

OFFICE OF THE TREASURER
WARD COUNTY, TEXAS

CASH BASIS
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

OFFICE OF THE TREASURER
WARD COUNTY, TEXAS
CASH-BASIS FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	Management's Discussion and Analysis	3
	<u>Cash Basis Financial Statements</u>	
	Government Wide Statements:	
A-1	Government-Wide Statement of Cash Balances	9
B-1	Government-Wide Statement of Cash Receipt and Disbursement Activities	10
	Governmental Fund Financial Statements:	
C-1	Cash Basis Balance Sheet	14
C-2	Statement of Receipts, Disbursements and Changes in Cash Fund Balance	16
C-3	Budgetary Comparison Statement - General Fund	20
C-4	Budgetary Comparison Statement - New Construction Fund	22
	Proprietary Fund Financial Statements:	
D-1	Cash Basis Balance Sheet	23
D-2	Statement of Receipts, Disbursements and Changes in Cash Balances	24
	Notes to the Financial Statements	25
	Statement of Collections and Distribution of Ad Valorem Taxes	41
	<u>Combining Statements</u>	
	Non-major Governmental Funds:	
E-1	Combining Cash Basis Balance Sheet	42

OFFICE OF THE TREASURER
WARD COUNTY, TEXAS
CASH-BASIS FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

TABLE OF CONTENTS (continued)

<u>Exhibit</u>		<u>Page</u>
E-2	Combining Schedule of Receipts, Disbursements and Changes in Cash Fund Balance	48
	Non-major Enterprise Funds:	
F-1	Combining Cash Basis Balance Sheet	54
F-2	Combining Schedule of Receipts, Disbursements and Changes in Cash Fund Balance	55
	Internal Service Funds	
G-1	Combining Cash Basis Balance Sheet	56
G-2	Combining Schedule of Receipts, Disbursements and Changes in Cash Fund Balance	57
	Agency Funds	
H-1	Combining Schedule of Cash Balances	58
 <u>Other Information Required by Government Accounting Office</u>		
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	59
	Schedule of Findings and Responses	61
	Schedule of Status of Prior Findings	62
	Corrective Action Plan	63

INDEPENDENT AUDITOR'S REPORT

To the Honorable Judge and
Members of the Commissioners' Court of
Ward County, Texas

We have audited the accompanying financial statements of the Office of the County Treasurer, Ward County, Texas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Office of the County Treasurer, Ward County, Texas 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—cash basis of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Office of the County Treasurer, Ward County, TX, as of December 31, 2013, and the respective changes in financial position—cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Some Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office of the County Treasurer, Ward County, Texas basic financial statements. The management's discussion and analysis on pages 3 thru 8 are the responsibility of management and, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Statement of Collections and Distribution of Ad Valorem Taxes, Combining Statements of Nonmajor funds, Combining Statements of Nonmajor Enterprise Funds, Combining Statements of Internal Service Funds, and Combining Schedule of Cash Balances of Agency Funds are the responsibility of management and were derived from and related 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 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 statements aforementioned are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2014, on our consideration of the Office of the County Treasurer, Ward 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office of the County Treasurer, Ward County, Texas internal control over financial reporting and compliance.

Smith & Rives, PC
Monahans, TX
July 15, 2014

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013

As administration of the Office of the County Treasurer of Ward County, Texas, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the Independent Auditor's Report on page 1, and the County's Basic Financial Statements, which begin on page 9.

SCOPE OF REPORT

The information contained in this report represents only the cash accounts and funds that the Office of the County Treasurer administers. Ward County has other cash accounts and funds that are not the responsibility of the Office of the County Treasurer. They are not included in this information. Therefore, when we refer to the "County" we are referring to only the funds for which the Office of the County Treasurer is responsible.

BASIS OF ACCOUNTING

The Office of the Treasurer of Ward County, Texas prepared its financial statements on the cash basis of accounting which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). In addition, the County also omits recording general fixed assets and infrastructure assets on the financial statements which is a departure from GAAP. Management budgets and records receipts and disbursements on a cash basis because it believes this comprehensive basis of accounting is more suitable to the efficient administration of a smaller government.

In recording the information that follows, the reader is asked to be aware of the use of cash-basis accounting. To facilitate reading, repetitive references to the accounting basis will not be made, but all financial data and financial statements referred to are cash basis, not GAAP.

FINANCIAL HIGHLIGHTS

The County's cash fund balance increased by \$3,298,170 as a result of this year's operations. Cash fund balance of our business-type activity, Ward Memorial Hospital, increased by \$71,750, or approximately (116%) and cash fund balance of our governmental funds increased by \$3,226,420, or approximately 509%. (Exhibit B-1)

During the year, the County accounted for receipts from governmental programs of \$21,774,439. That was \$7,858,685 more than the disbursements of governmental programs. (Exhibit C-2) This compares to last year when receipts exceeded disbursements by \$3,962,249. Total disbursements for the County's programs were \$13,915,754, while last year's cost was \$14,034,866. (Exhibit C-2)

The County's business-type activity's receipts, relating to Ward Memorial Hospital activities, decreased by \$320,255, or 5%, while disbursements increased by \$421,462, or 4%.

The General Fund ended the year with a cash fund balance of \$3,686,596, while last year's General Fund cash balance was \$5,251,219.

The resources available for appropriation were \$926,647 more than budgeted for the General Fund due primarily to the effects of increased property values experienced by the County's citizens and a more robust economy.

Actual disbursements were \$738,969 less than budgeted for the General Fund.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Cash Balances and the Statement of Cash Receipt and Disbursement Activities (on pages 9-13). These provide information about the activities of the County as a whole.

Fund financial statements (starting on page 14) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how services of the Hospital were provided to patients and how the services receipts covered the disbursements for the services.

The notes to the financial statements (starting on page 25) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major funds, internal service funds and agency funds contain even more information about the County's individual funds.

REPORTING THE COUNTY TREASURER'S OFFICE AS A WHOLE

The analysis of the Office of the County Treasurer's overall financial condition and operations begins on page 3. Its primary purpose is to show whether the accounts accounted for by the County are better off or worse off as a result of the year's activities. The Statement of Cash Balances includes all the cash accounts managed by the Office of the County Treasurer at the end of the year while the Statement of Cash Receipt and Disbursement Activities includes all the cash receipts and disbursements generated by the County's operations during the year.

Both of the government-wide financial statements distinguish functions accounted for by the County that are principally supported by taxes and intergovernmental receipts (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The major governmental activities of the County include

Judicial, Administration (Courthouse), Public Safety, Highway and Street, Culture and Recreation, and Legal Compliance.

These two statements report the County's cash balances and changes in them. The County's cash basis fund balance provides one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's cash basis fund balances are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider non-financial factors as well, such as changes in the County's property tax base or the condition of the County's facilities.

In the Statement of Cash Balances and the Statement of Cash Receipt and Disbursement Activities, we divide the County into two kinds of activities:

Governmental Activities: Most of the County's basic services are reported here. Property tax, state and federal grants, charges for services and fines finance most of these activities.

Business-type Activities: The County charges fees to patients and federal and state agencies such as Medicare and Medicaid to help it cover all or most of the cost of services it provides in the Hospital Operating Fund.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 14 and provide detailed information about the most significant funds – not the County as a whole. Laws and contracts require the County to establish some funds, such as grants received from a government agency. The County's administration establishes many other funds to help it control and manage money for particular purposes. The County's two kinds of funds – governmental and proprietary – use the cash-basis of accounting.

Governmental Funds: Most of the County's basic services are reported in governmental funds. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides.

Proprietary Funds: The County reports the activities for which it charges users in proprietary funds using the cash-basis of accounting.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the cash fund balance (Table I) and changes in cash net position (Table II) of the County's governmental and business-type activities.

Cash net position of the County's governmental activities were \$15,242,272 at December 31, 2013. Unrestricted cash net position – the part of Cash fund balance that can be used to finance day-to-day operations without constraints established by enabling legislation, or other legal requirements – were \$876,349 at December 31, 2013.

Cash net position of the County's business-type activities were \$174,409 at December 31, 2013.

Table I
Cash Net Position

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Unrestricted cash and cash equivalents	\$ 14,197,872	\$ 10,990,910	\$ 174,409	\$ 102,659
Cash Equivalents-CDs	500,050	500,050	-	-
Restricted cash and cash equivalents	544,350	515,964	-	-
Total assets	\$ 15,242,272	\$ 12,006,924	\$ 174,409	\$ 102,659
Net Position				
Restricted by enabling legislation for Special Projects	\$ 876,349	\$ 1,121,942	\$ -	\$ -
Unrestricted	14,365,923	10,884,982	174,409	102,659
Total Net Position	\$ 15,242,272	\$ 12,006,924	\$ 174,409	\$ 102,659

Table II
Changes in Cash Net Position

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Receipts:				
Program Receipts:				
Charges for Services	\$ 1,161,899	\$ 1,015,208	\$ 6,159,015	\$ 6,911,840
General Receipts:				
Ad-Valorem Taxes	18,739,902	14,106,998	-	-
Hotel/Motel Tax	25,000	73,625	-	-
Sales taxes	82,648	55,861	-	-
Grants & Contributions	541,349	699,454	651,778	58,387
Licenses and permits	335,804	333,185	-	-
Miscellaneous	861,931	1,683,091	-	44,242
UPL Sweep	-	-	-	116,579
Sale of Real & Personal Property	-	65,112	-	-
Investment Earnings	25,906	29,693	425	762
Total Receipts	\$ 21,774,439	\$ 18,062,227	\$ 6,811,218	\$ 7,131,810
Disbursements:				
Cost of medical services	\$ -	\$ -	\$ 10,057,723	\$ 9,636,261
General Government	2,823,925	3,293,865	-	-
Public Safety	2,371,419	2,320,710	-	-
Highways and Streets	2,614,337	2,022,693	-	-
Culture and Recreation	2,055,183	1,390,260	-	-
Indigent Assistance	245,914	280,311	-	-
Emergency Medical Services	1,025,408	787,952	-	-
County and District Clerks	521,640	508,484	-	-
Sanitation (Water/septic system)	-	-	-	-
County and District Attorneys	1,002,311	925,998	-	-
Justices of the Peace	323,496	313,914	-	-
Coliseum Renovations	-	-	-	-
Capital Outlay	786,396	2,007,837	-	-
Miscellaneous	145,725	182,842	-	-
Total Disbursements	\$ 13,915,754	\$ 14,034,866	\$ 10,057,723	\$ 9,636,261
Increase (decrease) in cash net position before transfers	\$ 7,858,685	\$ 4,027,361	\$ (3,246,505)	\$ (2,504,451)
Transfers	(4,632,265)	(3,393,330)	3,318,255	2,061,000
Increase (decrease) in cash net position	\$ 3,226,420	\$ 634,031	\$ 71,750	\$ (443,451)
Prior Period Adjustment	8,928	(3,145)	-	-
Cash net position -January 1	12,006,924	11,376,038	102,659	546,110
Cash net position - December 31	<u>\$ 15,242,272</u>	<u>\$ 12,006,924</u>	<u>\$ 174,409</u>	<u>\$ 102,659</u>

The cost of all governmental activities this year was \$13,915,754. (Exhibit C-2) However, as shown in the Statement of Cash Receipts and Disbursement Activities on pages 10 and 11, some of the costs were paid by those who directly benefited from the programs (\$1,161,899) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1,161,899).

