

WINKLER COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

Winkler County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2019

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Introductory Section

WINKLER COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2019

Principal Officials

| <u>Name</u> | <u>Office</u> |
|---|----------------------------------|
| <u>District Courts</u> | |
| John L Pool | District Judge |
| Sherry Terry | District Clerk |
| Amanda Navarette | District Attorney |
| <u>Commissioners' Court</u> | |
| Charles Wolf | County Judge |
| Billy Stevens | Commissioner, Precinct 1 |
| Robbie Wolf | Commissioner, Precinct 2 |
| Hope Williams | Commissioner, Precinct 3 |
| Billy Ray Thompson | Commissioner, Precinct 4 |
| <u>County and Precinct Officials</u> | |
| Thomas Duckworth, Jr. | County Attorney |
| Jeanna Willhelm | County Auditor |
| Pam Greene | County Clerk |
| Minerva Soltero | Tax Assessor-Collector |
| Darin Mitchell | Sheriff |
| Geneva Baker | County Treasurer |
| Keri Jones | Justice of the Peace, Precinct 1 |
| Glenda Mixon | Justice of the Peace, Precinct 2 |
| Leon Stroud | Constable, Precinct 1 |
| Carl Garrett | Constable, Precinct 2 |
| Elvia Hernandez | Chief Adult Probation Officer |
| Christi Gonzales | Chief Juvenile Probation Officer |

Financial Section

Robison Johnston & Patton, LLP
C E R T I F I E D P U B L I C A C C O U N T A N T S
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

Independent Auditors' Report

To the Commissioners' Court
Winkler County, Texas
100 East Winkler
Kermit, Texas 79745

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Winkler County, Texas ("the County") as of and for the year ended December 31, 2019, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Winkler County, Texas as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Winkler County, Texas' basic financial statements. The introductory section, combining financial statements, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining 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 financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2020 on our consideration of Winkler County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Winkler County, Texas' internal control over financial reporting and compliance.

Robison Johnston & Patten LLP

Lubbock, TX
July 21, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Winkler County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2019. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

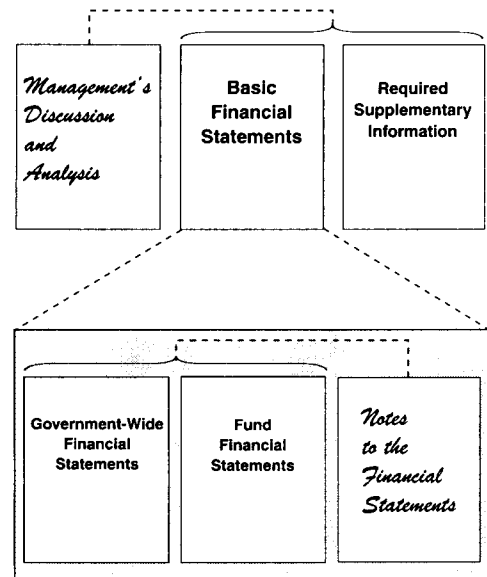
- The County's total combined net position was \$75,534,513 at December 31, 2019.
- During the year, the County's expenses were \$11,747,000 less than the \$27,496,235 generated in taxes and other revenues for governmental activities.
- The general fund reported a total fund balance this year of \$44,579,758, of which \$37,761,377 is considered unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the County's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Summary ↔ Detail

Figure A-2. Major Features of the County's Government-wide and Fund Financial Statements

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

| Type of Statements | Fund Statements | | | |
|--|--|--|--|--|
| | Government-wide | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire Agency's government (except fiduciary funds) and the Agency's component units | The activities of the county that are not proprietary or fiduciary | Activities the county operates similar to private businesses: self insurance | Instances in which the county is the trustee or agent for someone else's resources |
| Required financial statements | * Statement of net position * Statement of activities | * Balance sheet * Statement of revenues, expenditures, and changes in fund balances | * Statement of net position * Statement of revenues, expenses and changes in fund net position * Statement of cash flows | * Statement of fiduciary net position * Statement of changes in fiduciary net assets |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid | All revenues and expenses during year, regardless of when cash is received or paid |

The two government-wide statements report the County's net position and how it has changed. Net position—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, transportation, health and welfare, culture and recreation, facilities, judicial, and legal. Property taxes, sales taxes, charges for services and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

Governmental funds—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

Proprietary funds—Services for which the County charges a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

- We use *internal service funds* to report activities that provide supplies and services for the County's other programs and activities.

Fiduciary funds—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position was \$75,534,513 at December 31, 2019.

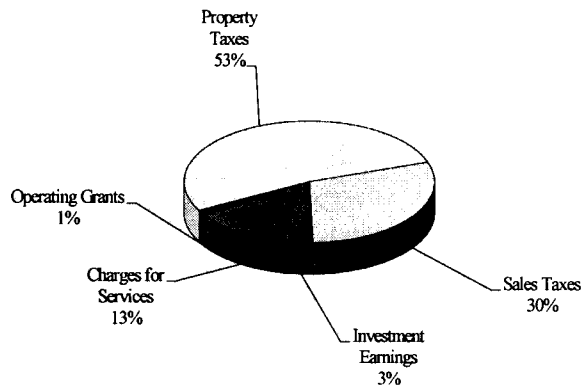
| | Governmental Activities | | Percentage Change |
|---------------------------------------|----------------------------|---------------------|----------------------|
| | 2019 | 2018 | 2018-2019 |
| Current assets: | | | |
| Cash and cash equivalents | \$35,346,426 | \$33,172,368 | 6.55% |
| Receivables: (net of allowances) | | | |
| Accounts | 2,129,574 | 1,627,087 | 30.88% |
| Taxes | 11,863,787 | 9,099,543 | 30.38% |
| Interest | 23,584 | 0 | 100% |
| Ambulance, Fines & Fees | 1,867,439 | 1,516,919 | 23.10% |
| Total current assets: | <u>51,230,810</u> | <u>45,415,917</u> | |
| Noncurrent assets: | | | |
| Net Pension Asset | 0 | 188,577 | 100% |
| Land | 217,697 | 217,697 | 0% |
| Building and Improvements | 25,233,946 | 24,211,201 | 4.22% |
| Furniture and Equipment | 13,268,398 | 11,583,007 | 14.55% |
| Infrastructure | 6,713,446 | 6,671,289 | .63% |
| Construction in Progress | 4,436,656 | 380,982 | 1064.53% |
| Less accumulated Depreciation | <u>(25,718,025)</u> | <u>(24,628,181)</u> | 4.24% |
| Total noncurrent assets | <u>24,152,118</u> | <u>18,624,572</u> | |
| Total Assets | <u>75,382,928</u> | <u>64,040,489</u> | |
| Deferred Outflows: | | | |
| Unrealized Expenses | 141,778 | 124,176 | 14.18% |
| Def. Outflow related to Pension | 5,536,045 | 1,138,544 | 386.24% |
| Total Deferred Outflows | <u>5,677,823</u> | <u>1,262,720</u> | |
| Total Assets and Deferred Outflows | <u>81,060,751</u> | <u>65,303,209</u> | |
| Current liabilities: | | | |
| Accounts payable | 1,210,744 | 410,659 | 194.83% |
| Building deposits | 18,100 | 12,650 | 43.08% |
| Retainage payable | 357,371 | 0 | 100% |
| Accrued payroll | 216,480 | 170,762 | 26.77% |
| Total current liabilities | <u>1,802,695</u> | <u>594,071</u> | |
| Noncurrent liabilities: | | | |
| Net pension liability | 2,992,684 | 0 | 100% |
| Other Post Empl Benefits | 128,071 | 128,071 | 0% |
| Total Liabilities | <u>4,923,450</u> | <u>128,071</u> | |
| Deferred Inflows: | | | |
| Def. Inflows Related to OPEB | 9,059 | 12,000 | 24.51% |
| Def. Inflows Related to Pensions | 593,729 | 781,553 | 24.03% |
| Total Deferred Inflows | <u>602,788</u> | <u>793,553</u> | |
| Net Position: | | | |
| Net Invest. in capital assets | 24,152,118 | 18,435,995 | 31.01% |
| Unrestricted | 51,382,395 | 45,351,519 | 13.27% |
| Total Net Position | <u>75,534,513</u> | <u>63,787,514</u> | |

The \$51,382,395 of unrestricted net position represents resources available to fund the programs of the County next year.

Statement of Activities. The County's total revenues were \$27,496,235. A significant portion, 53 percent, of the County's revenue comes from property taxes. (See Figure A-3) 30 percent comes from sales taxes, 13 percent comes from charges for services, 1 percent from operating grants, and 3 percent from investment earnings.

The total cost of all programs and services was \$15,749,235; 34.96 percent of these costs are for general administration.

Figure A-3 County
Sources of Revenue for Fiscal Year 2019



| | Governmental Activities | | Total Percentage Change |
|---------------------------------|-------------------------|-------------------|-------------------------|
| | 2019 | 2018 | 2018-2019 |
| Program Revenues: | | | |
| Charges for services | 3,541,028 | 3,827,507 | 7.48% |
| Operating Grants | 419,587 | 589,540 | 28.83% |
| Property Taxes | 14,446,334 | 9,545,370 | 51.34% |
| Sales Taxes | 8,197,695 | 10,611,770 | 22.75% |
| Miscellaneous | 38,801 | 82,612 | 53.03% |
| Investment Earnings | 852,790 | 477,390 | 78.64% |
| Total Revenues | 27,496,235 | 25,134,189 | |
| Expenses: | | | |
| General administration | 5,505,566 | 3,796,674 | 45.01% |
| Public safety | 3,299,938 | 3,064,583 | 7.68% |
| Transportation | 1,105,585 | 928,950 | 19.01% |
| Health and welfare | 3,042,199 | 2,306,634 | 31.89% |
| Culture and recreation | 1,502,732 | 1,437,577 | 4.53% |
| Facilities | 303,706 | 236,391 | 28.48% |
| Judicial | 560,846 | 561,546 | .12% |
| Legal | 428,663 | 395,377 | 8.42% |
| Total Expenses | 15,749,235 | 12,727,732 | |
| Increase in net Assets | 11,747,000 | 12,406,457 | 5.40% |
| Increase in Net Position | 11,747,000 | 12,406,457 | 5.40% |

The table below presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$15,749,235.
- The amount that our taxpayers paid for these activities through property taxes was \$14,446,334.
- Some of the cost was paid by those who directly benefited from the programs \$3,541,028 or
- By grants and contributions \$419,587.

Net Cost of Selected County Functions

| | Total Cost of Services | | % Change | Net Cost of Services | | % Change |
|------------------------|------------------------|-----------|----------|----------------------|-----------|----------|
| | 2019 | 2018 | | 2019 | 2018 | |
| General administration | 5,505,566 | 3,796,674 | 45.01% | 4,554,874 | 2,625,014 | 73.52% |
| Public Safety | 3,299,938 | 3,064,583 | 7.68% | 1,575,817 | 1,110,819 | 41.86% |
| Health & Welfare | 3,042,199 | 2,306,634 | 31.89% | 2,919,526 | 2,014,274 | 44.94% |

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget several times. The resulting variances from these approved amendments are summarized below.

The total actual general fund revenues exceeded budgeted amounts by \$5,327,550. The most significant line item variances were in the general sales and use taxes and ad valorem taxes categories.

The total actual general fund expenditures were less than the budgeted amounts by a total of \$2,188,989. Actual capital outlay expenditures were less than expected and overall costs were lower than budgeted totals.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the County had invested \$24,152,118 in a broad range of capital assets, including land, furniture and equipment, and buildings and improvements.

| | Governmental Activities | | Percentage Change 2018-2019 |
|--------------------------------|-------------------------|---------------------|-----------------------------|
| | 2019 | 2018 | |
| Land | \$217,697 | \$217,697 | 0% |
| Buildings and improvements | 25,233,946 | 24,211,201 | 4.22% |
| Furniture and Equipment | 13,268,398 | 11,583,007 | 14.55% |
| Construction in Progress | 4,436,656 | 380,982 | 1064.53% |
| Infrastructure | 6,713,446 | 6,671,289 | .63% |
| Totals at historical cost | 49,870,143 | 43,064,176 | |
| Total accumulated depreciation | (25,718,025) | (24,628,181) | 4.24% |
| Net capital assets | <u>\$24,152,118</u> | <u>\$18,435,995</u> | |

More detailed information about the County's capital assets is presented in the notes to the financial statements.

Long Term Debt

At year-end the County had \$3,120,755 in long term obligations outstanding as shown below. More detailed information about the County's debt is presented in the notes to the financial statements.

| | Governmental Activities | | Total Percentage Change |
|-------------------------------|----------------------------|-------------------|-------------------------------|
| | <u>2019</u> | <u>2018</u> | <u>2018-2019</u> |
| Net Pension Liability/(Asset) | 2,992,684 | (188,577) | 1686.98% |
| Other Post Empl Benefits | 128,071 | 128,071 | 0% |
| Total Long Term Debt | <u>\$3,120,755</u> | <u>\$(60,506)</u> | |

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

WINKLER COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2019

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS: | |
| <i>Cash and Cash Equivalents</i> | \$ 35,346,426 |
| <i>Receivables (net of allowances for uncollectibles):</i> | |
| <i>Accounts</i> | 2,129,574 |
| <i>Taxes</i> | 11,863,787 |
| <i>Interest</i> | 23,584 |
| <i>Ambulance, Fines, Fees & Court Costs</i> | 1,867,439 |
| <i>Capital Assets (net of accumulated depreciation):</i> | |
| <i>Land</i> | 217,697 |
| <i>Buildings and Improvements</i> | 12,222,449 |
| <i>Furniture and Equipment</i> | 4,911,210 |
| <i>Infrastructure</i> | 2,364,106 |
| <i>Construction in Progress</i> | 4,436,656 |
| Total Assets | <u>75,382,928</u> |
| DEFERRED OUTFLOWS: | |
| <i>Unrealized Expenses</i> | 141,778 |
| <i>Deferred Outflows Related to Pensions</i> | 5,536,045 |
| Total Deferred Outflows | <u>5,677,823</u> |
| Total Assets and Deferred Outflows | <u>81,060,751</u> |
| LIABILITIES: | |
| <i>Accounts Payable and Other Current Liabilities</i> | 1,210,744 |
| <i>Building Deposits</i> | 18,100 |
| <i>Accrued Payroll</i> | 216,480 |
| <i>Retainage Payable</i> | 357,371 |
| <i>Noncurrent Liabilities-</i> | |
| <i>Net Pension Liability</i> | 2,992,684 |
| <i>Other Post Employment Benefits Obligation</i> | 128,071 |
| Total Liabilities | <u>4,923,450</u> |
| DEFERRED INFLOWS: | |
| <i>Deferred Inflows Related to Pensions</i> | 593,729 |
| <i>Deferred Inflows Related to OPEB</i> | 9,059 |
| Total Deferred Inflows | <u>602,788</u> |
| Total Liabilities and Deferred Inflows | <u>5,526,238</u> |
| NET POSITION: | |
| <i>Net Investment in Capital Assets</i> | 24,152,118 |
| <i>Unrestricted</i> | 51,382,395 |
| Total Net Position | <u>\$ 75,534,513</u> |

