

WINKLER COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Winkler County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2020

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Introductory Section

WINKLER COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2020

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
Victor Berzoza	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
CERTIFIED PUBLIC ACCOUNTANTS
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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2020, 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.

As described in Note A to the financial statements, in 2020, Winkler County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2020, Winkler County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2020, Winkler County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2020, Winkler County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 83, *Certain Asset Retirement Obligations*. Our opinion is not modified with respect to this matter.

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's 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 is 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 is 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 June 17, 2021 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 & Petta LLP

Lubbock, TX
June 17, 2021

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, 2020. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

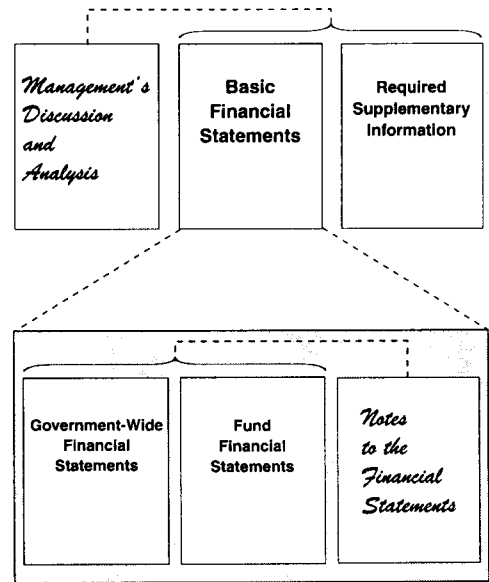
- The County's total combined net position was \$85,922,084 at December 31, 2020.
- During the year, the County's expenses were \$10,387,570 less than the \$26,370,836 generated in taxes and other revenues for governmental activities.
- The general fund reported a total fund balance this year of \$50,416,224, of which \$42,323,207 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-1 shows how the required parts of

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

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	<ul style="list-style-type: none"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenues, expenses and changes in fund net position Statement of cash flows 	<ul style="list-style-type: none"> 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 (or liabilities that come due) during the year or soon thereafter, or capital assets, if reported	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

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.

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 \$85,922,084 at December 31, 2020.

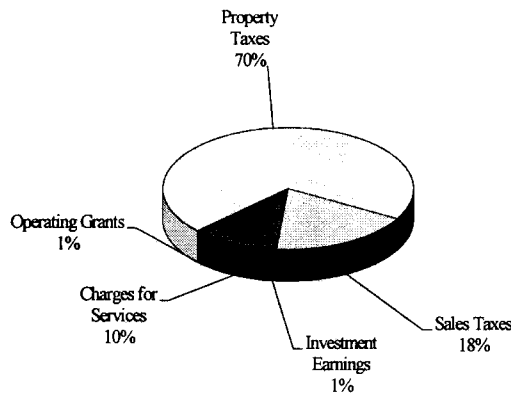
	Governmental Activities		Percentage Change
	2020	2019	2019-2020
Current assets:			
Cash and cash equivalents	\$38,755,339	\$35,346,426	9.64%
Receivables: (net of allowances)			
Accounts	1,074,028	2,129,574	49.56%
Taxes	14,748,756	11,863,787	24.31%
Interest	0	23,584	100%
Ambulance, Fines & Fees	1,912,271	1,867,439	2.40%
Total current assets:	<u>56,490,394</u>	<u>51,230,810</u>	
Noncurrent assets:			
Land	217,696	217,697	0%
Building and Improvements	33,126,714	25,233,946	31.28%
Furniture and Equipment	15,591,835	13,268,398	17.51%
Infrastructure	6,713,446	6,713,446	0%
Construction in Progress	1,895,461	4,436,656	57.28%
Less accumulated Depreciation	<u>(27,345,926)</u>	<u>(25,718,025)</u>	6.33%
Total noncurrent assets	<u>30,199,226</u>	<u>24,152,118</u>	
Total Assets	<u>86,689,620</u>	<u>75,382,928</u>	
Deferred Outflows:			
Unrealized Expenses	142,841	141,778	.75%
Def. Outflow related to Pension	1,267,827	5,536,045	77.10%
Def. Outflow related to OPEB	27,798	0	100%
Total Deferred Outflows	<u>1,438,466</u>	<u>5,677,823</u>	
Total Assets and Deferred Outflows	<u>88,128,086</u>	<u>81,060,751</u>	
Current liabilities:			
Accounts payable	794,233	1,210,744	34.40%
Building deposits	8,200	18,100	54.69%
Retainage payable	48,153	357,371	86.53%
Accrued payroll	90,805	216,480	58.05%
Total current liabilities	<u>941,391</u>	<u>1,802,695</u>	
Noncurrent liabilities:			
Net pension liability	16,312	2,992,684	99.46%
Other Post Empl Benefits	180,391	128,071	40.85%
Total Liabilities	<u>1,138,094</u>	<u>4,923,450</u>	
Deferred Inflows:			
Def. Inflows Related to OPEB	18,358	9,059	102.65%
Def. Inflows Related to Pensions	1,049,550	593,729	76.77%
Total Deferred Inflows	<u>1,067,908</u>	<u>602,788</u>	
Net Position:			
Net Invest. in capital assets	30,199,226	24,152,118	25.03%
Unrestricted	55,722,858	51,382,395	8.45%
Total Net Position	<u>85,922,084</u>	<u>75,534,513</u>	

The \$55,722,858 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 \$26,370,836. A significant portion, 70 percent, of the County's revenue comes from property taxes. (See Figure A-3) 18 percent comes from sales taxes, 10 percent comes from charges for services, 1 percent from operating grants, and 1 percent from investment earnings.

The total cost of all programs and services was \$15,983,266; 26.71 percent of these costs are for general administration.

Figure A-3 County Sources of Revenue for Fiscal Year 2020



	Governmental Activities		Total Percentage Change 2019-2020
	2020	2019	
Program Revenues:			
Charges for services	2,313,041	3,541,028	34.68%
Operating Grants	338,460	419,587	19.34%
Property Taxes	18,567,301	14,446,334	28.53%
Sales Taxes	4,814,760	8,197,695	41.27%
Miscellaneous	41,744	38,801	7.58%
Investment Earnings	295,530	852,790	65.36%
Total Revenues	26,370,836	27,496,235	
Expenses:			
General administration	4,269,791	5,505,566	22.45%
Public safety	4,083,493	3,299,938	23.74%
Transportation	1,263,324	1,105,585	14.27%
Health and welfare	2,888,394	3,042,199	5.06%
Culture and recreation	1,875,951	1,502,732	24.84%
Facilities	329,881	303,706	8.61%
Judicial	632,284	560,846	12.74%
Legal	640,148	428,663	49.34%
Total Expenses	15,983,266	15,749,235	
Increase in Net Position	10,387,570	11,747,000	11.57%

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 \$15,983,266.
- The amount that our taxpayers paid for these activities through property taxes was \$18,567,301.
- Some of the cost was paid by those who directly benefited from the programs \$2,313,041 or
- By grants and contributions \$338,460.

Net Cost of Selected County Functions

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2020	2019		2020	2019	
General administration	4,269,791	5,505,566	22.45%	3,551,661	4,554,874	22.02%
Public Safety	4,083,493	3,299,938	23.74%	2,973,201	1,575,817	88.68%
Health & Welfare	2,888,394	3,042,199	5.06%	2,672,958	2,919,526	8.45%

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 \$4,175,734. 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 \$4,158,225. 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 2020, the County had invested \$30,199,226 in a broad range of capital assets, including land, furniture and equipment, and buildings and improvements.

