

**MATAGORDA COUNTY, TEXAS**

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

For the Fiscal Year Ended  
December 31, 2022

MATAGORDA COUNTY, TEXAS  
MATAGORDA COUNTY AUDITOR'S OFFICE  
2200 7<sup>th</sup> Street, Room 208  
Bay City, TX 77414



# MATAGORDA COUNTY, TEXAS

## Annual Comprehensive Annual Financial Report

For the Year Ended December 31, 2022

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**INTRODUCTORY SECTION**





**KRISTEN E. KUBECKA**  
**COUNTY AUDITOR**  
MATAGORDA COUNTY  
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BAY CITY, TEXAS 77414-5095  
(979) 241-0120

Honorable District Judges of Matagorda County and  
Honorable Members of the Matagorda County Commissioners Court:

Chapter 114.025 and chapter 115.045 of the Local Government Code of the State of Texas requires the issuance within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a licensed certified public accountant. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Matagorda County for the fiscal year ended December 31, 2022.

This report consists of management's representations concerning the finances of Matagorda County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Matagorda County's financial statements in conformity with GAAP. The County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement because the cost of internal controls should not outweigh their benefits. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Matagorda County's financial statements have been audited by KM&L LLC, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2022, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2022, are presented in conformity with GAAP. The independent auditor's report is presented as the first item in the financial section of this report.

The independent audit of the financial statements of Matagorda County was part of the broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Matagorda County's MD&A can be found immediately following the report of the independent auditors. The financial section also includes government-wide financial statements, fund financial statements, notes, required supplementary information and the combining and individual fund financial statements and schedules. The statistical section of the report includes selected financial and demographic information, which is generally presented on a multi-year basis.

## **PROFILE OF MATAGORDA COUNTY**

The County of Matagorda, created in 1836 is rich in history and tradition. The County is located between Galveston and Corpus Christi along the Gulf Coast and enjoys a diversity of geography from its wide expanse of prairies to the many creeks, rivers, lakes, bays and Gulf of Mexico. Matagorda County occupies an area of 1,115 square miles and serves an estimated population of 36,255. The County is a political subdivision of the State of Texas. Neighboring counties are Brazoria, Wharton and Jackson.

The County operates as specified under the Constitution of the State of Texas and Vernon's Texas Code Annotated, which provide for a Commissioners Court consisting of the County Judge and four County Commissioners, one from each of four geographical precincts. The Commissioners Court is the governing body of the County. The County Judge is elected at large to serve a four-year term and the Commissioners serve four-year staggered terms, two members elected every two years.

The Commissioners Court has certain powers granted to it by the state legislature. Its duties include adoption of the budget, setting of the tax rates, approval of contracts, appointment of certain county officials and the development of policies and orders. The Commissioners Court shares the financial controls of the County with the County Auditor who is appointed according to Texas State statutes for two-year terms by the District Judges. The County Auditor holds the basic responsibilities for establishing accounting policies and procedures, maintaining the records of all financial transactions of the County, and "examining and approving" disbursements from county funds prior to their submission to the Commissioners Court for payment.

Matagorda County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local governmental units. These include volunteer fire departments, libraries and the museum. A primary service is the administration of justice, which includes the county and district courts, justices of the peace, constables, district attorney, clerks of the courts, sheriff, jail, and bailiffs. Other functions performed by the County include juvenile services, maintaining public health and welfare and the construction and maintenance of roads and bridges.

## **BUDGET**

The annual budget serves as the foundation for the County's planning and control. Budgetary control is maintained at the subtotal level of the County budget for the following categories: Personnel, Operating Costs, Capital Outlay and Debt. Expenditures for current operating funds may not exceed available cash balances in such funds at January 1, plus the estimate of revenues for the ensuing year. At any time during the year, Commissioners Court may increase the budget for unexpected revenues, expenditures, or actual beginning fund balances in excess of budgeted estimates, if Commissioners Court declares the existence of an emergency necessitating the increase. All annual budget appropriations lapse at year-end with the exception of the commissioner's budgets. Prior to year-end, the commissioners commit a portion of unrestricted General Fund balance for the unspent portion of their precinct budgets. The County also maintains an encumbrance accounting system for the general fund as one method of maintaining budgetary control. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted.



## LONG TERM FINANCIAL PLANNING

The long-term financial plans of the county consist of continued infrastructure improvement for roads and bridges and efforts to explore avenues for enhanced economic growth. The commissioners' court adopted an updated tax abatement policy to aid in negotiations with potential industrial clients and to continue to attract growth for Matagorda County.

Additional appropriations for courthouse maintenance and repairs were approved to preserve our capital assets to ensure they reach their potential life expectancy.

## LOCAL ECONOMY

An understanding of the financial condition of Matagorda County is enhanced through a perspective of the environment in which the County operates. Matagorda County's primary economic bases include utilities, petrochemical processing, transmission, agriculture, commercial fishing and tourism. Matagorda County has outstanding opportunities for industry growth because of its location and proximity to the Gulf of Mexico, the Colorado River and the Gulf Intercoastal Canal waterway as well as rail accessibility.

For several years, Matagorda County has partnered with the South Texas Project Nuclear Operating Company (STP) in providing Emergency Preparedness Training and Operations Drills for the safety of its citizens. This contract is not only financially favorable to the County, but has also provided invaluable emergency preparedness skills and a network of cooperation between the County leaders and departments and its industry neighbors. Through a joint partnership with the South Texas Project and Wharton County Junior College, the South Texas Center for Energy Development continues to serve as a career center for staffing at STP and also offers classes focusing on process-technology and power-technology programs to train students for work at chemical, industrial and nuclear plants. STP is the County's largest employer with over 1,000 employees.

Matagorda Regional Medical Center (MRMC) serves the community at its 117,000 square-foot facility located on 45 acres of land on Texas 35 west. This two-story acute care hospital has 58 patient rooms, offers expanded services, and attractive and comfortable patient and visitor areas. A 40,000 square foot medical office building on the MRMC campus provides a two-story Diagnostic Center for outpatient testing as well as physician clinic space.

The economic outlook for Matagorda County remains positive for the future. Tenaris, a seamless steel pipe manufacturing plant is located in the County with an approximate value of \$1.8 billion. Tenaris did have a reduction in staffing at the Bay City location during 2020, but began rehiring during first quarter of 2021 and has retained those employees during 2022. Tenaris ended the 2022 year with approximately 690 employees per Tenaris' reports to the County. Peyton Creek Windfarm continues to be operational on a 180 MW project. E-on Windfarm second phase is still currently in development. Environmental Fluids completed building construction on their \$5 to \$30 million capital investment project during 2019; operations remain ongoing since 2020. This project created over 100 jobs at peak employment. Air Liquide, a \$107 million, 20-acre world-scale Air Separation Unit at the Port Authority of Bay City started operations during 2022. This project created 10 to 30 employees. Lodestar Energy Group, LLC is building a \$32 million South Texas Rail Terminal in Matagorda County. The terminal will handle rail traffic from nearby fractionation, crude oil and natural gas storage facilities. In June 2021, Rohm announced the construction of a \$200 million methyl methacrylate plant in the Bay City area, creating approximately 70 full time jobs. Operations are projected to begin in 2023. OQ Chemical a plastic manufacturer located outside of Bay City plans a \$70 million expansion to support the new Rohm facility with the production of additional propinoaldehyde. The expansion is projected completed in 2023 and has been a large community supporter. Oxea, a global chemical company, post-construction continues to operate its 100,000 mt per annum world-scale production unit. An Oyster Research and Recovery Center is located in Palacios operated by a partnership between Harte Research Institute and Texas A&M AgriLife Research. Operations recently focus on producing larvae for aquaculture farmers, forming partnerships for the development of new oyster reef habitat, bolstering the economic resilience of coastal communities, and ensuring future Gulf Coast resources. Several industrial projects have shown interest in the County by communicating to the Commissioner's Court through the Matagorda County Economic Development. Hotels have continued to respond positively supporting the economic growth within the County. The County hopes that with these additions more business opportunities will follow. Tourism continues to grow as Matagorda's coastline is developed and discovered by those who enjoy fishing, beach and river activities or just relaxing.

## **FINANCIAL POLICIES**

The County has adopted an investment policy as required by state law and in conformity with state investment statutes. The investment policy as adopted by the County employs the prudent person concept in that priorities were established as to the investment vehicles the County would use. Compliance with the laws of the State of Texas and Safety were established as first priorities, followed by liquidity, low risk and diversification with an active versus passive management philosophy maintaining high professional and ethical standards.

The County Treasurer is responsible for administering all of the investment of idle funds in the County. For the last several years, the County's depository has provided better interest rates than comparable liquid investments. During the fiscal year, the County earned approximately \$0.28 million interest on the funds invested.

In 2011, the County established a Fund Balance Policy in accordance with Governmental Accounting Standards Board Statement 54, adopting new classifications of fund balance, the method for committing fund balance and setting the order in which resources will be expended.

The County is responsible for establishing its tax rate. For the fiscal year ended December 31, 2022, the tax rate to finance general governmental services was \$0.39617 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt was \$0.00357 per \$100 of valuation.

In addition, the County also has the following financial policies:

- The Commissioners Court of the County shall formally adopt the annual budget prepared by the Budget Officer, members of the Commissioners' court and the County Auditor.
- Expenditures are controlled not to exceed available resources. All elected officials and department heads are required to keep expenditures within allocated budgets.
- Balanced financial operations will be maintained. Adequate internal accounting controls are developed and maintained to safeguard assets and provide reasonable assurance of proper recording of financial transactions.
- The County continues its effort on the replacement and upgrade of software when needed and it has provided funding when possible.
- Delivery of service to the constituents.
- Restrain the debt issuance to keep the tax rate low.

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Matagorda County for its comprehensive annual financial report for the fiscal year ended December 31, 2021. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last 19 consecutive years. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to express my appreciation to members of the Commissioners' Court and to the District Judges for their interest and support in planning and conducting the financial operations of the County in a responsible and professional manner. The timely completion of this report could not have been achieved without the dedicated efforts of the entire staff of the Office of County Auditor and the professional services provided by our independent Auditor, KM&L LLC.

Respectfully submitted,

A handwritten signature in black ink that reads "Kristen Kubecka". The signature is written in a cursive style with a vertical line on the left side of the first letter 'K'.

---

Kristen Kubecka, County Auditor  
Matagorda County, Texas  
July 31, 2023



Government Finance Officers Association

Certificate of  
Achievement for  
Excellence in  
Financial  
Reporting

Presented to

**Matagorda County  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

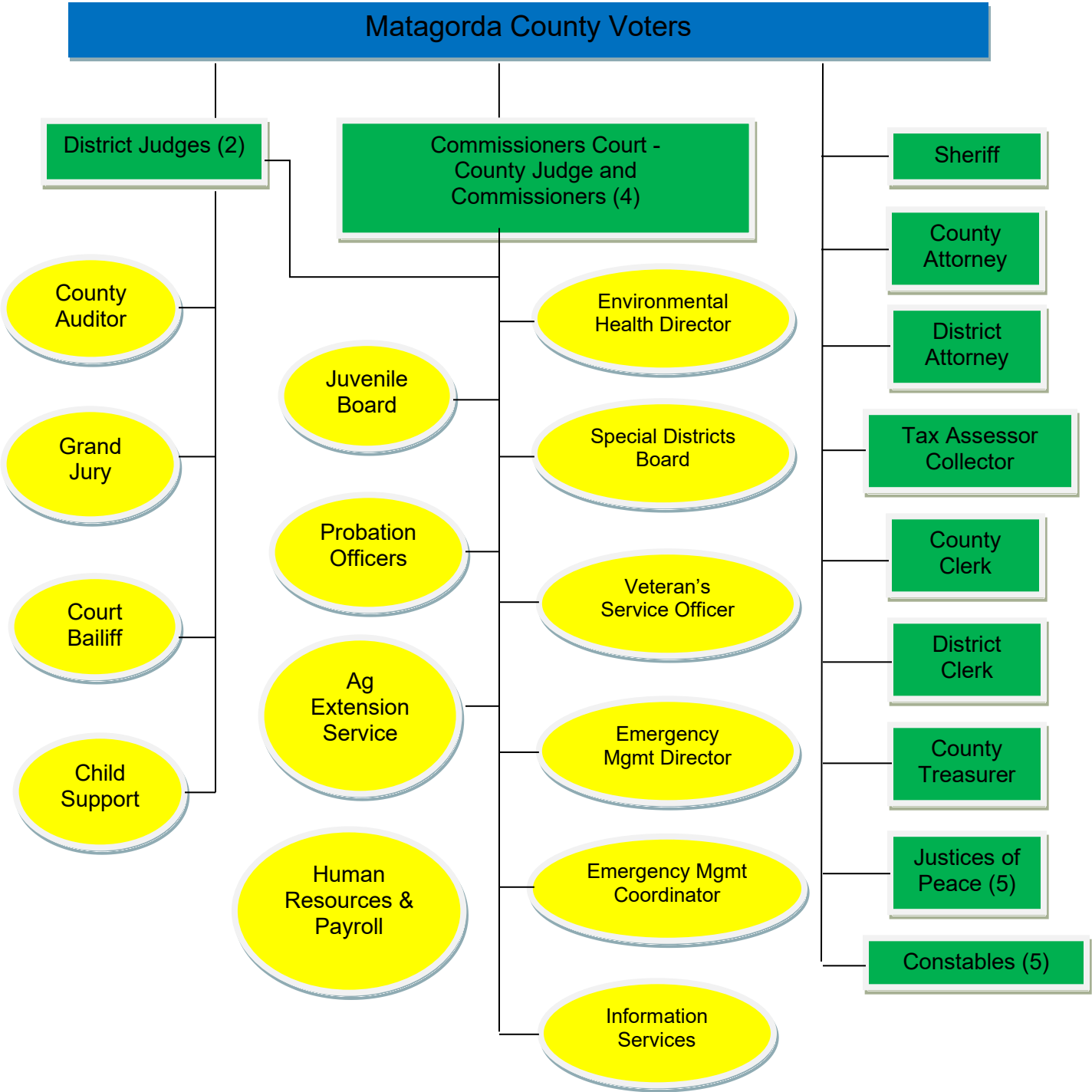
*Christopher P. Morill*

Executive Director/CEO

# MATAGORDA COUNTY Organization Chart

Elected Officials

Appointed Officials



**MATAGORDA COUNTY, TEXAS**

**ELECTED AND APPOINTED OFFICIALS  
DECEMBER 31, 2022**

**ELECTED OFFICIALS**

Judge, 23<sup>rd</sup> Judicial District  
Judge, 130<sup>th</sup> Judicial District  
County Judge  
Commissioner, Precinct #1  
Commissioner, Precinct #2  
Commissioner, Precinct #3  
Commissioner, Precinct #4  
County Sheriff  
County Attorney  
District Attorney  
County Tax Collector  
County Clerk  
District Clerk  
County Treasurer  
Justice of the Peace, Precinct #1  
Justice of the Peace, Precinct #2  
Justice of the Peace, Precinct #3  
Justice of the Peace, Precinct #4  
Justice of the Peace, Precinct #6  
Constable, Precinct #1  
Constable, Precinct #2  
Constable, Precinct #3  
Constable, Precinct #4  
Constable, Precinct #6

Ben Hardin  
Denise Fortenberry  
Bobby Seiferman  
Edward Cook  
Mike Estlinbuam  
Troy Shimek  
Charles Frick  
Frank Osborne  
Kim Chau  
Steven Reis  
Becky Cook  
Stephanie Wurtz  
Janice Hawthorne  
Loretta Griffin  
Jason Sanders  
Suzanne Sullivan  
Amy Tapia  
Mark Finlay  
James Powell  
Doug Schoppe  
Keith Sullivan  
Jesse Alvarez  
David Miles  
Ricky Bort

**APPOINTED OFFICIALS**

County Auditor  
Court Baliff  
Child Support  
Ag Extension Agent  
Environmental Health Director  
Veterans Service Office  
Emergency Management Director  
Emergency Management Coordinator  
Information Services  
Human Resources & Payroll Director

Kristen Kubecka  
Bill Orton  
Bell Cortinas  
Greg Baker  
Lisa Krobot  
David Libby  
Bobby Seiferman  
Amanda Campos  
Chris Peikert  
Tressa Leadford

## **FINANCIAL SECTION**







## Independent Auditor's Report

The Honorable County Judge  
and Members of Commissioners Court  
Matagorda 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 Matagorda County, Texas (the "County"), as of and for the year ended December 31, 2022, 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 the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 the County 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.

**Lake Jackson**  
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**Bay City**  
2245 Avenue G  
Bay City, TX 77414  
979-245-9236



The Honorable County Judge,  
and Members of Commissioners Court  
Matagorda County, Texas

### ***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.

The Honorable County Judge,  
and Members of Commissioners Court  
Matagorda County, Texas

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, required pension schedules and required OPEB schedules on pages 5 through 16 and 69 through 76 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 individual nonmajor fund financial statements and schedules and schedule of expenditures 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*, 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 individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal 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 introductory and statistical sections 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.

The Honorable County Judge,  
and Members of Commissioners Court  
Matagorda County, Texas

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2023 on our consideration of the 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 the County's internal control over financial reporting and compliance.

***KM&L, LLC***

Lake Jackson, Texas  
July 31, 2023

## MATAGORDA COUNTY, TEXAS

### *Management's Discussion and Analysis For the Year Ended December 31, 2022*

As management of Matagorda County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental activities by \$ 35,144,291 (net position). Of this amount, unrestricted net position is \$ 56,548.
- The County's total net position increased for governmental activities by \$ 9,564,689.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 29,798,963. 64.08% of this amount, \$ 19,095,280 (unassigned fund balance), was available for use within the County's fund designations. Of the governmental funds amount, \$ 6,281,181 has been restricted for specific uses.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 19,095,280 or 68.22% of the total general fund expenditures.

#### **Overview of the Financial Statements**

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

**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 a private-sector business.

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 the four 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 the County's net position changed during the fiscal year. All changes in net position are reported when 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 only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

## MATAGORDA COUNTY, TEXAS

### *Management's Discussion and Analysis For the Year Ended December 31, 2022*

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the County include general government, justice system, public safety, corrections and rehabilitation, health and human services, community and economic development, and infrastructure and environmental services. The County has no *business-type activities*.

The government-wide financial statements can be found on pages 18 and 19 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 three categories: governmental funds, proprietary 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses 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 a government'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 funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances, provides reconciliations to facilitate this comparison between governmental funds and governmental activities.

The County maintains eighteen (18) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Intergovernmental Grants Fund, which are considered to be major funds. Data from the other sixteen (16) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 20 through 25 of this report.

- **Proprietary Funds.** The County maintains one category of *proprietary fund*, the *internal service fund*. The internal service fund is an accounting device used to accumulate and allocate costs of its self-funded health insurance program among various funds and functions. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary funds financial statements can be found on pages 26 through 28 of this report.

## MATAGORDA COUNTY, TEXAS

### *Management's Discussion and Analysis For the Year Ended December 31, 2022*

- **Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's operations. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's basic fiduciary financial statements can be found on pages 29 through 30.

**Notes to the 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 32 through 66 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 69 through 76 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 80 through 87 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 \$ 35,143,404 as of December 31, 2022. This is an increase in net position of \$ 9,563,802 which is primarily due to an increase in capital grants and contributions and an overall decrease in total expenses.

The largest portion of the County's net position of \$ 29,431,071 reflects its investments in capital assets (e.g., land; construction in progress, vehicles and equipment, buildings and improvements and infrastructure), less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide service to citizens and 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. Net investment in capital assets increased by \$ 3,335,591 due to an increase in capital grants and contributions for the current fiscal year.

An additional portion of the County's net position of \$ 5,656,672 represents resources that are subject to external restrictions on how they may be used. The remaining balance is \$ 56,548, which represents unrestricted net position.

**MATAGORDA COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*

**MATAGORDA COUNTY'S NET POSITION**

	<u>Governmental Activities</u>		
	<u>2022</u>	<u>2021</u>	<u>Net Change</u>
<b>ASSETS</b>			
Current and other assets	\$ 69,151,996	\$ 58,963,009	\$ 10,188,987
Capital assets	<u>31,157,399</u>	<u>27,868,211</u>	<u>3,289,188</u>
Total assets	<u>100,309,395</u>	<u>86,831,220</u>	<u>13,478,175</u>
Total deferred outflows of resources	<u>4,958,628</u>	<u>6,854,370</u>	<u>( 1,895,742)</u>
<b>LIABILITIES</b>			
Current and other liabilities	6,986,676	5,954,270	1,032,406
Long-term liabilities	<u>20,459,618</u>	<u>37,490,322</u>	<u>( 17,030,704)</u>
Total liabilities	<u>27,446,294</u>	<u>43,444,592</u>	<u>( 15,998,298)</u>
Total deferred inflows of resources	<u>42,677,438</u>	<u>24,661,396</u>	<u>18,016,042</u>
<b>NET POSITION</b>			
Net investment in capital assets	29,431,071	26,095,480	3,335,591
Restricted	5,656,672	4,701,077	955,595
Unrestricted	<u>56,548</u>	<u>( 5,216,955)</u>	<u>5,273,503</u>
Total net position	<u>\$ 35,144,291</u>	<u>\$ 25,579,602</u>	<u>\$ 9,564,689</u>



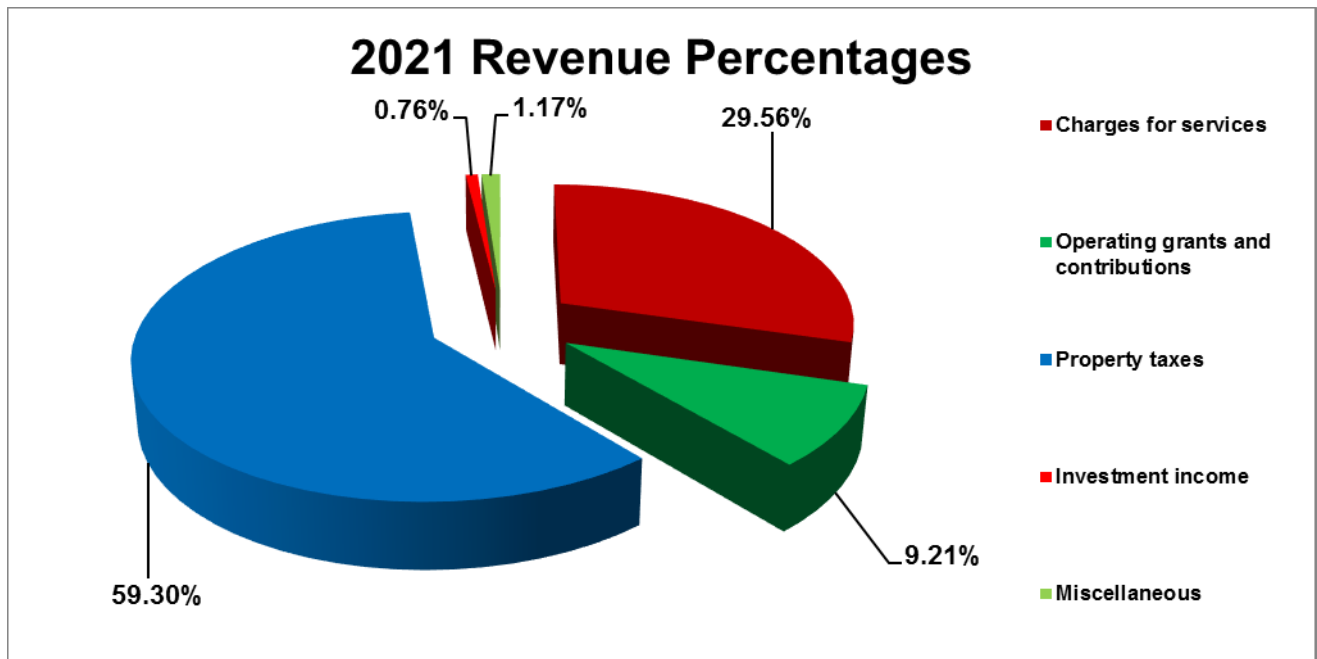
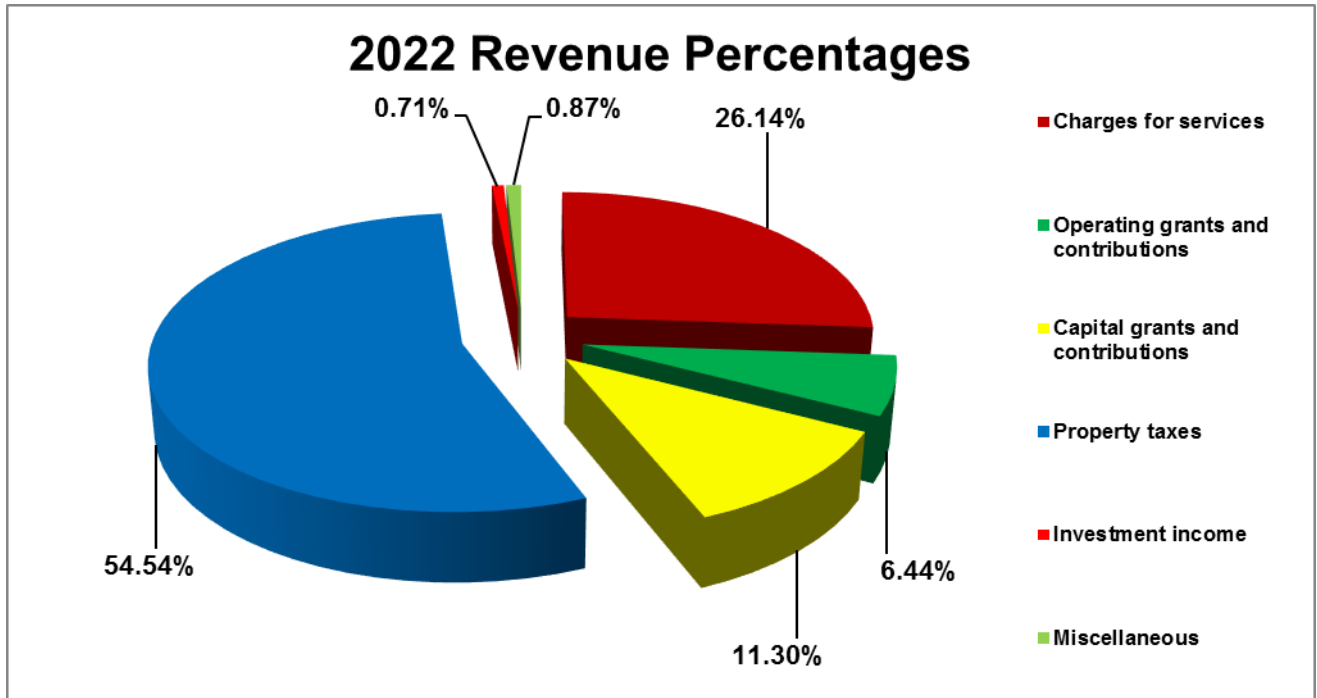
**MATAGORDA COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*

**Analysis of the County's Operations.** Governmental activities reported an increase in net position in the amount of \$ 9,563,802 due to increased capital grants and contributions and an overall decrease in total expenses. The following table provides a summary of the County's operations for the years ended December 31, 2022 and 2021.

