

WISE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2023

Wise County, Texas
Annual Financial Report
September 30, 2023

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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 Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wise County, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 the net pension liability/(asset) 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 46-51 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and budget statements, schedules of expenditure of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of expenditures of state awards as required by the Texas Grant Management Standards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2024, 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
April 12, 2024

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, 2023. 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 and deferred inflows of resources at the close of fiscal year 2023 by $58,929,260 (net position). Of this amount, $9,923,565 is restricted for specific purposes, $38,435,724 is the net investment in capital assets and $10,569,971 represents unrestricted net position.
- In contrast to the government-wide statements, the fund statements reported a combined fund balance at year-end of $26,800,402, an increase of $1,867,202 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $10,797,383, or 26% of total general fund expenditures.
- The County's total long-term debt increased by a net amount of $10,370,067 during the current fiscal year primarily because of an increase in the net pension liability.

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 balance 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, Lateral Road Fund and State and Local Fiscal Recovery Fund, the schedule of changes in net pension liability/(asset) 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 51 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 and deferred inflows of resources by $58,929,260 as of September 30, 2023.

A significant portion ($38,435,724) 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 $9,923,565 of the County's net position represents resources that are subject to external restrictions on how they may be used.

	Governmental Activities	
	2023	2022
Current and other assets	$ 58,914,474	$ 67,277,515
Capital assets, net of depreciation	64,343,143	63,805,880
Total assets	123,257,617	131,083,395
Deferred outflows of resources	7,707,705	1,107,351
Long-term liabilities	42,477,862	36,912,258
Other liabilities	11,143,560	14,303,036
Total liabilities	53,621,422	51,215,294
Deferred inflows of resources	18,414,640	27,827,047
Net position:		
Net investment in capital assets	38,435,724	35,498,980
Restricted	9,923,565	9,101,377
Unrestricted	10,569,971	8,548,048
Total net position	$ 58,929,260	$ 53,148,405

Governmental Activities

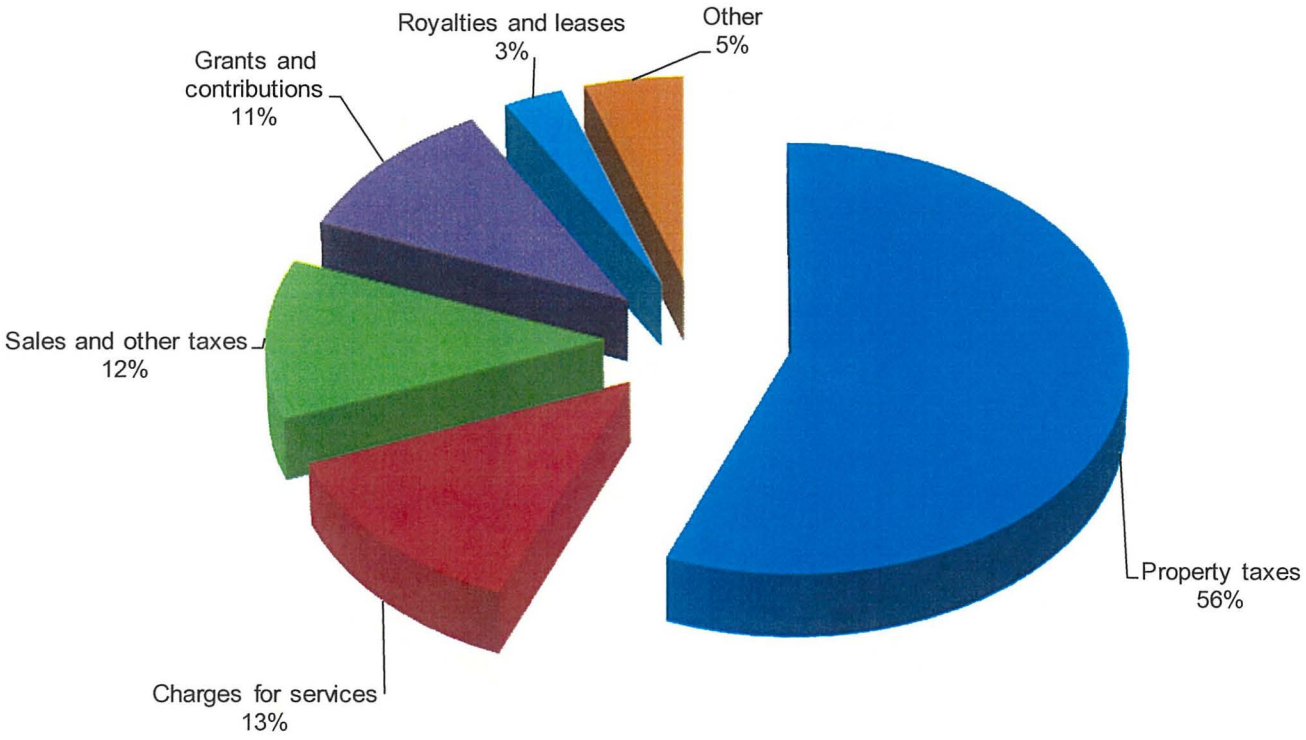
The County's governmental activities net position increased by $5,780,855 during the current fiscal year. The total cost of all governmental activities this year was $59,535,243. The amount that our taxpayers paid for these activities through property taxes was $37,523,504 or 61% of total governmental expenses.

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	$ 8,420,342	$ 9,375,962
Operating grants and contributions	6,026,767	5,348,847
Capital grants and contributions	1,249,022	674,572
General revenues:		
Property taxes	37,523,504	32,932,504
Sales and other taxes	8,071,197	6,932,179
Investment earnings	3,037,398	1,412,901
Royalties and leases	1,834,624	1,917,343
Other	453,244	1,091,216
Total revenues	66,616,098	59,685,524
Expenses:		
General government	8,271,319	7,150,607
Judicial	4,704,628	4,317,272
Legal	2,613,847	2,395,546
Elections	623,542	575,818
Financial administration	3,589,644	3,286,276
Public facilities	4,280,510	3,951,139
Public safety	24,835,906	19,782,371
Public transportation	8,407,073	7,692,790
Health and welfare	1,636,228	1,451,709
Culture and recreation	682,430	612,524
Conservation	299,674	274,569
Interest on long-term debt	890,442	1,049,436
Total expenses	60,835,243	52,540,057
Change in net position	5,780,855	7,145,467
Net position-beginning	53,148,405	46,002,938
Net position-ending	$ 58,929,260	$ 53,148,405

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

- Program revenues of $15,696,131 equaled 26% of government expenses. As expected, general revenues of $50,919,967 provided most of the required support and coverage for expenses;
- Public safety represents 40% of total expenses. Public safety expenses increased $5,053,535 from the previous year.
- The next largest category of expenses is public transportation at 14% of total expenses.

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 $26,800,402, an increase of $1,867,202 in comparison with the prior year. A portion of fund balance $13,361,644 or 50% is restricted by external resources. $10,797,383 or 40% 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 ($354,999) and for special road projects ($273,544), and assigned to fund debt service ($1,694,700) and to fund indigent care ($316,711).

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 $10,797,383, which is 94% 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 26%, or slightly more than 94 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, 2023, the unassigned general fund balance represented 24.37% of subsequent year's general fund budgeted expenditures.

The fund balance of the County's general fund increased by $2,491,512 during the current fiscal year. This increase is primarily due to increases in property and sales tax revenues.

The debt service fund had an ending fund balance of $4,076,723, which is restricted or assigned for payment of debt requirements. The increase in fund balance during the period in the debt service fund was $695,718 due to an increase in transfers and interest revenue.

The lateral road fund has a total fund balance of $3,984,663, 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 $53,410, which is attributable to expenditures for public transportation.

GENERAL FUND BUDGETARY HIGHLIGHTS

In total, the general fund budget for expenditures increased $834,442 from the original to the final budget. Most of these differences resulted from increases in general government, public facilities and health and welfare expenditures.

The projected annual revenues increased by $3,575,235 from the original to the final budget. This was primarily due to an increase in projected sales tax revenues.

Actual revenues were $153,972 less than final budget amounts. Total expenditures for the year were $284,854 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, 2023, net capital assets of the governmental activities totaled $64,343,143. Depreciation on capital assets is recognized in the government-wide financial statements. Annual depreciation for buildings and improvements, infrastructure, and machinery and equipment totaled $4,359,769.