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|---|----------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | |
| PRIMARY GOVERNMENT: | | | | |
| Governmental Activities: | | | | |
| <i>General Administration</i> | \$ 5,505,566 | \$ 827,883 | \$ 123,809 | \$ (4,553,874) |
| <i>Public Safety</i> | 3,299,938 | 1,513,129 | 221,601 | (1,565,208) |
| <i>Transportation</i> | 1,105,585 | 796,502 | | (309,083) |
| <i>Health and Welfare</i> | 3,042,199 | 122,673 | | (2,919,526) |
| <i>Culture and Recreation</i> | 1,502,732 | 110,521 | | (1,392,211) |
| <i>Facilities</i> | 303,706 | | | (303,706) |
| <i>Judicial</i> | 560,846 | 62,817 | 35,677 | (462,352) |
| <i>Legal</i> | 428,663 | 107,503 | 38,500 | (282,660) |
| Total Governmental Activities | 15,749,235 | 3,541,028 | 419,587 | (11,788,620) |
| Total Primary Government | <u>\$ 15,749,235</u> | <u>\$ 3,541,028</u> | <u>\$ 419,587</u> | <u>(11,788,620)</u> |
| General Revenues: | | | | |
| <i>Property Taxes</i> | | | | 14,446,334 |
| <i>Sales Taxes</i> | | | | 8,197,695 |
| <i>Miscellaneous</i> | | | | 38,801 |
| <i>Unrestricted Investment Earnings</i> | | | | 852,790 |
| Total General Revenues | | | | <u>23,535,620</u> |
| Change in Net Assets | | | | 11,747,000 |
| Net Assets - Beginning | | | | 63,787,513 |
| Net Assets - Ending | | | | <u>\$ 75,534,513</u> |

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|--------------------------|--------------------------------|--------------------------------|
| ASSETS AND DEFERRED OUTFLOWS | | | |
| Assets: | | | |
| <i>Cash and Cash Equivalents</i> | \$ 33,611,717 | \$ 975,825 | \$ 34,587,542 |
| <i>Receivables (net of allowances for uncollectibles):</i> | | | |
| <i>Accounts</i> | 2,112,648 | 16,926 | 2,129,574 |
| <i>Taxes</i> | 11,863,787 | | 11,863,787 |
| <i>Interest</i> | 23,584 | | 23,584 |
| <i>Ambulance, Fines, Fees & Court Costs</i> | 1,867,439 | | 1,867,439 |
| Total Assets | <u>49,479,175</u> | <u>992,751</u> | <u>50,471,926</u> |
| Total Assets and Deferred Outflows | <u>\$ 49,479,175</u> | <u>\$ 992,751</u> | <u>\$ 50,471,926</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES: | | | |
| Liabilities: | | | |
| <i>Accounts Payable and Other Current Liabilities</i> | \$ 1,112,551 | \$ 8,664 | \$ 1,121,215 |
| <i>Deposits</i> | 15,950 | | 15,950 |
| <i>Accrued Payroll</i> | 216,480 | | 216,480 |
| <i>Retainage Payable</i> | 357,371 | | 357,371 |
| <i>Due to Other Funds</i> | 29,156 | | 29,156 |
| Total Liabilities | <u>1,731,508</u> | <u>8,664</u> | <u>1,740,172</u> |
| Deferred Inflows: | | | |
| <i>Taxes</i> | 1,300,470 | | 1,300,470 |
| <i>Ambulance, Fines, Fees & Court Costs</i> | 1,867,439 | | 1,867,439 |
| Total Deferred Inflows | <u>3,167,909</u> | | <u>3,167,909</u> |
| Fund Balances: | | | |
| Restricted For: | | | |
| <i>Public Safety</i> | | 273,166 | 273,166 |
| <i>Legal Services</i> | | 72,506 | 72,506 |
| <i>Judicial Services</i> | | 284,057 | 284,057 |
| <i>General Administration</i> | | 354,358 | 354,358 |
| <i>Committed</i> | 6,818,381 | | 6,818,381 |
| <i>Unassigned</i> | 37,761,377 | | 37,761,377 |
| Total Fund Balance | <u>44,579,758</u> | <u>984,087</u> | <u>45,563,845</u> |
| Total Liabilities, Def Inflows and Fund Balance | <u>\$ 49,479,175</u> | <u>\$ 992,751</u> | <u>\$ 50,471,926</u> |

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019*

| | |
|--|----------------------|
| Total fund balances - governmental funds balance sheet | \$ 45,563,845 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not reported in the funds. | 24,152,118 |
| Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. | 1,300,470 |
| The assets and liabilities of internal service funds are included in governmental activities in the SNP. | 696,361 |
| Other long-term liabilities which are not due and payable in the current period are not reported in the funds. | 1,867,439 |
| Other long-term assets are not available to pay for current period expenditures and are deferred in the funds. | 141,778 |
| Recognition of the County's proportionate share of the net pension liability is not reported in the funds. | (2,992,684) |
| Deferred Resource Inflows related to the pension plan are not reported in the funds. | (593,729) |
| Deferred Resource Outflows related to the pension plan are not reported in the funds. | 5,536,045 |
| Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds. | (128,071) |
| Deferred Resource Inflows related to the OPEB plan are not reported in the funds. | (9,059) |
| Net position of governmental activities - Statement of Net Position | <u>\$ 75,534,513</u> |

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXASSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------------|--------------------------------|
| Revenue: | | | |
| Taxes: | | | |
| <i>Ad Valorem Taxes</i> | \$ 13,752,058 | \$ | \$ 13,752,058 |
| <i>General Sales and Use Taxes</i> | 8,197,695 | | 8,197,695 |
| <i>License and Permits</i> | 266,983 | | 266,983 |
| <i>Intergovernmental</i> | 214,675 | 221,963 | 436,638 |
| <i>Fines and Forfeitures</i> | 526,601 | 14,660 | 541,261 |
| <i>Fees</i> | 760,924 | 211,910 | 972,834 |
| <i>Investment Earnings</i> | 850,052 | 2,738 | 852,790 |
| <i>Jail Revenue</i> | 1,189,990 | | 1,189,990 |
| <i>Other</i> | 243,039 | 850 | 243,889 |
| Total revenues | <u>26,002,017</u> | <u>452,121</u> | <u>26,454,138</u> |
| Expenditures: | | | |
| Current: | | | |
| <i>General Administration</i> | 6,012,125 | | 6,012,125 |
| <i>Public Safety</i> | 2,738,097 | 350,743 | 3,088,840 |
| <i>Transportation</i> | 825,464 | | 825,464 |
| <i>Health and Welfare</i> | 2,943,812 | | 2,943,812 |
| <i>Culture and Recreation</i> | 1,154,345 | | 1,154,345 |
| <i>Facilities</i> | 219,408 | | 219,408 |
| <i>Judicial</i> | 575,066 | 1,875 | 576,941 |
| <i>Legal</i> | 403,028 | | 403,028 |
| Capital Outlay | 7,203,110 | | 7,203,110 |
| Total Expenditures | <u>22,074,455</u> | <u>352,618</u> | <u>22,427,073</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>3,927,562</u> | <u>99,503</u> | <u>4,027,065</u> |
| Other Financing Sources (Uses): | | | |
| Total Other Financing Sources (Uses) | | | |
| Net Change in Fund Balances | 3,927,562 | 99,503 | 4,027,065 |
| Fund Balances - Beginning | 40,652,196 | 884,584 | 41,536,780 |
| Fund Balances - Ending | <u>\$ 44,579,758</u> | <u>\$ 984,087</u> | <u>\$ 45,563,845</u> |

The accompanying notes are an integral part of this statement.

WINKLER 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 DECEMBER 31, 2019*

| | |
|--|----------------------|
| Net change in fund balances - total governmental funds | \$ 4,027,065 |
| Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because: | |
| Capital outlays are not reported as expenses in the SOA. | 7,206,760 |
| The depreciation of capital assets used in governmental activities is not reported in the funds. | (1,487,938) |
| Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds. | (2,699) |
| Certain property tax revenues are deferred in the funds. This is the change in these amounts this year. | 694,276 |
| Revenues in the SOA not providing current financial resources are not reported as revenues in the funds. | 350,520 |
| Expenses not requiring the use of current financial resources are not reported as expenditures in the funds. | 17,602 |
| The net revenue (expense) of internal service funds is reported with governmental activities. | (465,591) |
| Pension contributions made before the measurement date and during the previous FY were expended & reduced NPL. | (861,199) |
| Pension contributions made after the measurement date but in current FY were de-expended & recorded as deferred resource outflows. | 2,958,664 |
| The County's share of the unrecognized deferred inflows and outflows for the pension plan was amortized. | (117,450) |
| Pension expense relating to GASB 68 is recorded in the SOA but not in the funds. | (575,952) |
| OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds. | 2,942 |
| Change in net position of governmental activities - Statement of Activities | <u>\$ 11,747,000</u> |

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
DECEMBER 31, 2019

| | Nonmajor Internal Service Fund Employee Health Benefit Fund |
|---|--|
| ASSETS AND DEFERRED OUTFLOWS: | |
| Current Assets: | |
| <i>Cash and Cash Equivalents</i> | \$ 758,884 |
| <i>Due from other funds</i> | <u>29,156</u> |
| Total Assets | <u>788,040</u> |
| Total Assets and Deferred Outflows | <u>\$ 788,040</u> |
| LIABILITIES: | |
| Current Liabilities: | |
| <i>Accounts payable</i> | \$ <u>91,679</u> |
| Total Current Liabilities | <u>91,679</u> |
| Total Liabilities | <u>91,679</u> |
| NET POSITION: | |
| <i>Restricted for Health Insurance Claims</i> | <u>696,361</u> |
| Total Net Position | <u><u>\$ 696,361</u></u> |

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Nonmajor Internal Service Fund <u>Employee Health Benefit Fund</u> |
|---|---|
| OPERATING REVENUES: | |
| <i>Insurance Premiums</i> | \$ 2,291,765 |
| Total Operating Revenues | <u>2,291,765</u> |
| OPERATING EXPENSES: | |
| <i>Paid Claims</i> | 2,774,713 |
| Total Operating Expenses | <u>2,774,713</u> |
| Operating Income | <u>(482,948)</u> |
| NON-OPERATING REVENUES (EXPENSES): | |
| <i>Interest Income</i> | 17,357 |
| Total Non-operating Revenues (Expenses) | <u>17,357</u> |
| Income before Contributions and Transfers | <u>(465,591)</u> |
| Change in Net Position | <u>(465,591)</u> |
| Total Net Position - Beginning | 1,161,952 |
| Total Net Position - Ending | <u>\$ 696,361</u> |

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Nonmajor Internal Service Fund <hr/> Employee Health Benefit Fund <hr/> |
|---|---|
| Cash Flows from Operating Activities: | |
| <i>Interfund Services Provided</i> | \$ 2,291,765 |
| <i>Cash Payments to Other Suppliers for Goods and Services</i> | <u>(2,759,394)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(467,629)</u> |
| Cash Flows from Investing Activities: | |
| <i>Investment Earnings</i> | 17,357 |
| Net Cash Provided (Used) for Investing Activities | <u>17,357</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (450,272) |
| Cash and Cash Equivalents at Beginning of Year | 1,209,156 |
| Cash and Cash Equivalents at End of Year | <u>\$ 758,884</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | |
| Operating Income (Loss) | \$ (482,948) |
| Change in Assets and Liabilities: | |
| <i>Increase (Decrease) in Accounts Payable</i> | 15,319 |
| Total Adjustments | <u>15,319</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (467,629)</u> |

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

| | Agency Funds |
|-----------------------------------|---------------------|
| ASSETS: | |
| <i>Cash and Cash Equivalents</i> | \$ 7,659,836 |
| Total Assets | <u>\$ 7,659,836</u> |
| LIABILITIES: | |
| <i>Accounts Payable</i> | \$ 961,092 |
| <i>Due to Other Governments</i> | 768,829 |
| <i>Due to Trust Beneficiaries</i> | 5,916,934 |
| <i>Deposits</i> | 11,019 |
| <i>Other Liabilities</i> | 1,962 |
| Total Liabilities | <u>\$ 7,659,836</u> |

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

A. Summary of Significant Accounting Policies

The combined financial statements of Winkler County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

Based on these criteria, the following is a brief review of each potential component unit addressed in defining the County's reporting entity.

The Winkler County Appraisal District has a separately appointed Board, with two positions appointed by the Commissioners' Court. This entity is excluded from the reporting entity because the County does not exercise influence over its daily operations.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

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

In addition, the County reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Funds: These funds are used to report other resources held in a purely custodial capacity (assets equal liabilities). Fiduciary funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund 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.

c. Inventories and Unrealized Expenses

The County records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as unrealized expenses. The County had no unrealized expenses at year end.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|--------------------------|-------------------------------|
| Infrastructure | 30 |
| Buildings & Improvements | 15-40 |
| Furniture & Equipment | 3-15 |

e. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

f. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to or deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

g. Other Post-Employment Benefits (OPEB)

The total OPEB liability of the Winkler County 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 total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. The Winkler County Retiree Health Care Plan is considered to be an unfunded OPEB Plan.

h. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

i. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

j. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statements of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

k. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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).

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 Commissioners' Court 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 Commissioners' Court. 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.

Committed fund balances consist of the following:

| | |
|-----------------------------------|---------------------|
| District Clerk Imaging | \$ 100,000 |
| Radio Communications | 10,000 |
| County Wide Equipment | 118,106 |
| Hospital Support | 1,035,384 |
| Kermit Community Center | 142,000 |
| Wink Parks Equipment | 117,000 |
| Ice Machine | 25,000 |
| Air Conditioners | 150,000 |
| Capital Improvements | 2,256,373 |
| Airport Capital | 63,030 |
| Kermit VFD Funds | 159,040 |
| Wink Library | 67,500 |
| Boy Scout Hut | 10,000 |
| Juvenile Probation Cameras | 15,500 |
| District Court Salary Supplements | 51,448 |
| Courthouse Improvements | 250,000 |
| Jail Equipment | 55,600 |
| EMS Station | 2,000,000 |
| Golf Course Funds | 24,100 |
| Water Wells | 150,000 |
| Senior Citizens Equipment | 18,300 |
| | <u>\$ 6,818,381</u> |

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 Commissioners' Court or by an official or body to which the Commissioners' Court 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 conveys 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 County 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.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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i. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

m. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

B. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At December 31, 2019, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$43,006,262 and the bank balance was \$42,581,735. The County's cash deposits at December 31, 2019 and during the year ended December 31, 2019, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment 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, and maturity and the quality and capability of investment management; and 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 Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County did adhere 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.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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.

