WISE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2021

Wise County, Texas
Annual Financial Report
September 30, 2021

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FINANCIAL SECTION

SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Commissioner's Court
Wise County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wise County, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wise County, Texas, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in Fiscal Year 2021, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in net pension liability and related ratios, the schedule of employer pension contributions and related ratios, and the schedule of changes in the total OPEB liability and related ratios on pages 5-12 and 46-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wise County's basic financial statements. The combining and budget statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state awards is presented for purposes of additional analysis as required by the State of Texas *Uniform Grant Management Standards* and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration of Wise County'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wise County's internal control over financial reporting and compliance.

Snow Garrett Williams

Snow Garrett Williams
March 29, 2022

Management's discussion and analysis (MD&A) of Wise County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2021. The MD&A should be read in conjunction with the accompanying financial statements and the notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded liabilities at the close of fiscal year 2021 by $46,002,938 (net position). Of this amount, $9,215,169 is restricted for specific purposes, $32,442,070 is the net investment in capital assets and $4,345,699 represents unrestricted net position.
- In contrast to the government-wide statements, the fund statements reported a combined fund balance at year-end of $21,678,177, a decrease of $4,131,097 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $7,353,468, or 21% of total general fund expenditures.
- The County's total long-term debt increased by a net amount of $2,699,482 during the current fiscal year primarily as a result of the issuance of a refunding bond and increase in net pension liability offset by the scheduled annual debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

The Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business. They present the financial picture of the County from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets and deferred outflows of resources of the County as well as all liabilities (including long-term debt) and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables, and receivables.

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

The statement of activities presents information showing how net position changed during the most recent fiscal year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, public safety, public transportation, public facilities, health and welfare, judicial, legal, elections, financial administration, culture and recreation and conservation.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 16 through 18 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The fiduciary funds use the economic resources measurement focus and the accrual basis of accounting. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The fiduciary fund financial statements can be found on pages 19 and 20 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 44 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including budgetary comparison statements for the General Fund and Lateral Road Funds, the schedule of changes in net pension liability and related ratios, the schedule of employer pension contributions and related ratios, and the schedule of changes in the total OPEB liability and related ratios. The required supplementary information can be found on pages 46 through 50 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities by $46,002,938 as of September 30, 2021.

A significant portion ($32,442,070) of the County's net position reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and construction in progress) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional $9,215,169 of the County's net position represents resources that are subject to external restrictions on how they may be used.

Wise County's Net Position

	Governmental Activities	
	2021	2020
Current and other assets	$ 33,814,020	$ 30,554,347
Capital assets, net of depreciation	62,054,221	61,959,978
Total assets	95,868,241	92,514,325
Deferred outflows of resources	5,579,059	105,776
Long-term liabilities	46,389,436	43,689,954
Other liabilities	9,054,926	2,562,763
Total liabilities	55,444,362	46,252,717
Deferred inflows of resources	-	178,331
Net position:		
Net investment in capital assets	32,442,070	32,940,742
Restricted	9,215,169	9,221,153
Unrestricted	4,345,699	4,027,158
Total net position	$ 46,002,938	$ 46,189,053

At the end of the current and prior fiscal year, the County reported positive balances in all three categories of net position.

Governmental Activities

The County's governmental activities net position decreased by $247,087 during the current fiscal year. The total cost of all governmental activities this year was $52,612,063. The amount that our taxpayers paid for these activities through property taxes was $31,149,060 or 59% of total governmental expenses.

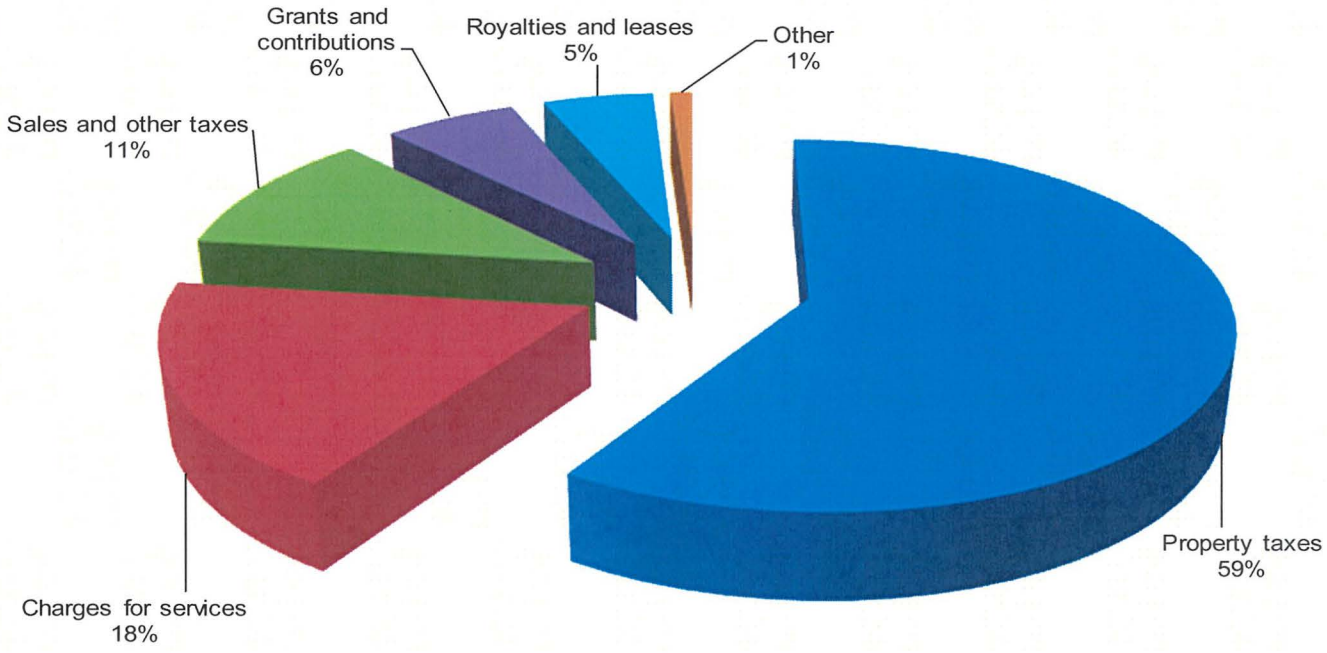
Changes in Net Position

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	$ 9,534,865	$ 8,430,073
Operating grants and contributions	2,057,116	4,807,330
Capital grants and contributions	826,353	-
General revenues:		
Property taxes	31,149,060	30,495,601
Sales and other taxes	5,528,314	5,008,875
Investment earnings	99,815	377,489
Royalties and leases	2,538,796	2,859,363
Other	630,657	560,855
Total revenues	52,364,976	52,539,586
Expenses:		
General government	7,092,520	7,088,933
Judicial	4,137,589	4,187,268
Legal	2,331,576	2,406,069
Elections	547,068	544,594
Financial administration	3,169,588	3,096,869
Public facilities	3,868,274	3,852,959
Public safety	20,560,817	22,017,963
Public transportation	6,835,063	6,528,628
Health and welfare	1,365,568	1,255,218
Culture and recreation	700,003	583,443
Conservation	275,613	281,998
Interest on long-term debt	1,728,384	2,385,997
Total expenses	52,612,063	54,229,939
Change in net position	(247,087)	(1,690,353)
Net position-beginning	46,189,053	47,879,406
Prior period adjusment	60,972	-
Net position, beginning restated	46,250,025	47,879,406
Net position-ending	$ 46,002,938	$ 46,189,053

Key elements of the analysis of government-wide revenues, expenses and decreases in net position include the following:

- Program revenues of $12,418,334 equaled 24% of government expenses. As expected, general revenues of $39,946,642 provided most of the required support and coverage for expenses;
- Public safety expenses decreased $1,457,146 from the previous year. Public safety represents 39% of total expenses.
- The next largest category of expenses is general government at 13% of total expenses. General government expenses increased $3,587 from the previous year.

Revenues by Source



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Projects Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $21,678,177, a decrease of $4,131,097 in comparison with the prior year. A portion of fund balance $12,636,040 or 58% is restricted by external resources. $7,353,468 or 34% of the total fund balance represents unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is not available for new spending because it has already been committed for judicial ($166,579), and public safety ($41,325), and to fund special road projects ($574,673), and assigned to fund debt service ($635,809) and to fund indigent care ($270,283).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was $7,353,468, which is 92% of the total general fund fund balance. As a measure of the general fund's liquidity, we compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 21%, or slightly more than 76 days of total fund expenditures. It is the County's goal to achieve and maintain an unassigned general fund balance equal to 20% of subsequent year's budgeted expenditures. At September 30, 2021, the unassigned general fund balance represented 19% of subsequent year's general fund budgeted expenditures.

The fund balance of the County's general fund decreased $207,277 during the current fiscal year. This decrease is primarily due to increases in capital outlay costs and transfers out to supplement other funds of the County.

The capital projects fund had an ending fund balance of $3,565,864, which is restricted for various capital projects. The decrease in fund balance during the period in the capital projects fund was $3,404,715, which was the effect of various capital project expenditures.

The lateral road fund has a total fund balance of $4,545,030, all of which is restricted or committed to the maintenance and construction of County roads and bridges. The net decrease in fund balance during the current year was $136,142, which is attributable to expenditures for public transportation.

GENERAL FUND BUDGETARY HIGHLIGHTS

In total, the general fund budget for expenditures increased by $671,392 from the original to the final budget. Most of this difference resulted from an increase in capital outlay expenditures.

The projected annual revenues increased by $1,160,525 from the original to the final budget. This was primarily due to increases in sales and other taxes and fees of office.

Actual revenues were $6,716 more than final budget amounts. Total expenditures for the year were $72,549 less than final budget appropriations primarily due to general government expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The capital assets of the County are those assets (land, buildings, improvements, roads, bridges, machinery and equipment and construction in progress), which are used in the performance of the County's functions including current year expenditures for infrastructure assets. At September 30, 2021, net capital assets of the governmental activities totaled $62,054,221. Depreciation on capital assets is recognized in the government-wide financial statements. Annual depreciation for buildings and improvements, infrastructure, and machinery and equipment totaled $4,932,516.

Major capital asset events during the current fiscal year included the following:

- Courthouse restoration project and courts center building both of which are still ongoing projects as of September 30, 2021 and are included in the construction in progress category of capital assets below.
- Purchase of vehicles and heavy equipment for various departments.

Wise County Capital Assets
(net of depreciation)

	Governmental Activities	
	2021	2020
Land	$ 4,130,921	$ 4,023,105
Construction in progress	3,891,400	1,106,017
Buildings and improvements	32,257,441	32,951,171
Infrastructure	14,408,193	16,123,549
Machinery and equipment	7,366,266	7,756,136
Total	$ 62,054,221	$ 61,959,978

Additional information on the County's capital assets can be found in Note F on page 30 of this report.

Long-term debt. At September 30, 2021, outstanding balances for long term debt of the governmental activities totaled $46,389,436. Amounts for the components of this balance are as follows:

Wise County's Outstanding Debt

	Governmental Activities	
	2021	2020
Direct Borrowings - Tax notes	$ 5,240,000	$ 6,820,000
Lease revenue bonds	21,615,000	26,185,000
Certificates of obligation	2,115,000	2,225,000
Unamortized premium	5,088,096	759,815
Overpayment of sales tax	305,155	351,740
Net pension liability	9,775,107	5,281,105
Total OPEB liability	1,042,621	874,437
Compensated absences	1,208,457	1,192,857
Total	$ 46,389,436	$ 43,689,954

The County maintained a bond rating of "AA" from Standard and Poor's on its obligations. Additional information on the County's long-term debt can be found in Note G on pages 31 through 32 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual budgets and tax rates are developed to provide efficient, effective, and economic uses of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources, and establish its priorities.