	Governmental Activities		Percentage Change 2019-2020
	2020	2019	
Land	\$217,696	\$217,697	0%
Buildings and improvements	33,126,714	25,233,946	31.28%
Furniture and Equipment	15,591,835	13,268,398	17.51%
Construction in Progress	1,895,461	4,436,656	57.28%
Infrastructure	6,713,446	6,713,446	0%
Totals at historical cost	57,545,152	49,870,143	
Total accumulated depreciation	(27,345,926)	(25,718,025)	6.33%
Net capital assets	<u>\$30,199,226</u>	<u>\$24,152,118</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 \$196,703 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>2020</u>	<u>2019</u>	<u>2019-2020</u>
Net Pension Liability/(Asset)	16,312	2,992,684	99.46%
Other Post Empl Benefits	180,391	128,071	40.85%
Total Long Term Debt	<u>\$196,703</u>	<u>\$3,120,755</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, 2020

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 38,755,339
<i>Receivables (net of allowances for uncollectibles):</i>	
<i>Accounts</i>	1,074,028
<i>Taxes</i>	14,748,756
<i>Ambulance, Fines, Fees & Court Costs</i>	1,912,271
<i>Capital Assets (net of accumulated depreciation):</i>	
<i>Land</i>	217,696
<i>Buildings and Improvements</i>	19,485,531
<i>Furniture and Equipment</i>	6,355,951
<i>Infrastructure</i>	2,244,587
<i>Construction in Progress</i>	1,895,461
Total Assets	<u>86,689,620</u>
 DEFERRED OUTFLOWS:	
<i>Unrealized Expenses</i>	142,841
<i>Deferred Outflows Related to Pensions</i>	1,267,827
<i>Deferred Outflows Related to OPEB</i>	27,798
Total Deferred Outflows	<u>1,438,466</u>
 Total Assets and Deferred Outflows	<u><u>88,128,086</u></u>
 LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	794,233
<i>Building Deposits</i>	8,200
<i>Accrued Payroll</i>	90,805
<i>Retainage Payable</i>	48,153
<i>Noncurrent Liabilities-</i>	
<i>Net Pension Liability</i>	16,312
<i>Other Post Employment Benefits Obligation</i>	180,391
Total Liabilities	<u>1,138,094</u>
 DEFERRED INFLOWS:	
<i>Deferred Inflows Related to Pensions</i>	1,049,550
<i>Deferred Inflows Related to OPEB</i>	18,358
Total Deferred Inflows	<u>1,067,908</u>
 Total Liabilities and Deferred Inflows	<u>2,206,002</u>
 NET POSITION:	
<i>Net Investment in Capital Assets</i>	30,199,226
<i>Unrestricted</i>	55,722,858
Total Net Position	<u>\$ 85,922,084</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
<i>General Administration</i>	\$ 4,269,791	\$ 650,279	\$ 67,851	\$ (3,551,661)
<i>Public Safety</i>	4,083,493	924,902	185,390	(2,973,201)
<i>Transportation</i>	1,263,324	238,915		(1,024,409)
<i>Health and Welfare</i>	2,888,394	215,436		(2,672,958)
<i>Culture and Recreation</i>	1,875,951	96,422		(1,779,529)
<i>Facilities</i>	329,881			(329,881)
<i>Judicial</i>	632,284	29,146	46,719	(556,419)
<i>Legal</i>	640,148	157,941	38,500	(443,707)
Total Governmental Activities	<u>15,983,266</u>	<u>2,313,041</u>	<u>338,460</u>	<u>(13,331,765)</u>
Total Primary Government	<u>\$ 15,983,266</u>	<u>\$ 2,313,041</u>	<u>\$ 338,460</u>	<u>(13,331,765)</u>
General Revenues:				
<i>Property Taxes</i>				18,567,301
<i>Sales Taxes</i>				4,814,760
<i>Miscellaneous</i>				41,744
<i>Unrestricted Investment Earnings</i>				295,530
Total General Revenues				<u>23,719,335</u>
Change in Net Assets				<u>10,387,570</u>
Net Assets - Beginning				<u>75,534,514</u>
Net Assets - Ending				<u>\$ 85,922,084</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 36,408,711	\$ 1,049,084	\$ 37,457,795
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	1,069,408	4,620	1,074,028
<i>Taxes</i>	14,748,756		14,748,756
<i>Ambulance, Fines, Fees & Court Costs</i>	1,912,271		1,912,271
Total Assets	<u>54,139,146</u>	<u>1,053,704</u>	<u>55,192,850</u>
Total Assets and Deferred Outflows	<u>\$ 54,139,146</u>	<u>\$ 1,053,704</u>	<u>\$ 55,192,850</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable and Other Current Liabilities</i>	\$ 725,684	\$	\$ 725,684
<i>Deposits</i>	8,200		8,200
<i>Accrued Payroll</i>	90,805		90,805
<i>Retainage Payable</i>	48,153		48,153
Total Liabilities	<u>872,842</u>		<u>872,842</u>
Deferred Inflows:			
<i>Taxes</i>	937,809		937,809
<i>Ambulance, Fines, Fees & Court Costs</i>	1,912,271		1,912,271
Total Deferred Inflows	<u>2,850,080</u>		<u>2,850,080</u>
Fund Balances:			
Restricted For:			
<i>Public Safety</i>		288,058	288,058
<i>Legal Services</i>		72,840	72,840
<i>Judicial Services</i>		279,788	279,788
<i>General Administration</i>		413,018	413,018
<i>Committed</i>	8,093,017		8,093,017
<i>Unassigned</i>	42,323,207		42,323,207
Total Fund Balance	<u>50,416,224</u>	<u>1,053,704</u>	<u>51,469,928</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 54,139,146</u>	<u>\$ 1,053,704</u>	<u>\$ 55,192,850</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, 2020*

Total fund balances - governmental funds balance sheet	\$ 51,469,928
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.	30,199,227
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	937,809
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	1,228,995
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	1,912,271
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	142,841
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(16,312)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(1,049,550)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	1,267,827
Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds.	(180,391)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(18,358)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	27,798
Rounding difference	(1)
Net position of governmental activities - Statement of Net Position	<u>\$ 85,922,084</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
<i>Ad Valorem Taxes</i>	\$ 18,929,962	\$	\$ 18,929,962
<i>General Sales and Use Taxes</i>	4,814,760		4,814,760
<i>License and Permits</i>	248,749	150	248,899
<i>Intergovernmental</i>	168,294	185,390	353,684
<i>Fines and Forfeitures</i>	241,240	3,100	244,340
<i>Fees</i>	641,209	151,958	793,167
<i>Investment Earnings</i>	294,797	733	295,530
<i>Jail Revenue</i>	812,664		812,664
<i>Other</i>	226,260	150	226,410
Total revenues	<u>26,377,935</u>	<u>341,481</u>	<u>26,719,416</u>
Expenditures:			
Current:			
<i>General Administration</i>	4,047,937		4,047,937
<i>Public Safety</i>	2,974,557	258,581	3,233,138
<i>Transportation</i>	789,792		789,792
<i>Health and Welfare</i>	2,518,072		2,518,072
<i>Culture and Recreation</i>	1,223,887		1,223,887
<i>Facilities</i>	195,724		195,724
<i>Judicial</i>	541,343	12,284	553,627
<i>Legal</i>	489,143	1,000	490,143
Capital Outlay	7,761,014		7,761,014
Total Expenditures	<u>20,541,469</u>	<u>271,865</u>	<u>20,813,334</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,836,466</u>	<u>69,616</u>	<u>5,906,082</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	5,836,466	69,616	5,906,082
Fund Balances - Beginning	44,579,758	984,088	45,563,846
Fund Balances - Ending	<u>\$ 50,416,224</u>	<u>\$ 1,053,704</u>	<u>\$ 51,469,928</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, 2020*

Net change in fund balances - total governmental funds	\$ 5,906,082
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	7,761,014
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,683,156)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(30,750)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(362,661)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	44,832
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	1,063
The net revenue (expense) of internal service funds is reported with governmental activities.	532,634
Pension contributions made before the measurement date and during the previous FY were expended & reduced NPL.	(2,958,665)
Pension contributions made after the measurement date but in current FY were de-expended & recorded as deferred resource outflow.	938,884
The County's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	(529,413)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	801,529
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	<u>(33,823)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 10,387,570</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS

STATEMENT OF NET POSITION

INTERNAL SERVICE FUND

DECEMBER 31, 2020

	Nonmajor Internal Service Fund <u>Employee Health Benefit Fund</u>
ASSETS AND DEFERRED OUTFLOWS:	
Current Assets:	
<i>Cash and Cash Equivalents</i>	\$ 1,297,544
Total Assets	<u>1,297,544</u>
 Total Assets and Deferred Outflows	 <u>\$ 1,297,544</u>
LIABILITIES:	
Current Liabilities:	
<i>Accounts payable</i>	\$ 68,549
Total Current Liabilities	<u>68,549</u>
Total Liabilities	<u>68,549</u>
NET POSITION:	
<i>Restricted for Health Insurance Claims</i>	1,228,995
Total Net Position	<u>\$ 1,228,995</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, 2020

	Nonmajor Internal Service Fund <u>Employee Health Benefit Fund</u>
OPERATING REVENUES:	
<i>Insurance Premiums</i>	\$ 2,658,652
Total Operating Revenues	<u>2,658,652</u>
OPERATING EXPENSES:	
<i>Paid Claims</i>	2,128,944
Total Operating Expenses	<u>2,128,944</u>
Operating Income	<u>529,708</u>
NON-OPERATING REVENUES (EXPENSES):	
<i>Interest Income</i>	2,926
Total Non-operating Revenues (Expenses)	<u>2,926</u>
Income before Contributions and Transfers	<u>532,634</u>
Change in Net Position	<u>532,634</u>
Total Net Position - Beginning	696,361
Total Net Position - Ending	<u>\$ 1,228,995</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, 2020

