

# **Midland County, Texas**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2020



**Midland County, Texas**  
 Comprehensive Annual Financial Report  
 Table of Contents  
 Year Ended September 30, 2020

Page

**Introductory Section**

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

**Financial Section**

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

**Basic Financial Statements**

Government-Wide Financial Statements	
Statement of Net Position .....	17
Statement of Activities .....	18
Fund Financial Statements	
Balance Sheet - Governmental Funds .....	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	26
Statement of Net Position – Proprietary Funds .....	27
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	28
Statement of Cash Flows – Proprietary Funds .....	29
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	30
Notes to the Financial Statements .....	33

**Required Supplementary Information**

Texas County District Retirement System Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios for the Employees of Midland County .....	66
Texas County District Retirement System Schedule of Employer Contributions .....	67
Schedule of Changes in County’s Total OPEB Liability and Related Ratios .....	68
Schedule of the County’s Contributions for OPEB .....	69
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget (GAAP Basis) and Actual – General Fund .....	70
Schedule of Revenues, Expenditures and Changes in Fund	
Balance – Budget (GAAP Basis) and Actual – Road and Bridge Fund .....	72
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget (GAAP Basis) and Actual – Debt Service Fund .....	74
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget (GAAP Basis) and Actual – Capital Projects Fund .....	76
Notes to Required Supplementary Information – Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	78

**Midland County, Texas**  
 Annual Financial Report  
 For the Fiscal Year Ended September 30, 2020  
 Table of Contents – Continued

**Supplementary Information**

Individual and Combining Non Major Fund Financial Statements	
Combining Balance Sheet – Nonmajor Governmental Funds.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds.....	100
Combining Statement of Net Position – Internal Service Funds.....	119
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	120
Combining Statement of Cash Flows – Internal Service Funds.....	122
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds .....	126

**Statistical Section (Unaudited)**

Net Position Information .....	133
Changes in Net Position Information .....	134
Governmental Fund Balances .....	135
Governmental Fund – Changes in Fund Balances .....	136
Revenue Base Information – Assessed Value of Taxable Property.....	137
Revenue Rates Information – Direct and Overlapping Property Tax Rates.....	138
Principal Property Tax Payers.....	139
Property Tax Levies and Collections.....	140
Ratios of Outstanding Debt .....	141
Ratios of Net Bonded Debt to Assessed Value and Net Bonded Debt per Capita .....	142
Direct and Overlapping Governmental Activities Debt .....	143
Debt Limitations .....	144
Demographic and Economic Statistics .....	145
Full-time Equivalent County Government Employees by Function/Program .....	146
Operation Indicators Information .....	147
Capital Assets Information by Function/Program .....	148
Principal Employers .....	149

**Internal Control and Compliance**

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on the Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	153
Independent Auditor’s Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance .....	155
Schedule of Expenditure of Federal Awards .....	157
Notes to the Schedule of Expenditures of Federal Awards.....	158
Schedule of Findings and Questioned Costs .....	159
Corrective Action Plan .....	161
Summary Schedule of Prior Audit Findings .....	162



# Midland County

**Veronica Morales**  
County Auditor  
(432) 688-4860

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

The Honorable District Judges

George D. Gilles, 142nd Judicial District  
Elizabeth B. Leonard, 238th Judicial District  
David Lindemood, 318th Judicial District  
Jeff Robnett, 441<sup>st</sup> Judicial District

The Honorable Commissioners Court, Midland County, Texas

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

The Citizens of Midland County

District Judges, Commissioners Court and Fellow Citizens:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Midland County for the fiscal year ended September 30, 2020.

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, 2020, 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, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### **Profile of the Government**

Midland County, organized in 1885, is located in the west part of the state and is part of the Permian Basin. Midland County currently occupies a land area of 902 square miles and serves an estimated population of 149,455. 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. Since 2010, the county's population has grown by 26 percent. It is the 24th most populous county in Texas based on the United 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 year we had last year, the County unemployment rate rose above the national average. The County's September 2020 unemployment rate of 9.6% increased from the September of 2019 rate of 2.0%. The rate was a bit higher than the national rate of 7.7% which increased from the 3.3% in 2019 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, 2020, the price per barrel of oil was at \$40.60. Due to the oil industry, the County has one of the highest levels of domestic migration in the nation. The latest population forecasts project Midland County to more than double its population between 2010 and 2050. In 2020, WalletHub ranked Midland as one of the fastest growing economies in America. Midland has also been ranked one of the best places to live out the American Dream by financial advisors at SmartAsset.

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

The Bush Convention Center, a 76,000 square foot facility opened in the fall of 2019. Midland County added a new hospitality building, new concession building, bleacher seating to the arena and RV parking to its multipurpose Horseshoe complex during the 2019 year.

**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.

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.



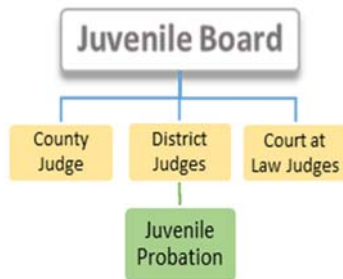
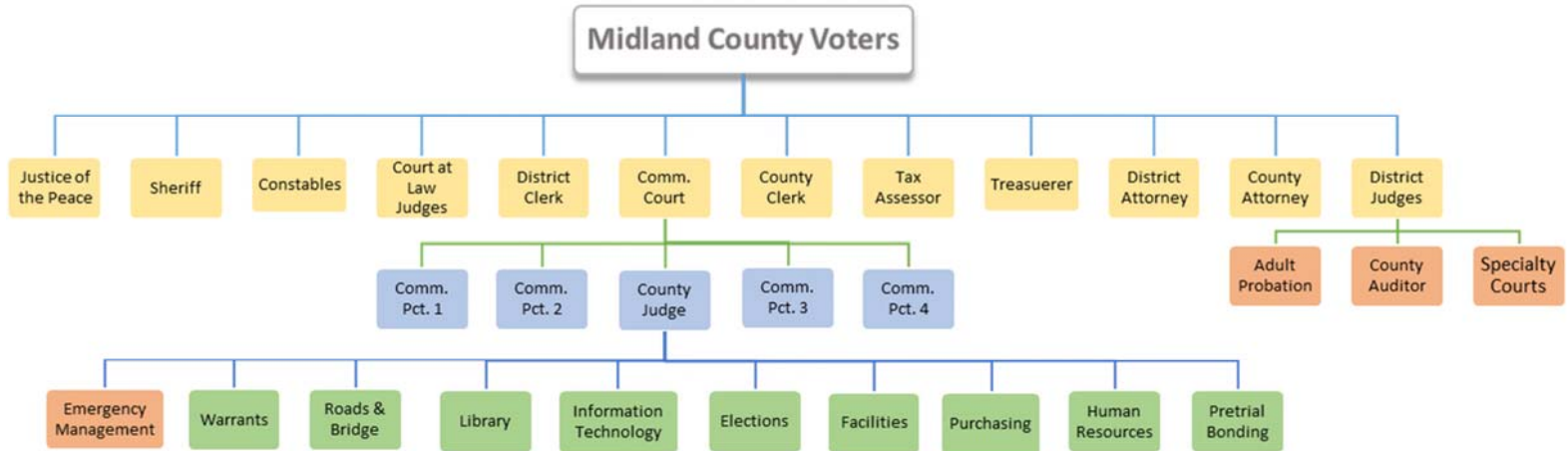
## **Acknowledgements**

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 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, 2020



MIDLAND COUNTY, TEXAS  
DIRECTORY OF OFFICIALS  
September 30, 2020

**COMMISSIONERS COURT:**

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

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

**COUNTY COURTS OF LAW:**

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

Judge George D. Gilles  
Judge Elizabeth B. Leonard  
Judge David Lindemood  
Judge Robin Darr  
Judge Jeff Robnett  
Judge Karen B. Lewis  
Judge Ellen Griffith  
Judge Elizabeth N. Rainey  
Judge Kyle Peeler  
Judge Marvin L. Moore  
Judge Terry Luck  
Judge David Cobos  
Judge Billy Johnson  
Judge John Barton

**ELECTED OFFICIALS:**

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

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

**APPOINTED OFFICIALS:**

---

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

Allen Bell  
Forest Hanna  
Veronica Morales  
Justin Bunch

**DEPARTMENT HEADS:**

---

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

Kristy Engeldahl  
Carolyn Graves  
Tim Harris  
Elizabeth Ramos  
Mike Atkins  
Debbie Garza  
Priscilla Bonilla  
Kenneth Colston  
Ruben Mata  
Scott Casbeer

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# Financial Section

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Midland County (the County), Texas, as of and for the fiscal year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities each major fund and the aggregate remaining fund information of Midland County, Texas, as of September 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

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

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

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



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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

WEAVER AND TIDWELL, L.L.P.

Midland, Texas  
June 30, 2021

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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, 2020. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the accompanying basic financial statements and notes to the financial statements. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that is furnished in the accompanying letter of transmittal, which can be found on pages iii - vii of this report. This discussion should also be read in conjunction with the basic financials statements and the notes to those financial statements (which immediately follow this discussion). The discussion and analysis includes comparative data from the prior year.

### Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$205,056,447 (net position). Of this amount, \$(16,269,391) is a deficit unrestricted net position. The County's total net position increased by \$17,698,011.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$142,566,277. Of this total amount, \$46,401,759 or 33% 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 \$46,601,176 or 46% of the total general fund expenditures.
- At the end of the current fiscal year, assigned fund balance for general fund and was \$53,758,985, which consisted of \$50,000,000 in capital projects and \$3,758,985 of compensated absences.

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

The County maintains and reports 117 individual governmental funds of which 108 are special revenue funds, three capital projects fund, one debt service fund, three internal service funds, the Road and Bridge Fund, and the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Road and Bridge Fund, the Debt Service Fund, and the Capital Projects 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 \$205,056,447 at the close of this fiscal year.

### Statement of Net Position Governmental Activities

	2020	2019
Current and other assets	\$ 169,223,275	\$ 168,979,563
Capital assets, net of accumulated depreciation	<u>197,965,330</u>	<u>170,543,880</u>
Total assets	367,188,605	339,523,443
Total deferred outflows of resources	48,985,084	22,909,014
Current and other liabilities	11,334,694	9,478,818
Noncurrent liabilities	<u>176,241,152</u>	<u>148,479,894</u>
Total liabilities	187,575,846	157,958,712
Total deferred inflows of resources	23,541,396	17,115,309
Net position:		
Net investment in capital assets	184,932,410	156,289,954
Restricted, legislation and grants	36,232,463	26,298,643
Restricted, debt service	160,965	144,619
Unrestricted net position (deficit)	<u>(16,269,391)</u>	<u>4,625,220</u>
<b>Total net position</b>	<u><u>\$ 205,056,447</u></u>	<u><u>\$ 187,358,436</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, 90% 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 \$17,698,011. The following table provides a summary of the County's operations for years ended September 30, 2020 and 2019.

**Statement of Activities**  
**Years Ended September 30, 2020 and 2019**

	2020		2019	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 12,401,474	10.1%	\$ 14,023,026	10.8%
Operating grants and contributions	3,583,126	2.9%	4,356,765	3.4%
General revenues				
Property taxes	49,842,184	40.6%	39,540,881	30.5%
Sales tax	47,853,426	39.0%	63,324,445	48.8%
Bingo tax	135,069	0.1%	111,081	0.1%
Mixed beverage tax	1,087,605	0.9%	884,428	0.7%
Hotel-motel tax	718,100	0.6%	1,398,361	1.1%
Motor vehicle sales and use tax	2,719,036	2.2%	2,767,048	2.1%
Unrestricted investment earnings	2,662,164	2.2%	4,019,211	3.1%
Loss on sale of capital assets	(126,955)	-0.1%	(2,113,914)	-1.6%
Miscellaneous	1,788,559	1.5%	1,522,746	1.2%
<b>Total revenues</b>	<b>122,663,788</b>	<b>100.0%</b>	<b>129,834,078</b>	<b>100.0%</b>
<b>Expenses</b>				
General administration	11,554,207	11.0%	18,505,517	16.4%
Judicial	30,044,962	28.6%	21,813,790	19.4%
Financial administration	4,729,367	4.5%	4,151,660	3.7%
Elections	859,380	0.8%	1,631,715	1.4%
Public safety and corrections	37,288,857	35.5%	33,404,841	29.6%
Health and welfare	4,262,372	4.1%	15,089,872	13.4%
Cultural and recreation	8,536,670	8.1%	7,283,193	6.5%
Conservation and natural resources	190,518	0.2%	166,396	0.1%
Highways and roads	7,040,607	6.7%	10,067,230	8.9%
Interest on long-term debt	458,837	0.4%	603,803	0.5%
<b>Total expenses</b>	<b>104,965,777</b>	<b>100.0%</b>	<b>112,718,017</b>	<b>100.0%</b>
Change in net position	17,698,011		17,116,061	
Net position - beginning of year	187,358,436		170,242,375	
<b>Net position, end of year</b>	<b>\$ 205,056,447</b>		<b>\$ 187,358,436</b>	

**Governmental Activities.** Net position of the governmental activities increased \$17,698,011 during the year. In General Revenues, sales tax decreased by \$15,471,019 or 24% due to a decrease in consumer spending in the County. Charges for services decreased \$1,621,552 or 12% due to less collections for fines and forfeitures. Property tax revenues increased \$10,301,303 or 26% due to a higher tax rate and appraised values.

Total expenses decreased from the prior year by \$7,752,240, or 7% due primarily to highways and roads, health and welfare expenses. The decreases in health and welfare expenses are largely due to the decrease in contributions to schools and hospital. The decrease for highway and roads is for repair and maintenance.

### **Governmental Funds Financial Analysis**

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$142,566,277. The unassigned fund balance, \$46,401,759, 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 \$46,401,759 as compared to \$61,702,593 in unassigned funds in the prior year. As a measure of the general fund's liquidity, we compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 57% of total fund expenditures, while total fund balance represents 124% of total fund expenditures.

The road and bridge fund reflects a fund balance of \$28,849,848 which represents a increase of \$9,450,271 as compared with the prior year. The decrease is primarily due to spending less funds for county roads compared to prior year.

The debt service fund has a total fund balance of \$160,965 as compared to \$144,619 in the prior year. The increase of \$16,346 is due to payment of debt service. All of the fund balance within the debt service fund is restricted for the payment of debt service.

The capital projects fund accounts for receipts and disbursements relating to the acquisition and construction of major capital projects. At the end of the fiscal year, the fund balance is \$4,243,645 a decrease of \$2,666,008. The decrease resulted from spending less funds to cover capital expenditures.

## General Fund Budgetary Highlights

A deficit amended budget was approved for fiscal year 2020 in the amount of \$42,840,058 as compared to the original budget which planned for a deficit of \$48,918,753. The deficit was to be appropriated from the unassigned fund balance. However, actual revenues exceeded the final budget by \$14,371,178. Included in this amount is \$6,566,169 in property taxes, \$3,853,426 in sales tax, \$1,492,545 in investment income and \$1,196,580 in charges for services.

The original budgeted expenditures differ from the final budgeted expenditures by a decrease of \$6,125,767 which is attributable to amendments to decrease general and administrative expenditures. The favorable variance of \$12,210,217 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, 2020, the County had a total long-term debt outstanding in the amount of \$17,837,880. According to the Texas statutes, the County has a debt margin of \$7,249,417,732.

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 2020:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
General obligation bonds	\$ 14,405,000	\$ -	\$ 1,185,000	\$ 13,220,000
Unamortized premium on general obligation bonds	911,354	-	91,135	820,219
Capital lease obligation	76,115	12,580	50,019	38,676
Compensated absences	3,274,399	484,586	-	3,758,985
<b>Total</b>	<b>\$ 18,666,868</b>	<b>\$ 497,166</b>	<b>\$ 1,326,154</b>	<b>\$ 17,837,880</b>

**Capital Assets.** The capital assets of the County are those assets (land, buildings and improvements, roads, machinery and equipment and construction in progress), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2020, net capital assets of the governmental activities totaled \$197,965,330 reflecting a net increase of \$27,421,450 in asset additions less retirements and adjustments. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for buildings and improvements, infrastructure and machinery and equipment totaled \$9,965,135.

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



## **Economic Factors and Next Year's Budgets and Rates**

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

The final fiscal year 2021 budget was adopted on September 21, 2020, with total general fund expenditures of \$90,746,556, a 10% decrease from the fiscal year 2020 budgeted expenditures. The County's combined tax rate is \$0.128844 for fiscal year 2021. The Commissioners' Court adopted a budgeted excess of \$38,427,083 with the deficit to be appropriated from the unassigned fund balance.

