Hotel-motel tax				1,293,033	
Motor vehicle sales and use tax				2,722,623	
Unrestricted investment earnings				8,206,919	
Gain on sale of capital assets				217,968	
Miscellaneous				1,967,080	
Total general revenues				160,433,351	
Change in net position				88,070,656	
Net position - beginning of year				255,823,390	
NET POSITION - END OF YEAR				\$ 343,894,046	

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

Midland County, Texas
 Balance Sheet – Governmental Funds
 September 30, 2023

	General Fund	Road and Bridge Fund	Debt Service Fund
ASSETS			
Cash	\$ 887,498	\$ -	\$ 4
Certificates of deposit	39,459,518	-	-
Investments	98,557,624	28,608,666	-
Property taxes receivable, (net of allowance for uncollectibles)	2,053,079	-	60,766
Accounts receivable, (net of allowance for uncollectibles)	6,241,504	229,795	-
Due from other funds	490,951	216,008	239,997
Due from other governmental agencies	12,964,994	83,127	-
Inventory	-	706,577	-
Prepaid expenditures	46,366	500	-
TOTAL ASSETS	\$ 160,701,534	\$ 29,844,673	\$ 300,767
LIABILITIES			
Accounts payable	\$ 3,383,752	\$ 2,115,320	\$ 500
Benefits payable	1,659,217	87,605	-
Due to other funds	26,394,804	-	-
Due to other governmental agencies	486,557	-	-
Unearned revenue	208,651	-	-
Other liabilities	149,473	-	-
Total liabilities	32,282,454	2,202,925	500
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	1,985,997	-	59,092
Other deferred inflows	4,675,312	-	-
Total deferred inflows of resources	6,661,309	-	59,092
FUND BALANCES			
Nonspendable:			
Prepays	46,366	500	-
Inventories	-	706,577	-
Restricted:			
Road improvements	-	26,934,671	-
Debt service	-	-	241,175
Hotel occupancy revenue	1,293,033	-	-
Legislation	-	-	-
Federal and state grants	-	-	-
Committed:			
Capital projects	-	-	-
Employee motivation	-	-	-
Donations	-	-	-
Assigned:			
Compensated absences	3,749,872	-	-
Capital projects	50,000,000	-	-
Unassigned	66,668,500	-	-
Total fund balances	121,757,771	27,641,748	241,175
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 160,701,534	\$ 29,844,673	\$ 300,767

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
\$ 2	\$ 1	\$ 1,762,389	\$ 2,649,894
-	-	-	39,459,518
13,984,495	10,144,990	6,524,355	157,820,130
-	-	-	2,113,845
-	-	266,668	6,737,967
22,050,766	-	3,589,044	26,586,766
-	-	400,164	13,448,285
-	-	83,294	789,871
-	-	10,984	57,850
\$ 36,035,263	\$ 10,144,991	\$ 12,636,898	\$ 249,664,126
\$ 611,977	\$ 759,004	\$ 344,442	\$ 7,214,995
2,607	-	98,361	1,847,790
178	896,193	154,879	27,446,054
-	-	6,284	492,841
-	8,489,794	-	8,698,445
-	-	-	149,473
614,762	10,144,991	603,966	45,849,598
-	-	-	2,045,089
-	-	-	4,675,312
-	-	-	6,720,401
-	-	10,984	57,850
-	-	83,294	789,871
-	-	-	26,934,671
-	-	-	241,175
-	-	-	1,293,033
-	-	10,735,629	10,735,629
-	-	497,854	497,854
35,420,501	-	-	35,420,501
-	-	38,356	38,356
-	-	666,815	666,815
-	-	-	3,749,872
-	-	-	50,000,000
-	-	-	66,668,500
35,420,501	-	12,032,932	197,094,127
\$ 36,035,263	\$ 10,144,991	\$ 12,636,898	\$ 249,664,126

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Midland County, Texas

Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of
Net Position
September 30, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 197,094,127
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.	293,421,257
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.	6,720,401
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.	8,286,740
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	(8,306,124)
Interest is accrued on bonds payable in the government-wide financial statements whereas in the fund financial statements interest expenditures are reported when due.	(21,608)
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.	40,279,640
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.	(50,825,441)
OPEB liability is not reported in the fund financial statements.	(123,777,051)
Net pension liability is not reported in the fund financial statements.	<u>(18,977,895)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 343,894,046</u></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, 2023

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Debt Service Fund</u>
REVENUES			
Property tax, penalties and interest	\$ 65,426,927	\$ -	\$ 1,634,610
Sales tax	76,894,595	-	-
Hotel-motel tax	1,293,033	-	-
Fines and forfeitures	2,690,575	-	-
Licenses and permits	1,473,209	2,435,975	-
Intergovernmental charges	607,732	25,069	-
Charges for current services	7,667,523	-	-
Investment earnings	5,876,073	1,134,003	-
Other revenue	3,496,732	779,973	-
	<hr/>	<hr/>	<hr/>
Total revenues	165,426,399	4,375,020	1,634,610
EXPENDITURES			
Current:			
General administration	16,312,555	-	-
Judicial	21,605,659	-	-
Financial administration	4,272,518	-	-
Elections	672,322	-	-
Public safety and corrections	35,945,428	-	-
Health and welfare	1,450,728	-	-
Culture and recreation	5,507,618	-	-
Conservation and natural resources	158,806	-	-
Highways and roads	-	4,539,071	-
Capital outlay	12,079,151	19,187,336	-
Debt service:			
Principal	-	-	4,490,000
Interest and other charges	11,579	34	181,445
	<hr/>	<hr/>	<hr/>
Total expenditures	98,016,364	23,726,441	4,671,445
Excess (deficiency) of revenues over expenditures	67,410,035	(19,351,421)	(3,036,835)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	213,578	-	-
Transfers in	-	11,587,652	-
Transfers out	(47,366,345)	-	-
Issuance of lease liabilities	560,943	-	-
Issuance of subscription liabilities	1,107,936	-	-
	<hr/>	<hr/>	<hr/>
Total other financing (uses) sources	(45,483,888)	11,587,652	-
Net change in fund balances	21,926,147	(7,763,769)	(3,036,835)
Fund balances - beginning of year	99,831,624	35,405,517	3,278,010
	<hr/>	<hr/>	<hr/>
FUND BALANCES, end of year	<u>\$ 121,757,771</u>	<u>\$ 27,641,748</u>	<u>\$ 241,175</u>

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
\$ -	\$ -	\$ -	\$ 67,061,537
-	-	-	76,894,595
-	-	-	1,293,033
-	-	150,412	2,840,987
-	-	-	3,909,184
-	23,557,749	6,175,562	30,366,112
-	-	2,736,687	10,404,210
600,935	-	295,539	7,906,550
-	-	453,980	4,730,685
600,935	23,557,749	9,812,180	205,406,893
414,509	243,984	1,796	16,972,844
776,993	-	1,470,512	23,853,164
-	-	10,549	4,283,067
-	-	57,633	729,955
8,268,719	-	3,202,323	47,416,470
-	-	27,287	1,478,015
-	-	320,286	5,827,904
-	-	-	158,806
-	-	-	4,539,071
2,804,200	23,313,765	5,026,483	62,410,935
-	-	-	4,490,000
-	-	238	193,296
12,264,421	23,557,749	10,117,107	172,353,527
(11,663,486)	-	(304,927)	33,053,366
-	-	-	213,578
31,605,000	-	1,492,259	44,684,911
-	-	-	(47,366,345)
-	-	-	560,943
-	-	-	1,107,936
31,605,000	-	1,492,259	(798,977)
19,941,514	-	1,187,332	32,254,389
15,478,987	-	10,845,600	164,839,738
\$ 35,420,501	\$ -	\$ 12,032,932	\$ 197,094,127

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, 2023

NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ 32,254,389

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.	58,465,427
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, and adjustments) is to increase net position.	4,390
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	26,576
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.	3,051,457
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.	(6,445,543)
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.	713,960
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 88,070,656</u>

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

Midland County, Texas
Statement of Net Position
Proprietary Funds
September 30, 2023

	Governmental Activities Internal Service Funds
	<hr/>
ASSETS	
Current assets:	
Cash	\$ 928
Investments	8,348,916
Accounts receivable	369,778
Due from other funds	1,253,600
	<hr/>
Total current assets	9,973,222
Noncurrent assets:	
Other assets	162,837
	<hr/>
Total noncurrent assets	162,837
	<hr/>
Total assets	10,136,059
LIABILITIES	
Current liabilities:	
Accounts payable	511,526
Accrued liabilities	1,287,358
Unearned revenue	50,435
	<hr/>
Total current liabilities	1,849,319
NET POSITION	
Unrestricted	8,286,740
	<hr/>
TOTAL NET POSITION	<u>\$ 8,286,740</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, 2023

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for current services	\$ 13,832,669
Total operating revenues	13,832,669
OPERATING EXPENSES	
Fleet maintenance	1,090,734
Claims expense	10,739,158
Administration costs	1,028,449
Premium costs	3,140,307
Capital outlay services	162,896
Total operating expenses	16,161,544
Operating loss	(2,328,875)
NONOPERATING REVENUES	
Investment earnings	300,369
Miscellaneous income	61,032
Total nonoperating revenues	361,401
Loss before transfers	(1,967,474)
Transfers in	2,681,434
Total transfers	2,681,434
Change in net position	713,960
Net position - beginning of year	7,572,780
NET POSITION - END OF YEAR	\$ 8,286,740

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

Midland County, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2023

	Governmental Activities Internal Service Funds
	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 16,193,131
Cash paid for services	<u>(17,746,077)</u>
Net cash used in operating activities	(1,552,946)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	<u>2,681,434</u>
Net cash provided by noncapital financing activities	2,681,434
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(3,636,998)
Investment earnings received	300,369
Miscellaneous income received	<u>61,032</u>
Net cash used in investing activities	<u>(3,275,597)</u>
Net change in cash	(2,147,109)
Cash and cash equivalents, beginning of year	<u>2,148,037</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 928</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (2,328,875)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Accounts receivable	2,360,462
Due from other funds	(1,253,600)
Prepaid assets	(136,175)
Accounts payable	302,592
Accrued liabilities	(145,340)
Deferred revenue	19,152
Due to other funds	<u>(371,162)</u>
Total adjustments	<u>775,929</u>
NET CASH USED IN OPERATING ACTIVITIES	<u><u>\$ (1,552,946)</u></u>

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, 2023

	<u>Investment Trust Funds</u>	<u>Custodial Funds</u>
ASSETS		
Cash	\$ 5,208,380	\$ 7,565,914
Investments held in trust	2,078,448	54,906
Accounts receivable	-	420,696
Due from other funds	-	586,579
	<hr/>	<hr/>
Total assets	7,286,828	8,628,095
LIABILITIES		
Accounts payable	-	57,918
Due to other funds	578	980,313
Due to other governmental agencies	-	1,224,408
Other liabilities	-	183,389
	<hr/>	<hr/>
Total liabilities	578	2,446,028
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	7,286,250	6,182,067
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 7,286,250</u>	<u>\$ 6,182,067</u>

Midland County, Texas

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended September 30, 2023

	<u>Investment Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS		
Fees for other government	\$ -	\$ 3,536,016
Grant contributions	-	1,953,070
Held for others	5,162,843	5,826,509
Other income	-	233,716
Interest income	-	8,068
	<hr/>	<hr/>
Total additions	5,162,843	11,557,379
DEDUCTIONS		
Administrative expenses	-	2,076,510
Payment to other governments	-	3,986,341
Payment to individuals	4,202,415	4,828,586
	<hr/>	<hr/>
Total deductions	4,202,415	10,891,437
	<hr/>	<hr/>
Net increase in fiduciary net position	960,428	665,942
	<hr/>	<hr/>
Net position - beginning of year	6,325,822	5,516,125
	<hr/>	<hr/>
NET POSITION - END OF YEAR	\$ 7,286,250	\$ 6,182,067
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Notes to the Financial Statements

Midland County, Texas
 Annual Financial Report
 For the Fiscal Year Ended September 30, 2023
 Index

Page

1.	Summary of Significant Accounting Policies	33
	A. Reporting Entity	33
	B. Government-Wide and Fund Financial Statements	34
	C. Measurement Focus and Basis of Accounting	36
	D. Cash and Investments.....	37
	E. Receivables, Payables and Interfund Transactions	37
	F. Inventories	37
	G. Prepaid and Capital Assets.....	37
	H. Federal and State Grants and Entitlements	38
	I. Accrued Employee Benefits Payable.....	38
	J. Long-term Obligations.....	39
	K. Fund Balance	39
	L. Net Position.....	40
	M. Revenue Recognition - Property Taxes	40
	N. Use of Estimates	40
	O. Pensions	40
	P. Other Postemployment Benefits.....	41
	Q. Leases	41
	R. Subscription-Based Information Technology Arrangements (SBITAs)	41
	S. Implementation of New Accounting Standards	42
2.	Reconciliation of Government-wide and Fund Financial Statements	43
3.	Cash and Investments	45
4.	Receivables	48
5.	Capital Assets	49
6.	Employee Retirement Benefits.....	50
7.	Other Postemployment Benefits.....	54
8.	Discrete Component Unit	57
9.	Interfund Transactions	58
10.	Long-term Debt.....	61
11.	Deferred Compensation Plan.....	62
12.	Health Care	62
13.	Leases Payable	62
14.	Subscription-Based Information Technology Arrangements	63
15.	Contingencies	64
16.	New Pronouncements	64
17.	Subsequent Events.....	65

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 or 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 a 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 specific revenue sources that are legally restricted or committed to expenditures for a specified 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 \$1,985,997 in the General Fund and \$59,092 in the Debt Service Fund. Similarly, a portion of fines and fees are not considered measurable and available and have been recorded as a deferred inflow in the amount of \$4,675,312. 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 Earnings" 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 of 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 and amortizable capital assets are depreciated and amortized 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
Right to use asset-leases	3-5 Years	Right to use asset-subscriptions	1-3 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. The face amount of the debt issued is reported as other financing sources. Premiums and discounts received are recorded as other financing sources or uses. 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 constraint 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 30th and the balance is due on the following June 30th. All unpaid taxes levied October 1 become delinquent February 1 of the following year.

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

An allowance equal to 4% of the outstanding taxes at September 30, 2023 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, liabilities and deferred inflows/outflows of resources 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 and amortization expense. Management also made estimates using actuarial assumptions underlying the calculations for net pension liability and other postemployment 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 Postemployment 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 outflows, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Q. Leases

The County is a lessee for non-cancelable leases of office equipment. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of a lease, the County initially measures the lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amounts of the lease liability, adjusted for least payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. The County recognizes lease liabilities with an initial, individual value of \$10,000 or more.

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

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price the County is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

R. Subscription-Based Information Technology Arrangements (SBITAs)

The County has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The County recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of \$10,000 or more.

At the commencement of an SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Midland County, Texas

Notes to Financial Statements

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

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

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

S. Implementation of New Accounting Standards

GASB Statement No. 87, Leases (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 was initially implemented in the County's 2023 financial statements, resulting in recognition of \$560,943 in lease liabilities and lease assets as of October 1, 2022 in the government-wide financial statements to conform to the new standard.

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 was implemented in the County's 2023 financial statements, resulting in recognition of \$1,107,936 in subscription liabilities and subscription assets as of October 1, 2022 in the government-wide financial statements to conform to the new standard.