	Nonmajor Internal Service Fund
	Employee Health Benefit Fund
Cash Flows from Operating Activities:	
<i>Interfund Services Provided</i>	\$ 2,687,808
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(2,152,074)
Net Cash Provided (Used) by Operating Activities	<u>535,734</u>
Cash Flows from Investing Activities:	
<i>Investment Earnings</i>	2,926
Net Cash Provided (Used) for Investing Activities	<u>2,926</u>
Net Increase (Decrease) in Cash and Cash Equivalents	538,660
Cash and Cash Equivalents at Beginning of Year	758,884
Cash and Cash Equivalents at End of Year	<u>\$ 1,297,544</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 529,708
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Due from Other Funds</i>	29,156
<i>Increase (Decrease) in Accounts Payable</i>	(23,130)
Total Adjustments	<u>6,026</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 535,734</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Custodial Funds
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 6,722,863
Total Assets	<u>\$ 6,722,863</u>
LIABILITIES:	
<i>Accounts Payable</i>	\$ 383,076
<i>Due to Local Governments</i>	300,137
<i>Deposits</i>	17,654
Total Liabilities	<u>700,867</u>
NET POSITION	
<i>Restricted for Individuals, Organizations and Other Governments</i>	6,021,996
Total Net Position	<u>\$ 6,021,996</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial Funds
Additions:	
Interest Income	\$ 4,146
County Attorney Fee Collection	673
County Clerk Fee Collection	213,909
County Clerk Trust Collection	6,600
District Clerk Fee Collection	80,986
District Clerk Trust Collection	1,693,774
Property Taxes Collected for Other Governments	37,816,128
Vehicle Inventory Tax Collected	18,375
Sheriff Inmate Trust Collection	142,994
Sheriff Commissary Deposits	80,845
Sheriff Fee Collection	28,423
Total Additions	<u>40,086,853</u>
Deductions:	
Scholarship Awards	
County Attorney Fee Payments	(673)
County Clerk Fee Payments	(213,595)
County Clerk Trust Distribution	(13,500)
District Clerk Fee Payments	(81,017)
District Clerk Trust Distribution	(1,715,412)
Property Taxes Distributed to Other Governments	(37,819,485)
Vehicle Inventory Tax Paid	(18,401)
Sheriff Inmate Trust Distribution	(131,348)
Sheriff Commissary Payments	(78,325)
Sheriff Fee Payments	(28,438)
Total Deductions	<u>(40,100,194)</u>
Change in Net Position	(13,341)
Net Position-Beginning of the Year	0
Prior Period Adjustment	6,035,337
Net Position-End of the Year	<u>\$ 6,021,996</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, 2020

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, 2020

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.

Custodial Funds: These funds are used to report other resources held in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or local 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, 2020

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.

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 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, 2020

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 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, 2020

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:

Kermit Parks Improvement	\$ 71,221
District Court Furniture	7,500
District Clerk Imaging	100,000
Wink Splash Park	250,000
Kermit Splash Park	250,000
DA Radio	5,000
Hospital Support	1,277,542
Precinct 1 Equipment	107,050
Wink VFD Funds	21,400
EMS Equipment	300,000
Wink Parks Equipment	80,000
Precinct 2 Equipment	6,400
Wink Library	5,000
HR Scanning	20,000
Wink Library Capital	3,617,363
Boy Scout Hut	25,000
Jail Equipment	71,999
EMS Station	1,277,542
Golf Course Funds	400,000
Senior Citizens Equipment	200,000
	<u>\$ 8,093,017</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
FOR THE YEAR ENDED DECEMBER 31, 2020

l. 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.

6. Implementation of New Standards

In the current fiscal year, the County implemented the following new standards. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB 88 - Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The County does not expect that implementation of the pronouncement will have an impact on the financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement.

The County does not currently have any AROs and does not expect that implementation of the pronouncement will have an impact on the financial statements.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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GASB Statement No. 84, Fiduciary Activities

This statement establishes standards of accounting and financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 90, Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement also establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

The County does not expect that implementation of the pronouncement will have an impact on the financial statements.

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, 2020, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$45,478,202 and the bank balance was \$45,541,230. The County's cash deposits at December 31, 2020 and during the year ended December 31, 2020, 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 adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

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

WINKLER COUNTY, TEXAS
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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, 2020, 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	\$8,338,109	18.33%	\$8,338,109			N/A
Certificates of Deposit	9,350,024	20.56%	9,350,024			N/A
	<u>17,688,133</u>	<u>38.89%</u>	<u>17,688,133</u>			
Investment Pools:						
TexPool	27,790,069	61.11%	27,790,069			AAAm
Total Investment Pools	<u>27,790,069</u>	<u>61.11%</u>	<u>27,790,069</u>			
Total Cash and Cash Equivalents	<u>\$45,478,202</u>	<u>100.00%</u>	<u>\$45,478,202</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	\$ 1,069,408	\$ 4,620	\$ 1,074,028
Taxes	15,618,386		15,618,386
Ambulance, Fines & Fees	3,980,876		3,980,876
Total Gross Receivables	20,668,670	4,620	20,673,290
Less: Allowance for Uncollectible Accounts			
Taxes	(869,630)		(869,630)
Ambulance, Fines & Fees	(2,068,605)		(2,068,605)
Net Total Receivables	\$ 17,730,435	\$ 4,620	\$ 17,735,055

D. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 217,696	\$	\$	\$ 217,696
Construction in progress	4,436,656	4,851,112	7,392,307	1,895,461
Total capital assets not being depreciated	4,654,352	4,851,112	7,392,307	2,113,157
<i>Capital assets being depreciated:</i>				
Infrastructure	6,713,446			6,713,446
Buildings and improvements	25,233,946	500,461	(7,392,307)	33,126,714
Furniture and equipment	13,268,398	2,409,442	86,005	15,591,835
Total capital assets being depreciated	45,215,790	2,909,903	(7,306,302)	55,431,995
Less accumulated depreciation for:				
Infrastructure	(4,349,340)	(119,519)		(4,468,859)
Buildings and improvements	(13,011,497)	(629,686)		(13,641,183)
Furniture and equipment	(8,357,188)	(933,951)	(55,255)	(9,235,884)
Total accumulated depreciation	(25,718,025)	(1,683,156)	(55,255)	(27,345,926)
Total capital assets being depreciated, net	19,497,765	1,226,747	(7,361,557)	28,086,069
Governmental activities capital assets, net	\$ 24,152,117	\$ 6,077,859	\$ 30,750	\$ 30,199,226

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Depreciation was charged to functions as follows:

General Government	\$	204,682
Public Safety		329,982
Transportation		388,911
Health		135,878
Culture and Recreation		482,110
Facilities		99,596
Legal		41,997
	\$	<u>1,683,156</u>

E. 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, 2020, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Other Post Employ. Benefits *	\$ 128,071	\$ 52,320	\$	\$ 180,391	
Net Pension Liability/(Asset) *	2,992,684	2,983,725	5,960,097	16,312	
Total governmental activities	<u>\$ 3,120,755</u>	<u>\$ 3,036,045</u>	<u>\$ 5,960,097</u>	<u>\$ 196,703</u>	<u>\$</u>

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
OPEB Liability	Governmental	General Fund
Net Pension Liability	Governmental	General Fund

F. 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, 2020, as follows:

Year Ending December 31,	
2021	\$ 1,500
2022	1,500
2023	1,500
2024	1,500
2025	1,500
Total Minimum Rentals	<u>\$ 7,500</u>
Rental Expenditures in 2020	<u>\$ 1,500</u>

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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, 2020, as follows:

Year Ending December 31,	
2021	\$ 3,600
2022	3,600
2023	3,600
2024	900
Total Minimum Rentals	\$ <u>11,700</u>
Rental Expenditures in 2020	\$ <u>3,600</u>

G. 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 2020, 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 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.

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.

H. 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.

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

Inactive employees or beneficiaries currently receiving benefits	128
Inactive employees entitled to but not yet receiving benefits	265
Active employees	115
Total covered employees	<u>508</u>

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 12.92% in calendar year 2020. The County's contributions to TCDRS for the year ended December 31, 2020 were \$938,884, and were equal to the required contributions.

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 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.

WINKLER COUNTY, TEXAS
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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, 2019, 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 April 2020 information for a 10 year time horizon.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equities	14.50%	5.20%
Private Equity	20.00%	8.20%
Global Equities	2.50%	5.50%
International Equities-Developed	7.00%	5.20%
International Equities- Emerging	7.00%	5.70%
Investment-Grade Bonds	3.00%	-.20%
Strategic Credit	12.00%	3.14%
Direct Lending	11.00%	7.16%
Distressed Debt	4.00%	6.900%
REIT Equities	3.00%	4.50%
Master Limited Partnerships (MLPs)	2.00%	8.40%
Private Real Estate Partnerships	6.00%	5.50%
Hedge Funds	8.00%	2.30%
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.

