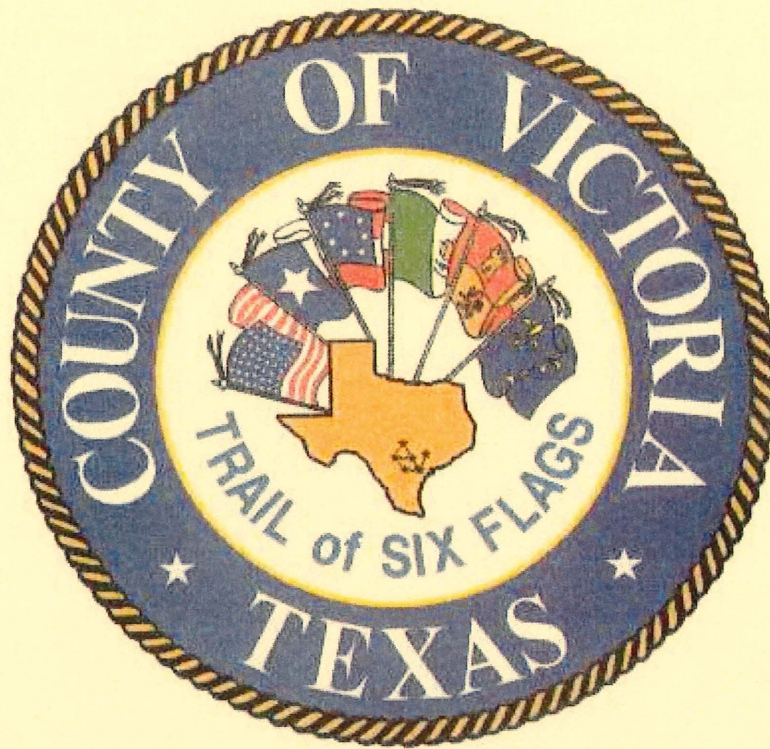


# COUNTY OF VICTORIA, TEXAS



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2023

**COUNTY OF VICTORIA, TEXAS**  
*ANNUAL COMPREHENSIVE FINANCIAL REPORT*  
*For the year ended December 31, 2023*

Prepared by: County Auditor's Office  
Michelle Samford  
Victoria County Auditor

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
County Auditor's Letter of Transmittal.....	i
Organizational Chart .....	v
Directory of Principal Officials .....	vi
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	5
<b><u>Basic Financial Statements</u></b>	
Government-wide Financial Statements	
Statement of Net Position - Statutory Basis .....	16
Statement of Activities - Statutory Basis .....	18
Fund Financial Statements	
Balance Sheet - Statutory Basis - Governmental Funds .....	20
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities - Statutory Basis.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Statutory Basis - Governmental Funds.....	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities - Statutory Basis .....	23
Statement of Net Position - Statutory Basis - Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Fund Net Position - Statutory Basis - Proprietary Funds.....	25
Statement of Cash Flows - Statutory Basis - Proprietary Funds.....	26
Statement of Net Position - Fiduciary Funds .....	28
Statement of Changes in Net Position - Fiduciary Funds .....	29
Statement of Net Position - Component Units .....	30
Statement of Activities - Component Units.....	32
Notes to Financial Statements.....	34
<b><u>Required Supplementary Information</u></b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual - General Fund - Statutory Basis .....	108
Schedule of Changes in Net Pension Liability and Related Ratios	
Texas County & District Retirement System - Pension.....	109
Schedule of Employer Contributions	
Texas County & District Retirement System - Pension.....	111
Schedule of Changes in Total OPEB Liability and Related Ratios	
Texas County & District Retirement System - Life.....	113
Schedule of Employer Contributions	
Texas County & District Retirement System - Life.....	115
Notes to Required Supplementary Information.....	117