In considering the County budget for fiscal year 2022, the County Commissioners and management considered the following factors:

- Although the County fared well economically through the end of September 2021, the fiscal year 2022 budget was prepared conservatively and with strong considerations for the global economic uncertainty that exists with the effects of COVID-19, supply chain issues, and product shortages.
- Economic indicators continue to be positive for Wise County as the county population continues to grow.
- Wise County's proximity to the Dallas-Fort Worth Metroplex- along with its major roads, land availability, and low tax/regulatory burden- make it an attractive location for new residents and businesses.
- Sales tax revenues have demonstrated substantial positive gains as diversified businesses form the tax base in Wise County. Vibrant downtown revitalizations, booming limestone quarries, and the hospital-driven medical sector are great contributors to the local economy.
- A strong local housing market is creating increased property tax revenues, as new home construction and housing developments continue in all areas of the County. Demand for housing- both new and existing- remains high.
- County tourist attractions, including the Caddo/LBJ Grasslands, the Wise County Park and Lake Bridgeport are promoting recreational pursuits for tourist income.
- The County continues to manage and promote the Wise County Fairgrounds and lakeside Wise County Park to create additional revenue opportunities.
- Weatherford College Wise County is a growing local college offering academic and vocational education in a state-of-the-art facility.
- Wise County is home to an increasingly diverse set of attractions and activities that will generate sales tax revenue, including rodeo and roping facilities; wineries and vineyards; multiple museums and veteran's parks; major annual car/automobile/off-road events; and other annual community events.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the County Auditor or County Treasurer at 207 North Church, Decatur, Texas 76234.

BASIC FINANCIAL STATEMENTS

WISE COUNTY, TEXAS
Statement of Net Position
September 30, 2021

	Primary Government
Assets	
Current assets	
Cash	$ 3,324,180
Investments	23,615,750
Receivables, taxes (net of allowance for uncollectible of $553,326)	985,205
Receivables, accounts (net of allowance for uncollectible of $250,089)	2,544,666
Due from other governments	1,274,933
Non-current assets	
Restricted cash and investments	2,069,286
Capital assets	
Land and construction in progress	8,022,321
Other capital assets, net of depreciation	54,031,900
Total capital assets	62,054,221
Total assets	95,868,241
Deferred Outflows of Resources	
Deferred outflows of resources - pension	4,359,977
Deferred outflows of resources - OPEB	194,008
Deferred loss on refunding bond	1,025,074
Total deferred outflows of resources	5,579,059
Liabilities	
Current liabilities	
Accounts payable	698,982
Accrued salaries and benefits	1,019,176
Due to other governments	209,071
Deposits held and due to others	152,492
Accrued interest payable	178,419
Unearned revenues	6,796,786
Noncurrent liabilities	
Due within one year	3,934,029
Due in more than one year	42,455,407
Total liabilities	55,444,362
Net Position	
Net investment in capital assets	32,442,070
Restricted for	
General government	10,581
Debt service	2,069,286
Capital projects	144,993
State and federal programs	768,038
Records management	1,012,113
Legal	819,701
Public safety	336,626
Culture and Recreation	10,000
Roads and bridges	3,834,215
Justice courts technology	209,616
Unrestricted	4,345,699
Total net position	$ 46,002,938

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

WISE COUNTY, TEXAS
Statement of Activities
For the Fiscal Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
General government	$ 7,092,520	$ 1,643,612	$ 55,588	$ -	$ (5,393,320)
Judicial	4,137,589	1,254,590	207,689	-	(2,675,310)
Legal	2,331,576	458,001	307,760	-	(1,565,815)
Elections	547,068	31,956	-	-	(515,112)
Financial administration	3,169,588	1,111,856	-	-	(2,057,732)
Public facilities	3,868,274	321,480	-	472,652	(3,074,142)
Public safety	20,560,817	2,908,158	1,309,804	2,505	(16,340,350)
Public transportation	6,835,063	1,616,570	166,224	351,196	(4,701,073)
Health and welfare	1,365,568	13,858	-	-	(1,351,710)
Culture and recreation	700,003	174,784	10,051	-	(515,168)
Conservation	275,613	-	-	-	(275,613)
Interest/fees on long-term debt	1,728,384	-	-	-	(1,728,384)
Total primary government	$ 52,612,063	$ 9,534,865	$ 2,057,116	$ 826,353	(40,193,729)

General revenues:	
Property taxes	31,149,060
Sales and other taxes	5,528,314
Investment earnings	99,815
Royalties and leases	2,538,796
Gain on disposal of assets	102,311
Other	528,346
Total general revenues	39,946,642
Change in net position	(247,087)
Net position, beginning of year	46,189,053
Prior period adjustment (Note N)	60,972
Net position, beginning of year, restated	46,250,025
Net position, end of year	$ 46,002,938

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

WISE COUNTY, TEXAS
Balance Sheet
Governmental Funds
September 30, 2021

	General	Lateral Road Fund	Capital Projects Fund	State and Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	$ -	$ 951,949	$ 458,662	$ 6,796,786	$ 3,467,965	$ 11,675,362
Investments	17,117,750	3,104,000	3,001,500	-	392,500	23,615,750
Receivables						
Property taxes (net of allowances of $553,326)	778,436	106,239	-	-	100,530	985,205
Accounts	227,370	41,461	184	-	24,851	293,866
Due from other governments	521,292	477,928	275,713	-	-	1,274,933
Restricted cash and investments	-	-	-	-	2,069,286	2,069,286
Total assets	$ 18,644,848	$ 4,681,577	$ 3,736,059	$ 6,796,786	$ 6,055,132	$ 39,914,402
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Cash overdraft	$ 8,351,182	$ -	$ -	$ -	$ -	$ 8,351,182
Accounts payable	478,902	24,996	170,195	-	24,889	698,982
Accrued salaries and benefits	898,959	118,123	-	-	2,094	1,019,176
Due to other governments	340	-	-	-	208,731	209,071
Unearned revenue	-	-	-	6,796,786	-	6,796,786
Deposits held and due to others	152,492	-	-	-	-	152,492
Total liabilities	9,881,875	143,119	170,195	6,796,786	235,714	17,227,689
Deferred inflows of resources						
Unavailable revenue - property taxes	778,436	106,239	-	-	100,530	985,205
Unavailable revenue - other	-	23,331	-	-	-	23,331
Total deferred inflows of resources	778,436	129,570	-	-	100,530	1,008,536
Fund balances						
Restricted for						
General government	10,581	-	-	-	-	10,581
Debt service	-	-	-	-	2,069,286	2,069,286
Capital projects	-	-	3,565,864	-	-	3,565,864
State and federal programs	-	-	-	-	768,038	768,038
Records management	88,435	-	-	-	923,678	1,012,113
Legal	7,938	-	-	-	811,763	819,701
Public safety	35,928	-	-	-	300,698	336,626
Culture and recreation	10,000	-	-		-	10,000
Roads and bridges	-	3,834,215	-	-	-	3,834,215
Justice courts technology	-	-	-	-	209,616	209,616
Committed to						
Special road projects	-	574,673	-	-	-	574,673
Judicial	166,579	-	-		-	166,579
Public safety	41,325	-	-	-	-	41,325
Assigned to						
Indigent care	270,283	-	-	-	-	270,283
Debt service	-	-	-	-	635,809	635,809
Unassigned	7,353,468	-	-	-	-	7,353,468
Total fund balances	7,984,537	4,408,888	3,565,864	-	5,718,888	21,678,177
Total liabilities, deferred inflows of resources, and fund balances	$ 18,644,848	$ 4,681,577	$ 3,736,059	$ 6,796,786	$ 6,055,132	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	62,054,221
Property taxes receivable and other receivables, net of allowance are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,008,536
Additional receivables for ambulance services, county clerk, district clerk, and justices of the peace, net of allowance, are not measurable and available in the current period and are not reported in the funds.	2,250,800
Deferred outflows of resources for Pension and OPEB are not financial resources and, therefore, are not reported in the funds.	4,553,985
Deferred loss on refunding bonds is not reported in the funds.	1,025,074
Some liabilities, including tax notes, bonds, overpayment of sales tax payable, certificates of obligations, premiums on debt, net pension liability, total OPEB liability, compensated absences and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(46,567,855)
Net position of governmental activities - statement of net position	$ 46,002,938

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

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes In Fund Balance
Governmental Funds
For the Fiscal Year Ended September 30, 2021

	General	Lateral Road Fund	Capital Projects Fund	State and Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 24,306,540	$ 3,392,660	$ -	$ -	$ 3,530,560	$ 31,229,760
Sales and other taxes	5,528,314	-	-	-	-	5,528,314
Licenses and permits	-	1,316,816	-	-	-	1,316,816
Intergovernmental	1,069,248	517,420	472,652	-	793,185	2,852,505
Fees of office	5,173,235	-	-	-	581,835	5,755,070
Fines and forfeitures	461,183	264,829	-	-	-	726,012
Investment earnings	33,670	5,754	6,250	-	54,142	99,816
Royalties and leases	186,397	-	-	-	2,352,399	2,538,796
Solid waste fees	609,995	-	-	-	-	609,995
Miscellaneous revenues and donations	680,367	71,027	38,933	-	145,989	936,316
Total revenues	38,048,949	5,568,506	517,835	-	7,458,110	51,593,400
Expenditures						
Current:						
General government	3,361,871	-	193,494	-	3,530,560	7,085,925
Judicial	4,078,468	-	-	-	35,728	4,114,196
Legal	1,926,101	-	-	-	386,484	2,312,585
Elections	402,786	-	-	-	-	402,786
Financial administration	3,071,099	-	-	-	-	3,071,099
Public facilities	2,507,105	-	-	-	-	2,507,105
Public safety	17,432,492	-	-	-	1,049,186	18,481,678
Public transportation	84,030	5,764,858	-	-	-	5,848,888
Health and welfare	1,365,414	-	-	-	-	1,365,414
Culture and recreation	434,918	-	-	-	-	434,918
Conservation	275,324	-	-	-	-	275,324
Capital outlay	815,394	14,626	4,120,145	-	130,366	5,080,531
Debt service						
Principal retirement	46,585	-	-	-	2,690,000	2,736,585
Interest, issuance costs and fiscal charges	-	-	-	-	2,170,287	2,170,287
Total expenditures	35,801,587	5,779,484	4,313,639	-	9,992,611	55,887,321
Excess (deficiency) of revenues over (under) expenditures	2,247,362	(210,978)	(3,795,804)	-	(2,534,501)	(4,293,921)
Other financing sources (uses)						
Debt issued - refunding bonds	-	-	-	-	22,615,000	22,615,000
Premium on issuance of bonds	-	-	-	-	4,638,419	4,638,419
Payment to refunded bond escrow agent	-	-	-	-	(27,210,074)	(27,210,074)
Operating transfers in	2,521,603	-	1,834,389	-	2,412,555	6,768,547
Operating transfers out	(4,964,185)	-	(1,500,000)	-	(304,362)	(6,768,547)
Prior year property tax refunds	(36,607)	-	-	-	-	(36,607)
Sale of assets	24,550	74,836	56,700	-	-	156,086
Total other financing sources (uses)	(2,454,639)	74,836	391,089	-	2,151,538	162,824
Net change in fund balances	(207,277)	(136,142)	(3,404,715)	-	(382,963)	(4,131,097)
Fund balances, beginning of year	8,168,191	4,545,030	6,970,579	-	6,064,502	25,748,302
Prior period adjustment (Note N)	23,623	-	-	-	37,349	60,972
Fund balances, beginning of year, restated	8,191,814	4,545,030	6,970,579	-	6,101,851	25,809,274
Fund balances, end of year	$ 7,984,537	$ 4,408,888	$ 3,565,864	$ -	$ 5,718,888	$ 21,678,177

