

**WILBARGER COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2020**



# WILBARGER COUNTY, TEXAS

## ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2020

### TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		1-2
Management's Discussion and Analysis (Required Supplementary Information)		3-11
<b>BASIC FINANCIAL STATEMENTS</b>		
Statement of Net Position	A-1	12
Statement of Activities	A-2	13-14
Balance Sheet – Governmental Funds	A-3	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-4	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	A-5	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	A-6	18
Statement of Net Position – Enterprise Fund	A-7	19
Statement of Revenues, Expenses and Changes in Fund Net Position - Enterprise Fund	A-8	20
Statement of Cash Flows – Enterprise Fund	A-9	21
Statement of Fiduciary Assets and Liabilities	A-10	22
Notes to the Financial Statements		23-47
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		
Budgetary Comparison Schedule – General Fund	B-1	48-49
Budgetary Comparison Schedule – Road & Bridge Fund	B-2	50
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Texas County and District Retirement System	B-3	51
Schedule of Employer Contributions – Texas County and District Retirement System	B-4	52
Schedule of Changes in Total OPEB Liability and Related Ratios – Wilbarger County Retiree Health Care Plan	B-5	53
Notes to Required Supplementary Information		54-55

# WILBARGER COUNTY, TEXAS

## ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2020

### TABLE OF CONTENTS (CONT'D.)

	<u>Exhibit</u>	<u>Page</u>
<b>COMBINING STATEMENTS AND BUDGET COMPARISONS AS SUPPLEMENTARY INFORMATION</b>		
Combining Balance Sheet – Nonmajor Governmental Funds	C-1	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	C-2	57
Budgetary Comparison Schedule – Jury Fund	C-3	58
Budgetary Comparison Schedule – Special Services Fund	C-4	59
Budgetary Comparison Schedule – Grant Fund	C-5	60
Budgetary Comparison Schedule – Juvenile Services Fund	C-6	61
Budgetary Comparison Schedule – Capital Projects Fund	C-7	62
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	C-8	63-65

*FINANCIAL SECTION*





# EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

1401 HOLLIDAY ST., SUITE 216 ▪ P.O. Box 750  
WICHITA FALLS, TEXAS 76307-0750  
PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA  
DAVID L. PARKMAN, CPA  
A. PAUL FLEMING, CPA

## Independent Auditor's Report

To The Honorable County Judge and County Commissioners  
Wilbarger County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wilbarger County, Texas, as of and for the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the 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 accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, the business-type activities, each major fund, and the aggregate remaining fund information of Wilbarger County, Texas as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison information, Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Texas County and District Retirement System, Schedule of Employer Contributions – Texas County and District Retirement System, and Schedule of Changes in Total OPEB Liability and Related Ratios – Wilbarger County Retiree Health Care Plan be presented to supplement the basic financial statements. Such information, although not a required 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 Wilbarger County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Edgin, Parkman, Fleming & Fleming, PC*

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas  
April 13, 2023



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Wilbarger County, Texas, we offer readers of the County's Annual Financial Report this narrative overview and analysis of the County's financial performance during the fiscal year ended September 30, 2020. Please read it in conjunction with the County's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2020 by \$12,414,983 (net position). Of this amount, \$3,716,434 (unrestricted net position) may be used to meet the County's obligations.
- During the year, the County's total net position decreased by \$55,594. The County's expenses, which totaled \$9,546,618, were more than the County's program revenues of \$2,129,038 and general revenues of \$7,361,986.
- The General Fund reported a fund balance this year of \$2,774,975, which is an increase of \$306,625 in comparison with the prior year amount.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,684,813, or 46% of the General Fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic 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 basic financial statements. This report also contains required supplementary information in addition to the basic financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers a broad overview of the County's finances in a manner similar to a private-sector business.

All of the County's services are reported in the government-wide financial statements, including general government and airport. Property taxes and sales taxes finance most of the general government activities. User charges finance the airport activities. Additionally, all capital and debt financing activities are reported here.

The *statement of net position* presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the County's financial position is improving or deteriorating.

The *statement of activities* details how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected property taxes).

**Fund Financial Statements**

The County uses fund accounting to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the County's most significant *funds* – not the County as a whole. Some funds are required by State law and or bond covenants. Other funds may be established by the County to control and manage money for particular purposes or to evidence appropriate use of certain taxes, grants, and other special revenues.

All the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-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 short-term financing requirements.

Because the focus on *governmental funds* is narrower than that of 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 County's short-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. These reconciliations facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintained multiple governmental funds in the current year. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance for the General Fund and Road and Bridge Fund, which are considered to be the major funds. Financial data for the other governmental funds are combined into a single, aggregated presentations.

A **proprietary fund** is used to account for operations that are financed similar to those in the private sector. This fund provides both long- and short-term financial information. The County uses this fund to report the activities for airport services.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to obtain 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* that further explains and supports the information in the financial statements.

## Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. Exhibited below in Table 1 is the County's net position summarized for both *governmental activities* and *business-type activities*.

**Table 1 - County's Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 6,167,082	\$ 5,541,161	\$ 92,929	\$ 68,092	\$ 6,260,011	\$ 5,609,253
Capital assets, net	7,824,233	8,286,101	1,021,743	1,076,023	8,845,976	17,132,077
<b>Total Assets</b>	<b>13,991,315</b>	<b>13,827,262</b>	<b>1,114,672</b>	<b>1,144,115</b>	<b>15,105,987</b>	<b>22,741,330</b>
<b>Deferred Outflows</b>	<b>428,240</b>	<b>1,570,667</b>	<b>8,912</b>	<b>35,332</b>	<b>437,152</b>	<b>2,007,819</b>
Current liabilities	439,392	296,914	11,001	6,616	450,393	747,307
Noncurrent liabilities	1,961,395	3,436,129	34,110	76,124	1,995,505	3,512,253
<b>Total Liabilities</b>	<b>2,400,787</b>	<b>3,733,043</b>	<b>45,111</b>	<b>82,740</b>	<b>2,445,898</b>	<b>4,259,560</b>
<b>Deferred Inflows</b>	<b>668,164</b>	<b>284,614</b>	<b>14,094</b>	<b>3,402</b>	<b>682,258</b>	<b>288,016</b>
Net position:						
Net investment in capital assets	7,346,874	7,700,186	1,021,743	1,065,599	8,368,617	8,765,785
Restricted	329,932	308,707	-	-	329,932	308,707
Unrestricted	3,673,798	3,371,379	42,636	24,706	3,716,434	3,396,085
<b>Total Net Position</b>	<b>\$11,350,604</b>	<b>\$11,380,272</b>	<b>\$ 1,064,379</b>	<b>\$1,090,305</b>	<b>\$12,414,983</b>	<b>\$12,470,577</b>

Net investment in capital assets (e.g. land, buildings, furniture, and equipment less any related debt used to acquire those assets that is still outstanding) is \$8,368,617. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in 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 capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County's net position, \$329,932, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$3,716,434 may be used to meet the County's ongoing obligations.

## Changes in Net Position

The County's total revenues were \$9,491,024. The governmental activities generated revenues of \$9,197,865, or 97%, including 17% from charges for services, 63% from property tax, and 8% from sales taxes. The remaining 3%, or \$293,159, comes from the business-type activities which was almost entirely charges for services. Table 2 shows the County's revenues for the years ended September 30, 2020 and 2019.

**Table 2 - County's Revenues**

	2020	Percent	2019	Percent
<b>Governmental Activities</b>				
Charges for services	\$1,612,612	17%	\$1,852,827	19%
Operating grants and contributions	239,018	3%	392,923	4%
Property taxes	5,975,993	63%	6,011,648	61%
Sales taxes	796,049	8%	743,611	7%
Other taxes	9,414	0%	17,632	0%
Investment earnings	73,469	1%	169,489	2%
Miscellaneous	491,310	5%	434,504	4%
Total governmental activities	9,197,865	97%	9,622,634	97%
<b>Business-type activities</b>				
Charges for services	252,497	3%	276,037	3%
Operating grants and contributions	24,911	0%	20,139	0%
Investment earnings	84	0%	507	0%
Miscellaneous	15,667	0%	15,230	0%
Total business-type activities	293,159	3%	311,913	3%
Total revenues	\$9,491,024	100%	\$9,934,547	100%

The total cost of all programs and services was \$9,546,618. The County's expenses cover a range of services with the most significant being 28% related to road and bridge, 18% for public facilities, 13% for general government, 12% for judicial and 12% for public safety. Exhibited below in Table 3 are the County's expenses for the years ended September 30, 2020 and 2019.

**Table 3 - County's Expenses**

	2020	Percent	2019	Percent
<b>Governmental activities</b>				
General government	\$1,273,766	13%	\$1,225,866	13%
Judicial	1,176,282	12%	1,127,498	12%
Legal	268,526	3%	247,803	3%
Financial	624,794	7%	592,372	6%
Public facilities	1,724,752	18%	1,790,168	18%
Public safety	1,103,356	12%	1,178,424	12%
Health and welfare	89,897	1%	89,054	1%
Conservation	150,846	2%	171,678	2%
Road and bridge	2,714,270	28%	2,893,641	30%
Interest and fiscal charges	17,044	0%	18,676	0%
Total governmental activities	9,143,533	96%	9,335,180	96%
<b>Business-type activities</b>				
Airport	403,085	4%	432,924	4%
Total business-type activities	403,085	4%	432,924	4%
Total expenses	\$9,546,618	100%	\$9,768,104	100%

## Governmental and Business-Type Activities

Table 4 presents the various revenue categories and gross costs of each of the County's functional areas for both the current and prior year. Following the table, we provide explanations for the significant or unusual fluctuations between the two years.

**Table 4 - Changes in Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$1,612,612	\$1,852,827	\$ 252,497	\$ 276,037	\$1,865,109	\$2,128,864
Operating grants and contributions	239,018	392,923	24,911	20,139	263,929	413,062
<b>General revenues:</b>						
Property taxes	5,975,993	6,011,648	-	-	5,975,993	6,011,648
Sales taxes	796,049	743,611	-	-	796,049	743,611
Other taxes	9,414	17,632	-	-	9,414	17,632
Investment earnings	73,469	169,489	84	507	73,553	169,996
Miscellaneous	491,310	434,504	15,667	15,230	506,977	449,734
<b>Total revenues</b>	<b>9,197,865</b>	<b>9,622,634</b>	<b>293,159</b>	<b>311,913</b>	<b>9,491,024</b>	<b>9,934,547</b>
<b>Expenses:</b>						
General government	1,273,766	1,225,866	-	-	1,273,766	1,225,866
Judicial	1,176,282	1,127,498	-	-	1,176,282	1,127,498
Legal	268,526	247,803	-	-	268,526	247,803
Financial	624,794	592,372	-	-	624,794	592,372
Public facilities	1,724,752	1,790,168	-	-	1,724,752	1,790,168
Public safety	1,103,356	1,178,424	-	-	1,103,356	1,178,424
Health and welfare	89,897	89,054	-	-	89,897	89,054
Conservation	150,846	171,678	-	-	150,846	171,678
Road and bridge	2,714,270	2,893,641	-	-	2,714,270	2,893,641
Interest and fiscal charges	17,044	18,676	-	-	17,044	18,676
Airport	-	-	403,085	432,924	403,085	432,924
<b>Total expenses</b>	<b>9,143,533</b>	<b>9,335,180</b>	<b>403,085</b>	<b>432,924</b>	<b>9,546,618</b>	<b>9,768,104</b>
Transfers	(84,000)	(230,500)	84,000	230,500	-	-
<b>Change in net position</b>	<b>\$ (29,668)</b>	<b>\$ 56,954</b>	<b>\$ (25,926)</b>	<b>\$ 109,489</b>	<b>\$ (55,594)</b>	<b>\$ 166,443</b>

- Total revenues decreased \$443,523 over the prior year. The most significant changes were as follows:
  - Charges for services decreased \$263,755 as the result of decreased activity in the second half of the year due to COVID lockdown restrictions.
  - Operating grants and contributions decreased \$149,133 mostly due to CETRZ grant ending in the prior year.
- Total expenses decreased \$221,486 over the prior year. The most significant fluctuations were as follows:
  - Road and bridge expenses decreased \$179,371 mostly due to the decrease in road projects after the CETRZ grant ended in the prior year.
- Transfers from governmental activities to business-type activities decreased \$146,500 over the prior year due to less funds needed to offset operating deficit.