**TABLE OF CONTENTS  
(Continued)**

	<u>Page</u>
<b>FINANCIAL SECTION - (Continued)</b>	
<b><u>Combining and Individual Fund Statements and Schedules</u></b>	
<i>Governmental Funds</i>	
Combining Statements	
Combining Balance Sheet - Statutory Basis - All Nonmajor Governmental Funds.....	119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Statutory Basis - All Nonmajor Governmental Funds.....	120
Nonmajor Special Revenue Funds.....	121
Combining Balance Sheet - Statutory Basis - All Nonmajor Special Revenue Funds.....	129
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Statutory Basis - All Nonmajor Special Revenue Funds.....	130
Combining Balance Sheet - Statutory Basis - Nonmajor Road and Bridge Special Revenue Funds.....	131
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Statutory Basis - Nonmajor Road and Bridge Special Revenue Funds.....	132
Combining Balance Sheet - Statutory Basis - Nonmajor Other Special Revenue Funds.....	133
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Statutory Basis - Nonmajor Other Special Revenue Funds.....	145
Individual Statements and Schedules	
General Fund.....	158
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual.....	159
Nonmajor Special Revenue Funds.....	167
Road and Bridge Precinct No. 1	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Statutory Basis.....	168
Road and Bridge Precinct No. 2	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Statutory Basis.....	169
Road and Bridge Precinct No. 3	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Statutory Basis.....	170
Road and Bridge Precinct No. 4	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Statutory Basis.....	171
Nonmajor Debt Service Fund.....	172
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	173
<i>Fiduciary Funds</i>	
Custodial Funds.....	174
Combining Statement of Net Position.....	175
Combining Statement of Changes in Net Position.....	177



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**TABLE OF CONTENTS**  
**(Continued)**

	<u>Page</u>
<b>STATISTICAL SECTION</b> .....	179
<b><u>Financial Trends</u></b>	
Net Position by Component.....	180
Changes in Net Position .....	182
Fund Balances, Governmental Funds .....	186
Changes in Fund Balances, Governmental Funds .....	188
Tax Revenues by Source, Governmental Funds .....	190
<b><u>Revenue Capacity</u></b>	
Assessed and Estimated Actual Value of Taxable Property - General and I&S .....	191
Assessed and Estimated Actual Value of Taxable Property - Road and Bridge.....	193
Direct and Overlapping Property Tax Rates .....	195
Principal Property Taxpayers (Unaudited) .....	197
Property Tax Levies and Collections - General and I&S.....	198
Property Tax Levies and Collections - Road and Bridge .....	200
Sales Tax Revenue .....	202
Direct and Overlapping Sales Tax Rates .....	203
<b><u>Debt Capacity</u></b>	
Ratios of Outstanding Debt by Type .....	204
Ratios of Net General Bonded Debt Outstanding .....	206
Direct and Overlapping Governmental Activities Debt (Unaudited) .....	208
Legal Debt Margin Information .....	209
<b><u>Demographic and Economic Information</u></b>	
Demographic and Economic Statistics (Unaudited).....	211
Principal Employers (Unaudited).....	212

---

**TABLE OF CONTENTS**  
**(Continued)**

	<u>Page</u>
<b>STATISTICAL SECTION - (Continued)</b>	
<b><u>Operating Information</u></b>	
Full-Time-Equivalent County Governmental Employees by Function/Program.....	213
Operating Indicators by Function/Program.....	215
Capital Asset Statistics by Function/Program .....	217
<b>SINGLE AUDIT SECTION</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	219
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Texas Grant Management Standards.....	221
Schedule of Expenditures of Federal and State Awards .....	224
Notes to Schedule of Expenditures of Federal and State Awards.....	234
Schedule of Findings and Questioned Costs.....	235
Schedule of Prior Audit Findings.....	236

## **INTRODUCTORY SECTION**



**MICHELLE SAMFORD  
COUNTY AUDITOR  
VICTORIA COUNTY, TEXAS**

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Tel: (361)575-8451  
Fax: (361)573-0636

August 6, 2024

Honorable District Judges  
Honorable County Judge  
Honorable County Commissioners  
County of Victoria  
Victoria, Texas

The County Auditor's Office is pleased to present the Annual Comprehensive Financial Report of the County of Victoria, Texas (the "County"), for the year ended December 31, 2023. This report is submitted in compliance with Texas Local Government Code 114.025.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The County Auditor serves as the Chief Financial Officer for Victoria County. By statute, the Auditor reports to the State District Judges. This provides for an independent review of County financial operations separate from the Commissioner's Court, the legislative and executive branch of county government. The County Auditor is responsible for accounting systems design, audit functions required by law, general control of finances and ensuring that the County meets its fiduciary responsibilities to taxpayers with regard to County finances by strictly enforcing the statutes governing County finances as provided by the local government code. As an appointed County Official, the County Auditor takes an oath to uphold the Constitution and the laws of the State of Texas.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In compliance with Texas Local Government Code 115.045, the financial statements and notes contained in this report have been audited by the independent auditors of Harrison, Waldrop and Uherek, L.L.P., a firm of licensed certified public accountants. The independent auditors' report is included in the Financial Section of this report.