THE COUNTY TREASURER'S FUNDS

As the Office of the County Treasurer completed the year, its governmental funds (as presented in the cash-basis balance sheet on page 14) reported a combined fund balance of \$15,242,272, which is more than last year's total of \$12,006,924.

Over the course of the year, the Commissioners' Court made revisions to the County's budget. These budget amendments increased budgeted receipts by \$7,000 and increased budgeted disbursements by \$2,668,971.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2014 budget and tax rate. One of those factors is the economy and, in particular, the oil & gas industry. The price of crude oil and natural gas has been high over the course of the current year, which contributes heavily upon the valuation of properties on the mineral roll. The County's population has held steady in recent years, and it is possible that it may continue into the foreseeable future.

These indicators were taken into account when adopting the budget for 2014. Amounts available for appropriation in the budget are \$38,088,021 an increase of 23% under the final 2013 budget of \$30,968,773. Budgeted disbursements are expected to increase by 30% to \$37,705,017 from \$29,023,047 in 2013. There is a budgeted inter-fund transfer from the General Fund to the Hospital Operating Fund for 2014 in the amount of \$2,000,000. Another budgeted transfer is from the General Fund to Medical Benefits for \$1,200,000 for 2014. The General Fund also has budgeted an inter-fund transfer to the Building and Construction Fund in the amount of \$2,100,000. The Building and Construction Fund balance is expected to continue to grow for the next few years via transfers from the General Fund so that the County will eventually have the funds required to construct a new County Convention Center.

If these estimates are realized, the County's budgetary General Fund Balance will remain unchanged by the close of 2014.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County at the County Courthouse, 400 S. Allen St., Monahans, Texas, 79756.

CASH BASIS FINANCIAL STATEMENTS

WARD COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2013

EXHIBIT A-1

Data Control Codes	Primary Government		
	Governmental Activities	Business Type Activities	Total
CASH ASSETS			
1010	\$ 14,197,872	\$ 174,409	\$ 14,372,281
1030	500,050	-	500,050
Restricted Assets:			
1611	539,946	-	539,946
1612	4,404	-	4,404
1000	<u>15,242,272</u>	<u>174,409</u>	<u>15,416,681</u>
CASH BALANCES			
3890	876,349	-	876,349
3900	14,365,923	174,409	14,540,332
3000	<u>\$ 15,242,272</u>	<u>\$ 174,409</u>	<u>\$ 15,416,681</u>

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TEXAS
STATEMENT OF CASH RECEIPT & DISBURSEMENT ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Data Control Codes	Program Cash Receipts		
	Disbursements	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
10 General Government	\$ 1,512,427	\$ -	\$ -
12 Judicial	347,366	-	24,703
14 Elections	20,785	-	-
15 Financial Administration	341,534	-	-
16 Courthouse	107,688	-	-
17 Tax Assessor/Collector	285,515	193,016	-
18 Agricultural Extension Unit	54,940	-	-
19 Home Agent	153,670	-	-
21 Sheriff	1,145,675	28,015	-
22 Fire Protection	142,614	-	-
23 Corrections	45,474	-	-
25 Jail	1,073,887	-	86,460
26 Department of Public Safety	9,243	-	-
31 Highways and Streets	2,614,337	-	14,822
33 County Clerk	313,634	497,268	-
36 District Clerk	208,006	49,026	2,470
37 Justice of the Peace	323,496	49,026	-
38 County Attorney	238,546	7,004	22,233
39 Constable	35,849	-	-
40 District Attorney	763,765	-	187,667
41 Indigent Health Care	128,890	-	60,300
42 EMS	1,025,408	260,754	62,576
44 Indigent Welfare Care	16,874	-	-
45 Indigent Legal Care	100,151	-	15,221
51 Barstow Community Center	656,731	20,340	-
52 Parks	254,548	34,485	-
53 Museums	409,996	-	-
54 Coliseum	99,227	16,641	-
55 Libraries	282,133	6,324	-
56 Senior Citizens Center	341,858	-	64,897
57 Emergency Management	4,659	-	-
59 4-H Rifle Barn	6,031	-	-
61 Conservation	12,255	-	-
66 Economic Opportunity	34,146	-	-
80 Capital Outlay	786,396	-	-
90 Intergovernmental	18,000	-	-
Total Governmental Activities:	13,915,754	1,161,899	541,349
BUSINESS-TYPE ACTIVITIES:			
701 Hospital Operations	10,020,451	6,159,015	3,381
703 WMH UPL Sweep Account	37,272	-	-
Total Business-Type Activities:	10,057,723	6,159,015	3,381
TOTAL PRIMARY GOVERNMENT:	\$ 23,973,477	\$ 7,320,914	\$ 544,730

The notes to the financial statements are an integral part of this statement.

Net (Disbursements) Receipts and Changes in Cash Balances		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,512,427)	\$ -	\$ (1,512,427)
(322,663)	-	(322,663)
(20,785)	-	(20,785)
(341,534)	-	(341,534)
(107,688)	-	(107,688)
(92,499)	-	(92,499)
(54,940)	-	(54,940)
(153,670)	-	(153,670)
(1,117,660)	-	(1,117,660)
(142,614)	-	(142,614)
(45,474)	-	(45,474)
(987,427)	-	(987,427)
(9,243)	-	(9,243)
(2,599,515)	-	(2,599,515)
183,634	-	183,634
(156,510)	-	(156,510)
(274,470)	-	(274,470)
(209,309)	-	(209,309)
(35,849)	-	(35,849)
(576,098)	-	(576,098)
(68,590)	-	(68,590)
(702,078)	-	(702,078)
(16,874)	-	(16,874)
(84,930)	-	(84,930)
(636,391)	-	(636,391)
(220,063)	-	(220,063)
(409,996)	-	(409,996)
(82,586)	-	(82,586)
(275,809)	-	(275,809)
(276,961)	-	(276,961)
(4,659)	-	(4,659)
(6,031)	-	(6,031)
(12,255)	-	(12,255)
(34,146)	-	(34,146)
(786,396)	-	(786,396)
(18,000)	-	(18,000)
(12,212,506)	-	(12,212,506)
-	(3,858,055)	(3,858,055)
-	(37,272)	(37,272)
-	(3,895,327)	(3,895,327)
(12,212,506)	(3,895,327)	(16,107,833)

WARD COUNTY, TEXAS
 STATEMENT OF CASH RECEIPT & DISBURSEMENT ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2013

Data Control Codes	Disbursements	Charges for Services	Program Cash Receipts Operating Grants and Contributions
	General Receipts:		
	Taxes:		
	Property Taxes:		
5010	Property Taxes, Levied for General Purposes		
5120	Sales Taxes		
5150	GrossReceipts Business Tax		
5600	Grants and Contributions Not Restricted		
5700	Miscellaneous Revenue		
5800	Investment Earnings		
	Transfers In (Out)		
	Total General Revenues and Transfers		
	Change in Cash Balance		
	Cash Balance - Beginning		
	Prior Period Adjustment		
	Cash Balance - Ending		

The notes to the financial statements are an integral part of this statement.

Net (Disbursements) Receipts and Changes in Cash Balances		
Primary Government		
Governmental Activities	Business-type Activities	Total
18,739,902	-	18,739,902
82,648	-	82,648
25,000	-	25,000
2,842	-	2,842
1,194,893	648,397	1,843,290
25,906	425	26,331
(4,632,265)	3,318,255	(1,314,010)
<u>15,438,926</u>	<u>3,967,077</u>	<u>19,406,003</u>
3,226,420	71,750	3,298,170
12,006,924	102,659	12,109,583
8,928	-	8,928
<u>\$ 15,242,272</u>	<u>\$ 174,409</u>	<u>\$ 15,416,681</u>

WARD COUNTY, TEXAS
CASH BASIS BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

Data Control Codes	General Fund	Building Construction MMF	Building Constr/Renova Fund
CASH ASSETS			
1010 Cash and Cash Equivalents	\$ 3,178,038	\$ 2,503,495	\$ 7,454,838
1030 Investments - Current	500,050	-	-
1611 Temporarily Restricted Cash & Cash Equivalents	4,104	-	-
1612 Temporarily Restricted Cash & Cash Equivalents	4,404	-	-
1000 Total Cash Assets	<u>\$ 3,686,596</u>	<u>\$ 2,503,495</u>	<u>\$ 7,454,838</u>
Cash Basis Fund Balances:			
3490 Other Restricted Fund Balance	\$ -	\$ -	\$ -
3590 Other Assigned Fund Balance	-	2,503,495	7,454,838
3600 Unassigned Fund Balance	3,686,596	-	-
3000 Total Cash Basis Fund Balances	<u>\$ 3,686,596</u>	<u>\$ 2,503,495</u>	<u>\$ 7,454,838</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 1,061,501	\$ 14,197,872
-	500,050
535,842	539,946
-	4,404
<u>\$ 1,597,343</u>	<u>\$ 15,242,272</u>
\$ 876,349	\$ 876,349
720,994	10,679,327
-	3,686,596
<u>\$ 1,597,343</u>	<u>\$ 15,242,272</u>