## **Request for Information**

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

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# Basic Financial Statements

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Midland County, Texas  
Statement of Net Position  
September 30, 2020

	<u>Primary Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 3,254,688
Certificates of deposit	39,150,528
Investments	106,445,861
Receivables (net of allowance for uncollectibles)	7,994,776
Accrued settlement	1,157,455
Inventory	1,276,004
Other assets	48,365
Due from other governments	9,895,598
Capital assets (net of accumulated depreciation)	
Land	5,944,657
Buildings and improvements	89,331,483
Construction in progress	37,329,498
Infrastructure	48,693,956
Machinery and equipment	16,665,736
Total assets	<u>367,188,605</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to OPEB	41,978,739
Deferred outflows from refunding of debt	1,024,688
Deferred outflows related to pension	5,981,657
Total deferred outflows of resources	<u>48,985,084</u>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	10,524,276
Accrued interest payable	56,175
Due to other governments	555,741
Unearned revenue	198,502
Noncurrent liabilities	
Net pension liability	11,720,524
OPEB liability	146,682,748
Due within one year	4,844,712
Due in more than one year	12,993,168
Total liabilities	<u>187,575,846</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pension	3,993,301
Deferred inflows related to OPEB	19,548,095
Total deferred inflows of resources	<u>23,541,396</u>
<b>NET POSITION</b>	
Net investment in capital assets	184,932,410
Restricted, legislation and grants	36,232,463
Restricted, debt service	160,965
Unrestricted (deficit)	(16,269,391)
<b>TOTAL NET POSITION</b>	<u>\$ 205,056,447</u>

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

**Midland County, Texas**  
Statement of Activities  
For the Fiscal Year Ended September 30, 2020

<u>Functions / Programs</u>	<u>Expenses</u>
<b>Primary Government</b>	
Governmental activities:	
General administration	\$ 11,554,207
Judicial	30,044,962
Financial administration	4,729,367
Elections	859,380
Public safety and corrections	37,288,857
Health and welfare	4,262,372
Culture and recreation	8,536,670
Conservation and natural resources	190,518
Highways and roads	7,040,607
Interest on long-term debt	458,837
Total governmental activities	<u>104,965,777</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u><u>\$ 104,965,777</u></u>

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

Program Revenues		Changes in Net Position	
Charges for Services	Operating Grants and Contributions	Primary Government	Total
\$ 957,758	\$ 199,133	\$	(10,397,316)
6,914,961	413,203		(22,716,798)
-	-		(4,729,367)
85	154,866		(704,429)
2,224,097	2,581,142		(32,483,618)
26,500	-		(4,235,872)
13,003	79,443		(8,444,224)
-	-		(190,518)
2,265,070	155,339		(4,620,198)
-	-		(458,837)
12,401,474	3,583,126		(88,981,177)
<u>\$ 12,401,474</u>	<u>\$ 3,583,126</u>		<u>(88,981,177)</u>
General revenues:			
Property taxes			49,842,184
Sales tax			47,853,426
Bingo tax			135,069
Mixed beverage tax			1,087,605
Hotel-motel tax			718,100
Motor vehicle sales and use tax			2,719,036
Unrestricted investment earnings			2,662,164
Loss on sale of capital assets			(126,955)
Miscellaneous			1,788,559
Total general revenues			<u>106,679,188</u>
Change in net position			17,698,011
Net position - beginning of year			<u>187,358,436</u>
<b>NET POSITION - END OF YEAR</b>		<b>\$</b>	<b><u>205,056,447</u></b>

**Midland County, Texas**  
 Balance Sheet – Governmental Funds  
 September 30, 2020

	<b>General Fund</b>	<b>Road and Bridge Fund</b>
<b>ASSETS</b>		
Cash	\$ 735,403	\$ -
Certificates of deposit	39,150,528	-
Investments	89,779,401	1,502,043
Property taxes receivable, (net of allowance for uncollectibles)	1,172,034	-
Accounts receivable, (net of allowance for uncollectibles)	6,341,270	3,462
Accrued settlement	-	951,768
Due from other funds	473,594	26,197,184
Due from other governmental agencies	7,844,762	649,005
Inventory	-	1,239,920
Prepaid expenses	18,652	-
<b>TOTAL ASSETS</b>	<b>\$ 145,515,644</b>	<b>\$ 30,543,382</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 4,534,454	1,220,760
Benefits payable	1,128,570	472,774
Due to other funds	31,327,690	-
Due to other governmental agencies	452,031	-
Unearned revenue	198,502	-
Other liabilities	117,401	-
Total liabilities	37,758,648	1,693,534
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred tax revenue	1,022,137	-
Other deferred inflows	5,635,663	-
Total deferred inflows	6,657,800	-
<b>FUND BALANCES</b>		
Nonspendable		
Prepays	20,935	-
Inventories	-	1,239,920
Restricted		
Road improvements	-	27,609,928
Debt service	-	-
Hotel occupancy revenue	718,100	-
Legislation	-	-
Federal and state grants	-	-
Committed		
Capital projects	-	-
Employee motivation	-	-
Donations	-	-
Assigned		
Compensated absences	3,758,985	-
Capital projects	50,000,000	-
Unassigned	46,601,176	-
Total fund balances	101,099,196	28,849,848
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 145,515,644</b>	<b>\$ 30,543,382</b>

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



Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 153,289	\$ 11,499	\$ 1,752,747	\$ 2,652,938
-	-	-	39,150,528
-	1,090,651	5,202,255	97,574,350
48,790	-	-	1,220,824
-	-	360,081	6,704,813
-	-	-	951,768
2,460	3,443,388	2,435,703	32,552,329
-	-	981,643	9,475,410
-	-	36,084	1,276,004
-	-	3,051	21,703
<u>\$ 204,539</u>	<u>\$ 4,545,538</u>	<u>\$ 10,771,564</u>	<u>\$ 191,580,667</u>
\$ -	\$ 152,020	\$ 1,438,837	\$ 7,346,071
-	149,873	82,103	1,833,320
-	-	804,451	32,132,141
-	-	103,710	555,741
-	-	-	198,502
-	-	-	117,401
-	301,893	2,429,101	42,183,176
43,574	-	-	1,065,711
-	-	129,840	5,765,503
<u>43,574</u>	<u>-</u>	<u>129,840</u>	<u>6,831,214</u>
-	-	768	21,703
-	-	36,084	1,276,004
-	-	-	27,609,928
160,965	-	-	160,965
-	-	-	718,100
-	-	6,482,113	6,482,113
-	-	1,422,322	1,422,322
-	4,243,645	-	4,243,645
-	-	22,944	22,944
-	-	447,809	447,809
-	-	-	3,758,985
-	-	-	50,000,000
-	-	(199,417)	46,401,759
<u>160,965</u>	<u>4,243,645</u>	<u>8,212,623</u>	<u>142,566,277</u>
<u>\$ 204,539</u>	<u>\$ 4,545,538</u>	<u>\$ 10,771,564</u>	<u>\$ 191,580,667</u>

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## Midland County, Texas

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position September 30, 2020

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (PAGE 21)</b>	<b>\$ 142,566,277</b>
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.	197,965,330
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.	6,831,214
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.	8,547,265
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	(17,837,880)
Interest is accrued on bonds payable in the government-wide financial statements whereas in the fund financial statements interest expenditures are reported when due.	(56,175)
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.	48,985,084
Deferred inflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(23,541,396)
OPEB liability not reported in the fund financial statements.	(146,682,748)
Net pension liability is not reported in the fund financial statements.	<u>(11,720,524)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES (PAGE 17)</b>	<b><u><u>\$ 205,056,447</u></u></b>

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, 2020

	<u>General Fund</u>	<u>Road and Bridge Fund</u>
<b>REVENUES</b>		
Property tax, penalties and interest	\$ 47,966,169	\$ -
Sales tax	47,853,426	-
Hotel-motel tax	718,100	-
Fines and forfeitures	2,360,909	-
Licenses and permits	1,087,605	2,265,070
Intergovernmental charges	672,472	24,991
Charges for current services	7,251,125	-
Investment income	2,492,545	17,341
Other revenue	1,776,672	218,217
Total revenues	<u>112,179,023</u>	<u>2,525,619</u>
<b>EXPENDITURES</b>		
Current:		
General administration	13,812,534	-
Judicial	21,716,457	-
Financial administration	4,119,345	-
Elections	647,822	-
Public safety and corrections	28,033,388	-
Health and welfare	2,866,404	-
Culture and recreation	5,099,397	-
Conservation and natural resources	182,311	-
Highways and roads	-	4,510,221
Capital outlay	5,378,389	25,565,127
Debt service	-	-
Total expenditures	<u>81,856,047</u>	<u>30,075,348</u>
Excess (deficiency) of revenues over expenditures	30,322,976	(27,549,729)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	37,000,000
Transfers out	(45,640,866)	-
Total other financing (uses) sources	<u>(45,640,866)</u>	<u>37,000,000</u>
Net change in fund balances	(15,317,890)	9,450,271
Fund balances - beginning of year	<u>116,417,086</u>	<u>19,399,577</u>
<b>FUND BALANCES, end of year</b>	<u><u>\$ 101,099,196</u></u>	<u><u>\$ 28,849,848</u></u>

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

Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,674,902	\$ -	\$ -	\$ 49,641,071
-	-	-	47,853,426
-	-	-	718,100
-	-	195,215	2,556,124
-	-	-	3,352,675
-	-	2,723,917	3,421,380
-	14,110	1,498,464	8,763,699
-	-	62,223	2,572,109
-	-	1,047,863	3,042,752
<u>1,674,902</u>	<u>14,110</u>	<u>5,527,682</u>	<u>121,921,336</u>
-	-	102,547	13,915,081
-	3,439,978	2,259,312	27,415,747
-	-	7,564	4,126,909
-	-	147,372	795,194
-	17,900	3,336,811	31,388,099
-	1,386,789	26,098	4,279,291
-	602,125	10,531	5,712,053
-	-	-	182,311
-	-	-	4,510,221
-	107,232	348,505	31,399,253
<u>1,658,556</u>	<u>-</u>	<u>-</u>	<u>1,658,556</u>
<u>1,658,556</u>	<u>5,554,024</u>	<u>6,238,740</u>	<u>125,382,715</u>
16,346	(5,539,914)	(711,058)	(3,461,379)
-	8,205,922	1,571,834	46,777,756
-	-	-	(45,640,866)
<u>-</u>	<u>8,205,922</u>	<u>1,571,834</u>	<u>1,136,890</u>
16,346	2,666,008	860,776	(2,324,489)
<u>144,619</u>	<u>1,577,637</u>	<u>7,351,847</u>	<u>144,890,766</u>
<u>\$ 160,965</u>	<u>\$ 4,243,645</u>	<u>\$ 8,212,623</u>	<u>\$ 142,566,277</u>

## Midland County, Texas

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended September 30, 2020

**NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS (PAGE 25)** \$ (2,324,489)

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. 27,548,405

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, and adjustments) is to decrease net position. (126,955)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. (365,263)

Long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,210,644

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. (9,315,994)

Internal service funds are used by management to charge the costs of the garage, warehouse and self-insurance funds to individual funds. The net income of activities of internal service funds is reported with governmental activities. 1,071,663

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (PAGE 19)** \$ 17,698,011

**Midland County, Texas**  
 Statement of Net Position  
 Proprietary Funds  
 September 30, 2020

	<b>Governmental            Activities            Internal            Service            Funds</b>
	<u>                    </u>
<b>ASSETS</b>	
Current assets:	
Cash	\$          601,750
Investments	8,871,511
Accounts receivable	69,139
Accrued settlement	205,687
Total current assets	<u>          9,748,087</u>
Non-current assets	
Other assets	26,662
Total non-current assets	<u>                  26,662</u>
Total assets	<u>          9,774,749</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	1,227,484
Total current liabilities	<u>          1,227,484</u>
<b>NET POSITION</b>	
Unrestricted	<u>          8,547,265</u>
<b>TOTAL NET POSITION</b>	<u><u>          \$      8,547,265</u></u>

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

## Midland County, Texas

### Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds For the Fiscal Year Ended September 30, 2020

	<b>Governmental Activities Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for current services	\$ 12,542,490
Total operating revenues	12,542,490
<b>OPERATING EXPENSES</b>	
Fleet maintenance	473,554
Claims expense	7,308,326
Administration costs	1,599,941
Premium costs	1,958,160
Capital outlay services	223,626
Total operating expenses	11,563,607
Operating income	978,883
<b>NONOPERATING REVENUES</b>	
Investment income	90,055
Miscellaneous income	2,725
Total nonoperating revenues	92,780
Change in net position	1,071,663
Net position - beginning of year	7,475,602
<b>NET POSITION - END OF YEAR</b>	<b>\$ 8,547,265</b>

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





**Midland County, Texas**  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
September 30, 2020

	<b>Agency Funds</b>
	<hr/>
<b>ASSETS</b>	
Cash	\$ 9,660,522
Investments held in trust	8,167,232
Accounts receivable	4,293
Other receivables	237,702
Due from other funds	70,724
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 18,140,473</b>
	<hr/> <hr/>
<b>LIABILITIES</b>	
Accounts payable	\$ 18,811
Due to other funds	490,913
Due to other governmental agencies	1,445,378
Other liabilities	128,721
Funds held for others	16,056,650
	<hr/>
<b>TOTAL LIABILITIES</b>	<b>\$ 18,140,473</b>
	<hr/> <hr/>

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

# Notes to the Financial Statements

**Midland County, Texas**  
 Annual Financial Report  
 For the Fiscal Year Ended September 30, 2020  
 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 .....	35
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 .....	38
K. Fund Balance .....	39
L. Net Position .....	39
M. Revenue Recognition - Property Taxes .....	40
N. Use of Estimates .....	40
O. Pensions .....	40
P. Other Post-Employment Benefits .....	40
Q. Accrued Settlement .....	40
2. Reconciliation of Government-Wide and Fund Financial Statements .....	41
3. Cash and Investments .....	43
4. Receivables .....	46
5. Capital Assets .....	46
6. Employee Retirement Benefits .....	47
7. Other Post-Employment Benefits .....	51
8. Discrete Component Unit .....	54
9. Interfund Transactions .....	55
10. Long-Term Debt .....	57
11. Deferred Compensation Plan .....	59
12. Health Care .....	59
13. Operating Leases .....	60
14. Contingencies .....	60
15. New Pronouncements .....	60
16. Subsequent Events .....	63

## Midland County, Texas

### Notes to the Financial Statements

#### Note 1. Summary of Significant Accounting Policies

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

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

##### A. Reporting Entity

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

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

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

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

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

## Midland County, Texas

### Notes to the Financial Statements

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

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

#### **B. Government-Wide and Fund Financial Statements**

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

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

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

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

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

## Midland County, Texas

### Notes to the Financial Statements

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

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

#### **Governmental Funds**

The following major funds are used by the County:

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

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

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

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

Non major funds used by the County include:

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

#### **Other Fund Types**

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

Agency Funds are used to report assets which cannot be used to support County activities and are held in an agency capacity by the County for the benefit of others.

#### **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.

## Midland County, Texas

### Notes to the Financial Statements

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 \$1,022,137 in the General Fund and \$43,574 in the Debt Service Fund. Similarly, a portion of fines and fees are not expected to be are not considered measurable and available and have been recorded as a deferred inflow in the amount of \$5,765,503. Grant revenues are considered to be available if they are to be received within one year. Expenditures are generally recorded when a liability is incurred. However, expenditures related to general long-term debt, compensated absences, and claims and judgments are recorded only when payment is due. Property taxes, fines, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

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

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.



## Midland County, Texas

### Notes to the Financial Statements

#### **D. Cash and Investments**

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

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

#### **E. Receivables, Payables and Interfund Transactions**

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

#### **F. Inventories**

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

#### **G. Prepaid and Capital Assets**

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

Capital Assets are defined as a purchase, construction or other acquisition of any equipment, facilities or other similar assets, the cost, of which, is in excess of \$5,000 and has a useful life of more than one year. These assets include property, plant, equipment, infrastructure, and all other tangible and intangible assets purchased or acquired. Purchased or constructed assets are carried at historical cost or estimated historical cost. Infrastructure assets, which include streets and associated drainage, sidewalks, bridges, drainage systems, water and sewer systems, lighting systems and other similar type assets, have been recorded at historical or estimated historical cost. Donated assets are recorded at estimated fair market value at the time of donation.

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

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.

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

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

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

**H. Federal and State Grants and Entitlements**

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

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

**I. Accrued Employee Benefits Payable**

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

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

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

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

**J. Long-Term Obligations**

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

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

## Midland County, Texas

### Notes to the Financial Statements

#### K. Fund Balance

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

The County classifies governmental fund balances as follows:

##### 1. *Nonspendable Fund Balance*

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

##### 2. *Spendable Fund Balance*

###### a. *Restricted Fund Balance*

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

###### b. *Committed Fund Balance*

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

###### c. *Assigned Fund Balance*

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

###### d. *Unassigned Fund Balance*

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

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

#### L. Net Position

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

## Midland County, Texas

### Notes to the Financial Statements

#### **M. Revenue Recognition – Property Taxes**

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

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

An allowance equal to 4% of the outstanding taxes at September 30, 2020 has been reported on the County's property taxes. The tax is levied based on the estimated market values as determined by the Midland County Appraisal District.

#### **N. Use of Estimates**

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

#### **O. Pensions**

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

#### **P. Other Post-Employment Benefits**

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

#### **Q. Accrued Settlement**

At September 30, 2020, the County accrued amounts to be received pursuant to a confidential settlement agreement that was entered into as of June 21, 2021. See Note 16 for additional information.

**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 \$197,965,330 used in governmental activities that are recorded in the fund level financial statements.

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$17,837,880 difference are as follows:

Bonds and capital leases payable	\$ 13,258,676
Bond premium liability	820,219
Compensated absences	<u>3,758,985</u>
<b>Net adjustment to decrease <i>fund balance - total governmental funds</i></b>	
<b>to arrive at net position - governmental activities.</b>	<b><u>\$ 17,837,880</u></b>

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

Deferred property taxes receivable	\$ 1,065,711
Deferred court fines receivable	5,729,435
Deferred retiree health receivable	<u>36,068</u>
<b>Net adjustment to decrease <i>fund balance - total governmental funds</i></b>	
<b>to arrive at net position - governmental activities.</b>	<b><u>\$ 6,831,214</u></b>

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

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

**Midland County, Texas**  
Notes to the 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 \$27,548,407 difference are as follows:

Capital additions	\$ 37,513,542
Depreciation expense	<u>(9,965,135)</u>
<b>Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities.</b>	<b>\$ <u>27,548,407</u></b>

Another element of that reconciliation states that, “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, and adjustments) is to decrease net position.” The total amount of \$126,955 is related to loss on disposition of assets.

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

Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$1,210,642 difference are as follows:

Principal repayments	\$ 1,235,019
Amortization of bond premium	91,135
Amortization relating to refunding of debt	(113,854)
Change in accrued interest	5,925
Other changes in amortization and accrued liabilities	<u>(7,581)</u>
<b>Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities.</b>	<b>\$ <u>1,210,644</u></b>

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 \$9,315,994 difference are as follows:

Change in pension liability	\$ 12,071,219
Change in deferred inflows from pension liability	(3,617,280)
Change in deferred outflows from pension liability	(8,157,256)
Change in OPEB liability	(40,666,465)
Change in deferred outflows from OPEB liability	34,347,181
Change in deferred inflows from OPEB liability	(2,808,807)
Net change in compensated absences	<u>(484,586)</u>
<b>Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities.</b>	<b>\$ <u>(9,315,994)</u></b>

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

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

The details of this \$365,263 difference are as follows:

Net change in property tax deferred revenue	\$ 201,113
Net change in fines and fees deferred revenue	(587,447)
Net change in retiree health deferred revenue	<u>21,071</u>
<b>Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities.</b>	<b><u>\$ (365,263)</u></b>

**Note 3. Cash and Investments**

**A. Deposits**

State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The County's deposits were fully insured or collateralized as required by the state statutes at September 30, 2020. At year-end, the total carrying amount of the County's deposits was \$12,915,214 in cash and cash equivalents which includes cash and equivalents within the County's fiduciary funds. The total carrying amount of the County's certificate of deposits with two financial institutions was \$39,150,528. Total bank balance and certificate of deposits was \$41,560,050. The Federal Depository Insurance Corporation (FDIC) covered \$19,250,000 and \$22,310,050 was covered by collateral held by the pledging from a financial institution's agent for the County in the County's name.