Table 5 presents the net cost of the County's governmental functions (total cost less fees generated by the activities). The net cost reflects what was funded by local tax dollars and other miscellaneous general revenues.

**Table 5 - Net Cost of Governmental Activities**

	Governmental Activities			
	2020	Percent	2019	Percent
General government	\$ 1,009,918	14%	\$ 879,815	12%
Judicial	918,820	13%	797,141	11%
Legal	175,023	2%	175,532	2%
Financial	277,669	4%	267,296	4%
Public facilities	1,686,242	23%	1,746,543	25%
Public safety	827,686	11%	836,591	12%
Health and welfare	68,351	1%	68,961	1%
Conservation	150,846	2%	171,678	2%
Road and bridge	2,160,304	30%	2,127,197	30%
Interest and fiscal charges	17,044	0%	18,676	0%
Total governmental activities	<u>\$ 7,291,903</u>	<u>100%</u>	<u>\$ 7,089,430</u>	<u>100%</u>

### Financial Analysis of the County's Funds

As previously stated, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and segregation for particular purposes.

#### General Fund

The focus of the County's General Fund is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the ending fund balance for the General Fund was \$2,774,975, of which \$90,162 was nonspendable related to prepaid expenses and \$2,684,813 was unassigned. The unassigned fund balance represents 46% of the total General Fund expenditures. The total fund balance increased \$306,625 in the current fiscal year.

General Fund revenues totaled \$6,238,990, a decrease of \$435,698 or 7% over the preceding year. The most significant change between years was property taxes which decreased \$409,628 or 10% and payments in lieu of taxes which increased \$94,114 or 27%. The decrease in property taxes is due to a decrease in the maintenance and operations tax rate and a decrease in taxable values. The increase in payments in lieu of taxes is due to the first year requiring a tax in lieu payment under one of the County Chapter 313 tax abatement agreements.

General Fund expenditures totaled \$5,780,865, a decrease of \$18,934 or less than 1% from the preceding year. The only expenditure functional area with a significant change was judicial expenditures which increased \$84,166 or 8% due to increased salaries and benefits from pay increases and district attorney capital asset purchases in the current year.

General Fund total other financing sources and uses decreased from net other uses of \$308,378 to net other uses of \$151,500 mostly because transfers out decreased from \$312,500 to \$154,000 due to less need for supplementing operating deficits in the airport fund.



## **Road and Bridge Fund**

The Road and Bridge Fund consists of the revenues and expenditures to maintain the County's road and bridge infrastructure. At the end of the current fiscal year, the ending fund balance for the Road and Bridge Fund was \$1,873,321, of which \$39,949 was nonspendable related to prepaid expenses and inventory and the remaining \$1,833,372 was committed for road and bridge activity.

Road and Bridge Fund revenues totaled \$2,568,274, an increase of \$163,187 or 7% over the preceding year. The most significant change between years was property taxes which increased \$192,373 or 11% due to an increase in the road and bridge tax rate less a decrease in taxable values.

Road and Bridge Fund expenditures totaled \$2,646,259, an increase of \$239,333 or 10% from the preceding year. The only expenditure functional area with a significant change was road and bridge expenditures which increased \$238,670 or 11% due to equipment purchases the current year.

Road and Bridge Fund total other financing sources and uses increased from net other sources of \$100,820 to net other sources of \$146,461 mostly due to an increase in sale of capital assets from \$100,820 to \$141,694 due to additional equipment sales in the current year after new equipment was purchased.

## **Other Governmental Funds**

Other governmental funds consist of the various special revenue funds and the capital projects fund. The total ending fund balance was \$510,267, an increase of \$1,197 from the previous year. Of the ending fund balance, \$4,871 was restricted for jury duty, \$296,670 was restricted for special services, \$28,391 was restricted for grants, \$196,843 was committed for capital projects and the remaining negative balance of \$16,508 was unassigned and was due to a negative fund balance for juvenile services which will be made positive through future juvenile services fund activity.

Other governmental funds revenues totaled \$283,456, a decrease of \$263,643 or 48% over the preceding year. The most significant change between years was intergovernmental which decreased \$234,688 or 57% due to the CETRZ road repair grant ending in the prior year.

Other governmental funds expenditures totaled \$352,259, a decrease of \$163,235 or 32% from the preceding year. The expenditure functional areas with a significant change were general government expenditures which increased \$41,223 or 51% and road and bridge expenditures which decreased \$201,616 to \$0. The increase in general government expenditures was due to additional courthouse security, records preservation, and records archive costs the current year. The decrease in road and bridge expenditures was due to the ending of the CETRZ road repair grant in the prior year.

Other governmental funds total other financing sources and uses decreased from net other sources of \$77,878 to net other sources of \$70,000. No individual other sources and uses had a significant change from the prior year.

## **General Fund Budgetary Highlights**

Over the course of the year, the County revised its General Fund budget several times. Actual expenditures were \$326,252 less than the final budget. The only expenditure functional area with a significant budget variance was general government which was \$180,600 below budgeted expenditures due to conservative budgeting. A negative budget variance of \$3,695 occurred in the legal expenditures functional area.

On the other hand, revenues were \$52,371 below the final budgeted amount. The significant positive variances were sales taxes of \$71,049 and payments in lieu of taxes of \$93,829 while the only significant negative variance was property taxes of \$74,918.

No budgeted areas changed significantly from the original to the final budget.

## Road and Bridge Fund Budgetary Highlights

Over the course of the year, the County did not revise its Road and Bridge Fund budget. Actual expenditures were \$163,533 less than the final budget. The only significant budget variance was in the functional area of road and bridge which was \$162,426 below budgeted expenditures due to conservative budgeting.

On the other hand, revenues were \$72,643 below the final budgeted amount. There were no significant positive variances while the only significant negative variances were property taxes of \$49,651 and fees and commissions of \$20,037.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2020, the County had invested in a broad range of capital assets totaling \$8,845,976, net of accumulated depreciation, including land, buildings and improvements, infrastructure, and machinery and equipment and construction in progress. See Table 6 below.

Table 6 - Capital Assets, Net

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 307,699	\$ 307,699	\$ 33,137	\$ 33,137	\$ 340,836	\$ 340,836
Buildings and improvements	1,744,208	1,836,457	403,019	427,530	2,147,227	2,263,987
Infrastructure	3,122,777	3,261,459	515,205	84,160	3,637,982	3,345,619
Machinery and equipment	2,649,549	2,880,486	28,065	44,483	2,677,614	2,924,969
Construction in progress	-	-	42,317	486,713	42,317	486,713
<b>Totals</b>	<b>\$ 7,824,233</b>	<b>\$ 8,286,101</b>	<b>\$ 1,021,743</b>	<b>\$ 1,076,023</b>	<b>\$ 8,845,976</b>	<b>\$ 9,362,124</b>

Capital assets, net of accumulated depreciation, decreased \$516,148 or 6% from the previous year. Additional information about the County's capital assets is presented in the notes to the financial statements.

### Long-term Debt

At September 30, 2020, the County had \$551,192 in long-term obligations outstanding as shown in Table 7 below.

Table 7 - Long-term Debt

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Capital leases	\$ 477,359	\$ 585,915	\$ -	\$ 10,424	\$ 477,359	\$ 596,339
Compensated absences	67,282	71,963	6,551	5,952	73,833	77,915
<b>Totals</b>	<b>\$ 544,641</b>	<b>\$ 657,878</b>	<b>\$ 6,551</b>	<b>\$ 16,376</b>	<b>\$ 551,192</b>	<b>\$ 674,254</b>

Total long-term obligations decreased \$123,062 or 18%. Additional information about the County's long-term debt is presented in the notes to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Appraised value used for the 2020-21 General Fund budget preparation is \$1,103,615,706, a decrease of \$33,586,176, or 3% from the prior year taxable values. The General Fund tax rate adopted is \$0.35689 per \$100 valuation, an increase of \$0.01567 per \$100 valuation.



Revenues in the General Fund's budget are \$6,287,954, an increase of \$48,964 or less than 1% more than the final 2019-20 actual revenues of \$6,238,990. There are no significant changes in the various revenue categories.

General Fund expenditures are budgeted at \$6,157,595, an increase of \$376,730 or 6% from final 2019-20 expenditures of \$5,780,865. The increase is mostly due to salary and benefit increases and additional capital outlay expenditures.

If these estimates are realized, the fund balance of the County's General Fund will increase \$30,359 by September 30, 2021.

Appraised value used for the 2020-21 Road and Bridge Fund budget preparation is \$1,096,092,376, a decrease of \$33,453,046, or 3% from the prior year taxable values. The Road and Bridge Fund tax rate adopted is \$0.18461 per \$100 valuation, an increase of \$0.03466 per \$100 valuation.

Revenues in the Road and Bridge Fund's budget are \$2,623,322, an increase of \$55,048 or just 2% more than the final 2019-20 actual revenues of \$2,568,274. The increase is due to estimated additional property tax revenues

Road and Bridge Fund expenditures are budgeted at \$2,627,190, a decrease of \$19,069 or less than 1% from final 2019-20 expenditures of \$2,646,259. There are no significant changes in the various expenditures categories.

If these estimates are realized, the fund balance of the County's Road and Bridge Fund will increase \$96,132 by September 30, 2021.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office.