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 not exposed to interest rate risk.

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.

As of December 31, 2019, the following are the County's cash and cash equivalents with respective maturities and credit rating:

| Type of Deposit | Fair Value | Percentage | Maturity in Less Than One Year | Maturity in 1-10 Years | Maturity in Over 10 Years | Credit Rating |
|---------------------------------|---------------------|----------------|--------------------------------|------------------------|---------------------------|---------------|
| Cash | \$9,076,962 | 21.11% | \$9,076,962 | | | N/A |
| Certificates of Deposit | 10,000,024 | 23.25% | 10,000,024 | | | N/A |
| | <u>19,076,986</u> | <u>44.36%</u> | <u>19,076,986</u> | | | |
| Investment Pools: | | | | | | |
| TexPool | 23,929,276 | 55.64% | 23,929,276 | | | AAAm |
| Total Investment Pools | <u>23,929,276</u> | <u>55.64%</u> | <u>23,929,276</u> | | | |
| Total Cash and Cash Equivalents | <u>\$43,006,262</u> | <u>100.00%</u> | <u>\$43,006,262</u> | | | |

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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 changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

During the current year, there were no fair value adjustments made to the financial statements since the County did not have funds that met the definition of an investment according to GASB 72.

C. Receivables

Receivables at year end, including, the applicable allowances for uncollectible accounts, are as follows:

| | Governmental | | Total |
|---|-----------------|--------------------------------|---------------|
| | General Fund | Other Governmental Funds | |
| Receivables | | | |
| Accounts | \$ 2,112,648 | \$ 16,926 | \$ 2,129,574 |
| Taxes | 12,652,287 | | 12,652,287 |
| Interest | 23,584 | | 23,584 |
| Ambulance, Fines & Fees | 3,781,774 | | 3,781,774 |
| Total Gross Receivables | 18,570,293 | 16,926 | 18,587,219 |
| Less: Allowance for Uncollectible Accounts | | | |
| Taxes | (788,500) | | (788,500) |
| Ambulance, Fines & Fees | (1,914,335) | | (1,914,335) |
| Net Total Receivables | \$ 15,867,458 | \$ 16,926 | \$ 15,884,384 |

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

D. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

| | Beginning Balances | Increases | Transfers/ Decreases | Ending Balances |
|--|-----------------------|---------------------|-------------------------|----------------------|
| Governmental activities: | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 217,697 | \$ | \$ | \$ 217,697 |
| Construction in progress | 380,982 | 4,112,272 | 56,598 | 4,436,656 |
| Total capital assets not being depreciated | <u>598,679</u> | <u>4,112,272</u> | <u>56,598</u> | <u>4,654,353</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Infrastructure | 6,671,289 | 15,300 | (26,857) | 6,713,446 |
| Buildings and improvements | 24,211,201 | 993,003 | (29,742) | 25,233,946 |
| Furniture and equipment | 11,583,007 | 2,086,185 | 400,794 | 13,268,398 |
| Total capital assets being depreciated | <u>42,465,497</u> | <u>3,094,488</u> | <u>344,195</u> | <u>45,215,790</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (4,230,235) | (119,105) | | (4,349,340) |
| Buildings and improvements | (12,485,229) | (526,268) | | (13,011,497) |
| Furniture and equipment | (7,912,717) | (842,565) | (398,094) | (8,357,188) |
| Total accumulated depreciation | <u>(24,628,181)</u> | <u>(1,487,938)</u> | <u>(398,094)</u> | <u>(25,718,025)</u> |
| Total capital assets being depreciated, net | <u>17,837,316</u> | <u>1,606,550</u> | <u>(53,899)</u> | <u>19,497,765</u> |
| Governmental activities capital assets, net | <u>\$ 18,435,995</u> | <u>\$ 5,718,822</u> | <u>\$ 2,699</u> | <u>\$ 24,152,118</u> |

Depreciation was charged to functions as follows:

| | |
|------------------------|---------------------|
| General Government | \$ 210,639 |
| Public Safety | 314,232 |
| Transportation | 300,374 |
| Health | 137,739 |
| Culture and Recreation | 383,140 |
| Facilities | 94,511 |
| Legal | 47,303 |
| | <u>\$ 1,487,938</u> |

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at December 31, 2019, consisted of the following:

| Due To Fund | Due From Fund | Amount | Purpose |
|-----------------------|---------------|------------------|------------------|
| Internal Service Fund | General Fund | \$ 29,156 | Short-term loans |
| | Total | <u>\$ 29,156</u> | |

All amounts due are scheduled to be repaid within one year.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2019, are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|--------------------------------------|----------------------|---------------------|---------------------|---------------------|-----------------------------------|
| Governmental activities: | | | | | |
| Other Post Employ. Benefits * | \$ 128,071 | \$ | \$ | \$ 128,071 | |
| Net Pension Liability/ (Asset) * | (188,577) | 4,908,753 | 1,727,492 | 2,992,684 | |
| Total governmental activities | \$ (60,506) | \$ 4,908,753 | \$ 1,727,492 | \$ 3,120,755 | |

* Payments for other post-employment benefits and pension expense that pertain to Winkler County's governmental activities are made through the general fund and special revenue funds.

G. Commitments Under Noncapitalized Leases

During a prior fiscal year, the County entered into an agreement to lease the land on which the airport was built. The terms of the lease are \$1,500 per year for 10 years beginning January 1, 2016 and ending on December 31, 2025. Commitments under this operating lease agreement provide for minimum future rental payments as of December 31, 2019, as follows:

| | |
|---------------------------------|---------------------|
| Year Ending December 31, | |
| 2020 | \$ 1,500 |
| 2021 | 1,500 |
| 2022 | 1,500 |
| 2023 | 1,500 |
| 2024 | 1,500 |
| 2025 | 1,500 |
| Total Minimum Rentals | \$ 9,000 |
| Rental Expenditures in 2019 | \$ 1,500 |

The County leases janitorial services at the airport for \$300 per month for a term of twenty years beginning March 8, 2004 and ending on March 7, 2024. Commitments under operating lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2019, as follows:

| | |
|---------------------------------|---------------------|
| Year Ending December 31, | |
| 2020 | \$ 3,600 |
| 2021 | 3,600 |
| 2022 | 3,600 |
| 2023 | 3,600 |
| 2024 | 900 |
| Total Minimum Rentals | \$ 15,300 |
| Rental Expenditures in 2019 | \$ 3,600 |

H. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2019, the County obtained unemployment, workers' compensation, property, general liability, public official liability, physical damage, automobile liability, and law enforcement coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Association of Counties Self Insurance Funds ("TAC"). TAC is a self-funded pool operating as a common risk management and insurance program. The County pays

WINKLER COUNTY, TEXAS
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an annual premium to TAC for its above insurance coverage. The agreement for the formation of TAC provides that TAC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The risk of loss is transferred to the self-funded pools for all insurance except unemployment insurance.

The self-funded unemployment program provides that the County will maintain a one year reserve based on prior claims and estimated future losses. During 2019, the County received a refund in the amount of \$3,747.

The County continues to carry commercial insurance for firefighter liability and accident coverage, public official bonds, and medical liability coverage. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

I. Pension Plan

1. Plan Description

The County participates as one of 677 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas County & District Retirement System (TCDRS). TCDRS is an agency created by the State of Texas and administered in accordance with the TCDRS Act, Subtitle F, Title 8, Texas Government Code (the TCDRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TCDRS Act places the general administration and management of the System with a nine-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TCDRS is not fiscally dependent on the State of Texas. TCDRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

All eligible employees of the County are required to participate in TCDRS.

2. Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the County-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution with a reduced monthly benefit.

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. The plan also provides death benefits and disability benefits.

Employees covered by benefit terms:

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 120 |
| Inactive employees entitled to but not yet receiving benefits | 274 |
| Active employees | 110 |
| Total covered employees | 504 |

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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3. Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for each County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rate for the County was 11.59% in calendar year 2019. The County's contributions to TCDRS for the year ended December 31 2019 were \$2,959,372, and were equal to the required contributions.

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|--|
| Inflation | 2.75% per year |
| Overall payroll growth | 2.5% per year |
| Investment Rate of Return | 8.00%, net of pension plan investment expense, including inflation |

Salary increases were based on a service-related table. Mortality rates for active members were based on 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.

Mortality rates for retirees and beneficiaries were 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.

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.

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2013 through December 31, 2016. Assumptions are reviewed annually.

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was 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 are based on January 2019 information for a 10 year time horizon.

WINKLER COUNTY, TEXAS
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Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013- December 31, 2016 for more details.

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------------|-------------------|---|
| Domestic Equities | 10.50% | 5.40% |
| Private Equity | 18.00% | 8.40% |
| Global Equities | 2.50% | 5.70% |
| International Equities-Developed | 10.00% | 5.40% |
| International Equities- Emerging | 7.00% | 5.90% |
| Investment-Grade Bonds | 3.00% | 1.60% |
| Strategic Credit | 12.00% | 4.39% |
| Direct Lending | 11.00% | 7.95% |
| Distressed Debt | 2.00% | 7.20% |
| REIT Equities | 2.00% | 4.15% |
| Master Limited Partnerships (MLPs) | 3.00% | 5.35% |
| Private Real Estate Partnerships | 6.00% | 6.30% |
| Hedge Funds | 13.00% | 3.90% |
| Total | 100.00% | |

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.10%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Development of the Single Discount Rate:

| | |
|--|-------|
| | 2018 |
| Single Discount Rate | 8.10% |
| Long-Term Expected Rate of Return | 8.10% |
| Long-Term Municipal Bond Rate | N/A |
| Last year ending December 31 in the 100 year projection period for which projected benefit payments are fully funded | N/A |

The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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| Changes in Net Pension Liability | Increase (Decrease) | | Net Pension Liability (a) - (b) |
|---|--------------------------------|------------------------------------|------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | |
| Balance at 12/31/2017 | \$ 38,271,404 | \$ 38,459,981 | \$ (188,577) |
| Changes for the year | | | |
| Service cost | 1,067,450 | | 1,067,450 |
| Interest | 3,104,540 | | 3,104,540 |
| Effect of plan changes | 291,224 | | 291,224 |
| Effect of economic/ demographic gains or losses | (876,756) | | (876,756) |
| Changes of assumptions | | | |
| Contributions - employer | | 850,736 | (850,736) |
| Contributions - employee | | 332,921 | (332,921) |
| Net investment income | | (726,321) | 726,321 |
| Refund of contributions | (128,158) | (128,158) | |
| Benefit payments, including refunds of employee contributions | (1,934,398) | (1,934,398) | |
| Administrative expense | | (29,560) | 29,560 |
| Other changes | | (22,579) | 22,579 |
| Net changes | \$ 1,523,902 | \$ (1,657,359) | \$ 3,181,261 |
| Balance at 12/31/2018 | \$ 39,795,306 | \$ 36,802,622 | \$ 2,992,684 |

Sensitivity Analysis

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

| | 1% Decrease in Discount Rate 7.10% | Discount Rate 8.10% | 1% Increase in Discount Rate 9.10% |
|--------------------------------|---------------------------------------|------------------------|---------------------------------------|
| County's net pension liability | \$ 7,882,584 | \$ 2,992,684 | \$ (1,107,100) |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

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

For the year ended December 31, 2019, the County recognized pension expense of \$1,544,138.

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At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience | \$ | \$ 593,729 |
| Changes in actuarial assumptions | \$ 184,897 | \$ |
| Difference between projected and actual investment earnings | \$ 2,392,483 | \$ |
| Contributions subsequent to the measurement date | \$ 2,958,665 | \$ |
| Total | <u>\$ 5,536,045</u> | <u>\$ 593,729</u> |

The \$2,958,665 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended Dec. 31:</u> | |
|----------------------------|------------|
| 2019 | \$ 529,413 |
| 2020 | \$ 376,060 |
| 2021 | \$ 317,255 |
| 2022 | \$ 760,923 |
| 2023 | \$ |
| Thereafter | \$ |

J. Other Post-Employment Benefits

1. Plan Description

The County provides certain health care benefits for retired employees. The Winkler County Retiree Health Care Plan is a single-employer defined benefit postretirement health care plan sponsored and administered by the County.

Winkler County provides other postemployment benefits (OPEB) for all of its employees if the employee is eligible for retirement under TCDRS; begins drawing their TCDRS retirement annuity immediately after retiring from Winkler County; has 10 years of continuous/unbroken service as a full-time employee of Winkler County and at least 60 years of age or an employee with at least 20 years of service and 75 points at the time they retire. No coverage is provided for retirees 65 and older.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

2. Benefits Provided

All employees of Winkler County, who are covered by Winkler County's medical insurance at the time they retire from service with Winkler County through the Texas County and District Retirement System (TCDRS) and have at least ten years of continuous service and at least 60 years of age or an employee with at least 20 years of service and 75 points at the time they retire, may be eligible to continue to participate in Winkler County's medical insurance program until they attain age 65 but will be required to pay 100% of the medical premiums. No coverage is provided for retirees 65 and older.

Retirees who continue medical insurance coverage with Winkler County may also continue to cover their eligible dependents. The eligible dependents who are covered by Winkler County's medical insurance at the time the employee retires from service with Winkler County through the Texas County and District Retirement System (TCDRS) and have been covered on the medical insurance for at least 10 years continuous coverage

WINKLER COUNTY, TEXAS
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at the time the employee retires, may be eligible to continue to participate in Winkler County's medical insurance program. The retiree will be responsible for 100% of dependent cost.

Dependents will cease to be eligible when they or the retiree attains age 65 and/or discontinues coverage or upon death of the retiree. The dependent may be eligible for continuation of coverage under COBRA (Federal) guidelines. Dependents acquired after the employee retires are not eligible for coverage.

Employees covered by benefit terms:

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | |
| Inactive employees entitled to but not yet receiving benefits | |
| Active employees | 86 |
| Total covered employees | <u>86</u> |

3. Net OPEB Liability

The County's Net OPEB Liability was measured as of December 31, 2018, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------|----------------|
| Inflation | 3.00% per year |
| Discount Rate | 3.64% |

The Discount rate was based on a 20-year Municipal Bond Index as of December 31, 2018.

Mortality Rates- RP-2014 Mortality Table projected with MP-2018

Changes in Total OPEB Liability

| | |
|---|-------------------|
| Balance at 12/31/2017 | \$ 127,378 |
| Changes for the year | |
| Service cost | 10,997 |
| Interest on total OPEB liability | 4,637 |
| Change of benefit terms | |
| Difference between expected and actual experience | (14,941) |
| Changes of assumptions or other inputs | |
| Benefit payments | |
| Net changes | 693 |
| Balance at 12/31/2018 | <u>\$ 128,071</u> |

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the County, calculated using the discount rate of 3.64%, 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 (2.64%) or 1-percentage-point higher (4.64%) than the current rate.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | 1% Decrease in Discount Rate 2.64% | Discount Rate 3.64% | 1% Increase in Discount Rate 4.64% |
|-------------------------------|--|---------------------------|--|
| County's total OPEB liability | \$ 140,101 | \$ 128,071 | \$ 117,568 |

5. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the County recognized OPEB expense of \$(2,941).