**B. Investments**

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

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

## Midland County, Texas

### Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

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



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

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

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

	Fair Value Measurements			Percent of Total Investment	Weighted Average Maturity (Days)	Credit Risk and Rating Agency
	Fair Value	Level 1 Inputs	Level 2 Inputs			
Investments measured at amortized cost investment pools						
TexPool	\$ 4,898,892	n/a	n/a	3%	2	AAAm - S&P
TexStar	13,360,603	n/a	n/a	9%	10	AAAm - S&P
Texas CLASS	24,947,984	n/a	n/a	17%	19	AAAm - S&P
TexPool-Prime	14,345,588	n/a	n/a	10%	7	AAAm - S&P
Investment by fair value level						
U.S. Treasury Notes	25,068,627	25,068,627	-	17%	25	AA+/Aaa - S&P
U.S. Agency Bond	23,278,261	-	23,278,261	16%	44	AA+/Aaa - S&P
Certificate of Deposits	39,696,434	39,696,434	-	27%	17	AA+/Aaa - S&P
<b>Total</b>	<b>\$ 145,596,389</b>	<b>\$ 64,765,061</b>	<b>\$ 23,278,261</b>	<b>100%</b>		
Portfolio Weighted Average if Maturity					<u>124</u>	

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

**C. Interest Rate Risk**

In compliance with the County's investment policy, as of September 30, 2020, 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, 2020.

Maturity Schedule	Par Value	Fair Value	% of Portfolio
Less than 1 Month	\$ 15,039,427	\$ 15,762,825	11%
1 to 6 Months	92,028,077	92,346,500	63%
6 to 9 Months	9,791,840	9,892,088	7%
9 to 12 Months	3,735,000	3,818,296	3%
12 to 18 Months	4,648,000	4,778,069	3%
More than 18 Months	18,663,000	18,998,612	13%
<b>Total</b>	<b>\$ 143,905,344</b>	<b>\$ 145,596,389</b>	<b>100%</b>

# Midland County, Texas

## Notes to the Financial Statements

### D. Credit Risk

In compliance with the County's investment policy, as of September 30, 2020, 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, 2020 for the County's individual major funds, non-major funds in the aggregate and internal service funds, including applicable allowances for uncollectible amounts, are as follows:

	General	Road and Bridge	Debt Service	Non Major Funds	Internal Service Funds	Total
Receivables:						
Property taxes	\$ 1,220,869	\$ -	\$ 50,823	\$ -	\$ -	\$ 1,271,692
Accounts receivable	9,836,685	3,462	-	360,081	69,139	10,269,367
Gross receivables	11,057,554	3,462	50,823	360,081	69,139	11,541,059
Less: allowance for uncollectibles	(3,544,250)	-	(2,033)	-	-	(3,546,283)
<b>Net total receivables</b>	<b>\$ 7,513,304</b>	<b>\$ 3,462</b>	<b>\$ 48,790</b>	<b>\$ 360,081</b>	<b>\$ 69,139</b>	<b>\$ 7,994,776</b>

### 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, 2020 was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 4,750,256	\$ 1,194,401	\$ -	\$ 5,944,657
Construction in progress	19,793,673	29,146,159	(11,610,334)	37,329,498
Total capital assets, not being depreciated	24,543,929	30,340,560	(11,610,334)	43,274,155
Capital assets, being depreciated:				
Buildings and improvements	129,760,706	5,372,625	-	135,133,331
Infrastructure	75,904,934	7,451,616	(141,296)	83,215,254
Machinery and equipment	35,913,121	5,959,075	(268,504)	41,603,692
Total capital assets being depreciated	241,578,761	18,783,316	(409,800)	259,952,277
Less accumulated depreciation for:				
Buildings and improvements	(41,541,061)	(4,260,787)	-	(45,801,848)
Infrastructure	(32,170,299)	(2,492,295)	141,296	(34,521,298)
Machinery and equipment	(21,867,450)	(3,212,053)	141,547	(24,937,956)
Total accumulated depreciation	(95,578,810)	(9,965,135)	282,843	(105,261,102)
Total capital assets, being depreciated, net	145,999,951	8,818,181	(126,957)	154,691,175
<b>Governmental activities capital assets, net</b>	<b>\$ 170,543,880</b>	<b>\$ 39,158,741</b>	<b>\$ (11,737,291)</b>	<b>\$ 197,965,330</b>

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

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

Governmental Activities:	
General administration	\$ 2,430,006
Judicial	513,550
Financial administration	9,619
Public safety and corrections	2,062,194
Health and welfare	28,453
Cultural and recreation	2,332,968
Highways and roads	2,578,205
Conservation and natural resources	<u>10,140</u>
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 9,965,135</u></b>

**Note 6. Employee Retirement Benefits**

**A. Plan Description**

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

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

Employees covered by benefits as of December 31, 2020:

Retirees or beneficiaries currently receiving benefits	362
Inactive employees entitle to but not yet receiving benefits	716
Active employees	685
<b>Total</b>	<u>1,763</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 11.59% for the months of the accounting year in 2019, and 11.60% for the months of the accounting year in 2020. The County contributed at a rate of 13.50% for all months included in the fiscal year ended September 30, 2020.

The deposit rate payable by the employee members for calendar year 2019 and 2020 is 7.00%, as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

**D. Net Pension Liability**

The County's net pension liability was measured as of December 31, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5 Years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.75%
Salary Increase	1.60%
Investment Rate of Return	8.00%
Payroll Growth	3.25%

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.

## Midland County, Texas

### Notes to the Financial Statements

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, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68.

#### E. Plan Fiduciary Net Position

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

#### 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	14.50%	5.20%
Private Equity	20.00%	8.20%
Global Equities	2.50%	5.50%
International Equities-Developed	7.00%	5.20%
International Equities-Emerging	7.00%	5.70%
Investment-Grade Bonds	3.00%	-0.20%
Strategic Credit	12.00%	3.14%
Direct Lending	11.00%	7.16%
Distressed Debt	4.00%	6.90%
REIT Equities	3.00%	4.50%
Master Limited Partnerships	2.00%	8.40%
Private Real Estate Partnerships	6.00%	5.50%
Hedge Funds	8.00%	2.30%
<b>Total</b>	<b>100.0%</b>	

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

**Discount Rate**

The discount rate used to measure the total pension liability was 8.10%, which is consistent with the prior year discount rate. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The best estimates of geometric real rates of return for each major asset class included in the TCDRS' target asset allocation as of January 2020 are summarized below:

**Changes in the Net Pension Liability**

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of December 31, 2018	\$ 165,148,569	\$ 141,356,826	\$ 23,791,743
Changes for the year:			
Service cost	4,612,531	-	4,612,531
Interest on total pension liability (1)	13,430,990	-	13,430,990
Effect of economic/demographic gains or losses	1,043,331	-	1,043,331
Refund of contributions	(236,590)	(236,590)	-
Benefit payments	(7,812,950)	(7,812,950)	-
Administrative expenses	-	(125,329)	125,329
Member contributions	-	2,747,642	(2,747,642)
Net investment income	-	23,213,611	(23,213,611)
Employer contributions	-	5,299,011	(5,299,011)
Other (3)	-	23,137	(23,137)
<b>Balances as of December 31, 2019</b>	<b>\$ 176,185,881</b>	<b>\$ 164,465,358</b>	<b>\$ 11,720,523</b>

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

(2) No plan changes valued.

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

**Discount Rate Sensitivity Analysis**

The following presents the net pension liability of the County as of December 31, 2019, calculated using the discount rate of 8.10%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.10%) or 1% higher (9.10%) than the current rate.

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ 198,697,418	\$ 176,185,881	\$ 157,271,528
Fiduciary net pension	164,465,358	164,465,358	164,465,358
<b>Net pension liability / (asset)</b>	<b>\$ 34,232,060</b>	<b>\$ 11,720,523</b>	<b>\$ (7,193,830)</b>

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

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

For the year ended September 30, 2020, the County recognized pension expense of \$5,452,398 related to the December 31, 2019 valuation. At September 30, 2020, the County reported deferred inflows and outflows of resources related to the Plan from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 60,962	\$ 1,383,323
Changes of assumptions		153,666
Net difference between projected and actual investment earnings	3,932,339	-
Contributions subsequent to the measurement date	-	4,444,668
<b>Total</b>	<b>\$ 3,993,301</b>	<b>\$ 5,981,657</b>

Deferred outflows of resources related to the Plan resulting from contributions subsequent to the measurement date of \$4,444,668 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2020 (i.e. recognized in the County's financial statements September 30, 2020). Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Pension Expense Amount
2021	\$ (316,758)
2022	(571,804)
2023	785,827
2024	(2,353,577)
<b>Total</b>	<b>\$ (2,456,312)</b>

**Note 7. Other Post-Employment Benefits**

**A. Plan Description**

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

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

**B. Funding Policy**

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

During the year, the County contributed approximately \$1,713,830 to the health care fund for post-retirement health care as well as \$21,946 for a medical supplement; County contributions for both totaled \$1,735,776.

Employees covered by benefits as of December 31, 2019:

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

**C. Contributions**

The County has elected the annually determined contribution. The plan is funded by monthly contributions from both employee members and the employer based on an actuarially determined contribution. The annual actuarially determined contribution is a recommended minimum contribution to fully fund postemployment healthcare benefits of both active and inactive participants of the County, however the County may elect to contribute more than the actuarially determined contribution, or make additional lump sum contributions on an ad hoc basis to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. The County's actuarially determined contribution was \$2,200,014 for the year ended September 30, 2020.

**D. Net OPEB Liability**

The County's net OPEB liability was measured as of October 1, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total OPEB Liability in the October 1, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	October 1, 2018
Measurement Date	September 30, 2020
Benefits Valued	Medical, prescription drug, and dental benefits.
Discount Rate	2.14%
Salary Increase	3.25%
Inflation Rate	2.75%
Healthcare Trend Rates	
Medical/RX	6.75%
Dental	3.50%



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

Determining the value of the future healthcare benefits is challenged by the fact that assumptions must be made about many future events that are especially hard to predict. Future increases in healthcare costs are affected by many factors, including OPEB inflammation, Utilization, Technological advances, Cost shifting, and Cost leveraging. OPEB obligations are also heavily influenced by demographic assumptions such as Withdraw rates, Retirement rates, Mortality rates and Election rates. 85% of employees are assumed to elect medical and dental coverage at retirement. 30 % of these future retirees electing coverage are assumed to include spouse coverage. 40% of employees who retire after age 65 and elect medical coverage are assumed to elect coverage in the Medicare supplemental plan. 60% of employees who retire after age 65 and elect medical coverage are assumed to elect coverage in the County group plan. The withdrawal rates below are the Middle Termination Group rates from the TCDRS December 31, 2018 retirement plan actuarial valuation. TCDRS Pre-Retirement Male rates are 90% of RP-2014 Active Employee Mortality Table male rates, projected generationally using 110% of MP-2014 Ultimate Projection Scale. Female rates are 90% of RP-2014 Active Employee Mortality Table female rates, projected generationally using 110% of MP-2014 Ultimate Projection Scale. TCDRS Post Employment Male rates 130% of RP-2014 Healthy Annuitant Mortality Table male rates, projected generationally using 110% of MP-2014 Ultimate Projection Scale. Females rates are 110% of RP-2014 Healthy Annuitant Mortality Table female rates, projected generationally using 110% of MP-2014 Ultimate Projection Scale.

**Changes in Net OPEB Liability**

Changes in OPEB Liability / (Asset)	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of October 1, 2019	\$ 106,021,283	\$ -	\$ 106,021,283
Changes for the year:			
Service cost	3,917,478	-	3,917,478
Interest	3,896,774	-	3,896,774
Changes of assumptions	35,052,227	-	35,052,227
Benefit payments	(2,200,014)	(2,200,014)	-
Contributions - employer	-	2,200,014	(2,200,014)
<b>Balances as of September 30, 2020</b>	<b>\$ 146,687,748</b>	<b>\$ -</b>	<b>\$ 146,687,748</b>

**Discount Rate Sensitivity Analysis**

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Total OPEB liability	\$ 180,320,154	\$ 146,687,748	\$ 120,981,750
<b>Net OPEB liability</b>	<b>\$ 180,320,154</b>	<b>\$ 146,687,748</b>	<b>\$ 120,981,750</b>

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

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

	1% Decrease in Healthcare Trend Rates	Current Trend Rates	1% Increase in Healthcare Trend Rates
Total OPEB liability	\$ 117,073,002	\$ 146,687,748	\$ 187,430,968
<b>Net OPEB liability</b>	<b>\$ 117,073,002</b>	<b>\$ 146,687,748</b>	<b>\$ 187,430,968</b>

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

For the year ended September 30, 2020, the County recognized pension expense of \$11,328,105 related to the October 1, 2020 valuation. At September 30, 2020, 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	\$ 12,112,443	\$ -
Changes of assumptions	29,866,296	19,548,095
<b>Total</b>	<b>\$ 41,978,739</b>	<b>\$ 19,548,095</b>

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

Year ended September 30,	OPEB Expense Amount
2021	\$ 3,513,853
2022	3,513,853
2023	3,513,853
2024	3,513,853
2025	4,438,591
Thereafter	3,936,641
<b>Total</b>	<b>\$ 22,430,644</b>

**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, 2020, 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 the 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, 2020 arising from these transactions were as follows:

	Interfund	
	Receivable	Payable
General Fund	\$ 473,594	\$ 31,327,690
Road and Bridge Fund	26,197,184	-
Special Revenue Funds		
Donations Library	1,665	-
County Clerk Records Management Fund	12,042	-
Records Preservation Fund	424	-
District Clerk Records Management Fund	203,244	-
Courthouse Security Fund	540	-
County Clerk Record Archives	1,810	-
County Clerk Vital Stat Preservation Fund	47	-
Voter Registration Chapter 19 Fund	-	678
Dealer Inventory Fund	1,203	-
Justice Court Building Security Fund	29,641	-
Local Truancy Prevention Fund	61,351	-
County Attorney State Supplement	-	24,914
Truancy Prevention Fund	65,291	-
Pretrial Intervention Program Fund	460,643	-
Election Contracts	59,245	-
Court Records Preservation	98,108	-
Child Abuse Prevention	6	-
Appellate Justice System Fund	230	-
Guardianship Fund	133,044	-
Rabies Control	66,230	-
District Court Records Technology Fund	420	-
County and District Court Technology Fund	73,128	-
Justice Court Technology Fund	393,424	-
Donations SO Mounted Patrol	50,788	-
Donations Sheriff's Office	63,569	-

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

	Interfund	
	Receivable	Payable
L.E.O.S.E. Funds	26,343	-
District Attorney Drug Forfeiture	43,437	339
7th Administration Judicial Region	-	11,739
OAG Victim Coordinator & Liaison	-	3,464
Mental Health Deputies Fund	-	15
Crime Victim Services Fund	-	2,013
High Intensity Drug Trafficking Area	-	44,838
Donation SO Bulletproof Vest	23,078	-
Donation Teen Leadership	921	-
Title IV-E Federal Foster Care	72,071	-
Juvenile Probation Grants	233,368	42,078
Donation Library	32,458	-
Donation Dare Program	23,902	-
County Transportation Infrastructure Fund Grant	30,813	-
Donation- Teen Leadership	544	-
Donations Horseshoe	11,866	-
Donations Agrilife	50	-
Donation Gratitude Square	9,900	-
Donation K - 9 Unit	46,235	-
TSLAC Texas Read Grant	-	9,955
Midland Odessa Coordinator Response	-	15,939
Texas VINE Grant	-	6,526
Public Assistant Grant-Covid 19	-	44,221
Commissary Fund	-	54,913
CARES- Coronavirus Relief Fund	-	521,099
CARES- HAVA	104,625	-
CARES- HAVA Election Security	-	14,875
DOJ Coronavirus Emergency Supplement	-	6,845
Debt Service Fund	2,460	-
Capital Projects Fund	3,443,388	-
Total governmental funds	32,552,330	32,132,141
Agency Funds		
District Clerk	-	19,796
County Clerk	1,980	24,355
Sheriff	-	4,972
Justice of the Peace Precinct #1	-	25,438
Justice of the Peace Precinct #2	433	26,124
Justice of the Peace Precinct #3	-	27,355
Justice of the Peace Precinct #4	-	8,737
Tax Collector Assessor	-	277,198
Bail Security Fund	52,377	-
CSCD - Basic Supervision	15,934	49,758
CSCD - Midland Outpatient Treatment Center	-	5,298
Sex Offender Caseload	-	4,085
DWI Repeat Offender Caseload	-	6,019
Drug Court	-	7,069
CSCD - DWI Court	-	3,267
CSCD - Transitional Treatment Court	-	1,442
Total agency funds	70,724	490,913
<b>Total</b>	<b>\$ 32,623,054</b>	<b>\$ 32,623,054</b>

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

Interfund transfers for the fiscal year ended September 30, 2020 are as follows:

	Interfund	
	Transfers In	Transfers Out
General fund	\$ -	\$ 45,640,866
Road and bridge fund	37,000,000	-
Nonmajor governmental funds:		
Mental health deputies	402,425	-
County Transportation Infrastructure Fund Grant	30,813	-
CARES - HAVA	1,706	-
Commissary Fund	1,136,890	-
Agency Funds		
Sheriff	-	1,136,890
Capital projects fund	8,205,922	-
<b>Total</b>	<b>\$ 46,777,756</b>	<b>\$ 46,777,756</b>

**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, 2020:

	Balance	Additions	Reductions	Balance	Due Within
	October 1, 2019			September 30, 2020	One Year
General Obligation Bonds-Series 2016	\$ 14,405,000	\$ -	\$ 1,185,000	\$ 13,220,000	\$ 1,235,000
Unamortized premium on General					
Obligation Bonds Series 2016	911,354	-	91,135	820,219	-
Capital lease obligation	76,115	12,580	50,019	38,676	38,676
Compensated absences	3,274,399	484,586	-	3,758,985	3,571,036
<b>Totals</b>	<b>\$ 18,666,868</b>	<b>\$ 497,166</b>	<b>\$ 1,326,154</b>	<b>\$ 17,837,880</b>	<b>\$ 4,844,712</b>

**B. Bonds**

Certificates of Obligation and General Obligation Bonds at September 30, 2020 consist of the following:

\$14,625,000 General Obligation Refunding Bonds, Series 2016, annual installments beginning 2016 through 2029, interest at 2.00% to 3.50%.	\$ 13,220,000
<b>Total bonds outstanding</b>	<b>\$ 13,220,000</b>

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

Principal payments are due annually for Certificates of Obligation and Refunding Bonds on February 15 and interest payments are due semiannually on February 15 and August 15. The annual requirements to amortize all bonded debt outstanding as of September 30, 2020 is as follows:

General Obligation Bonds	Principal	Interest	Total
Year Ending September 30,			
2021	\$ 1,235,000	\$ 424,706	\$ 1,659,706
2022	1,280,000	374,406	1,654,406
2023	1,335,000	322,106	1,657,106
2024	1,385,000	267,706	1,652,706
2025	1,500,000	210,006	1,710,006
2026-2030	6,485,000	352,947	6,837,947
<b>Total</b>	<b>\$ 13,220,000</b>	<b>\$ 1,951,877</b>	<b>\$ 15,171,877</b>

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

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

**C. Capital Leases**

The County leases various equipment under capital lease obligations. The cost of the various equipment is \$86,619 and included in the County's capital assets.