Midland County, Texas

Notes to Financial Statements

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 \$293,421,257 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 \$8,306,124 difference are as follows:

Bonds and leases payable	\$	2,885,000
Bond premium liability		546,814
Leases payable		393,975
Subscriptions payable		730,463
Compensated absences		<u>3,749,872</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities.	\$	<u>8,306,124</u>

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	\$	2,045,089
Deferred court fines receivable		<u>4,675,312</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities.	\$	<u>6,720,401</u>

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

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

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 \$58,465,427 difference are as follows:

Capital additions, net	\$ 71,820,826
Depreciation expense	<u>(13,355,396)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$ <u>58,465,430</u>

Another element of that reconciliation states that, "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, and adjustments) is to increase net position." The total net amount of \$4,390 is related to adjustments and gain on sale 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 \$3,051,457 difference are as follows:

Principal repayments	\$ 4,490,000
Amortization of bond premium	91,135
Amortization relating to refunding of debt	(113,854)
Change in accrued interest	11,323
Increase in compensated absences	(302,709)
Increase in lease liability	(393,975)
Increase in subscription liability	<u>(730,463)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$ <u>3,051,457</u>

Midland County, Texas

Notes to Financial Statements

Another element of that reconciliation states that "some expenses reported in the statement of activities did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$6,445,543 difference are as follows:

Change in pension liability/asset	\$ (29,393,105)
Change in deferred inflows from pension liability	24,782,329
Change in deferred outflows from pension liability	874,239
Change in OPEB liability	(10,196,323)
Change in deferred outflows from OPEB liability	(5,774,613)
Change in deferred inflows from OPEB liability	<u>13,261,930</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (6,445,543)</u>

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 \$26,576 difference are as follows:

Net change in property tax deferred inflow of resources	\$ 485,366
Net change in fines and fees deferred inflow of resources	(427,507)
Net change in retiree health deferred inflow of resources	<u>(31,283)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 26,576</u>

Note 3. Cash and Investments

A. Deposits

State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The County's deposits were fully insured or collateralized as required by the state statutes at September 30, 2023. At year-end, the total carrying amount of the County's deposits was \$2,650,822 in cash and cash equivalents which does not include 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 \$39,459,518. Total bank balance and certificate of deposits was \$42,110,340. The Federal Depository Insurance Corporation (FDIC) covered \$2,650,822 and \$42,110,340 was covered by collateral held by the pledging from a financial institution's agent for the County in the County's name.

Midland County, Texas
 Notes to Financial Statements

B. Investments

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

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

Authorized Investments	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. government securities, agencies, and instrumentality's	3 years	100%	None
Certificate of deposit	3 years	35%	None
Repurchase agreement	3 years	15%	None
Local government investment pools	3 years	100%	None
Money market mutual funds	3 years	25%	None

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

TexPool: The State Comptroller of Public Accounts oversees TexPool (the Texas Local Government Investment Pool), but 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 fair 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.

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 Notes 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	\$ 12,204,807	n/a	n/a	6%	25	AAAm - S&P
TexStar	40,933,667	n/a	n/a	20%	12	AAAm - S&P
Texas CLASS	52,624,555	n/a	n/a	26%	82	AAAm - S&P
TexPool-Prime	12,055,419	n/a	n/a	6%	14	AAAm - S&P
Investment by fair value level:						
U.S. Treasury Notes	35,714,405	\$ 35,714,405	\$ -	17%	75	AA+/Aaa - S&P
U.S. Agency Bond	12,636,193	-	12,636,193	6%	18	AA+/Aaa - S&P
Certificate of Deposits	39,459,518	39,459,518	-	19%	40	AA+/Aaa - S&P
Total	\$ 205,628,564	\$ 75,173,923	\$ 12,636,193	100%		

Portfolio Weighted Average if Maturity

266

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, 2023, 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, 2023.

Maturity Schedule	Par Value	Fair Value	% of Portfolio
Less than 1 month	\$ 122,950,590	\$ 122,941,137	6%
1 to 6 months	41,096,107	41,325,915	58%
6 to 9 months	3,167,000	3,085,949	5%
9 to 12 months	1,375,871	1,332,970	1%
12 to 18 months	9,013,249	8,816,298	11%
More than 18 months	28,697,995	28,126,295	19%
Total	\$ 206,300,812	\$ 205,628,564	100%

D. Credit Risk

In compliance with the County's investment policy, as of September 30, 2023, 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, 2023 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	\$ 2,138,624	\$ -	\$ 63,298	\$ -	\$ -	\$ 2,201,922
Accounts receivable	8,689,577	229,795	-	266,668	369,778	9,555,818
Gross receivables	10,828,201	229,795	63,298	266,668	369,778	11,757,740
Less: allowance for uncollectibles	(2,533,618)	-	(2,532)	-	-	(2,536,150)
Net total receivables	\$ 8,294,583	\$ 229,795	\$ 60,766	\$ 266,668	\$ 369,778	\$ 9,221,590

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, 2023 was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,194,028	\$ 12,399,775	\$ -	\$ 19,593,803
Construction in progress	39,656,150	54,962,335	(27,925,296)	66,693,189
Total capital assets, not being depreciated	46,850,178	67,362,110	(27,925,296)	86,286,992
Capital assets, being depreciated and amortized:				
Buildings and improvements	146,470,870	1,356,004	-	147,826,874
Infrastructure	120,555,133	27,298,581	(465,609)	147,388,105
Machinery and equipment	42,597,201	2,252,200	(1,776,625)	43,072,776
Right to use asset - leases	-	560,943	-	560,943
Right to use asset - subscription	-	1,129,856	-	1,129,856
Total capital assets being depreciated and amortized	309,623,204	32,597,584	(2,242,234)	339,978,554
Less accumulated depreciation and amortization for:				
Buildings and improvements	(55,045,765)	(4,616,380)	-	(59,662,145)
Infrastructure	(37,240,385)	(5,319,401)	465,050	(42,094,736)
Machinery and equipment	(29,235,789)	(3,081,901)	1,567,996	(30,749,694)
Right to use asset - leases	-	(170,812)	-	(170,812)
Right to use asset - subscription	-	(166,902)	-	(166,902)
Total accumulated depreciation and amortization	(121,521,939)	(13,355,396)	2,033,046	(132,844,289)
Total capital assets, being depreciated and amortized, net	188,101,265	19,242,188	(209,188)	207,134,265
Governmental activities capital assets, net	\$ 234,951,443	\$ 86,604,298	\$ (28,134,484)	\$ 293,421,257

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

Governmental activities:	
General administration	\$ 2,857,823
Judicial	362,337
Financial administration	5,931
Public safety and corrections	2,021,461
Health and welfare	70,372
Cultural and recreation	2,599,163
Highways and roads	5,422,263
Conservation and natural resources	16,046
Total depreciation and amortization expense - governmental activities	\$ 13,355,396

Midland County, Texas
Notes to Financial Statements

Note 6. Employee Retirement Benefits

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full time 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, 2022:

Retirees or beneficiaries currently receiving benefits	428
Inactive employees entitle to but not yet receiving benefits	801
Active employees	<u>652</u>
Total	<u><u>1,881</u></u>

C. Contributions

The County has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the minimum contribution rate of the County is actuarially determined annually, however the County may elect to contribute at a rate higher than the actuarially determined rate, or make additional lump sum contributions on an ad hoc basis to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. The County's actuarially determined rates were 11.97% for the months of the accounting year in 2022, and 11.15% for the months of the accounting year in 2023. The County contributed at a rate of 13.50% for all months included in the fiscal year ended September 30, 2023. Total contributions for fiscal year 2023 were \$5,944,236.

Midland County, Texas

Notes to Financial Statements

The deposit rate payable by the employee members for calendar year 2022 and 2023 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, 2022, 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, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2022
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	4.70%
Investment Rate of Return	7.50%
Payroll Growth	3.00%

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

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2022 through December 31, 2022, 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%	4.95%
Global Equities	2.50%	4.95%
International Equities-Developed	5.00%	4.95%
International Equities-Emerging	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.95%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%
Total	100.0%	

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, 2021	\$ 208,246,860	\$ 218,662,070	\$ (10,415,210)
Changes for the year:			
Service cost	5,679,999	-	5,679,999
Interest on total pension liability (1)	15,846,279	-	15,846,279
Effect of plan changes (2)	4,733,018	-	4,733,018
Effect of economic/demographic gains or losses	(706,769)	-	(706,769)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(1,018,802)	(1,018,802)	-
Benefit payments	(10,029,872)	(10,029,872)	-
Administrative expenses	-	(119,415)	119,415
Member contributions	-	3,082,196	(3,082,196)
Net investment income	-	(12,645,869)	12,645,869
Employer contributions	-	5,944,236	(5,944,236)
Other (3)	-	(101,726)	101,726
Balances as of December 31, 2022	<u>\$ 222,750,713</u>	<u>\$ 203,772,818</u>	<u>\$ 18,977,895</u>

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

(2) No plan changes valued.

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

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the County as of December 31, 2022, 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	\$ 252,418,205	\$ 222,750,713	\$ 198,044,974
Fiduciary net pension	<u>203,772,819</u>	<u>203,772,818</u>	<u>203,772,819</u>
Net pension liability / (asset)	<u>\$ 48,645,386</u>	<u>\$ 18,977,895</u>	<u>\$ (5,727,845)</u>

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, 2023, the County recognized pension expense of \$10,055,386 related to the December 31, 2022 valuation. At September 30, 2023, 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
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 395,317	\$ 865,982
Changes of assumptions	2,841,157	125,740
Net difference between projected and actual investment earnings	3,996,932	-
Contributions subsequent to the measurement date	4,640,471	-
	<u> </u>	<u> </u>
Total	<u>\$ 11,873,877</u>	<u>\$ 991,722</u>

Deferred outflows of resources related to the Plan resulting from contributions subsequent to the measurement date of \$4,640,471 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2023 (i.e. recognized in the County's financial statements September 30, 2024). Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended December 31,	Pension Expense (Income) Amount
<u> </u>	<u> </u>
2023	\$ 52,368
2024	(309,983)
2025	663,201
2026	5,836,098
	<u> </u>
Total	<u>\$ 6,241,684</u>

Note 7. Other Postemployment Benefits

A. Plan Description

In addition to providing pension benefits (described in Note 6), the County provides certain postemployment health care benefits (OPEB). County employees qualify for OPEB if they are considered retired or disabled. Retired employees who have 30 years of 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 \$2,139,025 to the health care fund for post-retirement health care as well as \$27,600 for a medical supplement; County contributions for both totaled \$2,166,625.

Employees covered by benefits as of December 31, 2022:

Retirees or beneficiaries currently receiving benefits	222
Active employees	541
Total	<u>763</u>

C. Contributions

The County has elected the annually determined contribution. The plan is funded by monthly contributions from both employee members and the employer based on an actuarially determined contribution. The annual actuarially determined contribution is a recommended minimum contribution to fully fund postemployment healthcare benefits of both active and inactive participants of the County, however the County may elect to contribute more than the actuarially determined contribution, or make additional lump sum contributions on an ad hoc basis to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. The County's actuarially determined contribution was \$3,208,963 for the year ended September 30, 2023.

D. Net OPEB Liability

The County's net OPEB liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2022.

Actuarial Assumptions

The Total OPEB Liability in the October 1, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	October 1, 2022
Measurement date	September 30, 2023
Benefits valued	Medical, prescription drug, and dental benefits.
Discount rate	4.87%
Salary increase	3.00%
Inflation rate	2.50%
Healthcare trend rates:	
Medical/RX	10.00%
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, 2022	\$ 113,580,728	\$ -	\$ 113,580,728
Changes for the year:			
Service cost	3,685,451	-	3,685,451
Interest	5,788,553	-	5,788,553
Differences between expected and actual experience	3,525,473		3,525,473
Changes of assumptions	405,809	-	405,809
Benefit payments	(3,208,963)	(3,208,963)	-
Contributions - employer	-	3,208,963	(3,208,963)
Balances as of September 30, 2023	\$ 123,777,051	\$ -	\$ 123,777,051

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 (3.87%) or 1-percentage-point higher (5.87%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Total OPEB liability	\$ 145,644,455	\$ 123,777,051	\$ 106,427,280
Net OPEB liability	\$ 145,644,455	\$ 123,777,051	\$ 106,427,280

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:

	1% Decrease in Healthcare Trend	Current Trend Rates	1% Increase in Healthcare Trend
Total OPEB liability	\$ 104,403,553	\$ 123,777,051	\$ 148,739,711
Net OPEB liability	\$ 104,403,553	\$ 123,777,051	\$ 148,739,711

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

For the year ended September 30, 2023, the County recognized pension expense of \$5,917,968 related to the October 1, 2022 valuation. At September 30, 2023, 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	\$ 11,152,704	\$ -
Changes of assumptions	16,569,933	49,833,719
Total	\$ 27,722,637	\$ 49,833,719

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

Year ended September 30,	OPEB Expense (Income) Amount
2024	\$ (3,556,036)
2025	(2,631,298)
2026	(3,133,248)
2027	(7,280,561)
2028	(5,509,939)
Total	\$ (22,111,082)

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, 2023, 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, 2023 arising from these transactions were as follows:

	Interfund	
	Receivable	Payable
General fund	\$ 490,951	\$ 26,394,804
Road and bridge fund	216,008	-
American Recovery Act fund	-	896,193
Nonmajor Governmental funds:		
Law library	35,030	-
County clerk records management fund	1,450	-
Records preservation fund	15	-
District clerk records management fund	209,887	-
Courthouse security fund	36,340	-
County clerk record archives	13,122	-
County clerk vital stat preservation fund	50	-
Court facility fee fund	127,221	-
District attorney hot check	20	-
Dealer inventory fund	1,674	-
Justice court building security fund	6	-
Local truancy prevention fund	49,931	-
County attorney state supplement	171,378	-
Truancy prevention fund	67,303	-
PreTrial intervention program fund	487,479	-
Election contracts	115,305	-
Guardianship	187,553	-
Rabies control	65,680	-
District court records technology fund	98,228	-
County and district court technology fund	30,340	-
Justice court technology fund	435,240	-
Donations SO mounted patrol	43,463	-
Donations sheriff's office	342,181	-
L.E.O.S.E. funds	32,180	-
District attorney drug forfeiture	30,184	35

Midland County, Texas
Notes to Financial Statements

	Interfund Continued	
	Receivable	Payable
High intensity drug trafficking area	-	46,398
Texas VINE grant	-	6,304
Crime victim services grant	-	2,013
TSLAC mobile skills lab	-	43,918
Juvenile probation state grants	-	41,720
Donation library	102,327	-
Donation juvenile	147	-
District attorney bomb dog	10,881	-
OOG justice assistant grant	-	11,893
Juvenile board housing revenue	122,980	-
Justice court support fund	103,223	-
Clerk of the court fund	211,482	-
Dist clk county rec mgmt & pres	162,148	-
Donation- SO civil & warrants	140	-
Juvenile probation fees	-	12
Juvenile delinquency prevention	195	-
Mental health deputies	-	2,586
Donation gratitude square	1,400	-
Detention reimbursement	85,811	-
TWDB flood infrastructure grant	207,050	-
Total Nonmajor Governmental funds	3,589,044	154,879
Debt service fund	239,997	-
Capital projects fund	22,050,766	178
Total governmental funds	26,586,766	27,446,054
Internal service fund	1,253,600	-