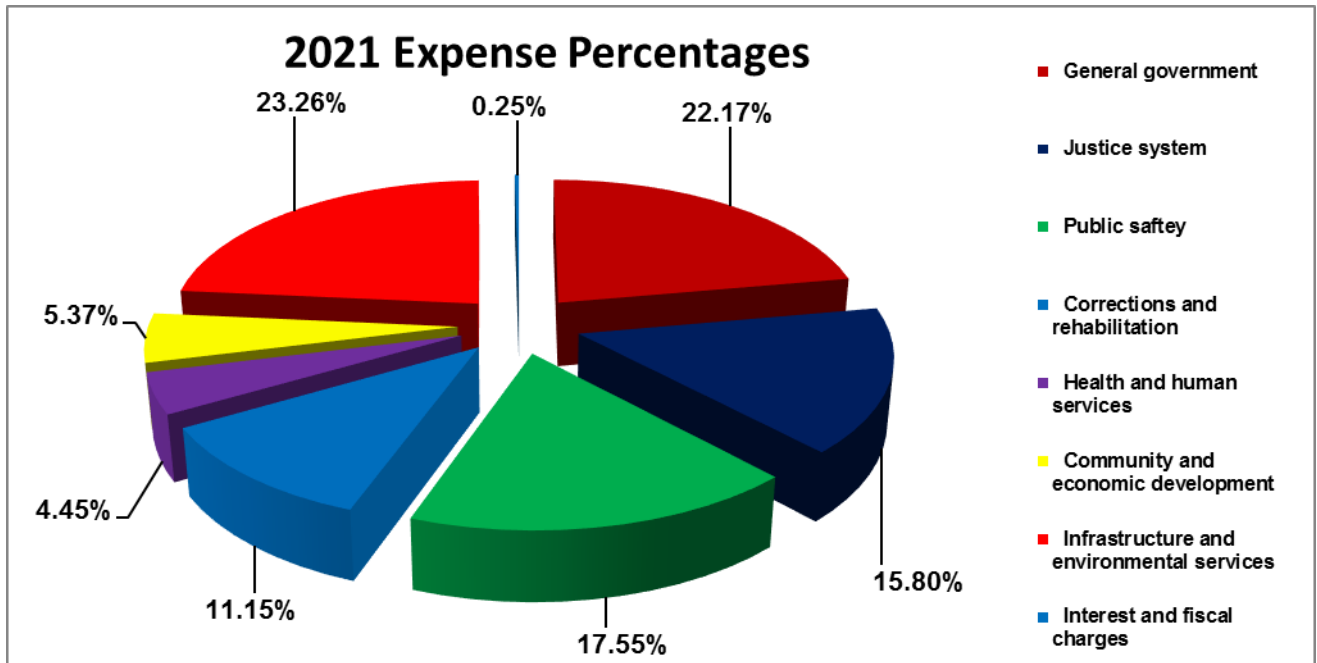
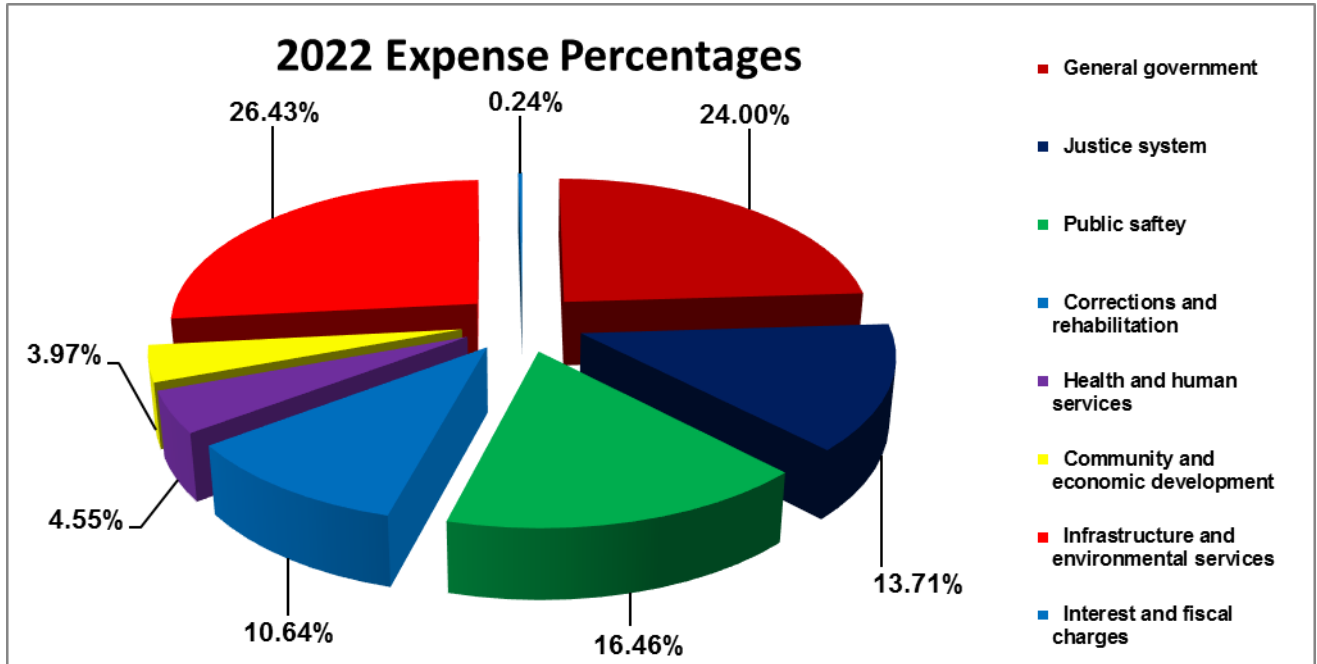
**MATAGORDA COUNTY'S CHANGES IN NET POSITION**

	<u>Governmental Activities</u>		<u>Net Change</u>
	<u>2022</u>	<u>2021</u>	
Revenues:			
Program Revenues:			
Charges for services	\$ 10,585,927	\$ 10,589,129	\$( 3,202)
Operating grants and contributions	2,610,447	3,299,845	( 689,398)
Capital grants and contributions	4,576,058	-	4,576,058
General Revenues:			
Property taxes	22,089,551	21,239,743	849,808
Investment income	288,479	271,483	16,996
Miscellaneous	<u>350,756</u>	<u>419,219</u>	<u>( 68,463)</u>
Total revenues	<u>40,501,218</u>	<u>35,819,419</u>	<u>4,681,799</u>
Expenses:			
General government	7,424,642	7,311,752	112,890
Justice system	4,239,950	5,211,203	( 971,253)
Public safety	5,090,806	5,787,098	( 696,292)
Corrections and rehabilitation	3,291,462	3,675,367	( 383,905)
Health and human services	1,408,697	1,467,893	( 59,196)
Community and economic development	1,228,773	1,771,777	( 543,004)
Infrastructure and environmental services	8,178,402	7,668,344	510,058
Interest and fiscal charges	<u>73,797</u>	<u>81,212</u>	<u>( 7,415)</u>
Total expenses	<u>30,936,529</u>	<u>32,974,646</u>	<u>( 2,038,117)</u>
Change in net position	9,564,689	2,844,773	6,719,916
Net position - beginning	<u>25,579,602</u>	<u>22,734,829</u>	<u>2,844,773</u>
Net position - ending	<u>\$ 35,144,291</u>	<u>\$ 25,579,602</u>	<u>\$ 9,564,689</u>

**MATAGORDA COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*



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**Financial Analysis of the County's Funds**

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

**Governmental 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 financing 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 \$ 29,798,963. The unassigned fund balance of \$ 19,095,280 constitutes 64.08% of ending fund balance. The fund balance is categorized as 1) nonspendable of \$ 1,231,723, 2) restricted of \$ 6,281,181, 3) committed of \$ 3,190,779, and 4) unassigned of \$ 19,094,393.

The General Fund is the chief operating fund of the County. Fund balance of the General Fund increased by \$ 2,025,469; no change in the Intergovernmental Grants Fund, and other governmental funds increased by \$ 926,778. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 68.22% of total general fund expenditures, and total fund balance represents 99.15% of that same amount.

The fund balance of the County's general fund increased by \$ 2,025,469 compared to a net increase of \$ 3,924,582 in the prior year due to increased infrastructure and environmental services expenditures.

**General Fund Budgetary Highlights.** The County budget is prepared by the County Judge's Office and presented to Commissioners Court for approval. The County operates within this budget for the fiscal year with expenditure amendments made as needed.

The Commissioners Court approved increases to budgeted operating revenue of \$ 4,018,898 and appropriations of \$ 4,643,046. Various grant awards were also allocated to revenue and expenditures during the year as necessary. Upon completion of the audit, the prior year committed funds were allocated to the four precincts current year budgets for an overall total of \$ 3,190,779.

Total General Fund budget exceeded the revenue by approximately 4.44% and total General Fund expenditures were under budget by approximately 14.78%.

**MATAGORDA COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*

**Capital Assets**

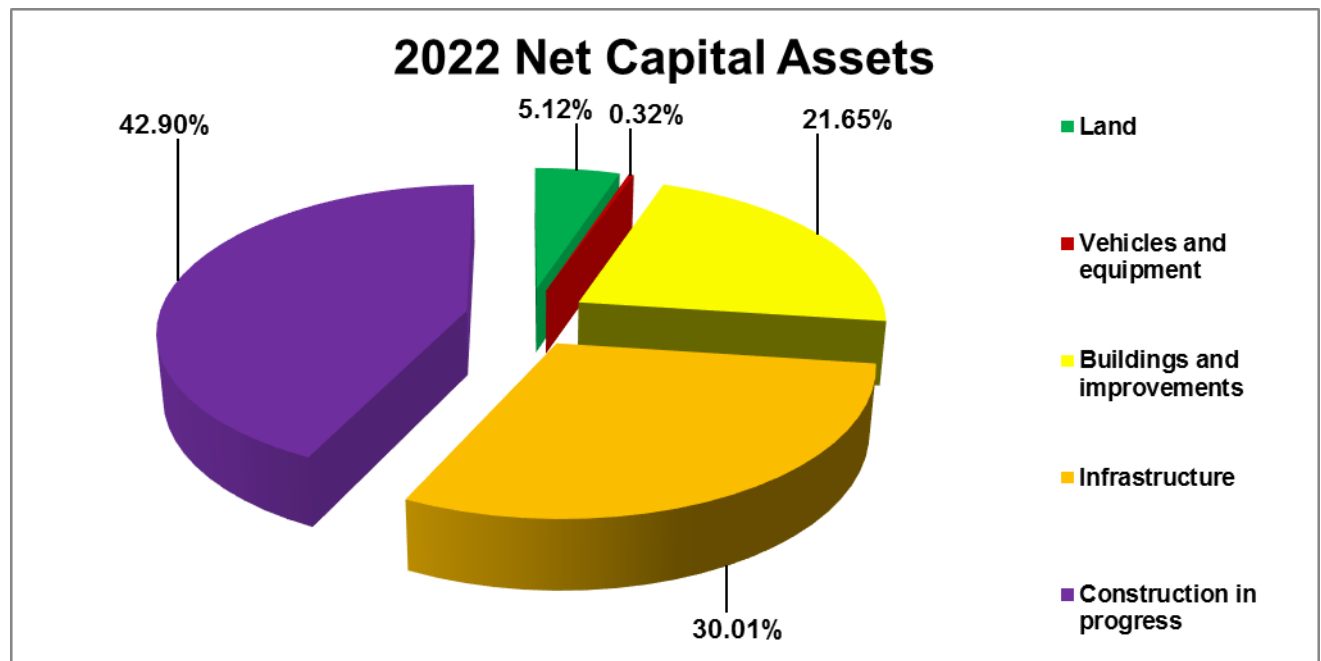
This investment in capital assets includes land; buildings and improvements; equipment and vehicles; infrastructure; and construction in progress.

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

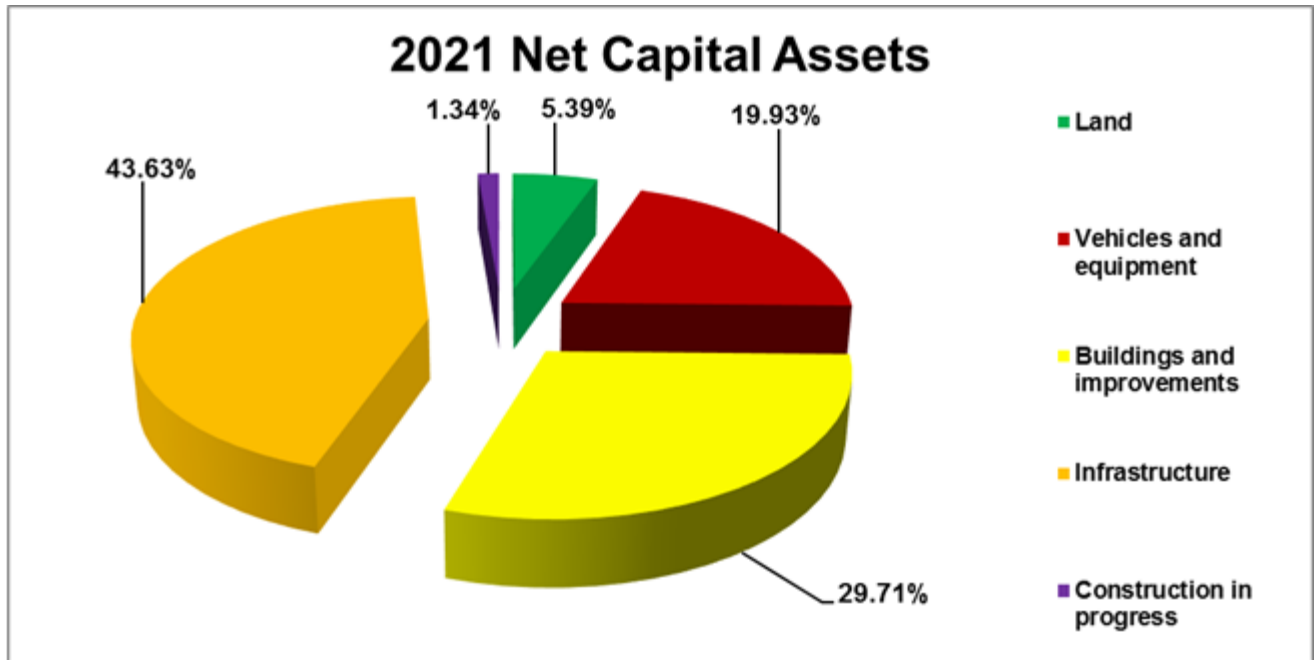
- Acquisition of new vehicles and several large road and bridge equipment.
- Road and bridge improvements are continuous.
- Acquisition of land and buildings
- Emergency radio tower equipment and repairs.

**MATAGORDA COUNTY'S CAPITAL ASSETS**  
**Net of Accumulated Depreciation**

	<u>Governmental Activities</u>		Net Change
	<u>2022</u>	<u>2021</u>	
Land	\$ 1,594,608	\$ 1,500,478	\$ 94,130
Construction in progress	100,410	374,427	( 274,017)
Vehicles and equipment	6,746,251	5,553,741	1,192,510
Buildings and improvements	9,349,018	8,279,486	1,069,532
Infrastructure	<u>13,367,112</u>	<u>12,160,079</u>	<u>1,207,033</u>
 Total	 <u>\$ 31,157,399</u>	 <u>\$ 27,868,211</u>	 <u>\$ 3,289,188</u>



**MATAGORDA COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
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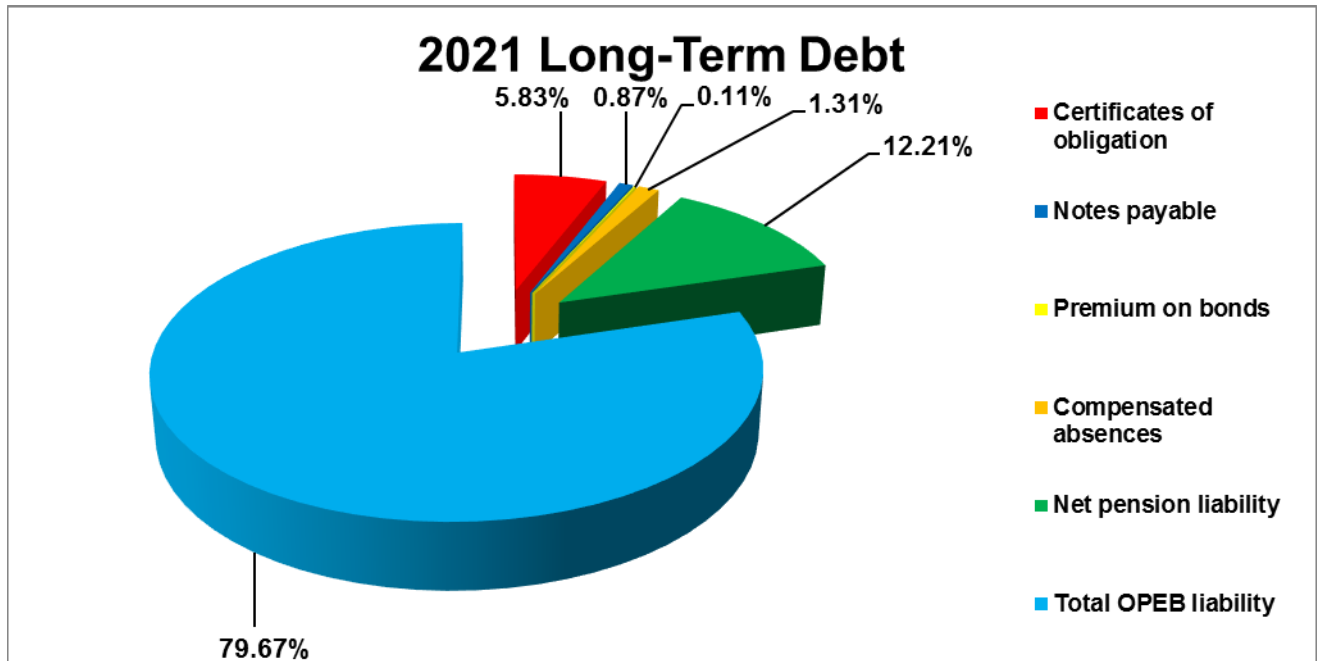
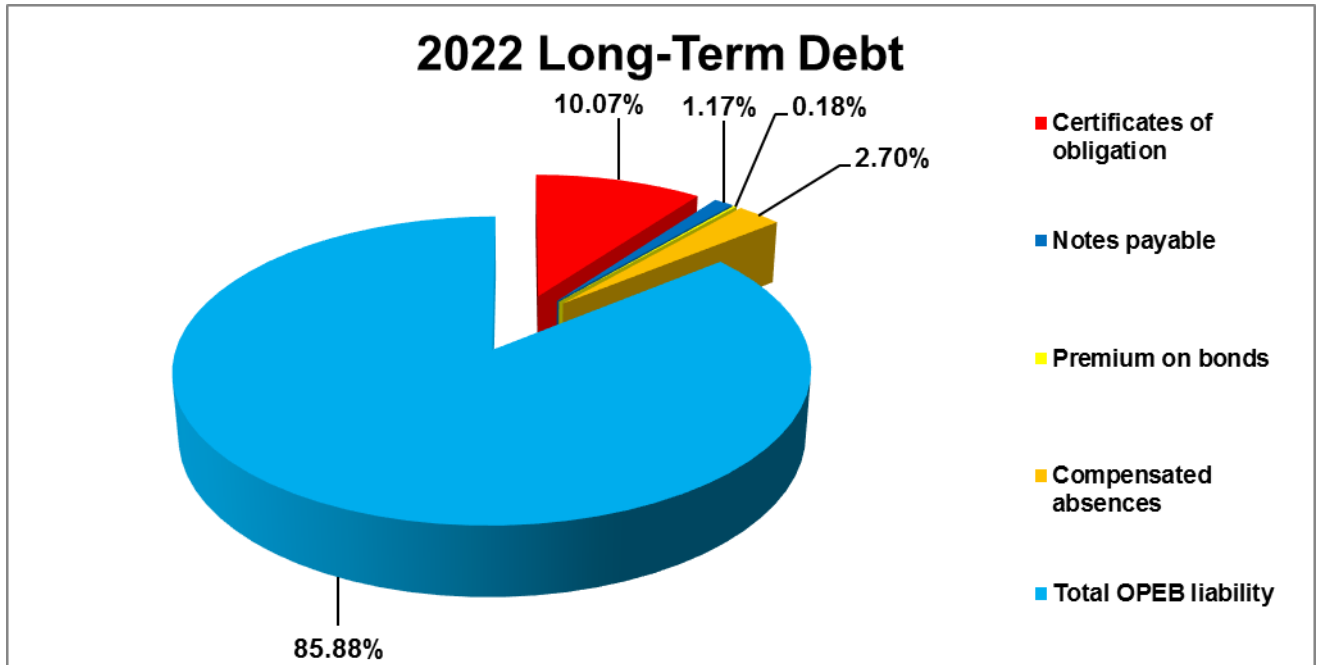
Additional information on the County's capital assets can be found in Note 5 on pages 51 through 52 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the County had a total bonded and note payable debt of \$ 2,299,847, which, comprises bonded and debt backed by the full faith and credit of the County agreement. The bonds and capital leases will be retired with revenues from property taxes.

**MATAGORDA COUNTY'S LONG-TERM DEBT**

	<u>Governmental Activities</u>		<u>Net Change</u>
	<u>2022</u>	<u>2021</u>	
Certificates of obligation	\$ 2,060,000	\$ 2,185,000	\$ ( 125,000)
Notes payable	239,847	325,643	( 85,796)
Premium on bonds	37,843	40,901	( 3,058)
Compensated absences	551,588	491,623	59,965
Net pension liability	-	4,578,935	( 4,578,935)
Total OPEB liability	<u>17,570,340</u>	<u>29,868,220</u>	<u>( 12,297,880)</u>
<b>Total</b>	<b><u>\$ 20,459,618</u></b>	<b><u>\$ 37,490,322</u></b>	<b><u>\$ ( 17,030,704)</u></b>



**MATAGORDA COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*

During the fiscal year, the County's total debt decreased by \$ 17,030,704 or 45.43%. The net decrease was due primarily to the decreased valuation on the net pension liability and total OPEB liability.

All of the outstanding Bonds of the County payable from its limited taxes are insured and are, therefore, rated "AA-" by Standard & Poor's ("S&P"). State statutes limit the amount of general obligation debt a government may issue to 25% of its total assessed valuation. The current limitation for the County significantly exceeds the outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 7 on pages 53 through 55 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The annual budget is developed to provide efficient, effective and controlled use of the County's resources. Through the budget the County Commissioners set the direction of the County, allocate its resources and establish its priorities. The 2023 budget was adopted August 29, 2022 with General Fund expenditures of \$ 29,609,325 and a revenue budget of \$ 29,609,325.

The Commissioners' Court adopted a maintenance and operation tax rate of \$ 0.38208 per \$ 100 assessed valuation. The court also adopted an interest and sinking tax rate of \$ 0.00324.

The main factors affecting the 2023 budget were as follows:

- The property tax rate adopted was above the No New Revenue (NNR) Tax Rate and below the Voter Approval Tax Rate. The Commissioner's Court placed a high level of importance on maintaining the lowest possible property tax rate feasible to support the County's needs.
- Public Safety and Corrections and Rehabilitations increased in excel of \$700,000.
- The Justice System increased over \$200,000.
- A substantial \$1,072,100 increase in budgeted payroll and benefits attributed to a 10% raise for all employees and a 2.5% raise for the elected and appointed officials.

**Request for Information**

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Matagorda County Auditor, 2200 7<sup>th</sup> Street, Room 208, Bay City, Texas, 77414, or call (979) 241-0120.