*BASIC FINANCIAL STATEMENTS*



**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 961,549	\$ 50,815	\$ 1,012,364
Investments	3,979,582	-	3,979,582
Receivables, net:			
Property taxes	365,375	-	365,375
Accounts	-	10,215	10,215
Fines	203,751	-	203,751
Intergovernmental	161,137	24	161,161
Other	10,966	8,167	19,133
Due from fiduciaries	354,611	-	354,611
Inventories	23,079	14,254	37,333
Prepaid items	107,032	9,454	116,486
Capital assets not being depreciated	307,699	75,454	383,153
Capital assets being depreciated, net	7,516,534	946,289	8,462,823
Total assets	<u>13,991,315</u>	<u>1,114,672</u>	<u>15,105,987</u>
<b>Deferred outflows of resources:</b>			
Pension plan related	415,484	8,912	424,396
OPEB plan related	12,756	-	12,756
Total deferred outflows of resources	<u>428,240</u>	<u>8,912</u>	<u>437,152</u>
<b>Liabilities</b>			
Accounts payable	294,949	8,589	303,538
Salaries payable	108,992	2,412	111,404
Due to others	155	-	155
Unearned revenue	35,296	-	35,296
Long-term liabilities:			
Due within one year	425,659	6,551	432,210
Due in more than one year	118,982	-	118,982
Net pension liability	1,284,789	27,559	1,312,348
Total OPEB liability	131,965	-	131,965
Total liabilities	<u>2,400,787</u>	<u>45,111</u>	<u>2,445,898</u>
<b>Deferred inflows of resources:</b>			
Pension plan related	657,047	14,094	671,141
OPEB plan related	11,117	-	11,117
Total deferred inflows of resources	<u>668,164</u>	<u>14,094</u>	<u>682,258</u>
<b>Net Position</b>			
Net investment in capital assets	7,346,874	1,021,743	8,368,617
Restricted for:			
Jury duty	4,871	-	4,871
Special services	296,670	-	296,670
Grants	28,391	-	28,391
Unrestricted	3,673,798	42,636	3,716,434
Total net position	<u>\$ 11,350,604</u>	<u>\$ 1,064,379</u>	<u>\$ 12,414,983</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
General government	\$ 1,273,766	\$ 217,748	\$ 46,100
Judicial	1,176,282	205,864	51,598
Legal	268,526	65,503	28,000
Financial	624,794	347,125	-
Public facilities	1,724,752	38,510	-
Public safety	1,103,356	202,899	72,771
Health and welfare	89,897	-	21,546
Conservation	150,846	-	-
Road and bridge	2,714,270	534,963	19,003
Interest and fiscal charges	17,044	-	-
Total governmental activities	<u>9,143,533</u>	<u>1,612,612</u>	<u>239,018</u>
Business-type Activities:			
Airport	<u>403,085</u>	<u>252,497</u>	<u>24,911</u>
Total primary government	<u>\$ 9,546,618</u>	<u>\$ 1,865,109</u>	<u>\$ 263,929</u>

General revenues and transfers:  
 Property taxes, levied for general purposes  
 Sales taxes  
 Other taxes  
 Investment earnings  
 Miscellaneous  
 Transfers  
 Total general revenues and transfers

Change in net position  
 Net position - beginning  
 Net position - ending

The accompanying notes are an integral part of this statement

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,009,918)	\$ -	\$ (1,009,918)
(918,820)	-	(918,820)
(175,023)	-	(175,023)
(277,669)	-	(277,669)
(1,686,242)	-	(1,686,242)
(827,686)	-	(827,686)
(68,351)	-	(68,351)
(150,846)	-	(150,846)
(2,160,304)	-	(2,160,304)
(17,044)	-	(17,044)
<u>(7,291,903)</u>	<u>-</u>	<u>(7,291,903)</u>
-	(125,677)	(125,677)
<u>(7,291,903)</u>	<u>(125,677)</u>	<u>(7,417,580)</u>
5,975,993	-	5,975,993
796,049	-	796,049
9,414	-	9,414
73,469	84	73,553
491,310	15,667	506,977
(84,000)	84,000	-
<u>7,262,235</u>	<u>99,751</u>	<u>7,361,986</u>
(29,668)	(25,926)	(55,594)
<u>11,380,272</u>	<u>1,090,305</u>	<u>12,470,577</u>
<u>\$ 11,350,604</u>	<u>\$ 1,064,379</u>	<u>\$ 12,414,983</u>

**WILBARGER COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2020**

	General Fund	Road & Bridge	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 289,915	\$ 82,537	\$ 589,097	\$ 961,549
Investments	2,108,893	1,870,689	-	3,979,582
Receivables, net:				
Property taxes	242,737	122,638	-	365,375
Fines	196,883	-	6,868	203,751
Intergovernmental	140,704	20,433	-	161,137
Other	10,966	-	-	10,966
Due from other funds	335,788	13,460	5,363	354,611
Inventories	-	23,079	-	23,079
Prepaid items	90,162	16,870	-	107,032
Total assets	<u>\$ 3,416,048</u>	<u>\$ 2,149,706</u>	<u>\$ 601,328</u>	<u>\$ 6,167,082</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 115,086	\$ 128,256	\$ 51,607	\$ 294,949
Salaries payable	83,501	25,491	-	108,992
Due to others	-	-	155	155
Unearned revenue	2,865	-	32,431	35,296
Total liabilities	<u>201,452</u>	<u>153,747</u>	<u>84,193</u>	<u>439,392</u>
Deferred inflows of resources:				
Unavailable revenues	<u>439,621</u>	<u>122,638</u>	<u>6,868</u>	<u>569,127</u>
Fund balances:				
Nonspendable	90,162	39,949	-	130,111
Restricted	-	-	329,932	329,932
Committed	-	1,833,372	196,843	2,030,215
Unassigned	2,684,813	-	(16,508)	2,668,305
Total fund balances	<u>2,774,975</u>	<u>1,873,321</u>	<u>510,267</u>	<u>5,158,563</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,416,048</u>	<u>\$ 2,149,706</u>	<u>\$ 601,328</u>	<u>\$ 6,167,082</u>

The accompanying notes are an integral part of this statement.



**WILBARGER COUNTY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

Total fund balances - governmental funds (Exhibit A-3) \$ 5,158,563

Amounts reported for *governmental activities* in the Statement of Net Position (Exhibit A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:

Gross capital assets	\$ 26,293,530	
Related accumulated depreciation	<u>18,469,297</u>	7,824,233

Property tax receivables and fines receivables are not available to pay for current period expenditures and therefore are deferred in the funds.		569,127
--	--	---------

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Capital leases payable	477,359	
Accrued compensated absences	<u>67,282</u>	(544,641)

The County's net pension liability and related deferred outflows and inflows related to its participation in the Texas County & District Retirement System and the OPEB liability related to the County-provided retiree medical coverage do not meet the criteria to be reported in the governmental funds financial statements. These items consist of:

Net pension liability	(1,284,789)	
Deferred outflows - pension related items	415,484	
Deferred inflows - pension related items	(657,047)	
Total OPEB liability	(131,965)	
Deferred outflows - OPEB related items	12,756	
Deferred inflows - OPEB related items	<u>(11,117)</u>	<u>(1,656,678)</u>

Total net position - governmental activities (Exhibit A-1)		<u>\$ 11,350,604</u>
--	--	----------------------

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	General Fund	Road & Bridge	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 3,834,110	\$ 1,970,166	\$ -	\$ 5,804,276
Sales taxes	796,049	-	-	796,049
Other taxes	9,414	-	-	9,414
Payments in lieu of taxes	443,829	2,190	-	446,019
Fees and commissions	750,943	534,963	81,103	1,367,009
Fines and forfeitures	152,322	-	15,038	167,360
Intergovernmental	142,701	19,003	180,078	341,782
Investment return	41,704	26,069	5,696	73,469
Miscellaneous	67,918	15,883	1,541	85,342
Total revenues	<u>6,238,990</u>	<u>2,568,274</u>	<u>283,456</u>	<u>9,090,720</u>
<b>Expenditures</b>				
Current:				
General government	1,072,170	58,671	122,360	1,253,201
Judicial	1,158,278	-	24,098	1,182,376
Legal	250,778	-	9,362	260,140
Financial	516,569	-	-	516,569
Public facilities	1,653,617	-	-	1,653,617
Public Safety	898,867	-	196,439	1,095,306
Health and welfare	81,687	-	-	81,687
Conservation	148,899	-	-	148,899
Road and bridge	-	2,457,221	-	2,457,221
Debt service:				
Principal	-	113,275	-	113,275
Interest and fiscal charges	-	17,092	-	17,092
Total expenditures	<u>5,780,865</u>	<u>2,646,259</u>	<u>352,259</u>	<u>8,779,383</u>
Excess (deficiency) of revenues over (under) expenditures	<u>458,125</u>	<u>(77,985)</u>	<u>(68,803)</u>	<u>311,337</u>
Other sources (uses):				
Transfers in	-	-	70,000	70,000
Transfers out	(154,000)	-	-	(154,000)
Proceeds from capital leases	-	4,767	-	4,767
Proceeds from sale of capital assets	2,500	141,694	-	144,194
Total other sources (uses)	<u>(151,500)</u>	<u>146,461</u>	<u>70,000</u>	<u>64,961</u>
Net change in fund balances	306,625	68,476	1,197	376,298
Fund balances, beginning of year	<u>2,468,350</u>	<u>1,804,845</u>	<u>509,070</u>	<u>4,782,265</u>
Fund balances, end of year	<u>\$ 2,774,975</u>	<u>\$ 1,873,321</u>	<u>\$ 510,267</u>	<u>\$ 5,158,563</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net change in fund balances - total governmental funds (Exhibit A-5)	\$ 376,298
Amounts reported for <i>governmental activities</i> in the Statement of Activities (Exhibit A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two is as follows:	
Capital outlay during the year	\$ 456,247
Depreciation expense for the year	<u>779,871</u> (323,624)
Proceeds from the sale of capital assets are recorded as revenues when received in the governmental funds. In the Statement of Activities, the difference between the proceeds and the book value of the capital asset is reported as a gain (loss) from sale.	(138,244)
Because property tax and fines receivables will not be collected for several months after the County's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. Deferred inflows of resources changed by this amount this year.	107,145
Proceeds from the issuance of debt are recorded as other sources when received in the governmental funds. In the Statement of Net Position, the proceeds are recorded as a liability. The amount of capital lease proceeds during the year was:	(3,780)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. The long-term debt principal paid during the year was:	112,336
Included in long-term debt are obligations for accrued vacation and sick leave. The changes in this obligation are not included in the governmental fund financial statements, but are included in the government-wide financial statements. The change in this long-term obligation was:	4,681
Included in long-term liabilities is the net other post-employment benefit obligation related to the County's retiree health care plan. The increase in this obligation was:	(8,080)
The County participates in an agent multiple-employer defined benefit pension plan. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. The actuarial expense exceeded the plan contributions in the current year.	<u>(156,400)</u>
Change in net position of governmental activities (Exhibit A-2)	<u>\$ (29,668)</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**ENTERPRISE FUND**  
**SEPTEMBER 30, 2020**

	Enterprise Fund <u>Airport</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 50,815
Receivables, net:	
Accounts	10,215
Other governments	24
Others	8,167
Inventories	14,254
Prepaid items	9,454
Total current assets	<u>92,929</u>
Capital assets not being depreciated	75,454
Capital assets being depreciated, net	946,289
Total capital assets, net	<u>1,021,743</u>
Total assets	<u>1,114,672</u>
<b>Deferred Outflows of Resources</b>	
Pension plan related	<u>8,912</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	8,589
Salaries payable	2,412
Compensated absences - current portion	6,551
Total current liabilities	<u>17,552</u>
Noncurrent liabilities:	
Net pension liability	<u>27,559</u>
Total noncurrent liabilities	<u>27,559</u>
Total liabilities	<u>45,111</u>
<b>Deferred Inflows of Resources</b>	
Pension plan related	<u>14,094</u>
<b>Net Position</b>	
Net investment in capital assets	1,021,743
Unrestricted	42,636
Total net position	<u>\$ 1,064,379</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION - ENTERPRISE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Enterprise Fund <u>Airport</u>
<b>Operating Revenues</b>	
Sale of fuel	\$ 191,467
Hangar rentals	59,347
Other revenues	1,683
Total Operating Revenues	<u>252,497</u>
<b>Operating Expenses</b>	
Salaries and related costs	111,615
Other supplies and charges	135,735
Repairs and maintenance	60,365
Insurance	15,748
Utilities	25,173
Depreciation	54,280
Total Operating Expenses	<u>402,916</u>
<b>Operating Loss</b>	<u>(150,419)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Intergovernmental revenue	24,911
Farmland lease	15,667
Interest revenue	84
Interest expense	(169)
Total Non-operating Revenues (Expenses)	<u>40,493</u>
<b>Transfers In</b>	<u>84,000</u>
<b>Change in net position</b>	(25,926)
Net position, beginning of year	<u>1,090,305</u>
<b>Net position, end of year</b>	<u>\$ 1,064,379</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Enterprise Fund <u>Airport</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers	\$ 242,633
Cash payments to employees for services	(109,002)
Cash payments to other suppliers for goods and services	(198,516)
Net cash used by operating activities	<u>(64,885)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Interfund transfers	84,000
Intergovernmental grants	24,911
Farmland lease	15,667
Net cash provided by non-capital financing activities	<u>124,578</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Interest paid	(169)
Principal paid	(10,424)
Net cash used by capital and related financing activities	<u>(10,593)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest on investments	84
Net Increase in Cash and Cash Equivalents	49,184
Cash and Cash Equivalents at Beginning of Year	1,631
Cash and Cash Equivalents at End of Year	<u>\$ 50,815</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</b>	
Operating Loss	\$ (150,419)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	54,280
Change in Assets and Liabilities:	
Decrease (Increase):	
Accounts receivables	(4,120)
Due from other governments	(24)
Other receivables	(5,744)
Inventories	34,833
Prepaid expenses	(598)
Deferred outflows of resources	26,420
Increase (Decrease):	
Accounts payable	4,294
Salaries payable	91
Compensated absences	599
Deferred inflows of resources	7,692
Net pension liability	(32,189)
Total adjustments	<u>85,534</u>
Net cash used by operating activities	<u>\$ (64,885)</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**SEPTEMBER 30, 2020**