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Development of the Single Discount Rate:

	2019
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.

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	\$ 39,795,306	\$ 36,802,622	\$ 2,992,684
Changes for the year			
Service cost	646,448		646,448
Interest	3,190,215		3,190,215
Effect of plan changes	2,103,313		2,103,313
Effect of economic/ demographic gains or losses	472,989		472,989
Changes of assumptions			
Contributions - employer		2,945,923	(2,945,923)
Contributions - employee		387,801	(387,801)
Net investment income		6,042,526	(6,042,526)
Refund of contributions	(118,257)	(118,257)	
Benefit payments, including refunds of employee contributions	(2,036,460)	(2,036,460)	
Administrative expense		(33,558)	33,558
Other changes		46,645	(46,645)
Net changes	\$ 4,258,248	\$ 7,234,620	\$ (2,976,372)
Balance at 12/31/2019	\$ 44,053,554	\$ 44,037,242	\$ 16,312

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	\$ 5,408,999	\$ 16,312	\$ (4,508,375)

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.

WINKLER COUNTY, TEXAS
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5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the County recognized pension expense of \$2,673,809.

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 236,494	\$ 77,676
Changes in actuarial assumptions	\$ 92,449	\$
Difference between projected and actual investment earnings	\$	\$ 971,874
Contributions subsequent to the measurement date	\$ 938,884	\$
Total	<u>\$ 1,267,827</u>	<u>\$ 1,049,550</u>

The \$938,884 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec. 31:		
2020	\$	9,719
2021	\$	(285,580)
2022	\$	158,088
2023	\$	(602,834)
2024	\$	
Thereafter	\$	

I. 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.

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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 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, 2020 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	100
Total covered employees	<u>100</u>

3. Net OPEB Liability

The County's Net OPEB Liability was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00% per year
Discount Rate	1.93%

The Discount rate was based on a 20-year Municipal Bond Index as of December 31, 2020.

Mortality Rates- RP-2014 Mortality Table projected with MP-2020

Changes in Total OPEB Liability

Balance at 12/31/2018	\$ 128,764
Changes for the year	
Service cost	11,476
Interest on total OPEB liability	4,833
Change of benefit terms	
Difference between expected and actual experience	35,318
Changes of assumptions or other inputs	
Benefit payments	
Net changes	<u>51,627</u>
Balance at 12/31/2019	<u>\$ 180,391</u>

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FOR THE YEAR ENDED DECEMBER 31, 2020

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 1.93%, 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 (.93%) or 1-percentage-point higher (2.93%) than the current rate.

	1% Decrease in Discount Rate .93%	Discount Rate 1.93%	1% Increase in Discount Rate 2.93%
County's total OPEB liability	\$ 206,296	\$ 180,391	\$ 158,915

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

For the year ended December 31, 2020, the County recognized OPEB expense of \$17,383.

At December 31, 2020, 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	\$	\$ 18,358
Changes in actuarial assumptions	\$ 27,798	\$
Contributions subsequent to the measurement date	\$	\$
Total	<u>\$ 27,798</u>	<u>\$ 18,358</u>
Year ended Dec. 31:		
2021	\$ 1,074	
2022	1,074	
2023	3,779	
2024	3,174	
2025	339	
Thereafter	<u>\$ 9,440</u>	

J. 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, 2020, the amount of claims incurred and reported and estimated incurred but not reported was \$68,549.

The contract between the County and the third party administrator is renewable October 1, 2021, 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, 2020

K. 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 possible 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 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.

During 2020, the County entered into a grant agreement with the Texas Department of Transportation for total grant funding of \$3,432,623. No matching costs were paid during the 2020 fiscal year.

L. Prior Period Adjustment

During the current year, the County implemented GASB 84, *Fiduciary Activities*. The implementation of GASB 84 required the beginning balances that were previously reported as liabilities to be reclassified to beginning fund balance in the County's fiduciary custodial funds. A prior period adjustment was made in the amount of \$6,035,337 to reclassify beginning custodial balances.

M. Subsequent Events

Subsequent events were evaluated through June 17, 2021, 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, 2020

EXHIBIT B-1
Page 1 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes:				
Ad Valorem Taxes	\$ 13,102,211	\$ 13,112,211	\$ 15,801,772	\$ 2,689,561
General Sales and Use Taxes	4,000,000	4,000,000	5,288,450	1,288,450
License and Permits	328,300	328,300	256,290	(72,010)
Intergovernmental	65,000	80,815	165,198	84,383
Fines and Forfeitures	160,000	160,000	244,426	84,426
Fees	448,848	452,348	638,325	185,977
Investment Earnings	250,000	250,000	318,381	68,381
Jail Revenue	1,060,000	1,060,000	846,666	(213,334)
Other	163,350	166,162	226,062	59,900
Total revenues	<u>19,577,709</u>	<u>19,609,836</u>	<u>23,785,570</u>	<u>4,175,734</u>
Expenditures:				
Current:				
General Administration				
Agriculture	97,973	103,373	92,496	10,877
County Auditor	250,091	252,191	250,945	1,246
Courthouse & Substation	266,023	268,009	246,890	21,119
Taxes & Insurance	2,128,683	2,083,076	1,493,229	589,847
Nondesignated Expense	731,500	643,855	201,686	442,169
Airport	158,100	153,600	45,069	108,531
Human Resources	64,490	64,490	51,078	13,412
Data Processing	175,000	175,500	171,390	4,110
Commissioners	393,815	397,015	385,321	11,694
County Clerk	312,117	312,367	262,894	49,473
Tax Assessor/Collector	390,742	403,554	372,589	30,965
Appraisal District	130,000	130,000	121,385	8,615
County Treasurer	81,975	84,275	80,487	3,788
District Clerk	260,584	263,584	253,206	10,378
Total General Administration	<u>5,441,093</u>	<u>5,334,889</u>	<u>4,028,665</u>	<u>1,306,224</u>
Public Safety				
Fire Department- Kermit	56,100	56,100	47,078	9,022
Fire Department- Wink	36,305	36,305	25,439	10,866
Probation Department	154,768	155,968	148,654	7,314
Fire Marshal	736	736		736
Juvenile Probation	210,919	211,619	195,182	16,437
County Sheriff	2,860,223	2,879,759	2,586,319	293,440
Constables	27,843	28,068	27,814	254
Total Public Safety	<u>3,346,894</u>	<u>3,368,555</u>	<u>3,030,486</u>	<u>338,069</u>
Transportation				
County Barn- Kermit	188,821	203,821	191,484	12,337
Area 1 Road Maintenance	296,214	296,214	149,618	146,596
Area 2 Road Maintenance	267,222	274,158	237,130	37,028
Lateral Road	350,874	335,874	229,089	106,785
Total Transportation	<u>1,103,131</u>	<u>1,110,067</u>	<u>807,321</u>	<u>302,746</u>
Health and Welfare				
Meals Department	158,616	158,616	120,729	37,887
Health & Sanitation	15,100	15,100	13,270	1,830
Veterans Service	7,532	7,532	531	7,001
Emergency Ambulance Service	1,715,928	1,715,928	1,335,471	380,457
Welfare Department	36,000	36,000	9,446	26,554
Memorial Hospital		1,035,384	1,035,384	

WINKLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT B-1
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Total Health and Welfare</i>	1,933,176	2,968,560	2,514,831	453,729
<i>Culture and Recreation</i>				
<i>Community Center- Kermit</i>	125,278	101,814	23,578	78,236
<i>Westside Community Center</i>	5,500	13,571	12,237	1,334
<i>Community Center- Wink</i>	21,500	18,036	12,812	5,224
<i>Exhibition Building Wink</i>	23,200	23,200	15,820	7,380
<i>Swimming Pool- Kermit</i>	99,599	99,599	38,649	60,950
<i>Kermit Parks- Area 1</i>	305,800	317,845	266,778	51,067
<i>Recreation Center</i>	43,752	50,838	28,475	22,363
<i>Swimming Pool- Wink</i>	29,555	29,555	10,301	19,254
<i>Wink Parks- Area 2</i>	236,320	238,420	217,367	21,053
<i>Golf Course</i>	366,967	365,587	282,999	82,588
<i>Kermit Library</i>	153,087	154,587	146,915	7,672
<i>Wink Library</i>	61,675	65,335	64,888	447
<i>Senior Citizen Center</i>	102,007	105,743	95,422	10,321
<i>New Kermit Community Center</i>		26,000	17,899	8,101
<i>New Wink Community Center</i>		6,000	4,120	1,880
<i>Total Culture and Recreation</i>	1,574,240	1,616,130	1,238,260	377,870
<i>Facilities</i>				
<i>Maintenance Engineer</i>	79,801	106,750	105,890	860
<i>Safety/ Loss Control</i>	84,087	99,833	94,146	5,687
<i>Total Facilities</i>	163,888	206,583	200,036	6,547
<i>Judicial</i>				
<i>District Court</i>	117,870	117,870	89,164	28,706
<i>District Court Reporter</i>	46,743	46,743	42,291	4,452
<i>Juvenile Court</i>	12,641	12,666	1,030	11,636
<i>County Court</i>	29,700	29,700	4,609	25,091
<i>County Judge</i>	204,856	206,656	202,418	4,238
<i>Justice of the Peace Precinct 1</i>	102,942	104,442	96,051	8,391
<i>Justice of the Peace Precinct 2</i>	72,150	72,150	70,940	1,210
<i>Justice Court</i>	80,000	80,000	51,308	28,692
<i>District Court Jury</i>	21,500	21,500	3,068	18,432
<i>County & Justice Courts</i>	1,400	1,400		1,400
<i>Total Judicial</i>	689,802	693,127	560,879	132,248
<i>Legal</i>				
<i>Law Library</i>	15,000	15,000	14,926	74
<i>County Attorney</i>	241,158	249,658	244,225	5,433
<i>District Attorney</i>	251,309	256,309	236,742	19,567
<i>Total Legal</i>	507,467	520,967	495,893	25,074
<i>Capital Outlay</i>	4,818,018	9,654,069	8,438,351	1,215,718
<i>Total Expenditures</i>	19,577,709	25,472,947	21,314,722	4,158,225
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>		(5,863,111)	2,470,848	8,333,959
<i>Other Financing Sources (Uses):</i>				
<i>Total Other Financing Sources (Uses)</i>				
<i>Net Change in Fund Balances</i>		(5,863,111)	2,470,848	8,333,959
<i>Fund Balances - Beginning</i>	32,539,154	32,539,154	32,539,154	
<i>Fund Balances - Ending</i>	\$ 32,539,154	\$ 26,676,043	\$ 35,010,002	\$ 8,333,959

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service Cost	\$ 646,448	\$ 1,067,450	\$ 1,146,197	\$ 1,262,467	\$ 1,081,444	\$ 1,077,342	\$	\$	\$	\$
Interest (on the total pension liability)	3,190,215	3,104,540	2,938,735	2,766,361	2,612,407	2,445,238				
Effect of plan changes	2,103,313	291,224			(173,596)					
Effect of assumption changes		369,793			431,748					
Effect of economic/demographic gain or losses	472,989	(876,756)	(310,701)	(525,254)	(308,027)	(23,689)				
Benefit payments, including refunds of employee contributions	(2,154,717)	(2,062,556)	(1,975,725)	(1,832,578)	(1,583,260)	(1,544,790)				
Net Change in Total Pension Liability	4,258,248	1,523,902	2,168,299	1,670,996	2,060,716	1,954,101				
Total Pension Liability- Beginning	39,795,307	38,271,405	36,103,106	34,432,110	32,371,394	30,417,293				
Total Pension Liability- Ending (a)	\$ 44,053,555	\$ 39,795,307	\$ 38,271,405	\$ 36,103,106	\$ 34,432,110	\$ 32,371,394				
Plan Fiduciary Net Position										
Contributions- Employer	\$ 2,945,923	\$ 850,736	\$ 1,038,682	\$ 1,186,168	\$ 924,482	\$ 849,960	\$	\$	\$	\$
Contributions- Employee	387,801	332,921	506,538	552,129	558,359	611,330				
Net Investment Income	6,042,526	(726,321)	4,951,582	2,350,887	(322,792)	2,051,462				
Benefit payments, including refunds of employee contributions	(2,154,717)	(2,062,556)	(1,975,725)	(1,832,578)	(1,583,260)	(1,544,790)				
Administrative Expense	(33,558)	(29,560)	(25,577)	(25,610)	(23,083)	(24,140)				
Other	46,645	(22,579)	(6,011)	(118,622)	(24,793)	31,332				
Net Change in Plan Fiduciary Net Position	\$ 7,234,620	\$ (1,657,359)	\$ 4,489,489	\$ 2,112,374	\$ (471,087)	\$ 1,975,154	\$	\$	\$	\$
Plan Fiduciary Net Position- Beginning	36,802,623	38,459,982	33,970,493	31,858,119	32,329,206	30,354,052				
Plan Fiduciary Net Position- Ending (b)	\$ 44,037,243	\$ 36,802,623	\$ 38,459,982	\$ 33,970,493	\$ 31,858,119	\$ 32,329,206				
Net Pension Liability- Ending (a) - (b)	\$ 16,312	\$ 2,992,684	\$ (188,577)	\$ 2,132,613	\$ 2,573,991	\$ 42,188	\$	\$	\$	\$
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.96%	92.48%	100.49%	94.09%	92.52%	99.87%				
County's covered-employee payroll	\$ 5,539,987	\$ 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	0.29%	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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 938,884	\$ 2,959,372	\$ 861,199	\$ 1,310,682	\$ 914,168	\$ 924,482	\$	\$	\$	\$
Contributions in relation to the contractually required contribution	(938,884)	(2,959,372)	(861,199)	(1,310,682)	(914,168)	(924,482)				
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
County's covered-employee payroll	\$ 6,332,144	\$ 5,539,987	\$ 4,756,005	\$ 7,236,231	\$ 7,887,533	\$ 7,977,564	\$	\$	\$	\$
Contributions as a percentage of covered-employee payroll	14.83%	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, 2019- December 31, 2019.

* 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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Service Cost	\$ 11,476	\$	\$ 10,997	\$	\$	\$	\$	\$	\$	\$
Interest on total OPEB liability	4,833		4,637							
Differences between expected and actual experience	36,011		(14,941)							
Net Change in OPEB Liability	\$ 52,320	\$	\$ 693	\$	\$	\$	\$	\$	\$	\$
Total OPEB liability- beginning	128,071	128,071	127,378							
Total OPEB liability- ending	\$ 180,391	\$ 128,071	\$ 128,071	\$	\$	\$	\$	\$	\$	\$

County's covered payroll **	\$ 0	\$ 0	\$ 0	\$	\$	\$	\$	\$	\$	\$
County's total OPEB liability as a percentage of its covered payroll	0%	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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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, 2020

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	10.4 years (based on contribution rate calculated in 12/31/19 valuation)
Asset Valuation Method	5-year Smoothed Market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation
Investment Rate of Return	8.00%, 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	Employer contributions reflect that a 10% CPI COLA was adopted.

Note 2: OPEB Information

Valuation Date:

December 31, 2020

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, 2020

Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age.
Mortality	RP-2014 Mortality Table projected with MP-2020
Other Information:	
Changes in Assumptions and Methods	None

Note 3: Budgetary Data

Budgets are adopted on the cash basis of accounting which is not consistent with generally accepted accounting principles. In general, annual appropriated budgets are adopted for the general, special revenue funds, and capital projects fund. All annual appropriations lapse at fiscal year end.

The County Commissioners' Court, under budgetary laws established by the Texas legislature, is required to adopt an annual budget for all governmental fund types to cover all the proposed expenditures of the County government, and to levy a tax sufficient, when considered with other revenues and available funds, to provide for these expenditures. Once the budget is approved, no expenditures may be made except in strict compliance with the budget. Emergency expenditures in case of grave public necessity, to meet unusual and unforeseen conditions which could not, by reasonably diligent thought and attention, have been included in the original budget, may from time to time be authorized by the Court as amendments to the original budget. The Commissioners' Court is the sole agency having discretionary power to determine existence of such facts as would constitute an emergency justifying a budget amendment.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Prior to June 24, the County Judge, as the County's Chief Budgetary Officer, will submit to the Commissioners' Court a requested operating budget for the fiscal year commencing the following January 1.
- b. After the presentation of the requested budget and prior to September 1, the Commissioners' Court will conduct a series of hearings with the individual department heads to review and analyze their expenditure requests. These meetings are all open to the public to encourage public comment.
- c. Prior to September 15, the Commissioners' Court will finalize the proposed budget and file it with the County Clerk.
- d. Prior to October 1, a public hearing will be held to receive citizen input, adopt, and set the tax rate for the coming budget year.
- e. All budget amendments are approved by the Commissioners' Court. From time to time, during the period covered by these financial statements, supplemental budget amendments were required and approved by the Commissioners' Court, under the provisions outlined above. Budgeted amounts presented in these financial statements are inclusive of any amendments made during the period January 1, 2020 through December 31, 2020.
- f. By law, appropriations for the total County budget cannot exceed the total resources that will be available for the year as forecasted by the County Auditor.
- g. The level of budgetary control (that is the level at which expenditures may not legally exceed appropriations) is established by department within an individual fund.