WARD COUNTY, TEXAS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Data Control Codes	General Fund	Building Construction MMF	Building Constr/Renova Fund
RECEIPTS:			
Taxes:			
5110 Property Taxes	\$ 17,700,029	\$ -	\$ -
5120 General Sales and Use Taxes	82,648	-	-
5150 Gross Receipts Business Tax	-	-	-
5200 Licenses and Permits	335,805	-	-
5300 Intergovernmental Revenue and Grants	292,507	-	-
5400 Charges for Services	1,022,845	-	-
5510 Fines	511,973	-	-
5520 Forfeits	1,537	-	-
5610 Investment Earnings	14,285	3,495	6,316
5620 Rents and Royalties	478	-	-
5640 Contributions & Donations from Private Sources	2,784	-	-
5700 Other Revenue	40,067	-	-
5020 Total Receipts	20,004,958	3,495	6,316
DISBURSEMENTS:			
Current:			
0010 General Government	1,512,427	-	-
0012 Judicial	345,216	-	-
0014 Elections	20,785	-	-
0015 Financial Administration	341,534	-	-
0016 Define - General Government	107,034	-	-
0017 Define - General Government	285,515	-	-
0018 Define - General Government	54,940	-	-
0019 Other General Government Functions	153,670	-	-
Public Safety:			
0021 Police	1,138,930	-	-
0022 Fire Protection	142,614	-	-
0023 Corrections	29,363	-	-
0025 Jail	1,073,887	-	-
0026 Department of Public Safety	9,243	-	-
0031 Highways and Streets	1,549,358	-	-
0033 County Clerk	267,764	-	-
0036 District Clerk	208,006	-	-
0037 Justice of the Peace	323,496	-	-
0038 County Attorney	237,392	-	-
0039 Constable	35,849	-	-
0040 Health and Welfare	-	-	-
0041 Health	128,890	-	-
0042 EMS	1,025,408	-	-
0044 Welfare	16,874	-	-
0045 Indigent Legal Care	100,151	-	-
Culture and Recreation:			
0051 Recreation	656,731	-	-
0052 Parks	254,548	-	-
0053 Museums	57,260	-	70,159
0054 Pools	99,227	-	-
0055 Libraries	282,133	-	-
0056 Senior Citizens Center	276,961	-	-
0057 Emergency Management	4,659	-	-
0059 4-H Rifle Barn	6,031	-	-
Conservation and Development:			
0061 Conservation	12,255	-	-
0066 Economic Opportunity	-	-	-
Capital Outlay:			
0080 Capital Outlay	745,093	-	-
Intergovernmental:			
0090 Intergovernmental	18,000	-	-
6030 Total Disbursements	11,521,244	-	70,159
1100 Excess (Deficiency) of Receipts Over (Under) Disbursements	8,483,714	3,495	(63,843)

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 1,039,873	\$ 18,739,902
-	82,648
25,000	25,000
-	335,805
248,842	541,349
139,056	1,161,901
-	511,973
305,031	306,568
1,810	25,906
-	478
58	2,842
-	40,067
<u>1,759,670</u>	<u>21,774,439</u>
-	1,512,427
2,150	347,366
-	20,785
-	341,534
654	107,688
-	285,515
-	54,940
-	153,670
6,745	1,145,675
-	142,614
16,111	45,474
-	1,073,887
-	9,243
1,064,979	2,614,337
45,870	313,634
-	208,006
-	323,496
1,154	238,546
-	35,849
763,765	763,765
-	128,890
-	1,025,408
-	16,874
-	100,151
-	656,731
-	254,548
282,577	409,996
-	99,227
-	282,133
64,897	341,858
-	4,659
-	6,031
-	12,255
34,146	34,146
41,303	786,396
-	18,000
<u>2,324,351</u>	<u>13,915,754</u>
<u>(564,681)</u>	<u>7,858,685</u>

WARD COUNTY, TEXAS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Data Control Codes	General Fund	Building Construction MMF	Building Constr/Renova Fund
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	26,059	-	-
7915 Transfers In	721,505	2,500,000	5,075,000
8911 Transfers Out (Use)	(10,804,829)	-	(2,500,000)
7080 Total Other Financing Sources (Uses)	<u>(10,057,265)</u>	<u>2,500,000</u>	<u>2,575,000</u>
1200 Net Change in Cash Basis Fund Balance	(1,573,551)	2,503,495	2,511,157
0100 Cash Basis Fund Balance - January 1 (Beginning)	5,251,219	-	4,943,681
1300 Prior Period Adjustment	8,928	-	-
3000 Cash Basis Fund Balance - December 31 (Ending)	<u>\$ 3,686,596</u>	<u>\$ 2,503,495</u>	<u>\$ 7,454,838</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
-	26,059
350,002	8,646,507
(2)	(13,304,831)
350,000	(4,632,265)
(214,681)	3,226,420
1,812,024	12,006,924
-	8,928
\$ 1,597,343	\$ 15,242,272

WARD COUNTY, TEXAS
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-3

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget	
	Original	Final	CASH BASIS (See Note)	Positive or (Negative)	
RECEIPTS:					
Taxes:					
5110	Property Taxes	\$ 16,714,268	\$ 16,714,268	\$ 17,700,029	\$ 985,761
5120	General Sales and Use Taxes	40,000	40,000	82,648	42,648
5200	Licenses and Permits	324,300	324,300	335,805	11,505
5300	Intergovernmental Revenue and Grants	261,333	268,333	292,507	24,174
5400	Charges for Services	1,116,910	1,116,910	1,022,845	(94,065)
5510	Fines	575,000	575,000	511,973	(63,027)
5520	Forfeits	-	-	1,537	1,537
5610	Investment Earnings	17,000	17,000	14,285	(2,715)
5620	Rents and Royalties	500	500	478	(22)
5640	Contributions & Donations from Private Sources	1,000	1,000	2,784	1,784
5700	Other Revenue	21,000	21,000	40,067	19,067
5020	Total Receipts	19,071,311	19,078,311	20,004,958	926,647
DISBURSEMENTS:					
Current:					
0010	General Government	1,702,558	1,667,138	1,512,427	154,711
0012	Judicial	412,403	412,403	345,216	67,187
0014	Elections	23,769	23,769	20,785	2,984
0015	Financial Administration	350,189	350,189	341,534	8,655
0016	Define - General Government	118,364	118,364	107,034	11,330
0017	Define - General Government	288,503	288,503	285,515	2,988
0018	Define - General Government	77,737	77,577	54,940	22,637
0019	Other General Government Functions	70,245	159,996	153,670	6,326
Public Safety:					
0021	Police	1,107,067	1,141,937	1,138,930	3,007
0022	Fire Protection	142,618	142,618	142,614	4
0023	Corrections	249,847	106,722	29,363	77,359
0025	Jail	1,117,659	1,104,609	1,073,887	30,722
0026	Department of Public Safety	18,437	18,437	9,243	9,194
0031	Highways and Streets	1,419,589	1,584,239	1,549,358	34,881
0033	County Clerk	273,515	273,515	267,764	5,751
0036	District Clerk	211,676	211,676	208,006	3,670
0037	Justice of the Peace	326,494	326,494	323,496	2,998
0038	County Attorney	245,354	245,354	237,392	7,962
0039	Constable	36,590	36,590	35,849	741
Health and Welfare:					
0041	Health	220,000	219,400	128,890	90,510
0042	EMS	1,032,750	1,069,750	1,025,408	44,342
0044	Welfare	20,250	20,250	16,874	3,376
0045	Indigent Legal Care	157,000	157,000	100,151	56,849
Culture and Recreation:					
0051	Recreation	642,927	676,979	656,731	20,248
0052	Parks	254,468	275,859	254,548	21,311
0053	Museums	62,617	62,617	57,260	5,357
0054	Pools	53,500	99,405	99,227	178
0055	Libraries	298,369	304,004	282,133	21,871
0056	Senior Citizens Center	262,941	285,476	276,961	8,515
0057	Emergency Management	4,986	4,986	4,659	327
0059	4-H Rifle Barn	3,500	18,500	6,031	12,469
Conservation and Development:					
0061	Conservation	12,700	12,700	12,255	445
Capital Outlay:					
0080	Capital Outlay	300,000	745,157	745,093	64
Intergovernmental:					

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TEXAS
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-3 (Cont'd)

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final	CASH BASIS (See Note)	
0090 Intergovernmental	18,000	18,000	18,000	-
6030 Total Disbursements	11,536,622	12,260,213	11,521,244	738,969
1100 Excess (Deficiency) of Receipts Over (Under) Disbursements	7,534,689	6,818,098	8,483,714	1,665,616
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	26,059	26,059
7915 Transfers In	615,000	624,365	721,505	97,140
8911 Transfers Out (Use)	(8,284,000)	(10,853,745)	(10,804,829)	48,916
7080 Total Other Financing Sources (Uses)	(7,669,000)	(10,229,380)	(10,057,265)	172,115
1200 Net Change in Cash Balance	(134,311)	(3,411,282)	(1,573,551)	1,837,731
0100 Cash Basis Fund Balance - January 1 (Beginning)	5,251,219	5,251,219	5,251,219	-
1300 Prior Period Adjustment	8,928	8,928	8,928	-
3000 Cash Basis Fund Balance - December 31 (Ending)	\$ 5,125,836	\$ 1,848,865	\$ 3,686,596	\$ 1,837,731

The notes to the financial statements are an integral part of this statement.