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

- Court House restoration.
- Purchase of equipment for the emergency operations center.
- Replacement and upgrading of the County's radio systems.
- Purchase of vehicles and heavy equipment for various departments.

Wise County Capital Assets
(net of depreciation)

	Governmental Activities	
	2023	2022
Land	$ 4,130,921	$ 4,130,921
Construction in progress	5,115,428	2,731,890
Buildings and improvements	33,056,034	34,268,774
Infrastructure	13,357,140	13,705,389
Machinery and equipment	8,683,620	8,968,906
Total	$ 64,343,143	$ 63,805,880

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, 2023, outstanding balances for long term debt of the governmental activities totaled $42,477,862. Amounts for the components of this balance are as follows:

Wise County's Outstanding Debt

	Governmental Activities	
	2023	2022
Direct Borrowings - Tax notes	$ 4,690,000	$ 7,080,000
Lease revenue bonds	19,590,000	20,615,000
Certificates of obligation	1,880,000	2,000,000
Unamortized premium	4,084,966	4,586,531
Overpayment of sales tax	198,140	262,543
Net pension liability/(asset)	9,796,822	(4,804,463)
Total OPEB liability	831,878	1,087,125
Compensated absences	1,406,056	1,281,059
Total	$ 42,477,862	$ 32,107,795

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 2024, the County Commissioners and management considered the following factors:

- Although the County fared well economically through the end of September 2023, the fiscal year 2024 budget was prepared conservatively and with strong considerations for the global economic uncertainty that exists with the effects of inflation, 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, 2023

	Governmental Activities
Assets	
Current assets	
Cash	$ 2,659,616
Investments	28,810,067
Receivables, taxes (net of allowance for uncollectible of $557,477)	1,245,294
Receivables, accounts (net of allowance for uncollectible of $176,565)	2,203,124
Due from other governments	2,036,607
Non-current assets	
Restricted cash	252,840
Restricted investments	2,129,183
Lease Receivable	19,590,000
Capital assets	
Land and construction in progress	9,246,349
Other capital assets, net of depreciation	55,096,794
Total capital assets	64,343,143
Total assets	123,269,874
Deferred Outflows of Resources	
Deferred outflows of resources - pension	6,829,071
Deferred loss on refunding bond	878,634
Total deferred outflows of resources	7,707,705
Liabilities	
Current liabilities	
Accounts payable	1,139,405
Accrued salaries and benefits	1,397,832
Due to other governments	140,410
Deposits held and due to others	307,024
Accrued interest payable	176,809
Unearned revenues	7,994,337
Noncurrent liabilities	
Due within one year	4,935,069
Due in more than one year	37,542,793
Total liabilities	53,633,679
Deferred Inflows of Resources	
Deferred inflows of resources - OPEB	125,024
Deferred inflows - leases	18,289,616
Total deferred inflows of resources	18,414,640
Net Position	
Net investment in capital assets	38,435,724
Restricted for	
General government	1,421
Debt service	2,382,023
Capital projects	1,043,503
State and federal programs	739,439
Records management	764,944
Legal	792,982
Public safety	341,613
Culture and Recreation	12,219
Roads and bridges	3,711,119
Justice courts technology	134,302
Unrestricted	10,569,971
Total net position	$ 58,929,260

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

WISE COUNTY, TEXAS
Statement of Activities
For the Fiscal Year Ended September 30, 2023

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	$ 8,271,319	$ 1,489,045	$ 158,932	$ -	$ (6,623,342)
Judicial	4,704,628	1,062,465	222,309	-	(3,419,854)
Legal	2,613,847	401,340	294,831	-	(1,917,676)
Elections	623,542	20,866	-	-	(602,676)
Financial administration	3,589,644	1,358,256	-	-	(2,231,388)
Public facilities	4,280,510	363,750	-	1,025,043	(2,891,717)
Public safety	24,835,906	1,787,291	5,134,570	124,046	(17,789,999)
Public transportation	8,407,073	1,677,023	214,588	99,933	(6,415,529)
Health and welfare	1,636,228	104,315	-	-	(1,531,913)
Culture and recreation	682,430	155,991	1,537	-	(524,902)
Conservation	299,674	-	-	-	(299,674)
Interest/fees on long-term debt	890,442	-	-	-	(890,442)
Total primary government	$ 60,835,243	$ 8,420,342	$ 6,026,767	$ 1,249,022	(45,139,112)
General revenues:					
Property taxes					37,523,504
Sales and other taxes					8,071,197
Interest income					3,037,398
Royalties and lease revenue					1,834,624
Loss on disposal of assets					(43,269)
Other					496,513
Total general revenues					50,919,967
Change in net position					5,780,855
Net position, beginning of year					53,148,405
Net position, end of year					$ 58,929,260

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

WISE COUNTY, TEXAS
Balance Sheet
Governmental Funds
September 30, 2023

	General	Lateral Road Fund	Debt Service Fund	State and Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	$ -	$ 934,588	$ 6,338	$ 7,997,215	$ 2,499,003	$ 11,437,144
Investments	21,732,750	2,993,500	383,817	-	3,700,000	28,810,067
Receivables						
Property taxes (net of allowances of $557,477)	961,943	155,413	-	-	127,938	1,245,294
Accounts	455,864	110,344	4,161	-	43,673	614,042
Lease receivable	-	-	19,590,000	-	-	19,590,000
Due from other governments	713,477	181,417	-	-	1,141,713	2,036,607
Restricted cash	-	-	252,840	-	-	252,840
Restricted investments	-	-	2,129,183	-	-	2,129,183
Total assets	$ 23,864,034	$ 4,375,262	$ 22,366,339	$ 7,997,215	$ 7,512,327	$ 66,115,177
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Checks in excess of cash	$ 8,777,528	$ -	$ -	$ -	$ -	$ 8,777,528
Accounts payable	1,039,846	63,937	-	-	35,622	1,139,405
Accrued salaries and benefits	1,247,114	147,918	-	-	2,800	1,397,832
Due to other governments	120	-	-	2,880	137,410	140,410
Unearned revenue	-	-	-	7,994,335	-	7,994,335
Deposits held and due to others	301,437	-	-	-	5,587	307,024
Total liabilities	11,366,045	211,855	-	7,997,215	181,419	19,756,534
Deferred inflows of resources						
Unavailable revenue - property taxes	961,943	155,413	-	-	127,938	1,245,294
Leases	-	-	18,289,616	-	-	18,289,616
Unavailable revenue - other	-	23,331	-	-	-	23,331
Total deferred inflows of resources	961,943	178,744	18,289,616	-	127,938	19,558,241
Fund balances						
Restricted for						
General government	1,421	-	-	-	-	1,421
Debt service	-	-	2,382,023	-	-	2,382,023
Capital projects	-	-	-	-	4,483,003	4,483,003
State and federal programs	-	-	-	-	739,439	739,439
Records management	25,351	-	-	-	739,593	764,944
Legal	4,677	-	-	-	788,305	792,982
Public safety	23,285	-	-	-	318,328	341,613
Culture and recreation	12,219	-	-	-	-	12,219
Roads and bridges	-	3,711,119	-	-	-	3,711,119
Justice courts technology	-	-	-	-	134,302	134,302
Committed to						
Special road projects	-	273,544	-	-	-	273,544
Judicial	354,999	-	-	-	-	354,999
Assigned to						
Indigent care	316,711	-	-	-	-	316,711
Debt service	-	-	1,694,700	-	-	1,694,700
Unassigned	10,797,383	-	-	-	-	10,797,383
Total fund balances	11,536,046	3,984,663	4,076,723	-	7,202,970	26,800,402
Total liabilities, deferred inflows of resources, and fund balances	$ 23,864,034	$ 4,375,262	$ 22,366,339	$ 7,997,215	$ 7,512,327	

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.	64,343,143
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.	1,268,625
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.	1,589,080
Deferred outflows of resources for pension are not financial resources and, therefore, are not reported in the funds.	6,829,071
Deferred loss on refunding bonds is not reported in the funds.	878,634
Deferred intflows of resources for OPEB are not financial resources and, therefore, are not reported in the funds.	(125,024)
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.	(42,654,671)
Net position of governmental activities - statement of net position	$ 58,929,260