WISE COUNTY, TEXAS
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		$ (4,131,097)
Governmental funds report all capital outlays as expenditures. However, in the statement of activities the cost of the assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current year.		
Capital outlay expenditures	5,080,531	
Depreciation expense	(4,932,516)	
		148,015
The net effect of various miscellaneous transactions involving capital assets (i.e., proceeds from sales, trade-ins, gain on sales, disposals, donations) decreases net position.		(53,775)
The change in property tax and fee receivables, net of allowance, is reported as revenue in the statement of activities; however, this change does not provide current financial resource and is therefore not reported as revenue in the governmental funds.		705,873
Some items reported in the statement of activities do not involve current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Amortization of premium from debt issuances	310,138	
Change in accrued interest payable	131,765	
Change in compensated absences payable	(15,600)	
		426,303
Pension expense in the funds is recorded as contributions when made to the retirement plan. Pension expense in governmental activities is recorded as the retirement plan's Pension expense for the measurement period. This is the difference between how pension expense is recorded in the two statements.		44,306
OPEB expense in the funds is recorded as contributions when made to the supplemental death benefit plan. OPEB expense in governmental activities is recorded as the plan's OPEB expense for the measurement period. This is the difference between how OPEB expense is recorded in the two statements.		(79,952)
The issuance of long-term debt, including premiums, is reported as other financing sources in the governmental funds and thus, increases fund balance. In the government-wide statements, however issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		(27,253,419)
Payment to escrow agent for refunding bonds is reported as other financing uses in the governmental funds and thus, decreases fund balance. It is not reported In the government-wide statements and does not affect the statement of activities.		27,210,074
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		2,736,585
Change in net position of governmental activities		$ (247,087)

WISE COUNTY, TEXAS
Statement of Fiduciary Net Position
Custodial Funds
September 30, 2021

Assets		
Cash	$	4,532,420
Investments		969,151
Receivables:		
Property taxes - for other governments		3,516,442
Total assets		9,018,013
Liabilities		
Property taxes to be collected - due to other governments		3,516,442
Total liabilities		3,516,442
Net position		
Restricted for individuals, organizations and others		5,501,571
Total net position	$	5,501,571

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

WISE COUNTY, TEXAS
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended September 30, 2021

Additions	
Collected and held for others	$ 27,590,541
Tax collections for other governments	135,541,701
Total additions	163,132,242
Deductions	
Payments to others	26,209,029
Payments to other governments	135,544,854
Total deductions	161,753,883
Net change in fiduciary net position	1,378,359
Net position, beginning of year	-
Prior period adjustment (Note N)	4,123,212
Net position, beginning of year, restated	4,123,212
Net position, end of year	$ 5,501,571

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

Note A – Summary of Significant Accounting Policies

The accounting policies of Wise County, Texas conform to generally accepted accounting principles as applicable to governments. The following are the more significant policies.

Financial Reporting Entity

The financial statements of Wise County (the County) are prepared in accordance with accounting principles generally accepted in the United States of America. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The County is a body corporate and political which performs all local government functions within its jurisdiction. The County is governed by an elected County Judge and four County Commissioners elected from individual precincts. The Judge and four Commissioners form the governing body, the Commissioners' Court. Various branches of the County government are led by duly elected officials who serve in their positions. These other elected officials are responsible only to the voters for their performance and for the operations of their individual offices, but must seek budget approval from the Commissioners' Court.

There are no component units (other governmental entities) over which the County exercises significant control or has oversight responsibility. Consequently, these financial statements include only the financial data of the County.

The accounting and reporting framework and the more significant accounting principles and practices are discussed below. The remainder of the Notes is organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2021.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the County. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes, fees, and intergovernmental revenues.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund, Lateral Road Fund, Capital Projects Fund, and State and Local Fiscal Recovery Fund meet the criteria as *major governmental funds.* Each major fund is reported in a separate column in the fund financial statements. Non-major funds include the Debt Service Fund and other Special Revenue Funds. The combined amounts for these funds are reflected in a single column in the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Detailed statements for selected nonmajor funds are presented in the Combining and Budget Statements section.

Note A - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements: These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as program revenues and general revenues. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, investment earnings and various other revenues.

Governmental Fund Financial Statements: The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Property taxes not collected within 60 days after year-end are reported as deferred revenues. Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured, and payment is due.

The County reports the following major governmental funds:

General Fund: This fund is the primary operating fund of the County and is always classified as a major fund. It is used to account for all financial transactions and resources except those required to be accounted for in another fund.

Lateral Road Fund: This fund is a special revenue fund, used to account for the maintenance and construction of County roads and bridges. Financing is provided primarily by an annual property tax levy. Additional revenue is provided by a charge on each auto registration and from fines levied by the County.

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition, repair, or construction of various projects and acquisition of land, buildings, and equipment.

State and Local Fiscal Recovery Fund: This fund is used to account for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan Act to state and local governments to support their response to and recovery from the COVID-19 public health emergency.

Fiduciary Fund Financial Statements: These statements include fiduciary funds which use the economic resources measurement focus and the accrual basis of accounting. The County only has custodial funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and other funds. Custodial funds do not involve a formal trust agreement.

Note A - Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

The County follows these procedures in establishing budgetary data reflected in the financial statements:

a) In the event the Commissioners' Court increases property taxes, a public hearing is required. If the Court increases taxes more than eight percent, taxes are subject to a rollback petition and election.

b) Public hearings are conducted at the Wise County Courthouse to obtain taxpayer comments.

c) Prior to October 1, the budget is legally enacted through adoption of an order by the Commissioners' Court.

d) Any amendments, which alter total expenditures of any department, must be approved by the Commissioners' Court.

e) Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), with the exception of tax revenues being reported on the cash basis. Budget and actual amounts are recorded on the same basis.

f) Expenditures in excess of appropriations are required by state statutes to be reported down to the departmental classification.

g) The budgeted amounts presented in these statements are as originally adopted, or as amended by, the Commissioners' Court during the year ended September 30, 2021.

Capital Assets

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure assets (e.g. roads and bridges), are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost exceeding $5,000. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and improvements	15 - 40 years
Infrastructure	20 - 30 years
Machinery and equipment	3 - 20 years

Note A - Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on certificates of obligation, tax notes, or revenue bonds are deferred and amortized over the life of the debt. Certificates of obligation, tax notes, and bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed when the debt is issued.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and balance sheet will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Note A - Summary of Significant Accounting Policies (Continued)

Fund Balances

Governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Nonspendable Fund Balance includes amounts that are not in spendable form, or are legally or contractually required to be maintained intact.

Restricted Fund Balance includes amounts that are restricted for specific purposes stipulated by law or external resource providers. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance includes amounts that can only be used for the specific purposes determined by a formal action, an Order of the Commissioner's Court, which is the County's highest level of decision-making authority, and, conjunctively, require the same formal action to remove or revise the enacted constraint limitations.

Assigned Fund Balance includes amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by the Commissioner's Court of Wise County to which the assigned amounts are to be used for specific purposes. Amounts may be assigned by the County Auditor as communicated by the Commissioner's Court.

Unassigned Fund Balance represents the residual classification of all spendable amounts not contained within the other classifications.

When multiple categories of fund balance are available for expenditure, the County will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

It is the County's goal to achieve and maintain an unassigned General Fund balance equal to 20% of subsequent year's budgeted expenditures. At the end of fiscal year 2021, the unassigned General Fund balance was 19% of subsequent year's budgeted expenditures.

Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets consists of all capital assets net of accumulated depreciation and reduced by outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets.

Restricted net position consists of external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments, enabling legislation, and constitutional provisions.

Unrestricted net position represents net position not restricted for any project or other purpose.

When both restricted and unrestricted net position is available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

The statement of net position includes $3,480,847 of net position that is restricted by enabling legislation.

Note A - Summary of Significant Accounting Policies (Continued)

Pensions

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

Other Post-Employment Benefits (OPEB)

The total OPEB liability has been determined using the economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities, and additions to/deductions from these amounts.

Use of Estimates

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

New Accounting Standard Adopted

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

GASB Statement No. 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.

Note B - Deposits, Securities and Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal, maintenance of adequate liquidity, diversification, maximization of interest earnings, and maturity. The investment policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under Chapter 2256 of the Texas Government Code. The County's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by Commissioners' Court. The Investment Policy includes a list of authorized investments and a maximum allowable maturity of any individual investment. In addition, it includes an "Investments Strategy" that specifically addresses each fund's investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification, yield, and maturity restrictions.

The County is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

a) Obligations of, or guaranteed by, government entities;

b) Certificates of Deposit and Share Certificates, guaranteed by Federal Deposit Insurance Corporation (FDIC) or fully collateralized;

c) Repurchase agreements, fully collateralized, not to exceed 90 days;

d) Commercial paper, with stated maturity of 270 days or fewer;

e) No load Money Market Mutual Fund, not to exceed 90 days; and

f) Local Government Investment Pools as approved by Commissioners Court.

Public Funds Investment Pools

TexPool

Texas Local Government Investment Pool (TexPool) is a local government investment pool organized in conformity with the Interlocal Cooperation Ac, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Account is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the TexPool portfolios. Administrative and investment services and provided by Federated Investors, Inc. TexPool has established an advisory board composed equally of participants and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. TexPool is rated AAAm by Standard and Poor's.

TexPool uses amortized cost to value portfolio assets and follows the criteria established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, for use of amortized cost. The stated objective of TexPool is to maintain a stable average of $1.00 per unit net asset value. There are no limitations or restrictions on withdrawals.

Note B - Deposits, Securities and Investments (Continued)

As of September 30, 2021, the County had the following investments:

	Value	% of Total	Weighted Average Maturities
TexPool - Governmental Funds	$ 16,747,706	70.92%	37 days
Financial Northeastern - Certificates of Deposit	6,868,044	29.08%	< 2 years
Total Investments	$ 23,615,750	100.00%	

Interest Rate Risk – Investments are exposed to interest rate risk if changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed three years; structuring the investment portfolio so that instruments mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term instruments or similar government investment pools.

Credit Risk - State statute requires that investments in Local Government Investment Pools be rated AAA or the equivalent by a nationally recognized credit rating agency. As of September 30, 2021, the TexPool investment pool was rated AAAm by Standard & Poor's.

Concentration of Credit Risk - The County does not place a limit on the amount that may be invested in any one issuer. As of September 30, 2021, 70.92% of the County's investments was included in local government investment pools and 29.08% was included in certificates of deposit.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are collateralized with securities held by the pledging financial institution or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name. As of September 30, 2021, the County's cash was insured or collateralized with securities held by the County or by its agent in the County's name.

The County does not involuntarily participate in an external investment pool. All investment income is recorded and reported in the same fund as the investment.

Note C - Property Tax

Taxes are levied on October 1 and are past due on February 1. Property taxes attach as an enforceable lien on property as of January 1. Wise County Appraisal District appraises property values in the County. The Wise County Tax Assessor-Collector assesses and collects the County's property taxes. The County is permitted by the Municipal Finance Law of the State to levy taxes up to $1.10 per $100 of appraised valuation for general services, permanent improvements, lateral road, jury fund and purposes other than the payment of principal and interest on long-term debt and unlimited amounts for the payment of principal and interest on long-term debt. There are, however, stringent restrictions on the issuance of such long-term debt. The tax rates for the year ended September 30, 2021 to finance maintenance and operations (M&O) of the County was $.307500, and to finance Lateral Road operations was $.042500 per $100 valuation. During the fiscal year, the County levied $.042500 per $100 of appraised valuation for the Weatherford College Branch Campus Maintenance Tax (WCBCMT) to be used for the operations of the Wise County Branch Campus.