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ | \$ 9,059 |
| Changes in actuarial assumptions | \$ | \$ |
| Contributions subsequent to the measurement date | \$ | \$ |
| Total | <u>\$</u> | <u>\$ 9,059</u> |
| Year ended Dec. 31: | | |
| 2020 | \$ (2,941) | |
| 2021 | (2,941) | |
| 2022 | (2,941) | |
| 2023 | (236) | |
| 2024 | | |
| Thereafter | <u>\$ (9,059)</u> | |

K. Health Care Coverage

The County maintains a Group Health Insurance Internal Service Fund to account for the County's self-funded plan for benefits for comprehensive major medical care. The fund services all claims for risk of loss of group health to which the County is exposed. All departments of the County participate in the fund. The fund allocates the cost of providing claims servicing, claims payments, and reinsurance costs by charging a premium to each department based on a percentage of each department's estimated current-year payroll. This charge considers recent trends in actual claims experience of the County and makes provision for catastrophic losses. Losses of more than \$70,000 individually are paid by purchase of additional stop-loss coverage. The aggregate stop loss factor is \$241.66 for employee only coverage and employee/dependent coverage. Employees, at their option, authorized payroll withholdings to pay premiums dependent care and the Dental Insurance Plan. At December 31, 2019, the amount of claims incurred and reported and estimated incurred but not reported was \$91,679.

The contract between the County and the third party administrator is renewable October 1, 2020, and terms of coverage and contribution costs are included in the contractual provisions.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

L. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

The County entered into a maintenance contract for one air conditioning unit. The terms of the agreement is for a period of 10 years beginning February 24, 2011. Final payment is expected to be made February 28, 2020. The terms of the agreement include quarterly payments in the amount of \$3,193 for the first year. The payments for the remaining 9 years steadily increase each year. The total contract amount totals \$153,367.

The County entered into a grant agreement with the Texas Department of Transportation for a total cost of \$1.6 million. The County's matching costs totalling \$181,444 was paid during the 2019 fiscal year.

M. Subsequent Events

Subsequent events were evaluated through July 21, 2020, which is the date the financial statements were available to be issued. No significant events have occurred prior to this date.

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.

WINKLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

EXHIBIT B-1
Page 1 of 2

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenue: | | | | |
| Taxes: | | | | |
| Ad Valorem Taxes | \$ 9,044,185 | \$ 9,044,185 | \$ 10,313,585 | \$ 1,269,400 |
| General Sales and Use Taxes | 3,083,000 | 6,029,490 | 8,339,229 | 2,309,739 |
| License and Permits | 328,300 | 328,300 | 266,732 | (61,568) |
| Intergovernmental | 65,000 | 171,614 | 276,256 | 104,642 |
| Fines and Forfeitures | 160,000 | 160,000 | 515,858 | 355,858 |
| Fees | 430,200 | 431,277 | 766,518 | 335,241 |
| Investment Earnings | 100,000 | 100,000 | 826,468 | 726,468 |
| Jail Revenue | 1,035,000 | 1,035,000 | 1,266,797 | 231,797 |
| Other | 172,858 | 190,170 | 246,143 | 55,973 |
| Total revenues | <u>14,418,543</u> | <u>17,490,036</u> | <u>22,817,586</u> | <u>5,327,550</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Administration | | | | |
| Agriculture | 87,337 | 92,637 | 82,040 | 10,597 |
| County Auditor | 234,104 | 234,304 | 232,843 | 1,461 |
| Courthouse & Substation | 256,933 | 258,329 | 239,313 | 19,016 |
| Taxes & Insurance | 2,013,725 | 3,927,888 | 3,564,838 | 363,050 |
| Nondesignated Expense | 551,955 | 363,738 | 189,827 | 173,911 |
| Airport | 157,100 | 149,288 | 60,954 | 88,334 |
| Human Resources | 60,113 | 50,603 | 41,789 | 8,814 |
| Data Processing | 168,000 | 166,400 | 137,240 | 29,160 |
| Commissioners | 377,789 | 377,789 | 368,052 | 9,737 |
| County Clerk | 297,546 | 297,546 | 288,499 | 9,047 |
| Tax Assessor/Collector | 368,333 | 368,333 | 344,502 | 23,831 |
| Appraisal District | 120,650 | 120,650 | 120,648 | 2 |
| County Treasurer | 77,677 | 77,677 | 77,030 | 647 |
| District Clerk | 243,782 | 243,782 | 232,146 | 11,636 |
| Total General Administration | <u>5,015,044</u> | <u>6,728,964</u> | <u>5,979,721</u> | <u>749,243</u> |
| Public Safety | | | | |
| Fire Department- Kermit | 53,548 | 60,285 | 56,380 | 3,905 |
| Fire Department- Wink | 36,305 | 45,180 | 44,089 | 1,091 |
| Probation Department | 140,916 | 140,916 | 136,855 | 4,061 |
| Fire Marshal | 736 | 736 | | 736 |
| Juvenile Probation | 199,477 | 199,477 | 158,233 | 41,244 |
| County Sheriff | 2,481,863 | 2,512,778 | 2,292,917 | 219,861 |
| Constables | 28,104 | 28,104 | 24,185 | 3,919 |
| Total Public Safety | <u>2,940,949</u> | <u>2,987,476</u> | <u>2,712,659</u> | <u>274,817</u> |
| Transportation | | | | |
| County Barn- Kermit | 178,529 | 178,529 | 140,897 | 37,632 |
| Area 1 Road Maintenance | 274,556 | 274,556 | 153,451 | 121,105 |
| Area 2 Road Maintenance | 248,094 | 250,394 | 200,208 | 50,186 |
| Lateral Road | 341,274 | 397,962 | 340,097 | 57,865 |
| Total Transportation | <u>1,042,453</u> | <u>1,101,441</u> | <u>834,653</u> | <u>266,788</u> |
| Health and Welfare | | | | |
| Meals Department | 155,351 | 155,141 | 124,266 | 30,875 |
| Health & Sanitation | 15,100 | 15,100 | 12,120 | 2,980 |
| Veterans Service | 5,372 | 5,372 | 848 | 4,524 |
| Emergency Ambulance Service | 1,023,512 | 1,050,187 | 962,724 | 87,463 |
| Welfare Department | 36,000 | 16,000 | 9,307 | 6,693 |
| Memorial Hospital | | 1,822,257 | 1,822,257 | |

WINKLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

EXHIBIT B-1
Page 2 of 2

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| <i>Total Health and Welfare</i> | <u>1,235,335</u> | <u>3,064,057</u> | <u>2,931,522</u> | <u>132,535</u> |
| <i>Culture and Recreation</i> | | | | |
| <i>Community Center- Kermit</i> | 43,513 | 30,059 | 24,969 | 5,090 |
| <i>Westside Community Center</i> | 5,500 | 7,500 | 7,124 | 376 |
| <i>Community Center- Wink</i> | 8,700 | 15,750 | 14,736 | 1,014 |
| <i>Exhibition Building Wink</i> | 19,200 | 23,554 | 23,544 | 10 |
| <i>Swimming Pool- Kermit</i> | 98,599 | 96,999 | 47,240 | 49,759 |
| <i>Kermit Parks- Area 1</i> | 269,514 | 277,037 | 262,180 | 14,857 |
| <i>Recreation Center</i> | 23,500 | 26,250 | 19,538 | 6,712 |
| <i>Swimming Pool- Wink</i> | 29,555 | 29,555 | 15,208 | 14,347 |
| <i>Wink Parks- Area 2</i> | 221,495 | 217,521 | 196,896 | 20,625 |
| <i>Golf Course</i> | 325,908 | 325,908 | 259,917 | 65,991 |
| <i>Kermit Library</i> | 143,353 | 143,353 | 134,224 | 9,129 |
| <i>Wink Library</i> | 59,803 | 65,803 | 59,326 | 6,477 |
| <i>Senior Citizen Center</i> | 95,638 | 95,848 | 87,974 | 7,874 |
| <i>Total Culture and Recreation</i> | <u>1,344,278</u> | <u>1,355,137</u> | <u>1,152,876</u> | <u>202,261</u> |
| <i>Facilities</i> | | | | |
| <i>Maintenance Engineer</i> | 73,715 | 83,550 | 82,642 | 908 |
| <i>Safety/ Loss Control</i> | 76,425 | 138,724 | 135,237 | 3,487 |
| <i>Total Facilities</i> | <u>150,140</u> | <u>222,274</u> | <u>217,879</u> | <u>4,395</u> |
| <i>Judicial</i> | | | | |
| <i>District Court</i> | 90,003 | 115,003 | 107,720 | 7,283 |
| <i>District Court Reporter</i> | 44,273 | 44,273 | 32,008 | 12,265 |
| <i>Juvenile Court</i> | 8,641 | 18,641 | 13,285 | 5,356 |
| <i>County Court</i> | 29,100 | 29,100 | 15,278 | 13,822 |
| <i>County Judge</i> | 192,596 | 192,896 | 191,001 | 1,895 |
| <i>Justice of the Peace Precinct 1</i> | 76,287 | 78,133 | 78,056 | 77 |
| <i>Justice of the Peace Precinct 2</i> | 69,049 | 70,049 | 68,076 | 1,973 |
| <i>Justice Court</i> | 80,000 | 80,000 | 52,663 | 27,337 |
| <i>District Court Jury</i> | 14,300 | 14,300 | 6,606 | 7,694 |
| <i>County & Justice Courts</i> | 1,400 | 1,400 | | 1,400 |
| <i>Total Judicial</i> | <u>605,649</u> | <u>643,795</u> | <u>564,693</u> | <u>79,102</u> |
| <i>Legal</i> | | | | |
| <i>Law Library</i> | 15,000 | 15,456 | 15,455 | 1 |
| <i>County Attorney</i> | 233,235 | 235,712 | 229,404 | 6,308 |
| <i>District Attorney</i> | 157,033 | 160,666 | 154,953 | 5,713 |
| <i>Total Legal</i> | <u>405,268</u> | <u>411,834</u> | <u>399,812</u> | <u>12,022</u> |
| <i>Capital Outlay</i> | <u>1,679,427</u> | <u>6,578,454</u> | <u>6,110,628</u> | <u>467,826</u> |
| <i>Total Expenditures</i> | <u>14,418,543</u> | <u>23,093,432</u> | <u>20,904,443</u> | <u>2,188,989</u> |
| <i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i> | | <u>(5,603,396)</u> | <u>1,913,143</u> | <u>7,516,539</u> |
| <i>Other Financing Sources (Uses):</i> | | | | |
| <i>Total Other Financing Sources (Uses)</i> | | | | |
| <i>Net Change in Fund Balances</i> | | <u>(5,603,396)</u> | <u>1,913,143</u> | <u>7,516,539</u> |
| <i>Fund Balances - Beginning</i> | <u>30,626,011</u> | <u>30,626,011</u> | <u>30,626,011</u> | |
| <i>Fund Balances - Ending</i> | <u>\$ 30,626,011</u> | <u>\$ 25,022,615</u> | <u>\$ 32,539,154</u> | <u>\$ 7,516,539</u> |

WINKLER COUNTY, TEXAS
SCHEDULE OF THE COUNTY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

| | Fiscal Year | | | | | | | | | |
|---|----------------|---------------|---------------|---------------|---------------|------|------|------|------|------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 1,067,450 | \$ 1,146,197 | \$ 1,262,467 | \$ 1,081,444 | \$ 1,077,342 | \$ | \$ | \$ | \$ | \$ |
| Interest (on the total pension liability) | 3,104,540 | 2,938,735 | 2,766,361 | 2,612,407 | 2,445,238 | | | | | |
| Effect of plan changes | 291,224 | | (173,596) | | | | | | | |
| Effect of assumption changes | | 369,793 | 431,748 | | | | | | | |
| Effect of economic/demographic gain or losses | (876,756) | (310,701) | (525,254) | (308,027) | (23,689) | | | | | |
| Benefit payments, including refunds of employee contributions | (2,062,556) | (1,975,725) | (1,832,578) | (1,583,260) | (1,544,790) | | | | | |
| Net Change in Total Pension Liability | 1,523,902 | 2,168,299 | 1,670,996 | 2,050,716 | 1,954,101 | | | | | |
| Total Pension Liability- Beginning | 38,271,405 | 36,103,106 | 34,432,110 | 32,371,394 | 30,417,293 | | | | | |
| Total Pension Liability- Ending (a) | \$ 39,795,307 | \$ 38,271,405 | \$ 36,103,106 | \$ 34,432,110 | \$ 32,371,394 | | | | | |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Contributions- Employer | \$ 850,736 | \$ 1,038,682 | \$ 1,186,168 | \$ 924,482 | \$ 849,960 | \$ | \$ | \$ | \$ | \$ |
| Contributions- Employee | 332,921 | 506,538 | 552,129 | 558,359 | 611,330 | | | | | |
| Net Investment Income | (726,321) | 4,951,582 | 2,350,887 | (322,792) | 2,051,462 | | | | | |
| Benefit payments, including refunds of employee contributions | (2,062,556) | (1,975,725) | (1,832,578) | (1,583,260) | (1,544,790) | | | | | |
| Administrative Expense | (29,560) | (25,577) | (25,610) | (23,083) | (24,140) | | | | | |
| Other | (22,579) | (6,011) | (118,622) | (24,793) | 31,332 | | | | | |
| Net Change in Plan Fiduciary Net Position | \$ (1,657,359) | \$ 4,489,489 | \$ 2,112,374 | \$ (471,087) | \$ 1,975,154 | \$ | \$ | \$ | \$ | \$ |
| Plan Fiduciary Net Position- Beginning | 38,459,982 | 33,970,493 | 31,858,119 | 32,329,206 | 30,354,052 | | | | | |
| Plan Fiduciary Net Position- Ending (b) | \$ 36,802,623 | \$ 38,459,982 | \$ 33,970,493 | \$ 31,858,119 | \$ 32,329,206 | | | | | |
| Net Pension Liability- Ending (a) - (b) | \$ 2,992,684 | \$ (188,577) | \$ 2,132,613 | \$ 2,573,991 | \$ 42,188 | \$ | \$ | \$ | \$ | \$ |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 92.48% | 100.49% | 94.09% | 92.52% | 99.87% | | | | | |
| County's covered-employee payroll | \$ 4,756,005 | \$ 7,236,231 | \$ 7,887,558 | \$ 7,976,552 | \$ 7,333,561 | \$ | \$ | \$ | \$ | \$ |
| Net Pension Liability as a Percentage of Covered Employee Payroll | 62.92% | -2.61% | 27.04% | 32.27% | 0.58% | | | | | |

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

WINKLER COUNTY, TEXAS
SCHEDULE OF COUNTY CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

| | Fiscal Year | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|------|------|------|------|------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Contractually required contribution | \$ 2,959,372 | \$ 861,199 | \$ 1,310,682 | \$ 914,168 | \$ 924,482 | \$ | \$ | \$ | \$ | \$ |
| Contributions in relation to the contractually required contribution | (2,959,372) | (861,199) | (1,310,682) | (914,168) | (924,482) | | | | | |
| Contribution deficiency (excess) | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| County's covered-employee payroll | \$ 5,539,987 | \$ 4,756,005 | \$ 7,236,231 | \$ 7,887,533 | \$ 7,977,564 | \$ | \$ | \$ | \$ | \$ |
| Contributions as a percentage of covered-employee payroll | 53.42% | 18.11% | 18.11% | 11.59% | 11.59% | | | | | |

Note: GASB 68, Paragraph 81.2b requires that the data in this schedule be presented as of the County's current fiscal year as opposed to the time period covered by the measurement date of January 1, 2018- December 31, 2018.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

WINKLER COUNTY, TEXAS
SCHEDULE OF NET OPEB LIABILITY
WINKLER COUNTY RETIREE HEALTH CARE PLAN
LAST TEN FISCAL YEARS *

| | Measurement Year Ended | | | | | | | | | |
|--|------------------------|------------|------|------|------|------|------|------|------|------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Total OPEB Liability | | | | | | | | | | |
| Service Cost | \$ | \$ 10,997 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Interest on total OPEB liability | | 4,637 | | | | | | | | |
| Differences between expected and actual experience | | (14,941) | | | | | | | | |
| Net Change in OPEB Liability | \$ | \$ 693 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Total OPEB liability- beginning | 128,071 | 127,378 | | | | | | | | |
| Total OPEB liability- ending | \$ 128,071 | \$ 128,071 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| County's covered payroll ** | \$ | 0 \$ | 0 \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| County's total OPEB liability as a percentage of its covered payroll | | 0% | 0% | | | | | | | |

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

** The actuarially calculated OPEB liability is comprised of unfunded costs for certain retired employees whose actual covered payroll is not determinable.