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended September 30, 2023

	General	Lateral Road Fund	Debt Service Fund	State and Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 28,270,803	$ 4,959,169	$ -	$ -	$ 4,227,045	$ 37,457,017
Sales and other taxes	8,071,197	-	-	-	-	8,071,197
Licenses and permits	-	1,392,200	-	-	-	1,392,200
Intergovernmental	1,567,169	314,521	-	3,253,810	2,004,466	7,139,966
Fees of office	5,503,982	-	-	-	590,026	6,094,008
Fines and forfeitures	422,243	220,358	-	-	-	642,601
Interest income	1,510,204	212,674	1,089,586	-	224,935	3,037,399
Royalties and lease revenue	171,932	-	1,662,692	-	-	1,834,624
Solid waste fees	599,392	-	-	-	-	599,392
Miscellaneous revenues and donations	739,686	14,220	-	-	155,692	909,598
Total revenues	46,856,608	7,113,142	2,752,278	3,253,810	7,202,164	67,178,002
Expenditures						
Current:						
General government	3,919,879	-	-	-	4,337,763	8,257,642
Judicial	4,652,924	-	-	-	38,826	4,691,750
Legal	2,148,128	-	-	-	436,417	2,584,545
Elections	388,388	-	-	-	-	388,388
Financial administration	3,533,958	-	-	-	-	3,533,958
Public facilities	2,734,263	-	-	-	-	2,734,263
Public safety	21,191,989	-	-	1,300,000	1,282,444	23,774,433
Public transportation	125,815	6,835,020	-	-	-	6,960,835
Health and welfare	1,636,082	-	-	-	-	1,636,082
Culture and recreation	682,169	-	-	-	-	682,169
Conservation	293,222	-	-	-	-	293,222
Capital outlay	254,500	489,930	-	1,633,910	2,629,410	5,007,750
Debt service						
Principal retirement	64,403	-	3,535,000	-	-	3,599,403
Interest, issuance costs and fiscal charges	-	-	1,357,854	-	-	1,357,854
Total expenditures	41,625,720	7,324,950	4,892,854	2,933,910	8,724,860	65,502,294
Excess (deficiency) of revenues over (under) expenditures	5,230,888	(211,808)	(2,140,576)	319,900	(1,522,696)	1,675,708
Other financing sources (uses)						
Operating transfers in	498,168	35,000	2,836,294	-	385,122	3,754,584
Operating transfers out	(3,263,596)	-	-	(319,900)	(171,088)	(3,754,584)
Sale of assets	26,052	123,398	-	-	42,044	191,494
Total other financing sources (uses)	(2,739,376)	158,398	2,836,294	(319,900)	256,078	191,494
Net change in fund balances	2,491,512	(53,410)	695,718	-	(1,266,618)	1,867,202
Fund balances, beginning of year	9,044,534	4,038,073	3,381,005	-	8,469,588	24,933,200
Fund balances, end of year	$ 11,536,046	$ 3,984,663	$ 4,076,723	$ -	$ 7,202,970	$ 26,800,402

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

WISE COUNTY, TEXAS
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2023

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

Net change in fund balances - total governmental funds		$ 1,867,202
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 capital outlay exceeded depreciation expense in the current year.		
Capital outlay expenditures	5,007,750	
Depreciation expense	(4,359,769)	
		647,981
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.		(110,717)
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.		(642,680)
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	501,565	
Amortization of deferred loss on refunding bond	(73,220)	
Change in accrued interest payable	39,067	
Change in compensated absences payable	(124,997)	
		342,415
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.		102,525
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.		(25,274)
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.		3,599,403
Change in net position of governmental activities		$ 5,780,855

WISE COUNTY, TEXAS
Statement of Fiduciary Net Position
Custodial Funds
September 30, 2023

Assets		
Cash	$	6,329,908
Investments		683,724
Receivables:		
Property taxes - for other governments		4,520,522
Total assets		11,534,154
Liabilities		
Property taxes to be collected - due to other governments		4,520,522
Total liabilities		4,520,522
Net position		
Restricted for individuals, organizations and others		7,013,632
Total net position	$	7,013,632

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, 2023

Additions	
Collected and held for others	$ 52,989,696
Tax collections for other governments	172,873,795
Total additions	225,863,491
Deductions	
Payments to others	51,908,413
Payments to other governments	172,644,438
Total deductions	224,552,851
Net change in fiduciary net position	1,310,640
Net position, beginning of year	5,702,992
Net position, end of year	$ 7,013,632

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, 2023.

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. These statements present each major fund as a separate column on the fund financial statements, while all nonmajor funds are aggregated and presented in a single column. Detailed statements for nonmajor funds are presented within the Supplementary Information section.

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.

Note A - Summary of Significant Accounting Policies (Continued)

Debt Service Fund: This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

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.

Measurement Focus and Basis of Accounting

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.

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 3.5 percent, voters must approve the increase in an 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, 2023.

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure assets (e.g. roads and bridges), are reported in the government-wide financial statements. Capital assets 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 acquisition 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 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 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 2023, the unassigned General Fund balance was 24.37% 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 $2,900,098 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 (asset), 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 OPEB; 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.

Implementation of New Accounting Standards

For the year ended September 30, 2023, the County implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This statement was adopted by the County as of October 1, 2022. There was no effect on beginning net position or fund balance due to the implementation of this standard. The County did not have any subscription agreements that met the criteria under the standard.

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 a 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 Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts 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 are provided by Federated Hermes, 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.* The stated objective of the pool 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, 2023, the County had the following investments:

	Value	% of Total	Weighted Average Maturity
TexPool	$ 296,950	0.96%	28 Days
TexPool Prime	19,147,350	61.89%	46 Days
Ameriprise Financial - Certificates of Deposit	2,303,890	7.45%	< 2 years
First Financial Bank - Certificates of Deposit	7,000,000	22.62%	< 2 years
Financial Northeastern - Certificates of Deposit	2,191,060	7.08%	< 2 years
Total Investments	$ 30,939,250	100%	

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 maturity to three years or less; structuring the investment portfolio so that instruments mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing 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, 2023, the TexPool and TexPool Prime investment pools were 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, 2023, 62.85% of the County's investments were included in local government investment pools and 37.15% were 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, 2023, 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, 2023 to finance maintenance and operations (M&O) of the County was $.25500, and to finance Lateral Road operations was $.04500 per $100 valuation. During the fiscal year, the County levied $.037500 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, 2023:

Fund	Property Taxes Receivable (Net)
General- (M&O)	$ 961,943
Special Revenue- (WCBCMT)	127,938
Lateral Road	155,413
Total	$ 1,245,294

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, investments 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 $2,382,023 are restricted for debt service.

Note F – Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance 10/1/2022	Adjustments/ Additions	Adjustments/ Deletions	Balance 09/30/2023
Governmental activities				
Capital assets not being depreciated				
Land	$ 4,130,921	$ -	$ -	$ 4,130,921
Construction in progress	2,731,890	2,658,954	275,416	5,115,428
Total capital assets not being depreciated	6,862,811	2,658,954	275,416	9,246,349
Other capital assets				
Buildings and improvements	58,855,001	185,747	5,600	59,035,148
Infrastructure	79,365,968	489,548	-	79,855,516
Machinery and equipment	35,286,530	2,081,403	957,873	36,410,060
Total other capital assets	173,507,499	2,756,698	963,473	175,300,724
Less accumulated depreciation				
Building and improvements	24,586,227	1,396,130	3,243	25,979,114
Infrastructure	65,660,579	837,797	-	66,498,376
Machinery and equipment	26,317,624	2,125,842	717,026	27,726,440
Total accumulated depreciation	116,564,430	4,359,769	720,269	120,203,930
Other capital assets, net	56,943,069	(1,603,071)	243,204	55,096,794
Governmental activities capital assets, net	$ 63,805,880	$ 1,055,883	$ 518,620	$ 64,343,143

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

Governmental activities:	
General government	$ 11,320
Judicial	7,944
Legal	26,376
Elections	234,874
Financial administration	52,449
Public facilities	1,544,274
Public safety	1,035,758
Public transportation	1,440,956
Conservation	5,818
Total depreciation for governmental activities	$ 4,359,769

Note G - Long-Term Debt

The principal long-term obligations of the County include tax notes, lease revenue bonds, overpayment of sales taxes liability, 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 $198,140 at September 30, 2023.

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 $1,835,000 at September 30, 2023.

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 $1,880,000 at September 30, 2023.

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 5%
- Outstanding principal balance of $19,590,000 at September 30, 2023.

Note G - Long-Term Debt (Continued)

Tax Notes – 2022 Series

- Funds for purchases of capital equipment and vehicles.
- $3,500,000 originally issued.
- Interest rate at 2.91%.
- Outstanding principal balance of $2,855,000 at September 30, 2023.