Future minimum lease payments under capital leases are as follows:

Year Ending September 30,	
2021	\$ 12,035
2022	11,035
2023	11,035
2024	6,794
Total minimum lease payments	40,899
<b>Less amounts representing interest</b>	<b>2,223</b>
Present value of minimum lease payments	38,676
Less current maturities	38,676
<b>Total</b>	<b>\$ -</b>

**Midland County, Texas**  
Notes to the 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, 2019	\$ 1,019,650
Insured claims (including IBNRs)	8,910,666
Claim payments	<u>(8,755,973)</u>
Unpaid claims, September 2020	1,174,343
Insured claims (including IBNRs)	7,354,368
Claim payments	<u>(7,504,522)</u>
<b>Unpaid claims, September 30, 2020</b>	<b><u><u>\$ 1,024,189</u></u></b>

Unpaid claims are reported in accounts payables.

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

**Note 13. Operating Leases**

The County's future minimum rental commitments for various equipment, accounted for as operating leases at September 30, 2020 are as follows:

Operating Leases	
Year Ending September 30,	
2021	\$ 163,751
2022	99,668
2023	66,199
2024	13,695
<b>Total future minimum rental commitments</b>	<b>\$ 343,313</b>

Rental expense related to leased equipment totaled approximately \$184,997 for the fiscal year ended September 30, 2020.

**Note 14. Contingencies**

**A. Federal / State Assisted Programs – Compliance Audits**

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

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

**B. Litigation**

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

**Note 15. New Pronouncements**

GASB Statement No. 84, Fiduciary Activities. Statement 84 was issued on January 2017. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with who a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The County has not determined the impact of this statement.



## Midland County, Texas

### Notes to the Financial Statements

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

*GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period.* Statement 89 was issued on June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of the construction period. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. This standard becomes effective for the County fiscal year 2021. The District has not determined the impact of this statement.

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

*GASB Statement No. 92, Omnibus 2020.* Statement 92 was issued January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to certain provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers

## Midland County, Texas

### Notes to the Financial Statements

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

This standard becomes effective for the County fiscal year 2021. The County has not determined the impact of this statement.

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

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

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

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

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

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

## Midland County, Texas

### Notes to the Financial Statements

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

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

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

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

*GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32.* Statement 97 was issued on June 2020. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard becomes effective for the District fiscal year 2022, The District has not determined the impact of this statement. The County's management is reviewing the implementation process of these standards by gathering required information.

### Note 16. Subsequent Events

On June 21, 2021, the County approved a confidential settlement agreement between the County and a vendor relating to disputed vendor charges. The total amount of the settlement included cash payment by the vendor to the County of approximately \$1.2 million and cancellation of disputed outstanding invoices of approximately \$400 thousand. The amount of disputed charges relating to vendor activity through September 30, 2020 was estimated by the County to be \$1,157,455, and this amount is recognized in the accompanying financial statements as an accrued settlement.

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## **RSI-1 Required Supplementary Information**

# Midland County, Texas

## Texas County District Retirement System Schedule of Changes in the Employer's Net Pension Liability and Related Ratios For the Employees of Midland County For the Fiscal Year Ended September 30, 2020

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

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

### Notes to Schedule:

As of December 31 - Measurement date  
Only six years of date is presented in accordance with GASB 68, Paragraph 13B. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**Midland County, Texas**  
Texas County District Retirement System  
Schedule of Employer Contributions  
For the Fiscal Year Ended September 30, 2020

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

**Notes to Schedule:**

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	7.7 years (based on contribution rate calculated in 12/31/19 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by age and service. 4.9% average over career including inflation
Investment rate of return	8.00%
Retirement age	Members who are eligible for services retirement are assumed to commence receiving benefit payments based on age. The average age of service retirement of recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality for females, birth projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality, and other assumptions were reflected 2017: New mortality assumptions were reflected
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.

Only seven years of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**Midland County, Texas**  
**Schedule of Changes in County's Total OPEB**  
**Liability and Related Ratios**  
**For the Fiscal Year Ended September 30, 2020**

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

**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 compile, 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.

Interest on the total OPEB liability- [(total OPEB liability + service cost) x discount rate] - [benefit payments x ((1 + 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 2019 and 2020 are detailed in the Changes in Actuarial Accrued Liability since the Last Valuation section on page 17. Balances and amortizations of all past differences not fully recognized are calculated in the amortization of differences between expected and actual experience section on.

Changes in assumption and other inputs for fiscal year 2019 and 2020 are detailed in the Changes in Actuarial Accrued Liability since the last valuation section. Balances and amortizations of all past changes not fully recognized are calculated in the amortizations of changes in assumptions and other inputs section.



**Midland County, Texas**  
 Schedule of the County's Contributions for OPEB  
 For the Fiscal Year Ended September 30, 2020

	Year Ended December 31, 2018	Year Ended December 31, 2019
Actuarially determined contribution	\$ 2,125,399	\$ 2,200,014
Contributions in relation to the actuarially determined contribution	2,125,399	2,200,014
<b>CONTRIBUTION EXCESS (DEFICIENCY)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 32,062,563	\$ 29,283,267
Contributions as a percentage of covered payroll	6.63%	7.51%

**Notes to Schedule:**

Valuation date:

Actuarially determined contribution rates are calculated as of  
 October 1, 2020

Methods and assumptions used to determine contribution rates:

Actuarial Cost method	Entry Age
Amortization method	Average working lifetime
Remaining amortization period	7.7 years
Healthcare cost trend rates	
Medical/RX	0.00%
Dental	0.00%
Inflation Rate	2.75%
Salary Increase:	4.90%
Mortality	Male rates: 130% of RP-2014 Active Employee Mortality Table male rates, projected generationally using 110% of MP- 2014 Ultimate Projection Scale Female rates: 110% of RP-2014 Active Employee Mortality Table male rates, projected generationally using 110% of MP- 2014 Ultimate Projection Scale

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

# Midland County, Texas

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual For the Fiscal Year Ended September 30, 2020

	<b>Original Budget</b>
<b>REVENUES</b>	
Property tax, penalties and interest	\$ 41,400,000
Sales tax	44,000,000
Hotel-motel tax	800,000
Fines and forfeitures	3,285,800
Licenses and permits	750,000
Intergovernmental charges	643,500
Charges for current services	5,123,745
Investment income	1,000,000
Other revenue	805,800
Total revenues	<u>97,808,845</u>
<b>EXPENDITURES</b>	
Current:	
General administration	16,559,693
Judicial	24,615,583
Financial administration	4,237,116
Elections	685,345
Public safety and corrections	30,562,182
Health and welfare	5,580,140
Culture and recreation	5,722,172
Conservation and natural resources	227,914
Capital outlay	12,972,817
Total expenditures	<u>101,162,962</u>
Excess of revenues (deficiency) over expenditures	(3,354,117)
<b>OTHER FINANCING SOURCES (USES)</b>	
Proceeds from sale of assets	-
Transfers in	196,044.00
Transfers out	(45,760,680)
Total other financing sources (uses)	<u>(45,564,636)</u>
Net change in fund balance	(48,918,753)
Fund balance - beginning of year	<u>116,417,086</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 67,498,333</u></u>

Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 41,400,000	\$ 47,966,169	\$ 6,566,169
44,000,000	47,853,426	3,853,426
800,000	718,100	(81,900)
2,347,000	2,360,909	13,909
650,000	1,087,605	437,605
643,500	672,472	28,972
6,054,545	7,251,125	1,196,580
1,000,000	2,492,545	1,492,545
912,800	1,776,672	863,872
97,807,845	112,179,023	14,371,178
17,041,663	13,812,534	3,229,129
24,702,565	21,716,457	2,986,108
4,242,249	4,119,345	122,904
679,932	647,822	32,110
30,480,807	28,033,388	2,447,419
5,567,390	2,866,404	2,700,986
5,745,356	5,099,397	645,959
227,913	182,311	45,602
6,349,320	5,378,389	
95,037,195	81,856,047	12,210,217
2,770,650	30,322,976	26,581,395
1,000	-	(1,000)
196,044	-	(196,044)
(45,807,752)	(45,640,866)	166,886
(45,610,708)	(45,640,866)	(30,158)
(42,840,058)	(15,317,890)	27,522,168
116,417,086	116,417,086	-
\$ 73,577,028	\$ 101,099,196	\$ 27,522,168

**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, 2020

	<b>Original Budget</b>
<b>REVENUES</b>	
Licenses	\$ 2,254,000
Intergovernmental charges	25,000
Investment income	5,000
Other revenues	20,000
Total revenues	2,304,000
<b>EXPENDITURES</b>	
Highways and roads	6,711,214
Road maintenance and materials	-
Capital outlay	50,643,249
Total expenditures	57,354,463
Deficiency of revenues over expenditures	(55,050,463)
<b>OTHER FINANCING SOURCES</b>	
Transfers in	37,000,000
Total other financing sources	37,000,000
Net change in fund balance	(18,050,463)
Fund balance - beginning of year	19,399,577
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,349,114</b>

Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 2,254,000	\$ 2,265,070	\$ 11,070
25,000	24,991	(9)
5,000	17,341	12,341
20,000	218,217	198,217
2,304,000	2,525,619	221,619
4,902,574	3,415,726	1,478,849
2,032,500	1,094,495	938,005
38,085,766	25,565,127	12,520,639
45,020,840	30,075,348	14,937,493
(42,716,840)	(27,549,729)	15,159,112
37,000,000	37,000,000	-
37,000,000	37,000,000	-
(5,716,840)	9,450,271	15,159,112
19,399,577	19,399,577	-
<u>\$ 13,682,737</u>	<u>\$ 28,849,848</u>	<u>\$ 15,159,112</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, 2020

	<b>Original Budget</b>
<b>REVENUES</b>	
Property tax, penalties and interest	\$ 1,658,606
Total revenues	1,658,606
<b>EXPENDITURES</b>	
Debt service:	
Principal	1,185,000
Interests and fiscal charges	473,606
Total expenditures	1,658,606
Excess of revenues over expenditures	-
Net change in fund balance	-
Fund balance - beginning of year	144,619
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 144,619</b>

Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 1,658,606	\$ 1,674,902	\$ 16,296
1,658,606	1,674,902	16,296
1,185,000	1,185,000	-
473,606	473,556	50
1,658,606	1,658,556	50
-	16,346	16,346
-	16,346	16,346
144,619	144,619	-
\$ 144,619	\$ 160,965	\$ 16,346

## 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, 2020

	<b>Original Budget</b>
<b>REVENUES</b>	
Charges for current services	\$ -
Total revenues	-
<b>EXPENDITURES</b>	
Judicial	-
Public safety and corrections	-
Health and welfare	-
Culture and recreation	-
Capital outlay	9,640,680
Total expenditures	9,640,680
Deficiency of revenues over expenditures	(9,640,680)
<b>OTHER FINANCING SOURCES</b>	
Transfers in	8,190,680
Total other financing sources	8,190,680
Net change in fund balance	(1,450,000)
Fund balance - beginning of year	1,577,637
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 127,637</b>



Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ 14,110	\$ 14,110
-	14,110	14,110
3,323,657	3,439,978	(116,321)
17,900	17,900	-
3,899,522	1,386,789	2,512,733
652,315	602,125	50,190
1,077,295	107,232	970,063
8,970,689	5,554,024	3,416,665
(8,970,689)	(5,539,914)	3,430,775
8,205,922	8,205,922	-
8,205,922	8,205,922	-
(764,767)	2,666,008	3,430,775
1,577,637	1,577,637	-
\$ 812,870	\$ 4,243,645	\$ 3,430,775

## 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, 2020

### A. Budgetary Information

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

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

### Excess of Expenditures over Appropriations

For the year ended September 30, 2020, expenditures exceeded budget for capital projects funds the following:

	Variance With Final Budget - (Unfavorable)
Judicial Expenses	(116,321)

The unfavorable variance in the Capital Projects fund for the Judicial expenditures is related to the 5% Retainage amount that had to be accrued at year end. The funds were used to pay for the retainage liability for the renovation of the 2 new courtrooms at the courthouse. There were sufficient funds remaining to cover the cost of the overage in the Capital Project fund under the Health and Welfare Expenditures since the Mental Health Facility Project was not completed in the 2020 fiscal year.

## Supplementary Information

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## Nonmajor Governmental Funds

### Special Revenue Funds

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

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

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 September 30, 2020

	District Attorney Hot Check	Law Library	County Clerk Records Management
<b>ASSETS</b>			
Cash	\$ 13,881	\$ 2,301	\$ (2)
Investments	105,530	123,598	1,717,300
Accounts receivable	-	-	-
Due from other funds	-	1,665	12,042
Due from other governmental agencies	7,500	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 126,911</b>	<b>\$ 127,564</b>	<b>\$ 1,729,340</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 3,404	\$ 2,715
Benefits payable	3,219	1,954	5,379
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	3,219	5,358	8,094
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	123,692	122,206	1,721,246
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Unassigned	-	-	-
Total fund balances	123,692	122,206	1,721,246
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 126,911</b>	<b>\$ 127,564</b>	<b>\$ 1,729,340</b>

<u>Records Preservation</u>	<u>District Clerk Records Management</u>	<u>Juvenile Probation Fees</u>	<u>Courthouse Security</u>	<u>County Clerk Records Archive</u>	<u>County Clerk Vital Statistics</u>
\$ 2,831	\$ -	\$ -	\$ 9,510	\$ 11,595	\$ 273
446,058	-	27,720	40,985	1,704,364	144,437
-	-	-	-	199,092	-
424	203,244	-	540	1,810	47
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 449,313</u>	<u>\$ 203,244</u>	<u>\$ 27,720</u>	<u>\$ 51,035</u>	<u>\$ 1,916,861</u>	<u>\$ 144,757</u>
\$ 382,006	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	4,412	3,853	64
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>382,006</u>	<u>-</u>	<u>-</u>	<u>4,412</u>	<u>3,853</u>	<u>64</u>
-	-	-	-	-	-
-	-	-	-	-	-
67,307	203,244	27,720	46,623	1,913,008	144,693
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>67,307</u>	<u>203,244</u>	<u>27,720</u>	<u>46,623</u>	<u>1,913,008</u>	<u>144,693</u>
<u>\$ 449,313</u>	<u>\$ 203,244</u>	<u>\$ 27,720</u>	<u>\$ 51,035</u>	<u>\$ 1,916,861</u>	<u>\$ 144,757</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2020

	Voter Registration Chapter 19	Employee Activity	Dealer Inventory
<b>ASSETS</b>			
Cash	\$ 1	\$ -	\$ -
Investments	-	19,018	26,353
Accounts receivable	-	3,926	-
Due from other funds	-	-	1,203
Due from other governmental agencies	689	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 690</b>	<b>\$ 22,944</b>	<b>\$ 27,556</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 12	\$ -	\$ -
Benefits payable	-	-	198
Due to other funds	678	-	-
Due to other governmental agencies	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	690	-	198
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	27,358
Federal and state grants	-	-	-
Committed			
Employee motivation	-	22,944	-
Donations	-	-	-
Unassigned	-	-	-
Total fund balances	-	22,944	27,358
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 690</b>	<b>\$ 22,944</b>	<b>\$ 27,556</b>



<u>Justice Court Building Security</u>	<u>Juvenile Case Management</u>	<u>County Attorney State Supplement</u>	<u>Truancy Prevention Fund</u>	<u>Juvenile Delinquency Prevention</u>	<u>Pre-Trial Intervention Program</u>
\$ (1)	\$ 1	\$ -	\$ -	\$ 195	\$ (1)
-	-	-	-	-	-
-	-	-	-	-	-
29,641	61,351	-	65,291	-	460,643
-	-	-	-	-	-
-	-	768	-	-	-
-	-	-	-	-	-
<u>\$ 29,640</u>	<u>\$ 61,352</u>	<u>\$ 768</u>	<u>\$ 65,291</u>	<u>\$ 195</u>	<u>\$ 460,642</u>
\$ -	\$ -	\$ 701	\$ -	\$ -	\$ -
-	1,883	2,136	-	-	9,179
-	-	24,914	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,883	27,751	-	-	9,179
-	-	768	-	-	-
-	-	-	-	-	-
29,640	59,469	-	65,291	195	451,463
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(27,751)	-	-	-
<u>29,640</u>	<u>59,469</u>	<u>(26,983)</u>	<u>65,291</u>	<u>195</u>	<u>451,463</u>
<u>\$ 29,640</u>	<u>\$ 61,352</u>	<u>\$ 768</u>	<u>\$ 65,291</u>	<u>\$ 195</u>	<u>\$ 460,642</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2020

	<u>Election Contracts</u>	<u>Unclaimed Juvenile Restitution</u>	<u>Court Records Preservation</u>
<b>ASSETS</b>			
Cash	\$ (2)	\$ 5,416	\$ -
Investments	-	-	-
Accounts receivable	48,377	-	-
Due from other funds	59,245	-	98,108
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 107,620</b>	<b>\$ 5,416</b>	<b>\$ 98,108</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 14,970	\$ -	\$ 269,774
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	14,970	-	269,774
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	92,650	5,416	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Unassigned	-	-	(171,666)
Total fund balances	92,650	5,416	(171,666)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 107,620</b>	<b>\$ 5,416</b>	<b>\$ 98,108</b>

<u>Scofflaw Implementation Fee</u>	<u>Child Abuse Prevention</u>	<u>Appellate Justice System</u>	<u>Guardianship</u>	<u>Abandoned Motor Vehicles</u>	<u>Rabies Control</u>
\$ 15,959	\$ 13,085	\$ 4,029	\$ -	\$ 5,000	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
-	6	230	133,044	-	66,230
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 15,959</u>	<u>\$ 13,091</u>	<u>\$ 4,259</u>	<u>\$ 133,044</u>	<u>\$ 5,000</u>	<u>\$ 66,231</u>
\$ -	\$ -	\$ 4,259	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,259	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,959	13,091	-	133,044	5,000	66,231
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,959</u>	<u>13,091</u>	<u>-</u>	<u>133,044</u>	<u>5,000</u>	<u>66,231</u>
<u>\$ 15,959</u>	<u>\$ 13,091</u>	<u>\$ 4,259</u>	<u>\$ 133,044</u>	<u>\$ 5,000</u>	<u>\$ 66,231</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2020

	District Court Records Technology	County and District Court Technology	Justice Court Technology
<b>ASSETS</b>			
Cash	\$ 271,772	\$ -	\$ 2
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	420	73,128	393,424
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 272,192</b>	<b>\$ 73,128</b>	<b>\$ 393,426</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 219,026	\$ 63,688	\$ 38
Benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	219,026	63,688	38
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	53,166	9,440	393,388
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Unassigned	-	-	-
Total fund balances	53,166	9,440	393,388
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 272,192</b>	<b>\$ 73,128</b>	<b>\$ 393,426</b>