	Agency Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 1,448,084
Investments	231,592
Due from others	1,596
Due from other governments	258,217
Due from other funds	18,293
Total assets	<u>\$ 1,957,782</u>
<b>Liabilities</b>	
Accounts payable	\$ 594
Due to other funds	372,904
Due to other governments	586,960
Due to others	997,324
Total liabilities	<u>\$ 1,957,782</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Reporting Entity

Wilbarger County, Texas (County), a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the Commissioners' Court. The County's operational activities include general administrative services, judicial, public safety, the construction and maintenance of roads, health and welfare assistance, permanent records preservation, and conservation.

The accounting policies of the County conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board (GASB) which is the recognized financial accounting standards setting body for governmental entities. The notes to the financial statements are an integral part of the County's basic financial statements.

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statements No. 39 and No. 61, in that the financial statements include all organizations, activities, functions and component units for which the County (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the County's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the County.

There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the non-fiduciary activities of the County. For the most part, the effects of interfund activity have been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.



**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road and Bridge Fund* accounts for the activities of the Road and Bridge department.

*Other Governmental Funds* are a summarization of all the nonmajor governmental funds.

The County reports the following major proprietary fund:

The *Airport Fund* accounts for the operations of the County's airport.

Additionally, the County reports the following fund types:

*Agency Funds* are used to account for assets held by the government as an agent for individuals, private organizations, and/or other agency funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Assets, Liabilities, and Net Position or Equity

a. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or secured by obligations that are described above; or (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the County, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

b. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes are levied on October 1 by the County based on the January 1 property values as appraised by the Wilbarger County Appraisal District. Taxes are due without penalty until January 31 of the next calendar year. After January 31 the County has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

c. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the time received.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 - 40 years
Infrastructure	20 - 45 years
Machinery and Equipment	5 - 10 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The amounts reported by the County in this category related to the County's participation in the Texas County and District Retirement System (TCDRS).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has items that qualify for reporting in this category. The amounts reported by the County in this category include amounts related to the County's participation in TCERS as well as property taxes receivable and fines and fees receivable that are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

The following is a summary of the deferred outflows/inflows of resources at September 30, 2020:

	Statement of Net Position – Governmental Activities	Statement of Net Position – Business-type Activities & Enterprise Fund	Balance Sheet – Governmental Funds
Deferred outflows of resources:			
Pension plan related	\$415,484	\$ 8,912	\$ -
OPEB plan related	<u>12,756</u>	<u>-</u>	<u>-</u>
	<u>\$428,240</u>	<u>\$ 8,912</u>	<u>\$ -</u>
Deferred inflows of resources:			
Pension plan related	\$657,047	\$14,094	\$ -
OPEB plan related	11,117	-	-
Unavailable revenues:			
Property taxes	-	-	365,376
Fines and fees	<u>-</u>	<u>-</u>	<u>203,751</u>
	<u>\$668,164</u>	<u>\$14,094</u>	<u>\$569,127</u>

7. Compensated Absences

Employees accumulate earned but unused vacation and compensatory time. All vacation and compensatory pay is accrued when incurred in the government-wide statements. A liability is reported for these amounts in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Premiums and discounts on long-term obligations are deferred and amortized over the life of the debt using the straight-line method which approximates the effective interest method. Long-term obligations payable is reported net of the applicable premium or discount. Issuance costs are expensed in the period the debt is issued.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the County’s Commissioners’ Court. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

10. Transactions Between Funds

Outstanding balances between funds are reported as “due to/from other funds.” Nonrecurring or non-routine transfers of equity between funds are accounted for as transfers.

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Concentration Risk

The two largest property taxpayers accounted for 39% of the County’s total tax values for the 2019 tax year.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

13. Pensions

The fiduciary net position of the TCDRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting, the same basis as is reported by TCDRS in their Comprehensive Annual Financial Report. This includes for purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Other Post-Employment Benefits

The fiduciary net position of the County's Retiree Health Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the County's Retiree Health Care Plan fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go-plan and all cash is held in a cash account.

**B. COMPLIANCE AND ACCOUNTABILITY**

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", there were no violations of finance-related legal and contractual provisions required to be reported, except for over-expending its budget in the General Fund and Road and Bridge Fund. The General Fund had seven areas over-expended ranging from \$801 to \$49,182 and the Road and Bridge Fund had two areas over-expended ranging from \$952 to \$20,934.

2. Deficit Fund Balance or Fund Net Position of Individual Funds

The Juvenile Services Fund, a special revenue fund, has a deficit fund balance at September 30, 2020 of \$16,508. The deficit will be eliminated by future operations.

**C. DEPOSITS AND INVESTMENTS**

1. Deposits

Deposits, except for those held in trust by the County Clerk, District Clerk, and others were held with the contracted depository banks in interest bearing accounts which were secured at the balance sheet date by FDIC coverage and by pledged government securities in the name of the depository banks. At September 30, 2020, the carrying amount of the County's deposits was \$4,991,946 and the balance per the bank was \$5,100,928. Included in the carrying amount and bank balance are money market savings account and certificates of deposit (recorded as investments) totaling \$3,979,582.



**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

The County Clerk, District Clerk, and others hold deposit accounts and investments as trustees under court orders in various banks. The accounts are styled for the benefit of the individual beneficiaries and do not actually belong to the County. The investments consist of interest-bearing demand deposits and certificates of deposit whose carrying value and market value are the same. The carrying amounts of agency funds held by the County at September 30, 2020 were \$1,679,676 and the balance per the bank was \$1,810,493. All deposits and investments were secured by FDIC coverage.

2. Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act (Act) to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, maturity and the quality and capability of investment management; include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County's investments at September 30, 2020 are shown below:

<u>Investment or Investment Type</u>	<u>Weighted Maturity (Days)</u>	<u>Fair Value</u>
Money Market Savings Accounts	N/A	\$ 777,564
TexPool	38	<u>3,202,018</u>
Total Investments		<u>\$3,979,582</u>

The County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The County values its money market savings accounts using Level 2 inputs (statements from the County's depository) and its investment in TexPool investment pool at net asset value per unit/share.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The County participates in the following public funds investment pool:

TexPool is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. under an agreement with the Comptroller, acting on behalf of the Trust Company. As required by the Act, the Advisory Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. TexPool is comprised of two investment alternatives: TexPool (which the County is invested in) and TexPool Prime. Both funds seek to maintain a net asset value of \$1.00 per unit and are rated AAAM by Standard and Poor's.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.



**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was exposed to interest rate risk due to the long-term nature of some of its investments.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate charges. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contract.

**D. PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1 of the prior year. Taxes are levied on October 1 and do not begin to accrue interest until February 1. The County is permitted by the Municipal Finance Law of the State of Texas to levy taxes (exclusive of those amounts levied to service long-term debt) up to \$.80 per \$100 of assessed valuation for general services, permanent improvements, road and bridge and jury fund purposes. The combined tax rate to finance general government (exclusive of long-term debt service and Special Road & Bridge) for the year ended September 30, 2020, was \$0.34122 per \$100 valuation.

An additional ad valorem tax may be levied and collected for further maintenance of public roads, provided that a majority of the qualified property taxpaying voters shall vote such tax, not to exceed fifteen cents (.15) per \$100 valuation. Wilbarger County has such a tax and the levy for fiscal year 2020 was \$0.02679. The total tax rate for Wilbarger County for fiscal year 2020 also includes a Farm to Market Right of Way with a tax rate of \$0.14995. The total tax rate for Wilbarger County for fiscal year 2020 was \$0.51796.

Allowances for uncollectible tax receivables within the General and Road & Bridge Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

At September 30, 2020, net property taxes receivable is calculated as follows:

Gross property taxes receivable	\$489,841
Allowance for uncollectible taxes	<u>( 124,466)</u>
Net property taxes receivable	<u>\$365,375</u>

Of the \$365,375 of net property taxes receivable at September 30, 2020, the County expects to collect approximately \$80,000 within a year. This is similar to the delinquent taxes received in previous years.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

**E. FINES RECEIVABLE**

Fines receivable represent amounts due to the County for outstanding citations.

The allowance for uncollectible fines receivable within the funds is based upon historical experience collecting fines. Uncollectible fines are periodically written off.

At September 30, 2020, net fines receivable is calculated as follows:

Gross fines receivable	\$2,529,361
Allowance for uncollectible fines	<u>( 2,325,610)</u>
Net fines receivable	<u>\$ 203,751</u>

Of the \$203,751 of net fines receivable at September 30, 2020, the County expects to collect approximately \$40,000 within a year. This is similar to the delinquent fines receivable collected in the current year.

**F. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2020 was as follows:

<b>Governmental Activities:</b>	Balance 10/1/2019	Additions	Retirements	Transfers	Balance 9/30/2020
Capital assets not being depreciated:					
Land	<u>\$ 307,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307,699</u>
Capital assets being depreciated:					
Buildings and improvements	4,375,780	-	-	-	4,375,780
Infrastructure	14,273,098	-	-	-	14,273,098
Machinery and equipment	<u>7,162,289</u>	<u>456,247</u>	<u>281,583</u>	<u>-</u>	<u>7,336,953</u>
Total capital assets being depreciated	<u>25,811,167</u>	<u>456,247</u>	<u>281,583</u>	<u>-</u>	<u>25,985,831</u>
Less accumulated depreciation for:					
Buildings and improvements	2,539,323	92,249	-	-	2,631,572
Infrastructure	11,011,639	138,682	-	-	11,150,321
Machinery and equipment	<u>4,281,803</u>	<u>548,940</u>	<u>143,339</u>	<u>-</u>	<u>4,687,404</u>
Total accumulated depreciation	<u>17,832,765</u>	<u>779,871</u>	<u>143,339</u>	<u>-</u>	<u>18,469,297</u>
Total capital assets being depreciated, net	<u>7,978,402</u>	<u>( 323,624)</u>	<u>138,244</u>	<u>-</u>	<u>7,516,534</u>
Governmental activities capital assets, net	<u>\$ 8,286,101</u>	<u>(\$323,624)</u>	<u>\$138,244</u>	<u>\$ -</u>	<u>\$ 7,824,233</u>

At September 30, 2020, machinery and equipment with a cost of \$1,352,678 and accumulated depreciation of \$445,357 is financed under capital leases.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