Note D - Property Taxes Receivable

In the governmental funds, taxes are recognized as revenue when received and the remaining balance is recorded as a deferred inflow of resources for unavailable revenue at year end. The following schedule details property taxes receivable by fund at September 30, 2021:

Fund		Property Taxes Receivable (Net)
General- (M&O)	$	778,436
Special Revenue- (WCBCMT)		100,530
Lateral Road		106,239
Total	$	985,205

Note E - Restricted Assets

Some of the County's assets have certain constraints that have been placed on how they can be used. Restricted assets are non-current cash or other assets whose use in whole or in part is restricted for specific purposes bound by virtue of contractual agreements, legal requirements, or enabling legislation. Cash and investments of $2,069,286 are restricted for debt service.

Note F – Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	Balance 10/1/2020	Adjustments/ Additions	Adjustments/ Deletions	Balance 09/30/2021
Governmental activities				
Capital assets not being depreciated				
Land	$ 4,023,105	$ 107,816	$ -	$ 4,130,921
Construction in progress	1,106,017	2,785,383	-	3,891,400
Total capital assets not being depreciated	5,129,122	2,893,199	-	8,022,321
Other capital assets				
Buildings and improvements	54,687,428	609,968	-	55,297,396
Infrastructure	79,285,508	-	-	79,285,508
Machinery and equipment	31,568,858	1,577,364	819,324	32,326,898
Total other capital assets	165,541,794	2,187,332	819,324	166,909,802
Less accumulated depreciation				
Building and improvements	21,736,257	1,303,698	-	23,039,955
Infrastructure	63,161,959	1,715,356	-	64,877,315
Machinery and equipment	23,812,722	1,913,462	765,552	24,960,632
Total accumulated depreciation	108,710,938	4,932,516	765,552	112,877,902
Other capital assets, net	56,830,856	(2,745,184)	53,772	54,031,900
Governmental activities capital assets, net	$ 61,959,978	$ 148,015	$ 53,772	$ 62,054,221

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

Governmental activities:	
General government	$ 6,931
Judicial	22,428
Legal	20,887
Elections	143,915
Financial administration	94,316
Public facilities	1,359,048
Public safety	2,041,629
Public transportation	981,818
Culture and recreation	261,544
Total depreciation for governmental activities	$ 4,932,516

Note G - Long-Term Debt

The principal long-term obligations of the County include tax notes, lease revenue bonds, overpayment of sales taxes liability, and certificates of obligation, and the accrued liability for compensated absences.

Overpayment of Sales Tax

- The County was overpaid sales tax during the years 2005 – 2008. The overpayment was the result of a business that filed a refund claim for taxes it paid in error and the State Comptroller's office performed an audit assessment and determined that the taxpayer was due a refund. The State refunded the taxpayer, which resulted in a liability of $639,190 from Wise County to the State.
- The County and the State agreed to a payment plan, in which the State will reduce the County's monthly Sales and Use Tax payment by $3,551 a month for 15 years beginning October 1, 2014.
- Outstanding liability balance of $305,155 at September 30, 2021.

Tax Notes – 2019 Series

- For the remodeling of existing buildings and the purchase of equipment.
- $8,205,000 originally issued.
- Interest rate at 5%.
- Outstanding principal balance of $5,240,000 at September 30, 2021.

Certificates of Obligation – 2019 Series

- Funds are for purchasing, renovating and equipping the county and district court facilities.
- $2,315,000 originally issued.
- Interest rate at 4%.
- Outstanding principal balance of $2,115,000 at September 30, 2021.

Lease Revenue Refunding Bonds – 2021 Series

- Secured by a lien on pledged revenues, including lease payments subject to annual appropriations, payable to the County under the intergovernmental agreement with the Parker County Junior College District.
- To refund the Lease Revenue Bonds, Series 2011.
- $22,615,000 originally issued.
- Interest rate at 2.26%
- Outstanding principal balance of $21,615,000 at September 30, 2021.

Note G - Long-Term Debt (Continued)

The following are changes by type of debt for the year ended September 30, 2021:

	Balance 10/1/2020	Increase	Decrease	Balance 09/30/2021	Amounts Due Within One Year
Direct Borrowings - Tax notes	$ 6,820,000	$ -	$ 1,580,000	$ 5,240,000	$ 1,660,000
Lease revenue bonds	26,185,000	22,615,000	27,185,000	21,615,000	1,000,000
Certificates of obligation	2,225,000	-	110,000	2,115,000	115,000
Unamortized bond premium	759,815	4,638,419	310,138	5,088,096	501,565
Overpayment of sales tax	351,740	-	46,585	305,155	42,612
Net pension liability	5,281,105	7,415,476	2,921,474	9,775,107	-
Total OPEB liability	874,437	192,682	24,498	1,042,621	-
Compensated absences	1,192,857	882,415	866,815	1,208,457	614,852
Totals	$ 43,689,954	$ 35,743,992	$ 33,044,510	$ 46,389,436	$ 3,934,029

The annual requirements to amortize long-term debt as of September 30, 2021 are as follows:

	Lease Revenue Bonds		Direct Borrowings - Tax Notes		Certificates of Obligation		Overpayment of Sales Tax	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Total
2022	$ 1,000,000	$ 1,080,750	$ 1,660,000	$ 220,500	$ 115,000	$ 82,300	$ 42,612	$ 4,201,162
2023	1,025,000	1,030,750	1,745,000	135,375	120,000	77,600	42,612	4,176,337
2024	1,140,000	979,500	1,835,000	45,875	125,000	72,700	42,612	4,240,687
2025	1,255,000	3,137,250	-	-	130,000	67,600	42,612	4,632,462
2026	1,380,000	3,137,250	-	-	135,000	62,300	42,612	4,757,162
2027-2031	8,835,000	3,137,250	-	-	760,000	224,600	92,095	13,048,945
2032-2036	6,980,000	713,250	-	-	730,000	60,000	-	8,483,250
Totals	$21,615,000	$13,216,000	$ 5,240,000	$ 401,750	$ 2,115,000	$ 647,100	$ 305,155	$ 43,540,005

The 2021 Lease Revenue Refunding Bonds required that $2,069,286 be set aside in a debt reserve fund. The County is in compliance with this reserve requirement.

The County did not have any unused lines of credit, assets pledged as collateral for debt, or terms specified in debt agreements related to significant events of default or termination with finance-related consequences, or subjective acceleration clauses as of September 30, 2021.

Current Refunding of Debt

As a result of the current refunding of principal maturities of the Lease Revenue Bonds, Series 2011 by the issuance of Lease Revenue Refunding Bonds, Series 2021, the County decreased its total debt service requirements by $12,488,097 which resulted in a net economic gain (difference between the present value of the debt service payments on the old and new debt) of $10,598,748 and a book loss of $1,025,074. The Lease Revenue Refunding Bonds, Series 2021 were issued at a par amount of $22,615,000 and premium of $4,638,419 and refunded principal maturities of the Lease Revenue Bonds, Series 2011 in the amount of $26,185,000.

Note H – Compensated Absences

County policy allows the accrual of vacation, overtime compensation, and sick pay benefits for all employees other than elected and appointed officials. Vacation and overtime compensation are paid upon termination if employees give two weeks' notice or are terminated by the County. Sick pay is not paid upon termination for any reason and is therefore not recorded as a liability. At September 30, 2021, the value of the liability for compensated absences was $1,208,457. General fund revenues are used to liquidate the compensated absences liability.

Note I – Interfund Activity

Transfers To and From Other Funds

Interfund transfers during the fiscal year were as follows:

Fund	Transfers In	Transfers Out
General fund	$ 2,521,603	$ 4,964,185
Capital projects funds	1,834,389	1,500,000
Nonmajor governmental funds	2,412,555	304,362
Total transfers	$ 6,768,547	$ 6,768,547

Transfers are generally used (1) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) to transfer funds from the General fund to fund various programs and supplement grants and construction projects, and (3) to transfer funds from receipts collected for various fees in special revenue funds to the General fund to cover County expenditures.

Note J – Defined Benefit Pension Plans

Plan Description

The County participates in the nontraditional defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). TCDRS was created by the Texas Legislature and is overseen by an independent Board of Trustees, which is responsible for the administration of the System. TCDRS is a statewide, agent multiple-employer, public employee retirement system for county and district employees in the State of Texas. The TCDRS Act places the general administration and management of the System with a nine-member Board of Trustees.

TCDRS in the aggregate issues an annual comprehensive financial report on a calendar year basis. In addition, detailed information about the pension plan's fiduciary net position is available in a separately issued TCDRS financial report. Both reports are available at *www.tcdrs.org*.

Benefits Provided

All full-time and part-time non temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

The plan provides retirement, disability, and survivor benefits. TCDRS is a savings-based plan. For the County's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 225%) and is then converted to an annuity. There are no automatic Cost of Living Adjustments (COLAs). Each year the County may elect an ad hoc COLA for its retirees. There are two COLA types, each limited by actual inflation. Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year by the Commissioners' Court but must remain in conformity with the Act. Plan provisions for the County are as follows:

Employee deposit rate	7%
Employer Matching	225%
Prior Service Credit	165%
Years required for vesting	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/20, 75 total age plus service

Members may choose to receive their retirement benefit in one of seven actuarially equivalent payment options. The County has also opted to provide prior service which gives employees monetary credit for time worked for an organization before it joined the System.

Note J – Defined Benefit Pension Plans (Continued)

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	193
Inactive employees entitled to but not yet receiving benefits	344
Active employees	425
Total	962

Contributions

The deposit rates for employees in TCDRS can range from 4% to 7% of employee compensation, as adopted by the employer's governing body. Participating employers are required, by law, to contribute at actuarially determined rates, although the employer may elect to contribute at a higher rate to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and are based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the County was 11.98% and 12.23% in calendar years 2021 and 2020, respectively. The County's contributions to TCDRS for the fiscal year ended September 30, 2021 were $2,731,679 and were equal to the required contributions.

Net Pension Liability

The County's net pension liability (NPL) was measured as of December 31, 2020, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

For funding calculations, TCDRS uses an entry-age normal actuarial cost method assuming the current plan provisions had always been in place. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year.

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following TCDRS system-wide and employer specific assumptions:

Real rate of return	5.00% per year
Inflation	2.50% per year
Long-term investment rate of return	7.50%, net of investment expenses

Note J – Defined Benefit Pension Plans (Continued)

The assumed long-term investment return of 7.50% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.50% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.60% per year for a career employee.

Mortality rates for depositing members were based on the RP-2014 Active Employee Mortality Table for males and females as appropriate, with adjustments, with the projection scale AA. Service retirees, beneficiaries, and non-depositing members were based on the RP-2014 Healthy Annuitant Mortality Table for males and females as appropriate, with adjustments with the projection scale AA. Disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females as appropriate, with adjustments, with the projection scale AA.

The actuarial assumptions above that were used to determine the total pension liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68. The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions.

Discount Rate

In order to determine the discount rate to be used by each employer, TCDRS has used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act:

1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2) Under the TCDRS Act, the employer is legally required to make contributions specified in the funding policy.
3) The County's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4) Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Since the projected fiduciary net position was projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments.

Note J – Defined Benefit Pension Plans (Continued)

The discount rate used to measure the total pension liability is 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The rate is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant. The numbers shown are based on January 2021 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting.