<u>SWAT Donation</u>	<u>Donations SO Mounted Patrol</u>	<u>Donations Const 4 Bullet Proof Vest</u>	<u>Donations Horseshoe</u>	<u>Donations Sheriff's Office</u>	<u>Donations Constable 4</u>	<u>Donations AgriLife</u>	<u>Donation Impacts</u>
\$ 62,115	\$ -	\$ 500	\$ -	\$ -	\$ 131	\$ -	\$ 500
-	-	-	-	-	-	-	-
-	-	-	-	-	350	-	-
-	50,788	-	11,866	63,568	-	50	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 62,115</u>	<u>\$ 50,788</u>	<u>\$ 500</u>	<u>\$ 11,866</u>	<u>\$ 63,568</u>	<u>\$ 481</u>	<u>\$ 50</u>	<u>\$ 500</u>
\$ -	\$ 1,440	\$ -	\$ -	\$ 10,384	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,440	-	-	10,384	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
62,115	49,348	500	11,866	53,184	481	50	500
-	-	-	-	-	-	-	-
<u>62,115</u>	<u>49,348</u>	<u>500</u>	<u>11,866</u>	<u>53,184</u>	<u>481</u>	<u>50</u>	<u>500</u>
<u>\$ 62,115</u>	<u>\$ 50,788</u>	<u>\$ 500</u>	<u>\$ 11,866</u>	<u>\$ 63,568</u>	<u>\$ 481</u>	<u>\$ 50</u>	<u>\$ 500</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2020

	L.E.O.S.E. Funds	District Attorney Victims of Crime	District Attorney Drug Forfeiture
<b>ASSETS</b>			
Cash	\$ 14,725	\$ -	\$ 1
Investments	-	10,207	161,067
Accounts receivable	-	-	44,371
Due from other funds	26,343	-	43,437
Due from other governmental agencies	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 41,068</b>	<b>\$ 10,207</b>	<b>\$ 248,876</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 80,590
Benefits payable	-	-	776
Due to other funds	-	-	339
Due to other governmental agencies	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	-	-	81,705
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	41,068	-	167,171
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	10,207	-
Unassigned	-	-	-
Total fund balances	41,068	10,207	167,171
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 41,068</b>	<b>\$ 10,207</b>	<b>\$ 248,876</b>

<u>Sheriff Abell Hanger</u>	<u>Sheriff Local Drug Forfeiture</u>	<u>Sheriff Federal Forfeiture</u>	<u>Indigent Defense Improvement Grant</u>	<u>7th Administration Judicial Region</u>	<u>High Intensity Drug Trafficking Area</u>
\$ -	\$ -	\$ 320	\$ 6,033	\$ 1	2
241	13,329	470,605	-	-	-
-	5,325	-	-	-	-
-	-	-	-	-	-
-	-	-	-	11,738	54,722
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 241</u>	<u>\$ 18,654</u>	<u>\$ 470,925</u>	<u>\$ 6,033</u>	<u>\$ 11,739</u>	<u>\$ 54,724</u>
\$ -	\$ -	\$ 6,245	\$ -	\$ -	\$ 1,161
-	-	-	-	-	8,725
-	-	-	-	11,739	44,838
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,245	-	11,739	54,724
-	-	-	-	-	-
-	-	-	-	-	-
-	18,654	464,680	-	-	-
-	-	-	6,033	-	-
-	-	-	-	-	-
241	-	-	-	-	-
-	-	-	-	-	-
<u>241</u>	<u>18,654</u>	<u>464,680</u>	<u>6,033</u>	<u>-</u>	<u>-</u>
<u>\$ 241</u>	<u>\$ 18,654</u>	<u>\$ 470,925</u>	<u>\$ 6,033</u>	<u>\$ 11,739</u>	<u>\$ 54,724</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2020

	<b>Truancy Court</b>	<b>Mental Health Deputies</b>	<b>Texas VINE Grant</b>
<b>ASSETS</b>			
Cash	\$ 7,166	\$ 2,270	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	-	11,667	8,697
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 7,166</b>	<b>\$ 13,937</b>	<b>\$ 8,697</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 2,171
Benefits payable	-	13,922	-
Due to other funds	-	15	6,526
Due to other governmental agencies	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	-	13,937	8,697
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	7,166	-	-
Unassigned	-	-	-
Total fund balances	7,166	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,166</b>	<b>\$ 13,937</b>	<b>\$ 8,697</b>



<u>Crime Victim Services Grant</u>	<u>Donation SO Bulletproof Vest</u>	<u>Donation CIU Volunteer Support</u>	<u>Donation Teen Leadership Account</u>	<u>Donation Constable 2</u>	<u>Title IV-E Federal Foster Care</u>
\$ 1	\$ 1	\$ 3,973	\$ 1	\$ 10	\$ 2
-	-	-	-	-	191,443
-	-	-	-	-	-
-	23,078	-	921	-	72,071
29	-	-	-	-	20,362
1,983	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,013</u>	<u>\$ 23,079</u>	<u>\$ 3,973</u>	<u>\$ 922</u>	<u>\$ 10</u>	<u>\$ 283,878</u>
\$ -	\$ 14,375	\$ -	\$ -	\$ -	\$ 11,861
-	-	-	-	-	-
2,013	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,013</u>	<u>14,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,861</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	272,017
-	-	-	-	-	-
-	8,704	3,973	922	10	-
-	-	-	-	-	-
<u>-</u>	<u>8,704</u>	<u>3,973</u>	<u>922</u>	<u>10</u>	<u>272,017</u>
<u>\$ 2,013</u>	<u>\$ 23,079</u>	<u>\$ 3,973</u>	<u>\$ 922</u>	<u>\$ 10</u>	<u>\$ 283,878</u>

Midland County, Texas  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2020

	Juvenile Probation State Grants	Justice Assistance Grants	Donation Cemetery Care
<b>ASSETS</b>			
Cash	\$ 18,522	\$ 12,116	\$ 793
Investments	-	-	-
Accounts receivable	158	-	-
Due from other funds	233,368	-	-
Due from other governmental agencies	-	-	-
Prepaid expenses	300	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 252,348</b>	<b>\$ 12,116</b>	<b>\$ 793</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 115,842	\$ -	\$ -
Benefits payable	10,522	-	-
Due to other funds	5,552	-	-
Due to other governmental agencies	-	-	-
Deferred grant revenue	117,761	12,079	-
Total liabilities	249,677	12,079	-
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	2,671	37	-
Committed			
Employee motivation	-	-	-
Donations	-	-	793
Unassigned	-	-	-
Total fund balances	2,671	37	793
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 252,348</b>	<b>\$ 12,116</b>	<b>\$ 793</b>

<u>Donation Library</u>	<u>Donation Juvenile</u>	<u>Donation Dare Program</u>	<u>District Attorney Bomb Dog</u>	<u>OOG Justice Assistant Grant</u>	<u>Donation K-9 Unit</u>
\$ 106,274	\$ 148	\$ 1	\$ 12,195	\$ 52	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
32,458	-	23,902	-	-	46,235
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 138,732</u>	<u>\$ 148</u>	<u>\$ 23,903</u>	<u>\$ 12,195</u>	<u>\$ 52</u>	<u>\$ 46,236</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	52	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	52	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
138,732	148	23,903	12,195	-	46,236
-	-	-	-	-	-
<u>138,732</u>	<u>148</u>	<u>23,903</u>	<u>12,195</u>	<u>-</u>	<u>46,236</u>
<u>\$ 138,732</u>	<u>\$ 148</u>	<u>\$ 23,903</u>	<u>\$ 12,195</u>	<u>\$ 52</u>	<u>\$ 46,236</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2020

	<u>Donation Gratitude Square</u>	<u>OAG Victim Coordinator &amp; Liaison</u>	<u>Midland Odessa Coordinated Response</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 8	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	9,900	-	-
Due from other governmental agencies	-	5,692	15,939
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 9,900</u></b>	<b><u>\$ 5,700</u></b>	<b><u>\$ 15,939</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Benefits payable	-	2,236	-
Due to other funds	-	3,464	15,939
Due to other governmental agencies	-	-	-
Deferred grant revenue	-	-	-
Total liabilities	-	5,700	15,939
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	9,900	-	-
Unassigned	-	-	-
Total fund balances	<u>9,900</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 9,900</u></b>	<b><u>\$ 5,700</u></b>	<b><u>\$ 15,939</u></b>

Jury Service Fund	Donation - SO Detention	Donation-CIU Victim Assistance	Donation - Warrants Bulletproof	Donation - SO Civil & Warrants	County Transportation Infrastructure Fund Grant Program
\$ 812	\$ 1,137	\$ -	\$ 61	\$ 5,150	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	544	-	-	30,813
-	-	-	-	-	130,348
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 812</u>	<u>\$ 1,137</u>	<u>\$ 544</u>	<u>\$ 61</u>	<u>\$ 5,150</u>	<u>\$ 161,162</u>
\$ -	\$ 1,069	\$ -	\$ -	\$ -	154,066
-	-	-	-	-	7,096
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,069	-	-	-	161,162
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
812	68	544	61	5,150	-
-	-	-	-	-	-
<u>812</u>	<u>68</u>	<u>544</u>	<u>61</u>	<u>5,150</u>	<u>-</u>
<u>\$ 812</u>	<u>\$ 1,137</u>	<u>\$ 544</u>	<u>\$ 61</u>	<u>\$ 5,150</u>	<u>\$ 161,162</u>

**Midland County, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet – Continued  
 September 30, 2020

	<u>TSLAC Texas Read Grant</u>	<u>CARES - Coronavirus Relief Fund</u>	<u>CARES - HAVA</u>
<b>ASSETS</b>			
Cash	\$ 1	\$ 1	\$ 1
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	104,625
Due from other governmental agencies	9,954	589,658	-
Prepaid expenses	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 9,955</b>	<b>\$ 589,659</b>	<b>\$ 104,626</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 68,560	\$ -
Benefits payable	-	-	916
Due to other funds	9,955	521,099	-
Due to other governmental agencies	-	-	103,710
Deferred grant revenue	-	-	-
Total liabilities	9,955	589,659	104,626
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	-	-	-
Inventories	-	-	-
Restricted			
Legislation	-	-	-
Federal and state grants	-	-	-
Committed			
Employee motivation	-	-	-
Donations	-	-	-
Unassigned	-	-	-
Total fund balances	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,955</b>	<b>\$ 589,659</b>	<b>\$ 104,626</b>

CARES - HAVA Election Security	DOJ Coronavirus Emergency Supp	Public Assistance Grant- Covid 19	Juvenile Board Housing Revenue	Commissary Fund	Wraparound Project - Juvenile	Totals
\$ -	\$ -	\$ 1	\$ -	\$ 1,141,873	\$ 1	\$ 1,752,747
-	-	-	-	-	-	5,202,255
-	-	-	-	58,482	-	360,081
-	-	-	-	-	-	2,435,703
15,175	7,267	44,220	5,880	-	42,106	981,643
-	-	-	-	-	-	3,051
-	-	-	-	36,084	-	36,084
<u>\$ 15,175</u>	<u>\$ 7,267</u>	<u>\$ 44,221</u>	<u>\$ 5,880</u>	<u>\$ 1,236,439</u>	<u>\$ 42,107</u>	<u>\$ 10,771,564</u>
\$ 300	\$ 422	\$ -	\$ -	\$ 9,758	\$ -	\$ 1,438,837
-	-	-	-	-	5,581	82,103
14,875	6,845	44,221	-	54,913	36,526	804,451
-	-	-	-	-	-	103,710
-	-	-	-	-	-	129,840
<u>15,175</u>	<u>7,267</u>	<u>44,221</u>	<u>-</u>	<u>64,671</u>	<u>42,107</u>	<u>2,558,941</u>
-	-	-	-	-	-	768
-	-	-	-	36,084	-	36,084
-	-	-	-	-	-	6,482,113
-	-	-	5,880	1,135,684	-	1,422,322
-	-	-	-	-	-	22,944
-	-	-	-	-	-	447,809
-	-	-	-	-	-	(199,417)
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,880</u>	<u>1,171,768</u>	<u>-</u>	<u>8,212,623</u>
<u>\$ 15,175</u>	<u>\$ 7,267</u>	<u>\$ 44,221</u>	<u>\$ 5,880</u>	<u>\$ 1,236,439</u>	<u>\$ 42,107</u>	<u>\$ 10,771,564</u>

## Midland County, Texas

### Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended September 30, 2020

	District Attorney Hot Check	Law Library	County Clerk Records Management
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	22,500	-	-
Charges for services	6,563	116,479	393,755
Investment income	-	-	12,970
Other revenue	-	-	-
Total revenues	29,063	116,479	406,725
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	92,342	119,631	152,178
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	92,342	119,631	152,178
Excess (deficiency) of revenues over (under) expenditures	(63,279)	(3,152)	254,547
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(63,279)	(3,152)	254,547
Fund balances - beginning of year	186,971	125,358	1,466,699
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 123,692</b>	<b>\$ 122,206</b>	<b>\$ 1,721,246</b>



<u>Records Preservation</u>	<u>District Clerk Records Management</u>	<u>Juvenile Probation Fees</u>	<u>Courthouse Security</u>	<u>County Clerk Records Archive</u>	<u>County Clerk Vital Statistics</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
52,148	18,548	4,575	100,264	388,110	10,910
3,671	-	-	536	16,673	1,636
-	-	-	-	26,665	-
55,819	18,548	4,575	100,800	431,448	12,546
-	-	-	101,076	-	-
406,956	-	-	-	83,266	1,945
-	-	-	-	-	-
-	-	8,925	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
406,956	-	8,925	101,076	83,266	1,945
(351,137)	18,548	(4,350)	(276)	348,182	10,601
-	-	-	-	-	-
-	-	-	-	-	-
(351,137)	18,548	(4,350)	(276)	348,182	10,601
418,444	184,696	32,070	46,899	1,564,826	134,092
\$ 67,307	\$ 203,244	\$ 27,720	\$ 46,623	\$ 1,913,008	\$ 144,693

## Midland County, Texas

Nonmajor Governmental Funds – Combining Statement  
of Revenues, Expenditures and Changes in Fund Balance – Continued  
For the Fiscal Year Ended September 30, 2020

	Voter Registration Chapter 19	Employee Activity	Dealer Inventory
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ 7,550
Intergovernmental	-	-	-
Charges for services	2,737	5,802	-
Investment income	-	-	9,498
Other revenue	-	-	-
Total revenues	2,737	5,802	17,048
<b>EXPENDITURES</b>			
Current			
General administration	-	1,471	-
Judicial	-	-	-
Financial administration	-	-	7,564
Elections	2,737	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	2,737	1,471	7,564
Excess (deficiency) of revenues over (under) expenditures	-	4,331	9,484
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	-	4,331	9,484
Fund balances - beginning of year	-	18,613	17,874
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 22,944</b>	<b>\$ 27,358</b>

<u>Justice Court Building Security</u>	<u>Juvenile Case Management</u>	<u>County Attorney State Supplement</u>	<u>Truancy Prevention Fund</u>	<u>Juvenile Delinquency Prevention</u>	<u>Pre-Trial Intervention Program</u>
\$ 11,726	\$ 52,858	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	5,321	-	201,136
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,726</u>	<u>52,858</u>	<u>-</u>	<u>5,321</u>	<u>-</u>	<u>201,136</u>
-	-	-	-	-	-
14,128	-	64,298	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	47,896	-	-	-	254,654
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,128</u>	<u>47,896</u>	<u>64,298</u>	<u>-</u>	<u>-</u>	<u>254,654</u>
(2,402)	4,962	(64,298)	5,321	-	(53,518)
-	-	-	-	-	-
-	-	-	-	-	-
<u>(2,402)</u>	<u>4,962</u>	<u>(64,298)</u>	<u>5,321</u>	<u>-</u>	<u>(53,518)</u>
32,042	54,507	37,315	59,970	195	504,981
<u>\$ 29,640</u>	<u>\$ 59,469</u>	<u>\$ (26,983)</u>	<u>\$ 65,291</u>	<u>\$ 195</u>	<u>\$ 451,463</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, 2020

	<u>Election Contracts</u>	<u>Unclaimed Juvenile Restitution</u>	<u>Court Records Preservation</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	101,216	-	35,675
Investment income	-	-	-
Other revenue	-	-	-
Total revenues	<u>101,216</u>	<u>-</u>	<u>35,675</u>
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	269,774
Financial administration	-	-	-
Elections	92,016	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>92,016</u>	<u>-</u>	<u>269,774</u>
Excess (deficiency) of revenues over (under) expenditures	9,200	-	(234,099)
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,200	-	(234,099)
Fund balances - beginning of year	<u>83,450</u>	<u>5,416</u>	<u>62,433</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 92,650</u></u>	<u><u>\$ 5,416</u></u>	<u><u>\$ (171,666)</u></u>

<u>Scofflaw Implementation Fee</u>	<u>Child Abuse Prevention</u>	<u>Appellate Justice System</u>	<u>Guardianship</u>	<u>Abandoned Motor Vehicles</u>	<u>Rabies Control</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	10,405	-	-
-	1,648	-	-	8,593	-
-	-	-	-	52	-
-	-	-	-	-	-
-	1,648	-	10,405	8,645	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	10,106	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	10,106	-
-	1,648	-	10,405	(1,461)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,648	-	10,405	(1,461)	-
15,959	11,443	-	122,639	6,461	66,231
<u>\$ 15,959</u>	<u>\$ 13,091</u>	<u>\$ -</u>	<u>\$ 133,044</u>	<u>\$ 5,000</u>	<u>\$ 66,231</u>

## Midland County, Texas

Nonmajor Governmental Funds – Combining Statement  
of Revenues, Expenditures and Changes in Fund Balance – Continued  
For the Fiscal Year Ended September 30, 2020

	District Court Records Technology	County and District Court Technology	Justice Court Technology
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ 42,326
Intergovernmental	-	-	-
Charges for services	33,744	5,442	-
Investment income	-	-	-
Other revenue	-	-	-
Total revenues	33,744	5,442	42,326
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	219,026	62,987	18,868
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	219,026	62,987	18,868
Excess (deficiency) of revenues over (under) expenditures	(185,282)	(57,545)	23,458
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(185,282)	(57,545)	23,458
Fund balances - beginning of year	238,448	66,985	369,930
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 53,166</b>	<b>\$ 9,440</b>	<b>\$ 393,388</b>