The following are changes by type of debt for the year ended September 30, 2023:

	Balance 10/1/2022	Increase	Decrease	Balance 09/30/2023	Amounts Due Within One Year
Direct Borrowings - Tax notes	$ 7,080,000	$ -	$ 2,390,000	$ 4,690,000	$ 2,515,000
Lease revenue bonds	20,615,000	-	1,025,000	19,590,000	1,140,000
Certificates of obligation	2,000,000	-	120,000	1,880,000	125,000
Unamortized bond premium	4,586,531	-	501,565	4,084,966	406,122
Overpayment of sales tax	262,543		64,403	198,140	42,612
Net pension liability (asset)	(4,804,463)	17,859,790	3,258,505	9,796,822	-
Total OPEB liability	1,087,125	68,008	323,255	831,878	-
Compensated absences	1,281,059	1,026,701	901,704	1,406,056	706,335
Totals	$ 32,107,795	$ 18,954,499	$ 8,584,432	$ 42,477,862	$ 4,935,069

The annual requirements to amortize long-term debt as of September 30, 2023 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
2024	$ 1,140,000	$ 979,500	$ 2,515,000	$ 119,061	$ 125,000	$ 72,700	$ 42,612	$ 4,993,873
2025	1,255,000	922,500	705,000	53,035	130,000	67,600	42,612	3,175,747
2026	1,380,000	859,750	725,000	32,229	135,000	62,300	42,612	3,236,891
2027	1,505,000	790,750	745,000	10,840	140,000	56,800	42,612	3,291,002
2028	1,630,000	715,500	-	-	145,000	51,100	27,692	2,569,292
2029-2033	10,200,000	2,220,250	-	-	825,000	161,300	-	13,406,550
2034-2038	2,480,000	124,000	-	-	380,000	15,400	-	2,999,400
Totals	$ 19,590,000	$ 6,612,250	$ 4,690,000	$ 215,165	$ 1,880,000	$ 487,200	$ 198,140	$ 33,672,755

The 2021 Lease Revenue Refunding Bonds required that $2,382,023 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, 2023.

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, 2023, the value of the liability for compensated absences was $1,406,056. 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	$ 498,168	$ 3,263,596
Lateral Road Fund	35,000	-
Debt Service Fund	2,836,294	-
SLFR Fund	-	319,900
Nonmajor Governmental Funds	385,122	171,088
Total transfers	$ 3,754,584	$ 3,754,584

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%
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.

Note J – Defined Benefit Pension Plans (Continued)

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	227
Inactive employees entitled to but not yet receiving benefits	413
Active employees	427
Total	1,067

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 12.72% and 13.31% in calendar years 2023 and 2022, respectively. The County's contributions to TCDRS for the fiscal year ended September 30, 2023 were $3,360,342 and were equal to the required contributions.

Net Pension Liability/(Asset)

The County's net pension liability/asset (NPL/NPA) was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability/(asset) 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, 2022 actuarial valuation was determined using the following TCDRS system-wide and employer specific assumptions:

Real rate of return	5.0% per year
Inflation	2.5% per year
Long-term investment rate of return	7.5% net of investment expenses

Note J – Defined Benefit Pension Plans (Continued)

The assumed long-term investment return of 7.5% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.5% 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 3.0% (made up of 2.5% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.

Mortality rates for depositing members were based on the Pub-2010 General Employees Amount-Weighted Mortality Table for males and females as appropriate, with adjustments, projected with 100% of the MP-2021 Ultimate scale after 2010. Service retirees, beneficiaries, and non-depositing members were based on the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and females as appropriate, projected with 100% of the MP-2021 Ultimate scale after 2010. Disabled retirees were based on the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and females as appropriate, with adjustments, projected with 100% of the MP-2021 Ultimate scale after 2010.

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2022. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

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/(asset) 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 2023 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 long-term 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%	4.95%
Global Equities	2.50%	4.95%
International Equities - Developed Markets	5.00%	4.95%
International Equities - Emerging Markets	6.00%	4.95%
Investment - Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.95%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%
Total	100.00%	

[1] Target asset allocation adopted at the March 2023 TCDRS Board meeting.
[2] Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions.

Note J – Defined Benefit Pension Plans (Continued)

Sensitivity Analysis

The following presents the net pension liability/(asset) of the County, calculated using the discount rate of 7.60%, as well as what the Wise County net pension liability/(asset) 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)	$ 27,142,681	$ 9,796,822	$ (4,592,761)

Changes in Net Pension Liability/(Asset)

	Increase (Decrease)		
Changes in the NPL / NPA	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2021	$ 115,026,556	$ 119,831,019	$ (4,804,463)
Changes for the year:			
Service cost	3,335,973	-	3,335,973
Interest on total pension liability	8,833,043	-	8,833,043
Effect of economic/demographic (gains) or losses	447,642	-	447,642
Effect of assumptions changes or inputs	-	-	-
Employer contributions		3,258,505	(3,258,505)
Member contributions		1,713,714	(1,713,714)
Net investment income	-	(7,077,199)	7,077,199
Refund of contributions	(299,886)	(299,886)	-
Benefit Payments	(4,056,442)	(4,056,442)	-
Administrative expenses	-	(66,507)	66,507
Other	-	186,860	(186,860)
Net changes	8,260,330	(6,340,955)	14,601,285
Balance at 12/31/2022	$ 123,286,886	$ 113,490,064	$ 9,796,822

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, 2022, the County recognized pension expense of $3,257,824.

As of September 30, 2023, 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	$ 556,229	$ 301,519
Changes in assumptions	1,670,939	-
Net difference between projected and actual earnings	2,503,990	-
Contributions made subsequent to the measurement date	2,399,432	-
Total	$ 7,130,590	$ 301,519

Contributions made subsequent to the measurement date of $2,399,432 are reported as deferred outflows of resources related to pensions and will be recognized as a change of the net pension liability/(asset) for the fiscal year ending September 30, 2024. 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:	
2023	$ 578,290
2024	188,681
2025	420,302
2026	3,242,366
Total	$ 4,429,639

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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	179
Inactive employees entitled to but not yet receiving benefits	85
Active employees	427
Total	691

Total OPEB Liability

The County's total OPEB liability was measured as of December 31, 2022, 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, 2022 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 3.72% 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, 2022.

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 Pub-2010 General Employees Amount-Weighted Mortality Table for males and females as appropriate, with adjustments, projected with 100% of the MP-2021 Ultimate scale after 2010. Service retirees, beneficiaries, and non-depositing members were based on the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and females as appropriate, projected with 100% of the MP-2021 Ultimate scale after 2010. Disabled retirees were based on the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and females as appropriate, with adjustments, projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total OPEB liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, 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 12/31/2021	$ 1,087,125
Changes for the year:	
Service cost	44,887
Interest on total OPEB liability	23,119
Change of benefit terms	-
Effect of economic/demographic experience	10,479
Effect of assumption changes or inputs	(314,149)
Benefit payments	(19,583)
Balance at 12/31/2022	$ 831,878

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 3.72%, 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 (2.72%) or 1-percentage-point higher (4.72%) than the current rate:

	1% Decrease in Discount Rate (2.72%)	Discount Rate (3.72%)	1% Increase in Discount Rate (4.72%)
Total OPEB Liability	$ 1,004,005	$ 831,878	$ 699,105

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

For the measurement period ending December 31, 2022, the County recognized OPEB expense of $44,251.

As of September 30, 2023, 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	$ 11,593	$ 24,741
Changes of assumptions	140,060	265,140
Contributions made subsequent to the measurement date	13,204	-
Total	$ 164,857	$ 289,881

Contributions made subsequent to the measurement date of $13,204 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, 2024. 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	
2023	$ (23,753)
2024	(13,292)
2025	(40,449)
2026	(60,734)
Total	$ (138,228)

Note L – Leases

The County is a lessor for a noncancelable lease of real property. The lease is with Weatherford College of the Parker County Junior College District. The lease commenced in Fiscal Year 2010 with the term ending in 2037. Lease payments vary each year at an interest rate of 2%.