When other accounting bases conflict with state law, Texas and its political subdivisions may follow the statutory provisions of Chapter 2264, Texas Government Code. Accordingly, in 2008 the County followed the statutory basis of accounting, which is another comprehensive basis of accounting provided, but not mandated, by this statute. For the County, the only difference between generally accepted accounting principles ("GAAP") and the statutory basis of accounting is in the reporting of other postemployment benefits ("OPEB").

The statutory basis differs from GAAP in that the County's presentation of OPEB on the financial statements uses the statutory modified accrual basis. This basis accurately and fairly sets forth the financial position of the County by (i) measuring the cost of benefits according to their adoption by the governing body of the County; and by (ii) providing an accurate assessment of OPEB liabilities and extent of their funding for the time for which the benefits were adopted. Under GAAP, GASB Statement No. 75 ("GASB 75"), "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" defines an OPEB liability to include amounts the governing body has not authorized nor promised to employees, and for which there is no legally enforceable liability. The County has concluded that recognizing an OPEB liability as defined by GASB 75 would result in publishing financial statements that are materially misleading. It would also be inconsistent with State financial laws and misrepresent the nature, scope, and duration of the financial activities of the County.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the Financial Section of this report.

## **PROFILE OF VICTORIA COUNTY**

The County is located in southeastern Texas on the Coastal plain about midway between the southern and eastern extremities of the Texas Gulf Coast. The County was created in 1836 from a Mexican municipality named for Mexican President Guadalupe Victoria. The County encompasses an area of 892 square miles and serves a population of 91,319.

The County is a public corporation and political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners' Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners' Court sets the tax rates, establishes policies for County operations, approves contracts for the County, and develops and adopts the County budget. The Commissioners' Court is also responsible for development of policies and orders, approving financial commitments, and appointment of various department heads. The management and leadership provided by members of the Commissioners' Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.



The County provides a full range of services. The County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local governmental units. A primary service is the administration of justice, which includes the civil and criminal county and district courts, justices of the peace, constables, district attorney, investigators, clerks of the courts, sheriff, jail, security, emergency management and grand jury bailiffs. Other functions performed by the County include the construction and maintenance of roads and bridges, either independently or in cooperation with other entities; administration of public health services; assistance to indigents; and the provision of juvenile, health, education, and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's financial planning and control. Budget hearings are posted annually in July and August by the County Judge, with the final budget approved by the Commissioners' Court following the hearings. The final budget includes contingency line items. Most appropriated budgets are prepared by fund, department, and category. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the line-item level within an individual fund. The original budget may be amended by Commissioners' Court under conditions prescribed by Texas Local Government Code, Section 111.010. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted.

Various potential component units were evaluated to determine whether they should be included in the County's reporting entity because of the significance of their operational and financial relationship with the County. Based upon standards established by the Governmental Accounting Standards Board (see Note 1 to the financial statements), two component units are included in the report: the Victoria County Navigation District and Citizens Medical Center. These entities are discretely presented and are not considered part of the primary government of the County. This reporting method was used because, while the entities are financially accountable to the County, they do not have substantively the same governing body as the County nor do they provide services exclusively to the County.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Victoria operates.

**Local Economy** - The County is one of the leading regional economies in the seven-county Golden Crescent region. The County has developed into a primary business center with growth in services and retail employment. The County's principal economic activities include petrochemical and industrial chemical plants, plastics manufacturers, heavy steel fabrication, pre-stressed concrete, oil and gas exploration, medical services, professional and financial services, retail trade, and higher education. Although the oil and gas petrochemical industries remain a vital component of the area employment base, diversification within these industries into production of ancillary goods and plastics has reduced economic vulnerability to energy price fluctuations.

The County records reflect modest debt levels, rapid principal amortization, and acceptable reserve levels that have benefited from sound fiscal management practices. The County practices conservative budgeting and sets General Fund reserve targets at 25% of annual expenditures. In the past year, the County incurred an increase in the General Fund unassigned fund balance mainly as a result of an increase in property tax and miscellaneous revenue. The County's General Fund reserve target is based on the County's policy of deferring ad valorem property taxes. The resulting unassigned fund balance does not include \$6.1 million in ad valorem taxes collected in October, November, and December of 2023, and are instead reported as unavailable revenues.

**Long-Term Financial Planning** - The County has identified several long-term issues that need to be prioritized and funded by the Commissioners' Court. These priorities include improvements to the HVAC systems to identified buildings and making the County Airport more cost efficient.