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

Asset Class	Target Allocation [1]	Geometric Real Rate of Return [2]
U.S. Equities	11.50%	4.25%
Global Equities	2.50%	4.55%
International Equities - Developed Markets	5.00%	4.25%
International Equities - Emerging Markets	6.00%	4.75%
Investment-Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	2.11%
Direct Lending	16.00%	6.70%
Distressed Debt	4.00%	5.70%
REIT Equities	2.00%	3.45%
Master Liminted Partnerships	2.00%	5.10%
Private Real Estate Partnerships	6.00%	4.90%
Private Equity	25.00%	7.25%
Hedge Funds	6.00%	1.85%
Cash Equivalents	2.00%	-0.70%
Total	100.00%	

[1] Target asset allocation adopted at the March 2021 TCDRS Board meeting.

[2] Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.0%, per Cliffwater's 2021 capital market assumptions.

Note J – Defined Benefit Pension Plans (Continued)

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 7.60%, as well as what the Wise County net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-point higher (8.60%) than the current rate:

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
County's net pension liability (asset)	$ 24,749,591	$ 9,775,107	$ (2,714,996)

Changes in Net Pension Liability

	Increase (Decrease)		
Changes in the NPL	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2019	$ 92,971,258	$ 87,690,153	$ 5,281,105
Changes for the year:			
Service cost	3,017,009	-	3,017,009
Interest on total pension liability	7,646,779	-	7,646,779
Effect of economic/demographic (gains) or losses	1,031,201	-	1,031,201
Effect of assumptions changes or inputs	6,470,402	-	6,470,402
Employer contributions		2,921,474	(2,921,474)
Member contributions		1,672,144	(1,672,144)
Net investment income	-	9,061,844	(9,061,844)
Refund of contributions	(181,640)	(181,640)	-
Benefit Payments	(3,048,435)	(3,048,435)	-
Administrative expenses	-	(71,804)	71,804
Other	-	87,731	(87,731)
Net changes	14,935,316	10,441,314	4,494,002
Balance at 12/31/2020	$ 107,906,574	$ 98,131,467	$ 9,775,107

Note J – Defined Benefit Pension Plans (Continued)

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

For the measurement period ending December 31, 2020, the County recognized pension expense of $2,687,366.

As of September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 783,710	$ 134,209
Changes in assumptions	4,896,891	-
Net difference between projected and actual earnings	-	3,064,510
Contributions made subsequent to the measurement date	1,878,095	-
Total	$ 7,558,696	$ 3,198,719

Contributions made subsequent to the measurement date of $1,878,095 are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2021	$ 869,602
2022	1,736,158
2023	256,955
2024	(380,833)
Total	$ 2,481,882

Note K - Postemployment Benefits Other Than Pensions

Plan Description

The County participates in the retiree Group Term Life program operated by the Texas County and District Retirement System (TCDRS.) This plan is referred to as the Group Term Life (GTL) Fund. This optional plan provides group term life insurance coverage to current eligible employees and to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB).

Contributions made to the retiree GTL Program are held in the GTL Fund. No assets are accumulated in a trust; therefore, the GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.

Benefits Provided

All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS GTL plan.

The plan provides a $5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of the County. The OPEB benefit is a fixed $5,000 lump-sum benefit. No future increases are assumed in the $5,000 benefit amount. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the County may elect to opt out of (or opt into) coverage as of January 1 each year.

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	156
Inactive employees entitled to but not yet receiving benefits	68
Active employees	425
Total	649

Total OPEB Liability

The County's total OPEB liability was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Note K - Postemployment Benefits Other Than Pensions (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

A discount rate of 2.12% was applied in the measurement of the total OPEB liability. The discount rate is based on the "20-Year Bond GO Index" published by bondbuyer.com as of December 31, 2020.

TCDRS uses an entry-age normal actuarial cost method assuming the current plan provisions have always been in place. The GTL fund uses the straight-line amortization method over the expected working life of members to recognize economic/demographic gains or losses and/or assumptions changes or inputs.

Mortality rates for depositing members were based on the RP-2014 Active Employee Mortality Table for males and females as appropriate, with adjustments. Rates for service retirees, beneficiaries, and non-depositing members were based on the RP-2014 Healthy Annuitant Mortality Table for males and females as appropriate, with adjustments. Rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females as appropriate, with adjustments.

All actuarial assumptions that determined the total OPEB liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 75. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2019	$ 874,437
Changes for the year:	
Service cost	37,502
Interest on total OPEB liability	24,727
Change of benefit terms	-
Effect of economic/demographic experience	6,019
Effect of assumption changes or inputs	119,046
Benefit payments	(19,110)
Balance at 12/31/2020	$ 1,042,621

Note K - Postemployment Benefits Other Than Pensions (Continued)

Sensitivity Analysis

The following presents the total OPEB liability of the County, calculated using the discount rate of 2.12%, as well as what the Wise County total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current rate:

	1% Decrease in Discount Rate (1.12%)	Discount Rate (2.12%)	1% Increase in Discount Rate (3.12%)
Total OPEB Liability	$ 1,284,311	$ 1,042,621	$ 859,938

OPEB Expense and Deferred Inflows/Outflows of Resources Related to OPEB

For the measurement period ending December 31, 2020, the County recognized OPEB expense of $99,768.

As of September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,612	$ 24,483
Changes of assumptions	241,802	41,465
Contributions made subsequent to the measurement date	12,542	-
Total	$ 259,956	$ 65,948

Contributions made subsequent to the measurement date of $12,542 are reported as deferred outflows of resources related to OPEB and will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31st	
2021	$ 37,539
2022	37,539
2023	37,541
2024	48,002
2025	20,845
Total	$ 181,466

Note L - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To reduce its risk of exposure in these areas, the County is a member of the Texas Association of Counties Risk Pool (the Pool) for liability, property, and workers' compensation. The Pool is a public entity risk pool and was created based on the general objectives of formulating, developing, and administering a program of self-insurance for the membership and obtaining lower costs for coverages. The Pool coverage is offered through interlocal agreements between the Pool and counties. The Pool has the power to establish fees, contributions, and methods for establishing rates. Under contract with the Pool, it provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting for its members. The Pool submits sealed bids to counties during the bid process. The Pool is governed by a Board of Directors made up of employees or officials of counties which are members of the Pool.

Member counties make contributions to the Pool, and the Pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the Pool are detailed in a separate document which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701.

There have been no significant reductions in coverage from the coverage in the past fiscal year, and there have been no settlements exceeding insurance coverage in the current or past three fiscal years.

Note M - Contingencies

Litigation

The County has been named as a defendant in pending lawsuits. Although the outcome of these lawsuits is presently undeterminable, it is the opinion of the County's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Grants

The County received grant funds, principally from the state and federal government for various programs. Expenditures from these grants are subject to audit by the grantor, and the County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of management, any refunds that may be required as a result of expenditures disallowed by the grantors will not be material to the financial statements.

Note N – Prior Period Adjustment

During the fiscal year 2021, the County implemented GASB Statement No. 84, *Fiduciary Activities*. As a result, the beginning net position/fund balance of the County's fiduciary and governmental funds have been restated as follows:

	Governmental General Fund	Nonmajor Governmental Funds	Custodial Funds
Beginning fund balance/net position	$ 8,168,191	$ 6,064,502	$ -
Reclassification of due to others to fiduciary net position	-	-	4,184,184
Reclassification of custodial funds to the general fund	23,623	-	(23,623)
Reclassification of custodial funds to a special revenue fund	-	37,349	(37,349)
Beginning fund balance/net position, as restated	$ 8,191,814	$ 6,101,851	$ 4,123,212

The cumulative effect of the adjustment to net position in the governmental activities in the government-wide financial statements was an increase of $60,972.

Note O - Subsequent Events

The County has evaluated subsequent events through March 29, 2022, the date the financial statements were available to be issued, and nothing significant requiring disclosure was noted.

Required Supplementary Information

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
General Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	$ 24,513,000	$ 24,306,542	$ 24,306,540	$ (2)
Sales and other taxes	4,752,000	5,499,907	5,528,314	28,407
Intergovernmental	904,300	1,124,845	1,069,248	(55,597)
Fees of office	4,765,700	5,173,246	5,173,235	(11)
Fines and forfeitures	375,000	461,185	461,183	(2)
Interest	219,500	33,670	33,670	-
Royalties and leases	100,000	186,397	186,397	-
Solid waste fees	606,500	609,996	609,995	(1)
Miscellaneous revenues and donations	645,708	646,445	680,367	33,922
Total revenues	36,881,708	38,042,233	38,048,949	6,716
Expenditures				
Current:				
General government	3,544,737	3,436,512	3,361,871	74,641
Judicial	4,074,597	4,126,642	4,078,468	48,174
Legal	2,178,216	1,926,133	1,926,101	32
Elections	399,250	402,793	402,786	7
Financial administration	3,151,336	3,071,145	3,071,099	46
Public facilities	2,456,837	2,507,134	2,507,105	29
Public safety	17,299,478	17,428,655	17,432,492	(3,837)
Public transportation	63,000	84,032	84,030	2
Health and welfare	1,178,261	1,365,421	1,365,414	7
Culture and recreation	375,619	434,931	434,918	13
Conservation	300,543	275,344	275,324	20
Capital outlay	180,870	815,394	815,394	-
Debt service				
Principal retirement	-	-	46,585	(46,585)
Total expenditures	35,202,744	35,874,136	35,801,587	72,549
Excess of revenues over expenditures	1,678,964	2,168,097	2,247,362	79,265
Other financing sources (uses)				
Operating transfers in	2,201,165	2,521,603	2,521,603	-
Operating transfers out	(4,214,862)	(4,964,185)	(4,964,185)	-
Prior year property tax refunds	(5,000)	(36,607)	(36,607)	-
Sale of assets	10,000	44,950	24,550	(20,400)
Total other financing sources (uses)	(2,008,697)	(2,434,239)	(2,454,639)	(20,400)
Net change in fund balances	$ (329,733)	$ (266,142)	(207,277)	$ 58,865
Fund balances, beginning of year			8,168,191	
Prior period adjustment			23,623	
Fund balances, beginning of year, restated			8,191,814	
Fund balances, end of year			$ 7,984,537	

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

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
Lateral Road Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	$ 3,375,300	$ 3,392,667	$ 3,392,660	$ (7)
License and permits	1,144,000	1,245,325	1,316,816	71,491
Intergovernmental	536,000	517,429	517,420	(9)
Fines and forfeitures	292,000	264,834	264,829	(5)
Interest	87,500	5,755	5,754	(1)
Miscellaneous revenues and donations	-	68,130	71,027	2,897
Total revenues	5,434,800	5,494,140	5,568,506	74,366
Expenditures				
Current:				
Public transportation	7,320,499	5,764,915	5,764,858	57
Capital outlay	-	14,626	14,626	-
Total expenditures	7,320,499	5,779,541	5,779,484	57
Deficiency of revenues under expenditures	(1,885,699)	(285,401)	(210,978)	74,423
Other financing sources				
Sale of assets	-	77,735	74,836	(2,899)
Total other financing sources	-	77,735	74,836	(2,899)
Net change in fund balances	$ (1,885,699)	$ (207,666)	(136,142)	$ 71,524
Fund balances, beginning of year			4,545,030	
Fund balances, end of year			$ 4,408,888	

WISE COUNTY, TEXAS
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Seven Years **