## **BASIC FINANCIAL STATEMENTS**

**MATAGORDA COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
December 31, 2022

Exhibit 1

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and temporary investments	\$ 17,720,979
Receivables (net of allowance for uncollectibles):	
Taxes	19,730,472
Accounts	3,919,495
Due from other governments	1,795,192
Accrued interest	72,413
Inventories	312,185
Prepaid expenses	919,538
Investments	19,815,010
Net pension asset	4,866,712
Capital Assets:	
Land	1,594,608
Construction in progress	100,410
Vehicles and equipment, net	6,746,251
Buildings and improvements, net	9,349,018
Infrastructure, net	<u>13,367,112</u>
Total assets	<u>100,309,395</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	<u>4,958,628</u>
Total deferred outflows of resources	<u>4,958,628</u>
<b>LIABILITIES</b>	
Accounts and accrued liabilities payable	1,741,822
Accrued interest payable	23,043
Unearned revenue	5,221,811
Noncurrent liabilities:	
Due within one year	652,079
Due in more than one year	
Other long-term liabilities	2,237,199
Total OPEB liability	<u>17,570,340</u>
Total liabilities	<u>27,446,294</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	<u>42,677,438</u>
Total deferred inflows of resources	<u>42,677,438</u>
<b>NET POSITION</b>	
Net investment in capital assets	29,431,071
Restricted:	
Federal grants	4,234,312
Records management	816,149
Other	606,211
Unrestricted	<u>56,548</u>
Total net position	<u>\$ 35,144,291</u>

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

**MATAGORDA COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2022

Exhibit 2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>		<u>Net Revenue (Expense) and Change In Net Position Governmental Activities</u>
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General government	\$ 7,424,642	\$ 2,162,410	\$ 151,627	\$ 2,641,145	\$( 2,469,460)
Justice system	4,239,950	1,686,541	588,668	11,998	( 1,952,743)
Public safety	5,090,806	4,030,169	208,254	277,790	( 574,593)
Corrections and rehabilitation	3,291,462	629,104	104,260	-	( 2,558,098)
Health and human services	1,408,697	130,009	-	-	( 1,278,688)
Community and economic development	1,228,773	256,647	1,092,329	-	120,203
Infrastructure and environmental services	8,178,402	1,691,047	465,309	1,645,125	( 4,376,921)
Interest and fiscal charges	<u>73,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 73,797)</u>
Total governmental activities	<u>30,936,529</u>	<u>10,585,927</u>	<u>2,610,447</u>	<u>4,576,058</u>	<u>( 13,164,097)</u>
General Revenue:					
Property taxes					22,089,551
Investment income					288,479
Miscellaneous					<u>350,756</u>
Total general revenue					<u>22,728,786</u>
Change in net position					9,564,689
Net position - beginning					<u>25,579,602</u>
Net position - ending					<u>\$ 35,144,291</u>

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

**MATAGORDA COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
December 31, 2022

Exhibit 3

	General Fund	Inter- governmental Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and temporary investments	\$ 9,972,110	\$ 4,967,931	\$ 2,219,957	\$ 17,159,998
Receivables (net of allowance for uncollectibles):				
Taxes	19,562,566	-	167,906	19,730,472
Accounts	111,035	-	3,096	114,131
Due from other governments	1,765,928	14,708	14,556	1,795,192
Accrued interest	72,413	-	-	72,413
Due from other funds	41,485	-	-	41,485
Inventories	312,185	-	-	312,185
Prepaid expenditures	919,538	-	-	919,538
Investments	<u>19,815,010</u>	<u>-</u>	<u>-</u>	<u>19,815,010</u>
 Total assets	 <u>\$ 52,572,270</u>	 <u>\$ 4,982,639</u>	 <u>\$ 2,405,515</u>	 <u>\$ 59,960,424</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts and accrued liabilities payable	\$ 1,328,343	\$ -	\$ 139,487	\$ 1,467,830
Due to other funds	-	35,834	5,651	41,485
Unearned revenue	<u>50,800</u>	<u>4,946,805</u>	<u>11,804</u>	<u>5,009,409</u>
 Total liabilities	 <u>1,379,143</u>	 <u>4,982,639</u>	 <u>156,942</u>	 <u>6,518,724</u>
<b>Deferred Inflows of Resources:</b>				
Deferred inflows of resources	<u>23,441,033</u>	<u>-</u>	<u>201,704</u>	<u>23,642,737</u>
 Total deferred inflows of resources	 <u>23,441,033</u>	 <u>-</u>	 <u>201,704</u>	 <u>23,642,737</u>
<b>Fund Balance:</b>				
Nonspendable	1,231,723	-	-	1,231,723
Restricted	4,234,312	-	2,046,869	6,281,181
Committed	3,190,779	-	-	3,190,779
Unassigned	<u>19,095,280</u>	<u>-</u>	<u>-</u>	<u>19,095,280</u>
 Total fund balance	 <u>27,752,094</u>	 <u>-</u>	 <u>2,046,869</u>	 <u>29,798,963</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 52,572,270</u>	 <u>\$ 4,982,639</u>	 <u>\$ 2,405,515</u>	 <u>\$ 59,960,424</u>

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

**MATAGORDA COUNTY, TEXAS**

Exhibit 3R

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION**

December 31, 2022

Total fund balance - governmental funds balance sheet (Exhibit 3) \$ 29,798,963

**Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:**

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in the governmental funds. Those assets consist of:

Capital assets	\$ 91,972,453	
Accumulated depreciation	( 60,815,054 )	31,157,399

Some of the County's assets are not available to pay for the current period's expenditures and therefore, are reported as unavailable revenue in the funds. These assets consist of:

Property taxes receivable	\$ 956,224	
Judicial receivables (net allowance for uncollectibles)	3,694,104	4,650,328

Some liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Deferred outflows - pension	\$ 2,751,443	
Deferred outflows - OPEB	2,207,185	
Accrued interest on bonds	( 23,043 )	
Certificate of obligation bonds payable	( 2,060,000 )	
Notes payable	( 239,847 )	
Premium on bonds payable	( 37,843 )	
Compensated absences	( 551,588 )	
Net pension asset	4,866,712	
Total OPEB liability	( 17,570,340 )	
Deferred inflows - pension	( 8,495,088 )	
Deferred inflows - OPEB	( 11,495,837 )	( 30,648,246 )

Internal service funds are used by the County. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of Net Position. Internal service net position is:

185,847

Net position of governmental activities - statement of net position (Exhibit 1) \$ 35,144,291

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



**MATAGORDA COUNTY, TEXAS**

Exhibit 4

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE****GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2022

	General Fund	Inter- governmental Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 21,836,663	\$ -	\$ 196,736	\$ 22,033,399
Licenses and permits	885,863	-	-	885,863
Intergovernmental	1,882,464	2,170,669	829,905	4,883,038
Charges for services	5,160,137	-	280,629	5,440,766
Fines	342,323	-	-	342,323
Investment income	282,638	-	2,473	285,111
Miscellaneous	373,844	-	73,678	447,522
	<u>30,763,932</u>	<u>2,170,669</u>	<u>1,383,421</u>	<u>34,318,022</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,579,736	-	50,974	6,630,710
Justice system	3,865,488	-	434,043	4,299,531
Public safety	4,266,984	-	4,689	4,271,673
Corrections and rehabilitation	2,963,567	-	48,505	3,012,072
Health and human services	1,341,622	-	-	1,341,622
Community and economic development	1,181,939	-	10,030	1,191,969
Infrastructure and environmental services	6,089,688	-	444,266	6,533,954
Capital outlay	1,504,080	2,170,669	221,414	3,896,163
Debt service:				
Principal	185,800	-	125,000	310,800
Interest and fiscal charges	11,592	-	67,712	79,304
	<u>27,990,496</u>	<u>2,170,669</u>	<u>1,406,633</u>	<u>31,567,798</u>
Excess (deficiency) of revenues over expenditures	<u>2,773,436</u>	<u>-</u>	<u>( 23,212)</u>	<u>2,750,224</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	102,019	-	-	102,019
Proceeds from notes	100,004	-	-	100,004
Transfers in	27,500	-	977,490	1,004,990
Transfers out	( 977,490)	-	( 27,500)	( 1,004,990)
	<u>( 747,967)</u>	<u>-</u>	<u>949,990</u>	<u>202,023</u>
Change in fund balance	2,025,469	-	926,778	2,952,247
Fund balance - beginning	<u>25,726,625</u>	<u>-</u>	<u>1,120,091</u>	<u>26,846,716</u>
Fund balance - ending	<u>\$ 27,752,094</u>	<u>\$ -</u>	<u>\$ 2,046,869</u>	<u>\$ 29,798,963</u>

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

**MATAGORDA COUNTY, TEXAS****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS TO GOVERNMENTAL  
ACTIVITIES STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2022

Exhibit 4R  
Page 1 of 2

Change in fund balance - total governmental funds (Exhibit 4) \$ 2,952,247

**Amounts reported for governmental activities in the statement of activities (Exhibit 2) are  
different because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 3,896,163	
Capital contributions	1,627,625	
Depreciation expense	<u>( 2,213,054 )</u>	3,310,734

Governmental funds report the entire sales price (proceeds) from the sale of an asset as revenue because it provides current resources. In contrast, in the statement of activities, only the gain/loss on the sale of capital assets is reported. Thus, the change in net position differs from the change in the fund balance by the book value of capital assets sold. ( 21,546)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect on premiums and similar items when debt is issued, whereas these amounts are amortized in the statement of activities.

Proceeds from notes payable	\$( 100,004 )	
Principal payments on bonds and notes payable	310,800	
Change in accrued interest	2,449	
Change in compensated absences	( 59,965 )	
Amortization of bond premium	<u>3,058</u>	156,338

The net change in net pension liability, deferred outflows and deferred inflows is reported in the statement of activities but does not require the use of current resources and, therefore, is not reported as expenditure in the governmental funds. The net change consists of the following:

Net pension liability decreased	\$ 9,445,647	
Deferred outflows decreased	( 1,081,282 )	
Deferred inflows increased	<u>( 6,153,188 )</u>	2,211,177

The net change in total OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities but does not require the use of current resources and, therefore, is not reported as expenditure in the governmental funds. The net change consists of the following:

Total OPEB liability decreased	\$ 12,297,880	
Deferred outflows decreased	( 814,460 )	
Deferred inflows increased	<u>( 10,988,842 )</u>	494,578

(continued)



**MATAGORDA COUNTY, TEXAS**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS TO GOVERNMENTAL  
ACTIVITIES STATEMENT OF ACTIVITIES (Continued)*

For the Year Ended December 31, 2022

Exhibit 4R  
Page 2 of 2

Because some property tax receivable and judicial receivables will not be collected for several months after the County's fiscal year ends, they are not considered available revenues in the governmental funds.

\$ 561,823

Internal service funds are used by the County. The net revenue of the internal service funds are reported with the governmental activities.

( 100,662 )

Change in net position of governmental activities (see Exhibit 2)

\$ 9,564,689

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

**MATAGORDA COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUND**  
December 31, 2022

Exhibit 5

	Insurance Fund
<b>ASSETS</b>	
Cash and temporary investments	\$ 560,981
Other receivables	<u>111,260</u>
Total assets	<u>672,241</u>
<b>LIABILITIES</b>	
Accounts payable	309
Claims payable	273,683
Unearned revenue	<u>212,402</u>
Total liabilities	<u>486,394</u>
<b>NET POSITION</b>	
Unrestricted	<u>185,847</u>
Total net position	<u>\$ 185,847</u>

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

**MATAGORDA COUNTY, TEXAS**

Exhibit 6

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
INTERNAL SERVICE FUND**

For the Year Ended December 31, 2022

	<u>Insurance Fund</u>
Operating Revenues:	
Employer contributions	\$ 3,270,726
Employee contributions	233,949
Retiree/cobra contributions	203,871
Special district contributions	<u>201,361</u>
Total operating revenues	<u>3,909,907</u>
Operating Expenses:	
Administrative expenses	720,122
Retiree premiums	581,226
Claims expense	1,695,875
Prescriptions	<u>1,016,714</u>
Total operating expenses	<u>4,013,937</u>
Operating loss	<u>( 104,030)</u>
Nonoperating Revenues:	
Investment income	<u>3,368</u>
Total nonoperating revenues	<u>3,368</u>
Change in net position	<u>( 100,662)</u>
Net position - beginning	<u>286,509</u>
Net position - ending	<u>\$ 185,847</u>

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

**MATAGORDA COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUND**  
For the Year Ended December 31, 2022

Exhibit 7

	<u>Insurance Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 3,874,054
Cash payments for administration	( 672,373 )
Cash payments for claims	<u>( 3,174,887 )</u>
Net cash provided by operating activities	<u>26,794</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Net cash provided (used) by noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Net cash provided (used) by capital and related financing activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>3,368</u>
Net cash provided by investing activities	<u>3,368</u>
Net increase in cash and temporary investments	30,162
Cash and temporary investments - beginning	<u>530,819</u>
Cash and temporary investments - ending	<u>\$ 560,981</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	\$( 104,030 )
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Accounts receivable	( 39,405 )
Prepaid expenses	47,749
Claims payable	118,928
Unearned revenue	<u>3,552</u>
Net cash provided by operating activities	<u>\$ 26,794</u>

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

**MATAGORDA COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2022

Exhibit 8

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and temporary investments	\$ <u>5,940,322</u>
Total assets	<u>5,940,322</u>
<b>LIABILITIES</b>	
Accounts payable	<u>89,444</u>
Total liabilities	<u>89,444</u>
<b>NET POSITION</b>	
Individuals, organizations and other governments	\$ <u><u>5,850,878</u></u>

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

**MATAGORDA COUNTY, TEXAS**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
For the Year Ended December 31, 2022

Exhibit 9

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Tax collections for other governments	\$ 278,956
Collections for adult probation	1,638,045
Held for others	2,057,562
Investment income	<u>4,490</u>
Total additions	<u>3,979,053</u>
<b>DEDUCTIONS</b>	
Payments to other governments	404,980
Payments for adult probation	1,550,305
Payments to individuals	<u>8,391,812</u>
Total deductions	<u>10,347,097</u>
Change in net position	( 6,368,044 )
Net position - beginning	<u>12,218,922</u>
Net position - ending	<u><u>\$ 5,850,878</u></u>

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

**MATAGORDA COUNTY, TEXAS**  
*Notes to the Financial Statements*  
For The Year Ended December 31, 2022

Note

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# MATAGORDA COUNTY, TEXAS

## Notes to the Financial Statements

For The Year Ended December 31, 2022

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

Matagorda County, Texas (the "County") was established in 1836 by the Republic of Texas. Commissioners elected from each of the four precincts serve as the governing body with the elected County Judge as the head of this body. The Commissioners and County Judge oversee all functions of general government applicable to the County as provided by state statutes.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted account principles. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the County's reporting entity.

#### Adult Probation

The Adult Probation division is operated as a multi-county department doing business as the 23<sup>rd</sup> Judicial District Community Supervision and Correction Department (CSCD) for Matagorda and Wharton Counties. The CSCD services both Matagorda and Wharton Counties with each County providing required office space for the operations of the Department and substantially all of the Department's funding provided by the State.

The Department board consists of the two District Judges for Matagorda and Wharton Counties. Matagorda County is not able to appoint a voting majority to the Department's board or otherwise impose its will. The Department is not fiscally dependent on Matagorda County since the County's role is ministerial in nature. As a result, the Department is considered to be legally separate from Matagorda County and thus is not a part of the reporting entity of Matagorda County.

#### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The County has no enterprise fund.



## **MATAGORDA COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended December 31, 2022

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. 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 and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from property and other taxes, grants and contracts, fees (charges for services), fines (including forfeitures), and interest associated with the current fiscal period are all considered to be susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Revenue from investments, including governmental external investment pools, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

## MATAGORDA COUNTY, TEXAS

### Notes to the Financial Statements

For The Year Ended December 31, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

##### Measurement Focus, Basis Of Accounting, and Financial Statement Presentation - Continued

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

The County has presented the following major governmental funds:

The *General fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

The *Intergovernmental Grant Fund* is used to account for federal and state grants passed through other governments.

The County reports the following fiduciary funds:

The *Custodial Funds* account for assets that the government holds on behalf of others as their agent. The County's custodial funds include County Clerk Trust, District Clerk Trust, Inmate Trust, Tax Assessor Collector and Adult Probation funds.

##### New Pronouncements

GASB issues statements on a routine basis with the intent to provide authoritative guidance on the preparation of financial statements and to improve governmental accounting and financial reporting of governmental entities. Management reviews these statements to ensure that preparation of its financial statements are in conformity with generally accepted accounting principles and to anticipate changes in those requirements. The following recent GASB Statements reflect the action and consideration of management regarding these requirements:

GASB Statement No. 87 "Leases" was issued in June 2017. The statement was implemented and did not have a material effect on the financial statements of the County. The requirements of this Statement are effective for periods beginning after June 15, 2021.

GASB Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements" was issued in April 2018. The statement was implemented and did not have a material effect on the financial statement of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period" was issued in June 2018. The statement was implemented and did not have a material effect on the financial statement of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91 "Conduit Debt Obligations" was issued in May 2019. The statement was implemented and did not have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.

## **MATAGORDA COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended December 31, 2022

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### New Pronouncements - Continued

GASB Statement No. 92 “Omnibus 2020” was issued in January 2020. The statement was implemented and did not have a material effect on the financial statement of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” was issued in March 2020. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 “Subscription-Based Information Technology Arrangements” was issued in May 2020. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97 “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans” was issued in June 2020. The statement was implemented and did not have a material effect on the financial statement of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 98 “The Annual Comprehensive Financial Report” was issued in October 2021. The statement was implemented and did not have a material effect on the financial statement of the County. The requirements of this Statement are effective for periods ending after December 15, 2021.

GASB Statement No. 99 “Omnibus 2022” was issued in April 2022. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 100 “Accounting Changes and Error Corrections - an amendment to GASB Statement No. 62” was issued in June 2022. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 101 “Compensated Absences” was issued in June 2022. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2023.

## **MATAGORDA COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended December 31, 2022

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### Budgetary Data

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in the funds, plus the anticipated revenues for the current year as estimated by the County Auditor. The legal level of budgetary control is at the category or line item level (salaries and wages and employee benefits, and operating expenditures) within departments of each fund. Any expenditure, which alters the total budgeted amounts of a fund must be approved by Commissioners Court, and the budget amended. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Annual appropriated budgets are adopted for the General Fund, certain special revenue funds (District Attorney Legal/Law Fund, Sheriff & Jail Discretionary Fund, County Clerk Preservation & Automation Fund, Countywide Records Management Preservation Fund, Courthouse Security Fund, Justice Court Technology Fund, District Clerk Records Management Preservation Fund, County & District Court Technology Fund, and Historical Commission Fund), and the Debt Service fund.

Prior to May 1 of each year, or as soon thereafter as practical, the County Judge, assisted by the County Auditor, prepares a proposed operating budget for the subsequent fiscal year. The proposed operating budget establishes estimated revenues and other resources available for appropriation. Proposed expenditures may not exceed estimated revenues, other resources, and available fund balances.

Subsequent to May 15 and after proper publication of notice, a public hearing is conducted by the Commissioners Court to obtain taxpayer comments. If an increase to the effective tax rate of more than 3% is proposed as a result of the proposed budget, additional notices and public hearings are required.

After the public hearing(s) the Commissioners Court makes appropriate budget changes and adopts the budget through the passage of an order at a regularly scheduled meeting. A separate order is adopted to levy the taxes necessary to finance the budgeted expenditures.

Although the level of budgetary control is total revenues plus available fund balance, the County adopts its budget at a line-item level for managerial control purposes. Line item level is defined for revenue purposes as the type of revenue to be derived and for expenditure purposes by department and type of expenditures (salaries and wages, and employee benefits; operating expenses/expenditures; and capital outlay).

At the discretion of Commissioners Court, transfers of line item budgets within a fund may be made. Amendments to provide for items not included in the original budget may be made by the Commissioners Court upon finding and declaration of the existence of an emergency sufficient to require action. County management has no prerogative to amend the budget without the approval of Commissioners Court. Appropriations not exercised in the current year lapse at the end of the year. Numerous supplemental budget amendments in the general and special revenue funds were deemed necessary due to the timing of planned expenditures and construction projects.

## **MATAGORDA COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended December 31, 2022

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized. Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. As of December 31, 2022, the County had no encumbrances outstanding.

##### Cash and Investments

Cash and temporary investments include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the County. For purposes of the cash flow statement, cash and temporary investments are considered cash equivalents. In accordance with GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are stated at fair value.

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and temporary investments under each fund's caption. Funds are allowed to exceed the amount of their equity in the pooled cash account. Funds with overdrawn accounts are disclosed as an interfund payable in the liability section of the balance sheet.

##### Property Taxes

Property taxes are levied as of October 1st of each year with statements prepared and mailed at that date or soon thereafter. The tax levy is based upon appraised property values as of each previous January 1st for all taxable property within the County. Payments are due and payable when taxes are levied and may be timely paid through January 31st. On February 1st, taxes become delinquent and subject to penalty and interest charges. After June 30th, any uncollected taxes are subject to tax suit and additional charges to offset related legal costs. The lien date for property taxes is July 1st.

The appraisal of property within the county is the responsibility of the Matagorda County Appraisal District. The Texas Legislature established the Appraisal District and the related Appraisal Review Board in 1979 through the adoption of a comprehensive Property Tax Code. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Real property is reappraised at least every four years. Under certain circumstances, taxpayers and taxing units including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Under the Code, the Commissioners Court will continue to set annual tax rates on the property. The Code also provides that, if approved by the qualified voters in the Appraisal District, collection functions may be placed with the Appraisal District. The County bills and collects its property taxes and those of certain other taxing entities. Collections of those taxes pending distribution are accounted for in an agency fund.

The County is permitted by Article VIII, Section 9 of the State of Texas Constitution to levy taxes up to \$ 0.80 per \$ 100 assessed valuation for general governmental services including payment of principal and interest on general long-term debt and maintenance of roads and bridges. Article 6790 of Vernon's Civil Statutes permits the County to collect an additional \$0.15 per \$ 100 valuation for road and bridge purposes. Article 7048a of Vernon's Civil Statutes permits the County to collect \$ 0.30 per \$ 100 valuation for road, bridge and flood control purposes.

# MATAGORDA COUNTY, TEXAS

## Notes to the Financial Statements

For The Year Ended December 31, 2022

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Property Taxes - Continued

The County's 2022 tax levy, supporting the 2023 fiscal period budget, totaled \$ 0.38532 per \$ 100 valuation and was comprised as follows:

General Fund	\$ 0.38208
Debt Service Fund	<u>0.00324</u>
Combined tax rate	<u>\$ 0.38532</u>

#### Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All outstanding balances between funds are reported as "due to/from other funds". The County had no advances between funds. All activity between funds was for short-term cash flow requirements. See Note 4 for additional discussion of interfund receivables and payables.

#### Inventories and Prepaid Items

The County utilizes the consumption method to account for inventory and prepaid expenditures. Under this method, inventory and prepaid expenditures are considered an expenditure when used rather than when purchased. Significant inventories are reported on the balance sheet at cost, using the first-in, first-out method, with an offsetting reservation of fund balance in the governmental fund financial statements since they do not constitute "available spendable resources" even though they are a component of current assets. Inventories in the governmental funds are comprised of road materials, bulk fuel, parts, and chemicals. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide and prepaid expenditures in the fund financial statements.

#### Capital Assets

Capital assets, which include land, construction in progress, vehicles and equipment, buildings and improvements, and infrastructure are reported in the governmental activities column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their acquisition value on the date of donation. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest cost to be capitalized on assets with tax-exempt borrowing is equal to the cost of the borrowing less interest earned on the related tax-exempt borrowing. During the year ended December 31, 2022, no capitalized interest was included in the cost of capital assets under construction.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Capital Assets - Continued

Assets capitalized have an original cost of \$ 5,000 or more and over two years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Leased assets are depreciated over the lesser of the term of the related lease or the estimated useful lives of the assets. Estimated useful lives are as follows:

Vehicles and equipment	5-20 Years
Buildings and improvements	40-60 Years
Infrastructure	15-40 Years

Compensated Absences

It is the County’s policy to permit employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability is matured as a result of employee resignation or retirement.

Accumulated sick leave lapses when employees leave the employ of the county and, upon separation from service, no monetary obligation exists.

The liability for compensated absences disclosed in the financial statements represents accumulated vacation and compensatory time at December 31, 2022, computed at pay rates in effect at that time was \$ 551,588.

Deferred Outflows and Inflows of Resources

Guidance for deferred outflows of resources and deferred inflows of resources is provided by GASB No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Further, GASB No. 65, “Items Previously Reported as Assets and Liabilities”, had an objective to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS’s Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. 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.

## **MATAGORDA COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended December 31, 2022

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### Other Post-Employment Benefits

The fiduciary net position of the Matagorda County Retiree Health Care Plan (the "Plan") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the Plan's total OPEB liability. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no assets as this is a pay-as-you-go plan.

##### Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as interest and fiscal charge expenses.

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

##### Fund Balance

The County's Commissioners Court meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. The County's unassigned General Fund Balance is maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General Fund Balance may only be appropriated by resolution of the County's Commissioners Court. Fund Balance of the County may be committed for a specific source by formal action of the County's Commissioners Court. Amendments or modifications of the committed fund balance must also be approved by formal action by the County's Commissioners Court. When it is appropriate for fund balance to be assigned, the County's Commissioners Court has delegated authority to the County Judge or the County Auditor. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended are as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The *nonspendable* fund balance includes a portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include inventories, prepaid expenditures and long-term receivables.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, and contributors), laws and regulations of other governments, or through enabling legislation.



## MATAGORDA COUNTY, TEXAS

### Notes to the Financial Statements

For The Year Ended December 31, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

##### Fund Balance - Continued

The enabling legislation authorizes the County to access, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation. The County's fee revenue generated through enabling legislations include auto registration fees, birth/death certificate fees, adult bond supervision fees, child abuse protection fees, court technology fees, election service fees, family protection fees, financial security fees, juvenile case management fees, law library fees, records archive fees, and records management and preservation fees reported under Non-Major Special Revenue Funds, and auto registration fees, certificates of title, and gross weight and axle fees reported under the Road and Bridge Major Fund.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal Commissioners Court actions, no later than the close of the fiscal year. These actions must be in the form of a resolution approved by Commissioners Court. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources. At December 31, 2022, the Commissioners agreed to commit fund balances for each of the four precincts unspent budgeted funds at year end to be added to the subsequent year's approved budget.

