WISE COUNTY TAX OFFICE

Financial Schedules
For the year ending August 31, 2021

WISE COUNTY TAX OFFICE

FINANCIAL SCHEDULES

August 31, 2021

TABLE OF CONTENTS

	EXHIBIT	PAGE
Independent Auditor's Report	A	1
Financial Schedules		
Schedule of Delinquent Taxes Receivable - Alvord Independent School District	B-1	4
Schedule of Delinquent Taxes Receivable - City of Aurora	B-2	5
Schedule of Delinquent Taxes Receivable - Boyd Independent School District	B-3	6
Schedule of Delinquent Taxes Receivable - City of Boyd	B-4	7
Schedule of Delinquent Taxes Receivable - Bridgeport Independent School District	B-5	8
Schedule of Delinquent Taxes Receivable - City of Bridgeport	B-6	9
Schedule of Delinquent Taxes Receivable - Chico Independent School District	B-7	10
Schedule of Delinquent Taxes Receivable - City of Chico	B-8	11
Schedule of Delinquent Taxes Receivable - Decatur Independent School District	B-9	12
Schedule of Delinquent Taxes Receivable - City of Decatur	B-10	13
Schedule of Delinquent Taxes Receivable - City of Newark	B-11	14
Schedule of Delinquent Taxes Receivable - Paradise Independent School District	B-12	15
Schedule of Delinquent Taxes Receivable - City of Paradise	B-13	16

WISE COUNTY TAX OFFICE

FINANCIAL SCHEDULES

August 31, 2021

TABLE OF CONTENTS

	EXHIBIT	PAGE
Schedule of Delinquent Taxes Receivable - City of Rhome	B-14	17
Schedule of Delinquent Taxes Receivable - City of Runaway Bay	B-15	18
Schedule of Delinquent Taxes Receivable - Slidell Independent School District	B-16	19
Schedule of Delinquent Taxes Receivable - Wise County Water Supply	B-17	20
Schedule of Delinquent Taxes Receivable - Wise County Emergency Services District #1	B-18	21
Schedule of Delinquent Taxes Receivable - Wise County General Fund	B-19	22
Schedule of Delinquent Taxes Receivable - Wise County Lateral Road Fund	B-20	23
Schedule of Delinquent Taxes Receivable - Wise County Water Control & Improvement District #1	B-21	24
Schedule of Delinquent Taxes Receivable - Clear Creek Watershed District #3	B-22	25
Schedule of Delinquent Taxes Receivable - City of Alvord	B-23	26
Schedule of Delinquent Taxes Receivable - Weatherford College Branch Campus Maintenance Tax	B-24	27
Schedule of Delinquent Taxes Receivable - City of New Fairview	B-25	28
Schedule of Delinquent Taxes Receivable - Wise County Emergency Services District #2	B-26	29
Notes to Financial Schedules	C	30
Supplemental Information		
Schedule of Collectors' Bond Coverage	D	34
Overall Compliance and Internal Controls Section		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Schedules Performed in Accordance with *Government Auditing Standards*		36



SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Wise County Tax Assessor / Collector
Decatur, Texas

Report on the Financial Schedules

We have audited the accompanying financial schedules of the Wise County Tax Office as of and for the year ended August 31, 2021, and the related notes to the financial schedules, as listed in the table of contents.

Management's Responsibility for the Financial Schedules

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial schedules 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 schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial schedules, 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 schedules 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 schedules.

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

1207 Santa Fe Drive • Weatherford, Texas 76086 • 817-596-9301 • Fax 817-596-9304

Opinion

In our opinion, the financial schedules referred to above present fairly, in all material respects, the delinquent tax receivable schedules for the taxing entities contracted with the Wise County Tax Office, as of August 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the financial schedules of the Wise County Tax Office are intended to present only the delinquent taxes receivable schedules attributable to the property tax collections and disbursements for the Tax Office's contracted taxing entities. They do not purport to, and do not present fairly the financial position of the Wise County Tax Office or Wise County, Texas, as of August 31, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial schedules that collectively comprise the Wise County Tax Office's financial schedules. The accompanying financial information listed as supplemental information is presented for purposes of additional analysis and is not a required part of the financial schedules.

The accompanying financial information listed as supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial schedules. Such information has been subjected to the auditing procedures applied in the audit of the financial schedules and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial schedules or to the financial schedules themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying financial information listed as supplemental information is fairly stated in all material respects in relation to the financial schedules as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021, on our consideration of the Wise County Tax Office's 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 the effectiveness of the Wise County Tax Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wise County Tax Office's internal control over financial reporting and compliance.

Snow Garrett Williams

Snow Garrett Williams
November 8, 2021

FINANCIAL SCHEDULES

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-1

Alvord Independent School District

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Maintenance Collections	Debt Service Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 17,851	$	$ 185	$ 31	$ (6,386)	$ 11,249
2011	1.17000	0.19400	311,542,630	2,212		107	18	-	2,087
2012	1.17000	0.19400	347,735,721	7,262		305	51	-	6,906
2013	1.17000	0.19400	430,824,251	9,517		181	30	1	9,307
2014	1.17000	0.18400	457,024,760	8,195		1,464	230	(1)	6,500
2015	1.17000	0.18400	431,140,411	10,271		1,330	209	-	8,732
2016	1.17000	0.18400	345,098,336	12,681		1,847	290	-	10,544
2017	1.17000	0.18400	349,577,242	30,297		18,700	2,941	15,814	24,470
2018	1.17000	0.18400	389,225,426	66,366		39,610	6,229	21,402	41,929
2019	1.06830	0.18400	430,210,588	135,474		61,671	10,622	17,226	80,407
2020	1.05470	0.18400	429,962,787		5,163,588	4,296,777	749,587	-	117,224
TOTAL				$ 300,126	$ 5,163,588	$ 4,422,177	$ 770,238	$ 48,056	$ 319,355

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-2

City of Aurora

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 1,309	$	$ 68	$ -	$ 1,241
2011	0.270000	0.000000	88,862,340	346		-	-	346
2012	0.270000	0.000000	87,141,575	414		19	1	396
2013	0.283300	0.000000	90,507,510	257		43	-	214
2014	0.286800	0.000000	93,619,850	250		61	-	189
2015	0.296300	0.000000	100,353,459	680		65	-	615
2016	0.296300	0.000000	100,618,350	818		144	-	674
2017	0.296300	0.000000	110,291,714	2,621		1,166	(1)	1,454
2018	0.287816	0.000000	126,144,618	3,139		1,370	(16)	1,753
2019	0.289210	0.000000	132,990,795	6,126		3,884	(113)	2,129
2020	0.272512	0.000000	138,995,116		363,282	356,029	273	7,526
TOTAL				$ 15,960	$ 363,282	$ 362,849	$ 144	$ 16,537

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-3

Boyd Independent School District

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Maintenance Collections	Debt Service Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 35,905	$	$ 3,270	$ 492	$ (3,280)	$ 28,863
2011	1.04000	0.18500	814,570,702	11,613		783	139	(4,903)	5,788
2012	1.04000	0.18500	814,490,381	8,477		824	147	(1)	7,505
2013	1.04000	0.18500	794,049,607	18,137		1,277	227	(4,443)	12,190
2014	1.04000	0.18000	896,720,665	19,180		1,703	295	-	17,182
2015	1.04000	0.18000	792,710,294	18,714		1,002	173	(1,388)	16,151
2016	1.04000	0.27000	561,166,495	20,027		2,396	622	524	17,533
2017	1.04000	0.27000	584,850,154	30,366		7,892	2,049	4,704	25,129
2018	1.04000	0.21500	714,099,149	65,388		32,123	6,641	20,169	46,793
2019	0.97000	0.19000	780,627,444	204,466		105,148	20,595	14,848	93,571
2020	0.96640	0.19000	742,885,535		8,233,362	6,741,289	1,325,345	89,056	255,784
TOTAL				$ 432,273	$ 8,233,362	$ 6,897,707	$ 1,356,725	$ 115,286	$ 526,489

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-4

City of Boyd

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 1,808	$	$ 3	$ (16)	$ 1,789
2011	0.368800	0.130200	128,416,765	1,970		-	(1,213)	757
2012	0.377400	0.121600	128,607,110	635		-	-	635
2013	0.347800	0.135400	133,459,691	1,414		38	-	1,376
2014	0.355600	0.154400	140,377,510	1,981		11	-	1,970
2015	0.430300	0.128300	134,502,450	1,931		38	-	1,893
2016	0.425500	0.194400	107,721,160	1,421		4	-	1,417
2017	0.454731	0.099283	114,682,377	2,852		223	-	2,629
2018	0.476383	0.123616	134,188,366	5,764		1,782	1	3,983
2019	0.512846	0.127054	147,621,307	27,817		17,162	(301)	10,354
2020	0.516825	0.119052	154,622,279		943,267	920,408	(1,562)	21,297
TOTAL				$ 47,593	$943,267	$ 939,669	$ (3,091)	$ 48,100