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCE
 BUDGET AND ACTUAL - BUILDING CONSTRUCTION/RENOVATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	CASH BASIS (See Note)	Positive or (Negative)
RECEIPTS:				
5610 Investment Earnings	\$ 4,000	\$ 4,000	\$ 6,316	\$ 2,316
5020 Total Receipts	<u>4,000</u>	<u>4,000</u>	<u>6,316</u>	<u>2,316</u>
DISBURSEMENTS:				
Current:				
Culture and Recreation:				
53 Museums	-	75,000	70,159	4,841
6030 Total Disbursements	<u>-</u>	<u>75,000</u>	<u>70,159</u>	<u>4,841</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>4,000</u>	<u>(71,000)</u>	<u>(63,843)</u>	<u>7,157</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	3,775,000	3,775,000	5,075,000	1,300,000
8911 Transfers Out (Use)	-	(2,500,000)	(2,500,000)	-
7080 Total Other Financing Sources (Uses)	<u>3,775,000</u>	<u>1,275,000</u>	<u>2,575,000</u>	<u>1,300,000</u>
1200 Change in Fund Balance	3,779,000	1,204,000	2,511,157	1,307,157
0100 Fund Balance - January 1 (Beginning)	<u>4,943,681</u>	<u>4,943,681</u>	<u>4,943,681</u>	<u>-</u>
				<u>-</u>
3000 Fund Balance - December 31 (Ending)	<u>\$ 8,722,681</u>	<u>\$ 6,147,681</u>	<u>\$ 7,454,838</u>	<u>\$ 1,307,157</u>

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

WARD COUNTY, TEXAS
CASH BASIS STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

	Business-Type Activities - Enterprise Funds			Governmental
	70 Hospital Operations	Other Hospital Funds	Total Enterprise Funds	Total Internal Service Funds
CASH ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 174,403	\$ 6	\$ 174,409	\$ 1,293,255
Total Cash Assets	174,403	6	174,409	1,293,255
CASH BALANCE:				
Unrestricted Net Position	174,403	6	174,409	1,293,255
Total Cash Balance	\$ 174,403	\$ 6	\$ 174,409	\$ 1,293,255

The notes to the financial statements are an integral part of this statement.

EXHIBIT D-2

WARD COUNTY, TEXAS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-Type Activities - Enterprise Funds			Governmental
	70 Hospital Operations	Other Hospital Funds	Total Enterprise Funds	Total Internal Service Funds
OPERATING RECEIPTS:				
UPL Sweep	\$ 78,796	\$ -	\$ 78,796	\$ -
Grants	3,381	-	3,381	-
Receipts from Hospital Services	6,159,015	-	6,159,015	-
Other Revenue	569,601	-	569,601	393,690
Total Operating Receipts	<u>6,810,793</u>	<u>-</u>	<u>6,810,793</u>	<u>393,690</u>
OPERATING DISBURSEMENTS:				
Personnel Services - Salaries and Wages	5,040,506	-	5,040,506	-
Personnel Services - Employee Benefits	1,678,982	-	1,678,982	1,702,095
Purchased Professional & Technical Services	1,179,738	-	1,179,738	-
Purchased Property Services	484,639	-	484,639	-
Other Operating Expenses	283,513	37,272	320,785	-
Supplies	1,157,783	-	1,157,783	-
Equipment	41,071	-	41,071	-
Interest Expense	154,219	-	154,219	-
Total Operating Disbursements	<u>10,020,451</u>	<u>37,272</u>	<u>10,057,723</u>	<u>1,702,095</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>(3,209,658)</u>	<u>(37,272)</u>	<u>(3,246,930)</u>	<u>(1,308,405)</u>
NON-OPERATING RECEIPTS (DISBURSEMENTS):				
Investment Earnings	420	5	425	1,187
Total Non-operating Receipts (Disbursements)	<u>420</u>	<u>5</u>	<u>425</u>	<u>1,187</u>
Excess (Deficiency) of Receipts Before Transfers	<u>(3,209,238)</u>	<u>(37,267)</u>	<u>(3,246,505)</u>	<u>(1,307,218)</u>
Non-Operating Transfer In	3,349,995	37,272	3,387,267	1,224,000
Transfers Out	<u>(37,272)</u>	<u>(31,740)</u>	<u>(69,012)</u>	<u>-</u>
Net Change in Cash Balance	103,485	(31,735)	71,750	(83,218)
Cash Balance - January 1 (Beginning)	<u>70,918</u>	<u>31,741</u>	<u>102,659</u>	<u>1,376,473</u>
Cash Balance - December 31 (Ending)	<u>\$ 174,403</u>	<u>\$ 6</u>	<u>\$ 174,409</u>	<u>\$ 1,293,255</u>

The notes to the financial statements are an integral part of this statement.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The authority of county governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution, Local Government Code and V.A.C.S.

Principal Determining Scope of Reporting Entity

The County's cash basis financial statements include the cash accounts of all funds handled by the Office of the County Treasurer. The County's major activities or functions to which these funds relate include police and fire protection, parks and libraries, public health and social services, construction and maintenance of roads, and general administrative services. In addition, the County makes substantial transfers and cash disbursements through the County Treasurer's Office on behalf of Ward Memorial Hospital. These activities are included in the accompanying financial statements. The activities accounted for by the County Treasurer are only a portion of the activities of the Hospital. The Hospital issues separate audited financial statements that provide information regarding all operations of the Hospital.

The County Treasurer's Office also receives and disburses funds for the Juvenile Probation Office and the Adult Probation Office, both of which issue their own, separate audits. Their fiscal years end on August 31, contrary to the County's, which operates on a calendar year.

Because members of the Commissioners' Court are elected by the public; have the authority to make decisions, appoint administrators, and significantly influence operations; and have the primary accountability for fiscal matters, the County is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board ("GASB"), Statement No. 14, "The Financial Reporting Entity".

Government-wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Ward County's non-fiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the County operates have shared in payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the County's functions. Taxes are always general revenues.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Receipts, Disbursements, and Changes in Cash Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operation in a separate column.

Basis of Accounting

The accounting records of the Office of the County Treasurer of Ward County, Texas, are maintained on a cash receipts and disbursements basis. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, receipts are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred. Statements presented on this basis are not intended to be a full set of financial statements under GASB Statement No. 34.

Separate funds are established to account for receipts and disbursements pertaining to separate identifiable functions of the County. Each fund represents a separate accounting entity. As a result, total receipts and disbursements by the County Treasurer are accumulated for report purposes with no elimination of interfund transactions. The individual funds are identified as follows:

General Fund:

The General Fund is maintained to pay all County disbursements authorized to be made by the County unless there is a statute, which makes the disbursement a charge against a special fund.

Jury Fund:

The Jury Fund is maintained to pay jurors, bailiffs' salaries, and directly-related court disbursements.

EMS Fund:

The EMS fund is maintained to account for the operations of the Emergency Medical Service department for the County. Receipts consist of payment for services performed and operating transfers from the County. Significant disbursements consist of costs of personnel, costs of facility and equipment maintenance and supplies.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Road and Bridge Funds:

The Road and Bridge Funds, including the Road and Bridge Special Fund, Lateral Road Fund and Farm to Market Road Fund are maintained to account for the construction and maintenance costs of lateral roads in the County, or for the payment of obligations incurred in the construction of state highways or roads constituting the County road system.

Special Revenue Funds:

This fund group consists of several separate and unrelated funds which are established to account for the receipts and disbursements of projects established for the collection and transfer of special taxes, fees and grants for projects which are funded, in part, by state or federal funds, entitlements, or allocations.

Trust and Agency Funds:

All assets held by Ward County as trustee or agent for various precincts, individuals, and other governmental units are accounted for through these funds. Included in the Trust and Agency Fund is the State Tax Fund which is maintained to account for receipts and disbursements for the collection and transfer of special state taxes and fees. The Trust and Agency Funds are unbudgeted funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations.

Internal Service Funds:

The Employee Medical Benefits Fund is used to account for the County's insurance programs. The Contingency Fund is funded by contributions by other funds and used for unexpected disbursements and emergencies or repayment of loans between departments of the County. The Flexible Benefit Fund is a medical insurance-related fund that is utilized to facilitate the operation of the County's Section 125 plan for unreimbursed medical costs for its employees.

Hospital Enterprise Fund:

The Hospital Enterprise Fund includes the Hospital Operating Fund that is maintained to account for the ordinary day-to-day operation of the hospital. Ward Memorial Hospital is a division of Ward County and is operated under the direction of a Board of Managers appointed by the Commissioners' Court.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Accounting - continued

Payroll Fund:

This fund was established to facilitate the accounting for a deposit or payment of all items withheld from employee payroll checks and for the payment of employee benefits for employees whose salaries are paid from all other funds of the County. Disbursements are recorded in the various other funds as deposits are made from those funds. These funds are unbudgeted.

Treasurer's Special Fund:

This fund was established principally to account for the receipt of ad valorem taxes from the Tax Assessor/Collector. It is the policy of the County to begin collection of taxes three months in advance of the beginning of the fiscal year for which the taxes are levied. Taxes collected by the Tax Assessor/Collector are turned over to the Treasurer. The receipt and investment of these prepaid taxes are accounted for in the Treasurer's Special Fund until the beginning of the fiscal year to which they apply. At that time they are deposited into various other County funds. These deposits are allocated to the various other funds at the assessment rates approved by the Commissioners' Court.

Miscellaneous Fund:

This fund was established to facilitate the accounting for various receipts generated by the two Justices of the Peace of Ward County. The money is collected in this account and disbursed to the proper accounts according to the type of receipts collected.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 2: DEPOSITS, INVESTMENTS AND SECURITIES

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of twelve months or less from the date of acquisition. The County Treasurer's cash and cash equivalents were comprised of six demand deposit accounts, thirty-five TexPool accounts and two certificates of deposit at December 31, 2013.