WINKLER COUNTY, TEXAS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

**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)	\$ 23,785,570
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.	411,559
Outstanding taxes at fiscal year end are not considered current year revenues for budgetary purposes.	3,247,629
The County budgets for licenses and permits, fees, and other revenues on the cash basis, rather than on the modified accrual basis.	<u>(1,066,823)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5)	\$ <u><u>26,377,935</u></u>

	<u>General Fund</u>
Expenditures:	
Actual amount (budgetary basis) "Total expenditures" from the budgetary comparison schedule (Exhibit B-1)	\$ 21,314,722
The County budgets for supplies, equipment, and services on the cash basis, rather than on the modified accrual basis.	(647,578)
The County budgets for salaries and wages on the cash basis, rather than on the modified accrual basis.	<u>(125,675)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5)	\$ <u><u>20,541,469</u></u>

WINKLER COUNTY, TEXAS

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020*

Beginning Fund Balances:

Actual amount (budgetary basis) "Fund balances-beginning" \$ 32,539,154
from the budgetary comparison schedule (Exhibit B-1).

Outstanding taxes at fiscal year end are not considered
current year revenues for budgetary purposes. This amount
represents the taxes outstanding at December 31, 2019 less
the allowance for uncollectible taxes. 10,563,317

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. 2,136,233

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
2019. 919,157

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. (1,361,623)

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. (216,480)

Beginning fund balance as reported on the statement of
revenues, expenditures, and changes in fund balances-
governmental funds (Exhibit A-5). \$ 44,579,758

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	<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>	\$ 17,260	\$ 100,824	\$ 2,337	\$ 4,516
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>				
Total Assets	<u>17,260</u>	<u>100,824</u>	<u>2,337</u>	<u>4,516</u>
Total Assets and Deferred Outflows	<u>\$ 17,260</u>	<u>\$ 100,824</u>	<u>\$ 2,337</u>	<u>\$ 4,516</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Deferred Inflows:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$ 17,260	\$ 100,824	\$	\$ 4,516
<i>Legal Services</i>			2,337	
<i>Judicial Services</i>				
<i>General Administration</i>				
Total Fund Balance	<u>17,260</u>	<u>100,824</u>	<u>2,337</u>	<u>4,516</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 17,260</u>	<u>\$ 100,824</u>	<u>\$ 2,337</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>
\$ 7,579	\$ 1,420	\$ 355	\$ 68,728	\$ 62,216
<u>7,579</u>	<u>1,420</u>	<u>355</u>	<u>68,728</u>	<u>62,216</u>
<u>\$ 7,579</u>	<u>\$ 1,420</u>	<u>\$ 355</u>	<u>\$ 68,728</u>	<u>\$ 62,216</u>
\$ 7,579	\$ 1,420	\$ 355	\$ 68,728	\$ 62,216
<u>7,579</u>	<u>1,420</u>	<u>355</u>	<u>68,728</u>	<u>62,216</u>
<u>\$ 7,579</u>	<u>\$ 1,420</u>	<u>\$ 355</u>	<u>\$ 68,728</u>	<u>\$ 62,216</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	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>	\$ 165,625	\$ 59,493	\$ 60,401	\$ 57,952
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	1,850	219	381	
Total Assets	<u>167,475</u>	<u>59,712</u>	<u>60,782</u>	<u>57,952</u>
 Total Assets and Deferred Outflows	 <u>\$ 167,475</u>	 <u>\$ 59,712</u>	 <u>\$ 60,782</u>	 <u>\$ 57,952</u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Deferred Inflows:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$	\$	\$ 60,782	\$
<i>Legal Services</i>				
<i>Judicial Services</i>				57,952
<i>General Administration</i>	167,475	59,712		
Total Fund Balance	<u>167,475</u>	<u>59,712</u>	<u>60,782</u>	<u>57,952</u>
 Total Liabilities, Def Inflows and Fund Balance	 <u>\$ 167,475</u>	 <u>\$ 59,712</u>	 <u>\$ 60,782</u>	 <u>\$ 57,952</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
\$ 12,169	\$ 127,491	\$ 8,491	\$ 27,248	\$ 11,720
<u>12,169</u>	<u>1,780</u> <u>129,271</u>	<u>25</u> <u>8,516</u>	<u>365</u> <u>27,613</u>	<u>11,720</u>
<u>\$ 12,169</u>	<u>\$ 129,271</u>	<u>\$ 8,516</u>	<u>\$ 27,613</u>	<u>\$ 11,720</u>
\$ 12,169	\$	\$	\$	\$
<u>12,169</u>	<u>129,271</u> <u>129,271</u>	<u>8,516</u> <u>8,516</u>	<u>27,613</u> <u>27,613</u>	<u>11,720</u> <u>11,720</u>
<u>\$ 12,169</u>	<u>\$ 129,271</u>	<u>\$ 8,516</u>	<u>\$ 27,613</u>	<u>\$ 11,720</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	<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>	\$ 1,386	\$ 1,685	\$ 207,900	\$ 3,300
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>				
Total Assets	<u>1,386</u>	<u>1,685</u>	<u>207,900</u>	<u>3,300</u>
 Total Assets and Deferred Outflows	 <u>\$ 1,386</u>	 <u>\$ 1,685</u>	 <u>\$ 207,900</u>	 <u>\$ 3,300</u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
 Deferred Inflows:				
 Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$	\$	\$	\$ 3,300
<i>Legal Services</i>				
<i>Judicial Services</i>	1,386		207,900	
<i>General Administration</i>		1,685		
Total Fund Balance	<u>1,386</u>	<u>1,685</u>	<u>207,900</u>	<u>3,300</u>
 Total Liabilities, Def Inflows and Fund Balance	 <u>\$ 1,386</u>	 <u>\$ 1,685</u>	 <u>\$ 207,900</u>	 <u>\$ 3,300</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	\$ 13,487	\$ 3,090	\$ 1,000	\$ 830
<u>2,169</u>	<u>13,487</u>	<u>3,090</u>	<u>1,000</u>	<u>830</u>
<u>\$ 2,169</u>	<u>\$ 13,487</u>	<u>\$ 3,090</u>	<u>\$ 1,000</u>	<u>\$ 830</u>
\$	\$	\$	\$ 1,000	\$
<u>2,169</u>	<u>13,487</u>	<u>3,090</u>	<u>1,000</u>	<u>830</u>
<u>2,169</u>	<u>13,487</u>	<u>3,090</u>	<u>1,000</u>	<u>830</u>
<u>\$ 2,169</u>	<u>\$ 13,487</u>	<u>\$ 3,090</u>	<u>\$ 1,000</u>	<u>\$ 830</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	<u>Juvenile Rec Center Fund</u>	<u>Prevention Grant Rec Center</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit A-3)</u>
ASSETS AND DEFERRED OUTFLOWS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 1,505	\$ 16,907	\$ 1,049,084
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>			4,620
Total Assets	<u>1,505</u>	<u>16,907</u>	<u>1,053,704</u>
Total Assets and Deferred Outflows	<u>\$ 1,505</u>	<u>\$ 16,907</u>	<u>\$ 1,053,704</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
Deferred Inflows:			
Fund Balances:			
Restricted For:			
<i>Public Safety</i>	\$ 1,505	\$ 16,907	\$ 288,058
<i>Legal Services</i>			72,840
<i>Judicial Services</i>			279,788
<i>General Administration</i>			413,018
Total Fund Balance	<u>1,505</u>	<u>16,907</u>	<u>1,053,704</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 1,505</u>	<u>\$ 16,907</u>	<u>\$ 1,053,704</u>

WINKLER COUNTY, TEXAS
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	LEOSE Training Fund	Sheriff's Forfeiture Fund	District Attorney's Forfeiture Fund	Probation Evaluation Fund
Revenue:				
<i>License and Permits</i>	\$	\$	\$	\$
<i>Intergovernmental</i>				
<i>Fines and Forfeitures</i>				
<i>Fees</i>	3,428			
<i>Investment Earnings</i>		429	9	
<i>Other</i>				
Total revenues	<u>3,428</u>	<u>429</u>	<u>9</u>	
Expenditures:				
Current:				
<i>Public Safety</i>		10,225		
<i>Judicial</i>				
<i>Legal</i>				
Total Expenditures		<u>10,225</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,428</u>	<u>(9,796)</u>	<u>9</u>	
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	3,428	(9,796)	9	
Fund Balances - Beginning	13,832	110,620	2,328	4,516
Fund Balances - Ending	<u>\$ 17,260</u>	<u>\$ 100,824</u>	<u>\$ 2,337</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
\$	\$	\$ 150	\$	\$
785	175			85,715
				3,100
				73,816
				247
<u>785</u>	<u>175</u>	<u>150</u>		<u>162,878</u>
				163,333
				<u>163,333</u>
<u>785</u>	<u>175</u>	<u>150</u>		<u>(455)</u>
<u>785</u>	<u>175</u>	<u>150</u>		<u>(455)</u>
6,794	1,245	205	68,728	62,671
<u>\$ 7,579</u>	<u>\$ 1,420</u>	<u>\$ 355</u>	<u>\$ 68,728</u>	<u>\$ 62,216</u>