The *assigned* fund balance includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by Commissioners Court or its designated officials to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Commissioners Court actions. At December 31, 2022, there are no assignments of fund balance.

The *unassigned* Fund Balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Fund Balance - Continued

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at December 31, 2022:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Activities</u>
Fund Balance:			
Nonspendable:			
Inventories	\$ 312,185	\$ -	\$ 312,185
Prepaid expenditures	919,538	-	919,538
Restricted:			
Capital projects	-	611,362	611,362
Contributor purposes	-	14,562	14,562
Court improvements and operations	-	309,911	309,911
Debt service	-	41,167	41,167
Federal Grants	4,234,312	-	4,234,312
Juvenile services	-	17,680	17,680
Records management	-	816,149	816,149
County/District attorney services	-	109,371	109,371
Sheriff services	-	126,667	126,667
Committed:			
Precincts	3,190,779	-	3,190,779
Unassigned	<u>19,095,280</u>	<u>-</u>	<u>19,095,280</u>
Total fund balance	<u>\$ 27,752,094</u>	<u>\$ 2,046,869</u>	<u>\$ 29,798,963</u>

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**MATAGORDA COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended December 31, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Net Position - Continued

	<u>Governmental Activities</u>
Net Position:	
Net investment in capital assets	\$ 29,431,071
Restricted:	
Federal grants	4,234,312
Records management	816,149
Other:	
Contributor purposes	14,562
Court improvements and operations	309,911
Debt service	28,020
Juvenile services	17,680
County/District attorney services	109,371
Sheriff services	126,667
Unrestricted	<u>56,548</u>
Total net position	<u>\$ 35,144,291</u>

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. Investments are classified as either short-term investments or investments. Short-term investments have a maturity of one year or less and investments are those that have a maturity of one year or more. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures. Cash and temporary investments as reported on the financial statements at December 31, 2022 are as follows:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and Temporary Investments:				
Cash (petty cash accounts)	\$ 7,500	\$ -	\$ -	\$ 7,500
Financial Institution Deposits:				
Demand deposits	17,052,498	560,981	5,940,322	23,553,801
Local Government Investment Pools:				
Texas CLASS	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Sub-total	<u>17,159,998</u>	<u>560,981</u>	<u>5,940,322</u>	<u>23,661,301</u>
Investments:				
Broker Dealer:				
U.S. Agency Securities	16,873,893	-	-	16,873,893
Certificates of deposit	<u>2,941,117</u>	<u>-</u>	<u>-</u>	<u>2,941,117</u>
Sub-total	<u>19,815,010</u>	<u>-</u>	<u>-</u>	<u>19,815,010</u>
Total Cash and Temporary Investments and Investments	<u>\$ 36,975,008</u>	<u>\$ 560,981</u>	<u>\$ 5,940,322</u>	<u>\$ 43,476,311</u>

## **MATAGORDA COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended December 31, 2022

#### **NOTE 2 - DEPOSITS AND INVESTMENTS - Continued**

##### Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to them. The County requires that all deposits with financial institutions be collateralized in an amount equal to 100 percent of uninsured balances.

At year-end, in addition to petty cash and change funds accounts of \$ 7,500, the carrying amount of the County's financial institution deposits, was \$ 26,494,918, while the financial institution balances totaled \$ 30,550,244. Of these balances, \$ 522,822 represents amounts controlled by County courts and held by various financial institutions jointly under the name of the County and the court's beneficiaries and carrying the identification number of the beneficiaries. These accounts are entirely covered by federal deposit insurance. Of the remaining balances, \$ 3,191,117 was covered by federal depository insurance coverage and \$ 26,836,305 was covered by collateral held by the County's agent in the County's name.

##### Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under written investment policy (the "investment policy"). The investment policy primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policies, which excludes certain 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 by Commissioners Court. The investment policy includes lists of authorized investment instruments and allowable stated maturity of individual investments. In addition it includes an "Investment Strategy Statement" that specifically addresses each investment option and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield. Additionally, the soundness of financial institutions (including broker/dealers) in which the County will deposit funds is addressed. The County's investment policy and types of investments are governed by the Public Funds Investment Act (PFIA). The County's management believes it complied with the requirements of the PFIA and the County's investment policy.

The County's Investment Officer submits an investment report each quarter to the Commissioners Court. The report details the investment positions of the County and the compliance of the investment portfolio as it relates to both the adopted investment strategy statements and Texas state law.

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

1. Obligations of the United States or its agencies and instrumentalities;
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. No-load money market mutual funds: regulated by SEC, with a dollar-weighted average stated maturity of 90 days or less, includes in its investment objectives the maintenance of a stable \$ 1.00 net asset value per each share, and limited in quantity to the requirements, set forth in Chapter 2256, Government Code Section 2256.014;

## **MATAGORDA COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended December 31, 2022

#### **NOTE 2 - DEPOSITS AND INVESTMENTS - Continued**

##### Investments - Continued

4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
6. Certificates of deposit if issued by a state or national bank domiciled in the State of Texas and is: guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, secured in any manner and amount provided by law for deposits of the County;
7. Fully collateralized repurchase agreements, if it: has a defined termination date, is secured by obligations described by Section 2256.009(a)(1) of the Public Funds Investment Act, requires the securities being purchased by the County to be pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County, is placed through a primary government securities dealer, approved by the County, or a financial institution doing business in the State of Texas;
8. Commercial paper is an authorized investment, if the commercial paper: has a stated maturity of 270 days or fewer from the date of its issuance, and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state;
9. Eligible investment pools if the Commissioners Court by resolution authorizes investment in the particular pool. An investment pool shall invest funds it receives from entities in authorized investments permitted by the Public Funds Investment Act. The County by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

Texas CLASS Government was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. Per State Code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds and maximize yield. The Texas CLASS Government agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. Texas CLASS Government seeks to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed. Texas Class Government is rated AAAM and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit.

At December 31, 2022 Texas CLASS Government has a weighted average maturity of 21 days. Although the pool has a weighted average maturity, the County considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

## MATAGORDA COUNTY, TEXAS

### Notes to the Financial Statements

For The Year Ended December 31, 2022

#### NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

##### Investments - Continued

As of December 31, 2022, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Texas Class Government Certificates of Deposit	\$ 100,000	21
U.S. Agency Securities	2,941,117	356
	<u>16,873,893</u>	924
Total	<u>\$ 19,915,010</u>	836

Credit Risk - As of December 31, 2022, the LGIP (which represents approximately 0.50% of the investment portfolio) is rated AAAM by Standard and Poor's; the United States agency securities are rated A-1 by Standard and Poor's and P-1 by Moody's (which represent 84.73% of the investment portfolio) were covered by private insurance and the certificates of deposit (which represents 14.77% of the investment portfolio) and were covered by FDIC, respectively, therefore, the County does not have a significant exposure to credit risk.

Interest Rate Risk - the risk that changes in interest rates will adversely affect the fair value of an investment. The County limits its exposure to interest rate risk by diversifying its investments by security type and institution. County policy will be that the maximum allowable stated maturity of an individual investment for operating funds shall not exceed five years, unless a temporary extension of maturities is approved by Commissioners County. The maximum average maturity shall be two years.

##### Fair Value Measures

Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 2 - DEPOSITS AND INVESTMENTS - Continued**

Fair Value Measures - Continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the County's assets at fair value as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Agency Securities	\$ <u>16,873,893</u>	\$ _____ -	\$ _____ -	\$ <u>16,873,893</u>
Total assets at fair value	\$ <u>16,873,893</u>	\$ _____ -	\$ _____ -	\$ <u>16,873,893</u>

**NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES**

Receivables and Allowances

Receivables as of December 31, 2022, for the government's individual governmental major and nonmajor funds, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Major Funds</u>		<u>Non-Major Funds</u>	
	<u>General Fund</u>	<u>Inter-governmental Grants Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receivables:				
Property taxes	\$ 19,609,598	\$ -	\$ 168,026	\$ 19,777,624
Accounts	111,035	-	3,096	114,131
Due from other governments	1,765,928	14,708	14,556	1,795,192
Accrued interest	<u>72,413</u>	<u>-</u>	<u>-</u>	<u>72,413</u>
Gross receivables	21,558,974	14,708	185,678	21,759,360
Less allowance for uncollectibles:				
Property taxes	<u>47,032</u>	<u>-</u>	<u>120</u>	<u>47,152</u>
Net receivables	<u>\$ 21,511,942</u>	<u>\$ 14,708</u>	<u>\$ 185,558</u>	<u>\$ 21,712,208</u>

**MATAGORDA COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended December 31, 2022

**NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued**

Receivables From Other Governments

The County participates in a variety of federal and state programs from which it receives grants to, partially or fully, finance certain activities. In addition, the County receives entitlements from the State through the legislative actions and taxes collected by the State on behalf of the County (other taxes). All federal grants shown below are either direct or passed through state or local agencies and are reported on the financial statements as due from other governments.

Amounts due from federal, state, and local governments as of December 31, 2022 are summarized below:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Other</u>	<u>Total</u>
Major Governmental Funds:				
General Fund	\$ 28,721	\$ 6,606	\$ 1,730,601	\$ 1,765,928
Intergovernmental Grants Fund	11,834	2,874	-	14,708
Other Governmental funds	<u>-</u>	<u>-</u>	<u>14,556</u>	<u>14,556</u>
 Total	 <u>\$ 40,555</u>	 <u>\$ 9,480</u>	 <u>\$ 1,745,157</u>	 <u>\$ 1,795,192</u>

Judicial Receivables

Judicial receivables are reported in the governmental activities statement of net position. Since these receivables do not represent current available resources, they are not reported in the governmental funds balance sheet. The allowance for uncollectible receivables related to the County's various court assessments is determined based on historical experience and evaluation of collectability in relation to the aging of customer accounts. The following is a summary of the receivable and allowance for uncollectible as of December 31, 2022:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justices of the Peace	\$ 8,210,790	\$ 5,656,454	\$ 2,554,336
County Courts	2,363,118	1,551,151	811,967
District Courts	<u>7,937,687</u>	<u>7,609,886</u>	<u>327,801</u>
 Total	 <u>\$ 18,511,595</u>	 <u>\$ 14,817,491</u>	 <u>\$ 3,694,104</u>

Deferred Outflows and Inflows of Resources and Unearned Revenue

Governmental Funds

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of December 31, 2022, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:



**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued**

Deferred Inflows of Resources and Unearned Revenue - Continued

Governmental Funds - Continued

	<u>General Fund</u>	<u>Inter- governmental Grants Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Deferred Inflows of Resources:				
Current property taxes collected (October 1, 2022 Levy)	\$ 3,922,428	\$ -	\$ 34,209	\$ 3,956,637
Current property taxes receivable (October 1, 2022 Levy)	18,572,277	-	157,599	18,729,876
Delinquent property taxes (October 1, 2021 and prior)	946,328	-	9,896	956,224
Unearned Revenue:				
Federal grants	-	4,946,805	-	4,946,805
State grants	-	-	11,804	11,804
Other	<u>50,800</u>	<u>-</u>	<u>-</u>	<u>50,800</u>
 Total	 <u>\$ 23,491,833</u>	 <u>\$ 4,946,805</u>	 <u>\$ 213,508</u>	 <u>\$ 28,652,146</u>

Governmental Activities

Governmental activities defer the recognition of pension expense for contributions made from the measurement date to the current year end of December 31, 2022 and report these as deferred outflows of resources. Governmental activities also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

**MATAGORDA COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended December 31, 2022

**NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued**

Deferred Inflows of Resources and Unearned Revenue - Continued

Governmental Activities - Continued

As of December 31, 2022, the various components of deferred outflows and inflows of resources and unearned revenue reported in the governmental activities were as follows:

<u>Governmental Activities:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Unearned Revenue</u>
Pension Related:			
Differences between expected and actual experience	\$ -	\$ 127,746	\$ -
Net differences between projected and actual investment earnings	-	8,188,235	-
Changes in assumptions	1,120,826	179,107	-
Subsequent contributions	1,630,617	-	-
OPEB related:			
Differences between expected and actual experience	-	5,833,212	-
Changes in assumptions	2,207,185	5,662,625	-
Current property taxes collected (October 1, 2022 Levy)	-	3,956,637	-
Current property taxes receivable (October 1, 2022 Levy)	-	18,729,876	-
Unearned Revenue:			
Federal grants	-	-	4,946,805
State grants	-	-	11,804
Self-insurance	-	-	212,402
Other	-	-	50,800
Totals	<u>\$ 4,958,628</u>	<u>\$ 42,677,438</u>	<u>\$ 5,221,811</u>

**NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables at December 31, 2022 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>12-31-22</u>
General Fund	Intergovernmental Grants Fund	\$ 5,651
General Fund	Other Governmental Funds	<u>35,834</u>
Total		<u>\$ 41,485</u>

Interfund receivables and payables represent short-term borrowings primarily for cash flow purposes. These include short-term borrowings for reimbursement grants and some revenue or expenditures/expense adjustments between funds at or near year-end.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued**

Interfund transfers for the year ended December 31, 2022 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>12-31-22</u>
General Fund	Other Governmental Funds	\$ 977,490
Other Governmental Funds	General Fund	<u>27,500</u>
Total		<u>\$ 1,004,990</u>

The Commissioners Court approved these transfers, as transfers of operational funds to cover planned expenditures/expenses.

**NOTE 5 - CAPITAL ASSETS**

Capital Transactions

	<u>Balance 01-01-22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments &amp; Transfers</u>	<u>Balance 12-31-22</u>
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 1,500,478	\$ 94,130	\$ -	\$ -	\$ 1,594,608
Construction in progress	<u>374,427</u>	<u>99,250</u>	<u>-</u>	<u>( 373,267)</u>	<u>100,410</u>
Total capital assets not being depreciated	<u>1,874,905</u>	<u>193,380</u>	<u>-</u>	<u>( 373,267)</u>	<u>1,695,018</u>
Capital Assets, Being Depreciated:					
Vehicles and equipment	17,120,424	2,274,875	806,487	86,121	18,674,933
Buildings and improvements	16,295,401	1,427,908	-	-	17,723,309
Infrastructure	<u>51,964,422</u>	<u>1,627,625</u>	<u>-</u>	<u>287,146</u>	<u>53,879,193</u>
Total capital assets being depreciated	<u>85,380,247</u>	<u>5,330,408</u>	<u>806,487</u>	<u>373,267</u>	<u>90,277,435</u>
Less Accumulated Depreciation For:					
Vehicles and equipment	11,566,683	1,146,940	784,941	-	11,928,682
Buildings and improvements	8,015,915	358,376	-	-	8,374,291
Infrastructure	<u>39,804,343</u>	<u>707,738</u>	<u>-</u>	<u>-</u>	<u>40,512,081</u>
Total accumulated depreciation	<u>59,386,941</u>	<u>2,213,054</u>	<u>784,941</u>	<u>-</u>	<u>60,815,054</u>
Total capital assets being depreciated, net	<u>25,993,306</u>	<u>3,117,354</u>	<u>21,546</u>	<u>373,267</u>	<u>29,462,381</u>
Governmental activities capital assets, net	<u>\$ 27,868,211</u>	<u>\$ 3,310,734</u>	<u>\$ 21,546</u>	<u>\$ -</u>	<u>\$ 31,157,399</u>

During the year ended December 31, 2022, the County received roads from various sources totaling \$ 1,627,625.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 5 - CAPITAL ASSETS - Continued**

Depreciation

Depreciation expense was charged as direct expense to functional categories of the County as follows:

	<u>12-31-22</u>
Governmental Activities:	
General government	\$ 185,827
Justice system	57,581
Public safety	483,080
Corrections and rehabilitations	12,976
Health and human services	12,425
Community and economic development	16,152
Infrastructure and environmental services	<u>1,445,013</u>
 Total depreciation expense	 \$ <u>2,213,054</u>

Construction Commitments

There were no construction commitments as of December 31, 2022.

**NOTE 6 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE**

Accounts and accrued liabilities payable as of December 31, 2022, for the government's individual governmental major and nonmajor funds, and fiduciary funds in the aggregate are as follows:

	<u>Governmental Funds</u>		
	<u>General</u>	<u>Other</u>	
	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
Accounts and accrued liabilities payable:			
Vendors	\$ 708,938	\$ 19,388	\$ 728,326
Other governments	148,292	629	148,921
Accrued compensation	208,598	-	208,598
Due to others	<u>262,515</u>	<u>119,470</u>	<u>381,985</u>
 Total	 \$ <u>1,328,343</u>	 \$ <u>139,487</u>	 \$ <u>1,467,830</u>
			<u>Fiduciary</u>
			<u>Funds</u>
Accounts and accrued liabilities payable:			
Vendors			\$ 7,673
Restitution payable			<u>81,771</u>
 Total			 \$ <u>89,444</u>

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 7 - LONG-TERM DEBT**

Certificate of Obligation Bonded Debt

Certificates of obligations payable at December 31, 2022, are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 12-31-22
		Issued	Maturity	Callable	
Certificates of Obligation Bonds Taxable Series 2015	1.704 - 4.627	2015	2035	2025	<u>2,060,000</u>
Total					<u>\$ 2,060,000</u>

Certificates of obligation bond transactions for the year ended December 31, 2022 were as follows:

Bonds outstanding, January 1, 2022	\$ 2,185,000
Maturities	<u>( 125,000)</u>
Bonds outstanding, December 31, 2022	<u>\$ 2,060,000</u>

The bond ordinances require that a tax be levied sufficient to pay current interest and create a sinking fund of not less than the amount to pay current principal and interest. The current year tax levy was set to utilize the excess fund balance above the bond ordinance requirement. For the year ended December 31, 2022, the amount of ad valorem taxes collected for interest and sinking were \$ 196,736, while the debt service requirements for principal and interest was \$ 192,712. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

The following is a summary of certificate of obligation bond requirements by year as of December 31, 2022:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2023	\$ 130,000	\$ 63,488	\$ 193,488
2024	135,000	59,513	194,513
2025	140,000	55,388	195,388
2026	145,000	51,113	196,113
2027	145,000	46,763	191,763
2028-2032	810,000	163,281	973,281
2033-2035	<u>555,000</u>	<u>29,485</u>	<u>584,485</u>
Total	<u>\$ 2,060,000</u>	<u>\$ 469,031</u>	<u>\$ 2,529,031</u>

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 7 - LONG-TERM DEBT - Continued**

Notes Payable

	<u>Interest Rate %</u>	<u>Issued</u>	<u>Maturity</u>	<u>Notes Payable Outstanding 12-31-22</u>
Note Payable:				
Government Capital Corporation No. 8929	3.848%	2019	2024	\$ 101,161
Government Capital Corporation No. 9232	2.947%	2020	2023	46,167
Government Capital Corporation No. 9850	4.292%	2022	2024	22,939
Government Capital Corporation No. 9234	4.884%	2022	2025	<u>69,580</u>
Total				<u>\$ 239,847</u>

Note payable transactions for the year ended December 31, 2022 were as follows:

Note payable outstanding, January 1, 2022	\$ 325,643
Issued	100,004
Maturities	<u>( 185,800)</u>

Note payable outstanding, December 31, 2022 \$ 239,847

On February 22, 2022, the County issued a note payable in the amount of \$ 30,424 for the purpose of purchasing equipment. The note bears an interest rate of 4.292% and matures in 2024. The County is required to make annual payments in the amount of \$ 32,426.

On September 12, 2022, the County issued a note payable in the amount of \$ 69,580 for the purpose of purchasing equipment. The note bears an interest rate of 4.884% and matures in 2025. The County is required to make annual payments in the amount of \$ 25,770.

The following is a summary of note payable requirements by year as of December 31, 2022:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2023	\$ 129,356	\$ 9,688	\$ 139,044
2024	86,671	4,830	91,501
2025	<u>23,820</u>	<u>1,200</u>	<u>25,020</u>
Total	<u>\$ 239,847</u>	<u>\$ 15,718</u>	<u>\$ 255,565</u>

# MATAGORDA COUNTY, TEXAS

## Notes to the Financial Statements

For The Year Ended December 31, 2022

### NOTE 7 - LONG-TERM DEBT - Continued

#### Changes in Long-Term Debt

Transactions for the year ended December 31, 2022 are summarized as follows:

	Balance 01-01-22	Issues or Additions	Payments or Expenditures	Balance 12-31-22	Due Within One Year
Governmental Type Activities:					
Certificate of obligation bonds	\$ 2,185,000	\$ -	\$ 125,000	\$ 2,060,000	\$ 130,000
Notes payable	325,643	100,004	185,800	239,847	129,356
Compensated absences	491,623	449,631	389,666	551,588	389,666
Net pension liability	4,578,935	6,252,588	10,831,523	-	-
Total OPEB liability	29,868,220	2,337,761	14,635,641	17,570,340	-
Premium on bonds	<u>40,901</u>	<u>-</u>	<u>3,058</u>	<u>37,843</u>	<u>3,057</u>
Total governmental activities	<u>\$ 37,490,322</u>	<u>\$ 9,139,984</u>	<u>\$ 26,170,688</u>	<u>\$ 20,459,618</u>	<u>\$ 652,079</u>

Bonded debt is funded primarily by property taxes from the Debt Service Fund. Compensated absences are payable by the fund in which the individual positions are budgeted. General Fund and the various special revenue funds have been used to fund current pension and OPEB costs.

### NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN

*Plan Description* - The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 830 non-traditional defined benefit plans. TCDRS in the aggregate issues a annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 79768-2034.

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

All eligible employees of the County are required to participate in TCDRS.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

The plan provisions are adopted by Commissioner’s Court of the County, within the options available in the state statutes governing TCDRS. Plan provisions for the County were as follows:

	<u>Plan Year 2022</u>	<u>Plan Year 2021</u>
Employee deposit rate	7.00%	7.00%
Employer deposit rate	14.83%	14.83%
Matching ratio (County to employee)	2 to 1	2 to 1
Years required for vesting	8	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/30	60/8, 0/30

Employees Covered by Benefit Terms:

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	231
Inactive employees entitled to but not yet receiving benefits	179
Active employees	<u>234</u>
	<u>634</u>

*Contributions* - The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee compensation, and the employer matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the employer. Under the state laws governing TCDRS, the contribution rate for each employer is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. Participating employers are required to contribute at the actuarially determined rates to ensure adequate funding for each employer’s plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

Employees of the County were required to contribute 7.00% of their annual compensation during the fiscal year. The County’s required contribution rates of 14.14% and 13.53% in calendar years 2022 and 2021, respectively. The County’s contributions to TCDRS for the year ended December 31, 2022 were \$ 1,630,617.

*Net Pension Asset* - The County’s Net Pension Asset was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date.



# MATAGORDA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended December 31, 2022

## NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

### Actuarial Assumptions:

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2021 financial reporting metrics are the same as those used in the December 31, 2021 actuarial valuation analysis for the County.

Following is a description of the assumptions used in the December 31, 2021 actuarial valuation analysis for the County. This information may also be found in the Matagorda County December 31, 2021 Summary Valuation Report.

### Economic Assumptions:

#### TCDRS System-Wide Economic Assumptions

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.70% per year for a career employee.

#### Employer Specific Economic Assumptions

Growth in membership	0.00%
Payroll growth	3.05%

The payroll growth assumption is for the aggregate covered payroll of an employer.

The long-term expected rate of return on TCDRS assets 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, Cliffwater LLC. The numbers are based on January 2022 information for a 10-year time horizon.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

The valuation assumption for long-term expected return is re-assessed in detail 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	3.80%
International Equities - Emerging Markets	MSCI Emerging Markets Standard (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	4.50%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

<sup>(1)</sup> Target asset allocation adopted at the March 2022 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.60%, per Cliffwater's 2022 capital market assumptions

<sup>(3)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

**Discount Rate** - The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not include in (1), calculated using the municipal bond rate.

## **MATAGORDA COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended December 31, 2022

#### **NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future value, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our 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 the contribution specified in the funding policy.
3. The employer'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.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 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.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a)-(b)
Balance as of December 31, 2020	\$ 64,308,881	\$ 59,729,946	\$ 4,578,935
Changes for the Year:			
Service cost	1,346,793	-	1,346,793
Interest on total pension liability <sup>(1)</sup>	4,835,357	-	4,835,357
Effect of plan changes <sup>(2)</sup>	-	-	-
Effect of economic/demographic gains or losses	( 79,339)	-	( 79,339)
Effect of assumptions changes or inputs	( 268,661)	-	( 268,661)
Refunds of contributions	( 249,463)	( 249,463)	-
Employer contributions	-	1,649,061	( 1,649,061)
Member contributions	-	778,388	( 778,388)
Net investment income	-	12,922,786	( 12,922,786)
Benefit payment,	( 3,891,472)	( 3,891,472)	-
Administrative expense	-	( 38,341)	( 38,341)
Other changes <sup>(3)</sup>	-	( 32,097)	( 32,097)
Balance as of December 31, 2021	<u>\$ 66,002,096</u>	<u>\$ 70,868,808</u>	<u>\$( 4,866,712)</u>

<sup>(1)</sup> Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

<sup>(2)</sup> No plan changes valued.

<sup>(3)</sup> Relates to allocation of system-wide items.

**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 County's net pension liability/(asset) would be if it were calculated using a discount rate of 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%)
Total pension liability	\$ 74,015,344	\$ 66,002,096	\$ 59,244,130
Fiduciary net position	<u>70,868,808</u>	<u>70,868,808</u>	<u>70,868,808</u>
Net pension liability / (asset)	<u>\$ 3,146,536</u>	<u>\$( 4,866,712)</u>	<u>\$( 11,624,678)</u>

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

<i>Pension Income:</i>	<u>Year Ended 12-31-21</u>
Service cost	\$ 1,346,793
Interest on total pension liability <sup>(1)</sup>	4,835,357
Administrative expenses	38,341
Member contributions	( 778,388)
Expected investment return net of investment expenses	( 4,472,928)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	( 187,068)
Recognition of assumption changes or inputs	1,031,273
Recognition of investment gains or losses	( 2,368,048)
Other <sup>(2)</sup>	<u>32,097</u>
 Pension income	 <u>\$( 522,571)</u>

<sup>(1)</sup> Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

<sup>(2)</sup> Related to allocation of system-wide items.