Honorable District Judges  
Honorable County Judge  
Honorable County Commissioners  
County of Victoria

August 6, 2024

**Cash Management** - The Commissioners' Court has adopted a formal investment policy for the County consistent with State statutes governing the investment of County funds and has designated the County Treasurer as the County's investment officer. The policy is updated annually. The general objectives set forth in the policy provide for financial security and optimum liquidity of County funds while achieving the maximum yield on funds invested and maximum levels of invested funds. Authorized investments are consistent with those investments authorized by State law for Texas counties. Currently, the County has limited its investments to certificates of deposits and money market funds.

**Risk Management** - The County has risk exposure in various areas including general liability, worker's compensation, automobile liability, and property damage. To reduce its risk exposure in these areas, the County purchases commercial insurance policies from a private carrier. The related policies carry various deductibles and aggregate maximum loss totals.

The County is also exposed to risk of loss in the area of employee health coverage. In this area, the County bears all risk of loss up to \$175,000 per participant per year. Co-insurance through a private insurance carrier assumes all risk for individual participants past that level. Please refer to the notes to the financial statements for a complete discussion of the County's employee health insurance operations.

**Pension Benefits** - The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). Specific plan provisions are adopted by the County within the options available in the state statutes governing the TCERS. Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest and employer-financed monetary credits. The level of these monetary credits is adopted within the constraints imposed by the TCERS Act so that the resulting benefits can be expected to be adequately financed.

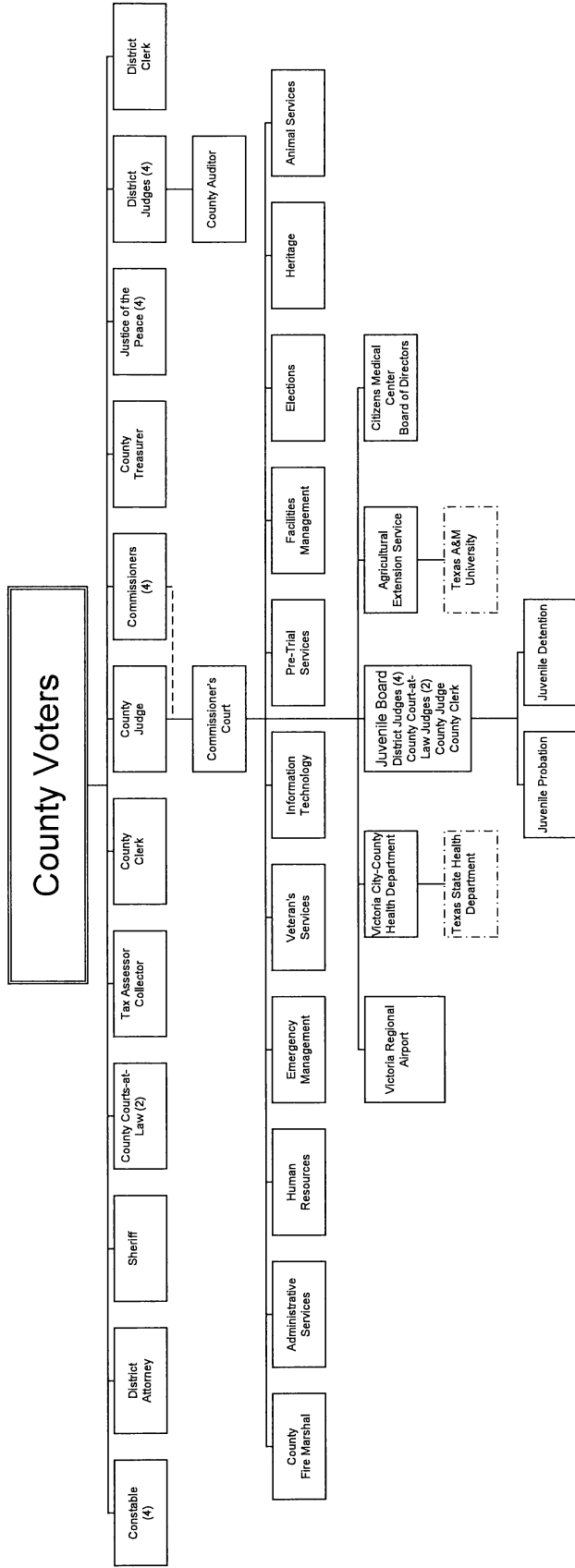
## **ACKNOWLEDGEMENTS**

The preparation of the Annual Comprehensive Financial Report could not have been accomplished without the efficient and dedicated efforts of the staff of the County Auditor's Office. We express our appreciation to all the members of the office who assisted in and contributed to its preparation. We would also like to thank the accounting firm of Harrison, Waldrop & Uherek, L.L.P. for sharing their knowledge, and extending their cooperation and support to the County Auditor's Office. Appreciation must also be expressed to the County Judge, members of the Commissioners' Court, the County Treasurer, and all other officials of the County for their assistance in planning and conducting the financial operations of the County in a progressive and responsible manner.