<u>SWAT Donations</u>	<u>Donations SO Mounted Patrol</u>	<u>Donations Const 4 Bullet Proof Vest</u>	<u>Donations Horseshoe</u>	<u>Donations Sheriff's Office</u>	<u>Donations Constable 4</u>	<u>Donations AgriLife</u>	<u>Donation Impacts</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
60,350	30,000	-	-	51,518	-	-	-
60,350	30,000	-	-	51,518	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
342	14,420	-	-	33,867	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	117,629	-	-	-
342	14,420	-	-	151,496	-	-	-
60,008	15,580	-	-	(99,978)	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
60,008	15,580	-	-	(99,978)	-	-	-
2,107	33,768	500	11,866	153,162	481	50	500
<u>\$ 62,115</u>	<u>\$ 49,348</u>	<u>\$ 500</u>	<u>\$ 11,866</u>	<u>\$ 53,184</u>	<u>\$ 481</u>	<u>\$ 50</u>	<u>\$ 500</u>

## Midland County, Texas

### Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Continued For the Fiscal Year Ended September 30, 2020

	L.E.O.S.E. Funds	District Attorney Victims of Crime	District Attorney Drug Forfeiture
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ 49,690
Intergovernmental	13,819	-	-
Charges for services	-	-	-
Investment income	-	2	1,101
Other revenue	-	-	-
Total revenues	13,819	2	50,791
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	40,485
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	2,639	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	2,639	-	40,485
Excess (deficiency) of revenues over (under) expenditures	11,180	2	10,306
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	11,180	2	10,306
Fund balances - beginning of year	29,888	10,205	156,865
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 41,068</b>	<b>\$ 10,207</b>	<b>\$ 167,171</b>



<u>Sheriff Abell Hanger</u>	<u>Sheriff Local Drug Forfeiture</u>	<u>Sheriff Federal Forfeiture</u>	<u>Indigent Defense Improvement Grant</u>	<u>7th Administration Judicial Region</u>	<u>High Intensity Drug Trafficking Area</u>
\$ -	\$ 23,727	\$ 7,338	\$ -	\$ -	\$ -
-	-	-	-	-	280,462
-	-	-	-	-	-
-	150	4,917	-	-	-
-	-	-	-	-	-
-	23,877	12,255	-	-	280,462
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	21,589	45,036	-	-	280,462
-	-	-	-	-	-
-	-	-	-	-	-
-	-	58,866	-	-	-
-	21,589	103,902	-	-	280,462
-	2,288	(91,647)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,288	(91,647)	-	-	-
241	16,366	556,327	6,033	-	-
<u>\$ 241</u>	<u>\$ 18,654</u>	<u>\$ 464,680</u>	<u>\$ 6,033</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, 2020

	Truancy Court	Mental Health Deputies	Texas VINE Grant
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	70,000	26,098
Charges for services	450	-	-
Investment income	-	-	-
Other revenue	-	-	-
Total revenues	450	70,000	26,098
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	472,425	-
Health and welfare	-	-	26,098
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	-	472,425	26,098
Excess (deficiency) of revenues over (under) expenditures	450	(402,425)	-
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	402,425	-
Total other financing sources	-	402,425	-
Net change in fund balances	450	-	-
Fund balances - beginning of year	6,716	-	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 7,166</b>	<b>\$ -</b>	<b>\$ -</b>

<u>Crime Victim Services Grant</u>	<u>Donation SO Bulletproof Vest</u>	<u>Donation CIU Volunteer Support</u>	<u>Donation Teen Leadership Account</u>	<u>Donation Constable 2</u>	<u>Title IV-E Federal Foster Care</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,297
-	6,300	500	-	-	-
-	6,300	500	-	-	2,297
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	20,855	455	-	-	4,499
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	20,855	455	-	-	4,499
-	(14,555)	45	-	-	(2,202)
-	-	-	-	-	-
-	-	-	-	-	-
-	(14,555)	45	-	-	(2,202)
-	23,259	3,928	922	10	274,219
<u>\$ -</u>	<u>\$ 8,704</u>	<u>\$ 3,973</u>	<u>\$ 922</u>	<u>\$ 10</u>	<u>\$ 272,017</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, 2020

	Juvenile Probation State Grants	Justice Assistance Grants	Donation Cemetery Care
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	936,847	12,105	-
Charges for services	-	-	-
Investment income	-	-	-
Other revenue	-	-	-
Total revenues	936,847	12,105	-
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	934,176	12,129	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	934,176	12,129	-
Excess (deficiency) of revenues over (under) expenditures	2,671	(24)	-
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	2,671	(24)	-
Fund balances - beginning of year	-	61	793
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 2,671</b>	<b>\$ 37</b>	<b>\$ 793</b>

<u>Donation Library</u>	<u>Donation Juvenile</u>	<u>Donation Dare Program</u>	<u>District Attorney Bomb Dog</u>	<u>OOG Justice Assistant Grant</u>	<u>Donation K-9 Unit</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,066	-
-	-	-	-	-	-
-	-	-	-	-	-
69,489	-	-	-	-	43,333
<u>69,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,066</u>	<u>43,333</u>
-	-	-	-	-	-
-	-	-	1,473	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	508	-	-	-
-	-	-	-	-	-
577	-	-	-	-	-
-	-	7,783	-	3,066	-
<u>577</u>	<u>-</u>	<u>8,291</u>	<u>1,473</u>	<u>3,066</u>	<u>-</u>
68,912	-	(8,291)	(1,473)	-	43,333
-	-	-	-	-	-
-	-	-	-	-	-
<u>68,912</u>	<u>-</u>	<u>(8,291)</u>	<u>(1,473)</u>	<u>-</u>	<u>43,333</u>
69,820	148	32,194	13,668	-	2,903
<u>\$ 138,732</u>	<u>\$ 148</u>	<u>\$ 23,903</u>	<u>\$ 12,195</u>	<u>\$ -</u>	<u>\$ 46,236</u>

## Midland County, Texas

Nonmajor Governmental Funds – Combining Statement  
of Revenues, Expenditures and Changes in Fund Balance – Continued  
For the Fiscal Year Ended September 30, 2020

	Donation Gratitude Square	OAG Victim Coordinator & Liaison	Midland Odessa Coordinated Response
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	43,185	3,650
Charges for services	-	-	-
Investment income	-	-	-
Other revenue	-	-	-
Total revenues	-	43,185	3,650
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	-
Public safety and corrections	-	43,185	3,650
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	-	43,185	3,650
Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	-	-	-
Fund balances - beginning of year	9,900	-	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 9,900</b>	<b>\$ -</b>	<b>\$ -</b>

<u>Jury Service Fund</u>	<u>Donation - SO Detention</u>	<u>Donation-CIU Victim Assistance</u>	<u>Donation - Warrants Bulletproof</u>	<u>Donation - SO Civil &amp; Warrants</u>	<u>County Transportation Infrastructure Fund Grant Program</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	130,348
812	-	-	-	-	-
-	-	-	-	-	-
-	4,000	900	11,545	5,150	-
<u>812</u>	<u>4,000</u>	<u>900</u>	<u>11,545</u>	<u>5,150</u>	<u>130,348</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,932	356	11,484	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	161,161
<u>-</u>	<u>3,932</u>	<u>356</u>	<u>11,484</u>	<u>-</u>	<u>161,161</u>
812	68	544	61	5,150	(30,813)
-	-	-	-	-	30,813
-	-	-	-	-	30,813
<u>812</u>	<u>68</u>	<u>544</u>	<u>61</u>	<u>5,150</u>	<u>-</u>
-	-	-	-	-	-
<u>\$ 812</u>	<u>\$ 68</u>	<u>\$ 544</u>	<u>\$ 61</u>	<u>\$ 5,150</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, 2020

	TSLAC Texas Read Grant	CARES - Coronavirus Relief Fund	CARES - HAVA
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	9,954	920,835	31,202
Charges for services	-	-	4,536
Investment income	-	-	-
Other revenue	-	-	-
Total revenues	9,954	920,835	35,738
<b>EXPENDITURES</b>			
Current			
General administration	-	-	-
Judicial	-	-	-
Financial administration	-	-	-
Elections	-	-	37,444
Public safety and corrections	-	920,835	-
Health and welfare	-	-	-
Culture and recreation	9,954	-	-
Capital outlay	-	-	-
Total expenditures	9,954	920,835	37,444
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,706)
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	-	1,706
Total other financing sources	-	-	1,706
Net change in fund balances	-	-	-
Fund balances - beginning of year	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



<u>CARES - HAVA Election Security</u>	<u>DOJ Coronavirus Emergency Supp</u>	<u>Public Assistance Grant- Covid 19</u>	<u>Juvenile Board Housing Revenue</u>	<u>Commissary Fund</u>	<u>Wraparound Project - Juvenile</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,215
15,175	7,267	44,220	5,880	-	136,899	2,723,917
-	-	-	-	-	-	1,498,464
-	-	-	-	8,720	-	62,223
-	-	-	-	738,113	-	1,047,863
15,175	7,267	44,220	5,880	746,833	136,899	5,527,682
-	-	-	-	-	-	102,547
-	-	-	-	711,955	-	2,259,312
-	-	-	-	-	-	7,564
15,175	-	-	-	-	-	147,372
-	7,267	44,220	-	-	136,899	3,336,811
-	-	-	-	-	-	26,098
-	-	-	-	-	-	10,531
-	-	-	-	-	-	348,505
15,175	7,267	44,220	-	711,955	136,899	6,238,740
-	-	-	5,880	34,878	-	(711,058)
-	-	-	-	1,136,890	-	1,571,834
-	-	-	-	1,136,890	-	1,571,834
-	-	-	5,880	1,171,768	-	860,776
-	-	-	-	-	-	7,351,847
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,880</u>	<u>\$ 1,171,768</u>	<u>\$ -</u>	<u>\$ 8,212,623</u>

### **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, 2020

	<u>Risk Management</u>	<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets				
Cash and equivalents	\$ 58,174	\$ 334,658	\$ 208,918	\$ 601,750
Investments	5,761,895	3,109,616	-	8,871,511
Accounts receivable	35,127	34,012	-	69,139
Accrued Settlement	-	-	205,687	205,687
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	5,855,196	3,478,286	414,605	9,748,087
Non-current assets				
Other assets	-	-	26,662	26,662
	<hr/>	<hr/>	<hr/>	<hr/>
Total non-current assets	-	-	26,662	26,662
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	5,855,196	3,478,286	441,267	9,774,749
<b>LIABILITIES</b>				
Accounts payable	83,583	1,088,954	54,947	1,227,484
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	83,583	1,088,954	54,947	1,227,484
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET POSITION</b>				
Unrestricted	5,771,611	2,389,334	386,320	8,547,265
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<u>\$ 5,771,611</u>	<u>\$ 2,389,334</u>	<u>\$ 386,320</u>	<u>\$ 8,547,265</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, 2020

	<b>Risk Management</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,069,260
Total operating revenues	2,069,260
<b>OPERATING EXPENSES</b>	
Fleet maintenance	7,040
Claims expense	-
Administration costs	684,876
Premium cost	1,071,659
Capital Outlay	223,626
Total operating expenses	1,987,201
Operating income	82,059
<b>NONOPERATING REVENUES</b>	
Investment income	69,046
Miscellaneous income	-
Total nonoperating revenues	69,046
Income before transfers	151,105
Change in net position	151,105
Net position - beginning of year	5,620,506
<b>NET POSITION - END OF YEAR</b>	<b>\$ 5,771,611</b>

Health Care	Fleet Maintenance	Totals
\$ 9,810,306	\$ 662,924	\$ 12,542,490
9,810,306	662,924	12,542,490
-	466,514	473,554
7,308,326	-	7,308,326
915,065	-	1,599,941
886,501	-	1,958,160
-	-	223,626
9,109,892	466,514	11,563,607
700,414	196,410	978,883
21,009	-	90,055
2,725	-	2,725
23,734	-	92,780
724,148	196,410	1,071,663
724,148	196,410	1,071,663
1,665,186	189,910	7,475,602
\$ 2,389,334	\$ 386,320	\$ 8,547,265

**Midland County, Texas**  
 Internal Service Funds  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended September 30, 2020

	<b>Risk Management</b>
	<hr/>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from charges for services	\$ 2,060,077
Cash paid for services	(2,194,921)
	<hr/>
Net cash provided by (used in) operating activities	(134,844)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	119,176
Investment income received	69,046
Miscellaneous income received	-
	<hr/>
Net cash provided by (used in) investing activities	188,222
	<hr/>
Net change in cash	53,378
Cash and cash equivalents, beginning of year	908
	<hr/>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 54,286</b>
	<hr/> <hr/>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating income	\$ 82,059
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities	
Accounts receivable	(9,183)
Accrued Settlement	-
Due from other funds	26,825
Accounts payable	(234,545)
	<hr/>
Total adjustments	(216,903)
	<hr/>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ (134,844)</b>
	<hr/> <hr/>

<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Totals</u>
\$ 9,955,795	\$ 457,237	\$ 12,473,109
(8,674,389)	(244,442)	(11,113,752)
1,281,406	212,795	1,359,357
(970,480)	-	(851,304)
21,009	-	90,055
2,733	-	2,733
(946,738)	-	(758,516)
334,668	212,795	600,841
-	1	909
<u>\$ 334,668</u>	<u>\$ 212,796</u>	<u>\$ 601,750</u>
\$ 700,414	\$ 196,410	\$ 978,883
145,489	-	136,306
-	(205,687)	(205,687)
604,836	225,113	856,774
(169,333)	(3,041)	(406,919)
580,992	16,385	380,474
<u>\$ 1,281,406</u>	<u>\$ 212,795</u>	<u>\$ 1,359,357</u>

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## Agency Funds

Agency funds are used to account for funds held or collected for the benefit of other funds, governments or individuals. These funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. They are as follows:

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

# Midland County, Texas

## Agency Funds

### Combining Statement of Fiduciary Assets and Liabilities

September 30, 2020

	District Clerk	County Clerk	District Attorney	Sheriff
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,342,143	\$ 2,591,959	\$ 28,598	\$ 585,180
Investments held in trust	8,083,558	52,419	-	-
Accounts receivable	-	-	-	-
Other receivables	8,007	6,371	-	-
Due from other funds	-	1,980	-	-
<b>TOTAL ASSETS</b>	<b>\$ 11,433,708</b>	<b>\$ 2,652,729</b>	<b>\$ 28,598</b>	<b>\$ 585,180</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	19,796	24,355	-	4,972
Due to other governmental agencies	-	527	-	-
Other liabilities	-	3,575	-	315
Funds held for others	11,413,912	2,624,272	28,598	579,893
<b>TOTAL LIABILITIES</b>	<b>\$ 11,433,708</b>	<b>\$ 2,652,729</b>	<b>\$ 28,598</b>	<b>\$ 585,180</b>

<u>Justice of the Peace Precinct #1</u>	<u>Justice of the Peace Precinct #2</u>	<u>Justice of the Peace Precinct #3</u>	<u>Justice of the Peace Precinct #4</u>	<u>Juvenile Probation</u>	<u>Tax Assessor Collector</u>	<u>Warrants Services</u>
\$ 26,782	\$ 30,462	\$ 26,432	\$ 13,836	\$ (258)	\$ 2,069,943	\$ 3,316
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,907	4,911	4,385	2,506	258	206,638	1,719
-	433	-	-	-	-	-
<u>\$ 29,689</u>	<u>\$ 35,806</u>	<u>\$ 30,817</u>	<u>\$ 16,342</u>	<u>\$ -</u>	<u>\$ 2,276,581</u>	<u>\$ 5,035</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,438	26,124	27,355	8,737	-	277,198	-
-	-	-	-	-	754,451	-
300	655	3,462	141	-	13	-
3,951	9,027	-	7,464	-	1,244,919	5,035
<u>\$ 29,689</u>	<u>\$ 35,806</u>	<u>\$ 30,817</u>	<u>\$ 16,342</u>	<u>\$ -</u>	<u>\$ 2,276,581</u>	<u>\$ 5,035</u>

# Midland County, Texas

## Agency Funds

### Combining Statement of Fiduciary Assets and Liabilities – Continued

September 30, 2020

	Constable Precinct 3	Constable Precinct 4	Unclaimed Property Fund	Bail Security Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 302	\$ 104	\$ -	\$ 67,418
Investments held in trust	-	-	31,255	-
Accounts receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	52,377
<b>TOTAL ASSETS</b>	<b>\$ 302</b>	<b>\$ 104</b>	<b>\$ 31,255</b>	<b>\$ 119,795</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governmental agencies	-	-	11,474	-
Other liabilities	302	101	-	-
Funds held for others	-	3	19,781	119,795
<b>TOTAL LIABILITIES</b>	<b>\$ 302</b>	<b>\$ 104</b>	<b>\$ 31,255</b>	<b>\$ 119,795</b>

<u>CS&amp;CD Basic Supervision</u>	<u>CS&amp;CD Midland Outpatient Treatment Center</u>	<u>Sex Offender Caseload</u>	<u>DWI Repeat Offender Caseload</u>	<u>Drug Court</u>
\$ 688,718	\$ 53,469	\$ 41,373	\$ 45,971	\$ 26,499
-	-	-	-	-
1,281	-	-	-	2,966
-	-	-	-	-
15,934	-	-	-	-
<u>\$ 705,933</u>	<u>\$ 53,469</u>	<u>\$ 41,373</u>	<u>\$ 45,971</u>	<u>\$ 29,465</u>
\$ 13,851	\$ 883	\$ 4,014	\$ 21	\$ 28
49,758	5,298	4,085	6,019	7,069
560,672	37,963	28,016	32,463	12,334
81,652	9,325	5,258	7,468	10,034
-	-	-	-	-
<u>\$ 705,933</u>	<u>\$ 53,469</u>	<u>\$ 41,373</u>	<u>\$ 45,971</u>	<u>\$ 29,465</u>

# Midland County, Texas

Agency Funds

Combining Statement of Fiduciary Assets and Liabilities – Continued

September 30, 2020

	CS&CD DWI Court	CS&CD Transitional Treatment Court	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,575	\$ 6,700	\$ 9,660,522
Investments held in trust	-	-	8,167,232
Accounts receivable	46	-	4,293
Other receivables	-	-	237,702
Due from other funds	-	-	70,724
<b>TOTAL ASSETS</b>	<b>\$ 11,621</b>	<b>\$ 6,700</b>	<b>\$ 18,140,473</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 14	\$ -	\$ 18,811
Due to other funds	3,267	1,442	490,913
Due to other governmental agencies	4,740	2,738	1,445,378
Other liabilities	3,600	2,520	128,721
Funds held for others	-	-	16,056,650
<b>TOTAL LIABILITIES</b>	<b>\$ 11,621</b>	<b>\$ 6,700</b>	<b>\$ 18,140,473</b>

# **Statistical Data**

(Unaudited)