Measurement Date - December 31st: *	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	$ 3,017,009	$ 2,856,561	$ 2,812,410	$ 3,034,626	$ 3,244,855	$ 2,921,560	$ 2,824,612
Interest on total pension liability	7,646,779	7,098,237	6,604,734	6,075,636	5,469,784	5,022,759	4,589,585
Effect of plan changes	-	-	-	-	-	(570,698)	-
Effect of assumption changes or inputs	6,470,402	-	-	220,446	-	657,742	-
Effect of economic/demographic (gains) or losses	1,031,201	(97,176)	(342,484)	51,548	(469,981)	(799,156)	(353,387)
Benefit payments/refunds of contributions	(3,230,075)	(3,261,216)	(2,800,123)	(2,462,383)	(1,964,882)	(1,698,702)	(1,903,707)
Net change in total pension liability	14,935,316	6,596,406	6,274,537	6,919,873	6,279,776	5,533,505	5,157,103
Total pension liability, beginning	92,971,258	86,374,852	80,100,315	73,180,442	66,900,666	61,367,161	56,210,058
Total pension liability, ending (a)	$ 107,906,574	$ 92,971,258	$ 86,374,852	$ 80,100,315	$ 73,180,442	$ 66,900,666	$ 61,367,161
Fiduciary Net Position							
Employer contributions	$ 2,921,474	$ 2,502,476	$ 2,332,388	$ 2,161,062	$ 2,112,642	$ 2,172,311	$ 2,096,387
Member contributions	1,672,144	1,502,344	1,429,660	1,407,204	1,438,571	1,438,620	1,372,754
Investment income net of investment expenses	9,061,844	12,267,775	(1,390,620)	9,457,547	4,351,184	(892,941)	3,532,953
Benefit payments/refunds of contributions	(3,230,075)	(3,261,216)	(2,800,123)	(2,462,383)	(1,964,882)	(1,698,702)	(1,903,707)
Administrative expenses	(71,804)	(66,823)	(60,006)	(50,010)	(47,364)	(42,013)	(42,610)
Other	87,731	37,670	(2,492)	14,351	61,301	8,243	(1,387)
Net change in fiduciary net position	10,441,314	12,982,226	(491,193)	10,527,771	5,951,452	985,518	5,054,390
Fiduciary net position, beginning	87,690,153	74,707,927	75,199,120	64,671,349	58,719,897	57,734,379	52,679,989
Fiduciary net position, ending (b)	$ 98,131,467	$ 87,690,153	$ 74,707,927	$ 75,199,120	$ 64,671,349	$ 58,719,897	$ 57,734,379
Net Pension Liability, ending (a) - (b)	$ 9,775,107	$ 5,281,105	$ 11,666,925	$ 4,901,195	$ 8,509,093	$ 8,180,769	$ 3,632,782
Fiduciary net position as a percentage of total pension liability	90.94%	94.32%	86.49%	93.88%	88.37%	87.77%	94.08%
Pensionable covered payroll	$ 23,887,770	$ 21,462,059	$ 20,423,716	$ 20,102,919	$ 20,551,020	$ 20,551,716	$ 19,610,771
Net pension liability as a percentage of covered payroll	40.92%	24.61%	57.12%	24.38%	41.40%	39.81%	18.52%

* The amounts presented above are as of the measurement date of the collective net pension liability.
** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

WISE COUNTY, TEXAS
Schedule of Employer Pension Contributions and Related Ratios
Last Seven Fiscal Years**

Year Ended September 30th: *	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 2,731,679	$ 2,700,280	$ 2,466,447	$ 2,270,295	$ 2,142,232	$ 2,142,114	$ 2,158,059
Contributions in relation to the actuarially determined amount	2,731,679	2,700,280	2,466,447	2,270,295	2,142,232	2,142,114	2,158,059
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 22,656,347	$ 22,331,924	$ 21,260,545	$ 20,171,573	$ 20,146,958	$ 20,692,252	$ 20,360,478
Contributions as a percentage of covered payroll	12.1%	12.1%	11.6%	11.3%	10.6%	10.4%	10.6%

* The amounts presented above are as of the County's fiscal year-end.
** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

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

Methods and Assumptions Used to Determine Contributions Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule.

WISE COUNTY, TEXAS
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Four Years **

Measurement Date - December 31st: *	2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 37,502	$ 28,037	$ 29,827	$ 27,188
Interest on total OPEB liability	24,727	28,364	25,315	25,391
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	119,046	191,221	(82,931)	35,268
Effect of economic/demographic (gains) or losses	6,019	(28,288)	1,190	(13,121)
Benefit payments	(19,110)	(17,170)	(14,297)	(12,062)
Net change in total OPEB liability	168,184	202,164	(40,896)	62,664
Total OPEB liability, beginning	874,437	672,273	713,169	650,505
Total OPEB liability, ending	$ 1,042,621	$ 874,437	$ 672,273	$ 713,169
Covered - payroll	$ 23,887,770	$ 21,462,059	$ 20,423,716	$ 20,102,919
Total OPEB liability as a percentage of covered - payroll	4.36%	4.07%	3.29%	3.55%

* The amounts presented above are as of the December 31st measurement date for the total OPEB liability.
** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule
See Note K in the notes to the financial statements for additional OPEB plan information.

COMBINING AND BUDGET STATEMENTS

MAJOR GOVERNMENTAL FUNDS COMBINING AND BUDGETARY COMPARISON STATEMENTS

WISE COUNTY, TEXAS
Combining Balance Sheet
Lateral Road Fund
September 30, 2021

Assets	Right of Way and Fencing	Precinct No. 1	Precinct No. 2	Precinct No. 3	Precinct No. 4	County Thoroughfare	Grants	Inter-Fund Eliminations	Total Lateral Road Fund
Cash	$ -	$ 96,663	$ 108,456	$ 212,899	$ 71,887	$ -	$ 561,096	$ -	$ 1,051,001
Investments	1,391,000	171,000	137,000	71,000	661,000	673,000	-	-	3,104,000
Receivables									
Property taxes (net of allowance of $120,068)	12,536	23,054	32,615	17,104	20,930	-	-	-	106,239
Accounts	23,403	4,497	4,505	4,490	4,525	41	-	-	41,461
Due from other governments	-	31,683	31,683	31,683	31,683	-	351,196	-	477,928
Total assets	$ 1,426,939	$ 326,897	$ 314,259	$ 337,176	$ 790,025	$ 673,041	$ 912,292	$ -	$ 4,780,629
Liabilities, deferred inflows of resources and fund balances									
Liabilities									
Cash Overdraft	$ 684	$ -	$ -	$ -	$ -	$ 98,368	$ -	$ -	$ 99,052
Accounts payable	3,000	8,890	10,063	129	2,914	-	-	-	24,996
Accrued salaries and benefits	-	29,762	32,230	30,198	25,933	-	-	-	118,123
Total liabilities	3,684	38,652	42,293	30,327	28,847	98,368	-	-	242,171
Deferred inflows of resources									
Unavailable revenue - property taxes	12,536	23,054	32,615	17,104	20,930	-	-	-	106,239
Unavailable revenue - other	23,331	-	-	-	-	-	-	-	23,331
Total deferred inflows of resources	35,867	23,054	32,615	17,104	20,930	-	-	-	129,570
Fund balances									
Restricted for									
Roads and bridges	1,387,388	265,191	239,351	289,745	740,248	-	912,292	-	3,834,215
Committed to									
Special road projects	-	-	-	-	-	574,673	-	-	574,673
Total fund balances	1,387,388	265,191	239,351	289,745	740,248	574,673	912,292	-	4,408,888
Total liabilities, deferred inflows of resources, and fund balances	$ 1,426,939	$ 326,897	$ 314,259	$ 337,176	$ 790,025	$ 673,041	$ 912,292	$ -	$ 4,780,629

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

WISE COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Lateral Road Fund
For the Fiscal Year Ended September 30, 2021

	Right of Way and Fencing	Precinct No. 1	Precinct No. 2	Precinct No. 3	Precinct No. 4	County Thoroughfare	Grants	Inter-Fund Eliminations	**Total Lateral Road Fund**
Revenues									
Property taxes	$ 399,138	$ 736,008	$ 1,042,465	$ 547,375	$ 667,674	$ -	$ -	$ -	$ 3,392,660
Licenses and permits	-	329,204	329,204	329,204	329,204	-	-	-	1,316,816
Intergovernmental	-	41,556	41,556	41,556	41,556	-	351,196	-	517,420
Fines and forfeitures	-	66,206	66,210	66,207	66,206	-	-	-	264,829
Interest	1,534	600	758	473	1,028	1,269	92	-	5,754
Miscellaneous revenues and donations	-	47,806	13,577	9,018	626	-	-	-	71,027
Total revenues	400,672	1,221,380	1,493,770	993,833	1,106,294	1,269	351,288	-	5,568,506
Expenditures									
Current:									
Public transportation	89,644	1,433,715	1,561,510	1,251,200	989,793	-	438,996	-	5,764,858
Capital outlay	-	8,850	5,776	-	-	-	-	-	14,626
Total expenditures	89,644	1,442,565	1,567,286	1,251,200	989,793	-	438,996	-	5,779,484
Excess (deficiency) of revenues over (under) expenditures	311,028	(221,185)	(73,516)	(257,367)	116,501	1,269	(87,708)	-	(210,978)
Other financing sources (uses)									
Operating transfers in	-	125,000	-	300,000	-	-	-	(425,000)	-
Operating transfers out	-	-	-	-	-	(425,000)	-	425,000	-
Sale of assets	-	8,976	9,911	6,639	49,310	-	-	-	74,836
Total other financing sources (uses)	-	133,976	9,911	306,639	49,310	(425,000)	-	-	74,836
Net change in fund balances	311,028	(87,209)	(63,605)	49,272	165,811	(423,731)	(87,708)	-	(136,142)
Fund balances, beginning of year	1,076,360	352,400	302,956	240,473	574,437	998,404	1,000,000	-	4,545,030
Fund balances, end of year	$ 1,387,388	$ 265,191	$ 239,351	$ 289,745	$ 740,248	$ 574,673	$ 912,292	$ -	$ 4,408,888

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

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
Capital Projects Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	$ -	$ 275,714	$ 472,652	$ 196,938
Interest	90,000	6,252	6,250	(2)
Miscellaneous revenues and donations	-	-	38,933	38,933
Total revenues	90,000	281,966	517,835	235,869
Expenditures				
General government	60,378	193,494	193,494	-
Capital outlay	2,485,622	3,951,349	4,120,145	(168,796)
Total expenditures	2,546,000	4,144,843	4,313,639	(168,796)
Deficiency of revenues under expenditures	(2,456,000)	(3,862,877)	(3,795,804)	67,073
Other financing sources (uses)				
Operating transfers in	-	1,915,023	1,834,389	(80,634)
Operating transfers out	-	(1,500,000)	(1,500,000)	-
Sale of assets	-	15,000	56,700	41,700
Total other financing sources (uses)	-	430,023	391,089	(38,934)
Net change in fund balances	$ (2,456,000)	$ (3,432,854)	(3,404,715)	$ 28,139
Fund balances, beginning of year			6,970,579	
Fund balances, end of year			$ 3,565,864	

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

NONMAJOR GOVERNMENTAL FUNDS COMBINING AND BUDGETARY COMPARISON STATEMENTS

WISE COUNTY, TEXAS
Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue Funds						
	Debt Service Fund	County Grants	County Clerk Record Management	Juvenile Probation TJJD 17-249	WC Branch Campus Maintenance Tax	Other Special Revenue	Total Nonmajor Governmental Funds
Assets							
Cash	$ 368,798	$ 308,786	$ 885,639	$ 311,006	$ -	$ 1,593,736	$ 3,467,965
Investments	267,000	-	-	125,500	-	-	392,500
Receivables							
Property tax (net of allowance of $18,097)	-	-	-	-	100,530	-	100,530
Accounts	11	24,840	-	-	-	-	24,851
Restricted cash and investments	2,069,286	-	-	-	-	-	2,069,286
Total assets	$ 2,705,095	$ 333,626	$ 885,639	$ 436,506	$ 100,530	$ 1,593,736	$ 6,055,132
Liabilities, deferred inflows of resources, and fund balances							
Liabilities							
Accounts payable	$ -	$ -	$ 13,322	$ -	$ -	$ 11,567	$ 24,889
Accrued salaries and benefits	-	2,094	-	-	-	-	2,094
Due to other governments	-	-	-	-	-	208,731	208,731
Total liabilities	-	2,094	13,322	-	-	220,298	235,714
Deferred inflows of resources							
Unavailable revenue - property taxes	-	-	-	-	100,530	-	100,530
Fund balances							
Restricted for							
Debt Service	2,069,286	-	-	-	-	-	2,069,286
State and federal programs	-	331,532	-	436,506	-	-	768,038
Records management	-	-	872,317	-	-	51,361	923,678
Legal	-	-	-	-	-	811,763	811,763
Public safety	-	-	-	-	-	300,698	300,698
Justice courts technology	-	-	-	-	-	209,616	209,616
Assigned to							
Debt Service	635,809	-	-	-	-	-	635,809
Total fund balances	2,705,095	331,532	872,317	436,506	-	1,373,438	5,718,888
Total liabilities, deferred inflows of resources, and fund balances	$ 2,705,095	$ 333,626	$ 885,639	$ 436,506	$ 100,530	$ 1,593,736	$ 6,055,132