*Deferred Inflows and Outflows* - At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 127,746
Net difference between projected and actual investment earnings	-	8,188,235
Changes in assumptions	1,120,826	179,107
Contributions subsequent to the measurement date <sup>(3)</sup>	<u>1,630,617</u>	<u>-</u>
 Totals	 <u>\$ 2,751,443</u>	 <u>\$ 8,495,088</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expenses as follows:

<u>Year Ended December 31,</u>	
2023	\$ ( 834,772)
2024	( 2,898,069)
2025	( 1,951,451)
2026	( 1,689,970)
2027	-
Thereafter <sup>(4)</sup>	-

<sup>(3)</sup> Any eligible employer contributions were made subsequent to the measurement date through the employer's fiscal year end, the employer should reflect these contributions, adjusted as outlined in GASB No. 71.

<sup>(4)</sup> Total remaining balance to be recognized in future years, if any. Note that additional deferred inflows and outflows of resources may impact these numbers.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

*Plan Description* - The County’s defined benefit OPEB plan provides medical and prescription drug benefits to plan members of the County. The plan is a single-employer defined benefit OPEB plan administered by the County. Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners Court. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided* - The plan provides medical and prescription drug benefits for retirees. Benefits are provided by a self-insured plan through the Texas Association of Counties Health and Employee Benefits Pool for the medical plan under age 65. The Medicare Supplement is underwritten by Hartford Life & Accident Insurance Company. A Medicare supplement is available for Medicare eligible retirees with the County. The retiree is responsible for paying any additional costs for dependent coverage elected.

The following table provides a summary of the number of participants in the plan as of December 31, 2022:

Inactive plan members or beneficiaries currently receiving benefits	117
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>206</u>
	<u><u>323</u></u>

*Contributions* - Local Government Code Section 157.102 assigns to Commissioners Court the authority to establish and amend contribution requirements of the plan members. The County may contribute all, part of, or none of the premium payment. The County’s contribution, if any, will be determined annually by Commissioners Court during the County budget process and will be effective on a fiscal year basis. The County does not contribute toward the cost of coverage for retirees who do not meet the eligibility requirements. The County pays no more for retiree healthcare than the premium it pays for active employees.

The plan is funded on a pay-as-you-go basis. For the year ended December 31, 2022, the total benefit payments made to the plan were \$ 1,096,800. The total benefit payments made include explicit benefit payments made by the County of \$ 1,096,800.

*Total OPEB Liability* - The County’s total OPEB liability of \$ 17,570,340 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022.

*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:

Actuarial cost method	Individual Entry-Age
Discount rate	4.31%
Inflation	2.50%
Salary increases	3.50%
Health care trend rates	Level trend rate of 4.50%

Mortality rates were based on the RPH-2014 Total Table with projection MP-2021.

**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued**

The actuarial assumptions used in the December 31, 2022 valuation were based on the experience study covering the four-year period ending December 31, 2017, as conducted for the Texas County and District Retirement System.

*Discount Rate* - For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of a 20-year general obligation bond with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 4.31% (based on the daily rate closest to but not later than the measurement date of the “Bond Buyer GO-20 bond index”).

*Changes in Total OPEB Liability* - The changes in the total OPEB liability as of December 31, 2022 are as follows:

	<u>Total OPEB Liability</u>
Service cost	\$ 1,680,553
Interest on total OPEB liability	657,208
Difference between expected and actual experience	( 6,647,881)
Change in assumptions	( 6,890,960)
Benefit payments	<u>( 1,096,800)</u>
Net change in total OPEB liability	( 12,297,880)
Total OPEB liability, December 31, 2021	<u>29,868,220</u>
Total OPEB liability, December 31, 2022	<u>\$ 17,570,340</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* - The following presents the total OPEB liability of the County, calculated using the discount rate of 4.31%, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate of 1 percentage-point lower (3.31%) or 1 percentage-point higher (5.31%) than the current rate:

	<u>1% Decrease In Discount Rate (3.31%)</u>	<u>Discount Rate (4.31%)</u>	<u>1% Increase In Discount Rate (5.31%)</u>
Total OPEB liability	\$ 20,331,434	\$ 17,570,340	\$ 15,350,949

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* - The following presents the total OPEB liability of the County, calculated using the healthcare cost trend rate of 4.50%, as well as what the County’s total OPEB liability would be if it were calculated using a healthcare cost trend rate of 1 percentage-point lower (3.50%) or 1 percentage-point higher (5.50%) than the current rate:

	<u>1% Decrease In Healthcare Cost Trend Rate (3.50%)</u>	<u>Healthcare Cost Trend Rate (4.50%)</u>	<u>1% Increase In Healthcare Cost Trend Rate (5.50%)</u>
Total OPEB liability	\$ 15,143,705	\$ 17,570,340	\$ 20,661,135

**MATAGORDA COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended December 31, 2022

**NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued**

<i>Total OPEB Expense:</i>	<u>Year Ended 12-31-22</u>
Service cost	\$ 1,680,553
Interest on total OPEB liability	657,208
Difference between expected and actual experience	( 1,321,664)
Changes in assumptions or other inputs	<u>( 413,875)</u>
Total OPEB expense	<u>\$ 602,222</u>

*Deferred Inflows and Outflows* - At December 31, 2022, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

<u>Schedule of Deferred Outflows/(Inflows)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,833,212
Changes in assumption	<u>2,207,185</u>	<u>5,662,625</u>
Total	<u>\$ 2,207,185</u>	<u>\$11,495,837</u>

<u>Year Ended December 31,</u>	<u>Net Outflows/ (Inflows)</u>
2023	\$(
2024	( 1,735,539)
2025	( 1,735,539)
2026	( 1,932,101)
2027	( 2,413,342)
2028	( 1,472,131)

**NOTE 10 - SELF INSURANCE HEALTH COVERAGE**

During the year ended December 31, 2014 employees of the County were covered by a health insurance plan (the Plan). The County contributed monthly per employee, spouse, child and family to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents in excess of the County contribution. All contributions were paid to a third party administrator, acting on behalf of the self-funded pool. The plan was authorized by Article 3.51-2., Texas Insurance Code and was documented by contractual agreement. The contract between the County and the third party administrator is renewable October 1, 2017, and terms of coverage and contribution costs are included in the contractual provisions. In accordance with state statute, the County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Texas Association of Counties Health Employee Benefit Program and Blue Cross Blue Shield of Texas, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$ 100,000 and for aggregate loss. Other governmental entities and/or their employees contributed to the self-insurance pool which was operated under contractual provisions of Article 4413(32c), Interlocal Cooperation Act. Each member to the extent its benefit plan is self-insured, remain responsible for the payment of benefits under the benefit plan in the event HEBP fails to make such payments.



**MATAGORDA COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended December 31, 2022

**NOTE 10 - SELF INSURANCE HEALTH COVERAGE - Continued**

The internal service fund is funded by charges to the County’s other funds and other governmental units and is based upon a predetermined fixed amount per employee, spouse, child and family. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. The County considers claims paid in the three months following the fiscal year end to be a reasonable estimate of claims liability.

Changes in the balance of claims liabilities during the past two years are as follows:

	<u>2021</u>	<u>2022</u>
Unpaid claims, beginning	\$ 438,614	\$ 154,755
Claims incurred	3,257,264	3,293,815
Claims paid	<u>( 3,541,123)</u>	<u>( 3,174,887)</u>
Unpaid claims, ending	<u>\$ 154,755</u>	<u>\$ 273,683</u>

**NOTE 11 - CONTINGENCIES**

The County is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. Such lawsuits include various civil claims that are currently between the stages of discovery and pleadings. The outcome of these lawsuits and other claims are not presently determinable and the resolutions of these matters are not expected to have a material effect on the financial condition of the County.

**NOTE 12 - GRANTS, ENTITLEMENTS AND SHARED REVENUES**

During the year ended December 31, 2022, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund and various special revenue funds. For the most part, these grants are reimbursement type grants, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. The federal financial assistance programs are covered by the requirements of the Single Audit Act and the Uniform Guidance.

The state financial assistance programs are covered by the State of Texas Single Audit Circular (Uniform Grant Management Standards). A single audit was performed on the federal financial assistance programs as the federal financial assistance programs met the \$ 750,000 threshold, while the state financial assistance programs did not.

**NOTE 13 - TAX ABATEMENTS**

The County enters into property tax abatement agreements with taxpayers under the State Property Tax Abatement Act, Tax Code Chapter 312. Under the act, the County may enter into a local agreement with a taxpayer that exempts all or part of the increase in the value of the real property and/or tangible personal property from taxation for a period not to exceed 10 years. Tax abatements are an economic development toll available to the County to attract new industries and to engage in the retention and development of existing businesses through property tax exemptions or reductions.

## **MATAGORDA COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended December 31, 2022

#### **NOTE 13 - TAX ABATEMENTS - Continued**

For the year ended December 31, 2022, the County abated property taxes totaling \$ 5,926,659 under this program, including the following tax abatement agreement:

- A 100 percent property tax abatement to a steel pipe production company for the construction of a new plant and to create 600 full-time jobs. The County agreed to recapture a prorated amount of abated taxes if the conditions of the agreement are not met through the claw back payment clause. The County's agreement determines the percentage amount and duration of the tax abatement which is not to exceed twenty-five years. In the case of the Company exceed the job target, the County committed to providing an additional "Surplus Job Credit" incentive to the Company.

#### **NOTE 14 - EVALUATION OF SUBSEQUENT EVENTS**

The County has evaluated subsequent events through July 31, 2023, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**



**MATAGORDA COUNTY, TEXAS**

Exhibit 10

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND**

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 21,698,706	\$ 21,698,706	\$ 21,836,663	\$ 137,957
Licenses and permits	789,100	789,100	885,863	96,763
Intergovernmental	295,803	3,443,059	1,882,464	( 1,560,595)
Charges for services	4,578,910	5,125,400	5,160,137	34,737
Fines	357,000	357,000	342,323	( 14,677)
Investment income	250,000	250,000	282,638	32,638
Miscellaneous	206,500	531,652	373,844	( 157,808)
<b>Total revenues</b>	<b>28,176,019</b>	<b>32,194,917</b>	<b>30,763,932</b>	<b>( 1,430,985)</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	6,506,861	6,743,581	6,579,736	163,845
Justice system	4,230,161	4,268,552	3,865,488	403,064
Public safety	4,327,898	4,562,104	4,266,984	295,120
Corrections and rehabilitation	2,911,153	3,066,641	2,963,567	103,074
Health and human services	1,343,043	1,387,936	1,341,622	46,314
Community and economic development	1,336,105	1,341,590	1,181,939	159,651
Infrastructure and environmental services	6,984,896	8,675,160	6,089,688	2,585,472
Capital outlay	372,000	2,601,599	1,504,080	1,097,519
<b>Debt service:</b>				
Principal	178,323	185,787	185,800	( 13)
Interest and fiscal charges	11,079	11,615	11,592	23
<b>Total expenditures</b>	<b>28,201,519</b>	<b>32,844,565</b>	<b>27,990,496</b>	<b>4,854,069</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>( 25,500)</b>	<b>( 649,648)</b>	<b>2,773,436</b>	<b>3,423,084</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of capital assets	5,000	29,565	102,019	72,454
Proceeds from notes	-	100,004	100,004	-
Transfers in	27,500	27,500	27,500	-
Transfers out	( 7,000)	( 7,000)	( 977,490)	( 970,490)
<b>Total other financing sources (uses)</b>	<b>25,500</b>	<b>150,069</b>	<b>( 747,967)</b>	<b>( 898,036)</b>
<b>Change in fund balance</b>	<b>-</b>	<b>( 499,579)</b>	<b>2,025,469</b>	<b>2,525,048</b>
<b>Fund balance - beginning</b>	<b>25,726,625</b>	<b>25,726,625</b>	<b>25,726,625</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 25,726,625</b>	<b>\$ 25,227,046</b>	<b>\$ 27,752,094</b>	<b>\$ 2,525,048</b>

**MATAGORDA COUNTY, TEXAS**

*REQUIRED SUPPLEMENTARY INFORMATION*

*TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM*

*SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS*

With a measurement date of December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Pension Liability				
Service cost	\$ 1,346,793	\$ 1,316,143	\$ 1,208,668	\$ 1,252,718
Interest on total pension liability	4,835,357	4,725,709	4,558,509	4,412,150
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	( 268,661)	3,362,480	-	-
Effect of economic/demographic (gains) or losses	( 79,339)	( 171,465)	( 70,789)	( 343,083)
Benefit payments/refunds of contributions	<u>( 4,140,935)</u>	<u>( 3,825,395)</u>	<u>( 3,657,210)</u>	<u>( 3,291,561)</u>
Net Change in Total Pension Liability	1,693,215	5,407,472	2,039,178	2,030,224
Total Pension Liability - beginning	<u>64,308,881</u>	<u>58,901,409</u>	<u>56,862,231</u>	<u>54,832,007</u>
Total Pension Liability - ending (a)	<u>\$ 66,002,096</u>	<u>\$ 64,308,881</u>	<u>\$ 58,901,409</u>	<u>\$ 56,862,231</u>
Fiduciary Net Position				
Employer contributions	\$ 1,649,061	\$ 1,489,438	\$ 1,501,212	\$ 1,394,276
Member contributions	778,388	703,031	708,666	658,638
Investment income net of investment expense	12,922,786	5,750,709	8,073,918	( 972,120)
Benefit payments/refunds of contributions	( 4,140,935)	( 3,825,395)	( 3,657,210)	( 3,291,561)
Administrative expense	( 38,341)	( 43,705)	( 42,444)	( 39,483)
Other	<u>( 32,097)</u>	<u>( 42,801)</u>	<u>( 41,795)</u>	<u>( 31,735)</u>
Net Change in Fiduciary Net Position	11,138,862	4,031,277	6,542,347	( 2,281,985)
Fiduciary Net Position - beginning	<u>59,729,946</u>	<u>55,698,669</u>	<u>49,156,322</u>	<u>51,438,307</u>
Fiduciary Net Position - ending (b)	<u>\$ 70,868,808</u>	<u>\$ 59,729,946</u>	<u>\$ 55,698,669</u>	<u>\$ 49,156,322</u>
Net Pension Liability/(Asset), ending (a)-(b)	<u>\$( 4,866,712)</u>	<u>\$ 4,578,935</u>	<u>\$ 3,202,740</u>	<u>\$ 7,705,909</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	107.37%	92.88%	94.56%	86.45%
Pensionable covered payroll	\$ 11,119,822	\$ 10,043,295	\$ 10,123,800	\$ 9,409,109
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	( 43.77%)	45.59%	31.64%	81.90%

Note - This schedule is presented to illustrate the requirements to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,179,188	\$ 1,245,749	\$ 1,061,294	\$ 1,037,018
4,206,623	4,084,781	3,949,923	3,723,454
-	-	( 163,313)	-
253,616	-	559,506	-
64,730	( 1,306,164)	( 710,572)	629,628
( <u>3,191,023</u> )	( <u>2,990,057</u> )	( <u>2,868,547</u> )	( <u>2,734,719</u> )
2,513,134	1,034,309	1,828,291	2,655,381
<u>52,318,873</u>	<u>51,284,564</u>	<u>49,456,273</u>	<u>46,800,892</u>
<u>\$ 54,832,007</u>	<u>\$ 52,318,873</u>	<u>\$ 51,284,564</u>	<u>\$ 49,456,273</u>
\$ 1,375,431	\$ 1,273,638	\$ 1,250,595	\$ 1,149,603
649,226	601,183	592,700	537,553
6,691,662	3,299,098	252,706	2,975,354
( 3,191,023)	( 2,990,057)	( 2,868,547)	( 2,734,719)
( 34,208)	( 35,887)	( 32,500)	( 34,335)
( <u>26,742</u> )	( <u>837,728</u> )	( <u>272,746</u> )	<u>427,674</u>
5,464,346	1,310,247	( 1,077,792)	2,321,130
<u>45,973,961</u>	<u>44,663,714</u>	<u>45,741,506</u>	<u>43,420,376</u>
<u>\$ 51,438,307</u>	<u>\$ 45,973,961</u>	<u>\$ 44,663,714</u>	<u>\$ 45,741,506</u>
<u>\$ 3,393,700</u>	<u>\$ 6,344,912</u>	<u>\$ 6,620,850</u>	<u>\$ 3,714,767</u>
93.81%	87.87%	87.09%	92.49%
\$ 9,274,658	\$ 8,564,214	\$ 8,467,148	\$ 7,679,332
36.59%	74.09%	78.19%	48.37%

**MATAGORDA COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
For the Ten Years Ended December 31,

Exhibit 12

	<u>Actuarially Determined Contribution<sup>(1)</sup></u>	<u>Actual Employer Contribution<sup>(1)</sup></u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll<sup>(2)</sup></u>	<u>Actual Contribution as a % of Covered Payroll</u>
2013	\$ 1,039,449	\$ 1,039,449	\$ -	\$ 7,542,912	13.8%
2014	1,149,603	1,149,603	-	7,679,332	15.0%
2015	1,250,595	1,250,595	-	8,467,148	14.8%
2016	1,270,073	1,273,638	( 3,565)	8,564,214	14.9%
2017	1,311,437	1,375,431	( 63,994)	9,274,658	14.8%
2018	1,347,384	1,394,276	( 46,892)	9,409,109	14.8%
2019	1,380,886	1,501,212	( 120,326)	10,123,800	14.8%
2020	1,444,226	1,489,438	( 45,212)	10,043,295	14.8%
2021	1,504,512	1,649,061	( 144,549)	11,119,822	14.8%
2022	1,487,677	1,630,617	( 142,940)	10,995,397	14.8%

<sup>(1)</sup> TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

<sup>(2)</sup> Payroll is calculated based on contributions as reported to TCDRS.





**MATAGORDA COUNTY, TEXAS***REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS*

With a Measurement Date of December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability				
Service cost	\$ 1,680,553	\$ 1,680,553	\$ 1,117,591	\$ 1,117,591
Interest on the total OPEB liability	657,208	631,637	997,713	911,660
Differences between expected and actual experiences	( 6,647,881)	-	( 780,309)	-
Changes in assumptions	( 6,890,960)	-	4,650,565	-
Benefit payments	<u>( 1,096,800)</u>	<u>( 1,115,200)</u>	<u>( 1,062,400)</u>	<u>( 1,033,600)</u>
Net change in total OPEB liability	(12,297,880)	1,196,990	4,923,160	995,651
Total OPEB liability - beginning	<u>29,868,220</u>	<u>28,671,230</u>	<u>23,748,070</u>	<u>22,752,419</u>
Total OPEB liability - ending	<u>\$ 17,570,340</u>	<u>\$ 29,868,220</u>	<u>\$ 28,671,230</u>	<u>\$ 23,748,070</u>
Covered-employee payroll	<u>\$ 8,952,088</u>	<u>\$ 8,457,075</u>	<u>\$ 8,457,075</u>	<u>\$ 7,592,004</u>
Total OPEB liability as a percentage of covered employee payroll	<u>196.27%</u>	<u>353.17%</u>	<u>339.02%</u>	<u>312.80%</u>

## Notes to schedule:

There are no assets accumulated in a trust that meets the criteria of GASB to pay benefits for the OPEB plan.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the County will present information for those years for which information is available.

<u>2018</u>
\$ 1,073,574
914,856
-
-
<u>( 952,000)</u>
1,036,430
<u>21,715,989</u>
\$ <u>22,752,419</u>
\$ <u>7,592,004</u>
<u>299.69%</u>

## MATAGORDA COUNTY, TEXAS

Notes to the Required Supplementary Information  
For The Year Ended December 31, 2022

### NOTE 1 - SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

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 contribution rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	9.7 years (based on contribution rate calculated in 12/31/2021 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 Schedule of Employer Contributions*	2015: New inflation, mortality and other assumption were reflected 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions 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.

\* Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to the Schedule.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**District Attorney Legal/Law Fund** - This fund is used to account for the transactions related to hot check fees of the district attorney's office and funds awarded to the County from forfeitures and state funds for the district attorney.

**Sheriff & Jail Discretionary Fund** - This fund is used to account for the transactions related to forfeited funds and inmate commissary sales.

**County Clerk Preservation & Automation Fund** - This fund is used to account for the fees collected by the County Clerk for records management and preservation.

**Countywide Records Management Preservation Fund** - This fund is used to account for fees collected by the County Clerk for records management and preservation.

**Courthouse Security Fund** - This fund is used to account for fees collected by the County Court, District Court and JP Court for courthouse security.

**Justice Court Technology Fund** - This fund is used to account for fees collected by the District Clerk specifically for justice court technology.

**District Clerk Records Management Preservation Fund** - This fund is used to account for fees collected by the District Clerk for records management and preservation.

**County & District Court Technology Fund** - This fund is used to account for fees collected by the County Clerk specifically for county and district court technology.

**Disaster Fund** - This fund is used to account for the expenditures during Hurricane Harvey and during a state of emergency situation separate from regular operating transactions.

**Joint Task Force Fund** - This fund is used to account for receipts and disbursements related to the Joint Task Force activities including joint seizures by Matagorda County, City of Bay City and City of Palacios.

**Historical Commission Fund** - This fund is used to account for grant proceeds and local match for the purpose of conducting a historic resource survey in Matagorda County.

**CDBG Disaster Recovery Fund** - This fund is used to account for grant funds associated with Presidentially declared disasters for long-term recovery efforts.

**Matagorda Water & Sewer Fund** - This fund is used to account for the receipts and disbursements related to the Texas Community Development Grant for the purpose of wastewater system improvements within the Matagorda County limits in Matagorda, Texas.

**Juvenile Probation Fund** - This fund is used to account for Texas Juvenile Justice Division grant fund for administering the juvenile probation program and for the receipt and disbursements of fees collected by the Juvenile Probation Department.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Debt Service Fund**

Debt service funds account for the accumulation of resources from governmental resources and the payments of general obligation debt principal, interest and related costs.

**Debt Service Fund** - This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2015 Certificates of Obligation issued for capital repairs and improvements to existing County buildings, and the payment of costs of issuance and professional services related thereto.

### **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Capital Projects Fund** - This fund accounts for the capital projects spending related to the use of proceeds of the Series 2015 Certificates of Obligation.