The total carrying amount of the County Treasurer's demand deposits at December 31, 2013 was \$2,884,509 and the bank balance was \$3,379,952. The County Treasurer's demand deposits at December 31, 2013, and during the year ended December 31, 2013, were entirely covered by FDIC insurance and pledged collateral.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest demand deposit:

<u>Bank</u>	<u>Highest Demand Deposit Balance</u>	<u>FMV of Securities Pledged</u>	<u>FDIC Insurance</u>	<u>Month</u>
Security Bank	\$4,080,796	\$6,098,856	\$500,000	December 2013

A portion of the County Treasurer's cash and cash equivalents consist of balances held by TexPool, a branch of the State government. The funds held by TexPool represent an investment in a pool and are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form. Market value at December 31, 2013 is provided by TexPool.

The County Treasurer's cash equivalents held with TexPool at December 31, 2013 are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
TexPool	<u>\$21,366,933</u>	<u>\$21,366,933</u>

The remaining portion of the County Treasurer's cash and cash equivalents consist of two certificates of deposit from two local credit unions. The maturities of these investments range from one month to nine months from December 31, 2013. The County Treasurer's certificates of deposit at December 31, 2013 are shown below:

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 2: DEPOSITS, INVESTMENTS AND SECURITIES - continued

<u>Institution Name</u>	<u>Type of Investment</u>	<u>Stated rate</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Balance December 31, 2013</u>
Ward County Teachers' FCU	CD	0.60%	March 24, 2009	January 4, 2014	\$250,000
Ward County Teachers' FCU	share account				\$25
Complex Community FCU	CD	0.70%	September 22, 2010	October 2, 2014	\$250,000
Complex Community FCU	Share Account				\$25

The total cash handled by the Office of the County Treasurer at December 31, 2013 is summarized as follows:

Total cash - Office of the Treasurer:	
Carrying amount of demand deposit accounts	\$ 2,884,510
Texpool accounts	21,366,933
Certificates of Deposit	500,050
Total cash monitored by Office of the Treasurer	<u>\$ 24,751,493</u>
Reported as:	
Reported government-wide cash, Exhibit A-1	\$ 15,416,681
Internal Service Funds cash, Exhibit D-1	1,293,255
Agency Funds Cash, Exhibit H-1	8,041,557
Total cash reported by Office of the Treasurer	<u>\$ 24,751,493</u>

Custodial Credit Risk for Deposits

State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent bank. At December 31, 2013, the \$500,430 of the County's certificates of deposit was subject to custodial risk of \$430. This risk represented \$380 of interest earned on the certificates but not paid out to the County Treasurer until January 2014 and the two \$25 share accounts not covered by \$250,000 NCUA insurance program.

Foreign Currency Risk

The County has no investments or deposits of a foreign currency.

Compliance with the Public Funds Investment Act

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity date for the portfolio, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 2: DEPOSITS, INVESTMENTS AND SECURITIES – continued

Compliance with the Public Funds Investment Act continued

Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

Cash Restricted by Enabling Legislation

The County receives funds from taxpayers, defendants and various other entities that were legally imposed by statutes or local taxpayer election. Examples of such receipts are Farm-to-Market Road taxes and state-mandated fees from defendants designated for specific projects like Court Security, JP Security and Records Management and Preservation, to name a few. The cash balances in these funds are restricted as to use and ultimate disposal. Therefore, they are listed as "Cash Restricted by Enabling Legislation" in these financial statements. The County held the following funds as restricted by enabling legislation at December 31, 2013:

General Fund	\$	8,508
Lateral Road Fund		12,465
Farm-to-Market Road Fund		289,112
Records Management and Preservation Fund		9,831
Courthouse Security Fund		21,723
County Clerk Records M&P Fund		54,538
Court Reporter Service Fund		12,488
Court Technology Fund		19,711
County Clerk Vital Statistics Fund		13,339
County Clerk Archive Fund		48,191
District Clerk Records Management Fund		3,102
Justice of the Peace Security Fund		20,898
County/District Court Technology Fund		1,678
County District Disaster Preservation Fund		2,743
Hotel/Motel Tax		26,023
Total Cash Basis Fund Balances Restricted by Enabling Legislation	\$	544,350

Note 3: PROPERTY TAXES

Property taxes are levied by October 1, 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.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 4: INSURANCE

General and Professional Liability

The County has entered into an agreement with Texas Association of Counties (TAC) for property, general liability, law enforcement liability, auto liability, auto physical damage, public officials' liability, crime coverage, and workers' compensation insurance. TAC Insurance funds were formed by the entry into inter-local participation agreements by member political subdivisions of the State of Texas to jointly self-insure its members against certain risks within a defined scope, to purchase excess insurance or reinsurance when deemed prudent, and to pay necessary administrative disbursements.

Property Insurance

The County's property insurance program includes blanket property coverage with various limits for quake and flood and deductibles ranging from \$500 to \$25,000.

The County paid \$198,174 in property, general liability and professional liability insurance premiums for the year ended December 31, 2013.

Health Insurance

The County's health insurance program is a "self-insured" minimum premium cash flow plan. The County and each covered employee with dependent coverage make a pre-determined monthly contribution to the plan. All claims are reviewed and processed by an independent insurance company. The insurance company pays claims based on the health plan by withdrawing the funds directly from the County-maintained bank account. The insurance company charges the County a fee to administer the claims.

The County informally budgets for current claims based on actuarial valuations and current health care statistics. Funding covers both the cost of claims and administrative disbursements. The County contributed \$1,200,000 and County employees contributed \$277,953 to the health insurance program for the year ended December 31, 2013. Retirees and COBRA contributions were \$87,152 for the year ended December 31, 2013. The Medical Benefits Fund held cash for the purpose of funding the medical self-insurance program in the amount of \$808,366 at December 31, 2013.

Hospital employees are covered by a traditional premium-only plan administered by Blue Cross Blue Shield of Texas. Health insurance premiums paid by the County on behalf of hospital employees were \$872,206 for the year ended December 31, 2013.

Life Insurance

The County pays the premium for employees and retirees who elect to participate in the plan and remits these premium payments to the insurance company. County contributions for life insurance premiums amounted to \$28,586 for the year ended December 31, 2013.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 5: EMPLOYEES' RETIREMENT PLAN

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for administration of the statewide agent multiple-employer public employee retirement system consisting of 656 cash balance-account type defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the Commissioners' Court, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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

Funding Policy

Ward County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members.

Under the TCDRS Act, the County's contribution rate is actuarially determined annually. The County's rate, which does not include the hospital, was 14.17% for calendar year 2013. The contribution rate payable by the employee members, other than the hospital members, for calendar year 2013 was 7% as adopted by the Commissioners' Court. The employee contribution rate and the County contribution rate may be changed by the Commissioners' Court within the options available in the TCDRS Act.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 5: EMPLOYEES' RETIREMENT PLAN continued

Funding policy continued

For the County's accounting year ending December 31, 2013, the annual required pension contribution for the TCDRS plan for its employees was \$881,255. However, the Commissioners' elected to make an additional \$300,000 contribution in December 2013 on behalf of the County to reduce the unfunded actuarial accrued liability for the County's account. The total retirement fund contribution/cost for the County for 2013 was \$1,181,255.

The hospital contributes to the TCDRS at a different rate than the County and county employees do. The cash-basis contributions to the retirement plan on behalf of the hospital employees were \$393,185 for 2013.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2012, the basis for determining the contribution rates for calendar year 2013. The December 31, 2012 actuarial valuation is the most recent valuation.

Trend Information for the Retirement Plan for the Employees of Ward County, Texas

Accounting Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/2011	\$761,218	100%	-0-
12/31/2012	\$816,696	100%	-0-
12/31/2013	\$881,226	100%	-0-

Actuarial valuation information:

Actuarial valuation date	12/31/2010	12/31/2011	12/31/2012
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20	20	20

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 5: EMPLOYEES' RETIREMENT PLAN continued

Funding policy continued

Actuarial valuation information: continued

Asset valuation method	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary increases*	5.40%	5.40%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%	0.00%

* includes inflation at the stated rate

Note 6: DEFERRED COMPENSATION PLAN

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all County employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unseen emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The balances of the deferred compensation plans at December 31, 2013 were \$49,764 and \$956,464, respectively.

Nationwide Retirement Solutions

Beginning Balance, January 1, 2013	Contributions and Market Gains	Withdrawals, Fees and Market Losses	Ending Balance, December 31, 2013
<u>\$38,748</u>	<u>\$11,324</u>	<u>(\$308)</u>	<u>\$49,764</u>

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 6: DEFERRED COMPENSATION PLAN continued

The Hartford

Beginning Balance, January 1, 2013	Contributions and Market Gains	Withdrawals and Market Losses	Ending Balance, December 31, 2013
\$737,396	\$268,881	(\$49,813)	\$956,464

Note 7: BUDGETS AND BUDGETARY ACCOUNTING

The County annually adopts a detailed budget on the cash basis method of accounting, consistent with the method of accounting for actual data, which is not consistent with generally accepted accounting principles. The Commissioners' Court approved the 2013 budget on September 10, 2012. Amendments to the budget are adopted as needed during the year by the Commissioners' Court. The budget amounts shown in the additional financial information are the final authorized amounts as revised during the year.

Note 8: FUND BALANCE

The County reports fund balance in accordance with GASB 54. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by a governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose, positive amounts are reported only in the general fund.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 8: FUND BALANCE continued

The Commissioners' Court establishes (and modifies or rescinds) fund balance commitments by passage of an order or resolution. Assigned fund balance is delegated by the Court to the County Auditor, County Treasurer or their designee.

When restricted and other fund balance resources are available for use, it is the County's policy to use restricted resources first, followed by committed, assigned and unassigned amounts, respectively.

Note 9: CASH BASIS FUND BALANCES RESTRICTED BY ENABLING LEGISLATION

Ward County reports fund balances for governmental funds in classifications based primarily on the extent to which the county is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Provisions of laws, contracts, and grants specify how fund resources can be used in the **restricted** classification. The nature of this classification precludes a need for a policy from the Commissioners' Court. As explained in Note 2, the County receives funds from taxpayers, defendants and various other entities that were legally imposed taxes or fees by statutes or local taxpayer election. The cash basis fund balances in these funds are restricted as to use and ultimate disposal. Therefore, they are listed as "Cash Basis Fund Balances Restricted by Enabling Legislation" in these financial statements.