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

WISE COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2021

	Special Revenue Funds						
	Debt Service Fund	County Grants	County Clerk Record Management	Juvenile Probation TJJD 17-249	WC Branch Campus Maintenance Tax	Other Special Revenue	**Total Nonmajor Governmental Funds**
Revenues							
Property taxes	$ -	$ -	$ -	$ -	$ 3,530,560	$ -	$ 3,530,560
Intergovernmental	-	239,970	-	543,614	-	9,601	793,185
Fees of office	-	-	458,001	-	-	123,834	581,835
Interest	53,088	571	-	327	-	156	54,142
Royalties and leases	2,352,399	-	-	-	-	-	2,352,399
Miscellaneous revenues and donations	-	-	-	3,724	-	142,265	145,989
Total revenues	2,405,487	240,541	458,001	547,665	3,530,560	275,856	7,458,110
Expenditures							
Current:							
General government	-	-	-	-	3,530,560	-	3,530,560
Judicial	-	-	-	-	-	35,728	35,728
Legal	-	-	358,264	-	-	28,220	386,484
Public safety	-	189,186	-	836,665	-	23,335	1,049,186
Capital outlay	-	130,366	-	-	-	-	130,366
Debt service							
Principal retirement	2,690,000	-	-	-	-	-	2,690,000
Interest, issuance costs and fiscal charges	2,170,287	-	-	-	-	-	2,170,287
Total expenditures	4,860,287	319,552	358,264	836,665	3,530,560	87,283	9,992,611
Excess (deficiency) of revenues over (under) expenditures	(2,454,800)	(79,011)	99,737	(289,000)	-	188,573	(2,534,501)
Other financing sources (uses)							
Debt issued refunding bonds	22,615,000	-	-	-	-	-	22,615,000
Premium on issuance of bonds	4,638,419	-	-	-	-	-	4,638,419
Payment to refunded bond escrow agent	(27,210,074)	-	-	-	-	-	(27,210,074)
Operating transfers in	2,071,100	34,877	-	300,000	-	6,578	2,412,555
Operating transfers out	-	-	(117,466)	-	-	(186,896)	(304,362)
Total other financing sources (uses)	2,114,445	34,877	(117,466)	300,000	-	(180,318)	2,151,538
Net change in fund balances	(340,355)	(44,134)	(17,729)	11,000	-	8,255	(382,963)
Fund balances, beginning of year	3,045,450	375,666	890,046	388,157	-	1,365,183	6,064,502
Prior period adjustment	-	-	-	37,349	-	-	37,349
Fund balances, beginning of year, restated	3,045,450	375,666	890,046	425,506	-	1,365,183	6,101,851
Fund balances, end of year	$ 2,705,095	$ 331,532	$ 872,317	$ 436,506	$ -	$ 1,373,438	$ 5,718,888

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

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
Debt Service Fund
September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest	$ 48,000	$ 53,088	$ 53,088	$ -
Leases	2,821,875	2,352,399	2,352,399	-
Total revenues	2,869,875	2,405,487	2,405,487	-
Expenditures				
Debt service:				
Principal retirement	2,500,000	2,690,000	2,690,000	-
Interest and fiscal charges	2,440,975	2,170,287	2,170,287	-
Total expenditures	4,940,975	4,860,287	4,860,287	-
Deficiency of revenues under expenditures	(2,071,100)	(2,454,800)	(2,454,800)	-
Other financing sources (uses)				
Debt issued refunding bonds	-	22,615,000	22,615,000	-
Premium on issuance of bonds	-	4,638,419	4,638,419	-
Payment to refunded bond escrow agent	-	(27,210,074)	(27,210,074)	-
Operating transfers in	2,071,100	2,071,100	2,071,100	-
Total other financing sources (uses)	2,071,100	2,114,445	2,114,445	-
Net change in fund balances	$ -	$ (340,355)	(340,355)	$ -
Fund balance, beginning of year			3,045,450	
Fund balance, end of year			$ 2,705,095	

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
Nonmajor - Special Revenue Funds
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	$ 3,493,100	$ 3,530,561	$ 3,530,560	$ (1)
Intergovernmental	631,864	864,557	793,185	(71,372)
Fees of office	413,200	581,844	581,835	(9)
Interest	7,000	1,049	1,054	5
Miscellaneous revenues and donations	105,000	150,598	145,989	(4,609)
Total revenues	4,650,164	5,128,609	5,052,623	(75,986)
Expenditures				
Current:				
General government	3,493,100	3,530,561	3,530,560	1
Judicial	47,100	36,400	35,728	672
Legal	345,000	376,486	386,484	(9,998)
Public safety	971,586	1,128,041	1,049,186	78,855
Capital outlay	53,529	131,910	130,366	1,544
Total expenditures	4,910,315	5,203,398	5,132,324	71,074
Deficiency of revenues under expenditures	(260,151)	(74,789)	(79,701)	(4,912)
Other financing sources (uses)				
Operating transfers in	30,063	334,877	341,455	6,578
Operating transfers out	(187,466)	(314,363)	(304,362)	10,001
Total other financing sources (uses)	(157,403)	20,514	37,093	16,579
Net change in fund balances	$ (417,554)	$ (54,275)	(42,608)	$ 11,667
Fund balances, beginning of year			3,019,052	
Prior period adjustment			37,349	
Fund balances, beginning of year, restated			3,056,401	
Fund balances, end of year			$ 3,013,793	

CUSTODIAL FUNDS

WISE COUNTY, TEXAS
Combining Statement of Fiduciary Net Position
All Custodial Funds
September 30, 2021

	District Attorney Criminal Justice	Bond Holding	Jury Fund	Estray Animal	Wise County CSCD	District Attorney Restitution	Sherriff's Department Bond and Fine	Tax A/C Special Inventory	Special Inventory	Inmate Trust Fund
Assets										
Cash	$ 731,276	$ 315,867	$ 22,385	$ 5,656	$ 262,642	$ 2,053	$ 1,413	$ 425,288	$ 24,609	$ 27,483
Investments	-	-	-	-	780,000	-	-	-	-	-
Receivables:										
Property Taxes - for other governments	-	-	-	-	-	-	-	-	-	-
Total assets	$ 731,276	$ 315,867	$ 22,385	$ 5,656	$ 1,042,642	$ 2,053	$ 1,413	$ 425,288	$ 24,609	$ 27,483
Liabilities										
Property taxes to be collected - due to other governments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-	-	-	-	-	-
Net position										
Restricted for individuals, organizations and others	731,276	315,867	22,385	5,656	1,042,642	2,053	1,413	425,288	24,609	27,483
Total net position	$ 731,276	$ 315,867	$ 22,385	$ 5,656	$ 1,042,642	$ 2,053	$ 1,413	$ 425,288	$ 24,609	$ 27,483

WISE COUNTY, TEXAS
Combining Statement of Fiduciary Net Position
All Custodial Funds
September 30, 2021

	Tax A/C Auto Registration	County Attorney Forfeiture	District Clerk Trust	Tax Office	Sheriff's Department Commissary	Register Fund Excess Tax Fund	Bail Bond	County Attorney Restitution	Mobile Home Escrow	Total Fiduciary Funds
Assets										
Cash	$ 247,104	$ 8,363	$ 1,570,556	$ 84,147	$ 115,625	$ 332,067	$ 308,568	$ 4,829	$ 42,489	$ 4,532,420
Investments	-	-	189,151	-	-	-	-	-	-	969,151
Receivables:										
Property Taxes - for other governments	-	-	-	3,516,442	-	-	-	-	-	3,516,442
Total assets	$ 247,104	$ 8,363	$ 1,759,707	$ 3,600,589	$ 115,625	$ 332,067	$ 308,568	$ 4,829	$ 42,489	$ 9,018,013
Liabilities										
Property taxes to be collected - due to other governments	$ -	$ -	$ -	$ 3,516,442	$ -	$ -	$ -	$ -	$ -	$ 3,516,442
Total liabilities	-	-	-	3,516,442	-	-	-	-	-	3,516,442
Net position										
Restricted for individuals, organizations and others	247,104	8,363	1,759,707	84,147	115,625	332,067	308,568	4,829	42,489	5,501,571
Total net position	$ 247,104	$ 8,363	$ 1,759,707	$ 84,147	$ 115,625	$ 332,067	$ 308,568	$ 4,829	$ 42,489	$ 5,501,571

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

WISE COUNTY, TEXAS
Combining Statement of Changes in Fiduciary Net Position
All Custodial Funds
For the Fiscal Year Ended September 30, 2021

	District Attorney Criminal Justice	Bond Holding	Jury Fund	Estray Animal	Wise County CSCD	District Attorney Restitution	Sherriff's Department Bond and Fine	Tax A/C Special Inventory	Special Inventory	Inmate Trust Fund
Additions										
Collected and held for others	$ 314,016	$ 203,734	$ 15,940	$ 5,013	$ 1,560,878	$ 48,915	$ 64,556	$ 632,533	$ 523	$ 583,600
Tax collections for other governments	-	-	-	-	-	-	-	-	-	-
Total additions	314,016	203,734	15,940	5,013	1,560,878	48,915	64,556	632,533	523	583,600
Deductions										
Payments to others	100,889	124,315	10,339	4,888	1,623,745	48,010	65,031	563,100	1,460	592,766
Payments to other governments	-	-	-	-	-	-	-	-	-	-
Total deductions	100,889	124,315	10,339	4,888	1,623,745	48,010	65,031	563,100	1,460	592,766
Net change in fiduciary net position	213,127	79,419	5,601	125	(62,867)	905	(475)	69,433	(937)	(9,166)
Net position, beginning of year	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	518,149	236,448	16,784	5,531	1,105,509	1,148	1,888	355,855	25,546	36,649
Net position, beginning of year, restated	518,149	236,448	16,784	5,531	1,105,509	1,148	1,888	355,855	25,546	36,649
Net position, end of year	$ 731,276	$ 315,867	$ 22,385	$ 5,656	$ 1,042,642	$ 2,053	$ 1,413	$ 425,288	$ 24,609	$ 27,483

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

WISE COUNTY, TEXAS
Combining Statement of Changes in Fiduciary Net Position
All Custodial Funds
For the Fiscal Year Ended September 30, 2021