Midland County, Texas
Notes to Financial Statements

	Interfund Continued	
	Receivable	Payable
Fiduciary funds:		
Investment trust fund district clerk	-	578
District clerk	80	24,395
County clerk	3,009	35,650
Sheriff's office	-	4,378
Justice of the peace precinct #1	-	33,360
Justice of the peace precinct #2	-	31,628
Justice of the peace precinct #3	-	10,144
Justice of the peace precinct #4	-	18,046
Library	-	1,680
Tax assessor collector	353,533	821,032
Bail security fund	183,744	-
CSCD - Basic supervision	32,401	-
CSCD - Midland outpatient treatment center	4,905	-
Sex offender caseload	2,264	-
DWI repeat offender caseload	2,788	-
Drug court	1,733	-
CSCD - DWI court	1,227	-
CSCD - Transitional treatment court	895	-
	<hr/>	<hr/>
Total fiduciary funds	586,579	980,891
	<hr/>	<hr/>
Total	\$ 28,426,945	\$ 28,426,945

Interfund transfers for the fiscal year ended September 30, 2023 are as follows:

	Interfund	
	Transfers In	Transfers Out
General fund	\$ -	\$ 47,366,345
Road and bridge fund	11,587,652	-
Capital projects fund	31,605,000	-
Internal service fund	2,681,434	-
Nonmajor governmental funds:		
Mental health deputies	510,275	-
County transportation infrastructure fund grant	976,527	-
Safe streets and roads	5,457	-
	<hr/>	<hr/>
Total	\$ 47,366,345	\$ 47,366,345

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, 2023:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Due Within One Year
General obligation bonds-series 2016	\$ 7,375,000	\$ -	\$ 4,490,000	\$ 2,885,000	\$ 1,385,000
Unamortized premium on general obligation bonds series 2016	637,949	-	91,135	546,814	-
Compensated absences	3,447,163	302,709	-	3,749,872	3,562,378
Leases payable	-	560,943	166,968	393,975	176,040
Subscriptions payable	-	1,107,936	377,473	730,463	355,535
Totals	\$ 11,460,112	\$ 1,971,588	\$ 5,125,576	\$ 8,306,124	\$ 5,478,953

Bonds

Certificates of Obligation and General Obligation Bonds at September 30, 2023 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>\$ 2,885,000</u>
Total bonds outstanding	<u><u>\$ 2,885,000</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, 2023 is as follows:

Year Ending September 30,	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 1,385,000	\$ 87,700	\$ 1,472,700
2025	1,500,000	30,000	1,530,000
Total	<u><u>\$ 2,885,000</u></u>	<u><u>\$ 117,700</u></u>	<u><u>\$ 3,002,700</u></u>

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, 2021	\$ 1,434,281
Insured claims (including IBNRs)	10,001,026
Claim payments	<u>(10,002,609)</u>
Unpaid claims, September 2022	1,432,698
Insured claims (including IBNRs)	9,580,970
Claim payments	<u>(9,726,310)</u>
Unpaid claims, September 30, 2023	<u>\$ 1,287,358</u>

Unpaid claims are reported in accounts payables.

Note 13. Leases Payable

The County has entered into multiple lease agreements as lessee. The leases allow the right-to-use equipment over the term of the lease. The County is required to make monthly payments at its incremental borrowing rate or interest rate stated or implied within the leases. In fiscal year 2023, the County recorded right-to-use assets of \$560,943, which are recorded in capital assets on the statement of net position and an equal amount of leases payable. These assets were amortized in the amount of \$170,812 during fiscal year 2023.

The leases payables are reported with other long-term liabilities on the statement of net position. In the fiscal year 2023, the County reduced these payables by \$166,968. The ending balance of these lease liabilities at September 30, 2023 was \$393,975.

Midland County, Texas
Notes to Financial Statements

The lease rate, term, and ending lease liability are as follows:

Governmental activities	Liability at Commencement	Interest Rate	Lease Term Years	Balance at Year End
Office equipment	\$ 560,943	0.2%-2.8%	3-5	\$ 393,975
Total governmental activities				\$ 393,975

Principal and interest requirements to maturity for the lease payables as of September 30, 2023 are as follows:

Year Ending September 30	Principal	Interest	Total
2024	\$ 176,040	\$ 8,974	\$ 185,014
2025	131,185	4,467	135,652
2026	61,932	1,520	63,452
2027	24,818	396	25,214
	\$ 393,975	\$ 15,357	\$ 409,332

Note 14. Subscription-Based Information Technology Arrangements (SBITA)

The County has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The County is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

Governmental activities	Interest Rate	Lease Term Years	Balance at Year End
Operational software	2.8%-3.1%	1-3	\$ 730,463
Total governmental activities			\$ 730,463

The value of the subscription assets at the end of the current fiscal year was \$1,129,856 and had accumulated amortization of \$166,902.

Midland County, Texas
Notes to Financial Statements

The future principal and interest SBITA payments as of fiscal year are as follows:

Year Ending September 30	Principal	Interest	Total
2024	\$ 355,535	\$ 22,346	\$ 377,881
2025	355,001	11,222	366,223
2026	19,927	378	20,305
	<u>\$ 730,463</u>	<u>\$ 33,946</u>	<u>\$ 764,409</u>

Note 15. 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 any 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 16. New Pronouncements

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. 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.

Note 17. Subsequent Events

The County has evaluated subsequent events that occurred after September 31, 2023, through March 26, 2024, the date which the financial statements were available to be issued.

On February 22, 2024, the County issued \$170,000,000 of Certificates of Obligation, Series 2024 for the purpose of a new jail construction. These Certificates of Obligation will be paid out of General revenue over the next twenty years. Construction of the new jail will begin in Fiscal Year 2024.

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Required Supplementary Information

Midland County, Texas

Texas County District Retirement System Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios for the Employees of Midland County For the Fiscal Year Ended September 30, 2023

	Year Ended December 31,		
	2014*	2015	2016
TOTAL PENSION LIABILITY			
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
TOTAL PENSION LIABILITY - ENDING (a)	\$ 130,702,463	\$ 134,698,735	\$ 141,777,100
PLAN FIDUCIARY NET POSITION			
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
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 119,382,500	\$ 119,044,847	\$ 127,186,256
NET PENSION LIABILITY (ASSET) - ENDING (a) - (b)	\$ 11,319,963	\$ 15,653,888	\$ 14,590,844
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 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."

Year Ended December 31,						
2017	2018	2019	2020	2021	2022	
\$ 3,983,311	\$ 4,125,520	\$ 4,612,531	\$ 5,008,948	\$ 6,114,036	\$ 5,679,999	
11,510,020	12,583,509	13,430,990	14,301,454	15,196,540	15,846,279	
4,889,608	-	-	-	-	4,733,018	
614,667	1,201,649	1,043,331	1,581,274	(1,184,407)	(706,769)	
(243,854)	-	-	11,364,625	(377,217)	-	
(7,468,193)	(7,824,768)	(8,049,540)	(9,451,341)	(10,492,933)	(11,048,674)	
13,285,559	10,085,910	11,037,312	22,804,960	9,256,019	14,503,853	
141,777,100	155,062,659	165,148,569	176,185,881	198,990,841	208,246,860	
<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>	<u>\$ 222,750,713</u>	
\$ 4,216,870	\$ 4,840,534	\$ 5,299,011	\$ 5,974,816	\$ 5,778,470	\$ 5,944,236	
2,270,620	2,509,903	2,747,642	3,098,052	2,996,243	3,082,196	
18,548,981	(2,699,993)	23,213,611	16,989,602	39,548,162	(12,645,869)	
(7,468,193)	(7,824,768)	(8,049,540)	(9,451,341)	(10,492,933)	(11,048,674)	
(96,193)	(113,538)	(125,329)	(132,404)	(118,298)	(119,415)	
(14,050)	397	23,136	5,099	1,245	(101,726)	
17,458,035	(3,287,465)	23,108,531	16,483,824	37,712,889	(14,889,252)	
127,186,256	144,644,291	141,356,826	164,465,357	180,949,181	218,662,070	
<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>\$ 203,772,818</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>	<u>\$ 18,977,895</u>	
93.28%	85.59%	93.35%	90.93%	105.00%	91.48%	
\$ 32,437,430	\$ 35,855,752	\$ 39,252,023	\$ 44,257,887	\$ 42,803,478	\$ 44,031,370	
32.12%	66.35%	29.86%	40.76%	-24.33%	43.10%	

Midland County, Texas
Texas County District Retirement System
Schedule of Employer's Contributions
For the Fiscal Year Ended September 30, 2023

	<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
CONTRIBUTION EXCESS	<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	12.6 years (based on contribution rate calculated in 12/31/22 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 Schedule of Employer	2015: New inflation, mortality, and other assumptions were reflected
	2017: New mortality assumptions were reflected
	2019: New inflation, mortality and other assumptions were reflected
	2022: New investment return and inflation assumptions were reflected.
Changes in plan provisions reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule
	2016: No changes in plan provisions were reflected in the Schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: Employer contributions reflect that 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.
	2022: No changes in plan provisions were reflected in the Schedule.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 3,153,576	\$ 3,156,162	\$ 4,241,735	\$ 4,549,310	\$ 5,133,915	\$ 4,798,270	\$ 5,270,555
4,128,546	4,216,870	4,840,534	5,299,011	5,974,816	5,778,470	5,944,236
<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>	<u>\$ (673,681)</u>
\$ 31,758,063	\$ 32,437,430	\$ 35,855,752	\$ 39,252,023	\$ 44,257,887	\$ 42,803,478	\$ 44,031,370
13.00%	13.00%	13.50%	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, 2023

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
TOTAL OPEB LIABILITY						
Service cost	\$ 5,687,029	\$ 3,483,904	\$ 3,917,478	\$ 8,611,467	\$ 7,216,833	\$ 3,685,451
Interest	4,001,055	3,879,135	3,896,774	3,694,384	4,155,649	5,788,553
Differences between expected and actual experience	-	8,918,260	-	5,284,242	750,007	3,525,473
Changes of assumptions	(14,083,734)	(7,492,165)	35,052,227	3,431,661	(60,937,903)	405,809
Benefit payments	(1,563,350)	(2,125,399)	(2,200,014)	(2,527,279)	(2,786,081)	(3,208,963)
Net change in total OPEB liability	(5,959,000)	6,663,735	40,666,465	18,494,475	(51,601,495)	10,196,323
Total OPEB liability - beginning	105,316,548	99,357,548	106,021,283	146,687,748	165,182,223	113,580,728
TOTAL OPEB LIABILITY - ENDING	<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>	<u>\$ 123,777,051</u>
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 1,563,350	\$ 2,125,399	\$ 2,200,014	\$ 2,527,279	\$ 2,786,081	\$ 3,208,963
Investment income net of investment expenses	(1,563,350)	(2,125,399)	(2,200,014)	(2,527,279)	(2,786,081)	(3,208,963)
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET OPEB LIABILITY - ENDING	<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>	<u>\$ 123,777,051</u>
Plan fiduciary net position as a percentage of total liability	1.57%	2.00%	1.50%	1.53%	2.45%	2.59%
Covered payroll	\$ 25,900,000	\$ 32,062,563	\$ 29,283,267	\$ 32,470,622	\$ 29,731,837	\$ 38,700,913
Contributions as a percentage of employee-covered payroll	6.04%	6.63%	7.51%	7.78%	9.37%	8.29%

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.

The September 30, 2023 total OPEB liability is determined using a 4.87% final discount rate equal to the September 30, 2023 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 2022 and 2023 are detailed in the Changes in Actuarial Accrued Liability since the Last Valuation section on page 22. 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 2022 and 2023 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

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual For the Fiscal Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES				
Property tax, penalties and interest	\$ 64,700,000	\$ 64,700,000	\$ 65,426,927	\$ 726,927
Sales tax	43,000,000	43,000,000	76,894,595	33,894,595
Hotel-motel tax	500,000	500,000	1,293,033	793,033
Fines and forfeitures	2,074,000	2,074,000	2,690,575	616,575
Licenses and permits	800,000	800,000	1,473,209	673,209
Intergovernmental charges	429,000	429,000	607,732	178,732
Charges for current services	6,008,695	6,008,695	7,667,523	1,658,828
Investment earnings	200,000	200,000	5,876,073	5,676,073
Other revenue	5,714,800	5,714,800	3,496,732	(2,218,068)
Total revenues	123,426,495	123,426,495	165,426,399	41,999,904
EXPENDITURES				
Current:				
General administration	69,010,106	69,767,199	16,312,555	53,454,644
Judicial	25,704,871	26,028,732	21,605,659	4,423,073
Financial administration	6,722,298	6,136,992	4,272,518	1,864,474
Elections	916,713	925,541	672,322	253,219
Public safety and corrections	38,172,805	38,543,033	35,945,428	2,597,605
Health and welfare	1,431,514	2,551,503	1,450,728	1,100,775
Culture and recreation	5,687,773	5,996,109	5,507,618	488,491
Conservation and natural resources	256,602	256,602	158,806	97,796
Capital outlay	8,883,139	12,385,303	12,079,151	306,152
Debt service:				
Interest and other charges	-	-	11,579	(11,579)
Total expenditures	156,785,821	162,591,014	98,016,364	64,574,650
Excess (deficiency) of revenues over (under) expenditures	(33,359,326)	(39,164,519)	67,410,035	106,574,554
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	213,578	213,578
Transfers in	4,700,000	4,700,000	-	(4,700,000)
Transfers out	(47,046,810)	(47,392,728)	(47,366,345)	26,383
Issuance of lease liabilities	-	-	560,943	560,943
Issuance of subscription liabilities	-	-	1,107,936	1,107,936
Total other financing sources (uses)	(42,346,810)	(42,692,728)	(45,483,888)	(2,791,160)
Net change in fund balance	(75,706,136)	(81,857,247)	21,926,147	103,783,394
Fund balance - beginning of year	99,831,624	99,831,624	99,831,624	-
FUND BALANCE, END OF YEAR	\$ 24,125,488	\$ 17,974,377	\$ 121,757,771	\$ 103,783,394

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, 2023

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES				
Intergovernmental charges	\$ 10,000	\$ 10,000	\$ 23,557,749	\$ 23,547,749
Total revenues	10,000	10,000	23,557,749	23,547,749
EXPENDITURES				
General administration	-	360,187	243,984	116,203
Capital outlay	31,861,543	23,313,765	23,313,765	-
Total expenditures	31,861,543	23,673,952	23,557,749	-
Net change in fund balance	(31,851,543)	(23,663,952)	-	23,663,952
Fund balance - beginning of year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ (31,851,543)	\$ (23,663,952)	\$ -	\$ 23,663,952

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, 2023

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, except L.E.O.S.E. Funds, Abandoned Motor Vehicles, and the Commissary Fund. These budgets are adopted on a generally accepted accounting principle (GAAP) basis.
7. At the close of each fiscal year, all appropriations lapse.

Excess of Expenditures over Appropriations

For the year ended September 30, 2023, expenditures exceeded budget for general funds the following:

	Variance With Final Budget - (Unfavorable)
Interest and other charges	\$ <u><u>(11,579)</u></u>

The unfavorable variance in the general fund for the interest and other charges expenditures is related to interest for leases and subscriptions that were not taken into account during the budget process.