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-5

Bridgeport Independent School District

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Maintenance Collections	Debt Service Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 88,779	$	3,513	$ 606	$ (9,629)	$ 75,031
2011	1.04000	0.196560	1,313,945,637	22,379		1,279	242	(1,743)	19,115
2012	1.04000	0.195000	1,342,914,339	15,619		1,073	201	(794)	13,551
2013	1.04000	0.195000	1,378,676,292	19,778		1,425	267	(1,030)	17,056
2014	1.04000	0.192800	1,490,136,214	24,464		2,074	385	(322)	21,683
2015	1.04000	0.180000	1,426,797,754	46,247		3,188	552	(17,993)	24,514
2016	1.04000	0.204500	1,286,859,327	37,603		5,711	1,123	(6,669)	24,100
2017	1.04000	0.208200	1,302,860,681	40,606		8,405	1,683	36	30,554
2018	1.04000	0.208200	1,375,567,656	134,748		36,827	7,373	(9,725)	80,823
2019	0.97000	0.208200	1,453,241,428	285,220		137,591	29,533	(13,651)	104,445
2020	0.96640	0.157695	1,479,268,718		16,065,495	13,562,073	2,213,099	(42,172)	248,151
TOTAL				$ 715,443	$ 16,065,495	$ 13,763,159	$ 2,255,064	$ (103,692)	$ 659,023

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-6

City of Bridgeport

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 11,340	$	$ 88	$ (3,607)	$ 7,645
2011	0.242500	0.345000	371,708,393	4,405		159	(746)	3,500
2012	0.371100	0.216400	374,310,131	3,287		155	(296)	2,836
2013	0.381900	0.205600	389,354,297	4,035		252	(408)	3,375
2014	0.300300	0.287200	399,625,118	6,930		211	(83)	6,636
2015	0.298200	0.340800	386,077,052	10,998		429	(4,008)	6,561
2016	0.267850	0.371150	362,088,692	7,699		1,130	(94)	6,475
2017	0.291700	0.347300	363,928,718	10,850		1,501	(97)	9,252
2018	0.306400	0.337600	387,694,900	27,355		8,041	(3,919)	15,395
2019	0.321976	0.304024	410,281,042	53,735		30,461	(1,320)	21,954
2020	0.324917	0.269511	430,440,386		2,558,658	2,496,385	(7,431)	54,842
TOTAL				$ 140,634	$ 2,558,658	$ 2,538,812	$ (22,009)	$ 138,471

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-7

Chico Independent School District

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Maintenance Collections	Debt Service Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 29,939	$	$ 338	$ 42	$ (1,787)	$ 27,772
2011	1.040000	0.238580	547,582,140	6,953		294	67	(1,506)	5,086
2012	1.040000	0.205330	593,235,092	8,748		691	136	(1,465)	6,456
2013	1.040000	0.218100	581,008,333	9,893		1,605	337	(1,333)	6,618
2014	1.040000	0.183590	607,519,680	11,975		2,143	378	(1,079)	8,375
2015	1.040000	0.192800	592,009,130	16,111		1,208	224	(267)	14,412
2016	1.040000	0.216272	514,552,698	24,956		5,909	1,229	(330)	17,488
2017	1.040000	0.250000	560,884,206	47,311		21,840	5,250	3,526	23,747
2018	1.040000	0.243000	600,389,851	91,106		27,402	6,403	3,094	60,395
2019	0.970000	0.208040	687,393,775	128,000		58,457	12,538	734	57,739
2020	0.966400	0.193587	706,299,087		8,014,846	6,579,746	1,318,068	(17,803)	99,229
TOTAL				$ 374,992	$ 8,014,846	$ 6,699,633	$ 1,344,672	$ (18,216)	$ 327,317

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-8

City of Chico

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 3,860	$	$ -	$ -	$ 3,860
2011	0.385000	0.095000	73,292,540	1,018		-	(1)	1,017
2012	0.375000	0.105000	67,967,170	1,053		-	-	1,053
2013	0.375000	0.105000	63,400,270	958		-	-	958
2014	0.365000	0.115000	59,156,550	1,107		-	-	1,107
2015	0.456500	0.145000	47,827,930	1,033		-	-	1,033
2016	0.441500	0.160000	41,144,380	1,685		-	-	1,685
2017	0.441500	0.160000	43,462,631	2,813		516	(88)	2,209
2018	0.390456	0.150000	48,417,707	5,718		1,116	-	4,602
2019	0.353101	0.226899	53,955,683	10,888		4,739	(25)	6,124
2020	0.278219	0.179888	68,738,116		314,896	305,834	(1,128)	7,934
TOTAL				$ 30,133	$ 314,896	$ 312,205	$ (1,242)	$ 31,582

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-9

Decatur Independent School District

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Maintenance Collections	Debt Service Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 116,143	$	$ 466	$ 109	$ (12,489)	$ 103,079
2011	1.04000	0.26000	2,228,832,773	19,664		199	50	(159)	19,256
2012	1.04000	0.26000	2,310,395,465	23,904		215	54	(846)	22,789
2013	1.04000	0.26000	2,261,995,009	27,427		2,399	600	(407)	24,021
2014	1.04000	0.25000	2,305,192,787	32,037		2,379	572	(1,003)	28,083
2015	1.04000	0.29000	2,289,156,033	40,846		4,252	1,186	(490)	34,918
2016	1.04000	0.30000	1,894,275,613	47,038		5,464	1,576	(328)	39,670
2017	1.04000	0.30000	1,972,897,328	65,715		28,964	8,355	16,035	44,431
2018	1.04000	0.26500	2,304,483,865	166,382		77,705	19,800	19,083	87,960
2019	0.97000	0.24000	2,566,187,225	473,642		228,225	56,469	(14,854)	174,094
2020	0.96640	0.23370	2,533,590,458		29,369,165	23,409,164	5,660,789	5,025	304,237
TOTAL				$ 1,012,798	$ 29,369,165	$ 23,759,432	$ 5,749,560	$ 9,567	$ 882,538

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-10

City of Decatur

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 6,101	$	$ -	$ (721)	$ 5,380
2011	0.46310	0.19990	582,111,724	1,646		-	(81)	1,565
2012	0.47210	0.19090	592,451,180	3,515		40	(432)	3,043
2013	0.46750	0.20550	592,421,659	3,207		-	(142)	3,065
2014	0.49110	0.21190	596,342,762	5,071		-	(373)	4,698
2015	0.49890	0.20410	615,318,392	10,019		502	(106)	9,411
2016	0.49540	0.20760	614,137,101	13,270		1,571	(66)	11,633
2017	0.50890	0.19410	644,622,377	14,860		1,522	(659)	12,679
2018	0.49660	0.17040	722,416,721	23,647		2,479	(2,164)	19,004
2019	0.48920	0.15980	791,013,848	37,600		2,603	(10,147)	24,850
2020	0.50100	0.09900	839,371,704		5,036,855	4,982,902	(17,229)	36,724
TOTAL				$ 118,936	$ 5,036,855	$ 4,991,619	$ (32,120)	$ 132,052

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-11

City of Newark

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 1,139	$	$ -	$ (11)	$ 1,128
2011	0.450700	0.071900	41,786,499	522		-	-	522
2012	0.499700	0.071900	39,134,650	428		-	1	429
2013	0.500000	0.073500	38,640,354	326		-	-	326
2014	0.500000	0.072300	38,831,861	443		17	-	426
2015	0.517600	0.120500	41,067,020	1,148		81	-	1,067
2016	0.494800	0.111500	44,262,812	2,458		798	-	1,660
2017	0.519000	0.088900	52,143,812	3,484		544	(1)	2,939
2018	0.497700	0.079400	59,812,150	4,912		620	-	4,292
2019	0.503773	0.073327	63,406,365	12,315		6,579	(317)	5,419
2020	0.463908	0.062591	69,735,695		367,158	359,538	(633)	6,987
TOTAL				$ 27,175	$ 367,158	$ 368,177	$ (961)	$ 25,195

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-12

Paradise Independent School District

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Maintenance Collections	Debt Service Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 16,799	$	$ 2,231	$ 664	$ (1,484)	$ 12,420
2011	1.04000	0.30000	371,394,287	7,189		839	242	-	6,108
2012	1.04000	0.30000	378,266,548	5,835		744	215	-	4,876
2013	1.04000	0.30000	387,701,353	11,387		901	241	(484)	9,761
2014	1.04000	0.30000	396,630,776	12,151		923	266	(1,203)	9,759
2015	1.04000	0.30000	417,593,469	13,432		1,941	560	-	10,931
2016	1.04000	0.30000	361,841,544	15,022		1,983	572	(790)	11,677
2017	1.04000	0.30000	403,641,753	21,422		5,026	1,450	132	15,078
2018	1.04000	0.30000	471,178,718	54,527		15,224	4,392	17,637	52,548
2019	0.97000	0.30000	539,763,951	134,843		53,468	16,536	(8,746)	56,093
2020	0.96640	0.30000	554,264,499		6,669,614	4,978,981	1,545,614	(18,255)	126,764
TOTAL				$ 292,607	$ 6,669,614	$ 5,062,261	$ 1,570,752	$ (13,193)	$ 316,015