The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

The County has $19,590,000 in lease receivables and $18,289,616 in deferred inflows as of September 30, 2023. The County recorded lease revenue of $1,662,292 and interest of $1,030,750 in the fiscal year.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses the rate implied in the lease agreement as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease and any expected renewals to be made.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. As of September 30, 2023, expectation of lease receipts through the expiration of all leases is as follows:

Year	Principal Payments	Interest Payments	Total Payments
2024	$ 1,140,000	$ 979,500	$ 2,119,500
2025	1,255,000	922,500	2,177,500
2026	1,380,000	859,750	2,239,750
2027	1,505,000	790,750	2,295,750
2028	1,630,000	715,500	2,345,500
2029-2033	10,200,000	2,220,250	12,420,250
2034-2037	2,480,000	124,000	2,604,000
Totals	$ 19,590,000	$ 6,612,250	$ 26,202,250

Note M - 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. The Pool 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 N – Commitments

The District has a contractual commitment as of September 30, 2023, for construction partially funded by the Texas Courthouse Restoration Project. The total contractual commitment outstanding as of September 30, 2023, was $13,855,121.

Note O - 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 P - Subsequent Events

The County has evaluated subsequent events through April 12, 2024, 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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	$ 28,815,000	$ 28,270,807	$ 28,270,803	$ (4)
Sales and other taxes	5,961,000	8,071,198	8,071,197	(1)
Intergovernmental	1,214,750	1,726,101	1,567,169	(158,932)
Fees of office	5,457,500	5,503,997	5,503,982	(15)
Fines and forfeitures	482,600	422,243	422,243	-
Interest	46,200	1,510,205	1,510,204	(1)
Royalties and lease revenue	240,000	171,933	171,932	(1)
Solid waste fees	620,000	599,393	599,392	(1)
Miscellaneous revenues and donations	598,295	734,703	739,686	4,983
Total revenues	43,435,345	47,010,580	46,856,608	(153,972)
Expenditures				
Current:				
General government	3,746,881	4,093,661	3,919,879	173,782
Judicial	4,569,579	4,659,496	4,652,924	6,572
Legal	2,405,857	2,145,014	2,148,128	(3,114)
Elections	428,201	388,402	388,388	14
Financial administration	3,554,767	3,539,787	3,533,958	5,829
Public facilities	2,440,689	2,741,318	2,734,263	7,055
Public safety	21,516,050	21,268,451	21,191,989	76,462
Public transportation	70,000	121,361	125,815	(4,454)
Health and welfare	1,315,338	1,656,001	1,636,082	19,919
Culture and recreation	531,615	682,191	682,169	22
Conservation	318,439	293,233	293,222	11
Capital outlay	178,716	257,256	254,500	2,756
Debt service				
Principal retirement	-	31,072	64,403	(33,331)
Interest and fiscal charges	-	33,331	-	33,331
Total expenditures	41,076,132	41,910,574	41,625,720	284,854
Excess of revenues over expenditures	2,359,213	5,100,006	5,230,888	130,882
Other financing sources (uses)				
Operating transfers in	476,711	498,168	498,168	-
Operating transfers out	(2,866,294)	(3,263,596)	(3,263,596)	-
Sale of assets	20,000	26,052	26,052	-
Total other financing sources (uses)	(2,369,583)	(2,739,376)	(2,739,376)	-
Net change in fund balances	$ (10,370)	$ 2,360,630	2,491,512	$ 130,882
Fund balances, beginning of year			9,044,534	
Fund balances, end of year			$ 11,536,046	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	$ 5,050,100	$ 4,959,176	$ 4,959,169	$ (7)
License and permits	1,160,000	1,392,204	1,392,200	(4)
Intergovernmental	166,000	314,522	314,521	(1)
Fines and forfeitures	288,000	220,370	220,358	(12)
Interest income	4,850	212,675	212,672	(3)
Miscellaneous revenues and donations	-	14,224	14,222	(2)
Total revenues	6,668,950	7,113,171	7,113,142	(29)
Expenditures				
Current:				
Public transportation	6,937,545	7,640,309	6,835,020	805,289
Capital outlay	489,930	489,930	489,930	-
Total expenditures	7,427,475	8,130,239	7,324,950	805,289
Deficiency of revenues under expenditures	(758,525)	(1,017,068)	(211,808)	805,260
Other financing sources				
Operating transfers in	-	35,000	35,000	-
Sale of assets	-	123,398	123,398	-
Total other financing sources	-	158,398	158,398	-
Net change in fund balances	$ (758,525)	$ (858,670)	(53,410)	$ 805,260
Fund balances, beginning of year			4,038,073	
Fund balances, end of year			$ 3,984,663	

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
State and Local Fiscal Recovery Fund
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	$ -	$ -	$ 3,253,810	$ 3,253,810
Total revenues	-	-	3,253,810	3,253,810
Expenditures				
Current:				
Public Safety	1,300,000	1,300,000	1,300,000	-
Capital outlay	5,200,000	1,633,912	1,633,910	2
Total expenditures	6,500,000	2,933,912	2,933,910	2
Excess (deficiency) of revenues Over (under) expenditures	(6,500,000)	(2,933,912)	319,900	3,253,812
Other financing uses				
Operating transfers out	(319,900)	(319,900)	(319,900)	-
Total other financing uses	(319,900)	(319,900)	(319,900)	-
Net change in fund balances	$ (6,819,900)	$ (3,253,812)	-	$ 3,253,812
Fund balances, beginning of year			-	
Fund balances, end of year			$ -	

WISE COUNTY, TEXAS
Schedule of Changes in the Net Pension Liability/(Asset) and Related Ratios
Last Nine Measurement Years **

Measurement Date - December 31st: *	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	$ 3,335,973	$ 3,605,900	$ 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	8,833,043	8,323,318	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	-	160,018	6,470,402	-	-	220,446	-	657,742	-
Effect of economic/demographic (gains) or losses	447,642	(904,559)	1,031,201	(97,176)	(342,484)	51,548	(469,981)	(799,156)	(353,387)
Benefit payments/refunds of contributions	(4,356,328)	(4,064,695)	(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	8,260,330	7,119,982	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	115,026,556	107,906,574	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)	$ 123,286,886	$ 115,026,556	$ 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	$ 3,258,505	$ 2,666,462	$ 2,921,474	$ 2,502,476	$ 2,332,388	$ 2,161,062	$ 2,112,642	$ 2,172,311	$ 2,096,387
Member contributions	1,713,714	1,558,034	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	(7,077,199)	21,573,030	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	(4,356,328)	(4,064,695)	(3,230,075)	(3,261,216)	(2,800,123)	(2,462,383)	(1,964,882)	(1,698,702)	(1,903,707)
Administrative expenses	(66,507)	(64,830)	(71,804)	(66,823)	(60,006)	(50,010)	(47,364)	(42,013)	(42,610)
Other	186,860	31,551	87,731	37,670	(2,492)	14,351	61,301	8,243	(1,387)
Net change in fiduciary net position	(6,340,955)	21,699,552	10,441,314	12,982,226	(491,193)	10,527,771	5,951,452	985,518	5,054,390
Fiduciary net position, beginning	119,831,019	98,131,467	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)	$ 113,490,064	$ 119,831,019	$ 98,131,467	$ 87,690,153	$ 74,707,927	$ 75,199,120	$ 64,671,349	$ 58,719,897	$ 57,734,379
Net Pension Liability/(Asset), ending (a) - (b)	$ 9,796,822	$ (4,804,463)	$ 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	92.05%	104.18%	90.94%	94.32%	86.49%	93.88%	88.37%	87.77%	94.08%
Pensionable covered payroll	$ 24,481,632	$ 22,257,630	$ 23,887,770	$ 21,462,059	$ 20,423,716	$ 20,102,919	$ 20,551,020	$ 20,551,716	$ 19,610,771
Net pension liability/(asset) as a percentage of covered payroll	40.02%	-21.59%	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/(asset).
** 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 Nine Fiscal Years**

Year Ended September 30th: *	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 3,360,342	$ 3,086,084	$ 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	3,360,342	3,086,084	2,731,679	2,700,280	2,466,447	2,270,295	2,142,232	2,142,114	2,158,059
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pensionable Covered payroll	$ 26,082,919	$ 23,843,886	$ 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	12.9%	12.9%	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	18.1 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% 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	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
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. 2022: New investment return and inflation 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. 2021: No changes in plan provisions were reflected in the Schedule. 2022: 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 Six Measurement Years **

Measurement Date - December 31st: *	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	$ 44,887	$ 42,299	$ 37,502	$ 28,037	$ 29,827	$ 27,188
Interest on total OPEB liability	23,119	22,813	24,727	28,364	25,315	25,391
Effect of plan changes	-	-	-	-	-	-
Effect of assumption changes or inputs	(314,149)	19,592	119,046	191,221	(82,931)	35,268
Effect of economic/demographic (gains) or losses	10,479	(22,394)	6,019	(28,288)	1,190	(13,121)
Benefit payments	(19,583)	(17,806)	(19,110)	(17,170)	(14,297)	(12,062)
Net change in total OPEB liability	(255,247)	44,504	168,184	202,164	(40,896)	62,664
Total OPEB liability, beginning	1,087,125	1,042,621	874,437	672,273	713,169	650,505
Total OPEB liability, ending	$ 831,878	$ 1,087,125	$ 1,042,621	$ 874,437	$ 672,273	$ 713,169
Covered employee - payroll	$ 24,481,632	$ 22,257,630	$ 23,887,770	$ 21,462,059	$ 20,423,716	$ 20,102,919
Total OPEB liability as a percentage of covered employee - payroll	3.40%	4.88%	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.