WINKLER COUNTY, TEXAS
SCHEDULE OF THE COUNTY'S OPEB CONTRIBUTIONS
WINKLER COUNTY RETIREE HEALTH CARE PLAN
LAST TEN FISCAL YEARS *

| | Fiscal Year Ended | | | | | | | | | |
|--|-------------------|------|------|------|------|------|------|------|------|------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Statutorily or contractually required County contribution | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Contributions recognized by OPEB in relation to statutorily or contractually required contribution | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Contribution deficiency (excess) | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| County's covered payroll ** | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Contributions as a percentage of covered-employee payroll | | | | | | | | | | |

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

** The actuarially calculated OPEB liability is comprised of unfunded costs for certain retired employees whose actual covered payroll is not determinable.

WINKLER COUNTY, TEXAS**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019****Note 1: Pension Information****Valuation Date:**

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

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | 11.9 years (based on contribution rate calculated in 12/31/18 valuation) |
| Asset Valuation Method | 5-year Smoothed Market |
| Inflation | 2.75% |
| Salary Increases | Varies by age and service. 4.9% average over career including inflation |
| Investment Rate of Return | 8.00%, net of investment expenses, including inflation |
| Retirement Age | Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61. |
| Mortality | 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. |

Other Information:

| | |
|------------------------------------|------|
| Changes in Assumptions and Methods | None |
| Changes in Plan Provisions | None |

Note 2: OPEB Information**Valuation Date:**

December 31, 2018

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|------------------------|---|
| Actuarial Cost Method | Entry Age Normal with Normal Cost as a level percent of pay |
| Asset Valuation Method | 5-year Smoothed Market |
| Inflation | 3.00% |
| Salary Increases | Varies by age and service. |

WINKLER COUNTY, TEXAS**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019****Note 4: Reconciliation of Differences Between Budgetary Comparison Schedule and Statement of Revenues,
Expenditures and Changes in Fund Balance**

| | <u>General Fund</u> |
|---|-----------------------------|
| Revenues: | |
| Actual amount (budgetary basis) "Total revenues" from the budgetary comparison schedule (Exhibit B-1) | \$ 22,817,586 |
| Differences- budget to GAAP: | |
| The County budgets for ad valorem taxes according to the property tax levy calendar October- September. Current tax collections for October-December are not considered current year revenues for budgetary purposes. | 598,666 |
| Outstanding taxes at fiscal year end are not considered current year revenues for budgetary purposes. | 2,069,968 |
| The County budgets for licenses and permits, fees, and other revenues on the cash basis, rather than on the modified accrual basis. | <u>515,797</u> |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5) | \$ <u><u>26,002,017</u></u> |

| | <u>General Fund</u> |
|--|-----------------------------|
| Expenditures: | |
| Actual amount (budgetary basis) "Total expenditures" from the budgetary comparison schedule (Exhibit B-1) | \$ 20,904,443 |
| The County budgets for supplies, equipment, and services on the cash basis, rather than on the modified accrual basis. | 1,124,294 |
| The County budgets for salaries and wages on the cash basis, rather than on the modified accrual basis. | <u>45,718</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5) | \$ <u><u>22,074,455</u></u> |

WINKLER COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

Beginning Fund Balances:

| | |
|--|-----------------------------|
| Actual amount (budgetary basis) "Fund balances-beginning" from the budgetary comparison schedule (Exhibit B-1). | \$ 30,626,011 |
| Outstanding taxes at fiscal year end are not considered current year revenues for budgetary purposes. This amount represents the taxes outstanding at December 31, 2018 less the allowance for uncollectible taxes. | 8,493,349 |
| The County budgets for licenses and permits, fees, and other revenues on the cash basis, rather than on the modified accrual basis. This amount represents prior year accounts receivable. | 1,620,435 |
| The County budgets for ad valorem taxes according to the property tax levy calendar October-September. Current tax collections for October-December are not considered current year revenues for budgetary purposes. This amount represents the current tax collections for October-December 2018. | 320,491 |
| The County budgets for supplies, equipment, and services on the cash basis, rather than on the modified accrual basis. This amount represents prior year accounts payable. | (237,328) |
| The County budgets for salaries and wages on the cash basis, rather than on the modified accrual basis. This amount represents prior year accrued payroll. | <u>(170,762)</u> |
| Beginning fund balance as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5). | \$ <u><u>40,652,196</u></u> |

*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.

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

| | <u>LEOSE Training Fund</u> | <u>Sheriff's Forfeiture Fund</u> | <u>District Attorney's Forfeiture Fund</u> | <u>Probation Evaluation Fund</u> |
|--|------------------------------------|--|--|--|
| ASSETS AND DEFERRED OUTFLOWS | | | | |
| Assets: | | | | |
| <i>Cash and Cash Equivalents</i> | \$ 13,832 | \$ 110,620 | \$ 2,328 | \$ 4,516 |
| <i>Receivables (net of allowances for uncollectibles):</i> | | | | |
| <i>Accounts</i> | | | | |
| Total Assets | <u>13,832</u> | <u>110,620</u> | <u>2,328</u> | <u>4,516</u> |
| Total Assets and Deferred Outflows | <u>\$ 13,832</u> | <u>\$ 110,620</u> | <u>\$ 2,328</u> | <u>\$ 4,516</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| <i>Accounts Payable and Other Current Liabilities</i> | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Total Liabilities | <u>_____</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Deferred Inflows: | | | | |
| <i>Ambulance, Fines, Fees & Court Costs</i> | | | | |
| Fund Balances: | | | | |
| Restricted For: | | | | |
| <i>Public Safety</i> | 13,832 | 110,620 | | 4,516 |
| <i>Legal Services</i> | | | 2,328 | |
| <i>Judicial Services</i> | | | | |
| <i>General Administration</i> | | | | |
| Total Fund Balance | <u>13,832</u> | <u>110,620</u> | <u>2,328</u> | <u>4,516</u> |
| Total Liabilities, Def Inflows and Fund Balance | <u>\$ 13,832</u> | <u>\$ 110,620</u> | <u>\$ 2,328</u> | <u>\$ 4,516</u> |

| <u>Juvenile Probation Fee Fund</u> | <u>County Attorney Hot Check Fund</u> | <u>District Attorney Hot Check Fund</u> | <u>District Attorney Victims Assistance Fund</u> | <u>CSCD Fund</u> |
|--|---|---|--|----------------------|
| \$ 6,794 | \$ 1,245 | \$ 205 | \$ 68,728 | \$ 62,671 |
| <u>6,794</u> | <u>1,245</u> | <u>205</u> | <u>68,728</u> | <u>62,671</u> |
| <u>\$ 6,794</u> | <u>\$ 1,245</u> | <u>\$ 205</u> | <u>\$ 68,728</u> | <u>\$ 62,671</u> |
| \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| 6,794 | 1,245 | 205 | 68,728 | 62,671 |
| <u>6,794</u> | <u>1,245</u> | <u>205</u> | <u>68,728</u> | <u>62,671</u> |
| <u>\$ 6,794</u> | <u>\$ 1,245</u> | <u>\$ 205</u> | <u>\$ 68,728</u> | <u>\$ 62,671</u> |

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

| | County Clerk Records Mgt/Preser Fund | County Records Mgt/Preservation Fund | Courthouse Security Fund | Justice Court Technology Fund |
|---|--|--|--------------------------------|-------------------------------------|
| | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> |
| ASSETS AND DEFERRED OUTFLOWS | | | | |
| Assets: | | | | |
| <i>Cash and Cash Equivalents</i> | \$ 138,145 | \$ 57,983 | \$ 53,923 | \$ 53,362 |
| <i>Receivables (net of allowances for uncollectibles):</i> | | | | |
| <i>Accounts</i> | 2,860 | 153 | 380 | |
| Total Assets | <u>141,005</u> | <u>58,136</u> | <u>54,303</u> | <u>53,362</u> |
| Total Assets and Deferred Outflows | <u>\$ 141,005</u> | <u>\$ 58,136</u> | <u>\$ 54,303</u> | <u>\$ 53,362</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| <i>Accounts Payable and Other Current Liabilities</i> | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Total Liabilities | <u>_____</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Deferred Inflows: | | | | |
| <i>Ambulance, Fines, Fees & Court Costs</i> | | | | |
| Fund Balances: | | | | |
| Restricted For: | | | | |
| <i>Public Safety</i> | | | 54,303 | |
| <i>Legal Services</i> | | | | |
| <i>Judicial Services</i> | | | | 53,362 |
| <i>General Administration</i> | 141,005 | 58,136 | | |
| Total Fund Balance | <u>141,005</u> | <u>58,136</u> | <u>54,303</u> | <u>53,362</u> |
| Total Liabilities, Def Inflows and Fund Balance | <u>\$ 141,005</u> | <u>\$ 58,136</u> | <u>\$ 54,303</u> | <u>\$ 53,362</u> |

| <u>Juvenile Probation Title IV-E Fund</u> | <u>County Clerk Records Archive Fund</u> | <u>County Clerk Vital Statistic Preservation Fund</u> | <u>District Clerk Records Mgt/Preservation Fund</u> | <u>Justice Court Building Security</u> |
|---|--|---|---|--|
| \$ 12,330 | \$ 100,578 | \$ 8,205 | \$ 24,887 | \$ 10,889 |
| | 2,740 | 28 | 155 | |
| <u>12,330</u> | <u>103,318</u> | <u>8,233</u> | <u>25,042</u> | <u>10,889</u> |
| <u>\$ 12,330</u> | <u>\$ 103,318</u> | <u>\$ 8,233</u> | <u>\$ 25,042</u> | <u>\$ 10,889</u> |
| <u>\$ _____</u> | <u>\$ _____</u> | <u>\$ _____</u> | <u>\$ _____</u> | <u>\$ _____</u> |
| 12,330 | | | | 10,889 |
| <u>12,330</u> | <u>103,318</u> | <u>8,233</u> | <u>25,042</u> | <u>10,889</u> |
| <u>\$ 12,330</u> | <u>\$ 103,318</u> | <u>\$ 8,233</u> | <u>\$ 25,042</u> | <u>\$ 10,889</u> |

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

| | <u>Judicial Efficiency Fund</u> | <u>County Child Abuse Prevention</u> | <u>Pretrial Intervention Fund</u> | <u>Pretrial Intervention District Attorney</u> |
|--|---|--|---|--|
| ASSETS AND DEFERRED OUTFLOWS | | | | |
| Assets: | | | | |
| <i>Cash and Cash Equivalents</i> | \$ 1,381 | \$ 1,678 | \$ 217,729 | \$ 3,800 |
| <i>Receivables (net of allowances for uncollectibles):</i> | | | | |
| <i>Accounts</i> | <u>1</u> | | | |
| Total Assets | <u>1,382</u> | <u>1,678</u> | <u>217,729</u> | <u>3,800</u> |
| Total Assets and Deferred Outflows | <u>\$ 1,382</u> | <u>\$ 1,678</u> | <u>\$ 217,729</u> | <u>\$ 3,800</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| <i>Accounts Payable and Other Current Liabilities</i> | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Total Liabilities | <u>_____</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Deferred Inflows: | | | | |
| <i>Ambulance, Fines, Fees & Court Costs</i> | | | | |
| Fund Balances: | | | | |
| Restricted For: | | | | |
| <i>Public Safety</i> | | | | 3,800 |
| <i>Legal Services</i> | | | | |
| <i>Judicial Services</i> | 1,382 | | 217,729 | |
| <i>General Administration</i> | | 1,678 | | |
| Total Fund Balance | <u>1,382</u> | <u>1,678</u> | <u>217,729</u> | <u>3,800</u> |
| Total Liabilities, Def Inflows and Fund Balance | <u>\$ 1,382</u> | <u>\$ 1,678</u> | <u>\$ 217,729</u> | <u>\$ 3,800</u> |

| <u>Centennial Fund</u> | <u>District Court Technology Fund</u> | <u>Cty & Dist Court Tech Fund</u> | <u>Drug Dog Fund</u> | <u>Judicial Education Fund</u> |
|----------------------------|---|---|------------------------------|--|
| \$ 2,169 | \$ 11,787 | \$ 2,990 | \$ 1,000 | \$ 695 |
| <u>2,169</u> | <u>11,787</u> | <u>2,990</u> | <u>1,000</u> | <u>695</u> |
| <u>\$ 2,169</u> | <u>\$ 11,787</u> | <u>\$ 2,990</u> | <u>\$ 1,000</u> | <u>\$ 695</u> |
| \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| <u>2,169</u> | <u>11,787</u> | <u>2,990</u> | <u>1,000</u> | <u>695</u> |
| <u>2,169</u> | <u>11,787</u> | <u>2,990</u> | <u>1,000</u> | <u>695</u> |
| <u>\$ 2,169</u> | <u>\$ 11,787</u> | <u>\$ 2,990</u> | <u>\$ 1,000</u> | <u>\$ 695</u> |