Note 10: RELATED PARTY TRANSACTIONS

The Office of Ward County Attorney is considered a part-time position and the County Attorney is permitted to maintain a private practice in addition to his public duties. As a result, some facilities, equipment and services are utilized in both his private practice and his public duties as Ward County Attorney. The physical separation and accounting of the two functions are deemed inefficient and improbable by both Ward County and the Ward County Attorney. As a result, the County and the County Attorney have entered into an agreement whereby allocations of costs that jointly benefit the County and the County Attorney's private practice have been proposed, approved and applied as part of the costs of the Office of the Ward County Attorney. This agreement stipulates that the County Attorney will provide his personal office space, furniture and equipment and services for accounting for the County Attorney Hot Check Fund at no charge to the County in return for the County's subsidy of the personal portion of his secretaries' time. The County Attorney makes an effort to segregate and pay for his personal portion of other expenses such as utilities (considered 25% personal and bills the County for 75% of utilities on an after-the-fact basis), telephone, office cleaning, seminars, law library, subscriptions and internet services and postage.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 10: RELATED PARTY TRANSACTIONS continued

Ward County authorizes the Ward County Judge to utilize his county office for his private practice of law. The Commissioners' Court has found that this arrangement serves a public purpose in that it makes the County Judge more available to county officials and staff, as well as to the public. The County Judge provides his own office supplies and reimburses Ward County for copies and long distance telephone calls. In 2013 the County Judge was paid \$21,313 by Ward County for court-appointed representation of indigent defendants in district court.

Finally, the Chief Juvenile Probation Officer handles court appointments for indigent criminal defendants and is reimbursed by Ward County. Ward County paid the Chief Juvenile Probation Officer \$36,495 for such services during 2013.

Note 11: FEDERAL & STATE GRANTS

The County received funds under grants from federal and state governments. The amounts received by the County's various programs are as follows:

Name of Award	Revenues Received	
	Federal	State
Border Prosecution Grant	\$ -	\$ 90,830
EMS Local Projects -JRAC	-	61,942
Hospital Local Projects -JRAC	-	3,381
Indigent Defense Grant - TX Task for on Indigent Defense	-	16,352
Regional Solid Waste Grant	-	1,500
Texas Juvenile Probation Commission Funds	-	100,106
Congregate Meals, Home Delivered Meals & Cash Payments in Lieu of Donated Commodities - DHHS and Department of Agriculture	64,897	-
TOTALS	\$ 64,897	\$ 274,111

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 12: TRANSFERS

Interfund transfers consisted of the following:

	Transfers In	Transfers Out	Purpose
Transfers to General Fund:			
Other general funds	9,365		Operating Transfer - Road & Bridge Fund
Other general funds	635,000		Operating Transfer - Emergency Medical Services
Other general funds	84		Operating Transfer - Jury Fund
Other general funds	50,000		Operating Transfer - Information Technology Fund
Agency Fund	27,056		Operating Transfer - State Court Costs
	721,505		
Transfers from General Fund:			
Internal Service Funds		1,200,000	Medical Self-Insurance Funding
Internal Service Funds		24,000	Funding for Contingency Fund
Special Revenue Fund		150,000	Funding for Museum Building
Special Revenue Fund		5,075,000	Funding for Construction/Renovations
Special Revenue Fund		200,000	Funding for Pyote Community Center
Proprietary Funds		3,318,255	Operating Transfers - Hospital
Agency Funds		143,125	Operating Transfer - Juvenile Probation
Other general funds		84	Operating Transfer - Jury Fund
Other general funds		9,365	Operating Transfer - Road & Bridge Fund
Other general funds		635,000	Operating Transfer - Emergency Medical Services
Other general funds		50,000	Operating Transfer - Information Technology Fund
		10,804,829	
Transfers to Special Revenue Funds:			
Special Revenue Fund	2,500,000		Funding for future construction
Special Revenue Fund	2		Transfer of Interest
General Fund	150,000		Funding for Museum Building
General Fund	5,075,000		Funding for Construction/Renovations
General Fund	200,000		Funding for Pyote Community Center
	7,925,002		
Transfers from Special Revenue Funds:			
Special Revenue Fund		2,500,000	Funding for future construction
Special Revenue Fund		2	Transfer of Interest
		2,500,002	
Transfers to Proprietary Funds:			
Proprietary Funds	31,740		
Proprietary Funds	37,272		
General Fund	3,318,255		
	3,387,267		
Transfers from Proprietary Funds:			
Other Proprietary funds		31,740	UPL Sweep Deposit
Other Proprietary funds		37,272	WMH Capital Fund operating Transfer
		69,012	
Transfers to Internal Service Funds:			
General Fund	24,000		Funding - Contingency Fund
General Fund	1,200,000		Medical Self-Insurance funding
	1,224,000		
Transfers from Agency Funds:			
General Fund		27,056	Operating Transfer - State Court Costs
		27,056	
Transfers to Agency Funds:			
Special Revenue Funds			Operating transfers
General Fund	143,125		Transfer State Aid to Juvenile Probation
Other Agency Funds	0		Transfer OVAG Money to Victim's Assistance Fund
	143,125		
Total transfers	13,400,899	13,400,899	

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

Note 13: LITIGATION

The County is party to various legal actions arising in the ordinary course of its business. In the opinion of the County's management, upon advice of the County Attorney, the County has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the County's operations or financial position.

Note 14: PRIOR PERIOD ADJUSTMENT

The County had the following prior-period adjustment in 2013:

	<u>Exhibit B-1</u>	<u>Exhibit C-3</u>
Adjustment for LEOSE Funds	<u>\$ 8,928</u>	<u>\$ 8,928</u>

ADDITIONAL FINANCIAL INFORMATION

OFFICE OF THE TREASURER, WARD COUNTY, TEXAS
Statement of Collections and Distribution of Ad Valorem Taxes
For the year ended December 31, 2013

AMOUNTS AVAILABLE FOR DISTRIBUTION:

Prior Year	\$	7,662,330
Current Year		11,077,571
TOTAL		\$ 18,739,901

DISTRIBUTION:

	Approved Tax Rate Per \$100 Valuation	Total Distribution
General	\$ 0.61460	\$ 16,732,485
Road and Bridge	0.03690	967,543
Farm to Market Road	0.03850	1,039,873
TOTAL	\$ 0.69000	\$ 18,739,901

COMBINING STATEMENTS OF NON-MAJOR
GOVERNMENTAL FUNDS

WARD COUNTY, TEXAS
 COMBINING CASH BASIS BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013

Data Control Codes	200 Title XX Fund	201 Title XIX Fund	216 Lateral Road Fund
CASH ASSETS			
1010	\$ -	\$ -	\$ -
	Restricted Assets:		
1611	-	-	12,465
1000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,465</u>
Cash Basis Fund Balances:			
3290	\$ -	\$ -	\$ 12,465
3590	-	-	-
3000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,465</u>

The notes to the financial statements are an integral part of this statement.

217 Farm to Market Road Fund	219 WCHC Museum Restoration	222 Checks Fee Fund	224 Sheriff's State Forfeit Fund	225 Sheriff's Federal Forf Fund	226 DA Forfeiture Fund	227 DA Seizure Fund	229 Records Management & Preservation
\$ -	\$ -	\$ 7,332	\$ 36,240	\$ 14,999	\$ 264,046	\$ 25,222	\$ -
<u>289,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,831</u>
<u>\$ 289,112</u>	<u>\$ -</u>	<u>\$ 7,332</u>	<u>\$ 36,240</u>	<u>\$ 14,999</u>	<u>\$ 264,046</u>	<u>\$ 25,222</u>	<u>\$ 9,831</u>
\$ 289,112	\$ -	\$ -	\$ 36,240	\$ 14,999	\$ 264,046	\$ 25,222	\$ 9,831
<u>-</u>	<u>-</u>	<u>7,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 289,112</u>	<u>\$ -</u>	<u>\$ 7,332</u>	<u>\$ 36,240</u>	<u>\$ 14,999</u>	<u>\$ 264,046</u>	<u>\$ 25,222</u>	<u>\$ 9,831</u>

WARD COUNTY, TEXAS
 COMBINING CASH BASIS BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013

Data Control Codes	230 Courthouse Security Fund	234 County Clerk Records M&P Fund	235 Court Reporter Service Fund	239 JP Court Tech Fund
CASH ASSETS				
1010	\$ -	\$ -	\$ -	\$ -
Restricted Assets:				
1611	21,723	54,538	12,488	19,711
1000	<u>\$ 21,723</u>	<u>\$ 54,538</u>	<u>\$ 12,488</u>	<u>\$ 19,711</u>
Cash Basis Fund Balances:				
3290	\$ 21,723	\$ 54,538	\$ 12,488	\$ 19,711
3590	-	-	-	-
3000	<u>21,723</u>	<u>54,538</u>	<u>12,488</u>	<u>19,711</u>

The notes to the financial statements are an integral part of this statement.