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

WISE COUNTY, TEXAS
Combining Balance Sheet
Lateral Road Fund
September 30, 2023

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	$ 3,012	$ 86,011	$ 24,596	$ 157,617	$ -	$ 4,306	$ 697,509	$ -	$ 973,051
Investments	1,610,500	97,000	194,000	144,000	680,000	268,000	-	-	2,993,500
Receivables									
Property taxes (net of allowance of $105,445)	17,268	34,920	41,243	29,428	32,554	-	-	-	155,413
Accounts	31,071	55,680	7,214	5,881	9,260	1,238	-	-	110,344
Due from other governments	-	20,371	20,371	20,371	20,371	-	99,933	-	181,417
Total assets	$ 1,661,851	$ 293,982	$ 287,424	$ 357,297	$ 742,185	$ 273,544	$ 797,442	$ -	$ 4,413,725
Liabilities, deferred inflows of resources and fund balances									
Liabilities									
Checks in excess of cash	$ -	$ -	$ -	$ -	$ 38,463	$ -	$ -	$ -	$ 38,463
Accounts payable	-	5,436	24,243	9,926	24,332	-	-	-	63,937
Accrued salaries and benefits	-	35,759	39,908	39,170	33,081	-	-	-	147,918
Total liabilities	-	41,195	64,151	49,096	95,876	-	-	-	250,318
Deferred inflows of resources									
Unavailable revenue - property taxes	17,268	34,920	41,243	29,428	32,554	-	-	-	155,413
Unavailable revenue - other	23,331	-	-	-	-	-	-	-	23,331
Total deferred inflows of resources	40,599	34,920	41,243	29,428	32,554	-	-	-	178,744
Fund balances									
Restricted for									
Roads and bridges	1,621,252	217,867	182,030	278,773	613,755	-	797,442	-	3,711,119
Committed to									
Special road projects	-	-	-	-	-	273,544	-	-	273,544
Total fund balances	1,621,252	217,867	182,030	278,773	613,755	273,544	797,442	-	3,984,663
Total liabilities, deferred inflows of resources, and fund balances	$ 1,661,851	$ 293,982	$ 287,424	$ 357,297	$ 742,185	$ 273,544	$ 797,442	$ -	$ 4,413,725

WISE COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Lateral Road Fund
For the Fiscal Year Ended September 30, 2023

	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	$ 550,403	$ 1,114,368	$ 1,316,172	$ 939,273	$ 1,038,953	$ -	$ -	$ -	$ 4,959,169
Licenses and permits	-	348,050	348,050	348,050	348,050	-	-	-	1,392,200
Intergovernmental	-	53,647	53,647	53,647	53,647	-	99,933	-	314,521
Fines and forfeitures	-	55,090	55,092	55,088	55,088	-	-	-	220,358
Interest income	75,402	13,194	32,596	14,163	45,711	31,606	-	-	212,672
Miscellaneous revenues and donations	-	800	3,967	6,944	2,511	-	-	-	14,222
Total revenues	625,805	1,585,149	1,809,524	1,417,165	1,543,960	31,606	99,933	-	7,113,142
Expenditures									
Current:									
Public transportation	207,520	1,537,349	2,014,904	1,521,604	1,424,522	4,205	124,916	-	6,835,020
Capital outlay	125,991	233,827	43,402	-	86,710	-	-	-	489,930
Total expenditures	333,511	1,771,176	2,058,306	1,521,604	1,511,232	4,205	124,916	-	7,324,950
Excess (deficiency) of revenues over (under) expenditures	292,294	(186,027)	(248,782)	(104,439)	32,728	27,401	(24,983)	-	(211,808)
Other financing sources (uses)									
Operating transfers in	-	300,000	-	350,000	-	-	-	(615,000)	35,000
Operating transfers out	-	-	(15,000)	-	-	(600,000)	-	615,000	-
Sale of assets	-	49,980	2,700	14,400	56,318	-	-	-	123,398
Total other financing sources (uses)	-	349,980	(12,300)	364,400	56,318	(600,000)	-	-	158,398
Net change in fund balances	292,294	163,953	(261,082)	259,961	89,046	(572,599)	(24,983)	-	(53,410)
Fund balances, beginning of year	1,328,958	53,914	443,112	18,812	524,709	846,143	822,425	-	4,038,073
Fund balances, end of year	$ 1,621,252	$ 217,867	$ 182,030	$ 278,773	$ 613,755	$ 273,544	$ 797,442	$ -	$ 3,984,663

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
Debt Service Fund
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest Income	$ 1,033,250	$ 1,089,589	$ 1,089,586	$ (3)
Lease Revenue	1,025,400	1,025,400	1,662,692	637,292
Total revenues	2,058,650	2,114,989	2,752,278	637,289
Expenditures				
Debt service:				
Principal retirement	3,535,000	3,535,000	3,535,000	-
Interest and fiscal charges	1,359,944	1,416,283	1,357,854	58,429
Total expenditures	4,894,944	4,951,283	4,892,854	58,429
Excess (deficiency) of revenues over (under) expenditures	(2,836,294)	(2,836,294)	(2,140,576)	695,718
Other financing sources (uses)				
Operating transfers in	2,836,294	2,836,294	2,836,294	-
Total other financing sources (uses)	2,836,294	2,836,294	2,836,294	-
Net change in fund balances	$ -	$ -	695,718	$ 695,718
Fund balance, beginning of year			3,381,005	
Fund balance, end of year			$ 4,076,723	

NONMAJOR GOVERNMENTAL FUNDS

WISE COUNTY, TEXAS
Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds						
	Capital Projects Funds	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	$ 19,545	$ 148,648	$ 630,354	$ 196,663	$ -	$ 1,503,793	$ 2,499,003
Investments	3,439,500	-	-	260,500	-	-	3,700,000
Receivables							
Property tax (net of allowance of $25,815)	-	-	-	-	127,938	-	127,938
Accounts	17,264	14,152	-	12,257	-	12,257	55,930
Due from other governments	1,026,107	35,260	-	80,346	-	-	1,141,713
Total assets	$ 4,502,416	$ 198,060	$ 630,354	$ 549,766	$ 127,938	$ 1,516,050	$ 7,524,584
Liabilities, deferred inflows of resources, and fund balances							
Liabilities							
Accounts payable	$ 19,413	$ -	$ 444	$ -	$ -	$ 28,022	$ 47,879
Accrued salaries and benefits	-	2,800	-	-	-	-	2,800
Due to other governments	-	-	-	-	-	137,410	137,410
Deposits held and due to others	-	-	-	5,587	-	-	5,587
Total liabilities	19,413	2,800	444	5,587	-	165,432	193,676
Deferred inflows of resources							
Unavailable revenue - property taxes	-	-	-	-	127,938	-	127,938
Fund balances							
Restricted for							
Capital projects	4,483,003	-	-	-	-	-	4,483,003
State and federal programs	-	195,260	-	544,179	-	-	739,439
Records management	-	-	629,910	-	-	109,683	739,593
Legal	-	-	-	-	-	788,305	788,305
Public safety	-	-	-	-	-	318,328	318,328
Justice courts technology	-	-	-	-	-	134,302	134,302
Total fund balances	4,483,003	195,260	629,910	544,179	-	1,350,618	7,202,970
Total liabilities, deferred inflows of resources, and fund balances	$ 4,502,416	$ 198,060	$ 630,354	$ 549,766	$ 127,938	$ 1,516,050	$ 7,524,584