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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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES				
Licenses	\$ 1,835,000	\$ 1,835,000	\$ 2,435,975	\$ 600,975
Intergovernmental charges	24,000	24,000	25,069	1,069
Investment earnings	2,000	2,000	1,134,003	1,132,003
Other revenues	26,474,000	18,361,652	779,973	(17,581,679)
Total revenues	28,335,000	20,222,652	4,375,020	(15,847,632)
EXPENDITURES				
Highways and roads	45,304,292	32,463,326	4,539,071	27,924,255
Capital outlay	37,995,211	24,690,317	19,187,336	5,502,981
Debt Service:				
Interest and other charges	-	-	34	(34)
Total expenditures	83,299,503	57,153,643	23,726,441	33,427,202
Deficiency of revenues over expenditures	(54,964,503)	(36,930,991)	(19,351,421)	17,579,570
OTHER FINANCING SOURCES				
Transfers in	26,424,000	18,311,652	11,587,652	(6,724,000)
Total other financing sources	26,424,000	18,311,652	11,587,652	(6,724,000)
Net change in fund balance	(28,540,503)	(18,619,339)	(7,763,769)	10,855,570
Fund balance - beginning of year	35,405,517	35,405,517	35,405,517	-
FUND BALANCE, END OF YEAR	<u>\$ 6,865,014</u>	<u>\$ 16,786,178</u>	<u>\$ 27,641,748</u>	<u>\$ 10,855,570</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES				
Property tax, penalties and interest	\$ 1,735,000	\$ 1,735,000	\$ 1,634,610	\$ (100,390)
Total revenues	1,735,000	1,735,000	1,634,610	(100,390)
EXPENDITURES				
Debt service:				
Principal	1,335,000	4,490,000	4,490,000	-
Interest and fiscal charges	400,000	400,000	181,445	218,555
Total expenditures	1,735,000	4,890,000	4,671,445	218,555
Net change in fund balance	-	(3,155,000)	(3,036,835)	118,165
Fund balance - beginning of year	3,278,010	3,278,010	3,278,010	-
FUND BALANCE - END OF YEAR	<u>\$ 3,278,010</u>	<u>\$ 123,010</u>	<u>\$ 241,175</u>	<u>\$ 118,165</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, 2023

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 600,935	\$ 600,935
Total revenues	-	-	600,935	600,935
EXPENDITURES				
Conservation & Natural Resources	-	7,750,000	-	7,750,000
Judicial	550,000	882,618	776,993	105,625
Public safety and corrections	15,000,000	8,305,867	8,268,719	37,148
Culture and recreation	500,000	500,000	-	500,000
General administration	-	1,247,425	414,509	832,916
Capital outlay	3,000,000	7,418,434	2,804,200	4,614,234
Total expenditures	19,050,000	26,104,344	12,264,421	13,839,923
Deficiency of revenues under expenditures	(19,050,000)	(26,104,344)	(11,663,486)	14,440,858
OTHER FINANCING SOURCES (USES)				
Transfers in	17,000,000	25,350,000	31,605,000	6,255,000
Transfers out	(4,700,000)	(4,700,000)	-	4,700,000
Total other financing sources (uses)	12,300,000	20,650,000	31,605,000	10,955,000
Net change in fund balance	(6,750,000)	(5,454,344)	19,941,514	25,395,858
Fund balance - beginning of year	15,478,987	15,478,987	15,478,987	-
FUND BALANCE - END OF YEAR	\$ 8,728,987	\$ 10,024,643	\$ 35,420,501	\$ 25,395,858

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	Truancy Court
Law Library	Mental Health Deputies
County Clerk Records Management	Texas Vine Grant
Records Preservation	Crime Victim Services Grant
District Clerk Records Management	Donation SO Bulletproof Vest
Juvenile Probation Fees	Donation CIU Volunteer Support
Courthouse Security	Donation Teen Leadership Account
County Clerk Records Archive	Donation Constable 2
Road and Bridge Safety Program	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 Fund	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
Court Facility Fee Fund	Donation Gratitude Square
Pre-Trial Intervention Program	Library Grants
Election Contracts	Jury Service Fund
Unclaimed Juvenile Restitution	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 Fund Grant
Abandoned Motor Vehicles	Program
Rabies Control	Donation Downtown Library
District Court Records Technology	Juvenile Board Housing Revenue
County and District Court Technology	Commissary Fund
Justice Court Technology	TWDB Flood Infrastructure Grant
SWAT Donation	Detention Reimbursement
Donations SO Mounted Patrol	Judicial Education & Supp
Donations Constable 4 Bulletproof Vest	District Attorney- Federal Forfeiture
Donations Horseshoe	Justice Court Support
Donations Sheriff's Office	Language Access
Donation Constable 4	Clerk of the Court
Donations Agrilife	District Clerk County Rec Mgmt & Pres
Donations Impacts	County Clerk County Rec Mgmt & Pres
L.E.O.S.E. Funds	Donation – Warrants Department
District Attorney Victims of Crime	Donation – Law Library
District Attorney Drug Forfeiture	Donation-DIA BPV & Safety Equipment
Sheriff Abell Hanger	Emp Christmas Event Donation
Sheriff Local Drug Forfeiture	Opioid Settlement
Sheriff Federal Forfeiture	TSLAC Mobile Skills Lab
Indigent Defense Improvement Grant	Safe Streets and Roads
7th Administration Judicial Region	
High Intensity Drug Trafficking Area Grant	

Midland County, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2023

	District Attorney Hot Check	Law Library	County Clerk Records Management
ASSETS			
Cash	\$ -	\$ 49	\$ 13,090
Investments	112,784	91,089	2,220,844
Accounts receivable	-	-	-
Due from other funds	20	35,030	1,450
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 112,804	\$ 126,168	\$ 2,235,384
LIABILITIES			
Accounts payable	\$ -	\$ 4,636	\$ 2,715
Benefits payable	1,643	2,490	6,986
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Total liabilities	1,643	7,126	9,701
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	111,161	119,042	2,225,683
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	-
Donations	-	-	-
Total fund balances	111,161	119,042	2,225,683
TOTAL LIABILITIES AND FUND BALANCES	\$ 112,804	\$ 126,168	\$ 2,235,384

Records Preservation	District Clerk Records Management	Juvenile Probation Fees	Courthouse Security	County Clerk Records Archive	Road & Bridge Safety Program
\$ 10,941	\$ -	\$ 1	\$ 2	\$ 2	\$ 237
76,871	-	7,847	175,298	2,438,290	-
-	-	-	-	199,800	-
15	209,887	-	36,340	13,122	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 87,827	\$ 209,887	\$ 7,848	\$ 211,640	\$ 2,651,214	\$ 237
\$ -	\$ 5,700	\$ 15	\$ -	\$ -	\$ -
-	-	-	5,643	3,458	-
-	-	12	-	-	-
-	-	-	-	-	-
-	5,700	27	5,643	3,458	-
-	-	-	-	-	-
-	-	-	-	-	-
87,827	204,187	7,821	205,997	2,647,756	237
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
87,827	204,187	7,821	205,997	2,647,756	237
\$ 87,827	\$ 209,887	\$ 7,848	\$ 211,640	\$ 2,651,214	\$ 237

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	County Clerk Vital Statistics	Voter Registration Chapter 19	Employee Activity
ASSETS			
Cash	\$ 508	\$ 4,265	\$ -
Investments	190,016	-	37,390
Accounts receivable	-	-	966
Due from other funds	50	-	-
Due from other governmental agencies	-	283	-
Prepaid expenses	-	-	-
Inventory	-	-	-
	<u>190,574</u>	<u>4,548</u>	<u>38,356</u>
TOTAL ASSETS	\$ 190,574	\$ 4,548	\$ 38,356
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Benefits payable	46	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	4,548	-
	<u>46</u>	<u>4,548</u>	<u>-</u>
Total liabilities	46	4,548	-
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	190,528	-	-
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	38,356
Donations	-	-	-
	<u>190,528</u>	<u>-</u>	<u>38,356</u>
Total fund balances	190,528	-	38,356
TOTAL LIABILITIES AND FUND BALANCES	\$ 190,574	\$ 4,548	\$ 38,356

Dealer Inventory	Justice Court Building Security	Local Truancy Prevention Fund	County Attorney State Supplement	Truancy Prevention Fund	Juvenile Delinquency Prevention
\$ 1,491	\$ 63,267	\$ 3	\$ (1)	\$ 1	\$ -
26,022	-	-	-	-	-
-	-	-	-	-	-
1,674	6	49,931	171,378	67,303	195
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 29,187</u>	<u>\$ 63,273</u>	<u>\$ 49,934</u>	<u>\$ 171,377</u>	<u>\$ 67,304</u>	<u>\$ 195</u>
\$ -	\$ -	\$ -	\$ 1,154	\$ -	\$ -
313	-	2,356	1,990	-	-
-	-	-	-	-	-
-	-	-	-	-	-
313	-	2,356	3,144	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,874	63,273	47,578	168,233	67,304	195
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>28,874</u>	<u>63,273</u>	<u>47,578</u>	<u>168,233</u>	<u>67,304</u>	<u>195</u>
<u>\$ 29,187</u>	<u>\$ 63,273</u>	<u>\$ 49,934</u>	<u>\$ 171,377</u>	<u>\$ 67,304</u>	<u>\$ 195</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	Court Facility Fee Fund	Pre-Trial Intervention Program	Election Contracts
ASSETS			
Cash	\$ 1	\$ 1	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	127,221	487,479	115,305
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 127,222	\$ 487,480	\$ 115,305
LIABILITIES			
Accounts payable	\$ -	\$ 4,075	\$ -
Benefits payable	-	11,392	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Total liabilities	-	15,467	-
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	127,222	472,013	115,305
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	-
Donations	-	-	-
Total fund balances	127,222	472,013	115,305
TOTAL LIABILITIES AND FUND BALANCES	\$ 127,222	\$ 487,480	\$ 115,305

Unclaimed Juvenile Restitution	Scofflaw Implementation Fee	Child Abuse Prevention	Appellate Justice System	Guardianship
\$ 5,416	\$ 16,359	\$ 17,241	\$ 5,072	\$ 1
-	-	-	-	-
-	-	-	-	187,553
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,416</u>	<u>\$ 16,359</u>	<u>\$ 17,241</u>	<u>\$ 5,072</u>	<u>\$ 187,554</u>
\$ -	\$ -	\$ -	\$ 5,072	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	5,072	-
-	-	-	-	-
-	-	-	-	-
5,416	16,359	17,241	-	187,554
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,416</u>	<u>16,359</u>	<u>17,241</u>	<u>-</u>	<u>187,554</u>
<u>\$ 5,416</u>	<u>\$ 16,359</u>	<u>\$ 17,241</u>	<u>\$ 5,072</u>	<u>\$ 187,554</u>

Midland County, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	Abandoned Motor Vehicles	Rabies Control	District Court Records Technology
ASSETS			
Cash	\$ 38,223	\$ 1	\$ 1
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	65,680	98,228
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
	<u>38,223</u>	<u>65,681</u>	<u>98,229</u>
TOTAL ASSETS	\$ 38,223	\$ 65,681	\$ 98,229
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	-	-	-
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	38,223	65,681	98,229
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	-
Donations	-	-	-
	<u>38,223</u>	<u>65,681</u>	<u>98,229</u>
Total fund balances	38,223	65,681	98,229
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,223	\$ 65,681	\$ 98,229

County and District Court Technology	Justice Court Technology	SWAT Donation	Donations SO Mounted Patrol	Donations Const 4 Bullet Proof Vest	Donations Horseshoe
\$ 1	\$ 2	\$ 258	\$ 2	\$ 500	\$ 11,866
-	-	-	-	-	-
-	553	-	-	-	-
30,340	435,240	-	43,463	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 30,341</u>	<u>\$ 435,795</u>	<u>\$ 258</u>	<u>\$ 43,465</u>	<u>\$ 500</u>	<u>\$ 11,866</u>
\$ 701	\$ 924	\$ -	\$ 560	\$ -	\$ -
-	1,576	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
701	2,500	-	560	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,640	433,295	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	258	42,905	500	11,866
<u>29,640</u>	<u>433,295</u>	<u>258</u>	<u>42,905</u>	<u>500</u>	<u>11,866</u>
<u>\$ 30,341</u>	<u>\$ 435,795</u>	<u>\$ 258</u>	<u>\$ 43,465</u>	<u>\$ 500</u>	<u>\$ 11,866</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	Donations Sheriff's Office	Donations Constable 4	Donations AgriLife
ASSETS			
Cash	\$ -	\$ 131	\$ 50
Investments	-	-	-
Accounts receivable	-	350	-
Due from other funds	342,181	-	-
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 342,181	\$ 481	\$ 50
LIABILITIES			
Accounts payable	\$ 43,991	\$ -	\$ -
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Total liabilities	43,991	-	-
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	-
Donations	298,190	481	50
Total fund balances	298,190	481	50
TOTAL LIABILITIES AND FUND BALANCES	\$ 342,181	\$ 481	\$ 50

Donation Impacts	L.E.O.S.E. Funds	District Attorney Victims of Crime	District Attorney Drug Forfeiture	Sheriff Abell Hanger	Sheriff Local Drug Forfeiture
\$ 500	\$ 22,432	\$ -	\$ (1)	\$ -	\$ -
-	-	10,251	475,311	59	335,751
-	-	-	-	-	-
-	32,180	-	30,184	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 500</u>	<u>\$ 54,612</u>	<u>\$ 10,251</u>	<u>\$ 505,494</u>	<u>\$ 59</u>	<u>\$ 335,751</u>
\$ -	\$ -	\$ -	\$ 1,783	\$ -	\$ -
-	-	-	1,361	-	-
-	-	-	35	-	-
-	-	-	-	-	-
-	-	-	3,179	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	54,612	-	502,315	-	335,751
-	-	-	-	-	-
-	-	-	-	-	-
500	-	10,251	-	59	-
<u>500</u>	<u>54,612</u>	<u>10,251</u>	<u>502,315</u>	<u>59</u>	<u>335,751</u>
<u>\$ 500</u>	<u>\$ 54,612</u>	<u>\$ 10,251</u>	<u>\$ 505,494</u>	<u>\$ 59</u>	<u>\$ 335,751</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	Sheriff Federal Forfeiture	Indigent Defense Improvement Grant	7th Administration Judicial Region
ASSETS			
Cash	\$ -	\$ 6,033	\$ -
Investments	131,532	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	-	-	1
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 131,532	\$ 6,033	\$ 1
LIABILITIES			
Accounts payable	\$ 722	\$ -	\$ -
Benefits payable	-	-	1
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Total liabilities	722	-	1
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	130,810	-	-
Federal and state grants	-	6,033	-
Committed:			
Employee motivation	-	-	-
Donations	-	-	-
Total fund balances	130,810	6,033	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 131,532	\$ 6,033	\$ 1

High Intensity Drug Trafficking Area	Tuancy Court	Mental Health Deputies	Texas VINE Grant	Crime Victim Services Grant	Donation SO Bulletproof Vest
\$ 529	\$ 13,030	\$ 2,269	\$ 1	\$ 1	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
61,615	-	17,500	8,467	29	-
-	-	-	-	1,983	-
-	-	-	-	-	-
\$ 62,144	\$ 13,030	\$ 19,769	\$ 8,468	\$ 2,013	\$ -
\$ 3,940	\$ -	\$ -	\$ 2,164	\$ -	\$ -
11,806	-	17,183	-	-	-
46,398	-	2,586	6,304	2,013	-
-	-	-	-	-	-
62,144	-	19,769	8,468	2,013	-
-	-	-	-	1,983	-
-	-	-	-	-	-
-	13,030	-	-	-	-
-	-	-	-	(1,983)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	13,030	-	-	-	-
\$ 62,144	\$ 13,030	\$ 19,769	\$ 8,468	\$ 2,013	\$ -