Respectfully submitted,  
Michelle Samford  
Victoria County Auditor

# 2023 Victoria County Organizational Chart

## Annual Comprehensive Financial Report



**COUNTY OF VICTORIA, TEXAS**  
 DIRECTORY OF PRINCIPAL OFFICIALS  
 December 31, 2023

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**ELECTED OFFICIALS**

NAME	POSITION
Benjamin Zeller	County Judge
Danny Garcia	Commissioner, Precinct #1
Jason Ohrt	Commissioner, Precinct #2
Gary Burns	Commissioner, Precinct #3
Kenneth Sexton	Commissioner, Precinct #4
Constance Filley Johnson	Criminal District Attorney
Heidi Easley	County Clerk
Kim Plummer	District Clerk
Paige Foster	County Treasurer
Ashley Hernandez	County Tax Assessor-Collector
Justin Marr	County Sheriff
Travis H. Ernst	Judge, County Court-at-Law #1
Daniel Gilliam	Judge, County Court-at-Law #2
Jack Marr	Judge, 24th Judicial District
K. Stephen Williams, III	Judge, 135th Judicial District
Julie Bauknight	Judge, 267th Judicial District
Eli Garza	Judge, 377th Judicial District
Mary Ann Rivera	Justice of the Peace #1
Rodney Durham	Justice of the Peace #2
Robert Whitaker	Justice of the Peace #3
John Miller	Justice of the Peace #4
Jeff Meyer	Constable, Precinct #1
James E. Calaway	Constable, Precinct #2
Kenneth Easley, Jr.	Constable, Precinct #3
Aaron Burlison	Constable, Precinct #4

**APPOINTED OFFICIALS**

NAME	POSITION
Michelle Samford	County Auditor
Richard Castillo	County Fire Marshal

## **FINANCIAL SECTION**





CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, Texas

### Report on the Audit of the Financial Statements

#### Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying statutory basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Victoria, Texas (the "County") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the Basis for Opinions section of our report, the financial statements referred to above do not present fairly the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2023, or the respective changes in financial position or, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective statutory basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2023, and the respective statutory basis changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the financial accounting practices prescribed or permitted by Government Code Section 2264-051, as adopted by State of Texas House Bill 2365 described in Note 1.

#### Basis for Opinions

As described in Note 1, the financial statements are prepared by the County using financial accounting practices prescribed or permitted by Government Code Section 2264-051, as adopted by State of Texas House Bill 2365, which practices differ from generally accepted accounting principles (GAAP) in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 1 and GAAP, although not reasonably determinable, are presumed to be material.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, Texas

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by Government Code Section 2266.051, as adopted by the State of Texas House Bill 2365 as described in Note 1 to the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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.

### 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.

We did not audit the financial statements of the Citizens Medical Center, which represent 72 percent, 76 percent, and 97 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions insofar as it relates to the amounts included for the Citizens Medical Center, is based solely on the reports of the other auditors.

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 the Commissioners' Court  
County of Victoria, 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, schedule of changes in net pension liability and related ratios, schedule of changes in total OPEB liability and related ratios, and schedules of employer contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 statutory basis financial statements that collectively comprise the County's basic financial statements. The accompanying statutory basis combining and individual major and nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards, as required by the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Texas Grant Management Standards (TxGMS), 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 the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 the Commissioners' Court  
County of Victoria, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2024, 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 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.



HARRISON, WALDROP & UHEREK, L.L.P.  
Certified Public Accountants

August 6, 2024

The discussion and analysis of the County of Victoria's (the "County") financial performance provides an overview of the County's financial activities for the year ended December 31, 2023. The discussion and analysis should be read in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the financial statements. The discussion and analysis includes comparative data for the prior year.