WINKLER COUNTY, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020*

	County Clerk Records Mgt/Preser Fund	County Records Mgt/Preservation Fund	Courthouse Security Fund	Justice Court Technology Fund
Revenue:				
<i>License and Permits</i>	\$	\$	\$	\$
<i>Intergovernmental</i>				
<i>Fines and Forfeitures</i>				
<i>Fees</i>	26,470	1,577	6,578	4,589
<i>Investment Earnings</i>				
<i>Other</i>				
Total revenues	<u>26,470</u>	<u>1,577</u>	<u>6,578</u>	<u>4,589</u>
Expenditures:				
Current:				
<i>Public Safety</i>			100	
<i>Judicial</i>				
<i>Legal</i>				
Total Expenditures			<u>100</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,470</u>	<u>1,577</u>	<u>6,478</u>	<u>4,589</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	26,470	1,577	6,478	4,589
Fund Balances - Beginning	141,005	58,135	54,304	53,363
Fund Balances - Ending	<u>\$ 167,475</u>	<u>\$ 59,712</u>	<u>\$ 60,782</u>	<u>\$ 57,952</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
\$	\$	\$	\$	\$
48	25,953	283	2,571	832
<u>48</u>	<u>25,953</u>	<u>283</u>	<u>2,571</u>	<u>832</u>
210				
<u>210</u>				
(162)	25,953	283	2,571	832
(162)	25,953	283	2,571	832
12,331	103,318	8,233	25,042	10,888
\$ <u>12,169</u>	\$ <u>129,271</u>	\$ <u>8,516</u>	\$ <u>27,613</u>	\$ <u>11,720</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Judicial Efficiency Fund	County Child Abuse Prevention	Pretrial Intervention Fund	Pretrial Intervention District Attorney
Revenue:				
<i>License and Permits</i>	\$	\$	\$	\$
<i>Intergovernmental</i>				
<i>Fines and Forfeitures</i>				
<i>Fees</i>	4	7	2,455	500
<i>Investment Earnings</i>				
<i>Other</i>				
Total revenues	<u>4</u>	<u>7</u>	<u>2,455</u>	<u>500</u>
Expenditures:				
Current:				
<i>Public Safety</i>				
<i>Judicial</i>			12,284	
<i>Legal</i>				1,000
Total Expenditures			<u>12,284</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4</u>	<u>7</u>	<u>(9,829)</u>	<u>(500)</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	4	7	(9,829)	(500)
Fund Balances - Beginning	1,382	1,678	217,729	3,800
Fund Balances - Ending	<u>\$ 1,386</u>	<u>\$ 1,685</u>	<u>\$ 207,900</u>	<u>\$ 3,300</u>

Centennial Fund	District Court Technology Fund	Cty & Dist Court Tech Fund	Drug Dog Fund	Judicial Education Fund
\$	\$	\$	\$	\$
	1,700	100		135
	<u>1,700</u>	<u>100</u>		<u>135</u>
	1,700	100		135
	1,700	100		135
2,169	11,787	2,990	1,000	695
\$ <u>2,169</u>	\$ <u>13,487</u>	\$ <u>3,090</u>	\$ <u>1,000</u>	\$ <u>830</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Juvenile Rec Center Fund	Prevention Grant Rec Center	Total Nonmajor Special Revenue Funds (See Exhibit A-5)
Revenue:			
<i>License and Permits</i>	\$	\$	\$ 150
<i>Intergovernmental</i>		99,675	185,390
<i>Fines and Forfeitures</i>			3,100
<i>Fees</i>			151,958
<i>Investment Earnings</i>			733
<i>Other</i>	150		150
Total revenues	<u>150</u>	<u>99,675</u>	<u>341,481</u>
Expenditures:			
Current:			
<i>Public Safety</i>		84,713	258,581
<i>Judicial</i>			12,284
<i>Legal</i>			1,000
Total Expenditures		<u>84,713</u>	<u>271,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>150</u>	<u>14,962</u>	<u>69,616</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	150	14,962	69,616
Fund Balances - Beginning	1,355	1,945	984,088
Fund Balances - Ending	<u>\$ 1,505</u>	<u>\$ 16,907</u>	<u>\$ 1,053,704</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
CERTIFIED PUBLIC ACCOUNTANTS
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, 2020, and the related notes to the financial statements, which collectively comprise Winkler County, Texas' basic financial statements, and have issued our report thereon dated June 17, 2021.

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, Better UP

Lubbock, TX
June 17, 2021

STATISTICAL SECTION

This part of the Winkler County, Texas' 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	66-72
<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	73-75
<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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment										
in Capital Assets	\$ 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	\$ 30,199,226
Restricted	993,328	966,130	967,809	968,524	962,838	812,000				
Unrestricted	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	55,722,858
Total Governmental	\$ 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	\$ 85,922,084
Business-type Activities										
Net Investment										
in Capital Assets	\$ 109,510	\$ 155,377	\$ 110,426	\$ 16,104	\$ 13,113	\$ 12,389	\$	\$		
Restricted		25,500	25,500	25,500	25,500	25,500				
Unrestricted	562,991	253,228	1,133,697	1,857,113	2,332,404	2,767,266				
Total Business-type	\$ 672,501	\$ 434,105	\$ 1,269,623	\$ 1,898,717	\$ 2,371,017	\$ 2,805,155	\$	\$	\$	\$
Primary Government										
Net Investment										
in Capital Assets	\$ 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	\$ 30,199,226
Restricted	993,328	991,630	993,309	994,024	988,338	837,500				
Unrestricted	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	55,722,858
Total Primary	\$ 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	\$ 85,922,084

TABLE E-2

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Administration	\$ 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	\$ 4,269,791
Public Safety	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	4,083,493
Transportation	965,590	846,019	1,024,722	1,102,060	924,885	1,009,112	958,433	928,950	1,105,585	1,263,324
Health and Welfare	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	2,888,394
Culture and Recreation	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	1,875,951
Facilities	102,279	141,999	192,382	193,613	200,849	215,506	231,022	236,391	303,706	329,881
Judicial	311,361	311,744	342,850	378,196	507,003	471,453	527,420	561,546	560,846	632,284
Legal	276,320	269,750	284,903	296,145	361,121	405,648	365,921	395,377	428,663	640,148
Interest on Long-Term Debt	519,406	507,442	499,151	490,168	473,471	114,162	111,084			
Bond Issuance Costs	21,130	19,541	166,091			189,859	300			
Total Governmental Activities Exp	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	15,983,266
Business-type Activities										
Memorial Hospital	7,984,059	8,345,467	8,821,689	8,814,017	8,741,985	9,364,884				
Total Business-type Activities Exp	7,984,059	8,345,467	8,821,689	8,814,017	8,741,985	9,364,884				
Total Primary Government Exp	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	15,983,266
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 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	\$ 2,313,041
Operating Grants and Contrib.	400,705	381,294	420,307	507,865	813,582	841,247	789,265	589,540	419,587	338,460
Capital Grants and Contributions										
Total Governmental Act Prog Rev.	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	2,651,501
Business-type Activities:										
Charges for Services	5,337,114	6,100,196	6,756,104	5,666,843	6,807,435	7,494,935				
Operating Grants and Contrib.	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.	7,381,770	8,081,571	9,631,707	9,417,611	8,893,270	9,796,981				
Total Primary Govt Prog Rev.	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	2,651,501
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (13,331,765)
Business-type Activities	(602,289)	(263,896)	810,018	603,594	151,285	432,097				
Total Primary Govt Net Expense	(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)	(13,331,765)

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental Activities	\$ (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)\$	(13,331,765)
Business-type Activities	(602,289)	(263,896)	810,018	603,594	151,285	432,097				
Total Primary Government Net Exp \$	(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)\$	(13,331,765)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 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 \$	18,567,301
Sales Taxes	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	4,814,760
Bingo Tax Proceeds	1,156		5,496							
Investment Earnings	60,720	47,772	56,198	64,823	63,029	33,050	160,423	477,390	852,790	295,530
Donations		2,972								
Miscellaneous	39,527	43,488	74,800	264,636	99,962	91,317	146,661	82,612	38,801	41,744
Total Governmental Activities	\$ 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 \$	23,719,335
Business-type Activities:										
Investment Earnings	427				327	2,041				
Gain on Sale of Assets										
Restricted Contributions		25,500	25,500	25,500						
Insurance Recovery										
Total Business-type Activities:	427	25,500	25,500	25,500	327	2,041				
Total Primary Government	\$ 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 \$	23,719,335
Change in Net Position										
Governmental Activities	\$ 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 \$	10,387,570
Business-type Activities	(601,862)	(238,396)	835,518	629,094	151,612	434,138				
Total Primary Government	\$ 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 \$	10,387,570