**MATAGORDA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2022

	Special		
	District Attorney Legal/Law Fund	Sheriff & Jail Discretionary Fund	County Clerk Preservation & Automation Fund
<b>Assets:</b>			
Cash and temporary investments	\$ 128,959	\$ 226,704	\$ 627,549
Receivables (net of allowance for uncollectibles):			
Taxes	-	-	-
Accounts	-	-	916
Due from other governments	-	-	-
Total assets	<u>\$ 128,959</u>	<u>\$ 226,704</u>	<u>\$ 628,465</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts and accrued liabilities payable	\$ 19,588	\$ 99,987	\$ 6,958
Due to other funds	-	50	-
Unearned revenue	-	-	-
Total liabilities	<u>19,588</u>	<u>100,037</u>	<u>6,958</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>			
Restricted	<u>109,371</u>	<u>126,667</u>	<u>621,507</u>
Total fund balance	<u>109,371</u>	<u>126,667</u>	<u>621,507</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 128,959</u>	<u>\$ 226,704</u>	<u>\$ 628,465</u>



Revenue Funds

Countywide Records Management Preservation Fund	Courthouse Security Fund	Justice Court Technology Fund	District Clerk Records Management Preservation Fund	County & District Court Technology Fund	Disaster Fund
\$ 82,240	\$ 171,207	\$ 32,834	\$ 112,316	\$ 116,661	\$ -
-	-	-	-	-	-
16	93	13	70	4	-
-	-	-	-	-	-
<u>\$ 82,256</u>	<u>\$ 171,300</u>	<u>\$ 32,847</u>	<u>\$ 112,386</u>	<u>\$ 116,665</u>	<u>\$ -</u>
\$ -	\$ 5,300	\$ -	\$ -	\$ -	\$ -
-	5,601	-	-	-	-
-	-	-	-	-	-
-	10,901	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>82,256</u>	<u>160,399</u>	<u>32,847</u>	<u>112,386</u>	<u>116,665</u>	<u>-</u>
<u>82,256</u>	<u>160,399</u>	<u>32,847</u>	<u>112,386</u>	<u>116,665</u>	<u>-</u>
<u>\$ 82,256</u>	<u>\$ 171,300</u>	<u>\$ 32,847</u>	<u>\$ 112,386</u>	<u>\$ 116,665</u>	<u>\$ -</u>

(Continued)

**MATAGORDA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
December 31, 2022

	Special		
	Joint Task Force Fund	Historical Commission Fund	CDBG Disaster Recovery Fund
<b>Assets:</b>			
Cash and temporary investments	\$ 524	\$ 14,562	\$ -
Receivables (net of allowance for uncollectibles):			
Taxes	-	-	-
Accounts	-	-	-
Due from other government	-	-	-
	-	-	-
Total assets	\$ 524	\$ 14,562	\$ -
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts and accrued liabilities payable	\$ 524	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
	-	-	-
Total liabilities	524	-	-
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources	-	-	-
	-	-	-
Total deferred inflows of resources	-	-	-
<b>Fund Balance:</b>			
Restricted	-	14,562	-
	-	14,562	-
Total fund balance	-	14,562	-
Total liabilities, deferred inflows of resources and fund balance	\$ 524	\$ 14,562	\$ -

Revenue Funds

Matagorda Water & Sewer Fund	Juvenile Probation Funds	Total Special Revenue Fund	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 6,365	\$ 28,265	\$ 1,548,186	\$ 60,409	\$ 611,362	\$ 2,219,957
-	-	-	167,906	-	167,906
-	1,984	3,096	-	-	3,096
-	-	-	14,556	-	14,556
<u>\$ 6,365</u>	<u>\$ 30,249</u>	<u>\$ 1,551,282</u>	<u>\$ 242,871</u>	<u>\$ 611,362</u>	<u>\$ 2,405,515</u>
\$ 6,365	\$ 765	\$ 139,487	\$ -	\$ -	\$ 139,487
-	-	5,651	-	-	5,651
-	11,804	11,804	-	-	11,804
<u>6,365</u>	<u>12,569</u>	<u>156,942</u>	<u>-</u>	<u>-</u>	<u>156,942</u>
-	-	-	201,704	-	201,704
-	-	-	201,704	-	201,704
-	17,680	1,394,340	41,167	611,362	2,046,869
-	17,680	1,394,340	41,167	611,362	2,046,869
<u>\$ 6,365</u>	<u>\$ 30,249</u>	<u>\$ 1,551,282</u>	<u>\$ 242,871</u>	<u>\$ 611,362</u>	<u>\$ 2,405,515</u>

**MATAGORDA COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2022

	Special		
	District Attorney Legal/Law Fund	Sheriff & Jail Discretionary Fund	County Clerk Preservation & Automation Fund
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	32,759	-	189,915
Investment income	159	30	964
Miscellaneous	-	73,678	-
<b>Total revenues</b>	<b>32,918</b>	<b>73,708</b>	<b>190,879</b>
Expenditures:			
Current:			
General government	-	-	47,977
Justice system	1,862	-	-
Public safety	-	4,689	-
Corrections and rehabilitation	-	48,505	-
Community and economic development	-	-	-
Infrastructure and environmental services	-	-	-
Capital outlay	38,713	9,950	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>40,575</b>	<b>63,144</b>	<b>47,977</b>
Excess (deficiency) of revenue over expenditures	( 7,657 )	10,564	142,902
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	( 27,500 )	-	-
<b>Total other financing sources (uses)</b>	<b>( 27,500 )</b>	<b>-</b>	<b>-</b>
Change in fund balance	( 35,157 )	10,564	142,902
Fund balance - beginning	144,528	116,103	478,605
Fund balance - ending	<u>\$ 109,371</u>	<u>\$ 126,667</u>	<u>\$ 621,507</u>

Revenue Funds

Countywide Records Management Preservation Fund	Courthouse Security Fund	Justice Court Technology Fund	District Clerk Records Management Preservation Fund	County & District Court Technology Fund	Disaster Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,969	29,026	7,625	13,331	3,004	-
136	272	52	182	197	-
-	-	-	-	-	-
<u>5,105</u>	<u>29,298</u>	<u>7,677</u>	<u>13,513</u>	<u>3,201</u>	<u>-</u>
-	2,997	-	-	-	-
-	-	3,641	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	44,608
-	5,300	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,297	3,641	-	-	44,608
<u>5,105</u>	<u>21,001</u>	<u>4,036</u>	<u>13,513</u>	<u>3,201</u>	<u>( 44,608 )</u>
-	-	-	-	-	970,490
-	-	-	-	-	-
-	-	-	-	-	970,490
5,105	21,001	4,036	13,513	3,201	925,882
<u>77,151</u>	<u>139,398</u>	<u>28,811</u>	<u>98,873</u>	<u>113,464</u>	<u>( 925,882 )</u>
<u>\$ 82,256</u>	<u>\$ 160,399</u>	<u>\$ 32,847</u>	<u>\$ 112,386</u>	<u>\$ 116,665</u>	<u>\$ -</u>

(Continued)

**MATAGORDA COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2022

	Special		
	Joint Task Forces Fund	Historical Commission Fund	CDBG Disaster Recovery Fund
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	395,808
Charges for services	-	-	-
Investment income	-	33	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>33</u>	<u>395,808</u>
Expenditures:			
Current:			
General government	-	-	-
Justice system	-	-	-
Public safety	-	-	-
Corrections and rehabilitation	-	-	-
Community and economic development	-	10,030	-
Infrastructure and environmental services	-	-	395,808
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>10,030</u>	<u>395,808</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>( 9,997 )</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers in	-	7,000	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>7,000</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>( 2,997 )</u>	<u>-</u>
Fund balance - beginning	<u>-</u>	<u>17,559</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 14,562</u>	<u>\$ -</u>

Revenue Funds

Matagorda Water & Sewer Fund	Juvenile Probation Fund	Total Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 196,736	\$ -	\$ 196,736
3,850	430,247	829,905	-	-	829,905
-	-	280,629	-	-	280,629
-	230	2,255	218	-	2,473
-	-	73,678	-	-	73,678
<u>3,850</u>	<u>430,477</u>	<u>1,186,467</u>	<u>196,954</u>	<u>-</u>	<u>1,383,421</u>
-	-	50,974	-	-	50,974
-	428,540	434,043	-	-	434,043
-	-	4,689	-	-	4,689
-	-	48,505	-	-	48,505
-	-	10,030	-	-	10,030
3,850	-	444,266	-	-	444,266
-	-	53,963	-	167,451	221,414
-	-	-	125,000	-	125,000
-	-	-	67,712	-	67,712
<u>3,850</u>	<u>428,540</u>	<u>1,046,470</u>	<u>192,712</u>	<u>167,451</u>	<u>1,406,633</u>
<u>-</u>	<u>1,937</u>	<u>139,997</u>	<u>4,242</u>	<u>( 167,451 )</u>	<u>( 23,212 )</u>
-	-	977,490	-	-	977,490
-	-	( 27,500 )	-	-	( 27,500 )
-	-	949,990	-	-	949,990
-	1,937	1,089,987	4,242	( 167,451 )	926,778
-	15,743	304,353	36,925	778,813	1,120,091
<u>\$ -</u>	<u>\$ 17,680</u>	<u>\$ 1,394,340</u>	<u>\$ 41,167</u>	<u>\$ 611,362</u>	<u>\$ 2,046,869</u>

**MATAGORDA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND  
For the Year Ended December 31, 2022**

Exhibit 16  
Page 1 of 8

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government:				
County Judge:				
Salaries and wages, and employee benefits	\$ 223,092	\$ 226,892	\$ 221,927	\$ 4,965
Operating expenditures	6,300	5,600	2,036	3,564
Total County Judge	229,392	232,492	223,963	8,529
Commissioners Court:				
Salaries and wages, and employee benefits	77,260	83,760	79,967	3,793
Operating expenditures	387,300	212,100	224,541	(12,441)
Total Commissioners Court	464,560	295,860	304,508	(8,648)
County Clerk:				
Salaries and wages, and employee benefits	414,317	415,817	411,001	4,816
Operating expenditures	32,600	32,600	29,381	3,219
Total County Clerk	446,917	448,417	440,382	8,035
Special District Services:				
Salaries and wages, and employee benefits	754	754	695	59
Operating expenditures	2,850	2,850	-	2,850
Total Special District Services	3,604	3,604	695	2,909
Non-Departmental:				
Salaries and wages, and employee benefits	1,300,000	1,346,800	1,346,800	-
Operating expenditures	1,133,040	1,460,200	1,405,393	54,807
Total Non-Departmental	2,433,040	2,807,000	2,752,193	54,807
Election Cost:				
Salaries and wages, and employee benefits	63,318	63,318	49,572	13,745
Operating expenditures	71,660	96,660	113,606	(16,946)
Capital outlay expenditures	27,000	620,602	470,476	150,126
Total Election Cost	161,978	780,580	633,654	146,926
County Auditor:				
Salaries and wages, and employee benefits	453,001	455,516	448,638	6,878
Operating expenditures	17,400	17,585	10,114	7,471
Total County Auditor	470,401	473,101	458,752	14,349
Human Resources:				
Salaries and wages, and employee benefits	213,916	211,262	200,147	11,115
Operating expenditures	12,500	15,154	10,873	4,281
Total Human Resources	226,416	226,416	211,020	15,396

(Continued)



**MATAGORDA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government - Continued:				
County Treasurer:				
Salaries and wages, and employee benefits	\$ 179,560	\$ 181,160	\$ 178,206	\$ 2,954
Operating expenditures	<u>18,875</u>	<u>18,875</u>	<u>11,483</u>	<u>7,392</u>
Total County Treasurer	<u>198,435</u>	<u>200,035</u>	<u>189,689</u>	<u>10,346</u>
County Tax Assessor:				
Salaries and wages, and employee benefits	698,694	698,394	664,911	33,483
Operating expenditures	<u>76,200</u>	<u>77,633</u>	<u>67,679</u>	<u>9,954</u>
Total County Tax Assessor	<u>774,894</u>	<u>776,027</u>	<u>732,590</u>	<u>43,437</u>
Information Services:				
Salaries and wages, and employee benefits	168,850	169,250	167,905	1,345
Operating expenditures	392,118	396,245	381,980	14,265
Capital outlay expenditures	-	122,314	121,335	979
Debt service expenditures	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total Information Services	<u>560,968</u>	<u>695,809</u>	<u>679,220</u>	<u>16,589</u>
County Office Building:				
Operating expenditures	<u>149,500</u>	<u>149,500</u>	<u>134,747</u>	<u>14,753</u>
Total County Office Building	<u>149,500</u>	<u>149,500</u>	<u>134,747</u>	<u>14,753</u>
County Courthouse:				
Salaries and wages, and employee benefits	104,584	105,184	104,682	502
Operating expenditures	309,172	300,472	313,452	( 12,980)
Capital outlay expenditures	<u>-</u>	<u>3,900</u>	<u>3,842</u>	<u>58</u>
Total County Courthouse	<u>413,756</u>	<u>409,556</u>	<u>421,976</u>	<u>( 12,420)</u>
Total General Government	<u>6,533,861</u>	<u>7,498,397</u>	<u>7,183,389</u>	<u>315,008</u>
Justice System:				
County Court:				
Operating expenditures	<u>19,800</u>	<u>23,800</u>	<u>25,340</u>	<u>( 1,540)</u>
Total County Court	<u>19,800</u>	<u>23,800</u>	<u>25,340</u>	<u>( 1,540)</u>
23 <sup>rd</sup> District Court:				
Salaries and wages, and employee benefits	107,775	107,775	99,203	8,572
Operating expenditures	<u>20,686</u>	<u>18,686</u>	<u>7,877</u>	<u>10,809</u>
Total 23 <sup>rd</sup> District Court	<u>128,461</u>	<u>126,461</u>	<u>107,080</u>	<u>19,381</u>

(Continued)

**MATAGORDA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Justice System - Continued:				
130 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	\$ 220,758	\$ 215,838	\$ 215,478	\$ 360
Operating expenditures	51,087	57,627	38,826	18,801
Total 130 <sup>th</sup> District Court	271,845	273,465	254,304	19,161
Court Expenditures:				
Salaries and wages, and employee benefits	120,099	118,573	102,869	15,704
Operating expenditures	450,800	452,104	306,331	145,773
Total Court Expenditures	570,899	570,677	409,200	161,477
Capital Murder Trial:				
Operating expenditures	60,000	60,000	107,136	( 47,136 )
Total Capital Murder Trial	60,000	60,000	107,136	( 47,136 )
District Clerk:				
Salaries and wages, and employee benefits	369,748	367,748	330,855	36,893
Operating expenditures	34,783	36,783	33,367	3,416
Total District Clerk	404,531	404,531	364,222	40,309
District Attorney:				
Salaries and wages, and employee benefits	845,285	860,147	760,803	99,344
Operating expenditures	58,750	88,569	69,092	19,477
Capital outlay expenditures	-	14,498	11,998	2,500
Total District Attorney	904,035	963,214	841,893	121,321
Justice of the Peace Precinct #1:				
Salaries and wages, and employee benefits	173,786	172,312	155,671	16,641
Operating expenditures	14,600	16,074	12,606	3,468
Total Justice of the Peace Precinct #1	188,386	188,386	168,277	20,109
Justice of the Peace Precinct #2:				
Salaries and wages, and employee benefits	176,943	176,843	166,440	10,403
Operating expenditures	12,780	13,080	10,759	2,321
Total Justice of the Peace Precinct #2	189,723	189,923	177,199	12,724
Justice of the Peace Precinct #3:				
Salaries and wages, and employee benefits	186,306	183,871	179,127	4,744
Operating expenditures	5,650	8,085	7,777	308
Total Justice of the Peace Precinct #3	191,956	191,956	186,904	5,052
Justice of the Peace Precinct #4:				
Salaries and wages, and employee benefits	184,495	181,212	178,052	3,160
Operating expenditures	10,592	14,875	14,760	115
Total Justice of the Peace Precinct #4	195,087	196,087	192,812	3,275

(Continued)

**MATAGORDA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Justice System - Continued:				
Justice of the Peace Precinct #6:				
Salaries and wages, and employee benefits	\$ 116,577	\$ 118,477	\$ 116,891	\$ 1,586
Operating expenditures	20,265	4,565	10,018	( 5,453)
Total Justice of the Peace Precinct #6	136,842	123,042	126,909	( 3,867)
County Attorney:				
Salaries and wages, and employee benefits	418,219	417,204	397,581	19,623
Operating expenditures	37,280	32,505	30,819	1,686
Capital outlay expenditures	-	5,790	5,790	-
Total County Attorney	455,499	455,499	434,190	21,309
Juvenile Probation Board:				
Salaries and wages, and employee benefits	47,784	52,184	50,358	1,826
Total Juvenile Probation Board	47,784	52,184	50,358	1,826
Juvenile Probation:				
Salaries and wages, and employee benefits	68,349	66,849	53,350	13,499
Operating expenditures	218,000	224,500	209,755	14,745
Total Juvenile Probation	286,349	291,349	263,105	28,244
Child Protective Services:				
Operating expenditures	84,646	84,646	84,646	-
Total Child Protective Services	84,646	84,646	84,646	-
Child Support:				
Salaries and wages, and employee benefits	70,218	70,218	66,897	3,321
Operating expenditures	3,100	856	259	597
Total Child Support	73,318	71,074	67,156	3,918
Law Library:				
Operating expenditures	21,000	22,546	22,545	1
Total Law Library	21,000	22,546	22,545	1
Total Justice System	4,230,161	4,288,840	3,883,276	405,564
Public Safety:				
Emergency Management/911:				
Salaries and wages, and employee benefits	165,930	163,930	162,208	1,722
Operating expenditures	32,020	35,020	26,211	8,809
Capital outlay expenditures	-	177,434	177,434	-
Total Emergency Management/911	197,950	376,384	365,853	10,531
Fire Protection:				
Operating expenditures	61,700	163,300	116,300	47,000
Total Fire Protection	61,700	163,300	116,300	47,000

(Continued)

**MATAGORDA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Safety - Continued:				
Constable Precinct #1:				
Salaries and wages, and employee benefits	\$ 53,737	\$ 53,437	\$ 52,937	\$ 500
Operating expenditures	4,620	7,689	6,589	1,100
Total Constable Precinct #1	58,357	61,126	59,526	1,600
Constable Precinct #2:				
Salaries and wages, and employee benefits	61,358	61,358	57,480	3,878
Operating expenditures	3,000	3,598	2,324	1,274
Total Constable Precinct #2	64,358	64,956	59,804	5,152
Constable Precinct #3:				
Salaries and wages, and employee benefits	50,237	50,837	48,641	2,196
Operating expenditures	2,100	7,327	68	7,259
Total Constable Precinct #3	52,337	58,164	48,709	9,455
Constable Precinct #4:				
Salaries and wages, and employee benefits	43,697	41,697	38,341	3,356
Operating expenditures	3,000	6,514	2,157	4,357
Capital outlay expenditures	-	65,050	58,510	6,540
Total Constable Precinct #4	46,697	113,261	99,008	14,253
Constable Precinct #6:				
Salaries and wages, and employee benefits	61,358	54,358	48,777	5,581
Operating expenditures	8,000	15,963	13,996	1,967
Capital outlay expenditures	-	15,540	15,540	-
Total Constable Precinct #6	69,358	85,861	78,313	7,548
County Sheriff:				
Salaries and wages, and employee benefits	3,290,191	3,300,454	3,194,520	105,934
Operating expenditures	444,550	554,222	458,035	96,187
Capital outlay expenditures	120,000	194,661	136,766	57,895
Total County Sheriff	3,854,741	4,049,337	3,789,321	260,016
Texas Department of Public Safety:				
Operating expenditures	4,000	4,000	-	4,000
Total Texas Department of Public Safety	4,000	4,000	-	4,000
Game Wardens:				
Operating expenditures	38,400	38,400	38,400	-
Total Game Wardens	38,400	38,400	38,400	-
Total Public Safety	4,447,898	5,014,789	4,655,234	359,555

(Continued)

**MATAGORDA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Corrections and Rehabilitation:				
County Jail:				
Salaries and wages, and employee benefits	\$ 2,356,133	\$ 2,468,151	\$ 2,385,895	\$ 82,256
Operating expenditures	<u>550,020</u>	<u>593,490</u>	<u>572,871</u>	<u>20,619</u>
Total County Jail	<u>2,906,153</u>	<u>3,061,641</u>	<u>2,958,766</u>	<u>102,875</u>
Adult Probation:				
Operating expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,801</u>	<u>199</u>
Total Adult Probation	<u>5,000</u>	<u>5,000</u>	<u>4,801</u>	<u>199</u>
Total Corrections and Rehabilitation	<u>2,911,153</u>	<u>3,066,641</u>	<u>2,963,567</u>	<u>103,074</u>
Health and Human Services:				
Veteran Service Officer:				
Salaries and wages, and employee benefits	84,464	84,464	74,772	9,692
Operating expenditures	<u>3,650</u>	<u>3,650</u>	<u>1,184</u>	<u>2,466</u>
Total Veteran Service Officer	<u>88,114</u>	<u>88,114</u>	<u>75,956</u>	<u>12,158</u>
Ambulance:				
Operating expenditures	<u>592,575</u>	<u>592,575</u>	<u>592,575</u>	<u>-</u>
Total Ambulance	<u>592,575</u>	<u>592,575</u>	<u>592,575</u>	<u>-</u>
Health Department:				
Salaries and wages, and employee benefits	347,931	348,271	333,818	14,453
Operating expenditures	<u>20,535</u>	<u>59,168</u>	<u>48,558</u>	<u>10,610</u>
Total Health Department	<u>368,466</u>	<u>407,439</u>	<u>382,376</u>	<u>25,063</u>
Animal Control:				
Salaries and wages, and employee benefits	100,118	102,518	99,118	3,400
Operating expenditures	94,151	93,471	87,688	5,783
Capital outlay expenditures	<u>-</u>	<u>680</u>	<u>-</u>	<u>680</u>
Total Animal Control	<u>194,269</u>	<u>196,669</u>	<u>186,806</u>	<u>9,863</u>
Human Services:				
Operating expenditures	<u>64,200</u>	<u>68,400</u>	<u>68,490</u>	<u>( 90 )</u>
Total Human Services	<u>64,200</u>	<u>68,400</u>	<u>68,490</u>	<u>( 90 )</u>
Mental Health:				
Operating expenditures	<u>35,419</u>	<u>35,419</u>	<u>35,419</u>	<u>-</u>
Total Mental Health	<u>35,419</u>	<u>35,419</u>	<u>35,419</u>	<u>-</u>
Total Health and Human Services	<u>1,343,043</u>	<u>1,388,616</u>	<u>1,341,622</u>	<u>46,994</u>

(Continued)

**MATAGORDA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Community and Economic Development:				
521 Park:				
Operating expenditures	\$ 5,000	\$ 5,000	\$ 4,090	\$ 910
Total 521 Park	5,000	5,000	4,090	910
Fairgrounds:				
Salaries and wages, and employee benefits	52,949	54,149	50,146	4,003
Operating expenditures	301,100	109,156	88,932	20,224
Capital outlay expenditures	-	70,744	70,743	1
Total Fairgrounds	354,049	234,049	209,821	24,228
Marine:				
Salaries and wages, and employee benefits	115,129	64,809	32,254	32,555
Operating expenditures	49,700	328,042	317,388	10,654
Total Marine	164,829	392,851	349,642	43,209
Cultural and Education:				
Operating expenditures	426,741	430,670	430,670	-
Total Cultural and Education	426,741	430,670	430,670	-
Agricultural Extension:				
Salaries and wages, and employee benefits	217,815	167,293	124,808	42,485
Operating expenditures	25,220	17,951	16,442	1,509
Capital outlay expenditures	-	11,722	11,718	4
Total Agricultural Extension	243,035	196,966	152,968	43,998
Home Economist Service:				
Salaries and wages, and employee benefits	137,701	161,989	115,140	46,849
Operating expenditures	4,750	2,531	2,069	462
Total Home Economist Service	142,451	164,520	117,209	47,311
Total Community and Economic Development	1,336,105	1,424,056	1,264,400	159,656
Infrastructure and Environmental Services:				
Transfer Station:				
Salaries and wages, and employee benefits	184,836	184,836	145,452	39,384
Operating expenditures	474,020	474,020	239,965	234,055
Capital outlay expenditures	45,000	-	-	-
Total Transfer Station	703,856	658,856	385,417	273,439

(Continued)

**MATAGORDA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Infrastructure and Environmental Services - Continued:				
Commissioner - Precinct #1:				
Salaries and wages, and employee benefits	\$ 622,552	\$ 623,786	\$ 594,495	\$ 29,291
Operating expenditures	913,252	1,345,411	528,899	816,512
Capital outlay expenditures	-	221,019	219,337	1,682
Debt service expenditures	60,115	60,115	60,115	-
Total Commissioner - Precinct #1	1,595,919	2,250,331	1,402,846	847,485
Commissioner - Precinct #2:				
Salaries and wages, and employee benefits	755,316	755,316	593,875	161,441
Operating expenditures	850,555	1,448,538	1,082,956	365,582
Capital outlay expenditures	180,000	116,860	-	116,860
Debt service expenditures	47,536	47,536	47,528	8
Total Commissioner - Precinct #2	1,833,407	2,368,250	1,724,359	643,891
Commissioner - Precinct #3:				
Salaries and wages, and employee benefits	745,924	745,924	583,446	162,478
Operating expenditures	871,974	1,086,494	722,560	363,934
Capital outlay expenditures	-	844,070	84,026	760,044
Total Commissioner - Precinct #3	1,617,898	2,676,488	1,390,032	1,286,456
Commissioner - Precinct #4:				
Salaries and wages, and employee benefits	617,910	636,460	547,003	89,457
Operating expenditures	948,557	1,374,375	1,051,037	323,338
Capital outlay expenditures	-	116,715	116,565	150
Debt service expenditures	81,751	81,751	81,749	2
Total Commissioner - Precinct #4	1,648,218	2,209,301	1,796,354	412,947
Total Infrastructure and Environmental Services	7,399,298	10,163,226	6,699,008	3,464,218
Total Current Expenditures	\$ 28,201,519	\$ 32,844,565	\$ 27,990,496	\$ 4,854,069





**MATAGORDA COUNTY, TEXAS**

Exhibit 17

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
BUDGET AND ACTUAL - DEBT SERVICE FUNDS*

Legal Level of Budgetary Control

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 192,713	\$ 192,713	\$ 196,736	\$ 4,023
Investment income	-	-	218	218
Total revenues	<u>192,713</u>	<u>192,713</u>	<u>196,954</u>	<u>4,241</u>
Expenditures:				
Debt service:				
Principal	125,000	125,000	125,000	-
Interest and fiscal charges	<u>67,713</u>	<u>67,713</u>	<u>67,712</u>	<u>1</u>
Total expenditures	<u>192,713</u>	<u>192,713</u>	<u>192,712</u>	<u>1</u>
Change in fund balance	-	-	4,242	4,242
Fund balance - beginning	<u>36,925</u>	<u>36,925</u>	<u>36,925</u>	-
Fund balance - ending	<u>\$ 36,925</u>	<u>\$ 36,925</u>	<u>\$ 41,167</u>	<u>\$ 4,242</u>

**MATAGORDA COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)  
BY FUNCTION AND LEGAL LEVEL OF BUDGETARY CONTROL**

For the Year Ended December 31, 2022

	District Attorney Legal/Law Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 32,500	\$ 33,097	\$ 32,759	\$( 338 )
Investment income	400	400	159	( 241 )
Miscellaneous	-	-	-	-
Total revenues	<u>32,900</u>	<u>33,497</u>	<u>32,918</u>	<u>( 579 )</u>
Expenditures:				
Justice System:				
Operating expenditures	5,400	10,049	1,862	8,187
Capital expenditures		38,713	38,713	
Public Safety:				
Operating expenditures	-	-	-	-
Corrections and Rehabilitation:				
Operating expenditures	-	-	-	-
Capital expenditures	-	-	-	-
Total expenditures	<u>5,400</u>	<u>48,762</u>	<u>40,575</u>	<u>8,187</u>
Excess (deficiency) of revenues over expenditures	<u>27,500</u>	<u>( 15,265 )</u>	<u>( 7,657 )</u>	<u>7,608</u>
Other Financing Uses:				
Transfers out	( 27,500 )	( 27,500 )	( 27,500 )	-
Total other financing uses	<u>( 27,500 )</u>	<u>( 27,500 )</u>	<u>( 27,500 )</u>	<u>-</u>
Change in fund balance	-	( 42,765 )	( 35,157 )	7,608
Fund balance - beginning	<u>144,528</u>	<u>144,528</u>	<u>144,528</u>	<u>-</u>
Fund balance - ending	<u>\$ 144,528</u>	<u>\$ 101,763</u>	<u>\$ 109,371</u>	<u>\$ 7,608</u>