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-13

City of Paradise

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 202	$	$ 36	$ -	$ 166
2011	0.33900	0.00000	20,138,590	116		40	-	76
2012	0.33900	0.00000	19,978,185	160		40	-	120
2013	0.33900	0.00000	20,551,771	130		90	-	40
2014	0.33900	0.00000	21,545,310	95		55	-	40
2015	0.33900	0.00000	27,239,070	103		56	-	47
2016	0.34000	0.00000	28,967,674	379		87	-	292
2017	0.34000	0.00000	30,657,880	700		295	210	615
2018	0.34000	0.00000	36,723,633	925		323	268	870
2019	0.34000	0.00000	43,114,283	2,693		1,504	165	1,354
2020	0.34500	0.00000	48,480,089		158,595	153,728	308	5,175
TOTAL				$ 5,503	$ 158,595	$ 156,254	$ 951	$ 8,795

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-14

City of Rhome

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 2,416	$	$ -	$ (1,676)	$ 740
2011	0.270200	0.292000	144,736,350	445		-	-	445
2012	0.230900	0.352400	142,678,762	508		-	-	508
2013	0.396900	0.186400	122,687,154	588		-	-	588
2014	0.175000	0.408300	120,300,295	499		-	-	499
2015	0.186400	0.337000	127,539,288	508		62	-	446
2016	0.159000	0.364400	112,115,131	348		62	-	286
2017	0.221069	0.302331	123,117,196	740		131	(27)	582
2018	0.219425	0.256900	145,913,881	4,706		2,377	(23)	2,306
2019	0.220074	0.224065	167,335,637	9,582		6,537	(351)	2,694
2020	0.250864	0.226830	168,284,991		792,937	783,457	(2,908)	6,572
TOTAL				$ 20,340	$ 792,937	$ 792,626	$ (4,985)	$ 15,666

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-15

City of Runaway Bay

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 2,860	$	$ 746	$ (353)	$ 1,761
2011	0.38086	0.19530	111,501,622	1,131		229	(80)	822
2012	0.40670	0.20860	108,139,606	764		189	(86)	489
2013	0.40740	0.20830	108,602,445	1,091		196	(86)	809
2014	0.43400	0.18170	109,611,846	1,443		374	(75)	994
2015	0.45158	0.19172	115,203,695	1,769		612	-	1,157
2016	0.46360	0.19590	115,516,299	1,829		765	1	1,065
2017	0.45710	0.20240	128,692,493	2,307		765	-	1,542
2018	0.45700	0.14007	139,042,947	4,687		838	(37)	3,812
2019	0.45700	0.14007	150,797,997	15,178		9,997	(201)	4,980
2020	0.43893	0.16951	169,385,164		957,296	944,897	(1,018)	11,381
TOTAL				$ 33,059	$ 957,296	$ 959,608	$ (1,935)	$ 28,812

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-16

Slidell Independent School District

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Maintenance Collections	Debt Service Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 29,891	$	$ -	$ -	$ (14,240)	$ 15,651
2011	1.04000	0.10000	215,045,176	3,338		-	-	-	3,338
2012	1.04000	0.08000	240,715,123	2,096		-	-	-	2,096
2013	1.04000	0.06000	332,304,986	2,982		111	6	(1)	2,864
2014	1.07000	0.05500	354,370,005	5,570		339	17	-	5,214
2015	1.06500	0.05500	370,412,199	8,216		159	8	(1)	8,048
2016	1.06000	0.07500	260,779,658	13,661		429	30	-	13,202
2017	1.10000	0.04000	237,557,197	18,568		3,189	116	1,974	17,237
2018	1.06000	0.06750	279,720,295	20,402		4,730	301	1,123	16,494
2019	0.99000	0.08000	316,250,211	69,715		41,696	3,370	(1,701)	22,948
2020	0.97640	0.08400	271,750,793		2,801,536	2,514,368	216,326	(10,256)	60,586
TOTAL				$ 174,439	$ 2,801,536	$ 2,565,021	$ 220,174	$ (23,102)	$ 167,678

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-17

Wise County Water Supply

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 1,250	$	$ -	$ (138)	$ 1,112
2011	0.00000	0.13000	582,111,723	322		-	(15)	307
2012	0.00000	0.12750	592,451,180	676		8	(83)	585
2013	0.00000	0.12750	592,421,659	608		-	(27)	581
2014	0.00000	0.12750	596,342,762	920		-	(68)	852
2015	0.00000	0.12750	615,318,391	1,818		91	(20)	1,707
2016	0.00000	0.12750	614,137,089	2,407		285	(12)	2,110
2017	0.00000	0.11750	644,614,103	2,485		254	(111)	2,120
2018	0.00000	0.10250	722,416,721	3,635		381	(334)	2,920
2019	0.00000	0.09250	800,685,682	5,664		504	(1,358)	3,802
2020	0.00000	0.08800	849,557,664		747,702	739,836	(2,248)	5,618
TOTAL				$ 19,785	$ 747,702	$ 741,359	$ (4,414)	$ 21,714

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-18

Wise County Emergency Services District #1

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 1,031	$	$ 187	$ (87)	$ 757
2011	0.03000	0.00000	835,489,300	423		48	(120)	255
2012	0.03000	0.00000	775,786,133	329		54	-	275
2013	0.03000	0.00000	768,635,723	622		75	(109)	438
2014	0.03000	0.00000	809,840,703	679		104	-	575
2015	0.03000	0.00000	753,006,660	684		74	(34)	576
2016	0.03000	0.00000	629,889,931	713		128	12	597
2017	0.03000	0.00000	661,490,720	1,000		344	109	765
2018	0.03000	0.00000	766,063,801	2,152		1,322	550	1,380
2019	0.03000	0.00000	847,158,645	6,496		4,383	603	2,716
2020	0.03000	0.00000	856,407,768		257,008	252,077	2,645	7,576
TOTAL				$ 14,129	$ 257,008	$ 258,796	$ 3,569	$ 15,910

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-19

Wise County General Fund

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 363,581	$	$ 4,891	$ (30,960)	$ 327,730
2011	0.29000	0.00000	7,136,464,365	19,820		1,583	(2,000)	16,237
2012	0.28890	0.00000	7,238,909,733	29,104		1,643	(599)	26,862
2013	0.28890	0.00000	7,246,800,148	24,858		2,799	(1,731)	20,328
2014	0.29890	0.00000	7,605,616,250	31,640		4,283	(1,463)	25,894
2015	0.31390	0.00000	7,564,187,694	47,683		5,176	(7,409)	35,098
2016	0.34640	0.00000	6,247,174,978	58,250		13,655	(1,810)	42,785
2017	0.34640	0.00000	6,434,419,903	86,107		36,805	12,652	61,954
2018	0.32250	0.00000	7,324,430,291	171,423		82,483	23,083	112,023
2019	0.30750	0.00000	8,019,778,295	455,536		252,905	(7,602)	195,029
2020	0.30750	0.00000	7,978,506,613		23,900,418	23,541,076	36,577	395,919
TOTAL				$1,288,002	$23,900,418	$23,947,299	$ 18,738	$ 1,259,859

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-20

Wise County Lateral Road Fund

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 104,730	$	$ 1,589	$ (9,097)	$ 94,044
2011	0.09000	0.00000	7,105,871,642	6,121		482	(621)	5,018
2012	0.09000	0.00000	7,209,289,130	9,034		497	(186)	8,351
2013	0.09000	0.00000	7,219,507,394	7,676		849	(539)	6,288
2014	0.08000	0.00000	7,578,198,326	8,493		1,140	(391)	6,962
2015	0.06500	0.00000	7,537,449,778	10,061		1,086	(1,534)	7,441
2016	0.03250	0.00000	6,220,391,171	5,744		1,299	(176)	4,269
2017	0.03250	0.00000	6,407,632,865	8,510		3,485	1,180	6,205
2018	0.03750	0.00000	7,296,666,122	20,499		9,535	2,571	13,535
2019	0.04250	0.00000	7,994,857,141	63,938		34,738	(1,581)	27,619
2020	0.04250	0.00000	7,950,038,062		3,338,853	3,286,943	4,031	55,941
TOTAL				$ 244,806	$3,338,853	$3,341,643	$ (6,343)	$ 235,673

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-21

Wise County Water Control & Improvement District #1

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 8,816	$	$ 171	$ (755)	$ 7,890
2011	0.01000	0.00000	4,469,236,950	581		56	(69)	456
2012	0.01000	0.00000	4,742,688,619	804		59	(20)	725
2013	0.01000	0.00000	4,803,933,098	770		90	(58)	622
2014	0.01000	0.00000	5,051,233,823	932		125	(45)	762
2015	0.01000	0.00000	4,974,542,648	1,323		146	(227)	950
2016	0.01000	0.00000	4,286,286,539	1,405		352	(50)	1,003
2017	0.00963	0.00000	5,903,351,662	2,671		1,081	347	1,937
2018	0.00936	0.00000	7,031,385,320	5,390		2,725	893	3,558
2019	0.00933	0.00000	7,776,622,061	14,743		9,102	731	6,372
2020	0.00898	0.00000	7,772,228,651		698,108	687,108	1,454	12,454
TOTAL				$ 37,435	$ 698,108	$ 701,015	$ 2,201	$ 36,729