**FINANCIAL HIGHLIGHTS**

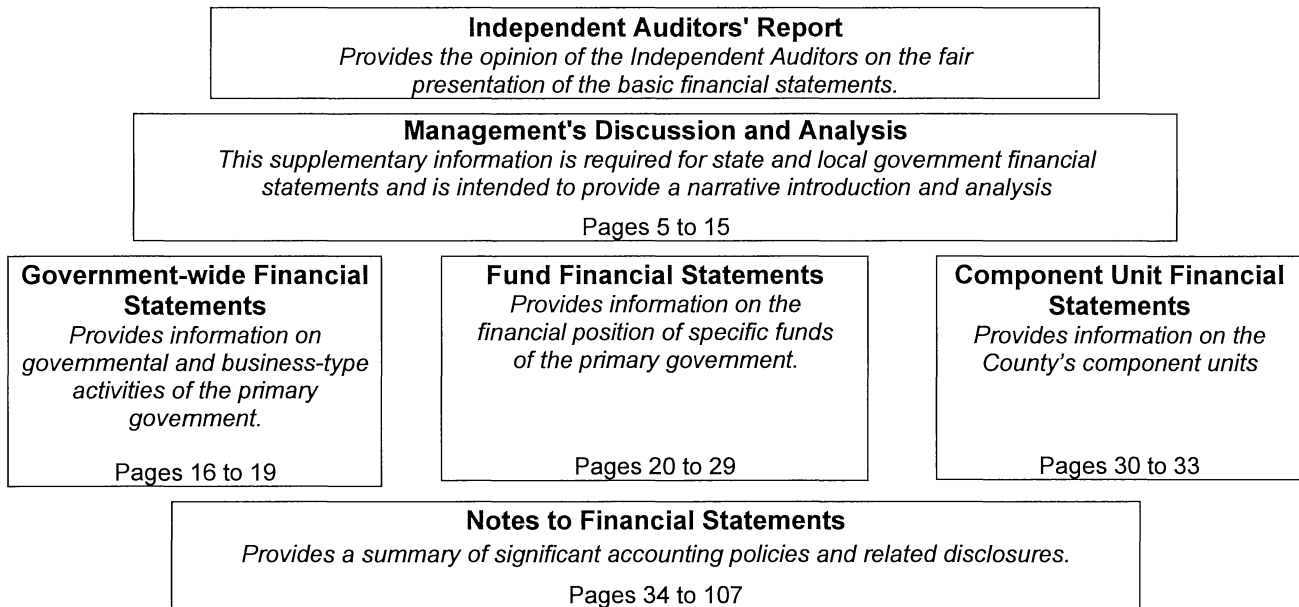
- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the year ended December 31, 2023, by \$60,752,486. Of this amount \$15,532,073 is available to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position of the governmental and business-type activities netted an increase of \$6,000,014. \$5,491,010 of this increase related to the governmental activities.
- At December 31, 2023, the County's governmental funds reported combined ending fund balances of \$38,677,383. The amount available for governmental discretion (unassigned fund balance) is \$20,200,612.
- At December 31, 2023, the fund balance for the General Fund was \$20,798,980, a \$1,326,522 increase over last year. The unassigned portion of fund balance was \$20,798,980 or 100% of total General Fund balance or 46% of total General Fund expenditures for 2023.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The new financial reporting model instituted by Governmental Accounting Standards Board Statement 34 (GASB 34) seeks to improve operational accountability by highlighting an overall picture that was lost in the detail of fund accounting. Instead of focusing on aggregations of similar individual funds, GASB 34 introduced government-wide financial statements, which present the government as a single unified entity.

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 four components: 1) government-wide financial statements, 2) fund financial statements, 3) component unit financial statements, and 4) notes to financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

**Organization and Flow of Financial Section Information**





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## OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

**Government-wide Financial Statements.** The *government-wide financial statements*, which consist of the following two 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 and liabilities, with the difference between the two 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 government's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, culture and recreation, and public health. The business-type activities of the County include the airport and other (commissary).

The government-wide financial statements include not only the County itself (known as the *primary government*) but also the component units of Victoria County Navigation District and Citizens Medical Center. These component units are not included as part of the primary government.

The government-wide financial statements can be found on pages 16-19 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 *near-term inflows and outflows of spendable resources*, as well as a *balance 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the American Rescue Plan Act Fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining and individual statements and schedules following the required supplementary information.

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## OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

The County adopts an annual appropriated budget for its General Fund, road and bridge special revenue funds, and Debt Service Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and is located on pages 158-166 of this report. Budget comparisons are presented for the road and bridge special revenue funds and the Debt Service Fund on pages 168-173 of this report.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its airport and other enterprise activities (commissary). *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the County's various functions. The County uses an internal service fund to account for its employee health insurance services. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the airport, which is considered to be a major fund of the County, and other (commissary).

The basic proprietary fund financial statements can be found on pages 24-27 of this report.

**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 statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

**Notes to 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 financial statements can be found on pages 34-107 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's General Fund's budgetary comparison schedule and historical pension and OPEB benefits information. Required supplementary information can be found on pages 108-118 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 119-178 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 exceeded liabilities and deferred inflows by \$60,752,486 at the close of the year ended December 31, 2023.