Sheriff & Jail Discretionary Fund			
Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 1,000	\$ 1,000	\$ -	\$( 1,000 )
100	100	30	( 70 )
<u>41,000</u>	<u>41,000</u>	<u>73,678</u>	<u>32,678</u>
<u>42,100</u>	<u>42,100</u>	<u>73,708</u>	<u>31,608</u>
-	-	-	-
-	-	-	-
13,100	13,100	4,689	8,411
29,000	57,300	48,505	8,795
<u>-</u>	<u>10,000</u>	<u>9,950</u>	<u>50</u>
<u>42,100</u>	<u>80,400</u>	<u>63,144</u>	<u>17,256</u>
<u>-</u>	<u>( 38,300 )</u>	<u>10,564</u>	<u>48,864</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	( 38,300 )	10,564	48,864
<u>116,103</u>	<u>116,103</u>	<u>116,103</u>	<u>-</u>
<u>\$ 116,103</u>	<u>\$ 77,803</u>	<u>\$ 126,667</u>	<u>\$ 48,864</u>

(Continued)

**MATAGORDA COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
 BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)  
 BY FUNCTION AND LEGAL LEVEL OF BUDGETARY CONTROL - Continued  
 For the Year Ended December 31, 2022*

	County Clerk Preservation & Automation Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 153,500	\$ 153,500	\$ 189,915	\$ 36,415
Investment income	2,500	2,500	964	( 1,536 )
Total revenues	<u>156,000</u>	<u>156,000</u>	<u>190,879</u>	<u>34,879</u>
Expenditures:				
General Government:				
Operating expenditures	<u>144,555</u>	<u>144,555</u>	<u>47,977</u>	<u>96,578</u>
Total expenditures	<u>144,555</u>	<u>144,555</u>	<u>47,977</u>	<u>96,578</u>
Change in fund balance	11,445	11,445	142,902	131,457
Fund balance - beginning	<u>478,605</u>	<u>478,605</u>	<u>478,605</u>	<u>-</u>
Fund balance - ending	<u>\$ 490,050</u>	<u>\$ 490,050</u>	<u>\$ 621,507</u>	<u>\$ 131,457</u>

<u>Countywide Records Management Preservation Fund</u>			
<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ 8,000	\$ 8,000	\$ 4,969	\$( 3,031 )
<u>750</u>	<u>750</u>	<u>136</u>	<u>( 614 )</u>
<u>8,750</u>	<u>8,750</u>	<u>5,105</u>	<u>( 3,645 )</u>
<u>8,750</u>	<u>8,750</u>	<u>-</u>	<u>8,750</u>
<u>8,750</u>	<u>8,750</u>	<u>-</u>	<u>8,750</u>
<u>-</u>	<u>-</u>	<u>5,105</u>	<u>5,105</u>
<u>77,151</u>	<u>77,151</u>	<u>77,151</u>	<u>-</u>
<u>\$ 77,151</u>	<u>\$ 77,151</u>	<u>\$ 82,256</u>	<u>\$ 5,105</u>

(Continued)

**MATAGORDA COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
 BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)  
 BY FUNCTION AND LEGAL LEVEL OF BUDGETARY CONTROL - Continued  
 For the Year Ended December 31, 2022*

	Courthouse Security Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 17,500	\$ 17,500	\$ 29,026	\$ 11,526
Investment income	500	500	272	( 228 )
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>29,298</u>	<u>11,298</u>
Expenditures:				
General Government:				
Operating expenditures	18,000	13,000	2,997	10,003
Capital expenditures	-	5,000	5,300	( 300 )
Justice System:				
Operating expenditures	-	-	-	-
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>8,297</u>	<u>9,703</u>
Change in fund balance	-	-	21,001	21,001
Fund balance - beginning	<u>139,398</u>	<u>139,398</u>	<u>139,398</u>	<u>-</u>
Fund balance - ending	<u>\$ 139,398</u>	<u>\$ 139,398</u>	<u>\$ 160,399</u>	<u>\$ 21,001</u>

Justice Court Technology Fund			
Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 6,500	\$ 6,500	\$ 7,625	\$ 1,125
<u>200</u>	<u>200</u>	<u>52</u>	<u>( 148 )</u>
<u>6,700</u>	<u>6,700</u>	<u>7,677</u>	<u>977</u>
-	-	-	-
-	-	-	-
<u>6,700</u>	<u>6,700</u>	<u>3,641</u>	<u>3,059</u>
<u>6,700</u>	<u>6,700</u>	<u>3,641</u>	<u>3,059</u>
-	-	4,036	4,036
<u>28,811</u>	<u>28,811</u>	<u>28,811</u>	<u>-</u>
<u>\$ 28,811</u>	<u>\$ 28,811</u>	<u>\$ 32,847</u>	<u>\$ 4,036</u>

(Continued)

**MATAGORDA COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
 BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)  
 BY FUNCTION AND LEGAL LEVEL OF BUDGETARY CONTROL - Continued  
 For the Year Ended December 31, 2022*

	District Clerk Records Management Preservation Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 7,179	\$ 7,179	\$ 13,331	\$ 6,152
Investment income	200	200	182	( 18 )
Total revenues	<u>7,379</u>	<u>7,379</u>	<u>13,513</u>	<u>6,134</u>
Expenditures:				
General Government:				
Operating expenditures	-	-	-	-
Justice System:				
Salaries and wages, and employee benefits	1,579	1,579	-	1,579
Operating expenditures	<u>5,800</u>	<u>5,800</u>	-	<u>5,800</u>
Total expenditures	<u>7,379</u>	<u>7,379</u>	-	<u>7,379</u>
Change in fund balance	-	-	13,513	13,513
Fund balance - beginning	<u>98,873</u>	<u>98,873</u>	<u>98,873</u>	-
Fund balance - ending	<u>\$ 98,873</u>	<u>\$ 98,873</u>	<u>\$ 112,386</u>	<u>\$ 13,513</u>



County & District Court Technology Fund			
Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 11,600	\$ 11,600	\$ 3,004	\$ ( 8,596 )
<u>260</u>	<u>260</u>	<u>197</u>	<u>( 63 )</u>
<u>11,860</u>	<u>11,860</u>	<u>3,201</u>	<u>( 8,659 )</u>
7,000	7,000	-	7,000
-	-	-	-
<u>4,860</u>	<u>4,860</u>	<u>-</u>	<u>4,860</u>
<u>11,860</u>	<u>11,860</u>	<u>-</u>	<u>11,860</u>
-	-	3,201	3,201
<u>113,464</u>	<u>113,464</u>	<u>113,464</u>	<u>-</u>
<u>\$ 113,464</u>	<u>\$ 113,464</u>	<u>\$ 116,665</u>	<u>\$ 3,201</u>

(Continued)

**MATAGORDA COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
 BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)  
 BY FUNCTION AND LEGAL LEVEL OF BUDGETARY CONTROL - Continued*  
 For the Year Ended December 31, 2022

	Historical Commission Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 33	\$ 33
Total revenues	-	-	33	33
Expenditures:				
Community and Economic Development:				
Operating expenditures	7,000	10,100	10,030	70
Total expenditures	7,000	10,100	10,030	70
Deficiency of revenues over expenditures	( 7,000 )	( 10,100 )	( 9,997 )	103
Other Financing Sources:				
Transfers in	7,000	7,000	7,000	-
Total other financing sources	7,000	7,000	7,000	-
Change in fund balance	-	( 3,100 )	( 2,997 )	103
Fund balances - beginning	17,559	17,559	17,559	-
Fund balances - ending	\$ 17,559	\$ 14,459	\$ 14,562	\$ 103

**MATAGORDA COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
 December 31, 2022

Exhibit 19

	County Clerk Fund	District Clerk Fund	Inmate Fund	Tax Assessor Collector Fund	Adult Probation Fund	Total Custodial Funds
<b>Assets</b>						
Cash and temporary investments	\$ <u>52,729</u>	\$ <u>4,648,051</u>	\$ <u>79,554</u>	\$ <u>278,956</u>	\$ <u>881,032</u>	\$ <u>5,940,322</u>
Total assets	<u>52,729</u>	<u>4,648,051</u>	<u>79,554</u>	<u>278,956</u>	<u>881,032</u>	<u>5,940,322</u>
<b>Liabilities</b>						
Accounts and accrued liabilities payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,444</u>	<u>89,444</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,444</u>	<u>89,444</u>
<b>Net Position</b>						
Individual, organizations and other governments	<u>52,729</u>	<u>4,648,051</u>	<u>79,554</u>	<u>278,956</u>	<u>791,588</u>	<u>5,850,878</u>
Total net position	<u>\$ 52,729</u>	<u>\$ 4,648,051</u>	<u>\$ 79,554</u>	<u>\$ 278,956</u>	<u>\$ 791,588</u>	<u>\$ 5,850,878</u>

**MATAGORDA COUNTY, TEXAS**

Exhibit 20

**COMBINING STATEMENT OF CHANGE IN FIDUCIARY NET POSITION**

For the Year Ended December 31, 2022

	County Clerk Fund	District Clerk Fund	Inmate Fund	Tax Assessor Collector Fund	Adult Probation Fund	Total Custodial Funds
Additions:						
Tax collections for other governments	\$ -	\$ -	\$ -	\$ 278,956	\$ -	\$ 278,956
Collections for adult probation	-	-	-	-	1,638,045	1,638,045
Held for others	93,639	1,699,029	264,894	-	-	2,057,562
Investment income	-	-	-	-	4,490	4,490
	<u>93,639</u>	<u>1,699,029</u>	<u>264,894</u>	<u>278,956</u>	<u>1,642,535</u>	<u>3,979,053</u>
Total additions						
Deductions:						
Payments to other governments	-	-	-	404,980	-	404,980
Payments for adult probation	-	-	-	-	1,550,305	1,550,305
Payments to individuals	150,924	7,979,569	261,319	-	-	8,391,812
	<u>150,924</u>	<u>7,979,569</u>	<u>261,319</u>	<u>404,980</u>	<u>1,550,305</u>	<u>10,347,097</u>
Total deductions						
Net change in net position	( 57,285)	( 6,280,540)	3,575	( 126,024)	92,230	( 6,368,044)
Net position - beginning	<u>110,014</u>	<u>10,928,591</u>	<u>75,979</u>	<u>404,980</u>	<u>699,358</u>	<u>12,218,922</u>
Net position - ending	<u>\$ 52,729</u>	<u>\$ 4,648,051</u>	<u>\$ 79,554</u>	<u>\$ 278,956</u>	<u>\$ 791,588</u>	<u>\$ 5,850,878</u>

## **STATISTICAL SECTION**



# MATAGORDA COUNTY, TEXAS

Statistical Section  
(unaudited)

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and additional supplementary information say about the County's overall financial health.

<u>Content</u>	<u>Page</u>
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<b>Financial Trends</b>	112-119
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These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

<b>Revenue Capacity</b>	120-125
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These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

<b>Debt Capacity</b>	126-129
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These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the government's ability to issue additional debt in the future.

<b>Demographic and Economic Indicators</b>	130-131
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

<b>Operating Information</b>	132-137
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These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**MATAGORDA COUNTY, TEXAS**  
**NET POSITION BY COMPONENTS**  
 Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities:					
Net investment in capital assets	\$ 15,782,772	\$ 17,259,548	\$ 23,077,392	\$ 20,110,391	\$ 20,889,826
Restricted	816,242	842,358	3,447,500	2,393,253	999,683
Unrestricted	<u>5,930,480</u>	<u>5,973,418</u>	<u>2,236,338</u>	<u>2,241,129</u>	<u>( 8,101,188)</u>
Total governmental activities net position	<u>\$ 22,529,494</u>	<u>\$ 24,075,324</u>	<u>\$ 28,761,230</u>	<u>\$ 24,744,773</u>	<u>\$ 13,788,321</u>

Source:

Annual Comprehensive Financial Report (Statement of Net Position)

Notes:

GASB 68 was implemented in 2015, and only 2014 ending balances have been restated.  
 GASB 75 was implemented in 2018, and only 2017 ending balances have been restated.



Table 1

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 21,077,762	\$ 22,753,383	\$ 25,267,989	\$ 26,095,480	\$ 29,431,071
987,684	1,109,873	4,439,195	4,701,077	5,656,672
<u>( 6,217,689)</u>	<u>( 4,884,348)</u>	<u>( 6,972,355)</u>	<u>( 5,216,955)</u>	<u>56,548</u>
<u>\$ 15,847,757</u>	<u>\$ 18,978,908</u>	<u>\$ 22,734,829</u>	<u>\$ 25,579,602</u>	<u>\$ 35,144,291</u>

**MATAGORDA COUNTY, TEXAS**  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses</b>					
Governmental Activities:					
General government	\$ 3,564,536	\$ 4,030,366	\$ 4,414,046	\$ 4,594,032	\$ 6,821,388
Justice system	3,492,513	3,652,376	4,085,240	4,008,884	4,695,643
Public safety	3,612,977	3,892,339	4,279,120	4,404,045	5,670,232
Corrections and rehabilitation	2,261,328	2,334,817	2,575,842	2,692,576	3,811,044
Health and human services	1,390,657	1,418,957	1,508,231	1,450,050	1,474,631
Community and economic development	5,213,574	1,160,109	1,382,101	1,210,022	1,946,369
Infrastructure and environmental services	6,342,332	5,228,877	6,158,182	8,580,302	7,639,725
Intergovernmental	566,199	2,304,056	1,191,733	7,130,930	-
Interest and fiscal charges	<u>30,073</u>	<u>29,542</u>	<u>154,903</u>	<u>124,987</u>	<u>105,756</u>
Total governmental activities expenses	<u>\$ 26,474,189</u>	<u>\$ 24,051,439</u>	<u>\$ 25,749,398</u>	<u>\$ 34,195,828</u>	<u>\$ 32,164,788</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General government	\$ 1,304,741	\$ 1,325,694	\$ 1,388,439	\$ 1,373,609	\$ 1,694,057
Justice system	1,062,915	1,374,752	1,972,518	248,067	2,086,607
Public safety	3,323,250	3,398,955	3,292,142	2,821,947	3,216,636
Corrections and rehabilitation	109,428	140,975	154,935	179,924	870,203
Health and human services	63,339	72,083	64,854	72,149	89,472
Community and economic development	188,626	180,042	228,692	214,760	344,333
Infrastructure and environmental services	129,682	352,573	411,784	392,615	1,661,543
Operating grants and contributions	5,511,435	1,322,719	1,225,197	1,065,975	2,636,558
Capital grants and contributions	<u>165,879</u>	<u>2,870,484</u>	<u>8,441,394</u>	<u>7,100,204</u>	<u>37,636</u>
Total governmental activities program revenues	<u>11,859,295</u>	<u>11,038,277</u>	<u>17,179,955</u>	<u>13,469,250</u>	<u>12,637,045</u>
Net expense	<u>\$(14,614,894)</u>	<u>\$(13,013,162)</u>	<u>\$( 8,569,443)</u>	<u>\$(20,726,578)</u>	<u>\$(19,527,743)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property Taxes	\$ 13,732,189	\$ 14,269,367	\$ 15,272,676	\$ 16,392,558	\$ 18,533,031
Investment income	97,781	107,161	46,471	144,532	262,237
Miscellaneous	<u>165,217</u>	<u>182,468</u>	<u>167,131</u>	<u>173,033</u>	<u>150,187</u>
Total general revenues	<u>\$ 13,995,187</u>	<u>\$ 14,558,996</u>	<u>\$ 15,486,278</u>	<u>\$ 16,710,123</u>	<u>\$ 18,945,455</u>
Change in net position	<u>\$( 619,707)</u>	<u>\$ 1,545,834</u>	<u>\$ 6,916,835</u>	<u>\$( 4,016,455)</u>	<u>\$( 582,288)</u>

Source: Annual Comprehensive Financial Report (Statement of Activities)

Table 2

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 7,149,969	\$ 6,670,175	\$ 6,991,798	\$ 7,311,752	\$ 7,424,642
4,655,067	5,045,150	5,076,817	5,211,203	4,239,950
5,045,927	5,185,776	5,941,987	5,787,098	5,090,806
3,492,005	3,796,273	3,689,587	3,675,367	3,291,462
1,431,115	1,476,106	1,401,627	1,467,893	1,408,697
1,168,712	1,259,254	1,318,701	1,771,777	1,228,773
7,422,500	9,004,028	7,655,238	7,668,344	8,178,402
-	-	-	-	-
<u>109,841</u>	<u>94,618</u>	<u>90,350</u>	<u>81,212</u>	<u>73,797</u>
<u>\$ 30,475,136</u>	<u>\$ 32,531,380</u>	<u>\$ 32,166,105</u>	<u>\$ 32,974,646</u>	<u>\$ 30,936,529</u>
\$ 2,118,407	\$ 1,787,418	\$ 1,913,385	\$ 1,967,110	\$ 2,162,410
2,454,436	1,762,542	724,194	1,706,569	1,686,541
3,447,637	3,729,678	3,974,673	4,119,687	4,030,169
844,217	922,638	652,546	622,822	629,104
123,678	145,466	121,460	122,465	130,009
318,288	342,664	440,224	348,172	256,647
1,633,287	1,690,758	1,664,794	1,702,304	1,691,047
2,648,962	4,007,516	4,762,946	3,299,845	2,610,447
<u>221,828</u>	<u>1,807,440</u>	<u>168,467</u>	<u>-</u>	<u>4,576,058</u>
<u>13,810,740</u>	<u>16,196,120</u>	<u>14,422,689</u>	<u>13,888,974</u>	<u>17,772,432</u>
<u>\$(16,664,396)</u>	<u>\$(16,335,260)</u>	<u>\$(17,743,416)</u>	<u>\$(19,085,672)</u>	<u>\$(13,164,097)</u>
\$ 17,932,603	\$ 18,899,447	\$ 20,704,928	\$ 21,239,743	\$ 22,089,551
259,431	361,820	487,371	271,483	288,479
<u>531,798</u>	<u>205,144</u>	<u>307,038</u>	<u>419,219</u>	<u>350,756</u>
<u>\$ 18,723,832</u>	<u>\$ 19,466,411</u>	<u>\$ 21,499,337</u>	<u>\$ 21,930,445</u>	<u>\$ 22,728,786</u>
<u>\$ 2,059,436</u>	<u>\$ 3,131,151</u>	<u>\$ 3,755,921</u>	<u>\$ 2,844,773</u>	<u>\$ 9,564,689</u>

**MATAGORDA COUNTY, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund:					
Nonspendable	\$ 337,048	\$ 617,348	\$ 937,646	\$ 408,330	\$ 523,587
Restricted	1,224,842	1,654,219	1,788,128	-	-
Committed	-	-	-	1,436,849	1,686,685
Unassigned	<u>8,088,794</u>	<u>7,925,903</u>	<u>7,623,601</u>	<u>9,056,754</u>	<u>10,736,520</u>
Total general fund	<u>\$ 9,650,684</u>	<u>\$ 10,197,470</u>	<u>\$ 10,349,375</u>	<u>\$ 10,901,933</u>	<u>\$ 12,946,792</u>
All Other Governmental Funds:					
Restricted	\$ 816,480	\$ 829,824	\$ 3,432,048	\$ 2,395,215	\$ 2,093,668
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 759,419)</u>
Total all other governmental funds	<u>\$ 816,480</u>	<u>\$ 829,824</u>	<u>\$ 3,432,048</u>	<u>\$ 2,395,215</u>	<u>\$ 1,334,249</u>
Total all governmental funds	<u>\$ 10,467,164</u>	<u>\$ 11,027,294</u>	<u>\$ 13,781,423</u>	<u>\$ 13,297,148</u>	<u>\$ 14,281,041</u>

Source: Annual Comprehensive Financial Report (Balance Sheet - Governmental Funds)

Table 3

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 893,161	\$ 584,260	\$ 1,123,309	\$ 775,670	\$ 1,231,723
-	-	3,152,274	3,449,870	4,234,312
1,487,792	1,343,436	1,217,717	1,967,793	3,190,779
<u>14,058,826</u>	<u>16,343,814</u>	<u>16,308,430</u>	<u>19,533,292</u>	<u>19,095,280</u>
<u>\$ 16,439,779</u>	<u>\$ 18,271,510</u>	<u>\$ 21,801,730</u>	<u>\$ 25,726,625</u>	<u>\$ 27,752,094</u>
\$ 2,088,975	\$ 1,953,138	\$ 2,085,247	\$ 2,045,973	\$ 2,046,869
( 525,418)	( 49,820)	( 419,403)	( 925,882)	-
<u>\$ 1,563,557</u>	<u>\$ 1,903,318</u>	<u>\$ 1,665,844</u>	<u>\$ 1,120,091</u>	<u>\$ 2,046,869</u>
<u>\$ 18,003,336</u>	<u>\$ 20,174,828</u>	<u>\$ 23,467,574</u>	<u>\$ 26,846,716</u>	<u>\$ 29,798,963</u>

**MATAGORDA COUNTY, TEXAS**

*CHANGE IN FUND BALANCE, GOVERNMENTAL FUNDS*

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:					
Taxes	\$ 13,790,874	\$ 13,286,586	\$ 14,171,108	\$ 16,833,700	\$ 18,184,334
Licenses and permits	780,770	805,842	766,767	770,097	756,759
Intergovernmental	5,679,217	3,465,873	9,719,811	8,304,186	2,512,824
Charges for services	4,692,877	4,923,019	4,985,894	4,431,355	4,417,327
Fines	359,083	406,122	420,317	429,327	435,100
Investment income	170,191	189,396	167,131	173,033	259,106
Miscellaneous	<u>323,794</u>	<u>1,150,101</u>	<u>306,915</u>	<u>343,087</u>	<u>311,556</u>
Total revenues	<u>25,796,806</u>	<u>24,226,939</u>	<u>30,537,943</u>	<u>31,284,785</u>	<u>26,877,006</u>
Expenditures:					
Current:					
General government	3,262,721	3,112,170	3,320,691	4,819,501	5,662,847
Justice system	3,138,020	3,239,914	3,626,356	3,540,786	3,611,473
Public safety	3,206,246	3,437,289	3,750,060	3,821,650	4,129,307
Corrections and rehabilitation	2,102,157	2,159,036	2,358,621	2,455,704	2,347,663
Health and human services	1,283,214	1,297,399	1,339,962	1,342,124	1,344,985
Community and economic development	991,326	1,025,094	1,193,530	1,074,855	1,722,320
Infrastructure and environmental services	8,985,216	5,252,783	5,787,483	5,980,068	4,037,783
Intergovernmental	566,199	2,304,056	989,112	6,442,116	-
Capital outlay	1,145,088	1,662,313	8,807,972	1,569,425	3,016,712
Debt Service:					
Principal	278,751	303,265	512,668	594,965	456,157
Interest and fiscal charges	<u>32,758</u>	<u>24,858</u>	<u>132,629</u>	<u>127,864</u>	<u>112,559</u>
Total expenditures	<u>24,991,696</u>	<u>23,818,177</u>	<u>31,819,084</u>	<u>31,769,058</u>	<u>26,441,806</u>
Excess (deficiency) of revenues over expenditures	<u>805,110</u>	<u>408,762</u>	<u>( 1,281,141)</u>	<u>( 484,273)</u>	<u>435,200</u>
Other Financing Sources (Uses):					
Transfers in	33,500	34,500	34,500	34,500	34,500
Transfers out	( 33,500)	( 34,500)	( 34,500)	( 34,500)	( 34,500)
Proceeds from sale of capital asset	-	-	-	-	12,148
Proceeds from notes payable	456,965	151,371	1,224,946	-	536,545
Certificates of obligation bonds issuance	-	-	2,750,000	-	-
Premium on issuance	<u>-</u>	<u>-</u>	<u>60,325</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>456,965</u>	<u>151,371</u>	<u>4,035,271</u>	<u>-</u>	<u>548,693</u>
Change in fund balances	<u>\$ 1,262,075</u>	<u>\$ 560,133</u>	<u>\$ 2,754,130</u>	<u>\$( 484,273)</u>	<u>\$ 983,893</u>
Debt service as a percentage of noncapital expenditures	1.3%	1.5%	2.8%	2.4%	2.4%

Source: Annual Comprehensive Financial Report (Statement of Revenues, Expenditures, and Change in Fund Balance).