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

| | Juvenile Rec Center Fund | Prevention Grant Rec Center | Total Nonmajor Special Revenue Funds (See Exhibit A-3) |
|---|--------------------------------|-----------------------------------|---|
| ASSETS AND DEFERRED OUTFLOWS | | | |
| Assets: | | | |
| <i>Cash and Cash Equivalents</i> | \$ 1,355 | \$ | \$ 975,825 |
| <i>Receivables (net of allowances for uncollectibles):</i> | | | |
| <i>Accounts</i> | | 10,609 | 16,926 |
| Total Assets | <u>1,355</u> | <u>10,609</u> | <u>992,751</u> |
| Total Assets and Deferred Outflows | <u>\$ 1,355</u> | <u>\$ 10,609</u> | <u>\$ 992,751</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES: | | | |
| Liabilities: | | | |
| <i>Accounts Payable and Other Current Liabilities</i> | \$ | \$ 8,664 | \$ 8,664 |
| Total Liabilities | | <u>8,664</u> | <u>8,664</u> |
| Deferred Inflows: | | | |
| <i>Ambulance, Fines, Fees & Court Costs</i> | | | |
| Fund Balances: | | | |
| Restricted For: | | | |
| <i>Public Safety</i> | 1,355 | 1,945 | 273,166 |
| <i>Legal Services</i> | | | 72,506 |
| <i>Judicial Services</i> | | | 284,057 |
| <i>General Administration</i> | | | 354,358 |
| Total Fund Balance | <u>1,355</u> | <u>1,945</u> | <u>984,087</u> |
| Total Liabilities, Def Inflows and Fund Balance | <u>\$ 1,355</u> | <u>\$ 10,609</u> | <u>\$ 992,751</u> |

WINKLER COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | LEOSE Training Fund | Sheriff's Forfeiture Fund | District Attorney's Forfeiture Fund | Probation Evaluation Fund |
|--|---------------------------|---------------------------------|---|---------------------------------|
| Revenue: | | | | |
| <i>Intergovernmental</i> | \$ | \$ | \$ | \$ |
| <i>Fines and Forfeitures</i> | | | | |
| <i>Fees</i> | 2,792 | | | |
| <i>Investment Earnings</i> | | 1,855 | 39 | |
| <i>Other</i> | | | | |
| Total revenues | <u>2,792</u> | <u>1,855</u> | <u>39</u> | |
| Expenditures: | | | | |
| Current: | | | | |
| <i>Public Safety</i> | 2,318 | 5,553 | | |
| <i>Judicial</i> | | | | |
| Total Expenditures | <u>2,318</u> | <u>5,553</u> | | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>474</u> | <u>(3,698)</u> | <u>39</u> | |
| Other Financing Sources (Uses): | | | | |
| Total Other Financing Sources (Uses) | | | | |
| Net Change in Fund Balances | 474 | (3,698) | 39 | |
| Fund Balances - Beginning | 13,358 | 114,318 | 2,289 | 4,516 |
| Fund Balances - Ending | <u>\$ 13,832</u> | <u>\$ 110,620</u> | <u>\$ 2,328</u> | <u>\$ 4,516</u> |

| Juvenile Probation Fee Fund | County Attorney Hot Check Fund | District Attorney Hot Check Fund | District Attorney Victims Assistance Fund | CSCD Fund |
|-----------------------------------|--------------------------------------|--|---|------------------|
| \$ | \$ | \$ | \$ | \$ 95,606 |
| 330 | 480 | | | 14,660 |
| | | | | 83,359 |
| | | | | 844 |
| <u>330</u> | <u>480</u> | | | <u>194,469</u> |
| | | | | 185,878 |
| | | | | <u>185,878</u> |
| <u>330</u> | <u>480</u> | | | <u>8,591</u> |
| | | | | |
| <u>330</u> | <u>480</u> | | | <u>8,591</u> |
| 6,464 | 765 | 205 | 68,728 | 54,080 |
| <u>\$ 6,794</u> | <u>\$ 1,245</u> | <u>\$ 205</u> | <u>\$ 68,728</u> | <u>\$ 62,671</u> |

WINKLER COUNTY, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019*

| | County Clerk Records Mgt/Preser Fund | County Records Mgt/Preservation Fund | Courthouse Security Fund | Justice Court Technology Fund |
|--|--|--|--------------------------------|-------------------------------------|
| Revenue: | | | | |
| <i>Intergovernmental</i> | \$ | \$ | \$ | \$ |
| <i>Fines and Forfeitures</i> | | | | |
| <i>Fees</i> | 36,730 | 2,318 | 11,500 | 9,640 |
| <i>Investment Earnings</i> | | | | |
| <i>Other</i> | | | | |
| Total revenues | <u>36,730</u> | <u>2,318</u> | <u>11,500</u> | <u>9,640</u> |
| Expenditures: | | | | |
| Current: | | | | |
| <i>Public Safety</i> | | | 8,506 | |
| <i>Judicial</i> | | | | |
| Total Expenditures | | | <u>8,506</u> | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>36,730</u> | <u>2,318</u> | <u>2,994</u> | <u>9,640</u> |
| Other Financing Sources (Uses): | | | | |
| Total Other Financing Sources (Uses) | | | | |
| Net Change in Fund Balances | 36,730 | 2,318 | 2,994 | 9,640 |
| Fund Balances - Beginning | 104,275 | 55,818 | 51,309 | 43,722 |
| Fund Balances - Ending | <u>\$ 141,005</u> | <u>\$ 58,136</u> | <u>\$ 54,303</u> | <u>\$ 53,362</u> |

| Juvenile Probation Title IV-E Fund | County Clerk Records Archive Fund | County Clerk Vital Statistic Preservation Fund | District Clerk Records Mgt/Preservation Fund | Justice Court Building Security |
|--|---|--|--|---------------------------------------|
| \$ 209 | \$ | \$ | \$ | \$ |
| | 36,130 | 371 | 2,513 | 2,206 |
| <u>209</u> | <u>36,130</u> | <u>371</u> | <u>2,513</u> | <u>2,206</u> |
| 400 | | | | |
| <u>400</u> | | | | |
| (191) | 36,130 | 371 | 2,513 | 2,206 |
| | | | | |
| <u>(191)</u> | <u>36,130</u> | <u>371</u> | <u>2,513</u> | <u>2,206</u> |
| 12,521 | 67,188 | 7,862 | 22,529 | 8,683 |
| <u>\$ 12,330</u> | <u>\$ 103,318</u> | <u>\$ 8,233</u> | <u>\$ 25,042</u> | <u>\$ 10,889</u> |

WINKLER COUNTY, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019*

| | <u>Judicial Efficiency Fund</u> | <u>County Child Abuse Prevention</u> | <u>Pretrial Intervention Fund</u> | <u>Pretrial Intervention District Attorney</u> |
|--|---|--|---|--|
| Revenue: | | | | |
| <i>Intergovernmental</i> | \$ | \$ | \$ | \$ |
| <i>Fines and Forfeitures</i> | | | | |
| <i>Fees</i> | 31 | 108 | 19,274 | 2,000 |
| <i>Investment Earnings</i> | | | | |
| <i>Other</i> | | | | |
| Total revenues | <u>31</u> | <u>108</u> | <u>19,274</u> | <u>2,000</u> |
| Expenditures: | | | | |
| Current: | | | | |
| <i>Public Safety</i> | | | | |
| <i>Judicial</i> | | | 1,875 | |
| Total Expenditures | | | <u>1,875</u> | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>31</u> | <u>108</u> | <u>17,399</u> | <u>2,000</u> |
| Other Financing Sources (Uses): | | | | |
| Total Other Financing Sources (Uses) | | | | |
| Net Change in Fund Balances | 31 | 108 | 17,399 | 2,000 |
| Fund Balances - Beginning | 1,351 | 1,570 | 200,330 | 1,800 |
| Fund Balances - Ending | <u>\$ 1,382</u> | <u>\$ 1,678</u> | <u>\$ 217,729</u> | <u>\$ 3,800</u> |

| Centennial Fund | District Court Technology Fund | Cty & Dist Court Tech Fund | Drug Dog Fund | Judicial Education Fund |
|-----------------|--------------------------------|----------------------------|-----------------|-------------------------|
| \$ | \$ | \$ | \$ | \$ |
| | 1,761 | 212 | | 155 |
| | <u>1,761</u> | <u>212</u> | | <u>155</u> |
| | | | | |
| | <u>1,761</u> | <u>212</u> | | <u>155</u> |
| | | | | |
| | <u>1,761</u> | <u>212</u> | | <u>155</u> |
| 2,169 | 10,026 | 2,778 | 1,000 | 540 |
| <u>\$ 2,169</u> | <u>\$ 11,787</u> | <u>\$ 2,990</u> | <u>\$ 1,000</u> | <u>\$ 695</u> |

WINKLER COUNTY, TEXAS
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Juvenile Rec Center Fund | Prevention Grant Rec Center | Total Nonmajor Special Revenue Funds (See Exhibit A-5) |
|--|--------------------------------|-----------------------------------|---|
| Revenue: | | | |
| <i>Intergovernmental</i> | \$ | \$ 126,148 | \$ 221,963 |
| <i>Fines and Forfeitures</i> | | | 14,660 |
| <i>Fees</i> | | | 211,910 |
| <i>Investment Earnings</i> | | | 2,738 |
| <i>Other</i> | 850 | | 850 |
| Total revenues | <u>850</u> | <u>126,148</u> | <u>452,121</u> |
| Expenditures: | | | |
| Current: | | | |
| <i>Public Safety</i> | 2,368 | 145,720 | 350,743 |
| <i>Judicial</i> | | | 1,875 |
| Total Expenditures | <u>2,368</u> | <u>145,720</u> | <u>352,618</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,518)</u> | <u>(19,572)</u> | <u>99,503</u> |
| Other Financing Sources (Uses): | | | |
| Total Other Financing Sources (Uses) | | | |
| Net Change in Fund Balances | (1,518) | (19,572) | 99,503 |
| Fund Balances - Beginning | 2,873 | 21,517 | 884,584 |
| Fund Balances - Ending | <u>\$ 1,355</u> | <u>\$ 1,945</u> | <u>\$ 984,087</u> |

WINKLER COUNTY, TEXAS**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS**

DECEMBER 31, 2019

| | Sheriff Forfeiture Holding | County Attorney | County Clerk |
|-----------------------------------|----------------------------------|--------------------|-------------------|
| ASSETS: | | | |
| <i>Cash and Cash Equivalents</i> | \$ 127 | \$ 749 | \$ 123,793 |
| Total Assets | <u>\$ 127</u> | <u>\$ 749</u> | <u>\$ 123,793</u> |
| LIABILITIES: | | | |
| <i>Accounts Payable</i> | \$ | \$ | \$ 34,395 |
| <i>Due to Other Governments</i> | 127 | 749 | |
| <i>Due to Trust Beneficiaries</i> | | | 87,436 |
| <i>Deposits</i> | | | |
| <i>Other Liabilities</i> | | | 1,962 |
| Total Liabilities | <u>\$ 127</u> | <u>\$ 749</u> | <u>\$ 123,793</u> |

| <u>District Clerk</u> | <u>Tax Assessor Collector</u> | <u>Sheriff Inmate Trust</u> | <u>Sheriff Commissary Fund</u> |
|-----------------------|-------------------------------|-----------------------------|--------------------------------|
| \$ 5,831,120 | \$ 1,587,730 | \$ 11,313 | \$ 16,260 |
| <u>\$ 5,831,120</u> | <u>\$ 1,587,730</u> | <u>\$ 11,313</u> | <u>\$ 16,260</u> |
| \$ 1,622 | \$ 897,499 | \$ 11,313 | \$ 16,260 |
| 5,829,498 | 679,212 | | |
| | 11,019 | | |
| <u>\$ 5,831,120</u> | <u>\$ 1,587,730</u> | <u>\$ 11,313</u> | <u>\$ 16,260</u> |

WINKLER COUNTY, TEXAS*COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**AGENCY FUNDS**DECEMBER 31, 2019*

| | District Attorney Forfeiture Holding Account | Sheriff Fee Fund | Total Agency Funds (See Exhibit A-10) |
|-----------------------------------|--|------------------------|--|
| ASSETS: | | | |
| <i>Cash and Cash Equivalents</i> | \$ 88,741 | \$ 3 | \$ 7,659,836 |
| Total Assets | <u>\$ 88,741</u> | <u>\$ 3</u> | <u>\$ 7,659,836</u> |
| LIABILITIES: | | | |
| <i>Accounts Payable</i> | \$ | \$ 3 | \$ 961,092 |
| <i>Due to Other Governments</i> | 88,741 | | 768,829 |
| <i>Due to Trust Beneficiaries</i> | | | 5,916,934 |
| <i>Deposits</i> | | | 11,019 |
| <i>Other Liabilities</i> | | | 1,962 |
| Total Liabilities | <u>\$ 88,741</u> | <u>\$ 3</u> | <u>\$ 7,659,836</u> |

WINKLER COUNTY, TEXAS

EXHIBIT C-4

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2019

| | Balance January 1, 2019 | Additions | Deductions | Balance December 31, 2019 |
|------------------------------------|-------------------------------|---------------------|---------------------|---------------------------------|
| SHERIFF FORFEITURE HOLDING | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 124 | \$ 3 | \$ | \$ 127 |
| Total Assets | <u>\$ 124</u> | <u>\$ 3</u> | <u>\$</u> | <u>\$ 127</u> |
| LIABILITIES | | | | |
| <i>Accounts Payable</i> | \$ | \$ | \$ | \$ |
| <i>Due to Other Governments</i> | 124 | 3 | | 127 |
| Total Liabilities | <u>\$ 124</u> | <u>\$ 3</u> | <u>\$</u> | <u>\$ 127</u> |
| COUNTY ATTORNEY | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 4,057 | \$ 101 | \$ 3,409 | \$ 749 |
| Total Assets | <u>\$ 4,057</u> | <u>\$ 101</u> | <u>\$ 3,409</u> | <u>\$ 749</u> |
| LIABILITIES | | | | |
| <i>Accounts Payable</i> | \$ | \$ | \$ | \$ |
| <i>Due to Other Governments</i> | 4,057 | 101 | 3,409 | 749 |
| Total Liabilities | <u>\$ 4,057</u> | <u>\$ 101</u> | <u>\$ 3,409</u> | <u>\$ 749</u> |
| COUNTY CLERK | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 113,611 | \$ 61,864 | \$ 51,682 | \$ 123,793 |
| Total Assets | <u>\$ 113,611</u> | <u>\$ 61,864</u> | <u>\$ 51,682</u> | <u>\$ 123,793</u> |
| LIABILITIES | | | | |
| <i>Accounts Payable</i> | \$ 30,366 | \$ 28,614 | \$ 24,585 | \$ 34,395 |
| <i>Due to Trust Beneficiaries</i> | 76,433 | 23,251 | 12,248 | 87,436 |
| <i>Other Liabilities</i> | 6,812 | 9,999 | 14,849 | 1,962 |
| Total Liabilities | <u>\$ 113,611</u> | <u>\$ 61,864</u> | <u>\$ 51,682</u> | <u>\$ 123,793</u> |
| DISTRICT CLERK | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 2,861,743 | \$ 2,969,377 | \$ | \$ 5,831,120 |
| Total Assets | <u>\$ 2,861,743</u> | <u>\$ 2,969,377</u> | <u>\$</u> | <u>\$ 5,831,120</u> |
| LIABILITIES | | | | |
| <i>Accounts Payable</i> | \$ 1,622 | \$ | \$ | \$ 1,622 |
| <i>Due to Trust Beneficiaries</i> | 2,860,121 | 2,969,377 | | 5,829,498 |
| Total Liabilities | <u>\$ 2,861,743</u> | <u>\$ 2,969,377</u> | <u>\$</u> | <u>\$ 5,831,120</u> |
| TAX ASSESSOR/COLLECTOR | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 562,346 | \$ 3,597,589 | \$ 2,572,205 | \$ 1,587,730 |
| Total Assets | <u>\$ 562,346</u> | <u>\$ 3,597,589</u> | <u>\$ 2,572,205</u> | <u>\$ 1,587,730</u> |
| LIABILITIES | | | | |
| <i>Accounts Payable</i> | \$ 130,937 | \$ 2,048,125 | \$ 1,281,563 | \$ 897,499 |
| <i>Due to Other Governments</i> | 418,347 | 1,538,836 | 1,277,971 | 679,212 |
| <i>Deposits</i> | 13,062 | 10,628 | 12,671 | 11,019 |
| Total Liabilities | <u>\$ 562,346</u> | <u>\$ 3,597,589</u> | <u>\$ 2,572,205</u> | <u>\$ 1,587,730</u> |