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

	FISCAL									
	2011*	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
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	200,000	112,000			
Volunteer Fire Depts	66,487	33,000	150,000	50,000	200,000					
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	17,500	67,270	5,000		21,400
Kermit Vol. Fire Dept								5,000	159,040	
Jail Improvements/ Equip	20,000	50,000				15,000	71,351	38,860	55,600	71,999
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									
Digital Radios	56,000	75,000		75,000	162,000	162,000	162,000			
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	500,000	500,000			
TCDRS Funding		300,000			50,000	272,000				
Community Buildings		300,000		108,558	726,863	837,663	2,737,663			
Computer Equipment & Software					125,000	83,601	119,601			
Emergency Grant										
Election Expense					3,770	13,770	13,770			
Console KPD										
District Clerk Imaging				200,000	425,611	234,848	151,910		100,000	100,000
Precinct 1 Equipment & Barn					13,700	13,700	13,700	321,500		
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						
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				
JD Dozer Payoff					120,000					
VFD Tire Fund					5,000	5,000	5,000			
Kermit Parks Equipment					28,000	30,000	30,000	45,000		

TABLE E-4 (cont)

Wheel Loaders	120,000	120,000	120,000	70,000	120,000	120,000	24,100	400,000
Golf Course Funds	58,000	116,000	127,000	385,575	127,000	127,000	150,000	
Water Wells	10,000	7,250						
Debt Service Hospital	858,427	695,825						
Sheriff Vehicles	96,200	223,500						
Survey Expense	5,000	5,000						
Tax Software	100,000	100,000						
Courthouse Improvements	66,583	262,056	612,488	100,000				
EMS Equip		76,000	38,800					
Law Library		10,000	10,000					
Kermit Parks Improvement		30,000	19,250	200,000				71,221
Wink Parks Equipment		5,000						80,000
County Day Travel		100,000	59,846					
Recreation Center Roof								
HR Scanning		5,000	1,700					20,000
Senior Citizens Building & Equipment		27,000	27,000	50,000			18,300	200,000
Wink VFD Pumper		11,000						
County Wide Fertilizer		20,000	20,000					6,400
Precinct 2 Equipment								1,277,542
EMS Station								1,277,542
Hospital Support								
Kermit Community Center & Equipment								
Wink Community Center								
Phillips 66 Grant								
Wink Library								3,622,363
Boy Scout Hut								25,000
Ice Machine								25,000
District Court Salary Supplements								51,448
Juvenile Probation Cameras								15,500
Wink Splash Park								
Kermit Splash Park								
DA Radio								
District Court Furniture								
Unassigned	14,821,035	19,455,368	21,716,635	21,716,635	23,431,603	17,370,723	16,701,470	29,675,883
Total General Fund	\$ 19,638,273	\$ 21,922,665	\$ 23,694,628	\$ 23,694,628	\$ 26,016,722	\$ 24,050,344	\$ 24,653,614	\$ 40,652,196
								\$ 44,579,758
								\$ 50,416,224
All Other Governmental Funds								
Restricted For:								
Debt Service	\$ 993,328	\$ 966,130	\$ 967,809	\$ 968,524	\$ 962,838	\$ 812,000	\$ 812,000	\$ 283,756
Public Safety	167,106	164,589	130,355	127,843	87,449	113,579	121,603	273,166
Legal Services	74,639	71,565	72,454	72,428	73,205	72,587	73,019	72,506
Judicial Services	41,982	49,453	50,342	74,422	129,458	166,671	189,775	254,627
General Administration	157,555	194,321	224,377	119,464	172,878	236,809	234,037	354,358
Total All Other Governmental Funds	\$ 1,434,610	\$ 1,446,058	\$ 1,445,337	\$ 1,362,681	\$ 1,425,828	\$ 1,401,646	\$ 618,434	\$ 884,585
								\$ 984,087
								\$ 1,053,704

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes:										
Ad Valorem Taxes \$	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	18,929,962
General Sales and Use Taxes	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	4,814,760
Licenses and Permits	266,167	266,941	288,098	269,306	258,474	257,905	262,451	266,488	266,983	248,899
Intergovernmental	283,424	277,076	311,590	355,773	636,570	687,687	699,652	527,910	436,638	353,684
Fines and Forfeitures	240,756	235,740	188,464	188,874	147,907	124,871	183,357	463,220	541,261	244,340
Fees	334,618	732,796	769,742	797,691	827,271	796,986	1,036,624	1,277,999	972,834	793,167
Investment Earnings	60,720	47,772	56,198	64,823	63,029	91,317	160,423	477,390	852,790	295,530
Jail Revenue	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	812,664
Other Revenue	451,183	315,951	455,798	827,672	552,791	439,963	528,100	375,081	243,889	226,410
Total Revenues	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	26,719,416
Expenditures										
Current:										
General Administration	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	4,047,937
Public Safety	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	3,233,138
Transportation	836,385	773,019	741,667	854,242	1,066,040	999,811	965,434	666,203	825,464	789,792
Health and Welfare	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	2,518,072
Culture and Recreation	784,044	888,972	935,435	902,899	1,052,754	1,116,632	1,055,469	1,069,731	1,154,345	1,223,887
Facilities	86,539	87,324	118,486	118,102	125,812	137,034	148,434	140,775	219,408	195,724
Judicial	311,361	312,244	342,590	378,320	517,573	466,877	533,198	550,918	576,941	553,627
Legal	276,320	269,750	284,669	292,460	355,185	349,375	320,818	335,115	403,028	490,143
Debt Service:										
Principal	310,000	325,000	363,902	413,847	431,000	541,250	515,000			
Interest and Fiscal Charges	547,880	533,427	523,940	513,873	496,201	278,130	180,825			
Bond Issuance Costs						189,859	300			
Capital Outlay	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	7,761,014
Total Expenditures	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	20,813,334
Excess of Revenues Over (Under) Expenditures	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	5,906,082

TABLE E-5 (cont)

Other Financing Sources (Uses)									
Transfers In	25,502	3,408	6,286	9,646	8,757	11,600	7,610		
Refunding Bonds Issued							8,880,000		
Payment to Refunded Bond Escrow Agent							(9,118,383)		
Capital Leases				300,000					(178,979)
Transfers to Hospital District									
Premium or Discount									
On Issuance of Bonds							257,894		
Transfers Out	(25,502)	(3,408)	(6,286)	(9,646)	(8,757)	(11,600)	(7,610)		
Total Other Financing Sources (Uses)				300,000			19,511		(178,979)
Net Change in Fund Balances	\$ 1,954,928	\$ 2,295,841	1,471,241	\$ 2,539,437	\$ (1,903,232)	559,576	3,703,040	4,027,065	5,906,082
Debt Service As A Percentage Of Noncapital Expenditures	7.3%	7.2%	7.0%	6.8%	7.4%	8.2%	5.7%		

TABLE E-6

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
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
2020	18,929,962	4,814,760	23,744,722

(1) Includes General Fund and Debt Service Fund.

TABLE E-7

WINKLER COUNTY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
December 31, 2020

<u>Taxpayer</u>	<u>Tax Year 2020</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
WPX Energy Permian LLC	\$ 400,155,046	1	12.14%
University of Texas	168,509,946	2	5.11%
Mewbourne Oil Company	89,489,696	3	2.71%
Oasis Petroleum Permian LLC	85,757,644	4	2.60%
Oncor Electric Delivery Co	77,231,618	5	2.34%
Targa Delaware LLC	75,900,000	6	2.30%
DCP Sandhills Pipeline LLC	66,032,024	7	2.00%
ETC Texas Pipeline LTD.	64,044,998	8	1.94%
Plains Pipeline LP	58,114,086	9	1.76%
Gray Oak Pipeline LLC	55,811,652	10	1.69%
Total	<u>\$ 1,141,046,710</u>		<u>34.61%</u>

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
2010	\$ 10,548,757	\$ 10,404,780	98.64%	\$ 130,020	\$ 10,534,800	99.87%
2011	10,457,222	10,347,683	98.95%	96,980	10,444,663	99.88%
2012	11,316,322	11,182,491	98.82%	115,549	11,298,040	99.84%
2013	11,136,923	10,965,506	98.46%	127,127	11,092,633	99.60%
2014	11,837,123	11,657,804	98.49%	112,985	11,770,789	99.44%
2015	9,605,189	9,454,853	98.43%	93,565	9,548,418	99.41%
2016	7,853,033	7,673,040	97.71%	79,555	7,752,595	98.72%
2017	8,783,960	8,652,659	98.51%	59,474	8,712,133	99.18%
2018	9,539,218	9,438,778	98.95%	35,722	9,474,500	99.32%
2019	13,792,557	13,555,911	98.28%		13,555,911	98.28%