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-22

Clear Creek Watershed District #3

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 49	$	$ -	$ -	$ 49
2011	0.05000	0.00000	18,719,170	1		-	-	1
2012	0.05000	0.00000	31,362,970	-		-	-	-
2013	0.04500	0.00000	78,154,070	-		-	-	-
2014	0.04000	0.00000	78,049,190	5		-	(1)	4
2015	0.04000	0.00000	76,328,700	9		-	-	9
2016	0.04000	0.00000	57,104,110	3		-	1	4
2017	0.03900	0.00000	39,708,710	3		66	66	3
2018	0.03900	0.00000	35,666,980	83		122	80	41
2019	0.03750	0.00000	42,568,861	243		253	81	71
2020	0.03650	0.00000	32,107,336		11,719	11,656	101	164
TOTAL				$ 396	$ 11,719	$ 12,097	$ 328	$ 346

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-23

City of Alvord

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 3,708	$	$ -	$ (10)	$ 3,698
2011	0.445320	0.162225	57,155,020	35		-	-	35
2012	0.393060	0.209165	57,371,640	832		-	-	832
2013	0.438100	0.181307	57,164,330	659		-	1	660
2014	0.475230	0.130000	57,935,211	635		35	-	600
2015	0.426873	0.160500	60,082,910	1,014		34	-	980
2016	0.441017	0.160500	59,501,925	786		99	(1)	686
2017	0.441017	0.160500	62,360,579	2,362		1,045	(1)	1,316
2018	0.441017	0.157935	68,251,281	3,283		1,572	-	1,711
2019	0.421850	0.134643	75,596,342	6,776		4,867	627	2,536
2020	0.400348	0.087613	83,319,005		399,714	391,467	(2,903)	5,344
TOTAL				$ 20,090	$ 399,714	$ 399,119	$ (2,287)	$ 18,398

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-24

Weatherford College Branch Campus Maintenance Tax

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2010 & Prior	Various	Various	$ Various	$ 7,606	$	$ 249	$ (1,722)	$ 5,635
2011	0.04625	0.00000	7,174,053,643	2,925		190	(319)	2,416
2012	0.04615	0.00000	7,264,575,953	4,253		156	(96)	4,001
2013	0.04615	0.00000	7,255,448,512	3,372		274	(276)	2,822
2014	0.04615	0.00000	7,603,348,248	4,142		501	(226)	3,415
2015	0.04615	0.00000	7,577,950,258	6,085		636	(1,081)	4,368
2016	0.03000	0.00000	6,267,833,620	6,644		1,751	(232)	4,661
2017	0.04615	0.00000	6,484,243,812	10,011		4,877	1,711	6,845
2018	0.04400	0.00000	7,416,560,371	21,746		10,533	2,478	13,691
2019	0.04400	0.00000	8,147,764,909	62,899		35,501	(1,680)	25,718
2020	0.04400	0.00000	8,133,264,952		3,488,176	3,429,859	(3,956)	54,361
TOTAL				$ 129,683	$3,488,176	$3,484,527	$ (5,399)	$ 127,933

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-25

City of New Fairview

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2019	0.30000	0.00000	145,622,351	26,397		15,014	(235)	11,148
2020	0.30000	0.00000	141,380,421		422,963	403,144	(5,848)	13,971
TOTAL				$ 26,397	$ 422,963	$ 418,158	$ (6,083)	$ 25,119

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE

Schedule of Delinquent Taxes Receivable

For the Year Ending August 31, 2021

Exhibit B-26

Wise County Emergency Services District #2

Tax Levy Year	Tax Rate Maintenance	Tax Rate Debt Service	Assessed Valuation	Balance September 1, 2020	Current Year Levy	Collections	Adjustments Increase (Decrease)	Balance August 31, 2021
2019	0.10000	0.00000	311,415,384	3,465		1,487	(33)	1,945
2020	0.10000	0.00000	296,650,360		296,664	289,549	(622)	6,493
TOTAL				$ 3,465	$ 296,664	$ 291,036	$ (655)	$ 8,438

The accompanying notes are an integral part of these financial schedules.

WISE COUNTY TAX OFFICE
Notes to Financial Schedules

EXHIBIT C

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wise County Tax Office (Office) is included and reported with the custodial funds of Wise County, Texas (County). The Office has contracted with various taxing entities in the County to collect taxes on their behalf. The taxing entities are charged for these services based upon actual cost distributed among the entities as is mutually determined by the Office and the taxing entities. The Office acts as an agent of the County solely for the purpose of the collection and disbursement of property taxes.

The accounting policies of the Office conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The accompanying financial schedules in this report present only the delinquent tax receivable schedules of the contracted taxing entities, and do not purport to, and do not present fairly the financial position of the Wise County Tax Office or Wise County, Texas, as of August 31, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Contracted Taxing Entities

The financial schedules contained in this audit are for the fiscal year ended August 31, 2021. The Office contracts with taxing entities within Wise County to provide property tax collections. However, State law does not require a taxing entity to utilize the Office for collection procedures. The following entities have voluntarily entered into collection service agreements with the Office:

Alvord Independent School District
City of Aurora
Boyd Independent School District
City of Boyd
Bridgeport Independent School District
City of Bridgeport
Chico Independent School District
City of Chico
Decatur Independent School District
City of Decatur
City of Newark
Paradise Independent School District
City of New Fairview
City of Paradise
City of Rhome
City of Runaway Bay
Slidell Independent School District
Wise County Water Supply
Wise County Emergency Services District #1
Wise County General Fund
Wise County Lateral Road Fund
Wise County Water Control & Improvement District #1
Clear Creek Watershed District #3
City of Alvord
Weatherford College Branch Campus Maintenance Tax
Wise County Emergency Services District #2

Basis of Accounting

The delinquent taxes receivable are accounted for on the accrual basis of accounting. Each year when the new roll is levied, the current tax is added to the receivable roll and credit is given as payments are made. After taxes have been collected and the rolls updated, transfers are made to the taxing jurisdictions indicating whether the transfer is current or delinquent tax or penalty and interest.

WISE COUNTY TAX OFFICE
Notes to Financial Schedules

EXHIBIT C

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standard Adopted

In the current fiscal year, the Office implemented GASB 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally, is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets

Current Taxes

Properties are valued as of January 1st of each year by the District. Taxpayers generally have until April 1st to file exemption applications and property renditions and until the Wise County Appraisal District Appraisal Review Board approves the appraisal records to protest valuation. Tax rolls are certified by the Wise County Appraisal District Chief Appraiser by July 25th. Taxing entities must adopt a tax rate by September 1st or as soon thereafter as practicable. Tax statements are mailed October 1st. The Tax Office records taxes as receivables when levied. Any corrections to the tax levy are recorded as adjustments upon approval by the Chief Appraiser and ratification by the Appraisal Review Board.

Delinquent Taxes

Current taxes become delinquent February 1st following the year of levy and are subject to a penalty and interest charge. An additional penalty for attorney's fees may be assessed if taxes are unpaid by July 1st. Corrections to the delinquent tax roll are recorded as adjustments upon approval by the Chief Appraiser.

Allowance for Uncollectible Taxes

Delinquent taxes receivable are the assets of the contracting entities. The management of each contracting entity should determine the appropriate allowance for uncollectible taxes based on an evaluation of the collectability of unpaid taxes.

Penalties and Interest

Penalties assessed on unpaid taxes on February 1st are 6% for the first month plus 1% for each additional month delinquent up to 12% maximum. Interest is assessed at 1% per month until paid. The Office assesses taxpayers an additional 20% attorney's collection fee as provided by the State Property Tax Code (Code) on all delinquent tax collections. The Office pays this fee to attorneys and not the contracting entities. Penalties, interest, and the collection fee are recorded when collected. Unpaid penalties, interest, and fees are included in delinquent tax notices to taxpayers but are not accrued.

WISE COUNTY TAX OFFICE
Notes to Financial Schedules

EXHIBIT C

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Late Fees

Late fees include rendition filing penalties, late agricultural exemption penalties, and late protest penalties. The rendition filing penalty is a 10% penalty assessed for the delinquent/failure in filing business personal property renditions. Per the Code, the District can retain a small percentage of the rendition filing penalty for administrative costs and disburses the remainder to the appropriate taxing entities.

The late agricultural exemption penalty is a 10% penalty related to filing a late application for an agricultural exemption. This entire penalty is paid to the taxing entities.

The late protest penalty is a 10% penalty related to the late correction of an error in appraisal value. This entire penalty is paid to the taxing entities.