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

Governmental activities:	
General government	\$ 10,588
Judicial	8,834
Financial	2,732
Public facilities	94,202
Public safety	49,366
Health and welfare	8,658
Conservation	7,125
Road and bridge	<u>598,366</u>
 Total governmental depreciation	 <u>\$779,871</u>

<b>Business-Type Activities:</b>	Balance <u>10/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	Balance <u>9/30/2020</u>
Capital assets not being depreciated:					
Land	\$ 33,137	\$ -	\$ -	\$ -	\$ 33,137
Construction in progress	<u>486,713</u>	<u>-</u>	<u>-</u>	<u>( 444,396)</u>	<u>42,317</u>
Total capital assets not being depreciated	<u>519,850</u>	<u>-</u>	<u>-</u>	<u>( 444,396)</u>	<u>75,454</u>
Capital assets being depreciated:					
Buildings and improvements	1,077,614	-	-	-	1,077,614
Infrastructure	2,012,302	-	-	444,396	2,456,698
Machinery and equipment	<u>413,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,566</u>
Total capital assets being depreciated	<u>3,503,482</u>	<u>-</u>	<u>-</u>	<u>444,396</u>	<u>3,947,878</u>
Less accumulated depreciation for:					
Buildings and improvements	650,084	24,511	-	-	674,595
Infrastructure	1,928,142	13,351	-	-	1,941,493
Machinery and equipment	<u>369,083</u>	<u>16,418</u>	<u>-</u>	<u>-</u>	<u>385,501</u>
Total accumulated depreciation	<u>2,947,309</u>	<u>54,280</u>	<u>-</u>	<u>-</u>	<u>3,001,589</u>
Total capital assets being depreciated, net	<u>556,173</u>	<u>( 54,280)</u>	<u>-</u>	<u>444,396</u>	<u>946,289</u>
Business-type activities capital assets, net	<u>\$1,076,023</u>	<u>(\$54,280)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,021,743</u>

**G. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Balances due to and from other funds at September 30, 2020 were as follows:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Payable</u>	<u>Reason</u>
General Fund	Agency Funds	\$335,788	Short-term loan
Road & Bridge Fund	Agency Funds	13,460	Short-term loan
Other Governmental Funds	Agency Funds	5,363	Short-term loan
Agency Funds	Agency Funds	<u>18,293</u>	Short-term loan
	Total	<u>\$372,904</u>	

All of the above amounts are expected to be repaid within one year.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

Interfund transfers during the year ended September 30, 2020 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Other Governmental Funds	\$ 70,000	Supplement other resources
General Fund	Airport Fund	<u>84,000</u>	Supplement other resources
	Total	<u>\$154,000</u>	

**H. LONG-TERM LIABILITIES**

The County issues general obligation bonds, certificates of obligation bonds, notes payable and capital lease obligations to provide funds for the acquisition and construction of major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County.

**Governmental Activities**

Changes in long-term liabilities for the year ended September 30, 2020 were as follows:

Governmental Activities:	<u>Balance</u> <u>10/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>09/30/2020</u>	<u>Due Within</u> <u>One Year</u>
Capital lease obligations	\$585,915	\$ 3,780	\$112,336	\$477,359	\$358,377
Compensated absences	<u>71,963</u>	<u>95,228</u>	<u>99,909</u>	<u>67,282</u>	<u>67,282</u>
Total long-term liabilities – governmental activities	<u>\$657,878</u>	<u>\$99,008</u>	<u>\$212,245</u>	<u>\$544,641</u>	<u>\$425,659</u>

For the governmental activities, compensated absences and other post-employment benefit obligations are generally liquidated by the General Fund.

**Capital Lease Obligations**

Capital lease obligations at September 30, 2020 are as follows:

<u>Purpose</u>	<u>Original</u> <u>Amount</u>	<u>Date of</u> <u>Lease</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>9/30/2020</u>
2016 Mack Dump Truck – Precinct #1	\$106,183	3/29/19	3/29/22	3.65%	\$36,296
2017 Wheel Loader – Precinct #1	150,660	5/31/17	5/31/20	2.55%	123,860
2017 CAT 140M Motor Grader – Precinct #1	99,565	11/21/17	11/21/20	2.69%	34,074
2018 JD 672 Motor Grader – Precinct #3	126,708	11/21/17	11/21/20	2.69%	88,243
2018 JD 672 Motor Grader – Precinct #3	135,378	11/21/17	11/21/20	2.69%	97,443
2018 JD 672 Motor Grader – Precinct #3	135,378	11/21/17	11/21/20	2.69%	<u>97,443</u>
Total Capital Lease Obligations					<u>\$477,359</u>

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

Capital lease obligation debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$358,377	\$11,738	\$370,115
2022	42,516	3,639	46,155
2023	24,751	257	25,008
2024	25,481	1,527	27,008
2025	<u>26,234</u>	<u>774</u>	<u>27,008</u>
Totals	<u>\$477,359</u>	<u>\$17,935</u>	<u>\$495,294</u>

**Business-Type Activities**

Changes in long-term liabilities for the year ended September 30, 2020 were as follows:

	<u>Balance</u> <u>10/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/2020</u>	<u>Due Within</u> <u>One Year</u>
Capital lease obligation	\$10,424	\$ -	\$10,424	\$ -	\$ -
Compensated absences	<u>5,952</u>	<u>4,998</u>	<u>4,399</u>	<u>6,551</u>	<u>6,551</u>
Total long-term liabilities – business-type activities	<u>\$16,376</u>	<u>\$4,998</u>	<u>\$14,823</u>	<u>\$6,551</u>	<u>\$6,551</u>

**I. RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

**J. CONTINGENT LIABILITIES AND COMMITMENTS**

Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation

The County periodically is a defendant in various lawsuits. At September 30, 2020, the County is not aware of any pending litigation.

Trust Funds

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

TxDOT Grant

The County applied for and was awarded a TxDOT grant for reconstructing and/or rehabilitating the existing pavements at the airport, adding a connecting taxiway, and replacing and upgrading the runway lights and navigation aids. The County will match \$573,164. Through the year ended September 30, 2020, the County incurred \$458,143 of matching expenditures leaving a balance due of \$115,021.

**K. DEFINED BENEFIT PENSION PLAN**

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional, defined benefit pension plan in the statewide TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 782 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a annual comprehensive financial report (ACFR) on a calendar year basis that is publicly available at [www.tcdrs.org](http://www.tcdrs.org).

The plan provisions are adopted by the governing body of 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 or 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 contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

2. Benefits Provided

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

*Employees Covered by Benefit Terms*

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	73
Inactive employees entitled to but not yet receiving benefits	27
Active employees	89

3. Contributions

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 11.89% for the months of the accounting year in 2019, and 12.38% for the months of the accounting year in 2020.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

The contribution rate payable by the employee members for calendar year 2019 is the rate of 7% as adopted by the Commissioners' Court of the County. The employee contribution rate and the County contribution rate may be changed by the Commissioners' Court of the County within the options available in the TCDRS Act.

4. Net Pension Liability

The County's Net Pension Liability (NPL) 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.

*Actuarial Assumptions*

The actuarial assumptions that determined the total pension liability as of December 31, 2019 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.

Real rate of return	5.25% per year
Inflation	2.75% per year
Long-term investment return	8.00% per year, net of pension plan investments expenses
Growth in membership	0.00% per year
Payroll growth	3.25% per year

Salary increases were based on a service-related table. The mortality rates for active members were based on 90% of the RP-2014 Active Employee Mortality Table for males and females, projected with 110% of the MP-2014 Ultimate scale after 2014 for both. The mortality rate for service retirees, beneficiaries, and non-depositing members was based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. The mortality rates for disabled retirees were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on April 2020 information for a 10-year time horizon.

The valuation assumption for long-term expected return is re-assessed a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:



**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u> <sup>(1)</sup>	<u>Geometric Real Rate of Return (Expected minus Inflation)</u> <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
International Equities – Developed	MSCI World Ex USA (net)	10.00%	5.40%
International Equities – Emerging	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	2.00%	7.20%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

<sup>(1)</sup> Target asset allocation adopted at the June 2020 TCDRS Board Meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation rate of 1.80%, per Cliffwater's 2020 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

*Discount Rate*

The projected fiduciary net position was determined to be sufficient compared to projected benefit payments. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be sufficient to pay projected benefit payments in all future years. Therefore, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments (8.10%).



**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

*Changes in Net Pension Liability / (Asset)*

	Increase (Decrease)		
	Total Pension Liability <u>(a)</u>	Fiduciary Net Position <u>(b)</u>	Net Pension Liability / (Asset) <u>(a) – (b)</u>
Balances as of December 31, 2018	\$20,849,785	\$18,134,031	\$2,715,754
Changes for the year:			
Service cost	477,872	-	477,872
Interest on total pension liability	1,686,730	-	1,686,730
Effect of plan changes	97,731	-	97,731
Effect of economic/demographic gains or losses	26,810	-	26,810
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	( 19,208)	( 19,208)	-
Benefit payments	( 1,008,458)	( 1,008,458)	-
Administrative expenses	-	( 15,850)	15,850
Member contributions	-	273,173	( 273,173)
Net investment income	-	2,978,265	( 2,978,265)
Employer contributions	-	464,008	( 464,008)
Other changes	-	( 7,048)	7,048
Balances as of December 31, 2019	<u>\$22,111,261</u>	<u>\$20,798,913</u>	<u>\$1,312,348</u>

*Sensitivity Analysis*

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

	1% Decrease <u>7.10%</u>	Current Discount Rate <u>8.10%</u>	1% Increase <u>9.10%</u>
Net pension liability (asset)	<u>\$3,937,205</u>	<u>\$1,312,348</u>	<u>(\$925,707)</u>

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

Pension Expense

	<u>January 1, 2019 to December 31, 2019</u>
Service cost	\$ 477,872
Interest on total pension liability <sup>(1)</sup>	1,686,730
Effect of plan changes	97,731
Administrative expenses	15,850
Member contributions	( 273,173)
Expected investment return net of investment expenses	( 1,456,412)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	( 118,142)
Recognition of assumption changes or inputs	56,132
Recognition of investment gains or losses	138,038
Other <sup>(2)</sup>	<u>7,047</u>
Pension expense	<u>\$ 631,673</u>

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

<sup>(2)</sup> Relates to allocation of system-wide items.

Deferred Outflows / Inflows of Resources

As of September 30, 2020, the deferred outflows and inflows of resources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 20,107	\$158,289
Change in assumptions	39,649	-
Net difference between projected and actual earnings	-	512,852
Contributions made subsequent to measurement date	<u>364,640</u>	<u>-</u>
Total	<u>\$424,396</u>	<u>\$671,141</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2020	(\$162,558)
2021	( 184,003)
2022	39,545
2023	( 304,369)

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

**L. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN**

The County administers the Wilbarger County Retiree Health Care Plan for retired employees.

1. *Plan Description*

Any employee who meets the retirement eligibility requirements of the Texas County and District Retirement System, and who leaves the employ of the County may, upon retirement, elect to remain on the County's group medical. The retired employee may continue coverage for dependents as well. Premiums for the retired employee and any dependents are paid by the retired employee. Premiums are determined annually by estimating the amount needed to cover projected claims. The benefit is subject to annual appropriations by the Commissioners' Court.

2. *Demographic Information*

<u>Status</u>	<u>9/30/19</u>	<u>9/30/20</u>
Active – Employee Only	60	55
Active – Employee and Dependent	19	18
Retired – Employee Only	0	1
Retired – Employee and Dependent	0	0

3. *Actuarial Methods and Assumptions Used for GASB Calculations*

GASB accounting methodology were used to determine the post-retirement medical benefit obligations.