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

Table 1

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Invested in capital assets, net of related debt	\$ 65,543,884	\$ 68,658,903	\$ 74,455,972	\$ 108,066,451	\$ 125,347,288	\$ 128,759,583	\$ 129,496,408	\$ 136,570,111	\$ 156,289,954	\$ 184,932,410
Restricted, debt service, legislation, and grants	439,114	515,403	6,875,870	5,152,937	6,191,586	16,866,784	17,113,407	18,066,315	26,443,262	36,393,428
Unrestricted	74,121,687	95,749,635	105,075,226	97,354,499	87,652,573	54,648,172	67,989,452	15,605,949	4,625,220	(16,269,391)
<b>Total governmental activities net position</b>	<b>\$ 140,104,685</b>	<b>\$ 164,923,941</b>	<b>\$ 186,407,068</b>	<b>\$ 210,573,887</b>	<b>\$ 219,191,447</b>	<b>\$ 200,274,539</b>	<b>\$ 214,599,267</b>	<b>\$ 170,242,375</b>	<b>\$ 187,358,436</b>	<b>\$ 205,056,447</b>

Source: Current and prior years' financial statements

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

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

**Table 2**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Fees, fines, and charges for services:										
General administration	\$ 775,489	\$ 970,332	\$ 1,150,868	\$ 1,202,492	\$ 1,159,848	\$ 1,119,566	\$ 939,295	\$ 1,033,967	\$ 1,219,805	\$ 957,758
Judicial	6,863,427	5,682,820	4,111,105	5,223,333	6,766,617	3,803,762	8,311,927	10,052,259	8,385,259	6,915,547
Elections	36,258	43,527	68,619	51,806	15,571	40	115	20	40	85
Public safety and corrections	1,275,375	1,334,539	1,448,175	1,719,351	1,800,449	1,740,928	1,972,228	1,925,888	1,866,185	2,224,097
Health and welfare	26,500	24,800	17,500	23,275	30,850	32,000	28,900	21,650	17,920	26,500
Culture and recreation	315,229	393,712	419,895	27,237	105,803	19,996	17,187	18,156	19,004	13,003
Highways and roads	2,443,223	2,369,145	2,423,226	3,376,066	2,417,970	2,079,363	2,088,216	2,428,518	2,514,813	2,265,070
Operating grants and contributions	1,897,441	2,284,436	2,184,688	2,634,399	2,229,127	2,123,179	3,813,111	4,851,414	4,356,765	3,583,126
Capital grants and contributions	20,000	17,502	69,987	3,814,514	-	-	-	-	-	-
Total primary government program revenues	13,652,942	13,120,813	11,894,063	18,072,473	14,526,235	10,918,834	17,170,979	20,331,872	18,379,791	15,985,186
<b>EXPENSES</b>										
Governmental activities:										
General administration	7,805,076	9,160,753	10,057,877	11,700,816	11,805,385	11,915,192	12,293,502	17,947,404	18,505,517	11,554,207
Judicial	11,668,648	11,883,961	12,986,637	15,000,485	15,660,986	17,129,275	18,802,089	22,075,443	21,813,790	30,044,962
Financial administration	2,208,608	2,420,644	2,735,855	2,949,724	3,213,036	3,345,084	3,667,133	4,289,197	4,151,659	4,729,367
Elections	446,412	571,875	506,899	564,981	487,880	560,889	620,092	663,714	1,631,715	859,380
Public safety and corrections	17,053,222	17,858,374	20,950,248	23,491,340	24,518,270	27,079,545	29,011,325	33,491,236	33,404,842	37,288,857
Health and welfare	703,140	788,022	979,296	2,515,521	1,257,712	1,188,446	1,217,139	1,546,433	15,089,872	4,262,372
Culture and recreation	2,734,693	2,965,887	4,533,049	4,433,045	5,258,833	6,050,548	6,626,791	6,997,642	7,283,193	8,536,670
Conservation and natural resources	223,153	223,305	178,396	2,167,721	2,519,168	163,249	157,712	172,464	166,396	190,518
Highways and roads	5,003,580	4,664,656	5,018,322	4,629,443	6,290,771	7,891,750	6,878,014	6,933,675	10,067,230	7,040,607
Interest on long-term debt	1,272,932	1,271,344	1,220,125	906,326	831,023	749,969	609,706	573,520	603,803	458,837
Total primary government expenses	49,119,464	51,808,821	59,166,704	68,359,402	71,843,064	76,073,947	79,883,503	94,690,728	112,718,017	104,965,777
<b>NET EXPENSE</b>										
Governmental activities	(35,466,522)	(38,688,008)	(47,272,641)	(50,286,929)	(57,316,829)	(65,155,113)	(62,712,524)	(74,358,856)	(94,338,226)	(88,980,591)
Total primary government net expense	(35,466,522)	(38,688,008)	(47,272,641)	(50,286,929)	(57,316,829)	(65,155,113)	(62,712,524)	(74,358,856)	(94,338,226)	(88,980,591)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>										
Governmental activities:										
Taxes:										
Property taxes	26,740,020	26,420,493	25,393,305	26,110,285	27,077,403	31,691,056	33,198,763	37,169,388	39,540,881	49,842,184
Sales tax	26,506,605	34,304,031	38,406,798	45,807,563	41,183,068	30,790,248	38,616,646	58,706,976	63,324,445	47,853,426
Bingo tax	94,410	118,837	132,391	132,239	120,486	106,714	85,450	92,258	111,081	135,069
Mixed beverage tax	436,503	458,722	535,106	753,884	799,928	751,591	849,297	1,028,666	884,428	1,087,605
Occupancy tax	494,607	708,461	838,466	990,278	3,437,870	2,506,614	2,522,481	3,684,846	4,165,409	3,437,136
Unrestricted investment earnings	252,690	255,530	386,454	386,725	488,116	628,335	764,559	1,814,350	4,019,211	2,662,164
Gain on sale of assets	-	-	2,309,548	-	-	-	(196,698)	(275,795)	(2,113,914)	(126,955)
Miscellaneous	871,214	1,241,190	754,050	856,564	957,408	1,363,020	1,202,180	1,275,870	1,522,746	1,788,559
Total governmental activities	55,396,049	63,507,264	68,756,118	75,037,538	74,064,279	67,837,578	77,042,678	103,496,559	111,454,287	106,679,188
<b>CHANGE IN NET POSITION</b>										
Governmental activities	19,929,527	24,819,256	21,483,477	24,750,609	16,747,450	2,682,465	14,330,154	29,137,703	17,116,061	17,698,597
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 19,929,527</b>	<b>\$ 24,819,256</b>	<b>\$ 21,483,477</b>	<b>\$ 24,750,609</b>	<b>\$ 16,747,450</b>	<b>\$ 2,682,465</b>	<b>\$ 14,330,154</b>	<b>\$ 29,137,703</b>	<b>\$ 17,116,061</b>	<b>\$ 17,698,597</b>

Source: Current and prior years' financial statements

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

Midland County, Texas  
 Governmental Fund Balances  
 Last Ten Fiscal Years

Table 3

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GENERAL FUND:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	72,757	23,340	12,917	129,295	32,095	36,551	178,988	17,015	41,733	20,935
Restricted	494,607	708,461	838,466	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	718,100
Committed	15,672,750	21,647,030	-	-	-	-	-	-	-	-
Assigned	12,125,663	12,733,349	38,071,117	36,666,677	34,638,524	17,692,680	17,605,498	18,031,931	53,274,399	53,758,985
Unassigned	27,400,331	31,177,360	31,052,919	28,312,942	33,600,772	47,527,486	62,091,343	98,944,279	61,702,593	46,601,176
Total general fund	55,766,108	66,289,540	69,975,419	66,099,192	69,352,921	65,952,197	80,782,069	118,603,794	116,417,086	101,099,196
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Road and bridge fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Nonmajor governmental funds	-	-	-	-	-	-	-	-	-	-
Road and bridge fund										
Nonspendable	436,058	680,620	970,555	1,901,890	1,411,149	1,218,621	1,229,723	1,253,509	1,454,890	1,239,920
Restricted	1,550,865	1,958,108	1,806,167	2,075,488	5,335,304	9,120,890	10,072,227	9,925,624	17,944,687	27,609,928
Committed	1,421,409	1,217,414	1,627,215	-	-	-	-	-	-	-
Assigned	-	-	-	2,825,234	13,257	-	-	-	-	-
Debt service fund										
Restricted	562,466	633,300	6,934,835	360,419	399,900	1,087,402	29,321	67,338	144,619	160,965
Capital projects fund										
Nonspendable	-	365	-	-	-	-	-	-	-	-
Restricted	4,142,259	2,989,712	1,003,084	695,596	662,720	662,720	-	-	-	-
Committed	136,930	9,185,965	15,687,348	14,576,696	7,432,493	7,211,937	10,821,782	5,636,044	1,577,637	4,243,645
Nonmajor governmental funds										
Nonspendable	-	884	2,440	4,666	125	-	1,998	902	13,973	36,852
Restricted	2,294,315	2,511,462	3,080,721	4,162,659	4,784,067	5,341,904	6,116,338	6,462,784	6,955,595	7,904,435
Committed	895,305	84,234	292,723	287,550	328,728	446,591	464,253	445,705	382,279	470,753
Assigned	-	913,148	467,306	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	(199,417)
Total all other governmental funds	11,439,607	20,175,212	31,872,394	26,890,198	20,367,743	25,090,065	28,735,642	23,791,906	28,473,680	41,467,081
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 67,205,715</b>	<b>\$ 86,464,752</b>	<b>\$ 101,847,813</b>	<b>\$ 92,989,390</b>	<b>\$ 89,720,664</b>	<b>\$ 91,042,262</b>	<b>\$ 109,517,711</b>	<b>\$ 142,395,700</b>	<b>\$ 144,890,766</b>	<b>\$ 142,566,277</b>

Source: Current and past years' financial statements

<sup>1</sup> The County implemented GASB 54 in fiscal year 2011.

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

Table 4

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>										
Property tax, penalties and interest	\$ 26,559,793	\$ 26,615,931	\$ 25,525,917	\$ 26,243,452	\$ 27,156,172	\$ 31,580,561	\$ 33,028,491	\$ 37,054,992	\$ 39,681,430	\$ 49,641,071
Sales tax	26,506,605	34,304,031	36,900,900	44,018,335	41,183,068	30,790,248	38,616,646	58,706,976	63,324,445	47,853,426
Hotel-motel tax	494,607	708,461	838,466	990,278	1,081,530	695,480	906,240	1,610,569	1,398,361	718,100
Fines and forfeitures	2,475,877	2,559,947	2,617,996	3,076,654	3,684,888	3,781,591	2,890,265	3,193,739	3,499,116	2,556,124
Licenses and permits	2,625,248	2,827,867	2,958,332	3,131,580	2,918,186	2,830,954	2,937,513	3,457,184	3,399,241	3,352,675
Intergovernmental charges	2,351,464	2,175,915	1,969,778	2,615,091	2,244,804	2,720,213	4,336,237	4,183,015	4,194,211	3,421,380
Charges for current services	4,893,693	5,428,681	6,612,934	7,230,096	7,102,055	6,803,023	8,021,444	8,534,328	9,746,986	8,763,699
Investment income	245,318	244,947	377,277	376,896	481,097	594,812	688,599	1,665,098	3,828,914	2,572,109
Other revenue	1,032,478	1,215,376	1,324,476	2,151,346	1,774,117	1,725,775	1,627,489	2,351,318	2,373,751	3,042,752
<b>Total revenues</b>	<b>\$ 67,185,083</b>	<b>\$ 76,081,156</b>	<b>\$ 79,126,076</b>	<b>\$ 89,833,728</b>	<b>\$ 87,625,917</b>	<b>\$ 81,522,657</b>	<b>\$ 93,052,924</b>	<b>\$ 120,757,219</b>	<b>\$ 131,446,455</b>	<b>\$ 121,921,336</b>
<b>EXPENDITURES</b>										
Current										
General administration	\$ 6,926,425	\$ 7,459,722	\$ 8,005,410	\$ 8,635,230	\$ 9,172,043	\$ 10,159,248	\$ 9,799,559	\$ 13,923,243	\$ 15,218,270	\$ 13,915,081
Judicial	11,427,052	11,680,071	12,892,667	14,723,240	15,830,047	16,865,773	16,494,966	18,687,971	19,748,101	27,415,747
Financial administration	2,185,159	2,389,323	2,701,314	2,931,640	3,196,337	3,287,777	3,165,349	3,491,474	3,720,114	4,126,909
Elections	396,294	525,992	497,847	557,381	487,880	560,854	567,462	577,393	564,276	795,194
Public safety and corrections	16,533,458	17,353,802	19,557,652	21,521,148	23,403,233	25,000,367	23,985,553	26,357,893	28,651,070	31,388,099
Health and welfare	688,733	771,465	959,450	2,493,446	1,248,439	1,171,988	1,179,744	1,306,649	14,780,195	4,279,291
Culture and recreation	2,051,510	2,331,975	3,902,323	3,276,870	4,411,971	3,926,223	4,005,542	4,336,293	4,751,575	5,712,053
Conservation and natural resources	220,514	219,145	171,080	126,123	135,311	152,177	136,680	160,638	155,895	182,311
Highways and roads	2,849,046	2,702,726	2,984,077	2,910,036	5,927,887	3,944,721	4,631,434	4,558,568	7,730,344	4,510,221
Capital outlay	13,941,374	7,862,296	12,276,795	32,139,266	24,737,607	13,596,000	8,940,480	12,820,588	31,009,430	31,399,253
Debt service	2,483,516	2,541,602	2,541,852	8,377,983	1,766,319	1,714,329	1,654,706	1,658,520	1,656,075	1,658,556
<b>Total expenditures</b>	<b>\$ 59,703,081</b>	<b>\$ 55,838,119</b>	<b>\$ 66,490,467</b>	<b>\$ 97,692,363</b>	<b>\$ 90,317,074</b>	<b>\$ 80,379,457</b>	<b>\$ 74,561,475</b>	<b>\$ 87,879,230</b>	<b>\$ 127,985,345</b>	<b>\$ 125,382,715</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Certificates of obligation issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,625,000	\$ -	\$ -	\$ -	\$ -
Reoffering premium	-	-	-	-	-	1,184,760	-	-	-	-
Capital lease proceeds	-	16,000	-	-	15,000	-	-	-	-	-
Payment to escrow	-	-	-	-	-	(15,844,041)	-	-	-	-
Proceeds from sale of assets and capital lease	-	-	2,747,452	212	79,706	57,092	-	-	-	-
Transfers in	2,218,670	15,509,861	25,355,367	28,889,140	17,644,858	16,575,711	11,882,274	3,737,871	29,174,517	46,777,756
Transfers (out)	(3,288,659)	(16,509,861)	(25,355,367)	(29,889,140)	(18,317,133)	(16,416,421)	(11,898,274)	(3,737,871)	(30,140,561)	(45,640,866)
<b>Total other financing sources (uses)</b>	<b>\$ (1,069,989)</b>	<b>\$ (984,000)</b>	<b>\$ 2,747,452</b>	<b>\$ (999,788)</b>	<b>\$ (577,569)</b>	<b>\$ 182,101</b>	<b>\$ (16,000)</b>	<b>\$ -</b>	<b>\$ (966,044)</b>	<b>\$ 1,136,890</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 6,412,013</b>	<b>\$ 19,259,037</b>	<b>\$ 15,383,061</b>	<b>\$ (8,858,423)</b>	<b>\$ (3,268,726)</b>	<b>\$ 1,325,301</b>	<b>\$ 18,475,449</b>	<b>\$ 32,877,989</b>	<b>\$ 2,495,066</b>	<b>\$ (2,324,489)</b>
Debt service as a percent of non-capital expenditures	5.43%	5.30%	4.69%	12.78%	2.69%	2.57%	2.52%	2.21%	1.71%	1.76%

Source: Current and past years' financial statements

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

**Table 5**

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>
2011	10,111,879,549	2,306,337,480	12,418,217,029	0.211805
2012	10,662,418,645	2,548,822,720	13,211,241,365	0.198207
2013	12,848,573,368	3,415,362,500	16,263,935,868	0.154789
2014	14,426,648,389	4,157,580,540	18,584,228,929	0.140178
2015	16,185,219,872	5,050,363,940	21,235,583,812	0.126523
2016	16,168,763,412	6,092,448,580	22,261,211,992	0.140811
2017	15,489,025,901	5,605,347,040	21,094,372,941	0.155992
2018	18,082,987,025	5,760,214,380	23,843,201,405	0.153169
2019	20,953,541,326	6,967,668,231	27,921,209,557	0.140000
2020	29,049,907,077	8,919,242,255	37,969,149,332	0.128000

Source: Midland County Appraisal District

## Midland County, Texas

Direct and Overlapping Property Tax Rates

(Per \$100 of Assessed Value)

Last Ten Fiscal Years

Table 6

Midland County Texas					Overlapping Rates					
Fiscal Year	General	Road & Bridge	Debt Service	Total Funds	MISD	City of Midland	Hospital District	Midland College	Midland Utility District	Total all Entities
2011	0.1911	-	0.0205	0.2116	1.1451	0.4729	0.1663	0.1699	-	2.1657
2012	0.1788	-	0.0194	0.1982	1.1411	0.4705	0.1622	0.1679	-	2.1399
2013	0.1500	-	0.0048	0.1548	1.1401	0.4611	0.1397	0.1442	-	2.0398
2014	0.1306	-	0.0096	0.1402	1.1301	0.4319	0.1257	0.1332	0.0300	1.9910
2015	0.1181	-	0.0084	0.1265	1.1401	0.3939	0.1183	0.1244	0.0296	1.9328
2016	0.1328	-	0.0080	0.1408	1.1401	0.3805	0.1198	0.1259	0.0276	1.9347
2017	0.1533	-	0.0027	0.1560	1.1201	0.3997	0.1351	0.1371	0.0276	1.9755
2018	0.1461	-	0.0070	0.1532	1.1276	0.4084	0.1300	0.1253	0.0276	1.9720
2019	0.1339	-	0.0061	0.1400	1.1201	0.3922	0.1262	0.1147	0.0276	1.9208
2020	0.1237	-	0.0043	0.1280	1.0501	0.3647	0.0991	0.0912	0.0276	1.7607

Source: Midland County Budget

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

Table 7

2020			2011		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pioneer Natural Res -WI-	\$ 2,446,784,900	8.76%	Pioneer Natural Res -WI-	\$ 695,487,540	5.98%
Chevron USA Inc WI	1,528,680,340	5.47%	Endeavor Energy Resources LP	374,257,560	3.22%
Endeavor Energy Resources LP	1,267,066,100	4.54%	Chevron	181,508,640	1.56%
XTO Energy Inc	1,108,648,620	3.97%	Oxy USA	176,972,270	1.52%
COG Operating LLC WI	910,129,880	3.26%	COG Operating LLC	136,309,060	1.17%
Diamondback E&P LLC WI	572,220,170	2.05%	Apache Corp	114,946,320	0.99%
Apache Corp WI	447,024,810	1.60%	Fasken Oil	95,586,700	0.82%
Ovintiv USA Inc	409,823,230	1.47%	Dawson Geophysical	80,120,730	0.69%
Nextier Completion Solutions	285,717,110	1.02%	TRA Midland Properties	79,638,650	0.68%
Viper Energy Partners LLC	253,048,630	0.91%	Henry Resources	72,721,580	0.63%
<b>Total</b>	<b>\$ 9,229,143,790</b>	<b>33.05%</b>	<b>Total</b>	<b>\$ 2,007,549,050</b>	<b>17.26%</b>