Taxpayer Overpayments

Overpayments by taxpayers are recorded as liabilities to the taxpayers and refunded. When the overpayment results from an adjustment to the tax and the tax had previously been remitted to the contracting entities, this amount is deducted from current remittances to the entities and refunded to the taxpayer.

Returned Checks

The tax receivable is reinstated for returned checks. When the tax has previously been remitted to the contracting entities, the amount is deducted from current remittances.

Court and Related Costs

Court and related costs incurred in collecting delinquent taxes are added to the total amount due from the taxpayer. Amounts collected from the taxpayers and not yet remitted to the court are recorded as liabilities. The Office is not liable for court costs incurred but not collected from taxpayers and, therefore, has not accrued a liability for any such outstanding amounts.

NOTE B. ATTORNEY FEES

The Tax Office and taxing entities have contracted with attorneys for the collection of delinquent taxes and can terminate the contract upon thirty days written notice. As compensation for collection services, the attorneys are paid 20% of all amounts of delinquent tax, penalty, and interest collected and paid during the term of the contract except on current delinquent taxes collected prior to July.

NOTE C. SUBSEQUENT EVENTS

The District evaluated subsequent events through November 8, 2021, the date the financial schedules were available to be issued, and nothing requiring disclosure was noted.

SUPPLEMENTAL INFORMATION



SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL SCHEDULES PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Wise County Tax Assessor / Collector
Decatur, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial schedules of the Wise County Tax Office, as of August 31, 2021, and the related notes to the financial schedules, and have issued our report thereon dated November 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial schedules, we considered the Wise County Tax Office's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial schedules, but not for the purpose of expressing an opinion on the effectiveness of the Wise County Tax Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wise County Tax Office's internal control.

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

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

1207 Santa Fe Drive • Weatherford, Texas 76086 • 817-596-9301 • Fax 817-596-9304

5

WISE COUNTY TAX OFFICE

System and Organization Controls (SOC 1)
Report on Wise County Tax Office's Description of
Its System and the Suitability
of the Design and Operating Effectiveness of Controls

For the Period September 1, 2020
through August 31, 2021

WISE COUNTY TAX OFFICE

Report on Wise County Tax Office's Description of Its System and the Suitability of the Design and Operating Effectiveness of Controls For the Period September 1, 2020 through August 31, 2021

TABLE OF CONTENTS

		PAGE
I.	Independent Service Auditor's Report	1
II.	Assertion of the Management of Wise County Tax Office	5
III.	Description of the System Provided by Wise County Tax Office	
	Tax Office and Operations	8
	Relevant Aspects of the Control Environment, Risk Assessment, Information and Communication, and Monitoring	9
	Description of Its System	11
	General Computer Controls	14
	Subservice Organization Control Consideration	15
	Complementary User Entity Controls	16
IV.	Information Provided by Independent Service Auditor	
	Purpose and Objectives of the Report	18
	Tests of Operating Effectiveness and Results of Testing	18
	Control Objective Matrices	19

Section I
Independent Service Auditor's Report

SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

Independent Service Auditor's Report on Wise County Tax Office's Description of Its System and the Suitability of the Design and Operating Effectiveness of Controls

To the Wise County Tax Assessor/Collector
Decatur, Texas

Scope

We have examined the Wise County Tax Office's description of its system entitled "Wise County Tax Office's Description of Its System" for the billing of taxes, penalties, and interest; payment processing; disbursement of collections; safeguarding of collections; and maintenance of taxes receivable throughout the period September 1, 2020 to August 31, 2021 (description) and the suitability of the design and operating effectiveness of the controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in the "Assertion of the Management of Wise County Tax Office" (assertion). The controls and control objectives included in the description are those that management of the Wise County Tax Office (Tax Office) believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the system that are not likely to be relevant to user entities' internal control over financial reporting. The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of the Tax Office's controls are suitably designed and operating effectively, along with related controls at the Tax Office. Our examination did not extend to such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

The Tax Office uses subservice organizations for property appraisals, database management, and other information system support. The description includes only the control objectives and related controls of the Tax Office and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by the Tax Office can be achieved only if complementary subservice organization controls assumed in the design of the Tax Office's controls are suitably designed and operating effectively, along with the related controls at the Tax Office. Our examination did not extend to controls of the subservice organizations and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

Service organization's responsibilities

In Section II of this report, the Tax Office has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. The Tax Office is responsible for preparing the description and assertion, including the completeness, accuracy, and method of presentation of the description and assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the

1207 Santa Fe Drive • Weatherford, Texas 76086 • 817-596-9301 • Fax 817-596-9304

risks that threaten the achievement of the control objectives, selecting the criteria stated in the assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.

Service auditor's responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period September 1, 2020 to August 31, 2021. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involves-

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion.

Inherent limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in the billing of taxes, penalties, and interest; payment processing; disbursement of collections; safeguarding of collections; and maintenance of taxes receivable. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.

Description of tests of controls

The specific controls tested and the nature, timing, and results of those tests are listed in Section IV of this report.

Opinion

In our opinion, in all material respects, based on the criteria described in the Tax Office's assertion –

a. The description fairly presents the system that was designed and implemented throughout the period September 1, 2020 to August 31, 2021.
b. The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period September 1, 2020 to August 31, 2021 and subservice organizations and user entities applied the complementary controls assumed in the design of the Tax Office's controls throughout the period September 1, 2020 to August 31, 2021.
c. The controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period September 1, 2020 to August 31, 2021 if complementary subservice organizations' and user entity controls assumed in the design of the Tax Office's controls operated effectively throughout the period September 1, 2020 to August 31, 2021.

Restricted use

This report, including the description of tests of controls and results thereof in Section IV of this report, is intended solely for the information and use of the Tax Office, user entities of the Tax Office's system during some or all of the period September 1, 2020 to August 31, 2021, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatement of user entities' financial statements. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Snow Garrett Williams

Snow Garrett Williams
November 8, 2021

Section II
Assertion of the Management of
Wise County Tax Office

WISE COUNTY, TEXAS
P.O. Box 899
Decatur, TX 76234

Assertion of the Management of the Wise County Tax Office

We have prepared the description of the Wise County Tax Office's system entitled "Wise County Tax Office's Description of Its System" for the billing of taxes, penalties, and interest; payment processing; disbursement of collections; safeguarding of collections; and maintenance of taxes receivable throughout the period September 1, 2020 to August 31, 2021 (description) for user entities of the system during some or all of the period September 1, 2020 to August 31, 2021, and their auditors who audit and report on such user entities' financial statements or internal control over financial statement reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by subservice organizations and user entities of the system themselves when assessing the risks of material misstatement of user entities' financial statements.

The Wise County Tax Office (Tax Office) uses subservice organizations for property appraisal, database management, and other information system support. The description includes only the control objectives and related controls of the Tax Office and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified in the description can be achieved only if complementary subservice organization controls assumed in the design of our controls are suitably designed and operating effectively, along with the related controls. The description does not extend to controls of the subservice organizations.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of the Tax Office's controls are suitably designed and operating effectively, along with related controls at the service organization. The description does not extend to controls of the user entities.

We confirm, to the best of our knowledge and belief, that:

1) The description fairly presents the system made available to user entities of the system during some or all of the period September 1, 2020 to August 31, 2021 for the billing of taxes, penalties, and interest; payment processing; disbursement of collections; safeguarding of collections; and maintenance of taxes receivable as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description:

    a) Presents how the system made available to user entities of the system was designed and implemented to process relevant user entity transactions, including, if applicable:

        i) The types of services provided, including, as appropriate, the classes of transactions processed.

        ii) The procedures, within both automated and manual systems, by which those services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports and other information prepared for user entities of the system.

iii) The information used in the performance of the procedures including, if applicable, related accounting records, whether electronic or manual, and supporting information involved in initiating, authorizing, recording, processing, and reporting transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.

iv) How the system captures and addresses significant events and conditions other than transactions.

v) The process used to prepare reports and other information for user entities.

vi) The services performed by subservice organizations, including that the carve-out method has been used in relation to them.

vii) The specified control objectives and controls designed to achieve those objectives including, as applicable, complementary user entity controls and complementary subservice organizations' controls assumed in the design of the controls.

viii) Other aspects of our control environment, risk assessment process, information and communications (including the related business processes), control activities, and monitoring activities that are relevant to the services provided.

b) Does not omit or distort information relevant to the system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and their user auditors and may not, therefore, include every aspect of the system that each individual user entity of the system and its auditor may consider important in its own particular environment.

2) The controls related to the control objectives stated in the description were suitably designed and operating effectively throughout the period September 1, 2020 to August 31, 2021 to achieve those control objectives if subservice organizations and user entities applied the complementary controls assumed in the design of the Tax Office's controls throughout the period September 1, 2020 to August 31, 2021. The criteria we used in making this assertion were that:

a) The risks that threaten the achievement of the control objectives stated in the description have been identified by management.

b) The controls identified in the description would, if operating effectively, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved.

c) The controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

Signature: [signature]

Title: Tax Assessor/Collector

11-2-2021

Section III
Description of the System Provided by Wise County Tax Office

Wise County Tax Office
Description of Its System

Tax Office and Operations

Overview of Tax Office Operations

The Wise County Tax Office's (Tax Office) operations are conducted at its office located in Decatur, Texas and in two branch locations located in Boyd, Texas and Bridgeport, Texas. The principal operations include the collection of property taxes and the registration and titling of motor vehicles. The Tax Assessor/Collector oversees all tax office operations.