WINKLER COUNTY, TEXAS

EXHIBIT C-4

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2019

| | Balance January 1, 2019 | Additions | Deductions | Balance December 31, 2019 |
|------------------------------------|-------------------------------|---------------------|---------------------|---------------------------------|
| SHERIFF INMATE | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 9,816 | \$ 19,274 | \$ 17,777 | \$ 11,313 |
| Total Assets | <u>\$ 9,816</u> | <u>\$ 19,274</u> | <u>\$ 17,777</u> | <u>\$ 11,313</u> |
| LIABILITIES | | | | |
| <i>Accounts Payable</i> | \$ 9,816 | \$ 19,274 | \$ 17,777 | \$ 11,313 |
| Total Liabilities | <u>\$ 9,816</u> | <u>\$ 19,274</u> | <u>\$ 17,777</u> | <u>\$ 11,313</u> |
| SHERIFF COMMISSARY | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 10,600 | \$ 31,029 | \$ 25,369 | \$ 16,260 |
| Total Assets | <u>\$ 10,600</u> | <u>\$ 31,029</u> | <u>\$ 25,369</u> | <u>\$ 16,260</u> |
| LIABILITIES | | | | |
| <i>Accounts Payable</i> | \$ 10,600 | \$ 31,029 | \$ 25,369 | \$ 16,260 |
| Total Liabilities | <u>\$ 10,600</u> | <u>\$ 31,029</u> | <u>\$ 25,369</u> | <u>\$ 16,260</u> |
| CDA FORFEITURE HOLDING | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 10,697 | \$ 78,044 | \$ | \$ 88,741 |
| Total Assets | <u>\$ 10,697</u> | <u>\$ 78,044</u> | <u>\$</u> | <u>\$ 88,741</u> |
| LIABILITIES | | | | |
| <i>Due to Other Governments</i> | \$ 10,697 | \$ 78,044 | \$ | \$ 88,741 |
| Total Liabilities | <u>\$ 10,697</u> | <u>\$ 78,044</u> | <u>\$</u> | <u>\$ 88,741</u> |
| SHERIFF FEES | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 58 | \$ 275 | \$ 330 | \$ 3 |
| Total Assets | <u>\$ 58</u> | <u>\$ 275</u> | <u>\$ 330</u> | <u>\$ 3</u> |
| LIABILITIES | | | | |
| <i>Accounts Payable</i> | \$ 58 | \$ 275 | \$ 330 | \$ 3 |
| Total Liabilities | <u>\$ 58</u> | <u>\$ 275</u> | <u>\$ 330</u> | <u>\$ 3</u> |
| TOTAL AGENCY FUNDS: | | | | |
| ASSETS | | | | |
| <i>Cash & Cash Equivalents</i> | \$ 3,573,052 | \$ 6,757,556 | \$ 2,670,772 | \$ 7,659,836 |
| Total Assets | <u>\$ 3,573,052</u> | <u>\$ 6,757,556</u> | <u>\$ 2,670,772</u> | <u>\$ 7,659,836</u> |
| LIABILITIES | | | | |
| <i>Accounts Payable</i> | \$ 183,399 | \$ 2,127,317 | \$ 1,349,624 | \$ 961,092 |
| <i>Due to Other Governments</i> | 433,225 | 1,616,984 | 1,281,380 | 768,829 |
| <i>Deposits</i> | 13,062 | 10,628 | 12,671 | 11,019 |
| <i>Due to Trust Beneficiaries</i> | 2,936,554 | 2,992,628 | 12,248 | 5,916,934 |
| <i>Other Liabilities</i> | 6,812 | 9,999 | 14,849 | 1,962 |
| Total Liabilities | <u>\$ 3,573,052</u> | <u>\$ 6,757,556</u> | <u>\$ 2,670,772</u> | <u>\$ 7,659,836</u> |

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Robison Johnston & Patton, LLP
C E R T I F I E D P U B L I C A C C O U N T A N T S
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

Independent Auditors' Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Commissioners' Court
Winkler County, Texas
100 East Winkler
Kermit, Texas 79745

Members of the Commissioners' Court:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Winkler County, Texas, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Winkler County, Texas' basic financial statements, and have issued our report thereon dated July 21, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robison Johnston & Patten LLP

Lubbock, TX
July 21, 2020

STATISTICAL SECTION

This part of the Winkler County, Texas's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

| Contents | Page |
|--|-------------|
| Financial Trends | 70-76 |
| <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | 77-79 |
| <i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.</i> | |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

WINKLER COUNTY, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | | | | | |
|---------------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Governmental Activities | | | | | | | | | | |
| Net Investment | | | | | | | | | | |
| in Capital Assets | \$ 12,397,300 | 13,868,681 | 14,942,357 | 15,627,189 | 17,391,689 | 21,718,562 | 21,439,566 | 18,429,315 | 18,435,995 | 24,152,118 |
| Restricted | 952,844 | 993,328 | 966,130 | 967,809 | 968,524 | 962,838 | 812,000 | | | |
| Unrestricted | 19,480,600 | 20,864,241 | 23,665,143 | 25,735,454 | 28,138,787 | 27,357,744 | 27,813,936 | 32,872,182 | 45,351,519 | 51,382,395 |
| Total Governmental | \$ 32,830,744 | 35,726,250 | 39,573,630 | 42,330,452 | 46,499,000 | 50,039,144 | 50,065,502 | 51,301,497 | 63,787,514 | 75,534,513 |
| Activities Net Position | | | | | | | | | | |
| Business-type Activities | | | | | | | | | | |
| Net Investment | | | | | | | | | | |
| in Capital Assets | \$ 91,257 | 109,510 | 155,377 | 110,426 | 16,104 | 13,113 | 12,389 | | | |
| Restricted | | | 25,500 | 25,500 | 25,500 | 25,500 | 25,500 | | | |
| Unrestricted | 1,183,106 | 562,991 | 253,228 | 1,133,697 | 1,857,113 | 2,332,404 | 2,767,266 | | | |
| Total Business-type | \$ 1,274,363 | 672,501 | 434,105 | 1,269,623 | 1,898,717 | 2,371,017 | 2,805,155 | \$ | \$ | \$ |
| Activities Net Position | | | | | | | | | | |
| Primary Government | | | | | | | | | | |
| Net Investment | | | | | | | | | | |
| in Capital Assets | \$ 12,488,557 | 13,978,191 | 15,097,734 | 15,737,615 | 17,407,793 | 21,731,675 | 21,451,955 | 18,429,315 | 18,435,995 | 24,152,118 |
| Restricted | 952,844 | 993,328 | 991,630 | 993,309 | 994,024 | 988,338 | 837,500 | | | |
| Unrestricted | 20,663,706 | 21,427,232 | 23,918,371 | 26,869,151 | 29,995,900 | 29,690,148 | 30,581,202 | 32,872,182 | 45,351,519 | 51,382,395 |
| Total Primary | \$ 34,105,107 | 36,398,751 | 40,007,735 | 43,600,075 | 48,397,717 | 52,410,161 | 52,870,657 | 51,301,497 | 63,787,514 | 75,534,513 |
| Govt Net Position | | | | | | | | | | |

WINKLER COUNTY, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|------------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|------------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Administration | \$ 3,801,227 | \$ 4,422,328 | \$ 4,061,201 | \$ 3,627,234 | \$ 3,803,689 | \$ 3,274,573 | \$ 3,644,235 | \$ 3,182,838 | \$ 3,796,674 | \$ 5,505,566 |
| Public Safety | 2,023,610 | 2,108,490 | 2,234,527 | 2,268,097 | 2,293,978 | 2,721,724 | 2,738,006 | 2,780,157 | 3,064,583 | 3,299,938 |
| Transportation | 771,587 | 965,590 | 846,019 | 1,024,722 | 1,102,060 | 924,885 | 1,009,112 | 958,433 | 928,950 | 1,105,585 |
| Health and Welfare | 3,508,181 | 2,931,861 | 2,972,747 | 3,928,298 | 4,864,736 | 3,174,126 | 3,264,324 | 6,667,335 | 2,306,634 | 3,042,199 |
| Culture and Recreation | 920,228 | 999,740 | 1,126,394 | 1,187,690 | 1,166,633 | 1,321,231 | 1,462,990 | 1,374,199 | 1,437,577 | 1,502,732 |
| Facilities | 92,334 | 102,279 | 141,999 | 192,382 | 193,613 | 200,849 | 215,506 | 231,022 | 236,391 | 303,706 |
| Judicial | 314,789 | 311,361 | 311,744 | 342,850 | 378,196 | 507,003 | 471,453 | 527,420 | 561,546 | 560,846 |
| Legal | 246,103 | 276,320 | 269,750 | 284,903 | 296,145 | 361,121 | 405,648 | 365,921 | 395,377 | 428,663 |
| Interest on Long-Term Debt | 532,849 | 519,406 | 507,442 | 499,151 | 490,168 | 473,471 | 114,162 | 111,084 | | |
| Bond Issuance Costs | 22,960 | 21,130 | 19,541 | 166,091 | | | 189,859 | 300 | | |
| Total Governmental Activities Exp | 12,233,868 | 12,658,505 | 12,491,364 | 13,521,418 | 14,589,218 | 12,958,983 | 13,515,295 | 16,198,709 | 12,727,732 | 15,749,235 |
| Business-type Activities | | | | | | | | | | |
| Memorial Hospital | 7,825,939 | 7,984,059 | 8,345,467 | 8,821,689 | 8,814,017 | 8,741,985 | 9,364,884 | | | |
| Total Business-type Activities Exp | 7,825,939 | 7,984,059 | 8,345,467 | 8,821,689 | 8,814,017 | 8,741,985 | 9,364,884 | | | |
| Total Primary Government Exp | \$ 20,059,807 | \$ 20,642,564 | \$ 20,836,831 | \$ 22,343,107 | \$ 23,403,235 | \$ 21,700,968 | \$ 22,880,179 | \$ 16,198,709 | \$ 12,727,732 | \$ 15,749,235 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services | \$ 2,168,966 | \$ 2,367,350 | \$ 2,512,810 | \$ 2,279,657 | \$ 2,908,135 | \$ 2,803,139 | \$ 2,581,556 | \$ 3,179,791 | \$ 3,827,507 | \$ 3,541,028 |
| Operating Grants and Contrib. | 354,821 | 400,705 | 381,294 | 420,307 | 507,865 | 813,582 | 841,247 | 789,265 | 589,540 | 419,587 |
| Capital Grants and Contributions | | | | | | | | | | |
| Total Governmental Act Prog Rev. | 2,523,787 | 2,768,055 | 2,894,104 | 2,699,964 | 3,416,000 | 3,616,721 | 3,422,803 | 3,969,056 | 4,417,047 | 3,960,615 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services | 5,129,645 | 5,337,114 | 6,100,196 | 6,756,104 | 5,666,843 | 6,807,435 | 7,494,935 | | | |
| Operating Grants and Contrib. | 2,616,909 | 2,044,656 | 1,981,375 | 2,875,603 | 3,750,768 | 2,085,835 | 2,302,046 | | | |
| Capital Grants and Contributions | | | | | | | | | | |
| Total Business-type Act Prog Rev. | 7,746,554 | 7,381,770 | 8,081,571 | 9,631,707 | 9,417,611 | 8,893,270 | 9,796,981 | | | |
| Total Primary Govt Prog Rev. | \$ 10,270,341 | \$ 10,149,825 | \$ 10,975,675 | \$ 12,331,671 | \$ 12,833,611 | \$ 12,509,991 | \$ 13,219,784 | \$ 3,969,056 | \$ 4,417,047 | \$ 3,960,615 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (9,710,081) | \$ (9,890,450) | \$ (9,597,260) | \$ (10,821,454) | \$ (11,173,218) | \$ (9,342,262) | \$ (10,092,492) | \$ (12,229,653) | \$ (8,310,685) | \$ (11,788,620) |
| Business-type Activities | (79,385) | (602,289) | (263,896) | 810,018 | 603,594 | 151,285 | 432,097 | | | |
| Total Primary Govt Net Expense | \$ (9,789,466) | \$ (10,492,739) | \$ (9,861,156) | \$ (10,011,436) | \$ (10,569,624) | \$ (9,190,977) | \$ (9,660,395) | \$ (12,229,653) | \$ (8,310,685) | \$ (11,788,620) |