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	Donation CIU Volunteer Support	Donation Teen Leadership Account	Donation Constable 2
ASSETS			
Cash	\$ 673	\$ 1,584	\$ 10
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 673	\$ 1,584	\$ 10
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	-
Donations	673	1,584	10
Total fund balances	673	1,584	10
TOTAL LIABILITIES AND FUND BALANCES	\$ 673	\$ 1,584	\$ 10

Title IV-E Federal Foster Care	Juvenile Probation State Grants	Justice Assistance Grants	Donation Cemetery Care	Donation Library	Donation Juvenile
\$ 127	\$ 2,595	\$ -	\$ 20,793	\$ 55,171	\$ 1
105,500	-	-	-	-	-
-	408	-	-	-	-
-	-	-	-	102,327	147
-	113,900	-	-	-	-
-	9,001	-	-	-	-
-	-	-	-	-	-
<u>\$ 105,627</u>	<u>\$ 125,904</u>	<u>\$ -</u>	<u>\$ 20,793</u>	<u>\$ 157,498</u>	<u>\$ 148</u>
\$ -	\$ 66,191	\$ -	\$ -	\$ -	\$ -
-	17,993	-	-	-	-
-	41,720	-	-	-	-
-	-	-	-	-	-
-	125,904	-	-	-	-
-	9,001	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
105,627	(9,001)	-	-	-	-
-	-	-	-	-	-
-	-	-	20,793	157,498	148
<u>105,627</u>	<u>-</u>	<u>-</u>	<u>20,793</u>	<u>157,498</u>	<u>148</u>
<u>\$ 105,627</u>	<u>\$ 125,904</u>	<u>\$ -</u>	<u>\$ 20,793</u>	<u>\$ 157,498</u>	<u>\$ 148</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	<u>Donation Dare Program</u>	<u>District Attorney Bomb Dog</u>	<u>OOG Justice Assistant Grant</u>
ASSETS			
Cash	\$ 23,903	\$ -	\$ (2)
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	10,881	-
Due from other governmental agencies	-	-	14,390
Prepaid expenses	-	-	-
Inventory	-	-	-
	<u>\$ 23,903</u>	<u>\$ 10,881</u>	<u>\$ 14,388</u>
TOTAL ASSETS			
	<u>\$ 23,903</u>	<u>\$ 10,881</u>	<u>\$ 14,388</u>
LIABILITIES			
Accounts payable	\$ -	\$ 124	\$ -
Benefits payable	-	-	2,495
Due to other funds	-	-	11,893
Due to other governmental agencies	-	-	-
	<u>-</u>	<u>124</u>	<u>14,388</u>
Total liabilities	-	124	14,388
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	-
Donations	23,903	10,757	-
	<u>23,903</u>	<u>10,757</u>	<u>-</u>
Total fund balances	23,903	10,757	-
TOTAL LIABILITIES AND FUND BALANCES			
	<u>\$ 23,903</u>	<u>\$ 10,881</u>	<u>\$ 14,388</u>

Donation K-9 Unit	Donation Gratitude Square	Library Grants	Jury Service Fund	Donation - SO Detention	Donation-CIU Victim Assistance
\$ 27,236	\$ -	\$ -	\$ 48,395	\$ 68	\$ 2,057
-	-	-	-	-	-
-	1,400	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 27,236</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 48,395</u>	<u>\$ 68</u>	<u>\$ 2,057</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	48,395	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,236	1,400	-	-	68	2,057
<u>27,236</u>	<u>1,400</u>	<u>-</u>	<u>48,395</u>	<u>68</u>	<u>2,057</u>
<u>\$ 27,236</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 48,395</u>	<u>\$ 68</u>	<u>\$ 2,057</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	Donation - Warrants Bulletproof	Donation - SO Civil & Warrants	County Transportation Infrastructure Fund Grant Program
ASSETS			
Cash	\$ 61	\$ -	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	140	-
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 61	\$ 140	\$ -
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	-
Donations	61	140	-
Total fund balances	61	140	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 61	\$ 140	\$ -

Donation - Downtown Library	Juvenile Board Housing Revenue	Commissary Fund	TWDB Flood Infrastructure Grant	Detention Reimbursement	Judicial Education & Supp Fund
\$ 5,000	\$ (1)	\$ 1,182,976	\$ 1	\$ -	\$ 6,095
-	-	-	-	-	-
-	-	64,591	-	-	-
-	122,980	-	207,050	85,811	-
-	840	1,735	76,051	39,168	-
-	-	-	-	-	-
-	-	83,294	-	-	-
<u>\$ 5,000</u>	<u>\$ 123,819</u>	<u>\$ 1,332,596</u>	<u>\$ 283,102</u>	<u>\$ 124,979</u>	<u>\$ 6,095</u>
\$ -	\$ 2,260.00	\$ 10,763.00	\$ 132,462.00	\$ -	\$ -
-	-	9,629	-	-	-
-	-	-	-	-	-
-	-	1,736	-	-	-
-	2,260	22,128	132,462	-	-
-	-	-	-	-	-
-	-	83,294	-	-	-
-	-	1,227,174	-	-	6,095
-	121,559	-	150,640	124,979	-
-	-	-	-	-	-
5,000	-	-	-	-	-
<u>5,000</u>	<u>121,559</u>	<u>1,310,468</u>	<u>150,640</u>	<u>124,979</u>	<u>6,095</u>
<u>\$ 5,000</u>	<u>\$ 123,819</u>	<u>\$ 1,332,596</u>	<u>\$ 283,102</u>	<u>\$ 124,979</u>	<u>\$ 6,095</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	District Attny - Fed Forfeiture	Justice Court Support Fund	Language Access Fund
ASSETS			
Cash	\$ 2,332	\$ 1	\$ 37,916
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	103,223	-
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
TOTAL ASSETS	\$ 2,332	\$ 103,224	\$ 37,916
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	2,332	103,224	37,916
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	-
Donations	-	-	-
Total fund balances	2,332	103,224	37,916
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,332	\$ 103,224	\$ 37,916

Clerk of the Court Fund	Dist Clk County Rec Mgmt & Pres	Co Clk County Rec Mgmt & Pres	Donation - Warrants Department	Donation - Law Library	Donation-DIA BPV & Safety Equipment
\$ 1	\$ 1	\$ 28,969	\$ -	\$ 500	\$ 57,878
-	-	-	-	-	-
-	-	-	-	-	-
211,482	162,148	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 211,483</u>	<u>\$ 162,149</u>	<u>\$ 28,969</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 57,878</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,765
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	26,765
-	-	-	-	-	-
-	-	-	-	-	-
211,483	162,149	28,969	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	500	31,113
<u>211,483</u>	<u>162,149</u>	<u>28,969</u>	<u>-</u>	<u>500</u>	<u>31,113</u>
<u>\$ 211,483</u>	<u>\$ 162,149</u>	<u>\$ 28,969</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 57,878</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Balance Sheet – Continued
 September 30, 2023

	Emp Christmas Event Donation	Opioid Settlement	TSLAC Mobile Skills Lab
ASSETS			
Cash	\$ 18,814	\$ -	\$ 1
Investments	-	89,500	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	-	-	44,355
Prepaid expenses	-	-	-
Inventory	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 18,814	\$ 89,500	\$ 44,356
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 438
Benefits payable	-	-	-
Due to other funds	-	-	43,918
Due to other governmental agencies	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	44,356
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Nonspendable:			
Prepays	-	-	-
Inventories	-	-	-
Restricted:			
Legislation	-	89,500	-
Federal and state grants	-	-	-
Committed:			
Employee motivation	-	-	-
Donations	18,814	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	18,814	89,500	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,814	\$ 89,500	\$ 44,356
	<hr/>	<hr/>	<hr/>

Safe Streets and Roads	Totals
\$ 5,457	\$ 1,762,389
-	6,524,355
-	266,668
-	3,589,044
21,830	400,164
-	10,984
-	83,294
<hr/>	<hr/>
\$ 27,287	\$ 12,636,898
<hr/>	<hr/>
\$ 27,287	\$ 344,442
-	98,361
-	154,879
-	6,284
<hr/>	<hr/>
27,287	603,966
-	10,984
-	83,294
-	10,735,629
-	497,854
-	38,356
-	666,815
<hr/>	<hr/>
-	12,032,932
<hr/>	<hr/>
\$ 27,287	\$ 12,636,898
<hr/>	<hr/>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 For the Fiscal Year Ended September 30, 2023

	District Attorney Hot Check	Law Library	County Clerk Records Management
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	22,500	-	-
Charges for services	6,295	138,614	315,887
Investment earnings	273	235	96,035
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	29,068	138,849	411,922
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	32,377	137,334	252,146
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt Service:			
Interest and other charges	-	119	33
	<hr/>	<hr/>	<hr/>
Total expenditures	32,377	137,453	252,179
Excess (deficiency) of revenues over (under) expenditures	(3,309)	1,396	159,743
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
Net change in fund balances	(3,309)	1,396	159,743
Fund balances - beginning of year	114,470	117,646	2,065,940
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	\$ 111,161	\$ 119,042	\$ 2,225,683

<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>Road & Bridge Safety Program</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
42,788	1,570	8,370	166,432	307,360	-
2,801	-	28	5,762	112,765	-
-	-	-	-	38,702	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
45,589	1,570	8,398	172,194	458,827	-
-	-	-	-	-	-
20,454	10,656	-	-	492,466	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	19,278	121,908	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
20,454	10,656	19,278	121,908	492,466	-
-	-	-	-	-	-
25,135	(9,086)	(10,880)	50,286	(33,639)	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	-
25,135	(9,086)	(10,880)	50,286	(33,639)	-
62,692	213,273	18,701	155,711	2,681,395	237
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 87,827	\$ 204,187	\$ 7,821	\$ 205,997	\$ 2,647,756	\$ 237

Midland County, Texas

Nonmajor Governmental Funds

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

For the Fiscal Year Ended September 30, 2023

	County Clerk Vital Statistics	Voter Registration Chapter 19	Employee Activity
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	9,360	-
Charges for services	13,396	-	12,784
Investment earnings	8,502	-	113
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	21,898	9,360	12,897
EXPENDITURES			
Current:			
General administration	-	-	1,796
Judicial	958	-	-
Financial administration	-	-	-
Elections	-	9,360	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt Service:			
Interest and other charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	958	9,360	1,796
Excess (deficiency) of revenues over (under) expenditures	20,940	-	11,101
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
Net change in fund balances	20,940	-	11,101
Fund balances - beginning of year	169,588	-	27,255
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	\$ 190,528	\$ -	\$ 38,356

<u>Dealer Inventory</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	168,000	-	-
-	13,361	55,214	-	671	-
14,065	-	-	-	-	-
-	-	-	-	-	-
<u>14,065</u>	<u>13,361</u>	<u>55,214</u>	<u>168,000</u>	<u>671</u>	<u>-</u>
-	-	-	-	-	-
-	-	52,151	65,346	-	-
10,549	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,549</u>	<u>-</u>	<u>52,151</u>	<u>65,346</u>	<u>-</u>	<u>-</u>
3,516	13,361	3,063	102,654	671	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,516</u>	<u>13,361</u>	<u>3,063</u>	<u>102,654</u>	<u>671</u>	<u>-</u>
<u>25,358</u>	<u>49,912</u>	<u>44,515</u>	<u>65,579</u>	<u>66,633</u>	<u>195</u>
<u>\$ 28,874</u>	<u>\$ 63,273</u>	<u>\$ 47,578</u>	<u>\$ 168,233</u>	<u>\$ 67,304</u>	<u>\$ 195</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, 2023

	Court Facility Fee Fund	Pre-Trial Intervention Program	Election Contracts
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	76,421	307,959	53,103
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	76,421	307,959	53,103
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	-	277,330	-
Financial administration	-	-	-
Elections	-	-	48,273
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt Service:			
Interest and other charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	277,330	48,273
Excess (deficiency) of revenues over (under) expenditures	76,421	30,629	4,830
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
Net change in fund balances	76,421	30,629	4,830
Fund balances - beginning of year	50,801	441,384	110,475
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	\$ 127,222	\$ 472,013	\$ 115,305

<u>Unclaimed Juvenile Restitution</u>	<u>Scofflaw Implementation Fee</u>	<u>Child Abuse Prevention</u>	<u>Appellate Justice System</u>	<u>Guardianship</u>
\$ -	\$ 40	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	584	-	20,750
-	-	-	-	-
-	-	-	-	-
-	40	584	-	20,750
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	40	584	-	20,750
-	-	-	-	-
-	-	-	-	-
-	40	584	-	20,750
5,416	16,319	16,657	-	166,804
<u>\$ 5,416</u>	<u>\$ 16,359</u>	<u>\$ 17,241</u>	<u>\$ -</u>	<u>\$ 187,554</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, 2023

	<u>Abandoned Motor Vehicles</u>	<u>Rabies Control</u>	<u>District Court Records Technology</u>
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	26,190	-	1,177
Investment earnings	188	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	26,378	-	1,177
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	545	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt Service:			
Interest and other charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	545	-	-
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	25,833	-	1,177
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	25,833	-	1,177
Fund balances - beginning of year	12,390	65,681	97,052
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	<u>\$ 38,223</u>	<u>\$ 65,681</u>	<u>\$ 98,229</u>

<u>County and District Court Technology</u>	<u>Justice Court Technology</u>	<u>SWAT Donation</u>	<u>Donations SO Mounted Patrol</u>	<u>Donations Const 4 Bullet Proof Vest</u>	<u>Donations Horseshoe</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
7,409	44,197	-	-	-	-
-	-	-	-	-	-
-	-	2,000	6,250	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
7,409	44,197	2,000	6,250	-	-
-	-	-	-	-	-
-	36,280	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,774	5,670	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	36,280	1,774	5,670	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
7,409	7,917	226	580	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
7,409	7,917	226	580	-	-
22,231	425,378	32	42,325	500	11,866
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 29,640	\$ 433,295	\$ 258	\$ 42,905	\$ 500	\$ 11,866

Midland County, Texas

Nonmajor Governmental Funds

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

For the Fiscal Year Ended September 30, 2023

	Donations Sheriff's Office	Donations Constable 4	Donations AgriLife
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment earnings	-	-	-
Other revenue	317,163	-	-
Total revenues	317,163	-	-
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	177,914	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	90,050	-	-
Debt Service:			
Interest and other charges	-	-	-
Total expenditures	267,964	-	-
Excess (deficiency) of revenues over (under) expenditures	49,199	-	-
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	49,199	-	-
Fund balances - beginning of year	248,991	481	50
FUND BALANCES - END OF YEAR	\$ 298,190	\$ 481	\$ 50

<u>Donation Impacts</u>	<u>L.E.O.S.E. Funds</u>	<u>District Attorney Victims of Crime</u>	<u>District Attorney Drug Forfeiture</u>	<u>Sheriff Abell Hanger</u>	<u>Sheriff Local Drug Forfeiture</u>
\$ -	\$ -	\$ -	\$ 111,500	\$ -	\$ 21,500
-	12,898	-	-	-	-
-	-	-	-	-	-
-	-	24	18,987	-	14,502
-	-	-	-	-	-
-	12,898	24	130,487	-	36,002
-	-	-	-	-	-
-	-	-	42,727	-	-
-	-	-	-	-	-
-	6,519	-	-	90	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,519	-	42,727	90	-
-	6,379	24	87,760	(90)	36,002
-	-	-	-	-	-
-	-	-	-	-	-
-	6,379	24	87,760	(90)	36,002
500	48,233	10,227	414,555	149	299,749
<u>\$ 500</u>	<u>\$ 54,612</u>	<u>\$ 10,251</u>	<u>\$ 502,315</u>	<u>\$ 59</u>	<u>\$ 335,751</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, 2023