WISE COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2023

	Special Revenue Funds						
	Capital Projects 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	$ -	$ -	$ -	$ -	$ 4,227,045	$ -	$ 4,227,045
Intergovernmental	1,075,043	195,527	-	724,465	-	9,431	2,004,466
Fees of office	-	-	401,340	-	-	188,686	590,026
Interest income	213,069	-	-	11,866	-	-	224,935
Miscellaneous revenues and donations	25,704	90,746	-	380	-	38,862	155,692
Total revenues	1,313,816	286,273	401,340	736,711	4,227,045	236,979	7,202,164
Expenditures							
Current:							
General government	110,718	-	-	-	4,227,045	-	4,337,763
Judicial	-	-	-	-	-	38,826	38,826
Legal	-	-	382,131	-	-	54,286	436,417
Public safety	-	166,666	-	992,784	-	122,994	1,282,444
Capital outlay	2,477,014	128,530	-	-	-	23,866	2,629,410
Total expenditures	2,587,732	295,196	382,131	992,784	4,227,045	239,972	8,724,860
Excess (deficiency) of revenues over (under) expenditures	(1,273,916)	(8,923)	19,209	(256,073)	-	(2,993)	(1,522,696)
Other financing sources (uses)							
Operating transfers in	21,639	63,483	-	300,000	-	-	385,122
Operating transfers out	(7,500)	-	(133,588)	-	-	(30,000)	(171,088)
Sale of assets	-	-	-	-	-	42,044	42,044
Total other financing sources (uses)	14,139	63,483	(133,588)	300,000	-	12,044	256,078
Net change in fund balances	(1,259,777)	54,560	(114,379)	43,927	-	9,051	(1,266,618)
Fund balances, beginning of year	5,742,780	140,700	744,289	500,252	-	1,341,567	8,469,588
Fund balances, end of year	$ 4,483,003	$ 195,260	$ 629,910	$ 544,179	$ -	$ 1,350,618	$ 7,202,970

WISE COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual -
Nonmajor Capital Projects Fund
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	$ 2,500,000	$ 98,937	$ 1,075,043	$ 976,106
Interest income	3,500	213,070	213,069	(1)
Miscellaneous revenues and donations	-	8,664	25,704	17,040
Total revenues	2,503,500	320,671	1,313,816	993,145
Expenditures				
General government	85,000	103,989	110,718	(6,729)
Capital outlay	7,703,100	2,483,749	2,477,014	6,735
Total expenditures	7,788,100	2,587,738	2,587,732	6
Deficiency of revenues under expenditures	(5,284,600)	(2,267,067)	(1,273,916)	993,151
Other financing sources (uses)				
Operating transfers in	-	438,679	21,639	(417,040)
Operating transfers out	-	(407,500)	(7,500)	400,000
Total other financing sources (uses)	-	31,179	14,139	(17,040)
Net change in fund balances	$ (5,284,600)	$ (2,235,888)	(1,259,777)	$ 976,111
Fund balances, beginning of year			5,742,780	
Fund balances, end of year			$ 4,483,003	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	$ 4,236,000	$ 4,227,045	$ 4,227,045	$ -
Intergovernmental	616,550	929,430	929,423	(7)
Fees of office	548,700	590,029	590,026	(3)
Interest income	700	12,376	11,866	(510)
Miscellaneous revenues and donations	56,000	129,990	129,988	(2)
Total revenues	5,457,950	5,888,870	5,888,348	(522)
Expenditures				
Current:				
General government	4,236,000	4,227,045	4,227,045	-
Judicial	47,000	47,196	38,826	8,370
Legal	472,500	440,329	436,417	3,912
Public safety	995,555	1,297,124	1,282,444	14,680
Capital outlay	24,000	202,222	152,396	49,826
Total expenditures	5,775,055	6,213,916	6,137,128	76,788
Deficiency of revenues under expenditures	(317,105)	(325,046)	(248,780)	76,266
Other financing sources (uses)				
Operating transfers in	30,000	363,483	363,483	-
Operating transfers out	(156,811)	(163,588)	(163,588)	-
	-	42,044	42,044	-
Total other financing sources (uses)	(126,811)	241,939	241,939	-
Net change in fund balances	$ (443,916)	$ (83,107)	(6,841)	$ 76,266
Fund balances, beginning of year			2,726,808	
Fund balances, end of year			$ 2,719,967	

CUSTODIAL FUNDS

WISE COUNTY, TEXAS
Combining Statement of Fiduciary Net Position
All Custodial Funds
September 30, 2023

	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	$ 431,905	$ 72,243	$ 9,167	$ 17,261	$ 360,669	$ 4,330	$ 6,977	$ 456,364	$ 24,609	$ 61,741
Investments	-	-	-	-	550,000	-	-	-	-	-
Receivables:										
Property taxes - for other governments	-	-	-	-	-	-	-	-	-	-
Total assets	$ 431,905	$ 72,243	$ 9,167	$ 17,261	$ 910,669	$ 4,330	$ 6,977	$ 456,364	$ 24,609	$ 61,741
Liabilities										
Property taxes to be collected - due to other governments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-	-	-	-	-	-
Net position										
Restricted for individuals, organizations and others	431,905	72,243	9,167	17,261	910,669	4,330	6,977	456,364	24,609	61,741
Total net position	$ 431,905	$ 72,243	$ 9,167	$ 17,261	$ 910,669	$ 4,330	$ 6,977	$ 456,364	$ 24,609	$ 61,741

WISE COUNTY, TEXAS
Combining Statement of Fiduciary Net Position
All Custodial Funds
September 30, 2023

	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	$ 304,502	$ 8,363	$ 3,809,344	$ 323,274	$ 67,020	$ 133,393	$ 236,329	$ 2,417	$ -	$ 6,329,908
Investments	-	-	133,724	-	-	-	-	-	-	683,724
Receivables:										
Property taxes - for other governments	-	-	-	4,520,522.00	-	-	-	-	-	4,520,522
Total assets	$ 304,502	$ 8,363	$ 3,943,068	$ 4,843,796	$ 67,020	$ 133,393	$ 236,329	$ 2,417	$ -	$ 11,534,154
Liabilities										
Property taxes to be collected - due to other governments	$ -	$ -	$ -	$ 4,520,522	$ -	$ -	$ -	$ -	$ -	$ 4,520,522
Total liabilities	-	-	-	4,520,522	-	-	-	-	-	4,520,522
Net position										
Restricted for individuals, organizations and others	304,502	8,363	3,943,068	323,274	67,020	133,393	236,329	2,417	-	7,013,632
Total net position	$ 304,502	$ 8,363	$ 3,943,068	$ 323,274	$ 67,020	$ 133,393	$ 236,329	$ 2,417	$ -	$ 7,013,632

WISE COUNTY, TEXAS
Combining Statement of Changes in Fiduciary Net Position
All Custodial Funds
For the Fiscal Year Ended September 30, 2023

	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	$ 32,252	$ 574,232	$ 27,833	$ 16,613	$ 1,938,241	$ 43,073	$ 104,899	$ 719,872	$ -	$ 619,084
Tax collections for other governments	-	-	-	-	-	-	-	-	-	-
Total additions	32,252	574,232	27,833	16,613	1,938,241	43,073	104,899	719,872	-	619,084
Deductions										
Payments to others	191,847	1,079,929	29,959	2,535	2,015,513	43,856	100,892	626,787	-	585,792
Payments to other governments	-	-	-	-	-	-	-	-	-	-
Total deductions	191,847	1,079,929	29,959	2,535	2,015,513	43,856	100,892	626,787	-	585,792
Net change in fiduciary net position	(159,595)	(505,697)	(2,126)	14,078	(77,272)	(783)	4,007	93,085	-	33,292
Net position, beginning of year	591,500	577,940	11,293	3,183	987,941	5,113	2,970	363,279	24,609	28,449
Net position, end of year	$ 431,905	$ 72,243	$ 9,167	$ 17,261	$ 910,669	$ 4,330	$ 6,977	$ 456,364	$ 24,609	$ 61,741

WISE COUNTY, TEXAS
Combining Statement of Changes in Fiduciary Net Position
All Custodial Funds
For the Fiscal Year Ended September 30, 2023