	Tax A/C Auto Registration	County Attorney Forfeiture	District Clerk Trust	Tax Office	Sheriff's Department Commissary	Register Fund Excess Tax Fund	Bail Bond	County Attorney Restitution	Mobile Home Escrow	Total Fiduciary Funds
Additions										
Collected and held for others	$ 22,073,163	$ 8	$ 984,406	$ -	$ 371,950	$ 626,153	$ 52,807	$ 10,346	$ 42,000	$ 27,590,541
Tax collections for other governments	-	-	-	135,541,701	-	-	-	-	-	135,541,701
Total additions	22,073,163	8	984,406	135,541,701	371,950	626,153	52,807	10,346	42,000	163,132,242
Deductions										
Payments to others	22,188,457	-	47,922	-	407,560	384,465	582	8,648	36,852	26,209,029
Payments to other governments	-	-	-	135,544,854	-	-	-	-	-	135,544,854
Total deductions	22,188,457	-	47,922	135,544,854	407,560	384,465	582	8,648	36,852	161,753,883
Net change in fiduciary net position	(115,294)	8	936,484	(3,153)	(35,610)	241,688	52,225	1,698	5,148	1,378,359
Net position, beginning of year	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	362,398	8,355	823,223	87,300	151,235	90,379	256,343	3,131	37,341	4,123,212
Net position, beginning of year, restated	362,398	8,355	823,223	87,300	151,235	90,379	256,343	3,131	37,341	4,123,212
Net position, end of year	$ 247,104	$ 8,363	$ 1,759,707	$ 84,147	$ 115,625	$ 332,067	$ 308,568	$ 4,829	$ 42,489	$ 5,501,571

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

STATISTICAL SECTION

WISE COUNTY, TEXAS
General Governmental Revenues by Source
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes	Intergovernmental		Licenses and Permits	Fees of Office	Fines and Forfeitures	Interest	Royalties and Leases	Solid Waste Fees	Miscellaneous	Total
		Non-Federal Funds	Federal Funds								
2012	$ 35,969,352	$ 1,531,973	$ 630,952	$ 1,369,904	$ 4,779,734	$ 1,388,086	$ 56,180	$ 1,980,358	$ 482,216	$ 662,382	$ 48,851,137
2013	36,780,452	1,065,734	1,139,551	1,347,172	4,681,598	1,320,313	40,975	2,794,272	511,651	751,678	50,433,396
2014	36,189,644	1,271,291	529,232	1,347,584	5,316,557	1,207,098	50,688	2,833,322	506,284	1,446,831	50,698,531
2015	36,530,427	1,135,770	1,717,955	1,265,346	5,175,746	999,810	27,989	2,747,878	541,390	935,261	51,077,572
2016	35,736,050	2,394,421	601,309	1,315,140	5,518,721	1,047,566	96,998	2,689,371	622,839	1,441,662	51,464,077
2017	30,168,620	1,963,162	685,373	1,268,352	5,380,726	1,004,533	205,260	2,779,888	633,471	799,050	44,888,435
2018	31,158,489	2,204,347	269,139	1,319,826	5,707,062	893,710	518,869	2,916,556	591,020	586,361	46,165,379
2019	34,262,077	1,520,297	356,027	1,358,229	5,797,385	742,404	788,477	2,861,179	598,874	853,306	49,138,255
2020	36,198,656	1,656,831	3,131,393	1,279,644	5,430,459	617,072	377,489	2,859,363	632,244	886,265	53,069,416
2021	36,758,074	2,472,999	379,506	1,316,816	5,755,070	726,012	99,816	2,538,796	609,995	936,316	51,593,400

WISE COUNTY, TEXAS
General Governmental Expenditures by Function
(Excluding Capital Outlay)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Government	Judicial	Legal	Elections	Financial Administration	Public Facilities	Public Safety	Public Transportation	Health and Welfare	Culture and Recreation	Conservation	Debt Service	Total
2012	$ 6,855,686	$ 3,086,855	$ 1,866,922	$ 373,741	$ 1,808,081	$ 2,955,195	$ 14,949,596	$ 9,603,525	$ 1,203,003	$ 274,898	$ 306,977	$ 6,100,029	$ 49,384,508
2013	6,990,431	3,303,957	1,913,257	298,524	1,831,194	2,920,447	15,432,684	8,602,423	1,252,779	261,641	276,137	5,581,035	48,664,509
2014	7,000,061	3,422,964	2,029,334	355,081	1,921,293	2,997,257	16,261,813	7,104,993	1,415,999	351,971	286,942	5,827,183	48,974,891
2015	7,727,592	3,709,655	2,073,969	307,637	2,151,697	3,119,103	16,893,894	7,128,465	1,183,587	296,809	298,600	5,604,416	50,495,424
2016	6,919,032	3,753,242	2,131,120	394,744	2,194,052	3,007,463	16,977,454	7,178,002	1,418,149	277,686	293,350	5,689,805	50,234,099
2017	6,225,256	3,858,295	2,144,631	379,157	2,119,653	2,699,342	16,010,998	5,320,129	1,246,130	317,363	279,260	5,755,351	46,355,565
2018	6,116,014	3,978,074	2,125,510	393,400	2,358,929	2,487,623	16,410,640	5,127,958	1,205,316	363,989	282,178	5,823,865	46,673,496
2019	6,599,120	4,012,700	2,167,317	374,701	2,502,477	2,453,798	17,850,267	5,538,608	1,304,864	417,608	290,121	6,116,334	49,627,915
2020	7,065,338	4,132,155	2,365,317	399,362	3,018,120	2,497,451	18,746,997	5,437,064	1,254,089	369,659	280,151	4,912,744	50,478,447
2021	7,085,925	4,114,196	2,312,585	402,786	3,071,099	2,507,105	18,481,678	5,848,888	1,365,414	434,918	275,324	4,906,872	50,806,790

WISE COUNTY, TEXAS
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy (Including Supplements)	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2012	$ 32,002,034	$ 30,305,093	94.70%	$ 541,322	$ 30,846,415	96.39%	$ 1,454,133	4.54%
2013	31,293,318	30,997,207	99.05%	615,601	31,612,808	101.02%	1,520,154	4.86%
2014	30,741,854	30,395,131	98.87%	374,678	30,769,809	100.09%	1,552,750	5.05%
2015	32,251,426	31,797,095	98.59%	300,868	32,097,963	99.52%	1,622,451	5.03%
2016	31,927,411	31,519,519	98.72%	276,830	31,796,349	99.59%	1,784,451	5.59%
2017	26,191,818	25,794,026	98.48%	313,432	26,107,458	99.68%	1,898,653	7.25%
2018	26,843,237	26,369,171	98.23%	278,893	26,648,064	99.27%	2,144,066	7.99%
2019	29,233,044	28,823,123	98.60%	445,818	29,268,941	100.12%	2,253,790	7.71%
2020	30,995,417	30,534,500	98.51%	310,370	30,844,870	99.51%	1,611,065	5.20%
2021	30,760,899	30,391,226	98.80%	441,173	30,832,399	100.23%	1,538,531	5.00%

WISE COUNTY, TEXAS
Computation of Legal Debt Margin
September 30, 2021
(Unaudited)

Assessed valuation:			
Assessed valuation of property			$ 9,682,005,455
Less: Exemptions and Deductions			(1,703,498,842)
Taxable assessed value			$ 7,978,506,613
Legal debt margin:			
Debt limit (25% of taxable assessed value)			$1,994,626,653
Debt applicable to limitation:			
Total bonded debt			
Add: Tax notes		5,240,000	
Certificates of obligation		2,115,000	
Less: Amount available for repayment of bonded debt		(635,809)	
Total debt applicable to limitation			6,719,191
Legal debt margin			$1,987,907,462

Note: Debt limit 25% of assessed value of real property, Article 3, Section 52, of the Texas Constitution.

WISE COUNTY, TEXAS
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2012	59,833	$ 7,133,846,711	$ 6,240,000	$ 208,420	$ 6,031,580	0.085%	$ 100.81
2013	60,432	7,239,223,655	3,180,000	712,959	2,467,041	0.034%	40.82
2014	60,939	7,271,856,212	14,335,000	249,221	14,085,779	0.194%	231.15
2015	61,638	7,629,062,089	11,770,000	249,649	11,520,351	0.151%	186.90
2016	62,953	7,555,972,652	8,935,000	250,640	8,684,360	0.115%	137.95
2017	64,455	6,240,218,877	6,040,000	252,419	5,787,581	0.093%	89.79
2018	66,181	6,434,419,903	3,075,000	446,292	2,628,708	0.041%	39.72
2019	68,305	7,324,430,291	10,520,000	520,264	9,999,736	0.137%	146.40
2020	69,984	8,019,778,295	9,045,000	545,450	8,499,550	0.106%	121.45
2021	68,632	7,978,506,613	7,355,000	635,809	6,719,191	0.084%	97.90

Overall Compliance and Internal Controls Section

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 STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Commissioners' Court
Wise County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wise County, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wise County'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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wise County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wise County's internal control.

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Snow Garrett Williams

Snow Garrett Williams
March 29, 2022

WISE COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	x	No
Significant deficiencies identified that are not considered to be material weaknesses?	_____	Yes	x	None Reported
Noncompliance material to financial statements noted?	_____	Yes	x	No

State Awards

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	x	No
Significant deficiencies identified that are not considered to be material weaknesses?	_____	Yes	x	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 510 of the State of Texas *Uniform Grant Management Standards*?	_____	Yes	x	No

Identification of Major Programs:

State Awards

Texas Historic Courthouse Preservation Program
County Transportation Infrastructure Fund Grant

Dollar threshold used to distinguish between Type A and Type B state programs:	$300,000			
Auditee qualified as a low-risk auditee?	_____	Yes	x	No

Section II - Financial Statement Findings

None noted.

Section III - State Award Findings and Questioned Costs

None noted.

WISE COUNTY, TEXAS
Corrective Action Plan
September 30, 2021

A corrective action plan is not needed.

STATE AWARDS SECTION



SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF TEXAS *UNIFORM GRANT MANAGEMENT STANDARDS*

To the Members of the Commissioners' Court
Wise County, Texas

Report on Compliance for Each Major State Program

We have audited Wise County, Texas's compliance with the types of compliance requirements described in the State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of Wise County's major state programs for the year ended September 30, 2021. Wise County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wise County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the State of Texas *Uniform Grant Management Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Wise County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Wise County's compliance.

Opinion on Each Major State Program

In our opinion, Wise County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2021.

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Report on Internal Control Over Compliance

Management of Wise County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wise County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of Texas *Uniform Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wise County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of Texas *Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

Snow Garrett Williams

Snow Garrett Williams
March 29, 2022

WISE COUNTY, TEXAS
Schedule of Expenditures of State Awards
For the Fiscal Year Ended September 30, 2021

State Grantor/Pass-Through Grantor/Program Title	Grant Contract Number	State Expenditures
Texas Department of Transportation		
Direct Programs		
County Transportation Infrastructure Fund Grant	CTIF-02-249	$ 351,196
Texas Indigent Defense Commission		
Direct Programs		
Indigent Defense Formula Grant	212-21-249	55,205
Texas Office of the Attorney General		
Direct Programs		
Statewide Automated Victim Notification Service (SAVNS)	211027	13,541
Commission on State Emergency Communications		
Passed through North Central Texas Council of Governments		
Texas Rural Addressing Maintenance Project (911 Grant)	N/A	30,795
Texas Secretary of State		
Direct Programs		
Chapter 19 Funds	N/A	3,984
Texas Historical Commission		
Direct Programs		
Texas Historic Courthouse Preservation Program	N/A	472,652
Texas Department of State Health Services		
Passed through North Central Texas Regional Advisory Council		
State Trauma Grant	N/A	13,493
Total Expenditures of State Awards		$ 940,866

Note 1: Basis of Presentation

The accompanying schedule of expenditures of state awards includes the state grant activity of Wise County, Texas under programs of the State of Texas for the fiscal year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of the State of Texas *Uniform Grant Management Standards.* Because the schedule presents only a selected portion of the operations of Wise County, it is not intended to and does not present the financial position or changes in net position of Wise County, Texas.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting, Such expenditures are recognized following the cost principles contained in the State of Texas *Uniform Grant Management Standards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.