	Sheriff Federal Forfeiture	Indigent Defense Improvement Grant	7th Administration Judicial Region
REVENUES			
Fines and forfeitures	\$ 17,372	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment earnings	7,398	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	24,770	-	-
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	29,455	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	13,247	-	-
Debt Service:			
Interest and other charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	42,702	-	-
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(17,932)	-	-
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(17,932)	-	-
Fund balances - beginning of year	148,742	6,033	-
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	<u>\$ 130,810</u>	<u>\$ 6,033</u>	<u>\$ -</u>

High Intensity Drug Trafficking Area	Tuancy Court	Mental Health Deputies	Texas VINE Grant	Crime Victim Services Grant	Donation SO Bulletproof Vest
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
325,730	-	70,000	25,276	-	-
-	3,037	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
325,730	3,037	70,000	25,276	-	-
-	-	-	-	-	-
-	(399)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
325,730	-	580,437	25,276	-	13,469
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
325,730	(399)	580,437	25,276	-	13,469
-	3,436	(510,437)	-	-	(13,469)
-	-	510,275	-	-	-
-	-	510,275	-	-	-
-	3,436	(162)	-	-	(13,469)
-	9,594	162	-	-	13,469
<u>\$ -</u>	<u>\$ 13,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Midland County, Texas

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance - Continued
 For the Fiscal Year Ended September 30, 2023

	Donation CIU Volunteer Support	Donation Teen Leadership Account	Donation Constable 2
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment earnings	-	-	-
Other revenue	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	1,353	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt Service:			
Interest and other charges	-	-	-
Total expenditures	1,353	-	-
Excess (deficiency) of revenues over (under) expenditures	(1,353)	-	-
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(1,353)	-	-
Fund balances - beginning of year	2,026	1,584	10
FUND BALANCES - END OF YEAR	\$ 673	\$ 1,584	\$ 10

Title IV-E Federal Foster Care	Juvenile Probation State Grants	Justice Assistance Grants	Donation Cemetery Care	Donation Library	Donation Juvenile
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,127,138	9,829	-	-	-
-	-	-	-	-	-
4,828	-	-	-	-	-
-	-	-	20,000	4,189	-
4,828	1,127,138	9,829	20,000	4,189	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(235)	1,127,138	9,829	-	-	-
-	-	-	-	-	-
-	-	-	-	14	-
40,548	-	-	-	-	-
-	-	-	-	-	-
40,313	1,127,138	9,829	-	14	-
(35,485)	-	-	20,000	4,175	-
-	-	-	-	-	-
-	-	-	-	-	-
(35,485)	-	-	20,000	4,175	-
141,112	-	-	793	153,323	148
<u>\$ 105,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,793</u>	<u>\$ 157,498</u>	<u>\$ 148</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, 2023

	<u>Donation Dare Program</u>	<u>District Attorney Bomb Dog</u>	<u>OOG Justice Assistant Grant</u>
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	49,532
Charges for services	-	-	-
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	-	49,532
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	-	1,154	49,532
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt Service:			
Interest and other charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	1,154	49,532
Excess (deficiency) of revenues over (under) expenditures	-	(1,154)	-
OTHER FINANCING SOURCES			
Operating transfers in	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
Net change in fund balances	-	(1,154)	-
Fund balances - beginning of year	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	<u>\$ 23,903</u>	<u>\$ 10,757</u>	<u>\$ -</u>

<u>Donation K-9 Unit</u>	<u>Donation Gratitude Square</u>	<u>Library Grants</u>	<u>Jury Service Fund</u>	<u>Donation - SO Detention</u>	<u>Donation-CIU Victim Assistance</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	6,500	-	-	-
-	-	-	18,302	-	-
-	-	-	-	-	-
-	-	-	-	-	2,248
-	-	6,500	18,302	-	2,248
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,000	-	-	-	-	482
-	-	-	-	-	-
-	-	6,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,000	-	6,500	-	-	482
(19,000)	-	-	18,302	-	1,766
-	-	-	-	-	-
-	-	-	-	-	-
(19,000)	-	-	18,302	-	1,766
46,236	1,400	-	30,093	68	291
<u>\$ 27,236</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 48,395</u>	<u>\$ 68</u>	<u>\$ 2,057</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, 2023

	<u>Donation - Warrants Bulletproof</u>	<u>Donation - SO Civil & Warrants</u>	<u>County Transportation Infrastructure Fund Grant Program</u>
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	3,906,111
Charges for services	-	-	-
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	-	3,906,111
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	4,882,638
Debt Service:			
Interest and other charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	4,882,638
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	-	(976,527)
OTHER FINANCING SOURCES			
Operating transfers in	-	-	976,527
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	976,527
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	-
Fund balances - beginning of year	61	140	-
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	<u>\$ 61</u>	<u>\$ 140</u>	<u>\$ -</u>

<u>Donation - Downtown Library</u>	<u>Juvenile Board Housing Revenue</u>	<u>Commissary Fund</u>	<u>TWDB Flood Infrastructure Grant</u>	<u>Detention Reimbursement</u>	<u>Judicial Education & Supp Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	28,940	-	134,709	124,979	-
-	-	820,957	-	-	3,335
-	-	7,408	-	-	-
-	-	207	-	-	-
-	28,940	828,572	134,709	124,979	3,335
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	44,142	650,099	-	-	-
-	-	-	-	-	-
-	-	-	269,417	-	-
-	-	-	-	-	-
-	-	86	-	-	-
-	44,142	650,185	269,417	-	-
-	(15,202)	178,387	(134,708)	124,979	3,335
-	-	-	-	-	-
-	-	-	-	-	-
-	(15,202)	178,387	(134,708)	124,979	3,335
5,000	136,761	1,132,081	285,348	-	2,760
<u>\$ 5,000</u>	<u>\$ 121,559</u>	<u>\$ 1,310,468</u>	<u>\$ 150,640</u>	<u>\$ 124,979</u>	<u>\$ 6,095</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, 2023

	<u>District Attny - Fed Forfeiture</u>	<u>Justice Court Support Fund</u>	<u>Language Access Fund</u>
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	45,713	23,395
Investment earnings	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	45,713	23,395
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt Service:			
Interest and other charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	45,713	23,395
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	45,713	23,395
Fund balances - beginning of year	2,332	57,511	14,521
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	<u>\$ 2,332</u>	<u>\$ 103,224</u>	<u>\$ 37,916</u>

<u>Clerk of the Court Fund</u>	<u>Dist Clk County Rec Mgmt & Pres</u>	<u>Co Clk County Rec Mgmt & Pres</u>	<u>Donation - Warrants Department</u>	<u>Donation - Law Library</u>	<u>Donation-DIA BPV& Safety Equipment</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
85,276	99,961	16,179	-	-	-
-	-	-	-	-	-
-	-	-	-	-	63,221
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
85,276	99,961	16,179	-	-	63,221
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,342	-	32,108
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	10,342	-	32,108
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
85,276	99,961	16,179	(10,342)	-	31,113
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
85,276	99,961	16,179	(10,342)	-	31,113
126,207	62,188	12,790	10,342	500	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 211,483	\$ 162,149	\$ 28,969	\$ -	\$ 500	\$ 31,113

Midland County, Texas

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance - Continued
 For the Fiscal Year Ended September 30, 2023

	<u>Emp Christmas Event Donation</u>	<u>Opioid Settlement</u>	<u>TSLAC Mobile Skills Lab</u>
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	87,875	44,355
Charges for services	-	-	-
Investment earnings	-	1,625	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	89,500	44,355
EXPENDITURES			
Current:			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	44,355
Capital outlay	-	-	-
Debt Service:			
Interest and other charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	44,355
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	89,500	-
OTHER FINANCING SOURCES			
Operating transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	89,500	-
	<hr/>	<hr/>	<hr/>
Fund balances - beginning of year	18,814	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	<u>\$ 18,814</u>	<u>\$ 89,500</u>	<u>\$ -</u>

Safe Streets and Roads	Totals
\$ -	\$ 150,412
21,830	6,175,562
-	2,736,687
-	295,539
-	453,980
21,830	9,812,180
-	1,796
-	1,470,512
-	10,549
-	57,633
-	3,202,323
27,287	27,287
-	320,286
-	5,026,483
-	238
27,287	10,117,107
(5,457)	(304,927)
5,457	1,492,259
5,457	1,492,259
-	1,187,332
-	10,845,600
\$ -	\$ 12,032,932

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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, 2023

	<u>Risk Management</u>	<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and equivalents	\$ 927	\$ 1	\$ -	\$ 928
Investments	6,076,673	2,272,243	-	8,348,916
Accounts receivable	76,242	288,192	5,344	369,778
Due from other funds	51,410	522,219	679,971	1,253,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	6,205,252	3,082,655	685,315	9,973,222
Noncurrent assets:				
Other assets	136,175	-	26,662	162,837
	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent assets	136,175	-	26,662	162,837
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	6,341,427	3,082,655	711,977	10,136,059
LIABILITIES				
Accounts payable	285,514	57,988	168,024	511,526
Accrued liabilities	-	1,287,358	-	1,287,358
Unearned revenue	-	50,435	-	50,435
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	285,514	1,395,781	168,024	1,849,319
NET POSITION				
Unrestricted	6,055,913	1,686,874	543,953	8,286,740
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 6,055,913</u>	<u>\$ 1,686,874</u>	<u>\$ 543,953</u>	<u>\$ 8,286,740</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, 2023

	Risk Management	Health Care	Fleet Maintenance	Totals
OPERATING REVENUES				
Charges for services	\$ 2,306,008	\$ 10,764,229	\$ 762,432	\$ 13,832,669
Total operating revenues	2,306,008	10,764,229	762,432	13,832,669
OPERATING EXPENSES				
Fleet maintenance	19,979	-	1,070,755	1,090,734
Claims expense	664,215	10,074,943	-	10,739,158
Administration costs	89,169	926,102	13,178	1,028,449
Premium cost	2,020,595	1,119,712	-	3,140,307
Capital Outlay	92,077	-	70,819	162,896
Total operating expenses	2,886,035	12,120,757	1,154,752	16,161,544
Operating loss	(580,027)	(1,356,528)	(392,320)	(2,328,875)
NONOPERATING REVENUES				
Investment earnings	248,981	51,388	-	300,369
Miscellaneous income	57,632	3,400	-	61,032
Total nonoperating revenues	306,613	54,788	-	361,401
Loss before transfers	(273,414)	(1,301,740)	(392,320)	(1,967,474)
Transfers in	-	2,100,000	581,434	2,681,434
Total transfers	-	2,100,000	581,434	2,681,434
Change in net position	(273,414)	798,260	189,114	713,960
Net position - beginning of year	6,329,327	888,614	354,839	7,572,780
NET POSITION - END OF YEAR	\$ 6,055,913	\$ 1,686,874	\$ 543,953	\$ 8,286,740

Midland County, Texas
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2023

	<u>Risk Management</u>	<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from charges for services	\$ 4,783,048	\$ 10,652,995	\$ 757,088	\$ 16,193,131
Cash paid for services	<u>(3,217,654)</u>	<u>(12,749,625)</u>	<u>(1,778,798)</u>	<u>(17,746,077)</u>
Net cash provided by (used in) operating activities	1,565,394	(2,096,630)	(1,021,710)	(1,552,946)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	<u>-</u>	<u>2,100,000</u>	<u>581,434</u>	<u>2,681,434</u>
Net cash provided by noncapital financing activities	-	2,100,000	581,434	2,681,434
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(1,872,000)	(1,764,998)	-	(3,636,998)
Investment earnings received	248,981	51,388	-	300,369
Miscellaneous income received	<u>57,632</u>	<u>3,400</u>	<u>-</u>	<u>61,032</u>
Net cash provided by (used in) investing activities	<u>(1,565,387)</u>	<u>(1,710,210)</u>	<u>-</u>	<u>(3,275,597)</u>
Net change in cash	7	(1,706,840)	(440,276)	(2,147,109)
Cash and cash equivalents, beginning of year	<u>920</u>	<u>1,706,841</u>	<u>440,276</u>	<u>2,148,037</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 927</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 928</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES				
Operating loss	\$ (580,027)	\$ (1,356,528)	\$ (392,320)	\$ (2,328,875)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Accounts receivable	2,477,040	(111,234)	(5,344)	2,360,462
Due from other funds	(51,410)	(522,219)	(679,971)	(1,253,600)
Prepaid assets	(136,175)	-	-	(136,175)
Accounts payable	227,128	19,539	55,925	302,592
Accrued liabilities	-	(145,340)	-	(145,340)
Deferred revenue	-	19,152	-	19,152
Due to other funds	<u>(371,162)</u>	<u>-</u>	<u>-</u>	<u>(371,162)</u>
Total adjustments	<u>2,145,421</u>	<u>(740,102)</u>	<u>(629,390)</u>	<u>775,929</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 1,565,394</u>	<u>\$ (2,096,630)</u>	<u>\$ (1,021,710)</u>	<u>\$ (1,552,946)</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 2
Constable Precinct 3
Constable Precinct 4
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
Library

Midland County, Texas

Fiduciary Funds – Investment Trust Funds
 Combining Statement of Fiduciary Net Position
 September 30, 2023

	Investment Trust Fund District Clerk	Investment Trust Fund County Clerk	Totals
ASSETS			
Cash and cash equivalents	\$ 4,035,245	\$ 1,173,135	\$ 5,208,380
Investments held in trust	1,975,555	102,893	2,078,448
Total assets	6,010,800	1,276,028	7,286,828
LIABILITIES			
Due to other funds	578	-	578
Total liabilities	578	-	578
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	6,010,222	1,276,028	7,286,250
TOTAL NET POSITION	\$ 6,010,222	\$ 1,276,028	\$ 7,286,250

Midland County, Texas

Fiduciary Funds – Investment Trust Funds

Combining Statement of Changes in

Fiduciary Net Position

For the Fiscal Year Ended September 30, 2023

	Investment Trust Fund District Clerk	Investment Trust Fund County Clerk	Totals
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Held for others	\$ 4,600,646	\$ 562,197	\$ 5,162,843
	<u> </u>	<u> </u>	<u> </u>
Total additions	4,600,646	562,197	5,162,843
DEDUCTIONS			
Payments to individuals	3,898,504	303,911	4,202,415
	<u> </u>	<u> </u>	<u> </u>
Total deductions	3,898,504	303,911	4,202,415
	<u> </u>	<u> </u>	<u> </u>
Net increase in fiduciary net position	702,142	258,286	960,428
	<u> </u>	<u> </u>	<u> </u>
Net position - beginning of year	5,308,080	1,017,742	6,325,822
	<u> </u>	<u> </u>	<u> </u>
NET POSITION - END OF YEAR	<u>\$ 6,010,222</u>	<u>\$ 1,276,028</u>	<u>\$ 7,286,250</u>