Actuarial Method	Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	2.25% (-0.25% real rate of return plus 2.50% inflation)
Average Per Capita Claim Cost	The medical claim cost ranges from \$11,292 at age 50 to \$15,955 at age 64.
Health Care Cost Trend	Level 4.50%
Effect of ACA	The excess coverage excise tax penalty of the Affordable Care Act has been postponed until the plan year beginning in 2022 and is not included in the projection of benefits in this valuation. This plan has current medical costs well under the limits in current law. Current legislative discussion include both repeal of the excise tax and postponement beyond 2022.
Mortality	RPH-2014 Total Table with Projection MP-2019

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

Turnover	Rates varying based on gender, age and select and ultimate at 15 years. Rates are based on the TCDRS actuarial assumptions from the 2017 retirement plan valuation report. The rates vary by entry age, gender and years. For males the rates range from 2.4% to 33.4% and for females the rates range from 2.7% to 36.2%.
Disability	None assumed
Retirement Rates	The retirement rates were developed from the assumption used in the 2017 actuarial report for the TCDRS retirement plans. The rates are unisex and range from 10% at age 50 to 25% at age 65.
Retiree Contributions	The retiree pays the full contribution rate for the medical and dental coverage.
Salary Scale	3.50%
Data Assumptions - Coverage	100% of all retirees who currently have healthcare coverage will continue with the same coverage until eligibility for Medicare. 25% of all actives who currently have healthcare coverage will continue with coverage upon retirement. For those with family coverage 25% will elect to continue with coverage including the spouse and the remainder will elect individual coverage. It is assumed that coverage is not continued beyond eligibility for Medicare.
Valuation Date	September 30, 2020
Measurement Date	September 30, 2020

4. *Changes in Total OPEB Liability*

	<u>Changes in Total OPEB Liability</u>
Balances as of September 30, 2019	\$122,246
Changes for the year:	
Service cost	7,568
Interest cost	5,170
Changes of benefit terms	-
Differences between expected and actual experience	( 13,158)
Changes in assumptions	-
Other changes	15,096
Contributions-employer	-
Net investment income	-
Benefit payments	( 4,957)
Administrative expense	<u>-</u>
Balance as of September 30, 2020	<u>\$131,965</u>

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

*Sensitivity Analysis of the Discount and Trend Rate*

Discount Rate

The following presents the total OPEB liability of the County, calculated using the discount rate of 2.25%, 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 (1.25%) or 1 percentage point higher (3.25%) than the current rate.

	1% Decrease <u>1.25%</u>	Current Discount Rate <u>2.25%</u>	1% Increase <u>3.25%</u>
Total OPEB liability	<u>\$142,090</u>	<u>\$131,965</u>	<u>\$122,417</u>

Trend Rate

The following presents the total OPEB liability of the County, calculated using the healthcare cost trend rate of 4.50%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.50%) or 1 percentage point higher (5.50%) than the current rate.

	1% Decrease <u>3.50%</u>	Current Health Care Trend Rate <u>4.50%</u>	1% Increase <u>5.50%</u>
Total OPEB liability	<u>\$117,524</u>	<u>\$131,965</u>	<u>\$149,080</u>

5. *OPEB Expense*

	<u>October 1, 2019 to September 30, 2020</u>
Service cost at October 1, 2019	\$ 7,568
Interest cost (including interest on Service Cost)	5,170
Changes of benefit terms	-
Current recognized deferred outflows (inflows)	-
Difference between expected and actual experience	( 2,041)
Changes in assumptions or other inputs	2,340
Other changes, if significant	-
Difference of projected investment earnings	<u>-</u>
Total OPEB expense as of September 30, 2020	<u>\$13,037</u>

6. *Deferred Outflows / Inflows of Resources*

As of September 30, 2020, the deferred outflows and inflows of resources are as follows:

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$11,117
Changes of assumptions/inputs	12,756	-
Net difference between projected and actual investments	-	-
Contributions made subsequent to measurement date	<u>-</u>	<u>-</u>
Total	<u>\$12,756</u>	<u>\$11,117</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2021	\$299
2022	299
2023	299
2024	299
2025	299
Thereafter	144

**M. FUND BALANCES**

The Governmental Funds' fund balances consisted of the following at September 30, 2020:

	<u>General Fund</u>	<u>Road &amp; Bridge</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Nonspendable:</b>				
Inventories	\$ -	\$ 23,079	\$ -	\$ 23,079
Prepaid items	<u>90,162</u>	<u>16,870</u>	<u>-</u>	<u>107,032</u>
Total nonspendable	<u>90,162</u>	<u>39,949</u>	<u>-</u>	<u>130,111</u>
<b>Restricted:</b>				
Jury duty	-	-	4,871	4,871
Special services	-	-	296,670	296,670
Grants	<u>-</u>	<u>-</u>	<u>28,391</u>	<u>28,391</u>
Total restricted	<u>-</u>	<u>-</u>	<u>329,932</u>	<u>329,932</u>
<b>Committed:</b>				
Road and bridge	-	1,833,372	-	1,833,372
Capital projects	<u>-</u>	<u>-</u>	<u>196,843</u>	<u>196,843</u>
Total committed	<u>-</u>	<u>1,833,372</u>	<u>196,843</u>	<u>2,030,215</u>
Unassigned	<u>2,684,813</u>	<u>-</u>	<u>( 16,508)</u>	<u>2,668,305</u>
Total fund balances	<u>\$2,774,975</u>	<u>\$1,873,321</u>	<u>\$510,267</u>	<u>\$5,158,563</u>

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

**N. TAX ABATEMENT AGREEMENTS**

The County has approved four tax abatement agreements. The first agreement is dated December 21, 2011 with Rhodia, Inc., the second agreement is with Blue Summit Wind LLC dated March 12, 2012, the third agreement is with Vernon Real Estate LLC dated May 7, 2013, and the fourth agreement is with Electra Wind LLC dated May 11, 2015. All agreements were issued pursuant to the Property Redevelopment and Tax Abatement Act, as amended, in V.T.C.A. Tax Code, Chapter 313. It was noted that two other agreements will come on-line in future years.

The Rhodia, Inc. agreement is a ten-year abatement of taxable mineral interest for 100% the first four years, 80% year five, 60% year six, 40% year seven, 30% year eight, 20% year nine, and 10% year ten. This is the seventh year of the agreement and the total value loss was \$2,769,600. The reduction in M&O taxes was \$9,450 and I&S taxes was \$4,895.

The Blue Summit Wind LLC agreement is a ten-year abatement of taxable real and personal property for 60% the first five years and 40% the last five years. This is the seventh year of the agreement and the total value loss was \$32,179,890. The reduction in M&O taxes was \$109,804 and I&S taxes was \$56,875.

The Vernon Real Estate LLC agreement is a five-year abatement of taxable real and personal property for 100% the first year, 80% year two, 60% year three, 40% year four, and 20% year five. This is the fifth year of the agreement and the total value loss was \$546,450. The reduction in M&O taxes was \$1,865 and I&S taxes was \$966.

The Electra Wind LLC agreement is a ten-year abatement of taxable real and personal property for 100% all years, with payments in lieu of taxes of \$345,000 due in years 1 through 7 and \$460,000 due in years 8 through 10. This is the third year of the agreement and the total value loss was \$208,107,460. The reduction in M&O taxes was \$710,104 and I&S taxes was \$367,809.

All of the agreements have early termination/default clauses that without the consent of the County or in the event that the company or its successor-in-interest fails to comply in any material respect with the terms of the agreement or to meet any material obligation under the agreement, then the County shall be entitled to the recapture of all ad valorem tax revenue lost as a result of the agreement together with the payment of 10% interest on that recaptured ad valorem tax revenue.

**O. ECONOMIC DEPENDENCY**

The County's top two taxpayers' taxable values equal \$328,273,420, or approximately 29% of the total taxable value for 2019-20. A significant decline in taxable values from one or both of those entities could have a material adverse effect on the County's operations. One of these taxpayers closed on September 30, 2020. The tax impact based on the September 30, 2020 tax levy is \$993,169. The loss will not be immediate but will decline faster as the property ages and is not used.

**P. COVID-19**

Beginning in December 2019, a novel coronavirus, now designated SAR-CoV2 which causes the disease COVID-19 was declared a global pandemic by the World Health Organization. The symptoms of COVID-19 can range from severe illness and can cause complications including death. On March 13, 2020, the Governor of the State of Texas issued a proclamation certifying that COVID-19 poses an imminent threat of disaster in Texas and declared a state of disaster for all counties in Texas. A state of disaster requires that certain emergency protective measures be taken pursuant to the Texas Disaster Act of 1975 relating to Emergency Management and Public Health, pursuant to Chapter 418 of the Texas Government Code.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2020**

State and local governments placed restrictions on the operations of businesses and public gatherings to promote health and slow the spread of the virus. The federal government passed several appropriations to address the negative economic impact caused by these restrictions. The County received \$28,391 in federal grant awards during the year ended September 30, 2022. However, the impact of the COVID-19 pandemic on the national, state, and local economies and, ultimately, the County's finances is not known at this time.



## *REQUIRED SUPPLEMENTARY INFORMATION*

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**WILBARGER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 3,909,028	\$ 3,909,028	\$ 3,834,110	\$ (74,918)
Sales taxes	725,000	725,000	796,049	71,049
Other taxes	10,500	10,500	9,414	(1,086)
Payments in lieu of taxes	350,000	350,000	443,829	93,829
Fees and commissions	809,900	809,900	750,943	(58,957)
Fines and forfeitures	150,000	150,000	152,322	2,322
Intergovernmental	138,933	138,933	142,701	3,768
Investment return	90,000	90,000	41,704	(48,296)
Miscellaneous	108,000	108,000	67,918	(40,082)
Total revenues	<u>6,291,361</u>	<u>6,291,361</u>	<u>6,238,990</u>	<u>(52,371)</u>
<b>Expenditures</b>				
Current:				
General government:				
County Judge	229,060	213,060	210,250	2,810
County Clerk	344,235	344,235	267,513	76,722
Veterans service	13,500	13,500	10,377	3,123
Non-departmental	687,975	681,975	584,030	97,945
Total General government	<u>1,274,770</u>	<u>1,252,770</u>	<u>1,072,170</u>	<u>180,600</u>
Judicial:				
Law library	36,721	42,721	42,315	406
Justice of the Peace #1	127,490	127,490	126,447	1,043
Justice of the Peace #2	151,453	151,453	148,275	3,178
District Attorney	304,430	304,430	282,859	21,571
District Clerk	219,449	219,449	215,948	3,501
District Court	299,392	341,392	342,434	(1,042)
Total Judicial	<u>1,138,935</u>	<u>1,186,935</u>	<u>1,158,278</u>	<u>28,657</u>
Legal:				
County Attorney	<u>247,083</u>	<u>247,083</u>	<u>250,778</u>	<u>(3,695)</u>
Financial:				
Tax Collector	261,182	261,182	267,178	(5,996)
Treasurer	91,916	91,916	89,834	2,082
County Auditor	187,850	187,850	159,557	28,293
Total Financial	<u>540,948</u>	<u>540,948</u>	<u>516,569</u>	<u>24,379</u>
Public facilities:				
Courthouse	217,052	217,052	211,214	5,838
Jail	942,112	942,112	991,294	(49,182)
Auditorium	349,144	349,144	294,941	54,203
Arena	152,968	152,968	156,168	(3,200)
Total Public facilities	<u>1,661,276</u>	<u>1,661,276</u>	<u>1,653,617</u>	<u>7,659</u>