The Tax Office has contracted with various taxing entities in Wise County, Texas to collect taxes on their behalf. Property tax values on which collections are made are provided by Wise County Appraisal District. The Tax Office provides these services for various county-wide taxing entities, independent school districts, and cities, totaling 24 entities. The Tax Office typically remits collections to those entities on a daily basis. Also, as an agent for the Texas Department of Motor Vehicles, the Tax Office registers and titles vehicles annually, which is not part of this examination.

The Tax Office contracts with various service providers to support property tax billing, collection, and accounting processes.

- Wise County Appraisal District (WCAD) is responsible for providing appraised property values, including any applicable exemptions, penalties, and interest, to the Tax Office. WCAD is considered a subservice organization and is presented in this description using the carve-out method.
- NET Data Corporation provides tax collection computer software. The NET Data system is an integral part of the Tax Office's operations. The Tax Office uses NET Data for assistance with the billing, collection, and disbursement of property taxes. NET Data is considered a subservice organization and is presented in this description using the carve-out method.

Purpose of Control Activities Provided by Management

The description of the Tax Office's system is intended to provide the Tax Office's user entities and the independent auditors of the Tax Office's user entities with information regarding the Tax Office's control activities, which may be considered relevant to the Tax Office's user entities' internal control over financial reporting. The description includes the following processes relevant to the system:

A. Billing of Taxes, Penalties, and Interest
B. Payment Processing
C. Disbursement of Collections
D. Safeguarding of Collections
E. Maintenance of Taxes Receivable
F. General Computer Controls

The control activities were reviewed for the services provided and administered by the Tax Office and the underlying Tax Office's information technology infrastructure. This description does not encompass every aspect of the Tax Office's activities or services provided to its clients, as certain other activities are not subject to the control environment of the Tax Office.

Wise County Tax Office
Description of Its System

Relevant Aspects of the Control Environment, Risk Assessment, Information and Communication, and Monitoring

Control Environment

The Tax Office is considered a custodial fund of Wise County, Texas and is governed by the Wise County Commissioners Court (CC). The CC is established under the state statutes established for Counties. The CC meets bi-weekly to review financial and operating results and conduct other business as appropriate for the County, including the Tax Office. The County Auditor performs an annual review of the Tax Assessor/Collector.

The Tax Assessor/Collector and the Chief Deputy are considered senior management of the Tax Office. The Tax Assessor/Collector is an elected official of Wise County, Texas. The Tax Office has one department, the collections department. The accounting function is performed by the Chief Deputy, who reports directly to the Tax Assessor/Collector.

The Tax Office operates under the guidelines and ethical values of the Texas Constitution and the Texas Property Tax Code (the "Code"). The Code requires that the Tax Assessor/Collector shall successfully complete prescribed courses within 90 days of taking office and complete annual continuing education thereafter. The Tax Assessor-Collectors Association of Texas, along with the Texas Association of Counties, provides educational programs and certifications for property tax professionals. The Tax Office encourages the staff to participate in these and other training opportunities.

The Tax Office strives to acquire and retain qualified people and to instill an attitude of integrity and control awareness.

Human Resources

The Tax Office's commitment to quality is reflected in the policies and practices employed for attracting and retaining employees. The Tax Office's personnel combine technical ability with a strong understanding of business processes and the Texas Property Tax Code.

The Tax Office operates as a department of Wise County, Texas and utilizes the County's personnel manual. The County maintains a very detailed personnel policy manual, which covers employee training, performance reviews, conflict of interest, standards of conduct and code of ethics. The manual is reviewed and updated regularly. The County uses job descriptions to outline the duties and responsibilities of each position.

Risk Assessment

The Tax Office seeks to mitigate financial and operational risks through early identification, process identification, and continuous oversight. Management has established mechanisms to help identify risks and the evaluation of risks are a part of the planning process. Risks related to the ability of an employee to initiate and process unauthorized transactions are identified. Annual audits are conducted for both the Tax Office and the County as a whole. Internal control findings during the audits are addressed by senior management in a timely fashion.

Information and Communication

The Tax Office has implemented several methods of communication designed to ensure all employees understand their roles, responsibilities, and obligations. These methods include training, staff meetings, e-mail messages, and policies and procedures manuals. The Tax Office's overall goal and the key elements of the Tax Office's strategic plan are communicated to employees, including elements of internal controls. The Tax Office has also implemented various avenues of communication with taxpayers to ensure that they understand the obligations of the Tax Office in processing their transactions. This includes notices, publications, statements, newspaper articles, and public service announcements.

Monitoring

Senior management supervises and monitors the quality of controls and performances as a part of day-to-day operations. To facilitate this control, various reports that measure the results of operations and performance are generated and reviewed on a daily, weekly, and monthly basis as required. Varying levels of management may review the reports as needed to ensure compliance with performance goals and objectives.

Independent Oversight

Wise County has an internal audit department that provides an independent review function to examine and evaluate the Tax Office's operations. The internal audit department has developed audit programs and transaction reviews which examine critical aspects of the Tax Office's operations, including property tax, motor vehicles, and accounting. Audits and reviews are intended to ensure compliance with applicable laws, as well as Tax Office policies and procedures. The internal audit department performs quarterly audits of the Tax Office. Any issues identified in the internal audit are addressed by senior management of the Tax Office in a timely manner.

Wise County Tax Office
Description of Its System

Description of the System

The Tax Office collects property taxes, and registers and titles motor vehicles. In performing these operations, the Tax Office uses various County-wide departments for account servicing, legal services, and information technology (IT) services. The accompanying description includes only those controls and related control objectives of the collection and payment of property tax and does not include controls and control objectives related to motor vehicle registration and title, account servicing, legal services, or IT services.

The property tax collection services processed through the NET Data system include the services that the Tax Office provides to user entities for the management of the collection and remittance of property taxes. The procedures, control objectives, and control activities described hereafter pertain to property tax collection services processed through the NET Data system at all Tax Office locations, unless specifically stated otherwise.

Billing of Taxes, Penalties, and Interest

The billing of taxes, penalties, and interest is based upon information provided to NET Data from WCAD. WCAD is responsible for appraising property in Wise County, Texas, certifying the tax rolls, and uploading all relevant information to NET Data. This information is used by the Tax Office to complete billings on an annual basis.

The Tax Office sends portable document format (PDF) batches of property tax statements to a third-party vendor that prints and mails out the statements. Prior to sending the files out, the Tax Office samples billing statements that will be printed and mailed. The Tax Office verifies that the statements include all pertinent information, such as approved exemptions, tax rates, etc. The Tax Office reconciles the batch total to the beginning tax levy.

Any adjustments to property values are processed by WCAD and a Change Authorization Form is forwarded to the Tax Office. When the Tax Office receives a Change Authorization Form, the form is stamped with the date received; the information is entered into the tax office system; signed and dated upon entry; and filed in numerical order. Corrected tax statements are produced and mailed to taxpayers, and any necessary refunds are forwarded to the Chief Deputy to prepare checks.

Payment Processing

Payments received through the mail and at the Tax Office are manually posted to NET Data daily. Posting payments to accounts is restricted to the collection clerks through assigned functions within the NET Data application and the requirement of passwords. Collection clerks access the account by taxpayer name, address, account number, or statement number. During payment posting, the collection clerk records the amount and method of payment in the NET Data application.

At the end of the day, each collection clerk prints the Statement Number List of Payments Report from NET Data and balances their drawer against the report. The Chief Deputy prints the Daily Report from NET Data and agrees the daily receipts collected to each clerk's Statement Number List of Payments Report. The Chief Deputy then prepares the bank deposits. Either the Tax Assessor/Collector or the Office Manager takes the bank deposits to the bank on the following business day.

The following business day, the Collections Supervisor scans checks from the day before in batches using a Digital Check Teller Scan TS 240 check scanner. The batches are then electronically deposited into the Tax Office bank account. The Collections Supervisor agrees the batch total to the Batch Balance Report before completing the electronic deposit. Scanned checks are kept in the safe for three months, at which time they are shredded.