WINKLER COUNTY, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | | | | | |
|---|----------------|-----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|-----------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (9,710,081) | \$ (9,890,450) | \$ (9,597,260) | \$ (10,821,454) | \$ (11,173,218) | \$ (9,342,262) | \$ (10,092,492) | \$ (12,229,653) | \$ (8,310,685) | \$ (11,788,620) |
| Business-type Activities | (79,385) | (602,289) | (263,896) | 810,018 | 603,594 | 151,285 | 432,097 | | | |
| Total Primary Government Net Exp | \$ (9,789,466) | \$ (10,492,739) | \$ (9,861,156) | \$ (10,011,436) | \$ (10,569,624) | \$ (9,190,977) | \$ (9,660,395) | \$ (12,229,653) | \$ (8,310,685) | \$ (11,788,620) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Taxes | \$ 9,774,637 | \$ 11,216,231 | \$ 11,362,596 | \$ 11,294,347 | \$ 12,150,789 | \$ 9,607,198 | \$ 7,904,349 | \$ 8,864,434 | \$ 9,545,370 | \$ 14,446,334 |
| Sales Taxes | 1,367,898 | 1,468,321 | 1,987,812 | 2,147,434 | 2,861,516 | 2,646,186 | 2,090,134 | 4,294,129 | 10,611,770 | 8,197,695 |
| Bingo Tax Proceeds | 1,763 | 1,156 | 5,496 | | | | | | | |
| Investment Earnings | 78,617 | 60,720 | 47,772 | 56,198 | 64,823 | 63,029 | 33,050 | 160,423 | 477,390 | 852,790 |
| Donations | | | 2,972 | | | | | | | |
| Miscellaneous | 85,866 | 39,527 | 43,488 | 74,800 | 264,636 | 99,962 | 91,317 | 146,661 | 82,612 | 38,801 |
| Total Governmental Activities | \$ 11,308,781 | \$ 12,785,955 | \$ 13,444,640 | \$ 13,578,275 | \$ 15,341,764 | \$ 12,416,375 | \$ 10,118,850 | \$ 13,465,647 | \$ 20,717,142 | \$ 23,535,620 |
| Business-type Activities: | | | | | | | | | | |
| Investment Earnings | 949 | 427 | | | | 327 | 2,041 | | | |
| Gain on Sale of Assets | | | | | | | | | | |
| Restricted Contributions | | | 25,500 | 25,500 | 25,500 | | | | | |
| Insurance Recovery | | | | | | | | | | |
| Total Business-type Activities: | 949 | 427 | 25,500 | 25,500 | 25,500 | 327 | 2,041 | | | |
| Total Primary Government | \$ 11,309,730 | \$ 12,786,382 | \$ 13,470,140 | \$ 13,603,775 | \$ 15,367,264 | \$ 12,416,702 | \$ 10,120,891 | \$ 13,465,647 | \$ 20,717,142 | \$ 23,535,620 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 1,598,700 | \$ 2,895,505 | \$ 3,847,380 | \$ 2,756,821 | \$ 4,168,546 | \$ 3,074,113 | \$ 26,359 | \$ 1,235,994 | \$ 12,406,457 | \$ 11,747,000 |
| Business-type Activities | (78,436) | (601,862) | (238,396) | 835,518 | 629,094 | 151,612 | 434,138 | | | |
| Total Primary Government | \$ 1,520,264 | \$ 2,293,643 | \$ 3,608,984 | \$ 3,592,339 | \$ 4,797,640 | \$ 3,225,725 | \$ 460,497 | \$ 1,235,994 | \$ 12,406,457 | \$ 11,747,000 |

WINKLER COUNTY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | FISCAL | | | | | | | | | |
|-------------------------------|--------------|-----------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|
| | 2010 | 2011* | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 1,614,151 | | | | | | | | | \$ |
| Unreserved | 16,143,015 | | | | | | | | | \$ |
| Committed For: | | | | | | | | | | |
| Park Improvements | | 108,601 | 238,189 | 320,000 | 250,306 | 183,748 | 177,747 | 143,656 | 277,000 | 117,000 |
| County Clerk Imaging | | 114,085 | 100,000 | | | | | | | |
| RHC Expansion/ Parking Lot | | 647,000 | 500,000 | 400,000 | 200,000 | 65,000 | | | | |
| Volunteer Fire Depts | | 66,487 | 33,000 | 150,000 | 50,000 | 200,000 | 200,000 | 112,000 | | |
| Courthouse Capital Impr | | 1,275,000 | 150,000 | 100,000 | 100,000 | 1,454,082 | 1,454,082 | 1,454,082 | 1,771,755 | 2,506,373 |
| Lateral Road | | 218,266 | 100,000 | 191,302 | 91,903 | 498,616 | 496,112 | 796,112 | 100,000 | |
| Medicial & Emerg Response | | 492,067 | 56,108 | | | 40,262 | 626,607 | 626,607 | | |
| Wink Vol. Fire Dept | | 17,000 | 25,000 | | | 5,000 | 7,500 | 63,950 | 5,000 | 5,000 |
| Kermit Vol. Fire Dept | | | | | | | | | 5,000 | 159,040 |
| Jail Improvements | | 20,000 | 50,000 | | | | 15,000 | 71,351 | 38,860 | 55,600 |
| Courthouse HVAC System | | 160,621 | | | | | | | | 150,000 |
| Equipment & Buildings | | 31,086 | 340,000 | | | | | | | |
| Wink Barn Flooring | | 2,549 | | | | | | | | |
| County Wide Equipment | | 100,000 | 100,000 | 115,940 | 258,500 | | 50,000 | 335,523 | | 118,106 |
| Deferred Contract Services | | 500,000 | | | | | | | | |
| WCMH Operating Expenses | | 33,650 | | | | | | | | |
| EMS Equipment | | 11,088 | | | | | | | 5,500 | |
| Digital Radios | | 56,000 | 75,000 | | 75,000 | 162,000 | 162,000 | 162,000 | | 10,000 |
| Hospital Software | | 675,000 | 100,000 | 582,692 | 300,000 | 474,419 | 474,419 | | | |
| Hospital Capital Impr | | 200,000 | | | 100,000 | 305,533 | 240,562 | | | |
| Self Funded Health Plan | | | 300,000 | | | 300,000 | 500,000 | 500,000 | | |
| TCDRS Funding | | | 300,000 | | | 50,000 | 272,000 | | | |
| Community Buildings | | | | 58,815 | 108,558 | 726,863 | 837,663 | 2,737,663 | | |
| Computer Equipment & Software | | | | 4,110 | | 125,000 | 83,601 | 119,601 | | |
| Emergency Grant | | | | 37,414 | | | | | | |
| Election Expense | | | | 5,000 | | 3,770 | 13,770 | 13,770 | | |
| Console KPD | | | | 62,720 | | | | | | |
| District Clerk Imaging | | | | 50,000 | 200,000 | 425,611 | 234,848 | 151,910 | | 100,000 |
| Precinct 1 Equipment & Barn | | | | | 13,700 | 13,700 | 13,700 | 13,700 | | |
| Precinct 2 Equipment & Barn | | | | | 13,700 | 68,741 | 36,336 | 36,336 | | |
| Sheriff OT | | | | | 20,000 | | | | | |
| Copiers & Printers | | | | | 62,000 | | | | | |
| Financial & Court Software | | | | | 755,152 | | 5,000 | | | |
| Airport Capital Improvements | | | | | | 86,066 | 186,066 | 286,066 | 1,196,977 | 63,030 |
| 4-H Pens | | | | | 1,000 | | | | | |
| Ag Funds | | | | | 23,000 | | 3,500 | | | |

WINKLER COUNTY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Ad Valorem Taxes | \$ 9,506,387 | \$ 11,619,575 | \$ 11,206,651 | \$ 11,149,804 | \$ 12,214,606 | \$ 9,666,851 | \$ 7,775,866 | \$ 9,051,912 | \$ 9,340,871 | \$ 13,752,058 |
| General Sales and Use Taxes | 1,367,898 | 1,468,321 | 1,987,812 | 2,147,434 | 2,861,516 | 2,646,186 | 2,090,134 | 4,294,129 | 10,611,770 | 8,197,695 |
| Licenses and Permits | 265,775 | 266,167 | 266,941 | 268,098 | 269,306 | 258,474 | 257,905 | 262,451 | 266,488 | 266,983 |
| Intergovernmental | 280,720 | 283,424 | 277,076 | 311,590 | 355,773 | 636,570 | 687,687 | 699,652 | 527,910 | 436,638 |
| Fines and Forfeitures | 123,203 | 240,756 | 235,740 | 188,464 | 188,874 | 147,907 | 124,871 | 183,357 | 463,220 | 541,261 |
| Fees | 547,759 | 334,618 | 732,796 | 769,742 | 797,691 | 827,271 | 796,986 | 1,036,624 | 1,277,999 | 972,834 |
| Investment Earnings | 78,617 | 60,720 | 47,772 | 56,198 | 64,823 | 63,029 | 91,317 | 160,423 | 477,390 | 852,790 |
| Jail Revenue | 1,055,129 | 1,318,232 | 1,133,206 | 1,064,150 | 1,159,595 | 1,036,500 | 1,404,074 | 1,105,208 | 1,259,013 | 1,189,990 |
| Other Revenue | 348,138 | 451,183 | 315,951 | 455,798 | 827,672 | 552,791 | 439,963 | 528,100 | 375,081 | 243,889 |
| Total Revenues | 13,573,626 | 16,042,996 | 16,203,945 | 16,411,278 | 18,739,856 | 15,835,579 | 13,668,803 | 17,321,856 | 24,599,742 | 26,454,138 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Administration | 3,524,371 | 4,242,280 | 4,265,426 | 3,869,713 | 3,808,436 | 3,388,105 | 3,180,502 | 3,555,678 | 3,634,489 | 6,012,125 |
| Public Safety | 1,807,309 | 1,902,846 | 2,027,819 | 2,033,020 | 2,038,464 | 2,537,317 | 2,453,225 | 2,535,928 | 2,704,175 | 3,088,840 |
| Transportation | 606,147 | 836,385 | 773,019 | 741,667 | 854,242 | 1,066,040 | 999,811 | 965,434 | 666,203 | 825,464 |
| Health and Welfare | 3,013,178 | 2,425,799 | 2,445,001 | 3,394,403 | 4,256,405 | 2,536,624 | 2,546,599 | 2,434,870 | 2,162,347 | 2,943,812 |
| Culture and Recreation | 755,151 | 784,044 | 888,972 | 935,435 | 902,899 | 1,052,754 | 1,116,632 | 1,055,469 | 1,069,731 | 1,154,345 |
| Facilities | 79,506 | 86,539 | 87,324 | 118,486 | 118,102 | 125,812 | 137,034 | 148,434 | 140,775 | 219,408 |
| Judicial | 313,722 | 311,361 | 312,244 | 342,590 | 378,320 | 517,573 | 466,877 | 533,198 | 550,918 | 576,941 |
| Legal | 246,103 | 276,320 | 269,750 | 284,669 | 292,460 | 355,185 | 349,375 | 320,818 | 335,115 | 403,028 |
| Debt Service: | | | | | | | | | | |
| Principal | 295,000 | 310,000 | 325,000 | 363,902 | 413,847 | 431,000 | 541,250 | 515,000 | | |
| Interest and Fiscal Charges | 563,005 | 547,880 | 533,427 | 523,940 | 513,873 | 496,201 | 278,130 | 180,825 | | |
| Bond Issuance Costs | | | | | | | 189,859 | 300 | | |
| Capital Outlay | 2,895,891 | 2,364,614 | 1,980,122 | 2,332,212 | 2,923,371 | 5,232,200 | 849,933 | 1,392,373 | 1,359,021 | 7,203,110 |
| Total Expenditures | 14,099,383 | 14,088,068 | 13,908,104 | 14,940,037 | 16,500,419 | 17,738,811 | 13,109,227 | 13,638,327 | 12,622,774 | 22,427,073 |
| Excess of Revenues Over (Under) Expenditures | (525,757) | 1,954,928 | 2,295,841 | 1,471,241 | 2,239,437 | (1,903,232) | 559,576 | 3,683,529 | 11,976,968 | 4,027,065 |

WINKLER COUNTY, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1)

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| Fiscal Year | Property Tax | Sales & Use Tax | Total |
|----------------|-----------------|--------------------|---------------|
| 2010 | \$ 9,506,387 | \$ 1,367,898 | \$ 10,874,285 |
| 2011 | 11,619,575 | 1,468,321 | 13,087,896 |
| 2012 | 11,206,651 | 1,987,812 | 13,194,463 |
| 2013 | 11,149,804 | 2,147,434 | 13,297,238 |
| 2014 | 12,214,606 | 2,861,516 | 15,076,122 |
| 2015 | 9,666,851 | 2,646,186 | 12,313,037 |
| 2016 | 7,775,866 | 2,090,134 | 9,866,000 |
| 2017 | 9,051,912 | 4,294,129 | 13,346,041 |
| 2018 | 9,340,871 | 10,611,770 | 19,952,641 |
| 2019 | 13,752,058 | 8,197,695 | 21,949,753 |

(1) Includes General Fund and Debt Service Fund.

TABLE E-7

WINKLER COUNTY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
 December 31, 2019

| Taxpayer | Tax Year 2019 | | |
|------------------------------|-------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value |
| Felix Energy Holdings II LLC | \$ 414,260,466 | 1 | 15.02% |
| University of Texas | 151,928,052 | 2 | 5.51% |
| Targa Delaware LLC (Plant) | 76,147,500 | 3 | 2.76% |
| Mewbourne Oil Company | 74,763,230 | 4 | 2.71% |
| Southern Union Gas Serv LTD | 68,329,026 | 5 | 2.48% |
| DCP Sandhills Pipeline LLC | 62,893,198 | 6 | 2.28% |
| Impetro Operating LLC | 62,600,628 | 7 | 2.27% |
| Atlas Sand Co LLC | 60,136,592 | 8 | 2.18% |
| Duke-Notrees Windpower LP | 56,854,448 | 9 | 2.06% |
| Plains Pipeline LP | 54,857,894 | 10 | 1.99% |
| Total | \$ 1,082,771,034 | | 39.25% |

WINKLER COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

| Tax Year | Taxes Levied for the Fiscal Year | Collected & Adjusted Within the Fiscal Year of the Levy | | Collections & Adj In Subsequent Years | Total Collections and Adj to Date | |
|----------|----------------------------------|---|--------------------|---------------------------------------|-----------------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2009 | \$ 10,495,371 | \$ 10,278,418 | 97.93% | \$ 188,973 | \$ 10,467,391 | 99.73% |
| 2010 | 10,548,757 | 10,404,780 | 98.64% | 129,407 | 10,534,187 | 99.86% |
| 2011 | 10,457,222 | 10,347,683 | 98.95% | 96,287 | 10,443,970 | 99.87% |
| 2012 | 11,316,322 | 11,182,491 | 98.82% | 107,943 | 11,290,434 | 99.77% |
| 2013 | 11,136,923 | 10,965,506 | 98.46% | 120,661 | 11,086,167 | 99.54% |
| 2014 | 11,837,123 | 11,657,804 | 98.49% | 105,047 | 11,762,851 | 99.37% |
| 2015 | 9,605,189 | 9,454,853 | 98.43% | 81,325 | 9,536,178 | 99.28% |
| 2016 | 7,853,033 | 7,673,040 | 97.71% | 64,966 | 7,738,006 | 98.54% |
| 2017 | 8,783,960 | 8,652,659 | 98.51% | 27,387 | 8,680,046 | 98.82% |
| 2018 | 9,539,218 | 9,438,778 | 98.95% | | 9,438,778 | 98.95% |