241 County Clerk Vital Statistics	242 County Clerk Archive Fund	243 District Clerk Archive Funds	245 JP Security Fund	248 Co/District Court Tech Fund	249 Co/Dist Disaster Preservation	250 Hotel/Motel Tax Fund	261 Courthouse Renovation Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>13,339</u>	<u>48,191</u>	<u>3,102</u>	<u>20,898</u>	<u>1,678</u>	<u>2,743</u>	<u>26,023</u>	<u>-</u>
<u>\$ 13,339</u>	<u>\$ 48,191</u>	<u>\$ 3,102</u>	<u>\$ 20,898</u>	<u>\$ 1,678</u>	<u>\$ 2,743</u>	<u>\$ 26,023</u>	<u>\$ -</u>
\$ 13,339	\$ 48,191	\$ 3,102	\$ 20,898	\$ 1,678	\$ 2,743	\$ 26,023	\$ -
-	-	-	-	-	-	-	-
<u>\$ 13,339</u>	<u>\$ 48,191</u>	<u>\$ 3,102</u>	<u>\$ 20,898</u>	<u>\$ 1,678</u>	<u>\$ 2,743</u>	<u>\$ 26,023</u>	<u>\$ -</u>

WARD COUNTY, TEXAS
 COMBINING CASH BASIS BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013

Data Control Codes	262 Museum Building Fund	264 ER Renovation Fund	265 Pyote Comm Center Bldg Fund	282 Archives Donation Fund	
CASH ASSETS					
1010	Cash and Cash Equivalents	\$ 52,120	\$ 501,263	\$ 158,751	\$ 1,528
	Restricted Assets:				
1611	Temporarily Restricted Cash & Cash Equivalents	-	-	-	-
1000	Total Cash Assets	<u>\$ 52,120</u>	<u>\$ 501,263</u>	<u>\$ 158,751</u>	<u>\$ 1,528</u>
Cash Basis Fund Balances:					
3290	Other Restricted Fund Balance	\$ -	\$ -	\$ -	\$ -
3590	Other Assigned Fund Balance	52,120	501,263	158,751	1,528
3000	Total Cash Basis Fund Balances	<u>\$ 52,120</u>	<u>\$ 501,263</u>	<u>\$ 158,751</u>	<u>\$ 1,528</u>

The notes to the financial statements are an integral part of this statement.

299 Title III Part C Fund	-	Total Nonmajor Governmental Funds
\$	-	\$ 1,061,501
	-	535,842
\$	-	\$ 1,597,343
\$	-	\$ 876,349
	-	720,994
\$	-	\$ 1,597,343

WARD COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BASIS FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

Data Control Codes	200 Title XX Fund	201 Title XIX Fund	216 Lateral Road Fund
RECEIPTS:			
Taxes:			
5110 Property Taxes	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-
5300 Intergovernmental Revenue and Grants	48,718	32,621	11,776
5400 Charges for Services	-	-	-
5520 Forfeits	-	-	-
5610 Investment Earnings	-	-	10
5640 Contributions & Donations from Private Sources	-	-	-
5020 Total Receipts	<u>48,718</u>	<u>32,621</u>	<u>11,786</u>
DISBURSEMENTS:			
Current:			
General Government:			
0012 Judicial	-	-	-
0016 Define - General Government	-	-	-
Public Safety:			
0021 Police	-	-	-
0023 Corrections	-	-	-
0031 Highways and Streets	-	-	11,713
0033 County Clerk	-	-	-
0038 County Attorney	-	-	-
0040 Health and Welfare	48,718	32,621	-
Culture and Recreation:			
0053 Museums	-	-	-
0056 Senior Citizens Center	-	-	-
Conservation and Development:			
0066 Economic Opportunity	-	-	-
Capital Outlay:			
0080 Capital Outlay	-	-	-
6030 Total Disbursements	<u>48,718</u>	<u>32,621</u>	<u>11,713</u>
1100 Excess (Deficiency) of Receipts Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>73</u>
OTHER FINANCING SOURCES (USES):			
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Cash Basis Fund Balance	-	-	73
0100 Cash Basis Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>12,392</u>
3000 Cash Basis Fund Balance - December 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,465</u>

The notes to the financial statements are an integral part of this statement.

217 Farm to Market Road Fund	219 WCHC Museum Restoration	222 Checks Fee Fund	224 Sheriff's State Forfeit Fund	225 Sheriff's Federal Forf Fund	226 DA Forfeiture Fund	227 DA Seizure Fund	229 Records Management & Preservation
\$ 1,039,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	90,830	-	-
-	-	5,291	-	-	27,478	-	3,867
-	-	-	-	-	305,031	-	-
676	5	-	30	12	297	22	5
-	58	-	-	-	-	-	-
<u>1,040,549</u>	<u>63</u>	<u>5,291</u>	<u>30</u>	<u>12</u>	<u>423,636</u>	<u>22</u>	<u>3,872</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	6,745	-	-	-	-
1,053,266	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,154	-	-	-	-	-
-	-	-	-	-	677,865	4,561	-
-	6,060	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,053,266</u>	<u>6,060</u>	<u>1,154</u>	<u>6,745</u>	<u>-</u>	<u>677,865</u>	<u>4,561</u>	<u>-</u>
<u>(12,717)</u>	<u>(5,997)</u>	<u>4,137</u>	<u>(6,715)</u>	<u>12</u>	<u>(254,229)</u>	<u>(4,539)</u>	<u>3,872</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(12,717)</u>	<u>(5,997)</u>	<u>4,137</u>	<u>(6,715)</u>	<u>12</u>	<u>(254,229)</u>	<u>(4,539)</u>	<u>3,872</u>
<u>301,829</u>	<u>5,997</u>	<u>3,195</u>	<u>42,955</u>	<u>14,987</u>	<u>518,275</u>	<u>29,761</u>	<u>5,959</u>
<u>\$ 289,112</u>	<u>\$ -</u>	<u>\$ 7,332</u>	<u>\$ 36,240</u>	<u>\$ 14,999</u>	<u>\$ 264,046</u>	<u>\$ 25,222</u>	<u>\$ 9,831</u>

WARD COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BASIS FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

Data Control Codes	230 Courthouse Security Fund	234 County Clerk Records M&P Fund	235 Court Reporter Service Fund	239 JP Court Tech Fund
RECEIPTS:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	-	-	-
5400 Charges for Services	15,403	35,339	2,174	10,221
5520 Forfeits	-	-	-	-
5610 Investment Earnings	10	41	10	19
5640 Contributions & Donations from Private Sources	-	-	-	-
5020 Total Receipts	<u>15,413</u>	<u>35,380</u>	<u>2,184</u>	<u>10,240</u>
DISBURSEMENTS:				
Current:				
General Government:				
0012 Judicial	-	-	2,150	-
0016 Define - General Government	654	-	-	-
Public Safety:				
0021 Police	-	-	-	-
0023 Corrections	-	-	-	16,111
0031 Highways and Streets	-	-	-	-
0033 County Clerk	-	25,870	-	-
0038 County Attorney	-	-	-	-
0040 Health and Welfare	-	-	-	-
Culture and Recreation:				
0053 Museums	-	-	-	-
0056 Senior Citizens Center	-	-	-	-
Conservation and Development:				
0066 Economic Opportunity	-	-	-	-
Capital Outlay:				
0080 Capital Outlay	-	-	-	-
6030 Total Disbursements	<u>654</u>	<u>25,870</u>	<u>2,150</u>	<u>16,111</u>
1100 Excess (Deficiency) of Receipts Over (Under) Expenditures	<u>14,759</u>	<u>9,510</u>	<u>34</u>	<u>(5,871)</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Cash Basis Fund Balance	14,759	9,510	34	(5,871)
0100 Cash Basis Fund Balance - January 1	<u>6,964</u>	<u>45,028</u>	<u>12,454</u>	<u>25,582</u>
3000 Cash Basis Fund Balance - December 31 (Ending)	<u>\$ 21,723</u>	<u>\$ 54,538</u>	<u>\$ 12,488</u>	<u>\$ 19,711</u>

The notes to the financial statements are an integral part of this statement.

241 County Clerk Vital Statistics	242 County Clerk Archive Fund	243 District Clerk Archive Funds	245 JP Security Fund	248 Co/District Court Tech Fund	249 Co/Dist Disaster Preservation	250 Hotel/Motel Tax Fund	261 Courthouse Renovation Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	25,000	-
993	33,582	930	2,511	508	759	-	-
10	33	-	15	-	-	23	2
-	-	-	-	-	-	-	-
<u>1,003</u>	<u>33,615</u>	<u>930</u>	<u>2,526</u>	<u>508</u>	<u>759</u>	<u>25,023</u>	<u>2</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	20,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	34,146	-
-	-	-	-	-	-	-	-
-	20,000	-	-	-	-	34,146	-
<u>1,003</u>	<u>13,615</u>	<u>930</u>	<u>2,526</u>	<u>508</u>	<u>759</u>	<u>(9,123)</u>	<u>2</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(2)
-	-	-	-	-	-	-	(2)
1,003	13,615	930	2,526	508	759	(9,123)	-
12,336	34,576	2,172	18,372	1,170	1,984	35,146	-
<u>\$ 13,339</u>	<u>\$ 48,191</u>	<u>\$ 3,102</u>	<u>\$ 20,898</u>	<u>\$ 1,678</u>	<u>\$ 2,743</u>	<u>\$ 26,023</u>	<u>\$ -</u>

WARD COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BASIS FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

Data Control Codes	262 Museum Building Fund	264 ER Renovation Fund	265 Pyote Comm Center Bldg Fund	282 Archives Donation Fund
RECEIPTS:				
Taxes:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5150 Gross Receipts Business Tax	-	-	-	-
5300 Intergovernmental Revenue and Grants	-	-	-	-
5400 Charges for Services	-	-	-	-
5520 Forfeits	-	-	-	-
5610 Investment Earnings	156	380	54	-
5640 Contributions & Donations from Private Sources	-	-	-	-
5020 Total Receipts	<u>156</u>	<u>380</u>	<u>54</u>	<u>-</u>
DISBURSEMENTS:				
Current:				
General Government:				
0012 Judicial	-	-	-	-
0016 Define - General Government	-	-	-	-
Public Safety:				
0021 Police	-	-	-	-
0023 Corrections	-	-	-	-
0031 Highways and Streets	-	-	-	-
0033 County Clerk	-	-	-	-
0038 County Attorney	-	-	-	-
0040 Health and Welfare	-	-	-	-
Culture and Recreation:				
0053 Museums	276,517	-	-	-
0056 Senior Citizens Center	-	-	-	-
Conservation and Development:				
0066 Economic Opportunity	-	-	-	-
Capital Outlay:				
0080 Capital Outlay	-	-	41,303	-
6030 Total Disbursements	<u>276,517</u>	<u>-</u>	<u>41,303</u>	<u>-</u>
1100 Excess (Deficiency) of Receipts Over (Under) Expenditures	<u>(276,361)</u>	<u>380</u>	<u>(41,249)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	150,002	-	200,000	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>150,002</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
1200 Net Change in Cash Basis Fund Balance	(126,359)	380	158,751	-
0100 Cash Basis Fund Balance - January 1	<u>178,479</u>	<u>500,883</u>	<u>-</u>	<u>1,528</u>
3000 Cash Basis Fund Balance - December 31 (Ending)	<u>\$ 52,120</u>	<u>\$ 501,263</u>	<u>\$ 158,751</u>	<u>\$ 1,528</u>

The notes to the financial statements are an integral part of this statement.