Table 4

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 19,851,001	\$ 18,871,997	\$ 20,607,663	\$ 21,214,568	\$ 22,033,399
772,907	781,340	794,226	877,066	885,863
2,443,565	3,813,307	4,603,615	2,883,079	4,883,038
4,830,075	4,998,618	4,858,253	5,050,733	5,440,766
491,568	463,530	394,517	356,096	342,323
252,452	351,100	470,522	266,381	285,111
<u>764,204</u>	<u>489,331</u>	<u>453,115</u>	<u>802,448</u>	<u>447,522</u>
<u>29,405,772</u>	<u>29,769,223</u>	<u>32,181,911</u>	<u>31,450,371</u>	<u>34,318,022</u>
5,931,771	5,774,412	5,706,476	6,124,860	6,630,710
3,867,564	4,061,446	3,981,866	3,990,860	4,299,531
3,967,106	3,967,905	4,384,188	3,977,272	4,271,673
2,415,983	2,539,137	2,660,419	2,780,159	3,012,072
1,289,160	1,309,922	1,241,351	1,289,291	1,341,622
1,035,798	1,070,157	1,138,337	1,650,550	1,191,969
4,813,896	6,974,052	5,524,443	5,433,079	6,533,954
-	-	-	-	-
1,784,087	1,566,513	3,925,049	2,477,914	3,896,163
475,036	491,517	382,906	292,880	310,800
<u>117,251</u>	<u>101,604</u>	<u>92,164</u>	<u>87,900</u>	<u>79,304</u>
<u>25,697,652</u>	<u>27,856,665</u>	<u>29,037,199</u>	<u>28,104,765</u>	<u>31,567,798</u>
<u>3,708,120</u>	<u>1,912,558</u>	<u>3,144,712</u>	<u>3,345,606</u>	<u>2,750,224</u>
34,499	42,133	107,214	86,567	1,004,990
( 34,499 )	( 42,133 )	( 107,214 )	( 86,567 )	( 1,004,990 )
14,175	15,551	13,255	33,536	102,019
-	243,383	134,779	-	100,004
-	-	-	-	-
-	-	-	-	-
<u>14,175</u>	<u>258,934</u>	<u>148,034</u>	<u>33,536</u>	<u>202,023</u>
<u>\$ 3,722,295</u>	<u>\$ 2,171,492</u>	<u>\$ 3,292,746</u>	<u>\$ 3,379,142</u>	<u>\$ 2,952,247</u>
2.5%	2.3%	1.9%	1.5%	1.4%

**MATAGORDA COUNTY, TEXAS**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years

Table 5

Fiscal Year	Assessed Real Property	Assessed Non-Real Property	Less: Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2013	\$ 3,997,000,381	\$ 1,127,092,670	\$( 560,957,690 )	\$ 4,563,135,361	0.32099	\$ 4,563,135,361	100.00%
2014	2,347,521,763	2,791,886,570	( 559,982,098 )	4,579,426,235	0.35867	4,579,426,235	100.00%
2015	3,179,148,560	1,660,523,790	( 579,127,165 )	4,260,545,185	0.39568	4,260,545,185	100.00%
2016	3,535,169,802	1,477,166,650	( 746,127,230 )	4,266,209,222	0.41998	4,266,209,222	100.00%
2017	3,860,625,616	1,442,071,480	( 994,209,738 )	4,308,487,358	0.41898	4,308,487,358	100.00%
2018	4,485,887,994	1,538,427,351	( 1,576,741,549 )	4,447,573,796	0.41758	4,447,573,796	100.00%
2019	5,951,129,481	985,347,835	( 2,205,947,933 )	4,730,529,383	0.43342	4,730,529,383	100.00%
2020	7,551,278,040	1,088,382,240	( 3,695,468,797 )	4,944,191,483	0.42223	4,944,191,483	100.00%
2021	8,190,019,656	1,227,812,163	( 3,992,384,809 )	5,425,447,010	0.39974	5,425,447,010	100.00%
2022	8,691,678,964	1,526,379,888	( 4,323,129,391 )	5,894,929,461	0.38532	5,894,929,461	100.00%

Source: Matagorda County Central Appraisal District





# MATAGORDA COUNTY, TEXAS

## DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	<u>2013</u> <u>Tax Rate</u>	<u>2014</u> <u>Tax Rate</u>	<u>2015</u> <u>Tax Rate</u>	<u>2016</u> <u>Tax Rate</u>	<u>2017</u> <u>Tax Rate</u>
Cities:					
Bay City	0.56794	0.60209	0.60209	0.60209	0.65500
Palacios	0.85787	0.85787	0.84000	0.84000	0.85351
School Districts:					
Bay City ISD	1.32394	1.34064	1.34064	1.33120	1.43701
Matagorda ISD	1.16373	1.14831	1.15074	1.14587	1.13958
Palacios ISD	1.10000	1.10500	1.13500	1.13500	1.13500
Tidehaven ISD	1.21760	1.33118	1.37897	1.26111	1.25540
Van Vleck ISD	1.04000	0.98840	1.03410	1.01400	1.01400
Matagorda County:					
County	0.32099	0.35867	0.39568	0.41998	.041898
Utility Districts:					
Beach Road Municipal Utility District	0.12943	0.13454	0.13317	0.14102	0.13811
Caney Creek Municipal Utility District	0.39387	0.39000	0.39387	0.38865	0.38918
Special Districts:					
Coastal Plains Groundwater District	0.00476	0.00495	0.00500	0.00499	0.00478
Matagorda County Conservation & Reclamation District	0.00522	0.00577	0.00646	0.00691	0.00721
Matagorda County Drainage District #1	0.08600	0.07750	0.07158	0.06554	0.05138
Matagorda County Drainage District #2	0.03731	0.04590	0.05287	0.05132	0.05107
Matagorda County Drainage District #3	0.01500	0.01500	0.01500	0.01635	0.01825
Matagorda County Drainage District #4	0.22380	0.22249	0.25000	0.26629	0.24150
Matagorda County Hospital District	0.25600	0.27624	0.30147	0.31270	0.32096
Matagorda County Navigation District #1	0.03872	0.04681	0.04427	0.04442	0.04474
Matagorda County Palacios Seawall Commission	0.01650	0.01761	0.01761	0.01786	0.01841
Matagorda County Water Control Improvement District #2	0.20745	0.21179	0.21179	0.20055	0.20292
Matagorda County Water Control Improvement District #6	0.26632	0.26632	0.25511	0.25511	0.25511
Port of Bay City Authority	0.03645	0.04044	0.04539	0.04856	0.05072

Source: Matagorda County Tax Assessor and Palacios ISD Tax Assessor

Table 6

<u>2018 Tax Rate</u>	<u>2019 Tax Rate</u>	<u>2020 Tax Rate</u>	<u>2021 Tax Rate</u>	<u>2022 Tax Rate</u>
0.65500	0.65500	0.65500	0.63500	0.63500
0.85351	0.85351	0.85351	0.81126	0.76570
1.55222	1.53731	1.43140	1.39124	1.26000
1.13541	1.06760	0.99275	0.96614	0.94593
1.13500	1.13500	1.10140	1.17420	1.28670
1.22275	1.17476	1.17146	1.05758	1.01025
1.25325	1.19281	1.17944	1.16956	1.13068
0.41758	0.43342	0.42223	0.39974	0.38532
0.13641	0.17232	0.16712	0.16078	0.15224
0.40008	0.40772	0.40799	0.42241	0.43659
0.00478	0.00470	0.00465	0.00426	0.00394
0.00765	0.00776	0.00831	0.00819	0.00773
0.04178	0.04169	0.04201	0.04113	0.03835
0.05230	0.04606	0.04977	0.04257	0.03924
0.02089	0.02266	0.02450	0.02440	0.02460
0.23800	0.19000	0.17065	0.17065	0.12409
0.32159	0.32159	0.31815	0.29127	0.28995
0.04533	0.04551	0.04564	0.01031	0.01026
0.01945	0.01962	0.01948	0.01944	0.01871
0.19822	0.01992	0.20959	0.20638	0.21051
0.25511	0.25511	0.23000	0.23000	0.23000
0.05389	0.05477	0.05628	0.05299	0.05007

**MATAGORDA COUNTY, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Nine Years Ago

Table 7

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
NRG South Texas LP	\$ 753,623,790	1	12.78%	\$ 961,526,311	1	21.07%
Tres Palacios Gas Storage	223,490,930	2	3.79%	-	-	-
Peyton Creek Wind Farm, LLC	168,779,000	3	2.86%	-	-	-
Equistar Chemicals,LP	159,911,000	4	2.71%	132,468,810	4	2.90%
Ingleside Ethylene, LLC	146,575,870	5	2.49%	-	-	-
Kinder Morgan Texas Pipeline	129,325,130	6	2.19%	-	-	-
OQ Chemicals Corporation	123,020,640	7	2.09%	-	-	-
AEP Texas Central Company	87,658,080	8	1.49%	-	-	-
Williams Fld Svcs – Gulf Coast Co	83,682,540	9	1.42%	105,356,480	5	2.31%
Texas Brine Company LLC	80,142,270	10	1.36%	142,217,890	3	3.12%
Inergy LP	-	-	-	390,069,530	2	8.55%
Equistar Chemicals UGS	-	-	-	102,375,280	6	2.24%
Midtex Gas Storage Company	-	-	-	80,096,570	7	1.76%
Oxea Corporation	-	-	-	68,114,820	8	1.49%
Flint Hills Resources INV	-	-	-	52,510,550	9	1.15%
Celanese LTD Chemical Division	-	-	-	36,986,620	10	0.81%
<b>Total</b>	<b>\$ 1,956,209,250</b>		<b>33.18%</b>	<b>\$ 2,071,722,861</b>		<b>45.40%</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 5,894,929,461</b>			<b>\$ 4,563,135,361</b>		

Source: Matagorda County Appraisal District

**MATAGORDA COUNTY, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

Table 8

Fiscal Year	Tax Levy as of Fiscal Year End			Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year End	Adjustments	Adjusted Levy	Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 14,701,308	\$( 1,021,222 )	\$ 13,680,086	\$ 13,614,562	99.52%	\$ 39,356	\$ 13,653,918	99.81%
2014	15,282,252	25,106	15,307,358	14,122,704	92.26%	1,149,714	15,272,418	99.77%
2015	16,882,334	( 64,509 )	16,817,825	16,034,255	95.34%	739,134	16,773,389	99.74%
2016	18,101,810	46,842	18,148,652	17,604,870	97.00%	484,396	18,089,266	99.67%
2017	18,638,936	17,362	18,656,298	18,403,238	98.64%	180,048	18,583,286	99.61%
2018	18,813,107	( 34,403 )	18,778,704	18,525,956	98.65%	160,025	18,685,981	99.51%
2019	20,513,320	( 16,351 )	20,496,969	20,228,772	98.69%	145,273	20,374,045	99.40%
2020	20,885,006	15,492	20,900,498	20,646,154	98.78%	99,451	20,745,605	99.26%
2021	21,687,965	124,536	21,812,501	21,519,658	98.66%	-	21,519,658	98.66%
2022	22,722,153	( 35,640 )	22,686,513	3,956,637	17.44%	-	3,956,658	17.44%

Source: Matagorda County Tax Assessor-Collector

**MATAGORDA COUNTY, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities			Percentage of Personal Income	Population	Debt per Capita
	Certificates of Obligation <sup>1</sup>	Notes Payable	Total Outstanding Debt			
2013	\$ 520,000	\$ 459,478	\$ 979,478	0.08%	36,547	26.80
2014	355,000	620,634	975,634	0.08%	36,592	26.66
2015	2,987,310	1,359,864	4,347,174	0.32%	36,519	119.04
2016	2,804,294	944,431	3,748,725	0.26%	36,770	101.95
2017	2,698,129	1,129,820	3,827,949	0.26%	37,187	102.94
2018	2,585,072	764,784	3,349,856	0.22%	36,840	90.93
2019	2,467,015	631,650	3,098,665	0.21%	36,643	84.56
2020	2,348,958	498,523	2,847,481	0.16%	36,720	77.55
2021	2,225,901	325,643	2,551,544	0.14%	36,797	69.34
2022	2,097,843	239,847	2,337,690	0.13%	36,125	64.71

Source: Annual Comprehensive Financial Report

<sup>1</sup> Presented net of original issuance premiums

**MATAGORDA COUNTY, TEXAS**

**RATIO OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Table 10

Fiscal Year	Governmental Activities			Total	Percentage of Estimated Actual Taxable Value of Property(3)	Per Capita(4)
	General Obligation Bonds(1)	Less: Amounts Available in Debt Service Fund(2)				
2022	\$ 2,097,843	\$ 28,020	\$ 2,069,823	0.04%	57	
2021	2,225,901	20,972	2,204,929	0.04%	60	
2020	2,348,958	18,259	2,330,699	0.05%	63	
2019	2,467,015	34,120	2,432,895	0.05%	66	
2018	2,585,072	37,574	2,547,498	0.06%	69	
2017	2,698,129	32,956	2,665,173	0.06%	72	
2016	2,804,294	26,002	2,778,292	0.07%	76	
2015	2,987,310	6,191	2,981,119	0.07%	82	
2014	355,000	14,657	340,343	0.01%	9	
2013	520,000	18,055	501,945	0.01%	14	

Source: Annual Comprehensive Financial Report

- 1) This is the general bonded debt of both governmental activities, net of original issue premiums.
- 2) This is the amount restricted for debt service principal payments.
- 3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 120 for property value data.
- 4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 130.

**MATAGORDA COUNTY, TEXAS****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of December 31, 2022

Table 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Bay City	\$ 16,162,744	100.00%	\$ 16,162,744
City of Palacios	2,156,305	100.00%	2,156,305
Tidehaven ISD	38,793,072	100.00%	38,793,072
Palacios ISD	109,395,000	100.00%	109,395,000
Bay City ISD	130,557,272	100.00%	130,557,272
Matagorda ISD	320,962	100.00%	320,962
Van Vleck ISD	73,665,000	100.00%	73,665,000
Caney Creek Municipal Utility District	13,765,102	100.00%	13,765,102
Beach Road Municipal Utility District	56,263	100.00%	<u>56,263</u>
Sub-total Overlapping Debt			384,871,720
Matagorda County, Texas direct debt			<u>2,337,690</u>
Total Direct & Overlapping Debt			<u>\$ 387,209,410</u>

Source: Outstanding debt and applicable percentages provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, within geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.



**MATAGORDA COUNTY, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years

Table 12

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 1,140,783,840	\$ 1,144,856,559	\$ 1,062,200,105	\$ 1,066,552,306	\$ 1,074,456,667
Total net debt applicable to limit	<u>501,945</u>	<u>349,747</u>	<u>2,936,191</u>	<u>2,830,296</u>	<u>2,665,173</u>
Legal debt margin	<u>\$ 1,140,281,895</u>	<u>\$ 1,144,506,812</u>	<u>\$ 1,059,263,914</u>	<u>\$ 1,063,722,010</u>	<u>\$ 1,071,791,494</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.04%</u>	<u>0.03%</u>	<u>0.28%</u>	<u>0.27%</u>	<u>0.25%</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 1,109,345,951	\$ 1,182,632,346	\$ 1,236,047,871	\$ 1,356,361,753	\$ 1,496,232,365
Total net debt applicable to limit	<u>2,547,498</u>	<u>2,432,895</u>	<u>2,330,699</u>	<u>2,204,929</u>	<u>2,069,823</u>
Legal debt margin	<u>\$ 1,106,798,453</u>	<u>\$ 1,180,199,451</u>	<u>\$ 1,233,717,172</u>	<u>\$ 1,354,156,824</u>	<u>\$ 1,494,162,542</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.23%</u>	<u>0.21%</u>	<u>0.19%</u>	<u>0.16%</u>	<u>0.14%</u>

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 5,984,929,461
Debt Limit (25% of Assessed Value)	1,496,232,365
Debt Applicable to Limit:	
General Obligation Bonds	2,097,843
Less: Amount set aside for repayment of General Obligation Debt	<u>28,020</u>
Total Net Debt Applicable to Limit	<u>2,069,823</u>
Legal Debt Margin	<u>\$ 1,494,162,542</u>

Sources: Matagorda County Appraisal District and Matagorda County Annual Comprehensive Financial Report.

**MATAGORDA COUNTY, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

Table 13

<u>Fiscal Year</u>	<u>Population(1)</u>	<u>Per Capita Income (1)</u>	<u>Personal Income (Thousands of Dollars)</u>	<u>Public School Enrollment(2)</u>	<u>Unemployment Rate(3)</u>
2022	36,125	\$ 50,775	\$ 1,845,376	7,084	5.9%
2021	36,797	48,150	1,768,294	7,023	7.3%
2020	36,720	47,612	1,657,614	6,969	10.4%
2019	36,643	41,246	1,511,377	7,258	5.7%
2018	36,840	40,827	1,504,079	7,255	5.7%
2017	37,187	39,090	1,453,644	7,150	6.7%
2016	36,770	39,493	1,452,173	7,264	7.8%
2015	36,519	37,324	1,363,043	7,121	7.3%
2014	36,592	35,426	1,296,291	7,022	6.7%
2013	36,547	33,696	1,231,490	7,009	9.1%

Sources: (1) Bureau of Economic Analysis  
 (2) Texas Education Agency  
 (3) Texas Workforce Commission

**MATAGORDA COUNTY, TEXAS**  
**PRINCIPAL EMPLOYERS**  
 Current Year and Nine Years Ago

Table 14

Employer	2022			2013		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
South Texas Project	1,001	1	6.17%	1,163	1	7.28%
Tenaris	90	9	0.55%	-	-	-
Bay City ISD	560	2	3.45%	519	2	3.25%
Matagorda County	250	3	1.54%	217	3	1.36%
Wal-Mart	247	4	1.52%	125	8	0.78%
Van Vleck ISD	171	5	1.05 %	143	5	0.89%
Lyondell-Basell	159	6	0.98 %	143	5	0.89%
Tidehaven ISD	157	7	0.97%	130	7	0.81%
City of Bay City	132	8	0.81%	160	4	1.00%
HEB	62	10	0.38%	107	9	0.67%
Total	<u>2,829</u>		<u>17.43%</u>	<u>2,707</u>		<u>16.94%</u>

Source: Jobs EQ 2022 Chmura Economics & Analytics - Total County employment for current year

**MATAGORDA COUNTY, TEXAS****FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years

Table 15

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	34	35	32	31	30	36	37	33	62	35
Justice system	34	34	42	36	42	47	47	45	33	48
Public safety	49	48	45	42	42	46	49	49	47	48
Corrections and rehabilitation	35	35	35	35	53	53	62	58	61	55
Health and human services	7	7	7	8	8	8	9	8	9	8
Community and economic development	10	10	10	7	8	9	11	9	7	6
Infrastructure and environmental services	<u>37</u>	<u>39</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>39</u>	<u>39</u>	<u>40</u>	<u>30</u>	<u>38</u>
Total	<u>206</u>	<u>208</u>	<u>203</u>	<u>192</u>	<u>217</u>	<u>238</u>	<u>254</u>	<u>242</u>	<u>249</u>	<u>238</u>

Source: Human Resources and Auditor's Office



**MATAGORDA COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION**  
 Last Ten Fiscal Years

Function	Fiscal Year				
	2013	2014	2015	2016	2017
<b>General Government:</b>					
Births filed	474	571	514	545	596
Deaths filed	281	284	286	293	311
Marriage license applications	309	276	307	325	324
Registered voters	20,525	20,978	20,656	21,535	21,352
Auto titles	5,731	5,717	5,621	5,561	5,093
<b>Justice System</b>					
<b>District Court</b>					
Civil cases filed	383	307	337	435	464
Civil case dispositions	304	355	254	217	266
Criminal cases filed	488	334	260	360	465
Criminal case dispositions	553	508	512	560	424
<b>County Court</b>					
Civil cases filed	74	73	58	63	83
Civil case dispositions	67	58	88	78	63
Criminal cases filed	982	580	729	784	719
Criminal case dispositions	989	1,013	942	1,017	658
<b>Justices of the Peace</b>					
Civil cases filed	416	414	418	416	406
Civil case dispositions	413	368	396	361	367
Criminal cases filed	3,381	3,452	2,906	3,068	3,539
Criminal case dispositions	3,566	2,032	2,412	2,719	2,779
<b>Public safety</b>					
Total calls for service	6,262	6,552	7,287	7,513	7,571
Total arrests	800	799	718	727	807
<b>Corrections and Rehabilitation</b>					
Number of inmates per year	2,017	2,083	1,866	1,075	1,322
<b>Health and Human Services</b>					
Food permits issued	234	238	253	266	244
Septic permits issued	109	148	124	136	157
Building permits issued	330	373	290	281	372
Electrical permits issued	488	516	100	100	571

Sources: Various County department records

Table 16

Fiscal Year				
2018	2019	2020	2021	2022
440	496	479	430	409
280	319	338	327	350
282	267	176	221	208
21,153	21,447	21,065	21,413	18,830
5,369	5,267	4,602	5,100	5,284
847	495	495	992	593
793	688	516	867	956
326	413	413	369	421
451	586	419	351	456
66	79	65	76	84
59	70	47	22	42
603	574	380	415	558
740	609	334	369	572
862	1,025	787	853	817
685	691	809	713	743
4,355	3,917	2,489	2,124	2,957
3,765	3,618	2,355	2,277	2,523
10,025	13,047	11,413	11,249	15,491
832	761	496	521	348
2,199	1,466	1,431	1,526	1,519
249	237	206	267	268
158	162	184	166	149
385	407	355	416	445
481	518	605	583	668

**MATAGORDA COUNTY, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Ten Fiscal Years

Function	Fiscal Year				
	2013	2014	2015	2016	2017
General Government					
Buildings	42	42	42	42	43
Public Safety					
Sheriff vehicles	46	48	49	49	53
Fire and ambulance	50	51	51	51	51
Infrastructure and Environmental Services					
County roads (miles)	1,126	1,126	1,126	1,126	1,126
County bridges	87	87	87	87	87
Community and Economic Development					
County parks	9	9	9	9	9

Sources: Various County department records



Table 17

Fiscal Year				
2018	2019	2020	2021	2022
44	44	44	44	45
52	50	55	56	52
54	52	58	59	56
1,126	1,126	1,126	1,126	1,126
87	87	87	87	87
9	9	9	9	9



**FEDERAL AWARDS SECTION**





### 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*

The Honorable County Judge  
and Members of Commissioners Court  
Matagorda 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 Matagorda County, Texas (the "County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 31, 2023.

### **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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The Honorable County Judge  
and Members of Commissioners Court  
Matagorda County, Texas

### **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.

***KM&L, LLC***

Lake Jackson, Texas  
July 31, 2023



## Independent Auditor's Report

On Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

The Honorable County Judge  
and Members of Commissioners Court  
Matagorda County, Texas

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Matagorda County, Texas' (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

#### ***Basis for Opinion on Each Major Federal 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). Our responsibilities under those standards and the Uniform Guidance 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

#### ***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 programs.

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Matagorda County, Texas

### ***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*, and the Uniform Guidance 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 program as a whole.

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



The Honorable County Judge  
and Members of Commissioners Court  
Matagorda County, Texas

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. Accordingly, this report is not suitable for any other purpose.

***KM&L, LLC***

Lake Jackson, Texas  
July 31, 2023



## **MATAGORDA COUNTY, TEXAS**

### *SCHEDULE OF FINDINGS AND QUESTIONED COSTS*

For the Year Ended December 31, 2022

#### I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unmodified.
2. No internal control finding, required to be reported in this schedule, was disclosed in the audit of the financial statements.
3. Noncompliance, which is material to the financial statements: None.
4. No internal control findings, that are required to be reported in this schedule, was disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): No
7. Major programs include:
  - 21.027 Coronavirus State and Local Fiscal Recovery Funds
8. Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000.
9. Low Risk Auditee: Yes.

#### II. Findings related to the financial statements.

The audit disclosed no findings required to be reported.

#### III. Findings and questioned costs related to the federal award.

The audit disclosed no findings required to be reported.



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**COUNTY AUDITOR**  
MATAGORDA COUNTY  
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BAY CITY, TEXAS 77414-5095  
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Federal:

In accordance with Title 2 U.S. Code of Federal Regulations §200.511, the auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings. This summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

The schedule of status of prior audit findings is as follows:

None.



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Federal:

In accordance with Title 2 U.S. Code of Federal Regulations §200.511, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan must be presented to address each finding included in the current year auditor's reports. The corrective action plan is as follows:

None.

**MATAGORDA COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Contract/ Program Number	Expenditures Indirect Costs or Award Amount
U.S. Department of Housing and Urban Development:			
Passed Through Texas General Land Office:			
Community Development Block Grant	14.228	20-065-123-C430	\$ 106,357
Community Development Block Grant	14.228	7219261	3,850
Community Development Block Grant	14.228	22-085-078-D432	<u>289,451</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 399,658</u>
U.S. Department of Interior:			
Direct:			
Payment in Lieu of Taxes	15.226	--	\$ 7,848
Direct:			
GoMESA	15.435	--	<u>275,442</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>\$ 283,290</u>
U.S. Department of Justice:			
Passed Through the Houston Galveston Area Council:			
Coronavirus Emergency Supplemental Funding Program	16.034	9155	\$ 29,582
Passed Through the Texas Office of the Governor:			
Crime Victim Assistance	16.575	3100305	30,924
Passed Through the Texas Office of the Governor:			
Edward Byrne memorial Justice Assistance Grant	16.738	4280501	58,510
Edward Byrne Memorial Justice Assistance Grant	16.738	4052702	<u>50,096</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 169,112</u>
U.S. Department of Treasury:			
Direct:			
Coronavirus State and Local Fiscal recovery Funds	21.027	--	<u>\$ 2,170,669</u>
TOTAL U.S. DEPARTMENTS OF ELECTIONS			<u>\$ 2,170,669</u>
U.S. Department of Homeland Security:			
Passed Through Texas Office of the Governor:			
Homeland Security Grant Program	97.067	3186306	\$ 13,151
Homeland Security Grant Program	97.067	3086307	164,237
Homeland Security Grant Program	97.067	3572402	<u>169,184</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>\$ 346,572</u>

(continued)

**MATAGORDA COUNTY, TEXAS**

*SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued*

For the Year Ended December 31, 2022

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Contract/ Program Number</u>	<u>Expenditures Indirect Costs or Award Amount</u>
TOTAL FEDERAL ASSISTANCE			\$ <u>3,369,301</u>
TOTAL MAJOR PROGRAMS			\$ <u>2,170,669</u>
TYPE A PROGRAM			\$ <u>750,000</u>

## **MATAGORDA COUNTY, TEXAS**

### **NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS**

Year Ended December 31, 2022

1. The County uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designated to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. Funds are classified into two categories: governmental and fiduciary. Each category, in turn is divided into separate "fund types". The following fund types were utilized to account for federal awards.

#### Governmental Fund Types:

General Fund - is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. Federal financial assistance not required to be reported in other funds is accounted for in the General Fund.

Special Revenue Funds - used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Federal financial assistance generally is accounted for in a Special Revenue Fund unless required to be reported in a Capital Projects Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Federal grant funds were accounted for in the General Fund, Special Revenue Fund, and the Capital Projects Fund, a component of the Governmental Fund type.

The modified accrual basis of accounting is used for the Governmental Fund Types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures/expenses made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.



**MATAGORDA COUNTY, TEXAS**

*NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS*

Year Ended December 31, 2022

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
4. The County has elected to use the 10 percent de minimis indirect cost rate.