Midland County, Texas

Fiduciary Funds – Custodial Funds

Combining Statement of Fiduciary Net Position

September 30, 2023

	District Clerk	County Clerk	District Attorney	Sheriff's Office
ASSETS				
Cash and cash equivalents	\$ 631,578	\$ 1,782,630	\$ 14,178	\$ 655,632
Investments held in trust	-	-	-	-
Accounts receivable	6,362	10,851	-	-
Due from other funds	80	3,009	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	638,020	1,796,490	14,178	655,632
LIABILITIES				
Accounts payable	426	13,004	-	-
Due to other funds	24,395	35,650	-	4,378
Due to other governmental agencies	-	2,224	-	-
Other liabilities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	24,821	50,878	-	4,378
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	613,199	1,745,612	14,178	651,254
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 613,199</u>	<u>\$ 1,745,612</u>	<u>\$ 14,178</u>	<u>\$ 651,254</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 2	Constable Precinct 3	Constable Precinct 4
\$ 33,939	\$ 32,954	\$ 9,952	\$ 22,544	\$ 1,477	\$ 3,071,902	\$ 205	\$ 302	\$ 101
-	-	-	-	-	-	-	-	-
7,284	5,584	4,225	4,085	467	376,507	-	-	-
-	-	-	-	-	353,533	-	-	-
41,223	38,538	14,177	26,629	1,944	3,801,942	205	302	101
105	725	180	141	319	15,823	205	302	101
33,360	31,628	10,144	18,046	-	821,032	-	-	-
1,555	5,584	1,544	4,085	-	1,203,664	-	-	-
-	-	-	-	-	-	-	-	-
35,020	37,937	11,868	22,272	319	2,040,519	205	302	101
6,203	601	2,309	4,357	1,625	1,761,423	-	-	-
<u>\$ 6,203</u>	<u>\$ 601</u>	<u>\$ 2,309</u>	<u>\$ 4,357</u>	<u>\$ 1,625</u>	<u>\$ 1,761,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Midland County, Texas

Fiduciary Funds – Custodial Funds

Combining Statement of Fiduciary Net Position - Continued

September 30, 2023

	Unclaimed Property Fund	Bail Security Fund	CS&CD Basic Supervision	CS&CD Midland Outpatient Treatment Center
ASSETS				
Cash and cash equivalents	\$ -	67,418	\$ 1,082,345	\$ 36,695
Investments held in trust	54,451	-	-	-
Accounts receivable	-	-	891	4,440
Due from other funds	-	183,744	32,401	4,905
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	54,451	251,162	1,115,637	46,040
LIABILITIES				
Accounts payable	-	-	24,307	402
Due to other funds	-	-	-	-
Due to other governmental agencies	-	-	-	-
Other liabilities	-	-	128,704	19,317
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	153,011	19,719
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	54,451	251,162	962,626	26,321
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	\$ 54,451	\$ 251,162	\$ 962,626	\$ 26,321

Sex Offender Caseload	DWI Repeat Offender Caseload	Drug Court	CS&CD DWI Court	CS&CD Transitional Treatment Court	Library	Totals
\$ 32,460	\$ 41,682	\$ 28,881	\$ 11,786	\$ 6,028	\$ 1,225	\$ 7,565,914
-	-	-	-	-	455	54,906
2,264	2,788	1,733	1,227	895	-	420,696
34,724	44,470	30,614	13,013	6,923	1,680	586,579
605	853	134	219	67	-	8,628,095
-	-	-	-	-	1,680	57,918
-	-	2,927	1,388	1,437	-	980,313
8,961	11,085	6,893	4,869	3,560	-	1,224,408
9,566	11,938	9,954	6,476	5,064	1,680	183,389
25,158	32,532	20,660	6,537	1,859	-	2,446,028
\$ 25,158	\$ 32,532	\$ 20,660	\$ 6,537	\$ 1,859	\$ -	\$ 6,182,067

Midland County, Texas

Fiduciary Funds – Custodial Funds

Combining Statement Changes in

Fiduciary Net Position

For the Fiscal Year Ended September 30, 2023

	District Clerk	County Clerk	District Attorney	Sheriff's Office
ADDITIONS				
Fees for other governments	\$ 31,814	\$ -	\$ -	\$ 495,716
Grant contributions	-	-	-	-
Held for others	806,220	774,189	218,666	3,624,867
Other income	-	-	-	-
Interest income	-	-	-	-
Total additions	838,034	774,189	218,666	4,120,583
DEDUCTIONS				
Administrative expenses	-	-	-	-
Payments to other governments	31,814	-	-	996,104
Payments to individuals	461,370	712,283	217,954	3,081,485
Total deductions	493,184	712,283	217,954	4,077,589
Net increase (decrease) in fiduciary net position	344,850	61,906	712	42,994
Net position - beginning of year	268,349	1,683,706	13,466	608,260
NET POSITION - END OF YEAR	\$ 613,199	\$ 1,745,612	\$ 14,178	\$ 651,254

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 2	Constable Precinct 3	Constable Precinct 4
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,278	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
4,104	9,147	5,322	10,024	21,396	291,196	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,104	9,147	5,322	10,024	21,396	3,291,474	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,958,423	-	-	-
2,072	9,428	3,752	9,724	25,482	305,036	-	-	-
2,072	9,428	3,752	9,724	25,482	3,263,459	-	-	-
2,032	(281)	1,570	300	(4,086)	28,015	-	-	-
4,171	882	739	4,057	5,711	1,733,408	-	-	-
\$ 6,203	\$ 601	\$ 2,309	\$ 4,357	\$ 1,625	\$ 1,761,423	\$ -	\$ -	\$ -

Midland County, Texas

Fiduciary Funds – Custodial Funds
 Combining Statement of Changes in
 Fiduciary Net Position - Continued
 For the Fiscal Year Ended September 30, 2023

	Unclaimed Property Fund	Bail Security Fund	CS&CD Basic Supervision	CS&CD Midland Outpatient Treatment Center
ADDITIONS				
Fees for other governments	\$ -	\$ -	\$ -	\$ -
Grant contributions	-	-	910,345	333,434
Held for others	7,178	54,200	-	-
Other income	-	-	233,716	-
Interest income	-	-	8,068	-
Total additions	7,178	54,200	1,152,129	333,434
DEDUCTIONS				
Administrative expenses	-	-	1,011,307	341,104
Payments to other governments	-	-	-	-
Payments to individuals	-	-	-	-
Total deductions	-	-	1,011,307	341,104
Net increase (decrease) in fiduciary net position	7,178	54,200	140,822	(7,670)
Net position - beginning of year	47,273	196,962	821,804	33,991
NET POSITION - END OF YEAR	\$ 54,451	\$ 251,162	\$ 962,626	\$ 26,321

<u>Sex Offender Caseload</u>	<u>DWI Repeat Offender Caseload</u>	<u>Drug Court</u>	<u>CS&CD DWI Court</u>	<u>CS&CD Transitional Treatment Court</u>	<u>Library</u>	<u>Totals</u>
\$ -	\$ 8,208	\$ -	\$ -	\$ -	\$ -	\$ 3,536,016
158,108	205,074	190,927	86,877	68,305	-	1,953,070
-	-	-	-	-	-	5,826,509
-	-	-	-	-	-	233,716
-	-	-	-	-	-	8,068
158,108	213,282	190,927	86,877	68,305	-	11,557,379
158,660	218,841	189,075	89,060	68,463	-	2,076,510
-	-	-	-	-	-	3,986,341
-	-	-	-	-	-	4,828,586
158,660	218,841	189,075	89,060	68,463	-	10,891,437
(552)	(5,559)	1,852	(2,183)	(158)	-	665,942
25,710	38,091	18,808	8,720	2,017	-	5,516,125
<u>\$ 25,158</u>	<u>\$ 32,532</u>	<u>\$ 20,660</u>	<u>\$ 6,537</u>	<u>\$ 1,859</u>	<u>\$ -</u>	<u>\$ 6,182,067</u>

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Statistical Data

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Midland County, Texas
 Net Position Information
 Last Ten Fiscal Years

Table 1

GOVERNMENTAL ACTIVITIES	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net investment in capital assets	\$ 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	\$ 289,526,523
Restricted	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	38,971,050
Unrestricted	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)	15,396,473
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>\$ 210,573,887</u>	<u>\$ 219,191,447</u>	<u>\$ 200,274,539</u>	<u>\$ 214,599,267</u>	<u>\$ 170,242,375</u>	<u>\$ 187,358,436</u>	<u>\$ 205,056,447</u>	<u>\$ 211,580,722</u>	<u>\$ 255,823,390</u>	<u>\$ 343,894,046</u>

Source: Current and prior years' financial statements

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

Table 2

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PROGRAM REVENUES										
Governmental activities:										
Fees, fines, and charges for services:										
General administration	\$ 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	\$ 2,700,962
Judicial	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	6,599,959
Elections	51,806	15,571	40	115	20	40	85	10	118	5,966
Public safety and corrections	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	2,774,768
Health and welfare	23,275	30,850	32,000	28,900	21,650	17,920	26,500	24,250	26,698	22,850
Culture and recreation	27,237	105,803	19,996	17,187	18,156	19,004	13,003	19,378	15,259	18,714
Highways and roads	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	3,123,383
Operating grants and contributions	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	28,506,071
Capital grants and contributions	3,814,514	-	-	-	-	-	-	394,796	291,389	415,073
Total primary government program revenues	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	44,167,746
EXPENSES										
Governmental activities:										
General administration	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	8,910,178
Judicial	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	26,539,708
Financial administration	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	4,830,675
Elections	564,981	487,880	560,889	620,092	663,714	1,631,715	859,380	921,254	822,653	795,662
Public safety and corrections	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	53,386,526
Health and welfare	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	1,581,088
Culture and recreation	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	8,906,025
Conservation and natural resources	2,167,721	2,519,168	163,249	157,712	172,464	166,396	190,518	199,269	215,803	178,366
Highways and roads	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	10,061,760
Interest on long-term debt	906,326	831,023	749,969	609,706	573,520	603,803	458,837	437,154	307,953	1,340,453
Total primary government expenses	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	116,530,441
NET EXPENSE										
Governmental activities	(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)	(72,362,695)
Total primary government net expense	(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)	(72,362,695)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Taxes:										
Property taxes	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	67,546,903
Sales tax	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	76,894,595
Bingo tax	132,239	120,486	106,714	85,450	92,258	111,081	135,069	125,448	116,018	111,021
Mixed beverage tax	753,884	799,928	751,591	849,297	1,028,666	884,428	1,087,605	963,266	1,276,489	1,473,209
Occupancy tax	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	3,437,136	644,543	894,122	1,293,033
Motor vehicle sales and use tax	1,789,228	2,356,340	1,811,134	1,616,241	2,074,277	2,767,048	-	1,946,240	2,139,969	2,722,623
Unrestricted investment earnings	386,725	488,116	628,335	764,559	1,814,350	4,019,211	2,662,164	397,601	(977,305)	8,206,919
Gain on sale of assets	-	-	-	(196,698)	(275,795)	(2,113,914)	(126,955)	(6,016,912)	(3,504,226)	217,968
Miscellaneous	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	1,967,080
Total governmental activities	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	160,433,351
CHANGE IN NET ASSETS										
Governmental activities	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	88,070,656
TOTAL PRIMARY GOVERNMENT										
	\$ 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	\$ 88,070,656

Source: Current and prior years' financial statements

Midland County, Texas
Governmental Fund Balances
Last Ten Fiscal Years

Table 3

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GENERAL FUND										
Nonspendable	\$ 129,295	\$ 32,095	\$ 36,551	\$ 178,988	\$ 17,015	\$ 41,733	\$ 20,935	\$ 4,467	\$ 93,154	\$ 46,366
Restricted	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	718,100	644,543	894,122	1,293,033
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	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	53,749,872
Unassigned	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	66,668,500
Total general fund	<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>	<u>\$ 121,757,771</u>
ALL OTHER GOVERNMENTAL FUNDS										
Road and bridge fund:										
Nonspendable	\$ 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	\$ 707,077
Restricted	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	26,934,671
Assigned	2,825,234	13,257	-	-	-	-	-	-	-	-
Debt service fund:										
Restricted	360,419	399,900	1,087,402	29,321	67,338	144,619	160,965	3,341,221	3,278,010	241,175
Capital projects fund:										
Restricted	695,596	662,720	662,720	-	-	-	-	-	-	-
Committed	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	35,420,501
Nonmajor governmental funds:										
Nonspendable	4,666	125	-	1,998	902	13,973	36,852	40,565	91,994	94,278
Restricted	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	10,464,687
Committed	287,550	328,728	446,591	464,253	445,705	382,279	470,753	528,407	632,395	705,171
Assigned	-	-	-	-	-	-	-	-	425,019	768,796
Unassigned	-	-	-	-	-	-	(199,417)	(83,656)	-	-
Total all other governmental funds	<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>	<u>\$ 75,336,356</u>
TOTAL GOVERNMENTAL FUNDS	<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>	<u>\$ 197,094,127</u>

Source: Current and past years' financial statements

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

Table 4

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Property tax, penalties and interest	\$ 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	\$ 67,061,537
Sales tax	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	76,894,595
Hotel-motel tax	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	718,100	644,543	894,122	1,293,033
Fines and forfeitures	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	2,840,987
Licenses and permits	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	3,909,184
Intergovernmental charges	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	30,366,112
Charges for current services	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	10,404,210
Investment income	376,896	481,097	594,812	688,599	1,665,098	3,828,914	2,572,109	390,877	(1,017,996)	7,906,550
Other revenue	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	4,730,685
Total revenues	89,833,728	87,625,917	81,522,657	93,052,924	120,757,219	131,446,455	121,921,336	122,129,838	148,940,935	205,406,893
EXPENDITURES										
Current:										
General administration	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	16,972,844
Judicial	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	23,853,164
Financial administration	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	4,283,067
Elections	557,381	487,880	560,854	567,462	577,393	564,276	795,194	775,630	813,808	729,955
Public safety and corrections	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	47,416,470
Health and welfare	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	1,478,015
Culture and recreation	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	5,827,904
Conservation and natural resources	126,123	135,311	152,177	136,680	160,638	155,895	182,311	181,412	203,492	158,806
Highways and roads	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	4,539,071
Capital outlay	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	62,410,935
Debt service	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	4,683,296
Total expenditures	97,692,363	90,317,074	80,379,457	74,561,475	87,879,230	127,985,345	125,382,715	120,147,144	126,024,959	172,353,527
OTHER FINANCING SOURCES (USES)										
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	212	79,706	57,092	-	-	-	-	-	-	213,578
Transfers in	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	44,684,911
Transfers (out)	(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)	(47,366,345)
Issuance of lease liabilities	-	-	-	-	-	-	-	-	-	560,943
Issuance of subscription liabilities	-	-	-	-	-	-	-	-	-	1,107,936
Total other financing sources (uses)	(999,788)	(577,569)	182,101	(16,000)	-	(966,044)	1,136,890	(1,000,000)	(1,625,209)	(798,977)
NET CHANGE IN FUND BALANCES	\$ (8,858,423)	\$ (3,268,726)	\$ 1,325,301	\$ 18,475,449	\$ 32,877,989	\$ 2,495,066	\$ (2,324,489)	\$ 982,694	\$ 21,290,767	\$ 32,254,389
Debt service as a percent of non-capital expenditures	12.78%	2.69%	2.57%	2.52%	2.21%	1.71%	1.76%	1.94%	5.14%	4.26%

Source: Current and past years' financial statements

Midland County, TexasRevenue Base Information - Assessed Value of Taxable Property
Last Ten Fiscal Years**Table 5**