299 Title III Part C Fund	Total Nonmajor Governmental Funds
\$ -	\$ 1,039,873
-	25,000
64,897	248,842
-	139,056
-	305,031
-	1,810
-	58
64,897	1,759,670
-	2,150
-	654
-	6,745
-	16,111
-	1,064,979
-	45,870
-	1,154
-	763,765
-	282,577
64,897	64,897
-	34,146
-	41,303
64,897	2,324,351
-	(564,681)
-	350,002
-	(2)
-	350,000
-	(214,681)
-	1,812,024
\$ -	\$ 1,597,343

COMBINING STATEMENTS OF NON-MAJOR
ENTERPRISE FUNDS

WARD COUNTY, TEXAS
 COMBINING STATEMENT OF CASH NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2013

	712	772	Total
	WMH Capital Equip/Repair Fund	WMH UPL Sweep Fund	Other Hospital Funds
CASH ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 6	\$ -	\$ 6
Total Cash Assets	<u>6</u>	<u>-</u>	<u>6</u>
CASH BALANCE:			
Unrestricted Net Position	<u>6</u>	<u>-</u>	<u>6</u>
Total Cash Balance	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 6</u>

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	712 WMH Capital Equip/Repair Fund	772 WMH UPL Sweep Fund	Total Other Hospital Funds
OPERATING DISBURSEMENTS:			
Other Operating Expenses	\$ -	\$ 37,272	\$ 37,272
Total Operating Disbursements	<u>-</u>	<u>37,272</u>	<u>37,272</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>-</u>	<u>(37,272)</u>	<u>(37,272)</u>
NON-OPERATING RECEIPTS (DISBURSEMENTS):			
Investment Earnings	<u>5</u>	<u>-</u>	<u>5</u>
Total Non-operating Receipts (Disbursements)	<u>5</u>	<u>-</u>	<u>5</u>
Excess (Deficiency) of Receipts Before Transfers	5	(37,272)	(37,267)
Non-Operating Transfer In	-	37,272	37,272
Transfers Out	<u>(31,740)</u>	<u>-</u>	<u>(31,740)</u>
Net Change in Cash Balance	<u>(31,735)</u>	<u>-</u>	<u>(31,735)</u>
Cash Balance - January 1 (Beginning)	<u>31,741</u>	<u>-</u>	<u>31,741</u>
Cash Balance - December 31 (Ending)	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 6</u>

The notes to the financial statements are an integral part of this statement.

COMBINING STATEMENTS OF
INTERNAL SERVICE FUNDS

WARD COUNTY, TEXAS
 COMBINING STATEMENT OF CASH NET POSITION
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2013

	777	779	
	Ward County Contingency Fund	Ward County Employee Med Benefits Fund	Total Internal Service Funds
CASH ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 484,889	\$ 808,366	\$ 1,293,255
Total Cash Assets	<u>484,889</u>	<u>808,366</u>	<u>1,293,255</u>
CASH BALANCE:			
Unrestricted Net Position	484,889	808,366	1,293,255
Total Cash Balance	<u>\$ 484,889</u>	<u>\$ 808,366</u>	<u>\$ 1,293,255</u>

The notes to the financial statements are an integral part of this statement.

WARD COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT G-2

	777 Ward County Contingency Fund	779 Ward County Employee Med Benefits Fund	Total Internal Service Funds
OPERATING RECEIPTS:			
Other Revenue	\$ -	\$ 393,690	\$ 393,690
Total Operating Receipts	<u>-</u>	<u>393,690</u>	<u>393,690</u>
OPERATING DISBURSEMENTS:			
Personnel Services - Employee Benefits	-	1,702,095	1,702,095
Total Operating Disbursements	<u>-</u>	<u>1,702,095</u>	<u>1,702,095</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>-</u>	<u>(1,308,405)</u>	<u>(1,308,405)</u>
NON-OPERATING RECEIPTS (DISBURSEMENTS):			
Investment Earnings	363	824	1,187
Total Non-operating Receipts (Disbursements)	<u>363</u>	<u>824</u>	<u>1,187</u>
Excess (Deficiency) of Receipts Before Transfers	363	(1,307,581)	(1,307,218)
Non-Operating Transfer In	<u>24,000</u>	<u>1,200,000</u>	<u>1,224,000</u>
Net Change in Cash Balance	24,363	(107,581)	(83,218)
Cash Balance - January 1 (Beginning)	<u>460,526</u>	<u>915,947</u>	<u>1,376,473</u>
Cash Balance - December 31 (Ending)	<u>\$ 484,889</u>	<u>\$ 808,366</u>	<u>\$ 1,293,255</u>

The notes to the financial statements are an integral part of this statement.

COMBINING SCHEDULE OF
CASH BALANCES OF AGENCY FUNDS

WARD COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	BALANCE JANUARY 1,	ADDITIONS	DEDUCTIONS	BALANCE DECEMBER 31 2013
CSCD/PRETRIAL FUND				
Assets:				
Cash and Cash Equivalents	\$ 98,174	\$ 93,893	\$ 75,220	\$ 116,847
JUVENILE PROBATION FUND				
Assets:				
Cash and Cash Equivalents	\$ 126,157	\$ 246,382	\$ 315,541	\$ 56,998
ADULT PROBATION FUND				
Assets:				
Cash and Cash Equivalents	\$ 110,702	\$ 686,312	\$ 707,705	\$ 89,309
DA RESTITUTION				
Assets:				
Cash and Cash Equivalents	\$ 2,987	\$ 10,378	\$ 8,866	\$ 4,499
TITLE IV-E/JPO				
Assets:				
Cash and Cash Equivalents	\$ 104,175	\$ 78	\$ 8,497	\$ 95,756
FLEXIBLE SPENDING FUND				
Assets:				
Cash and Cash Equivalents	\$ 11,265	\$ 19,644	\$ 23,983	\$ 6,926
STATE COURT COSTS FUND				
Assets:				
Cash and Cash Equivalents	\$ 105,723	\$ 295,034	\$ 343,208	\$ 57,549
TREASURER'S SPECIAL FUND				
Assets:				
Cash and Cash Equivalents	\$ 7,662,330	\$ 7,642,331	\$ 7,768,898	\$ 7,535,763
JP FEE FUND				
Assets:				
Cash and Cash Equivalents	\$ 60,685	\$ 599,731	\$ 634,911	\$ 25,505
VICTIM'S ASSISTANCE FUND				
Assets:				
Cash and Cash Equivalents	\$ 41,285	\$ 11,391	\$ 271	\$ 52,405
TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 8,323,483	\$ 9,605,174	\$ 9,887,100	\$ 8,041,557

The notes to the financial statements are an integral part of this statement.

OTHER INFORMATION REQUIRED BY GAO

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Judge and
Members of the Commissioners' Court of
Ward County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the cash basis financial statements and the related notes to the financial statements of the Office of the County Treasurer, Ward County, Texas as of and for the year ended December 31, 2013, and have issued our report thereon dated July 15, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect, or correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such there is 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 the 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies as item **2013-1**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office of the County Treasurer, Ward County's cash basis financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item **2013-1**.

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.

Smith & Rives, PC
Monahans, Texas
July 15, 2014

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2013

I. SUMMARY OF THE AUDITORS' RESULTS

- a. The type of report issued on the financial statements of the Office of the County Treasurer, Ward County was an unmodified opinion.
- b. The audit disclosed one significant deficiency and no material weaknesses in internal control.
- c. The audit disclosed one instance of non-compliance that was material to the financial statements of the Office of the County Treasurer, Ward County.
- d. The audit disclosed no:
 - 1. Known questioned costs when likely questioned costs are greater than \$10,000.
 - 2. Instances where audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the Office of the County Treasurer, Ward County materially misrepresents the status of any prior audit finding.
- e. The County had no major programs.
- f. The County is not subject to the Single Audit Act.
- g. The County did not qualify as a low-risk auditee.

II. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with *Generally Accepted Auditing Standards*.

2013-1 Required state bidding requirements for expenditures exceeding \$50,000

Significant Deficiency
Noncompliance

Condition: From a sample of vendors who sold more than \$50,000 of goods and services, three were identified that were not bid in accordance with state law.

Criteria: State law requires that a county must comply with the competitive bidding procedures of Sec. 262 when the expenditure will exceed \$50,000.

Effect: There were purchases from three vendors that exceeded \$50,000 which were not bid out in accordance with state law.

Cause: In the case of two fuel vendors, the lack of participation from other vendors in past bid attempts. In the case of the third vendor, lack of oversight.

Recommendation: Follow state law bidding requirements for purchases of more than \$50,000.

View of Responsible Officials: See corrective action plan.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

SCHEDULE OF STATUS OF PRIOR FINDINGS
YEAR ENDED DECEMBER 31, 2013

A. Auditor's Review of Prior Year Findings

1. No findings in the prior year.

OFFICE OF THE COUNTY TREASURER
WARD COUNTY, TEXAS

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2013

With respect to each audit finding included in the current year's auditor's reports:

2013-1 Required State Bidding Requirements for expenditures exceeding \$50,000

County officials agree and will bid for expenditures exceeding \$50,000 for fuel and other goods in accordance with State Law.