	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	$ 26,970,651	$ -	$ 21,507,159	$ -	$ 345,927	$ 85,106	$ 1,375	$ 3,379	$ -	$ 52,989,696
Tax collections for other governments	-	-	-	172,873,795	-	-	-	-	-	172,873,795
Total additions	26,970,651	-	21,507,159	172,873,795	345,927	85,106	1,375	3,379	-	225,863,491
Deductions										
Payments to others	26,941,558	-	19,293,646	-	483,343	408,137	75,533	3,195	25,891	51,908,413
Payments to other governments	-	-	-	172,644,438	-	-	-	-	-	172,644,438
Total deductions	26,941,558	-	19,293,646	172,644,438	483,343	408,137	75,533	3,195	25,891	224,552,851
Net change in fiduciary net position	29,093	-	2,213,513	229,357	(137,416)	(323,031)	(74,158)	184	(25,891)	1,310,640
Net position, beginning of year	275,409	8,363	1,729,555	93,917	204,436	456,424	310,487	2,233	25,891	5,702,992
Net position, end of year	$ 304,502	$ 8,363	$ 3,943,068	$ 323,274	$ 67,020	$ 133,393	$ 236,329	$ 2,417	$ -	$ 7,013,632

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								
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
2022	39,671,083	3,201,730	2,806,513	1,370,816	6,228,616	702,484	1,412,901	1,917,343	620,761	1,496,795	59,429,042
2023	45,528,214	3,325,421	3,814,545	1,392,200	6,094,008	642,601	3,037,399	1,834,624	599,392	909,598	67,178,002

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
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
2022	7,259,273	4,550,325	2,509,575	440,497	3,347,299	2,538,232	20,029,509	6,518,191	1,460,120	621,624	273,926	4,257,936	53,806,507
2023	8,257,642	4,691,750	2,584,545	388,388	3,533,958	2,734,263	23,774,433	6,960,835	1,636,082	682,169	293,222	4,957,257	60,494,544

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
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%
2022	32,465,227	32,017,631	98.62%	378,841	32,396,472	99.79%	1,691,303	5.21%
2023	37,164,479	36,582,189	98.43%	400,095	36,982,284	99.51%	1,802,771	4.85%

WISE COUNTY, TEXAS
Computation of Legal Debt Margin
September 30, 2023
(Unaudited)

Assessed valuation:			
Assessed valuation of property			$13,586,669,570
Less: Exemptions and Deductions			(2,359,076,086)
Taxable assessed value			$11,227,593,484
Legal debt margin:			
Debt limit (25% of taxable assessed value)			$2,806,898,371
Debt applicable to limitation:			
Total bonded debt			
Add: Tax notes		4,690,000	
Certificates of obligation		1,880,000	
Less: Amount available for repayment of bonded debt		(1,694,700)	
Total debt applicable to limitation			4,875,300
Legal debt margin			$2,802,023,071

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
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
2022	71,714	8,760,117,832	9,080,000	1,026,122	8,053,878	0.092%	112.31
2023	74,897	11,227,593,484	6,570,000	1,694,700	4,875,300	0.043%	65.09

Overall Compliance and Internal Controls Section

SNOW GARRETT 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 (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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
April 12, 2024

WISE COUNTY, TEXAS
Summary Schedule of Prior Audit Findings
September 30, 2023

Finding/Recommendation

There were no prior year findings.

WISE COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2023

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	

Federal and 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		
Version of compliance supplement used in audit:	May 2023		
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?	_____ Yes	__x__ No	
Any audit findings disclosed that are required to be reported in accordance with section 510 of the Texas Grant Management Standards?	_____ Yes	__x__ No	

Identification of Major Programs:

Federal Awards
U.S. Department of Treasury:
ALN 21.027 Coronavirus State and Local Fiscal Recovery Funds

State Awards
Texas Historic Courthouse Preservation Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000		
Auditee qualified as a low-risk auditee?	_____ Yes	__x__ No	

Section II - Financial Statement Findings

None noted.

Section III - Federal and State Award Findings and Questioned Costs

None noted.

WISE COUNTY, TEXAS
Corrective Action Plan
September 30, 2023

A corrective action plan is not needed.

FEDERAL AND STATE AWARDS SECTION

SNOWGARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal and State Program

Opinions on Each Major Federal and State Program

We have audited Wise County, Texas' (the County), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the Texas Grant Management Standards that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2023. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Wise County, Texas, 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 federal and state programs for the year ended September 30, 2023.

Basis for Opinions on Each Major Federal and State Program

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Texas Grant Management Standards (TxGMS) . Our responsibilities under those standards, the Uniform Guidance and the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on compliance for each major federal and state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 federal or 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 federal or 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 federal or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

Snow Garrett Williams

Snow Garrett Williams
April 12, 2024

WISE COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Forest Service Schools and Roads Cluster				
U.S. Department of Agriculture				
Schools and Roads - Grants to Counties	10.666		$ 317,864	$ 158,930
Total U.S. Department of Agriculture			317,864	158,930
Total Forest Service Schools and Roads Cluster			317,864	158,930
Other Programs				
U.S. Department of Justice				
State Criminal Alien Assistance Program	16.606		40,894	-
Bulletproof Vest Partnership Program	16.607		6,000	-
Passed Through North Central Texas Council of Governments				
Edward Byrne Memorial Justice Assistance Program	16.738		103,690	
Total Passed Through Texas Department of State Health Services			103,690	-
Total U.S. Department of Justice			150,584	-
U.S. Department of Health and Human Services				
Passed Through Texas Department of State Health Services				
Public Health Emergency Preparedness	93.069	537-18-0146-00001	37,733	-
Total Passed Through Texas Department of State Health Services			37,733	-
Passed Through Texas Office of Attorney General				
Child Support Enforcement	93.563		4	-
Total Passed Through Texas Office of Attorney General			4	-
Total U.S. Department of Health and Human Services			37,737	-
U.S. Department of Homeland Security				
Passed Through Texas Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentally Declared Disasters)	97.036	F#804	4,550	-
Total Passed Through Texas Division of Emergency Management			4,550	-
Total U.S. Department of Homeland Security			4,550	-
U.S. Department of the Treasury				
Coronavirus State And Local Fiscal Recovery Funds (COVID-19)	21.027		3,253,810	-
Local Assistance and Tribal Consistency Fund	21.032		50,000	-
Total U.S. Department of the Treasury			3,303,810	-
Total Other Programs			3,496,681	-
Total Expenditures of Federal Awards			$ 3,814,545	$ 158,930

The accompanying notes are an integral part of this schedule.

WISE COUNTY, TEXAS
Schedule of Expenditures of State Awards
For the Fiscal Year Ended September 30, 2023

State Grantor/ Pass-Through Grantor/ Program Title	Grant Contract Number	State Expenditures
Texas Department of Transportation		
County Transportation Infrastructure Fund Grant	CTIF-01-249	$ 99,933
Total Texas Department of Transportation		99,933
Texas Office of Court Administration		
Passed through Texas Indigent Defense Commission		
Indigent Defense Formula Grant	212-23-249	49,504
Total Passed through Texas Indigent Defense Commission		49,504
Total Texas Office of Court Administration		49,504
Texas Office of the Attorney General		
Statewide Automated Victim Notification Service (SAVNS)	C-00435	12,324
Total Texas Office of the Attorney General		12,324
Commission on State Emergency Communications		
Passed through North Central Texas Council of Governments		
Texas Rural Addressing Maintenance Project (911 Grant)	N/A	30,770
Total Passed through North Central Texas Council of Governments		30,770
Total Commission on State Emergency Communications		30,770
Texas Secretary of State		
Chapter 19 Funds	N/A	1,079
Total Texas Secretary of State		1,079
Texas Historical Commission		
Texas Historic Courthouse Preservation Program	N/A	1,025,043
Total Texas Historical Commission		1,025,043
Texas Department of State Health Services		
Passed through North Central Texas Regional Advisory Council		
State Trauma Grant	N/A	8,622
Total Passed through North Central Texas Regional Advisory Council		8,622
Total Texas Department of State Health Services		8,622
Total Expenditures of State Awards		$ 1,227,275

The accompanying notes are an integral part of this schedule.

WISE COUNTY, TEXAS
Notes to the Schedules of Expenditures of Federal and State Awards
For the Year Ended September 30, 2023

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal and state awards ("the Schedules") include the federal and state awards of Wise County, Texas. The information in the Schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Texas Grant Management Standards (TxGMS). Because the schedules present only a selected portion of the operations of Wise County, they are not intended to and do 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 Schedules are reported on the accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance and TxGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Wise County, Texas has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance or TxGMS.