**WILBARGER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Public Safety:				
Constable #1	80,493	80,493	72,281	8,212
Constable #2	70,705	70,705	71,506	(801)
Juvenile probation	35,000	35,000	-	35,000
Sheriff	703,271	703,271	690,440	12,831
Civil defense	68,491	63,991	62,710	1,281
Department of Public Safety	2,000	2,000	1,928	72
Community supervision	250	250	2	248
Total Public Safety	<u>960,210</u>	<u>955,710</u>	<u>898,867</u>	<u>56,843</u>
Health and Welfare:				
Health and welfare	63,168	63,168	58,442	4,726
Outreach services	22,350	22,350	23,245	(895)
Total Health and Welfare	<u>85,518</u>	<u>85,518</u>	<u>81,687</u>	<u>3,831</u>
Conservation:				
Extension service	176,877	176,877	148,899	27,978
Total expenditures	<u>6,085,617</u>	<u>6,107,117</u>	<u>5,780,865</u>	<u>326,252</u>
Excess of revenues over (under) expenditures	<u>205,744</u>	<u>184,244</u>	<u>458,125</u>	<u>273,881</u>
Other sources (uses):				
Transfers out	(122,000)	(100,000)	(154,000)	(54,000)
Proceeds from sale of capital assets	10,000	10,000	2,500	(7,500)
Total other sources (uses)	<u>(112,000)</u>	<u>(90,000)</u>	<u>(151,500)</u>	<u>(61,500)</u>
Net change in fund balances	93,744	94,244	306,625	212,381
Fund balances, beginning of year	<u>2,468,350</u>	<u>2,468,350</u>	<u>2,468,350</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,562,094</u>	<u>\$ 2,562,594</u>	<u>\$ 2,774,975</u>	<u>\$ 212,381</u>

**WILBARGER COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 2,019,817	\$ 2,019,817	\$ 1,970,166	\$ (49,651)
Payments in lieu of taxes	-	-	2,190	2,190
Fees and commissions	555,000	555,000	534,963	(20,037)
Intergovernmental	19,100	19,100	19,003	(97)
Investment return	42,000	42,000	26,069	(15,931)
Miscellaneous	5,000	5,000	15,883	10,883
Total revenues	<u>2,640,917</u>	<u>2,640,917</u>	<u>2,568,274</u>	<u>(72,643)</u>
<b>Expenditures</b>				
Current:				
General government:				
Road and bridge administration	60,700	60,700	58,671	2,029
Total General government	<u>60,700</u>	<u>60,700</u>	<u>58,671</u>	<u>2,029</u>
Road and Bridge:				
Precinct Number One	596,890	596,890	617,824	(20,934)
Precinct Number Two	693,958	693,958	652,104	41,854
Precinct Number Three	543,395	543,395	450,328	93,067
Precinct Number Four	785,404	785,404	736,965	48,439
Total Road and Bridge	<u>2,619,647</u>	<u>2,619,647</u>	<u>2,457,221</u>	<u>162,426</u>
Debt service:				
Principal	113,305	113,305	113,275	30
Interest	16,140	16,140	17,092	(952)
Total Debt Service	<u>129,445</u>	<u>129,445</u>	<u>130,367</u>	<u>(922)</u>
Total expenditures	<u>2,809,792</u>	<u>2,809,792</u>	<u>2,646,259</u>	<u>163,533</u>
Excess of revenues over (under) expenditures	<u>(168,875)</u>	<u>(168,875)</u>	<u>(77,985)</u>	<u>90,890</u>
Other financing sources:				
Proceeds from capital leases	-	-	4,767	4,767
Proceeds from sale of capital assets	138,244	138,244	141,694	3,450
Total other financing sources	<u>138,244</u>	<u>138,244</u>	<u>146,461</u>	<u>8,217</u>
Net change in fund balances	(30,631)	(30,631)	68,476	99,107
Fund balances - beginning	<u>1,804,845</u>	<u>1,804,845</u>	<u>1,804,845</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,774,214</u>	<u>\$ 1,774,214</u>	<u>\$ 1,873,321</u>	<u>\$ 99,107</u>

**WILBARGER COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**

	2014	2015	2016	2017	2018	2019
<b>Total Pension Liability</b>						
Service cost	\$ 470,346	\$ 473,833	\$ 477,053	\$ 454,669	\$ 455,721	\$ 477,872
Interest on total pension liability	1,290,558	1,364,294	1,423,069	1,529,309	1,611,912	1,686,730
Effect of plan changes	-	(63,363)	-	-	-	97,731
Effect of assumption changes or inputs	-	181,537	-	99,121	-	-
Effect of economic/demographic (gains) or losses	(125,195)	(354,534)	31,531	(135,869)	(173,236)	26,810
Benefit payments/refunds of contributions	(719,553)	(853,111)	(785,156)	(898,732)	(959,410)	(1,027,666)
Net change in total pension liability	916,156	748,656	1,146,497	1,048,498	934,987	1,261,477
Total pension liability (asset), beginning	16,054,991	16,971,147	17,719,803	18,866,300	19,914,798	20,849,785
Total pension liability (asset), ending (a)	\$ 16,971,147	\$ 17,719,803	\$ 18,866,300	\$ 19,914,798	\$ 20,849,785	\$ 22,111,262
<b>Fiduciary Net Position</b>						
Employer contributions	\$ 440,759	\$ 442,847	\$ 442,766	\$ 425,505	\$ 460,698	\$ 464,008
Member contributions	254,256	256,828	262,915	259,452	267,623	273,173
Investment income net of investment expenses	1,014,994	(46,804)	1,143,738	2,412,699	(351,635)	2,978,265
Benefit payments/refunds of contributions	(719,553)	(853,111)	(785,156)	(898,731)	(959,411)	(1,027,666)
Administrative expenses	(11,821)	(11,232)	(12,426)	(12,460)	(14,565)	(15,850)
Other	(114,370)	(101,807)	23,444	(2,983)	(5,003)	(7,048)
Net change in fiduciary net position	864,265	(313,279)	1,075,281	2,183,482	(602,293)	2,664,882
Fiduciary net position, beginning	14,926,576	15,790,841	15,477,562	16,552,843	18,736,325	18,134,032
Fiduciary net position, ending (b)	\$ 15,790,841	\$ 15,477,562	\$ 16,552,843	\$ 18,736,325	\$ 18,134,032	\$ 20,798,914
Net pension liability / (asset), ending = (a) - (b)	\$ 1,180,306	\$ 2,242,241	\$ 2,313,457	\$ 1,178,473	\$ 2,715,753	\$ 1,312,348
Fiduciary net position as a % of total pension liability	93.05%	87.35%	87.74%	94.08%	86.97%	94.06%
Pensionable covered payroll	\$ 3,632,223	\$ 3,668,973	\$ 3,733,218	\$ 3,706,463	\$ 3,823,186	\$ 3,902,478
Net pension liability as a % of covered payroll	32.50%	61.11%	61.97%	31.80%	71.03%	33.63%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

**WILBARGER COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2011	\$ 351,892	\$ 351,892	\$ -	\$ 3,310,321	10.6%
2012	384,895	384,895	-	3,428,852	11.2%
2013	413,912	413,912	-	3,501,755	11.8%
2014	440,589	440,759	(170)	3,632,223	12.1%
2015	442,847	442,847	-	3,668,973	12.1%
2016	442,847	442,847	-	3,668,973	12.1%
2017	427,464	427,464	-	3,694,147	11.6%
2018	453,080	453,080	-	3,802,615	11.9%
2019	466,334	466,334	-	3,909,673	11.9%
2020	473,351	473,351	-	3,867,754	12.2%

(1) Payroll is calculated based on contributions as reported to TCDRS.

**Valuation Date:**

Actuarially determined contribution rates are calculated each December 31.

**Methods and Assumptions Used to Determine Contribution Rates:**

<i>Actuarial Cost Method</i>	Entry Age
<i>Amortization Method</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period</i>	10.5 years (based on contribution rate calculated in 12/31/2019 valuation)
<i>Asset Valuation Method</i>	5-year smoothed market
<i>Inflation</i>	2.75%
<i>Salary increases</i>	Varies by age and service. 4.9% average over career including inflation
<i>Investment rate of return</i>	8.00%, net of administrative and investment expenses, including inflation
<i>Retirement age</i>	Members eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement of recent retirees is 61.
<i>Mortality</i>	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
<i>Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions</i>	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
<i>Changes in Plan Provisions Reflected in the Schedules</i>	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

## WILBARGER COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
 WILBARGER COUNTY RETIREE HEALTH CARE PLAN

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Total OPEB Liability</b>										
Service cost	\$ 7,568	\$ 7,568	\$ 7,273	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest cost	5,170	4,474	4,300	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Change of benefit terms	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Difference between expected and actual experience	(13,158)	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes in assumptions	15,096	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other changes	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions-employer	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(4,957)	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expense	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	9,719	12,042	11,573	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	122,246	110,204	98,631	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	<u>\$ 131,965</u>	<u>\$ 122,246</u>	<u>\$ 110,204</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered payroll	<u>\$ 2,859,072</u>	<u>\$ 3,045,379</u>	<u>\$ 3,045,379</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net OPEB liability as a % of covered payroll	<u>4.62%</u>	<u>4.01%</u>	<u>3.62%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2020**

**A. BUDGETARY INFORMATION**

Annual budgets are adopted on the GAAP basis of accounting for all governmental funds except capital project funds. Project-length budgets were adopted for all capital project funds. All annual appropriations lapse at fiscal year end.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. No amendments may be made without Commissioners' Court approval to the total budget for each department within a fund. Thus, the legal level of budgetary control is at the department level. No supplemental appropriations were required during the year.

The County over-expended the final amended budget in the following funds and categories:

General Fund:	
District court	\$1,042
County attorney	3,695
Tax collector	5,996
Jail	49,182
Arena	3,200
Constable number two	801
Outreach services	895
Road and Bridge Fund:	
Precinct number one	20,934
Debt service – interest	952

Encumbrance accounting is not employed by the County because it is not considered necessary to assure effective budgetary control.



**WILBARGER COUNTY, TEXAS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2020**

**B. DEFINED BENEFIT PENSION PLAN**

Texas County and District Retirement System

*Changes of benefit terms or assumptions*

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

**C. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN**

Wilbarger County Retiree Health Care Plan

*Changes in benefit terms or assumptions*

The discount rate decreased from 4.06% (1.06% real rate of return plus 3.00% inflation) to 2.25% (-0.25% real rate of return plus 2.50% inflation) while the health care trend rate decreased from Level 5.00% to Level 4.50%. The average per capital claim cost range changed from \$10,495 at age 50 to \$14,830 at age 64 to \$11,292 at age 50 to \$15,955 at age 64.



*COMBINING STATEMENTS AND BUDGET COMPARISONS  
AS SUPPLEMENTARY INFORMATION*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.



## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Jury Fund – This fund is used to account for the cost of providing jury service for county and district courts.

Special Services Fund – This fund is used to account for special fees with specific purposes as set out by state legislation. Funding is provided by those specific fees.

Grant Fund – This fund is used to account for various individual grants received by Wilbarger County.

Juvenile Services Fund – This fund is used to account for the services of the 46th Juvenile Justice District and the related reimbursements received from the state.

### **CAPITAL PROJECTS FUND**

Capital Projects Fund – This fund is used to account for the accumulation of resources for, and the payment of capital projects.