### County of Victoria, Texas

#### NET POSITION (Statutory Basis)

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
Current and other assets	\$ 92,641,727	\$ 80,219,432	\$ 2,425,359	\$ 2,236,139	\$ 95,067,086	\$ 82,455,571
Capital assets (net)	43,686,522	38,249,040	4,971,815	4,547,692	48,658,337	42,796,732
Other noncurrent assets	18,271,597	23,600,989	967,361	1,135,200	19,238,958	24,736,189
Total assets	154,599,846	142,069,461	8,364,535	7,919,031	162,964,381	149,988,492
Deferred outflow of resources	12,200,233	10,965,655	-	-	12,200,233	10,965,655
Long-term liabilities	64,349,010	33,947,980	53,834	41,106	64,402,844	33,989,086
Other liabilities	12,364,950	15,994,126	426,192	326,578	12,791,142	16,320,704
Total liabilities	76,713,960	49,942,106	480,026	367,684	77,193,986	50,309,790
Deferred inflow of resources	36,168,923	54,666,824	1,049,219	1,225,061	37,218,142	55,891,885
Net position						
Net investment in capital assets	32,270,692	28,113,132	4,782,828	4,547,692	37,053,520	32,660,824
Restricted	8,166,893	6,491,711	-	-	8,166,893	6,491,711
Unrestricted	13,479,611	13,821,343	2,052,462	1,778,594	15,532,073	15,599,937
Total net position	\$ 53,917,196	\$ 48,426,186	\$ 6,835,290	\$ 6,326,286	\$ 60,752,486	\$ 54,752,472

\*2022 balances have been restated. See Note 20 for details.

The largest portion of the County's net position (61%) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The next largest portion of the County's net position (26%) reflects unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

The remaining balance of restricted net position (\$8,166,893) represents resources that are subject to external restrictions on how they may be used.

At the end of the current year, the County is able to report positive balances in all three categories of net position, for the government as a whole, as well as for the governmental activities.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)**

County of Victoria, Texas

**CHANGES IN NET POSITION  
(Statutory Basis)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 11,668,948	\$ 11,019,230	\$ 3,569,293	\$ 4,047,588	\$ 15,238,241	\$ 15,066,818
Operating grants & contributions	8,724,416	7,691,540	340,898	537,341	9,065,314	8,228,881
Capital grants & contributions	2,340,656	2,405,763	-	-	2,340,656	2,405,763
General revenues:						
Property taxes	34,508,968	30,668,752	-	-	34,508,968	30,668,752
Other taxes	12,820,885	12,749,672	-	-	12,820,885	12,749,672
Other	5,889,429	7,513,153	31,179	6,910	5,920,608	7,520,063
<b>Total revenues</b>	<b>75,953,302</b>	<b>72,048,110</b>	<b>3,941,370</b>	<b>4,591,839</b>	<b>79,894,672</b>	<b>76,639,949</b>
<b>EXPENSES</b>						
General government	28,114,701	24,242,100	-	-	28,114,701	24,242,100
Public safety	27,836,645	22,402,099	-	-	27,836,645	22,402,099
Highways and streets	7,079,047	7,656,770	-	-	7,079,047	7,656,770
Culture and recreation	318,800	240,643	-	-	318,800	240,643
Public health	4,974,749	5,498,833	-	-	4,974,749	5,498,833
Interest on long-term debt	1,177,306	745,518	-	-	1,177,306	745,518
Airport	-	-	4,123,482	4,686,383	4,123,482	4,686,383
Commissary	-	-	269,928	221,060	269,928	221,060
<b>Total expenses</b>	<b>69,501,248</b>	<b>60,785,963</b>	<b>4,393,410</b>	<b>4,907,443</b>	<b>73,894,658</b>	<b>65,693,406</b>
Change in net position before transfers	6,452,054	11,262,147	(452,040)	(315,604)	6,000,014	10,946,543
Transfers	(961,044)	(48,016)	961,044	48,016	-	-
Change in net position	5,491,010	11,214,131	509,004	(267,588)	6,000,014	10,946,543
<b>Net position - January 1, as restated</b>	<b>48,426,186</b>	<b>37,212,055</b>	<b>6,326,286</b>	<b>6,593,874</b>	<b>54,752,472</b>	<b>43,805,929</b>
<b>Net position - December 31</b>	<b>\$ 53,917,196</b>	<b>\$ 48,426,186</b>	<b>\$ 6,835,290</b>	<b>\$ 6,326,286</b>	<b>\$ 60,752,486</b>	<b>\$ 54,752,472</b>