Payments are also made through the County's website on a Certified Payment link developed and maintained by NET Data Corporation. Periodically, the Chief Deputy downloads the Certified Payment Report and obtains the Account Activity Report for the Tax Office bank account. The Chief Deputy has restricted use to view only and print reports from NET Data. The Chief Deputy agrees the total of each batch on the Certified Payment Report to the deposit on the bank's Account Activity Report. If the batch has been deposited into the Tax Office account, the Certified Payment Report is given to the Collections Clerk, who then posts the payments to the individual accounts through a payment processing program in NET Data. The Collections Clerk notes on the Certified Payment Report any discrepancies, such as small over or under payments, or that the payment was already made and a credit card refund needs to be processed. The Collections Clerk returns the Certified Payment Report to the Chief Deputy. The Collections Clerk reconciles the Batch Balance total to the Certified Payment Report and closes the batch. The Chief Deputy then processes any credit card refunds required and records the credit card deposits in the NET Data program. The Chief Deputy tracks all credit card activity in a spreadsheet and compares the monthly activity to a Monthly Batch Report from NET Data.

Before processing disbursements, the Chief Deputy agrees the deposit slips to the Deposit Report for the same period and researches any discrepancies. All documentation is filed and retained for audit and research purposes.

Wise County Tax Office
Description of Its System

Disbursement of Collections

On a daily basis, the Chief Deputy prints out the Daily Collections Report, the Daily Report, and the Distribution and Refunds Payable Edit Report from NET Data for collections that will be distributed to the taxing entities. The Chief Deputy obtains the Daily Collections reports from the clerks in the Collections department and reconciles the clerks' reports to the printed Daily Report for collections.

After the daily collections are balanced, disbursements are processed and sent by ACH from the Tax Office to all contracting taxing entities. Refunds to taxpayers are prepared daily but are held for approximately three weeks to ensure that funds have cleared the bank. The Chief Deputy runs the Distribution and Refunds Payable Report and the Accounts Payable Balancing Report from NET Data for all taxing entities and reconciles them to the Daily Reports for the same period.

The Distribution and Refunds Payable Report summarizes the collections by current tax, current penalty, delinquent tax, delinquent penalties and interest, and attorney fees. This report also summarizes collections by year. The Chief Deputy uses information from the Accounts Payable Balancing Report to enter into spreadsheets that calculate the amount of maintenance and operations taxes and interest and sinking taxes for each entity that had collections for the period. All taxing entities receive distributions through automated clearing house (ACH) bank transfers. The Chief Deputy posts the ACH transfer amounts per taxing entity through the bank's website based on the information from the Distribution and Refunds Payable Edit Report. The Chief Deputy and one Collections Clerk are authorized to approve ACH transfers. The online banking module for ACH disbursements is restricted to the aforementioned users and requires passwords. After the ACH has been transferred, the Chief Deputy electronically sends a distribution spreadsheet to TexPool. TexPool then distributes the funds according to the information provided. The Chief Deputy electronically sends the applicable Distribution Summary Report and Payee Report to each taxing entity for the distribution period. All documentation is filed and retained for audit and research purposes.

Safeguarding of Collections

The Tax Office is responsible for safeguarding tax collections from potential loss. To protect the collections, the Tax Office maintains a Public Employees Blanket Bond on all employees who handle monies for $10,000 per employee; a tax assessor / collector state bond for $100,000; and a tax assessor / collector county bond for $100,000. Also, the Tax Office and the Wise County Treasurer monitor the adequacy of Federal Deposit Insurance Corporation (FDIC) coverage and pledged securities by the depository bank. The Tax Office bank accounts are included with the Wise County bank accounts for collateralization purposes.

The Tax Office makes daily deposits to the bank at the beginning of the day. The Chief Deputy reconciles the deposit slips and deposit confirmations to the NET Data Daily Reports. The Chief Deputy prepares timely reconciliations of the monthly Tax Office bank statements. The bank reconciliations are sent to the Wise County Audit Office for review by the County's Internal Auditors.

Maintenance of Taxes Receivable

The Tax Office maintains current computerized listings in NET Data of taxes, penalties, and interest receivable by tax account. These detail records maintain assessment, adjustment, and payment history by tax account. The Percent of Collections Tax Roll Report generated by NET Data is provided to the taxing entities. On a monthly basis, the beginning uncollected balances for each taxing entity are reconciled to the prior month's ending uncollected balance on the Collections Summary Tax Roll Report from NET Data. The collections on the year-to-date Auditor's Report are reconciled to the disbursements on the Collections Summary Tax Roll Report each month.

General Computer Controls

Computer Operations

The Tax Office utilizes Wise County's information technology (IT) department for system operations. The County's IT department is responsible for ensuring applicable safeguards are in place on the Tax Office's operating systems, such as firewalls, antivirus protection, password configurations, and other software updates. The network architecture is configured to minimize the risk of unauthorized network access. Firewalls are implemented in the Tax Office's network architecture and activity is reviewed through logs and/or firewall console. The Tax Office's programs, data and other information resources are protected from viruses. The Wise County Director of IT oversees the installation and the automated update process of the virus protection software by Microsoft Essentials on all Tax Office computers.

Logical Security

NET Data has administrative rights for the NET Data application. User access is based on job functions and responsibilities. Changes, additions, or deletions of user account access to the NET Data application are communicated to NET Data from the County Tax Assessor/Collector.

Individual user login and passwords are required to access the NET Data application. Users are verbally instructed to keep their password(s) confidential.

Physical Security

Tax Office personnel enter the Tax Office's building through automatically locking doors. The doors require individual user access codes, which is granted or removed by the County's IT personnel. The buildings also have a security alarm system that requires individual user access codes.

Visitors to the Tax Office's building enter through the main entrance into a central lobby. Visitor access is restricted to the central lobby. Any visitor that gains access to the employee's work area is screened and escorted by Tax Office personnel during their visit.

Subservice Organization Control Consideration

The Tax Office's system of internal controls was designed with the assumption that certain controls would be implemented by subservice organizations. In certain situations, the application of specific controls at subservice organizations is necessary to achieve certain objectives included in this report. The Tax Office uses Wise County Appraisal District for the assessment of property values, including any applicable exemptions, penalties, and interest. The Tax Office uses NET Data to monitor collections and disbursements of property taxes. The following subservice organization internal control considerations presented should not be regarded as a comprehensive list of all controls that should be employed by subservice organizations. There may be additional controls that would be appropriate for the processing of subservice organization transactions that are not identified in this report.

Wise County Appraisal District

Controls provide reasonable assurance that:

- Property tax information provided to NET Data is accurate and complete.

NET Data

Controls provide reasonable assurance that:

- Data is replicated to a disaster recovery site to ensure operations can resume in the event of a service disruption.
- Backed up data is stored off-site and in an encrypted state.
- Infrastructure changes implemented to the production environment are documented, tested, and approved prior to being released.
- Separate development, test, and production environments are used in the change management.
- Access to implement changes in the production environment is restricted to production support personnel who do not have development capabilities.
- Access to the Tax Office's data is restricted to authorized individuals.
- Access permissions are approved when employees and contractors are granted access to NET Data.
- Access is revoked when employees and contractors no longer require access to NET Data.
- Access to perform development functions is restricted to authorized personnel.
- Tax levies provided by WCAD are recalculated, including any frozen levy and any applicable exemptions, penalties, and interest. Discrepancies identified are reviewed and corrected with WCAD's assistance.
- Tax statements are printed accurately and completed, in accordance with signed service agreements.
- Tax statements are mailed timely, in accordance with agreed upon schedules.
- Confidential data used in the processing of tax payments is properly secured and protected.
- Tax payments are processed accurately and timely.
- Payments and refunds are processed only when authorized.

Complementary User Entity Controls

The Tax Office's system of internal controls was designed with the assumption that certain controls would be implemented by user entities. In certain situations, the application of specific controls at user entities is necessary to achieve certain objectives included in this report. The following user internal control considerations presented should not be regarded as a comprehensive list of all controls that should be employed by user entities. There may be additional controls that would be appropriate for the processing of user transactions that are not identified in this report.

Controls should provide reasonable assurance that:

- Tax rates supplied to WCAD and the Tax Office are accurate and complete.
- Reports or documents outlining calculations and assessments are reviewed timely in accordance with applicable agreements between the Tax Office and user entities.
- Remitted amounts are reviewed for accuracy and any issues are communicated to the Tax Office in a timely manner.
- Changes to bank routing information are communicated to the Tax Office in a timely manner.
- Refunds are reviewed for accuracy and completeness.
- User entities provide employees adequate training for processing transactions within systems used for processing information from the Tax Office.
- Sufficient physical and logical security access to the Tax Office's information is established, monitored, and maintained by the user entity.

Section IV
Information Provided by
Independent Service Auditor

Purpose and Objectives of the Report

This report on the Tax Office's description of its system and suitability of design and operating effectiveness of controls is intended to provide user entities and auditors of user entities with information sufficient to gain an understanding of controls in place over the Tax Office's system. This report, when combined with an understanding and assessment of the internal controls at user entities, is intended to assist auditors of user entities in (1) planning the audit of the user's financial statements and in (2) assessing control risk for assertions in the user entity's financial statements that may be affected by controls at the Tax Office.

To the extent we considered necessary, our procedures included the following:

- Inspection of the Tax Office's organizational structure and segregation of functional responsibilities belonging to personnel;
- Inspection of the Tax Office's operational policies and procedures;
- Inquiry with Tax Office management and key personnel who are responsible for developing, adhering to, and applying controls;
- Observation of personnel in performance of their assigned duties; and
- Inspection of the Tax Office's documents and records to assess compliance with controls.