Source: Midland County Tax Office

**Midland County, Texas**  
 Property Tax Levies and Collections  
 Fiscal Years Ended September 30, 2009 through 2020

**Table 8**

Fiscal Year End	Assessed Value	Tax Rate	Tax Levy	Collections				Uncollected	
				October- December	Percent of Levy	January- June	Percent of Levy	June 30th of Next Year	Percent of Levy
2011	12,418,217,029	\$ 0.211805	26,302,405	8,741,757	33.24%	16,946,242	64.43%	614,406	2.34%
2012	13,037,340,605	\$ 0.198207	25,840,922	10,751,424	41.61%	14,899,445	57.66%	190,053	0.74%
2013	16,263,935,868	\$ 0.154789	25,174,784	10,984,748	43.63%	13,753,880	54.63%	436,156	1.73%
2014	18,584,228,929	\$ 0.140178	25,750,185	11,628,235	45.16%	13,889,491	53.94%	232,459	0.90%
2015	21,235,583,812	\$ 0.126523	26,593,450	6,409,613	24.10%	19,757,504	74.29%	426,333	1.60%
2016	22,261,211,992	\$ 0.140811	31,346,210	11,607,488	37.03%	19,160,694	61.13%	578,028	1.84%
2017	21,094,372,941	\$ 0.155992	32,905,534	13,300,934	40.42%	18,669,273	56.74%	935,327	2.84%
2018	23,843,201,405	\$ 0.153169	36,520,393	12,257,342	33.56%	23,442,013	64.19%	821,039	2.25%
2019	27,921,209,557	\$ 0.140000	39,089,693	11,793,847	30.17%	26,639,360	68.15%	656,486	1.68%
2020	37,969,149,332	\$ 0.128000	48,600,511	15,163,364	31.20%	33,131,123	68.17%	306,024	0.63%

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>
2011	29,065,000	29,065,000	0.30%	212.17
2012	27,805,000	27,805,000	0.21%	198.41
2013	26,495,000	26,495,000	0.16%	180.01
2014	19,055,000	19,055,000	0.11%	125.31
2015	18,140,000	18,140,000	0.10%	116.29
2016	17,665,000	17,665,000	0.10%	109.67
2017	16,620,000	16,620,000	0.10%	99.69
2018	15,535,000	15,535,000	0.09%	111.35
2019	14,405,000	14,405,000	0.07%	102.26
2020	13,220,000	13,220,000	0.06%	88.45

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

## Midland County, Texas

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

Table 10

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Debt Service Designated Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2011	131,349	12,418,217,029	29,065,000	562,468	28,502,532	0.230	217.00
2012	140,308	13,211,241,365	27,805,000	633,300	27,171,700	0.206	193.66
2013	146,645	16,263,935,868	26,495,000	6,934,835	19,560,165	0.120	133.38
2014	151,468	18,584,228,929	19,055,000	360,420	18,694,580	0.101	123.42
2015	155,830	21,235,583,812	18,140,000	399,900	17,740,100	0.084	113.84
2016	161,077	22,261,211,992	17,665,000	1,087,402	16,577,598	0.074	102.92
2017	166,718	21,094,372,941	16,620,000	29,320	16,590,680	0.079	99.51
2018	139,512	23,843,201,405	15,535,000	67,338	15,467,662	0.065	110.87
2019	140,866	27,921,209,557	14,405,000	144,618	14,260,382	0.051	101.23
2020	149,455	37,969,149,332	13,220,000	160,963	13,059,037	0.034	87.38

Source: US Census Bureau, 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, 2020

**Table 11**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
City of Midland	\$ 217,815,000	100%	\$ 217,815,000
Midland Independent School District	181,600,996	100%	181,600,996
Midland Community College	24,770,708	100%	24,770,708
Midland County Hospital District	89,495,000	100%	89,495,000
Greenwood Independent School District	53,201,067	100%	53,201,067
City of Odessa	146,245,425	8%	11,895,561
Subtotal, overlapping debt			<u>578,778,332</u>
Midland County (direct debt)			<u>13,220,000</u>
<b>Total direct and overlapping debt</b>			<b>\$ 591,998,332</b>

Sources: Financial statements of the various governmental agencies.

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

Midland County, Texas  
Debt Limitations  
Last Ten Fiscal Years

Table 12

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 2,527,969,887	\$ 2,665,604,661	\$ 3,212,143,342	\$ 3,606,662,097	\$ 4,046,304,968	\$ 4,042,190,853	\$ 3,872,256,475	\$ 4,520,746,756	\$ 7,262,476,769	\$ 7,316,279,967
Total net debt applicable to limit	28,502,532	27,171,700	19,560,165	18,694,580	17,740,100	16,577,598	16,590,680	15,467,662	14,260,382	13,059,037
Debt margin	\$ 2,499,467,355	\$ 2,638,432,961	\$ 3,192,583,177	\$ 3,587,967,517	\$ 4,028,564,868	\$ 4,025,613,255	\$ 3,855,665,795	\$ 4,505,279,094	\$ 7,248,216,387	\$ 7,303,220,930
Total net debt applicable to the limit as a percentage of debt limit	1.13%	1.02%	0.61%	0.52%	0.44%	0.41%	0.43%	0.34%	0.20%	0.18%
<b>Debt Margin Calculation for Fiscal Year 2019</b>										
Assessed Value of Real Property	\$ 29,049,907,077									
Assessed Value of Personal & Other Property	8,919,242,255									
Total Assessed Value	\$ 37,969,149,332									
Debt Limit, 25% of Real Property Assessed Value (1)	\$ 7,262,476,769									
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt	13,320,000									
Less: Assets in Debt Service Funds Available for Payment of Principal	160,963									
Total Amount of Debt Applicable to Debt Limit	13,059,037									
Legal Debt Margin	\$ 7,249,417,732									
Source:	Current and past years' financial statements									
Note 1:	Limit is set by provisions under Article III, Section 52 of the Texas State Constitution									

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

**Table 13**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate Percentage</b>
2011	136,990	9,798,045	71,524	4.9
2012	140,139	13,549,464	96,686	3.4
2013	147,185	16,174,537	109,893	3.1
2014	152,057	17,254,309	113,473	2.6
2015	155,990	18,876,831	121,013	3.3
2016	161,077	17,168,895	106,588	3.8
2017	166,718	17,148,261	105,486	2.5
2018	139,512	17,421,000	75,002	2.2
2019	140,866	21,478,156	124,455	2.0
2020	149,455	21,856,025	128,766	9.5

Sources: Population figures for 2020 are an estimate provided by the Midland Development Corp., Personal Income and Per Capita Personal Income are from the US Bureau of Economic Analysis, and US Bureau of Labor Statistics provided data on Unemployment Rates. Information is based on previous year information from fiscal year stated.

<http://www.bea.gov>

**Midland County, Texas**  
 Full-Time Equivalent County Government  
 Employees by Function/Program  
 Last Five Fiscal Years

**Table 14**

<b>Function / Program</b>	<b>Fiscal Year</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General administration	28	29	30	30	31
Judicial	145	146	152	168	174
Financial administration	44	42	43	42	45
Elections	5	5	5	5	5
Public safety and corrections	276	281	285	297	317
Health and welfare	3	3	3	3	4
Culture and recreation	34	36	35	37	42
Conservation and natural resources	1	1	3	4	4
Highways and roads	31	32	33	37	37
<b>Total</b>	<b>567</b>	<b>575</b>	<b>589</b>	<b>623</b>	<b>659</b>

Source: Midland County Treasurers Office

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

**Table 15**

FUNCTION / PROGRAM	Fiscal Year				
	2016	2017	2018	2019	2020
<b>GENERAL GOVERNMENT</b>					
Commissioners Court					
Number of Official Public Meetings					
Regular Sessions	22	24	49	43	25
Special Sessions (Work Sessions)	5	5	3	14	11
<b>PUBLIC SAFETY</b>					
Inmates Booked	14,845	11,549	10,759	10,477	8,145
Arrests	13,247	13,214	12,400	11,690	9,404
<b>JUDICIAL</b>					
District Courts					
Civil Cases Filed	1,468	1,681	1,557	1,427	1,393
Civil Cases Disposed	1,353	1,284	1,218	1,523	1,120
Criminal Cases Filed	2,114	2,223	2,077	1,854	1,446
Criminal Cases Disposed	2,567	2,715	2,521	2,499	1,951
County Courts-at-Law					
Civil Cases Filed	1,104	1,143	1,102	830	269
Civil Cases Disposed	783	992	1,041	983	722
Criminal Cases Filed	3,978	4,536	4,241	4,193	3,247
Criminal Cases Disposed	4,020	4,341	4,015	3,825	2,206
Juvenile Cases Filed	94	108	63	54	78
Juvenile Cases Disposed	62	71	65	62	91
Probate and Mental Health Cases Filed	600	616	586	588	499
Probate and Mental Health Cases Disposed	147	156	142	130	124
Justice of the Peace Courts					
Civil Cases Filed	1,652	2,257	2,813	3,399	2,521
Civil Cases Disposed	1,320	1,545	1,890	2,377	2,803
Criminal Cases Filed	9,974	14,206	19,682	24,623	17,273
Criminal Cases Disposed	13,488	12,197	13,347	18,498	16,544
Juvenile Cases Filed	445	379	464	499	573
<b>CULTURE AND RECREATION</b>					
Events Held	166	174	210	228	181
<b>ELECTIONS</b>					
Number of Registered Voters	76,808	80,329	80,506	84,588	86,534
<b>HIGHWAYS</b>					
Permits Granted	212	271	234	263	185
Work Requests	93	159	156	494	44

Sources: Office of Court Administration and various county departments

**Midland County, Texas**

Capital Assets Information By Function/Program  
Last Five Fiscal Years

**Table 16**

FUNCTION / PROGRAM	Fiscal Years				
	2016	2017	2018	2019	2020
<b>BUILDINGS</b>					
General admin	2	2	2	2	2
Judicial	2	2	2	2	2
Public safety	9	9	9	9	9
Highways	1	1	1	1	1
Culture and recreation	7	7	8	8	10
Health & Welfare	1	1	1	1	1
<b>PATROL CARS</b>	32	32	31	32	37
<b>ELECTIONS</b>					
Electronic voting machines	272	272	272	250	250
<b>HIGHWAYS</b>					
Miles of roads maintained	410	356	376	423	471

Source: Various county departments.



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

**Table 17**

2020			2011		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Midland Independent School District	2,700	2.75%	Midland Independent School District	3,000	3.86%
Pioneer Natural Resources	2,323	2.36%	Midland Memorial Hospital	1,500	1.93%
Midland Memorial Hospital	1,978	2.01%	City of Midland	980	1.26%
Dawson Geophysical	1,244	1.26%	Midland College	800	1.03%
Endeavor Energy Resources	1,241	1.26%	Warren Equipment Companies	624	0.80%
Walmart	957	0.97%	Midland County	600	0.77%
City of Midland	951	0.97%	Key Energy Services	500	0.64%
Midland College	800	0.81%	Texas Health & Human Services Call Center	480	0.62%
HEB	770	0.78%	Basic Energy Services	476	0.61%
Midland County	611	0.62%	Schlumberger Oilfield Services	464	0.60%
<b>Total</b>	<b>13,575</b>	<b>13.80%</b>	<b>Total</b>	<b>9,424</b>	<b>12.14%</b>
Average Annual Employment for Midland, TX from BLS:		106,619			77,626

Source: Bureau of Labor Statistics, Midland Development Corporation, Texas Workforce Commission LMCI, individual employers consider this proprietary information and may be estimated. 2020 data is not currently available, 2019 and 2011 data from City of Midland CAFR is used.

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# Internal Control and Compliance

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Midland County, Texas (the County), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2021.

### ***Internal Control over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies, and therefore, material weakness a significant deficiencies may exist that were not identified. However, we did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

### ***Compliance and Other Matters***

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

To Honorable County Judge and  
Commissioners Court of Midland County

***Midland County, Texas' Response to Findings***

Midland County, Texas response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

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

WEAVER AND TIDWELL, L.L.P.

Midland, Texas  
June 30, 2021



## Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

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

### **Report on Compliance for the Major Federal Program**

We have audited Midland County, Texas (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement Management* that could have a direct and material effect on the County's major federal programs for the fiscal year ended September 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

#### ***Opinion on the Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2020.

To Honorable County Judge and  
Commissioners Court of Midland County

### Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

WEAVER AND TIDWELL, L.L.P.

Midland, Texas  
June 30, 2021



**Midland County, Texas**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended September 30, 2020

Federal /Pass-through Grantor Program Title	CFDA Number	Grant Contract Number	Grant Expenditures
<b>Federal Grant Expenditures</b>			
<b><u>U.S. Department of Treasury</u></b>			
Coronavirus Relief Fund	20.219	N/A	\$ 920,835
<b>Total U.S. Department of Treasury</b>			920,835
<b><u>Election Assistance Commission</u></b>			
Help America Vote Act Requirements Payments - CARES HAVA Election Grant	90.401	TX20101CARES-165	31,202
2018 HAVA Election Security Grant	90.404	TX18101001-01-0165	15,175
<b>Total Election Assistance Commission</b>			46,377
<b><u>United States Department of Justice</u></b>			
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - COM-Automatic Vehicle Locator Project/MC-Tactical Team Equip & Supplies 2017	16.738	2017-H2469-TX-DJ	35
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - COM-Automatic Vehicle Locator Project/MC-Tactical Team Equip & Supplies 2018	16.738	2018-H3448-TX-DJ	12,070
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - Wraparound Project	16.738	3777101	136,899
Edward Byrne Memorial Justice Assistance Grant Program (JAG) - Bomb Detection Dog	16.738	3647301	3,066
State Criminal Alien Assistance Program- FY19 SCAAP Award	16.606	2020-AP-BX-0946	14,337
Coronavirus Emergency Supplement Funding Program	16.034	4144901	7,267
Equitable Sharing Program- Sheriff Forfeiture	16.922	TX1650000	97,205
<b>Total United States Department of Justice</b>			270,879
<b><u>United States Department of Homeland Security</u></b>			
Emergency Management Performance Grant (EMPG)	97.042	EMT-2020-EP-00004	41,395
COVID19 Public Assistance Category B (Emergency Protective Measures)	97.036	4485	44,220
<b>Total United States Department of Homeland Security</b>			85,615
<b><u>Department of Health and Human Services</u></b>			
Stephanie Tubbs Jones Child Welfare Services Program - Title IV-E Foster Care Maintenance Services 2018	93.645	24721873	7
Stephanie Tubbs Jones Child Welfare Services Program Title IV-E Foster Care Maintenance Services 2019	93.645	285000002	847
Child Support Enforcement- Title IV Child Support	93.563	OAG 17-C0057	1,713
<b>Total Texas Department of Criminal Justice</b>			2,568
<b><u>Executive Office of the President - National Drug Control Policy</u></b>			
High Intensity Drug Trafficking Areas Program - 2018	95.001	G18SW0013A	100,450
High Intensity Drug Trafficking Areas Program -2019	95.001	G19SW0013A	180,012
<b>Total Executive Office of the President - National Drug Control Policy</b>			280,462
<b><u>Institute of Museum and Library Services</u></b>			
Inter-Library Loan Reimbursement Program	45.31	901743	6,454
Texas Reads Grant Program	45.31	TXR-20010	9,954
<b>Total Institute of Museum and Library Services</b>			16,408
<b>Total Federal Grant Expenditures</b>			<b>\$ 1,623,143</b>

## Midland County, Texas

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2020

### Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County under programs of the State of Texas for fiscal year ended September 30, 2020.

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

**Midland County, Texas**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended September 30, 2020

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

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
  - Material weakness(es) identified?  Yes  No
  - Significant deficiency(s) identified?  Yes  None reported
- c. Noncompliance material to financial statements noted?  Yes  No

Federal Awards

- d. Internal control over major program
  - Material weakness(es) identified?  Yes  No
  - Significant deficiency(s) identified?  Yes  None reported
- e. An unmodified opinion was issued on compliance for major program
- f. Any audit findings disclosed that were required to be reported in accordance with Uniform Guidance.  Yes  No

g. Identification of major programs:

**Federal**

<u>Program/Cluster Name</u>	<u>CFDA #</u>
Coronavirus Relief Fund	20.219

- h. The dollar threshold used to distinguish between Type A and Type B programs \$750,000
- i. Auditee qualified as a low-risk auditee.  Yes  No

## Midland County, Texas

Schedule of Findings and Questioned Costs – Continued  
For the Fiscal Year Ended September 30, 2020

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

#### *Material Weakness in Internal Control*

##### **Finding – 2020-001**

Criteria: The County should review invoices relating to contracted services and goods received to verify the goods and services are received prior to paying the invoice.

Condition: The County's internal control processes did not provide for appropriate review of the invoices for goods and services of a contracted vendor resulting in payments to that vendor for goods and services that were not received.

Cause: The County relied on the vendor to deliver goods and services at the vendor's location.

Effect: The County's expenses prior to adjustment were inaccurately stated due to the goods and services not being received and County funds were expensed in a manner resulting in financial loss of \$1,157,455. Failure to implement adequate controls over expenditures could result in future losses to the County.

Recommendation: The County should implement procedures to properly verify all invoices for contracted goods and services are received prior to payment.

Views of Responsible Officials: See corrective action plan.

### III. Findings and Questioned Costs for Federal Awards:

None



# Veronica Morales

MIDLAND COUNTY AUDITOR

[vmorales@mccounty.com](mailto:vmorales@mccounty.com)

June 28, 2021

Re: Corrective Action Plan for finding 2020-001

To whom it may concern:

This letter is to address the finding relating to the material weakness in internal controls. Due to the recent fraud committed against Midland County, it was of most importance for us to come up with a corrective action plan to address any weakness in internal controls within our organization.

We have evaluated the processes and have addressed with all our elected officials and department heads the importance of the role they play in the internal controls of the County. I have also addressed the fact that they are our first line of defense to prevent and detect fraud. There are already procedures in place for the approvals needed before an invoice is paid, but I have stressed the utmost importance of our supervisors to verify receipt of goods and services before they approve.

We were fortunate that the vendor responsible for the recent fraud committed against Midland County was willing to work with us and we have been able to recover all of the identified fraud, but we have stressed to our elected officials and department heads that we certainly do not want to go through this again.

Sincerely,

Veronica Morales

Midland County Auditor

**Midland County, Texas**  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended September 30, 2020

None

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