**WILBARGER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2020**

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
	Jury Fund	Special Services Fund	Grant Fund	Juvenile Services Fund		
<b>Assets</b>						
Cash and cash equivalents	\$ 4,871	\$ 293,508	\$ 28,391	\$ 65,484	\$ 196,843	\$ 589,097
Receivables, net:						
Fines	-	6,868	-	-	-	6,868
Due from other funds	-	5,363	-	-	-	5,363
Total assets	<u>\$ 4,871</u>	<u>\$ 305,739</u>	<u>\$ 28,391</u>	<u>\$ 65,484</u>	<u>\$ 196,843</u>	<u>\$ 601,328</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ -	\$ 2,201	\$ -	\$ 49,406	\$ -	\$ 51,607
Due to others	-	-	-	155	-	155
Unearned revenues	-	-	-	32,431	-	32,431
Total liabilities	<u>-</u>	<u>2,201</u>	<u>-</u>	<u>81,992</u>	<u>-</u>	<u>84,193</u>
Deferred inflows of resources:						
Unavailable revenues	-	6,868	-	-	-	6,868
Fund balances:						
Restricted	4,871	296,670	28,391	-	-	329,932
Committed	-	-	-	-	196,843	196,843
Unassigned	-	-	-	(16,508)	-	(16,508)
Total fund balances	<u>4,871</u>	<u>296,670</u>	<u>28,391</u>	<u>(16,508)</u>	<u>196,843</u>	<u>510,267</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,871</u>	<u>\$ 305,739</u>	<u>\$ 28,391</u>	<u>\$ 65,484</u>	<u>\$ 196,843</u>	<u>\$ 601,328</u>

**WILBARGER COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit A-5)
	Jury Fund	Special Services Fund	Grant Fund	Juvenile Services Fund		
<b>Revenues</b>						
Fees and commissions	\$ -	\$ 79,992	\$ -	\$ 1,111	\$ -	\$ 81,103
Fines and forfeitures	-	15,038	-	-	-	15,038
Intergovernmental	2,856	-	64,459	112,763	-	180,078
Investment return	28	3,323	-	510	1,835	5,696
Miscellaneous	1,541	-	-	-	-	1,541
Total revenues	<u>4,425</u>	<u>98,353</u>	<u>64,459</u>	<u>114,384</u>	<u>1,835</u>	<u>283,456</u>
<b>Expenditures</b>						
Current:						
General government	-	110,390	11,970	-	-	122,360
Judicial	-	-	24,098	-	-	24,098
Legal	9,362	-	-	-	-	9,362
Public safety	-	-	-	196,439	-	196,439
Total expenditures	<u>9,362</u>	<u>110,390</u>	<u>36,068</u>	<u>196,439</u>	<u>-</u>	<u>352,259</u>
Excess (deficiency) of revenues over (under) expenditures	(4,937)	(12,037)	28,391	(82,055)	1,835	(68,803)
Other source:						
Transfers in	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u>36,000</u>	<u>70,000</u>
Net change in fund balances	5,063	(12,037)	28,391	(58,055)	37,835	1,197
Fund balances, beginning of year	<u>(192)</u>	<u>308,707</u>	<u>-</u>	<u>41,547</u>	<u>159,008</u>	<u>509,070</u>
Fund balances, end of year	<u>\$ 4,871</u>	<u>\$ 296,670</u>	<u>\$ 28,391</u>	<u>\$ (16,508)</u>	<u>\$ 196,843</u>	<u>\$ 510,267</u>

**WILBARGER COUNTY, TEXAS**  
**JURY FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 2,856	\$ (144)
Investment return	100	100	28	(72)
Miscellaneous	-	-	1,541	1,541
Total revenues	<u>3,100</u>	<u>3,100</u>	<u>4,425</u>	<u>1,325</u>
<b>Expenditures</b>				
Current:				
Legal	<u>11,000</u>	<u>11,000</u>	<u>9,362</u>	<u>1,638</u>
Excess of revenues over (under) expenditures	(7,900)	(7,900)	(4,937)	2,963
Other source:				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>10,000</u>	<u>5,000</u>
Net change in fund balances	(2,900)	(2,900)	5,063	7,963
Fund balances, beginning of year	(192)	(192)	(192)	-
Fund balances, end of year	<u>\$ (3,092)</u>	<u>\$ (3,092)</u>	<u>\$ 4,871</u>	<u>\$ 7,963</u>



**WILBARGER COUNTY, TEXAS**  
**SPECIAL SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees and commissions	\$ 95,400	\$ 95,400	\$ 79,992	\$ (15,408)
Fines and forfeitures	20,000	20,000	15,038	(4,962)
Investment return	7,700	7,700	3,323	(4,377)
Total revenues	<u>123,100</u>	<u>123,100</u>	<u>98,353</u>	<u>(24,747)</u>
<b>Expenditures</b>				
Current:				
General government	<u>179,557</u>	<u>179,557</u>	<u>110,390</u>	<u>69,167</u>
Excess of revenues over (under) expenditures	(56,457)	(56,457)	(12,037)	44,420
Other use:				
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net change in fund balances	(61,457)	(61,457)	(12,037)	49,420
Fund balances, beginning of year	308,707	308,707	308,707	-
Fund balances, end of year	<u>\$ 247,250</u>	<u>\$ 247,250</u>	<u>\$ 296,670</u>	<u>\$ 49,420</u>

**WILBARGER COUNTY, TEXAS**  
**GRANT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 64,459	\$ 49,459
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>64,459</u>	<u>49,459</u>
<b>Expenditures</b>				
Current:				
General government	-	-	11,970	(11,970)
Judicial	15,000	15,000	24,098	(9,098)
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>36,068</u>	<u>(21,068)</u>
Net change in fund balances	-	-	28,391	28,391
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,391</u>	<u>\$ 28,391</u>

**WILBARGER COUNTY, TEXAS**  
**JUVENILE SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees and commissions	\$ 3,000	\$ 3,000	\$ 1,111	\$ (1,889)
Intergovernmental	244,103	213,287	112,763	(100,524)
Investment return	950	287	510	223
Total revenues	<u>248,053</u>	<u>216,574</u>	<u>114,384</u>	<u>(102,190)</u>
<b>Expenditures</b>				
Current:				
Public safety	247,103	204,443	196,439	8,004
Total expenditures	<u>247,103</u>	<u>204,443</u>	<u>196,439</u>	<u>8,004</u>
Excess of revenues over (under) expenditures	950	12,131	(82,055)	(94,186)
Other source:				
Transfers in	-	-	24,000	24,000
Net change in fund balances	950	12,131	(58,055)	(70,186)
Fund balances, beginning of year	41,547	41,547	41,547	-
Fund balances, end of year	<u>\$ 42,497</u>	<u>\$ 53,678</u>	<u>\$ (16,508)</u>	<u>\$ (70,186)</u>

**WILBARGER COUNTY, TEXAS**  
**CAPITAL PROJECTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment return	\$ 1,750	\$ 1,750	\$ 1,835	\$ 85
Total revenues	<u>1,750</u>	<u>1,750</u>	<u>1,835</u>	<u>85</u>
<b>Expenditures</b>				
Current:				
Public facilities	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	1,750	1,750	1,835	85
Other source:				
Transfers in	-	-	36,000	36,000
Net change in fund balances	1,750	1,750	37,835	36,085
Fund balances, beginning of year	159,008	159,008	159,008	-
Fund balances, end of year	<u>\$ 160,758</u>	<u>\$ 160,758</u>	<u>\$ 196,843</u>	<u>\$ 36,085</u>

## FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, or other governments.

Tax Assessor/Collector Agency – This fund is used to account for receipts of the tax assessor/collector pending disposition to individuals and entities, the County and other governments.

County Clerk Agency – This fund is used to account for receipts of the county clerk pending disposition to individuals and entities, the County or other governments.

Sheriff Agency – This fund is used to account for receipts of the sheriff pending disposition to individuals and entities, the County or other governments.

County Attorney Agency – This fund is used to account for receipts of the county attorney pending disposition to individuals and entities, the County or other governments.

Justice of the Peace Fee Account Agency – This fund is used to account for receipts of fines and court costs by two justices of the peace pending disposition to individuals and entities, the County or other governments.

District Clerk Agency – This fund is used to account for receipts of the District Clerk pending disposition to individuals and entities, the County or other governments.

District Attorney Agency – This fund is used to account for receipts of the District Attorney pending disposition to individuals and entities, the County or other governments.

Constable #1 Agency – This fund is used to account for training funds of Constable #1 pending disposition to individuals and others.

Constable #2 Agency – This fund is used to account for training funds of Constable #2 pending disposition to individuals and others.

State Tax Agency – This fund is used to account for receipts for state court costs and fees pending disposition to individuals and entities, the County or other governments.

Jail Commissary Agency – This fund is used to account for the activity of the jail commissary.

Christmas Club Account Agency – This fund is used as a savings account for the receipts withheld from employees' regular paychecks and held pending yearly distribution to the employees from which it was withheld.

Probation Account – This fund is used to account for funds held related to adult probation.

Historical Commission Account – This fund is used to account for funds held related to the Historical Commission.

**WILBARGER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2020**

	Tax Assessor/ Collector Agency	County Clerk Agency	Sheriff Agency	County Attorney Agency	Justice of the Peace Fee Account
<b>Assets</b>					
Cash and cash equivalents	\$ 584,741	\$ 66,083	\$ 67,117	\$ 42,652	\$ 29,727
Investments	-	37,725	-	-	-
Due from others	-	-	-	-	1,596
Due from other governments	258,217	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 842,958</u>	<u>\$ 103,808</u>	<u>\$ 67,117</u>	<u>\$ 42,652</u>	<u>\$ 31,323</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	296,049	25,478	2,798	-	31,323
Due to other governments	546,909	-	-	-	-
Due to others	-	78,330	64,319	42,652	-
Total liabilities	<u>\$ 842,958</u>	<u>\$ 103,808</u>	<u>\$ 67,117</u>	<u>\$ 42,652</u>	<u>\$ 31,323</u>

District Clerk Agency	District Attorney	Constable #1	Constable #2	State Tax Agency	Jail Commissary
\$ 399,571	\$ 41,755	\$ 2,690	\$ 3,136	\$ 23,674	\$ 1,239
193,867	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	18,293	-
<u>\$ 593,438</u>	<u>\$ 41,755</u>	<u>\$ 2,690</u>	<u>\$ 3,136</u>	<u>\$ 41,967</u>	<u>\$ 1,239</u>
\$ -	\$ -	\$ -	\$ -	\$ 594	\$ -
10,745	2,416	471	174	1,322	2,128
-	-	-	-	40,051	-
582,693	39,339	2,219	2,962	-	(889)
<u>\$ 593,438</u>	<u>\$ 41,755</u>	<u>\$ 2,690</u>	<u>\$ 3,136</u>	<u>\$ 41,967</u>	<u>\$ 1,239</u>

**WILBARGER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2020**

	Christmas Club Account Agency	Probation Account	Historical Commission	Total Agency Funds (See Exhibit A-10)
<b>Assets</b>				
Cash and cash equivalents	\$ 74,511	\$ 97,481	\$ 13,707	\$ 1,448,084
Investments	-	-	-	231,592
Due from others	-	-	-	1,596
Due from other governments	-	-	-	258,217
Due from other funds	-	-	-	18,293
Total assets	<u>\$ 74,511</u>	<u>\$ 97,481</u>	<u>\$ 13,707</u>	<u>\$ 1,957,782</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 594
Due to other funds	-	-	-	372,904
Due to other governments	-	-	-	586,960
Due to others	74,511	97,481	13,707	997,324
Total liabilities	<u>\$ 74,511</u>	<u>\$ 97,481</u>	<u>\$ 13,707</u>	<u>\$ 1,957,782</u>