Our examination was restricted to the description of the system, control objectives, and the related control procedures specified in Section III by the Tax Office's management and was not extended to procedures described elsewhere in this report but not listed, or to procedures that may be in effect at the user entity. The examination was conducted in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 18, *Reporting on Controls at a Service Organization,* (SOC 1) of the American Institute of Certified Public Accountants. It is each user auditor's responsibility to evaluate this information in relation to the controls in place at each user entity. If certain complementary user entity controls are not in place at the user entity organization, the Tax Office's controls may not compensate for such weaknesses.

Tests of Operating Effectiveness and Results of Testing

Our tests of the operating effectiveness of controls were designed to cover a representative number of transactions throughout the period of September 1, 2020 to August 31, 2021, for each of the controls, which are designed to achieve the specific control objectives. In selecting particular tests of the operating effectiveness of controls, we considered (a) the nature of the items being tested; (b) the types of available evidential matter; (c) the nature of the audit objectives to be achieved; (d) the assessed level of control risk; and (e) the expected efficiency and effectiveness of the test.

Wise County Tax Office
Control Objective Matrices

Billing of Taxes, Penalties, and Interest

Control Objective 1: Controls provide reasonable assurance that the billing of ad valorem taxes, penalties, and interest is accurate and complete.

	PROVIDED BY THE TAX OFFICE	PROVIDED BY SERVICE AUDITOR	
Ref.	**Control Activity**	**Test Procedures**	**Test Results**
1.1	Tax rates input into NET Data are reviewed and agreed to the tax ordinances from the taxing entities.	Inspected the Tax Rate Report generated by NET Data for the applicable tax year and noted tax rates were reviewed and agreed to the tax ordinances from the taxing entities.	No relevant exceptions noted.
1.2	Billing statements are reviewed for accuracy prior to mailing.	Inspected the sample billing statements packet and noted that the statements had a reviewer sign-off.	No relevant exceptions noted.

Payment Processing

Control Objective 2: Controls provide reasonable assurance that ad valorem taxes collected are accurately processed and posted.

	PROVIDED BY THE TAX OFFICE	PROVIDED BY SERVICE AUDITOR	
Ref.	**Control Activity**	**Test Procedures**	**Test Results**
2.1	Posting payments to accounts is restricted through assigned duty functions within NET Data and requires a password to access.	Inspected the list of users with access to different modules of the NET Data application and their associated privileges. Observed authentication procedures.	No relevant exceptions noted.
2.2	The daily deposits for each collections clerk are reconciled to the Daily Report from NET Data.	For a sample of days during the period in scope, inspected the deposit slips and agreed them to the Daily Reports from NET Data.	No relevant exceptions noted.
2.3	The Certified Payment Report (credit card payments) is reconciled to the credit card bank account detail.	For a sample of weeks during the period in scope, inspected the reconciliation of the Certified Payments report to the credit card bank account detail.	No relevant exceptions noted.
2.4	Credit card recipts are deposited into a separate bank account. Periodically, a check is written from this account to the operating account. Checks have dual signatures.	For a sample of weeks during the period in scope, inspected check copies from the credit card bank account and agreed them to deposits in the operating account.	No relevant exceptions noted.

Disbursement of Collections

Control Objective 3: Controls provide reasonable assurance that funds collected are disbursed accurately, completely, and securely.

	PROVIDED BY THE TAX OFFICE	PROVIDED BY SERVICE AUDITOR	
Ref.	**Control Activity**	**Test Procedures**	**Test Results**
3.1	Total collections are reconciled to total disbursements.	For a sample of days during the period in scope, inspected reconciliations of collections to disbursements and noted that the amounts agreed.	No relevant exceptions noted.
3.2	The Distribution and Refunds Payable Edit Report are reconciled to the Daily Report.	For a sample of days during the period in scope, inspected reconciliation of the Distribution and Refunds Payable Edit Report to the Daily Report.	No relevant exceptions noted.
3.3	The online banking module for ACH disbursements is restricted to specific users and requires passwords.	Inspected the list of users with access to the bank's online application and their associated privileges.	No relevant exceptions noted.
3.4	Tax Office personnel verify that the ACH transfers agree to the ACH transfer spreadsheet.	For a sample of days during the period in scope, inspected the reconciliations of the Distribution and Refunds Payable Edit Report to the ACH Transfer Report, noting that the amounts distributed to the taxing entities agreed.	No relevant exceptions noted.

Wise County Tax Office
Control Objective Matrices

Safeguarding of Collections

Control Objective 4: Controls provide reasonable assurance that ad valorem taxes collected are kept secure.

	PROVIDED BY THE TAX OFFICE	PROVIDED BY SERVICE AUDITOR	
Ref.	**Control Activity**	**Test Procedures**	**Test Results**
4.1	All employees who handle monies are bonded.	Inspected the insurance bonds of all employees handling monies, as well as the Tax Assessor/Collector's bond.	No relevant exceptions noted.
4.2	Cash is taken to the bank at the beginning of each business day.	For a sample of days during the period in scope, inspected validated deposit slips for the date received as the next business day.	No relevant exceptions noted.
4.3	Checks are scanned for electronic deposit on a daily basis.	For a sample of days during the period in scope, inspected the bank's Desktop Deposit - Confirmation reports indicating the date submitted as the next business day.	No relevant exceptions noted.
4.4	Daily collections agree to the Collection Clerks' Daily Collections Reports, deposit slips, and the Daily Report.	For a sample of days during the period in scope, inspected reconciliations of the Daily Collections Reports to deposit slips and credit card payment reports.	No relevant exceptions noted.
4.5	The bank account balances are adequately collateralized.	For a sample of months during the period in scope, inspected monthly bank statements and Federal Deposit Insurance Corporation (FDIC) coverage and pledged securities documentation for adequate collateralization of funds maintained at the bank for the County as a whole.	No relevant exceptions noted.
4.6	The Tax Office bank accounts are accurately reconciled monthly and reviewed and approved.	For a sample of months during the period in scope, inspected monthly bank reconciliations for accuracy, timely reconciliation, and review and approval by management.	No relevant exceptions noted.

Wise County Tax Office
Control Objective Matrices

Maintenance of Taxes Receivable

Control Objective 5: Controls provide reasonable assurance that entity reports are accurate.

	PROVIDED BY THE TAX OFFICE	PROVIDED BY SERVICE AUDITOR	
Ref.	**Control Activity**	**Test Procedures**	**Test Results**
5.1	The beginning uncollected balances are reconciled to the prior month's ending uncollected balances on the monthly Collections Summary Tax Roll Reports.	For a sample of months during the period in scope, inspected reconciliation of beginning uncollected balances to prior month's ending uncollected balance.	No relevant exceptions noted.
5.2	The collections on the year-to-date Auditor's Reports are reconciled to the disbursements on the Collections Summary Tax Roll Reports, monthly.	For a sample of months during the period in scope, inspected reconciliation of collections to disbursements.	No relevant exceptions noted.

Wise County Tax Office
Control Objective Matrices

General Information Technology

Control Objective 6: Controls provide reasonable assurance that logical access to programs and data files is restricted to properly authorized and appropriate individuals.

	PROVIDED BY THE TAX OFFICE	PROVIDED BY SERVICE AUDITOR	
Ref.	**Control Activity**	**Test Procedures**	**Test Results**
6.1	Users are granted access to application resources based on their job function and responsibilities.	Selected a sample of NET Data application users and determined that access was granted based on their job responsibility.	No relevant exceptions noted.
6.2	Logical access to the NET Data application is removed for terminated employees.	Selected a sample of employees terminated during the period and inspected the NET Data access list to ensure access for the terminated employees was removed timely.	No relevant exceptions noted.
6.3	The ability to administer security to the NET Data application is limited to appropriate personnel.	Inspected NET Data access reports to ensure administrator rights are limited to appropriate personnel.	No relevant exceptions noted.
6.4	User access to the network and NET Data application are reviewed on an annual basis.	Inspected evidence that management reviewed user access rights annually.	No indication that a review took place during the period in scope. Inspected user access list and noted there were no inappropriate users with access to the NET Data application.

Control Objective 7: Controls provide reasonable assurance that physical access to facilities and computer resources is restricted to authorized individuals based on job responsibilities and computer resources are protected from intentional or unintentional loss or impairment.

	PROVIDED BY THE TAX OFFICE	PROVIDED BY SERVICE AUDITOR	
Ref.	**Control Activity**	**Test Procedures**	**Test Results**
7.1	A building security system requiring code is utilized to restrict access to unauthorized individuals.	Observed entry and exit points to the facility to ensure a building security system requiring a code is utilized to restrict access.	No relevant exceptions noted.
7.2	Employee access to the facility and computer resources is disabled upon notice of termination.	Selected a sample of employees terminated during the period and inspected the building security system access list to ensure access for the terminated employees was disabled timely.	No relevant exceptions noted.