Fiscal Year	Real Property	Personal Property	Total Assessed Value	Total Direct Tax Rate
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
2023	41,193,132,862	8,800,906,790	49,994,039,652	0.131112

Source: Midland County Appraisal District

Midland County, Texas

Table 6

Revenue Rates Information - Direct and Overlapping Property Tax Rates
 (Per \$100 of Assessed Value)
 Last Ten Fiscal Years

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
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
2023	0.1279	-	0.0032	0.1311	0.9148	0.3617	0.0815	0.0800	0.0300	1.5991

Source: Midland County Budget

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

Table 7

2023			2014		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed	Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pioneer Natural Res -WI	\$ 6,708,322,400	13.42%	Pioneer Natural Res -WI-	\$ 1,167,066,650	6.28%
Endeavor Energy Resources LP	3,223,234,920	6.45%	Fasken Oil & Ranch LTD	420,845,740	2.26%
Chevron USA Inc WI	2,280,007,620	4.56%	Chevron USA Inc	395,041,890	2.13%
XTO Energy Inc	2,022,101,040	4.04%	Endeavor	329,576,820	1.77%
COG Operating LLC WI	1,551,796,720	3.10%	COG Operating LLC	313,916,430	1.69%
Diamondback E&P LLC WI	1,225,069,040	2.45%	Diamondback E&P LLC	219,352,860	1.18%
Apache Corp WI	728,222,270	1.46%	RSP Permian LLC	187,961,280	1.01%
Crownquest Operating LLC	683,041,820	1.37%	Propetro Services (VEH)	159,565,810	0.86%
Ovintiv USA Inc	512,470,440	1.03%	Athlon Holdings LP	135,642,820	0.73%
Chevron USA Inc RI/ORI	485,402,320	0.97%	OXY USA WTP LP	121,866,200	0.66%
TOTAL	\$ 19,419,668,590	38.84%	TOTAL	\$ 3,450,836,500	18.57%

Source: Midland County Tax Office

Midland County, Texas

Property Tax Levies and Collections

Fiscal Years Ended September 30, 2014 through 2023

Table 8

Fiscal Year	Assessed Value	Tax Rate	Tax Levy	Collections				Uncollected	
				October-December	Percent of Levy	January-June	Percent of Levy	June 30th of Next	Percent of Levy
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%	459,356	0.89%
2023	49,994,039,652	\$0.131112	65,548,185	20,278,940	30.94%	45,401,353	69.26%	(132,108)	-0.20%

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>
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
2023	2,885,000	2,885,000	0.01%	21.52

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

Midland County, Texas**Table 10**

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

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Available Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
2023	134,066	49,994,039,652	2,885,000	278,659	2,606,341	0.005	19.44

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, 2023

Table 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
DEBT REPAYED WITH PROPERTY TAXES			
City of Midland	\$ 507,965,000	100%	\$ 507,965,000
Midland Independent School District	129,919,986	100%	129,919,986
Midland Community College	13,943,490	100%	13,943,490
Midland County Hospital District	144,245,000	100%	144,245,000
Greenwood Independent School District	44,687,496	100%	44,687,496
City of Odessa	216,310,000	8%	17,594,593
Subtotal, overlapping debt			858,355,565
MIDLAND COUNTY (DIRECT DEBT)			<u>2,885,000</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 861,240,565</u>

Sources: Financial statements of the various governmental agencies.

Midland County, Texas
 Debt Limitations
 Last Ten Fiscal Years

Table 12

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 10,298,283,216
Total net debt applicable to limit	<u>18,694,580</u>	<u>17,740,100</u>	<u>16,577,598</u>	<u>16,590,680</u>	<u>15,467,662</u>	<u>14,260,382</u>	<u>13,059,037</u>	<u>8,643,781</u>	<u>7,251,992</u>	<u>2,645,502</u>
DEBT MARGIN	<u>\$ 3,587,967,517</u>	<u>\$ 4,028,564,868</u>	<u>\$ 4,025,613,255</u>	<u>\$ 3,855,665,795</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>	<u>\$ 10,295,637,714</u>
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT	0.52%	0.44%	0.41%	0.43%	0.34%	0.27%	0.18%	0.12%	0.11%	0.03%
LEGAL DEBT MARGIN CALCULATION										
Assessed value of real property	\$ 41,193,132,862									
Assessed value of personal & other property	<u>8,800,906,790</u>									
Total assessed value	<u>\$ 49,994,039,652</u>									
Debt limit, 25% of real property assessed value (1)	\$ 10,298,283,216									
Amount of debt applicable to debt limit:										
Total bonded debt	2,885,000									
Less: assets in debt service funds available for payment of principal	<u>278,659</u>									
Total amount of debt applicable to debt limit	<u>2,606,341</u>									
LEGAL DEBT MARGIN	<u>\$ 10,295,676,875</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, TexasDemographic 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>
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
2023	134,066	22,918,245	129,324	2.5

Sources: Population figures for 2023 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 Ten Fiscal Years

Table 14

Function / Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General administration	152	148	28	29	30	30	31	31	40	44
Judicial	41	50	145	146	152	168	174	176	176	180
Financial administration	29	30	44	42	43	42	45	45	46	46
Elections	5	6	5	5	5	5	5	5	5	7
Public safety and corrections	259	274	276	281	285	297	317	323	334	343
Health and welfare	4	3	3	3	3	3	4	4	4	5
Culture and recreation	44	46	34	36	35	37	42	45	46	59
Conservation and natural resources	4	3	1	1	3	4	4	4	4	2
Highways and roads	26	30	31	32	33	37	37	37	37	37
TOTAL	563	588	567	575	589	623	659	670	692	723

Source: Midland County Treasurers Office

Midland County, Texas
 Operation Indicators Information
 Last Ten Fiscal Years

Table 15

Function / Program	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
GENERAL GOVERNMENT											
Commissioners Court:											
Number of Official Public Meetings											
Regular Sessions	25	22	22	24	49	43	25	24	24	24	
Special Sessions (Work Sessions)	10	10	5	5	3	14	11	8	14	14	
PUBLIC SAFETY											
Inmates Booked	10,974	10,755	14,845	11,549	10,759	10,477	8,145	8,136	9,427	10,207	
Arrests	12,943	12,098	13,247	13,214	12,400	11,690	9,404	9,168	10,790	11,601	
JUDICIAL											
District Courts:											
Civil Cases Filed	1,617	2,565	1,468	1,681	1,557	1,427	1,393	1,345	1,238	1,777	
Civil Cases Disposed	2,097	1,227	1,353	1,284	1,218	1,523	1,120	1,471	1,364	1,500	
Criminal Cases Filed	1,771	1,944	2,114	2,223	2,077	1,854	1,446	1,447	1,172	1,437	
Criminal Cases Disposed	1,104	2,202	2,567	2,715	2,521	2,499	1,951	1,941	1,980	2,020	
County Courts-at-Law:											
Civil Cases Filed	1,166	913	1,104	1,143	1,102	830	269	352	543	461	
Civil Cases Disposed	762	700	783	992	1,041	983	722	632	460	414	
Criminal Cases Filed	4,457	4,034	3,978	4,536	4,241	4,193	3,247	2,968	3,604	4,122	
Criminal Cases Disposed	4,755	4,085	4,020	4,341	4,015	3,825	2,206	2,662	4,267	4,431	
Juvenile Cases Filed	100	133	94	108	63	54	78	77	75	77	
Juvenile Cases Disposed	120	143	62	71	65	62	91	81	79	100	
Probate and Mental Health Cases Filed	503	593	600	616	586	588	499	649	680	684	
Probate and Mental Health Cases Disposed	59	91	147	156	142	130	124	146	188	162	
Justice of the Peace Courts:											
Civil Cases Filed	669	1,394	1,652	2,257	2,813	3,399	2,521	2,625	3,025	4,081	
Civil Cases Disposed	605	1,040	1,320	1,545	1,890	2,377	2,803	2,093	3,039	3,489	
Criminal Cases Filed	10,449	17,104	9,974	14,206	19,682	24,623	17,273	9,315	9,998	13,280	
Criminal Cases Disposed	10,021	14,032	13,488	12,197	13,347	18,498	16,544	6,464	6,856	8,496	
Juvenile Cases Filed	131	441	445	379	464	499	573	370	596	1,396	
CULTURE AND RECREATION											
Events Held	153	187	166	174	210	228	181	252	194	197	
ELECTIONS											
Number of Registered Voters	72,059	75,472	76,808	80,329	80,506	84,588	86,534	90,596	93,720	96,603	
HIGHWAYS											
Permits Granted	180	215	212	271	234	263	185	125	201	231	
Work Requests	121	189	93	159	156	494	44	521	144	195	

Sources: Office of Court Administration and various county departments

Midland County, Texas

Capital Assets Information By Function/Program
Last Ten Fiscal Years

Table 16

Function / Program	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Buildings:										
General admin	1	1	2	2	2	2	2	2	2	2
Judicial	4	4	2	2	2	2	2	2	2	3
Public safety	5	5	9	9	9	9	9	9	9	9
Highways	1	1	1	1	1	1	1	1	1	1
Culture and recreation	7	8	7	7	8	8	10	10	10	10
Health & Welfare	1	1	1	1	1	1	1	1	1	2
Patrol cars	29	33	32	32	31	32	37	43	40	42
Elections:										
Electronic voting machines	270	270	272	272	272	250	250	281	280	270
Highways:										
Miles of roads maintained	383	383	410	356	376	423	471	425	425	425

Source: Various county departments.

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

Table 17

2023			2014		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Midland Independent School Distri	2,876	2.85%	Midland Independent School District	2,919	3.00%
Endeavor Energy Resources	1,300	1.29%	Dawson Geophysical	1,244	1.28%
City of Midland	1,026	1.02%	Midland Memorial Hospital	1,670	1.71%
Midland County	1,000	0.99%	Wal-Mart Super Center	950	0.98%
Midland Memorial Hospital	950	0.94%	City of Midland	880	0.90%
Conoco Phillips	900	0.89%	Midland College	735	0.75%
Chevron	830	0.82%	Baker & Hughes	600	0.62%
HEB	700	0.69%	Warren-Cat	597	0.61%
Walmart	680	0.67%	Midland County	541	0.56%
XTO Energy, Inc.	400	0.40%	Concho Resources	509	0.52%
TOTAL	10,662	10.57%	TOTAL	10,645	10.93%
Average Annual Employment for Midland, TX from BLS:		100,845			97,392

Source: Bureau of Labor Statistics, Midland Development Corporation, Texas Workforce Commission LMCI, individual employers consider this proprietary information and may be estimated. 2023 data is not currently available, 2022 and 2013 data from City of Midland ACFR 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
March 26, 2024



**Independent Auditor's Report on Compliance
for Each Major Federal and State Program and
Report on Internal Control over Compliance Required by the
Uniform Guidance and Texas 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 Texas Grant Management Standards (TxGMS) 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, 2023. 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, 2023.

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 TxGMS. Our responsibilities under those standards, the Uniform Guidance and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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 TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the 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 TxGMS, 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 TxGMS, 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 or state 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 or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 TxGMS. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
March 26, 2024

Midland County, Texas

Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended September 30, 2023

Federal /Pass-through Grantor Program Title	Federal Assistance Listing Number	Grant Identifying Number	Total Grant Expenditures
FEDERAL AWARDS			
<u>United States Department of Treasury</u>			
Direct Programs:			
COVID 19 Coronavirus State & Local Fiscal Recovery Funds (SLFRF)	21.027	1505-0271	\$ 23,557,749
Total Direct Programs			23,557,749
Passed Through Texas Secretary of State:			
COVID 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	3640504	49,532
Total Passed Through Texas Secretary of State			49,532
Total United States Department of Treasury			23,607,281
<u>United States Department of Justice</u>			
Direct Programs:			
Sheriff Federal Forfeiture	16.738	TX1650000	42,702
Total Direct Programs			42,702
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	9,773
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - 2022 COM-Automatic Vehicle Locator Project/MC-Tactical Team Equip & Supplies	16.738	15PBJA-21-GG-01889-JAGX	56
Total Passed Through City of Midland			9,829
Total United States Department of Justice			52,531
<u>United States Department of Transportation</u>			
Direct Programs:			
Safe Streets and Roads for All Grant Program	20.939	693JJ32340207	21,830
Total Direct Programs			21,830
Total United States Department of Transportation			21,830
<u>United States Department of Health and Human Services</u>			
Passed Through Office of the Attorney General:			
Child Support Enforcement	93.563	677130	1,251
Total Passed Through Office of the Attorney General			1,251
Total United States Department of Health and Human Services			1,251
<u>Executive Office of the President - National Drug Control Policy</u>			
Passed Through West Texas HIDTA:			
2021 High Intensity Drug Trafficking Area Grant	95.001	G21SW0013A	52,938
2022 High Intensity Drug Trafficking Area Grant	95.001	G22SW0013A	272,792
Total Passed Through West Texas HIDTA			325,730
Total Executive Office of the President - National Drug Control Policy			325,730
<u>National Endowment for the Humanities</u>			
Passed Through Texas State Library and Archives Commission:			
Grants to States Programs			
Inter-Library Loan Reimbursement Program	45.310	903576	7,402
Mobile Skills Lab	45.310	SPP-24011	44,355
Total Passed Through Texas State Library and Archives Commission			51,757
Total National Endowment for the Humanities			51,757
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 24,060,380

Midland County, Texas

Schedule of Expenditures of Federal and State Awards – Continued For the Fiscal Year Ended September 30, 2023

Federal /Pass-through Grantor Program Title	Federal Assistance Listing Number	Grant Identifying Number	Total Grant Expenditures
STATE AWARDS			
<u>Office of the Attorney General</u>			
FY 2022 Texas VINE Annual Maintenance Grant (VINE)		C-01149	\$ 23,111
FY 2023 Texas VINE Annual Maintenance Grant (VINE)		C-00341	2,164
Total Office of the Attorney General			<u>25,275</u>
<u>Office of Court Administration</u>			
Indigent Defense FY2023 Formula Grant		212-23-165	121,845
Total Office of Court Administration			<u>121,845</u>
<u>Texas Water Development Board</u>			
Flood Infrastructure Fund Category 1		G1001282	134,708
Total Texas Water Development Board			<u>134,708</u>
<u>Texas Department of Criminal Justice (TCDJ)</u>			
Passed Through PermianCare for MHMR:			
Mental Health Services Provider Agreement		389	64,167
Mental Health Services Provider Agreement		389	5,833
Total Passed Through PermianCare for MHMR			<u>70,000</u>
Total Texas Department of Criminal Justice (TCDJ)			<u>70,000</u>
<u>Texas Department of Transportation</u>			
County Transportation Infrastructure Fund Grant Program		CTIF-02-165	3,906,111
Total Texas Department of Transportation			<u>3,906,111</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>4,257,939</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 28,318,319</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, 2023

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 unearned revenue until earned.

Note 3. Relationship to Federal Financial Reports

Grant expenditure reports as of September 30, 2023, 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, 2023

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

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:

Federal Assistance Listing Number(s)

Name of Program or Cluster

Federal

U.S. Department of Treasury
 COVID 19 Coronavirus State & Local Fiscal Recovery Funds (SLFRF)

21.027

State

Texas Department of Transportation
 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	\$ 750,000

Auditee qualified as low-risk auditee?

Yes Yes

Midland County, Texas

Schedule of Findings and Questioned Costs - Continued
For the Fiscal Year Ended September 30, 2023

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