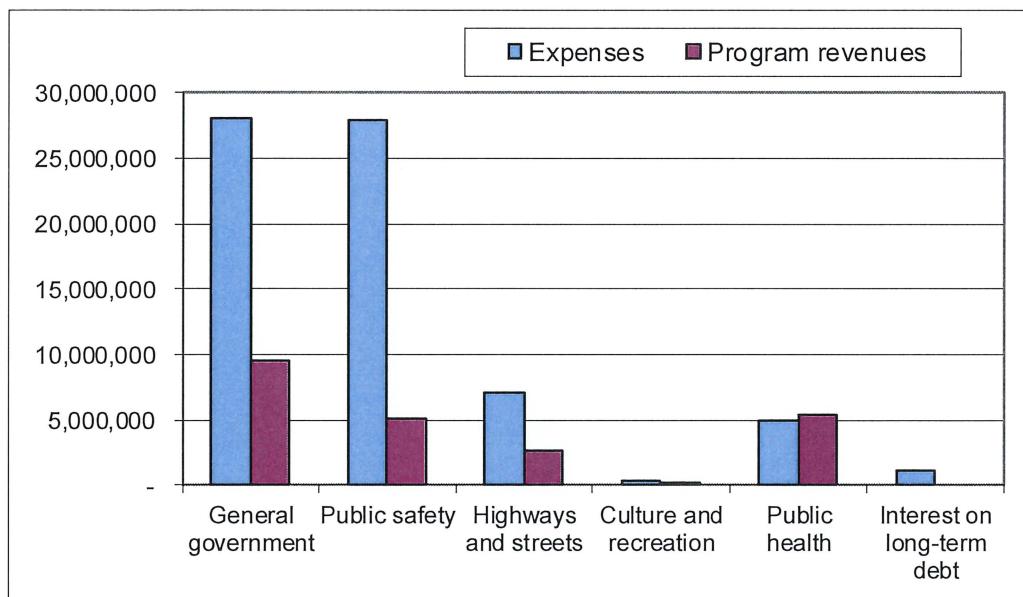
\*2022 balances have been restated. See Note 20 for details.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)**

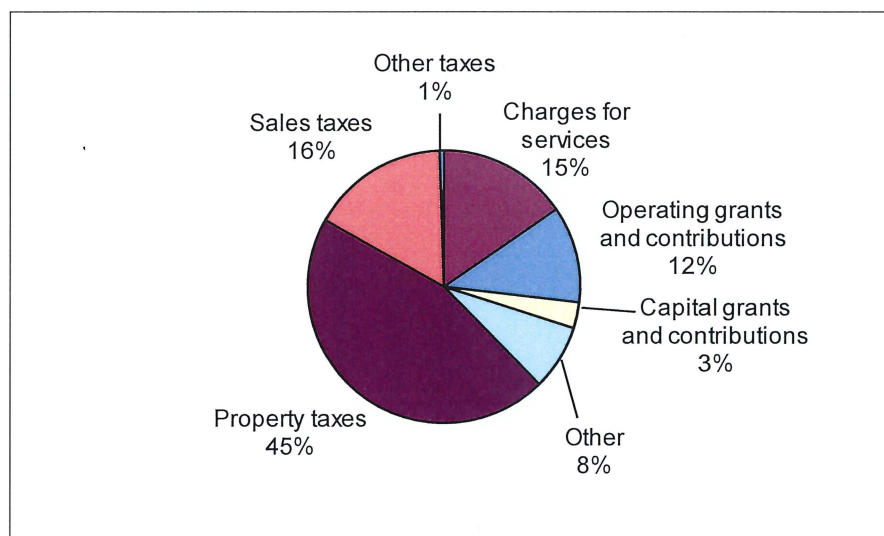
**Governmental activities.** Governmental activities increased the County’s net position by \$5,491,010, thereby accounting for a majority of the total increase in the net position of the County. Key elements of this increase are as follows:

- Property taxes increased \$3,840,216 due to the increase in taxable valuation from prior year.
- Operating grants and contributions increased \$1,032,876 primarily due to an increase in Operation Lone Star grant activity.
- Other revenues decreased \$1,623,724 primarily due to less American Rescue Plan Act monies recognized in the current year.
- Total expenses increased \$8,715,285 or 14% from the prior year. An increase in public safety expenses made up 62% of this increase primarily due to additional pension expense recognized in the current year. There was an increase in general government expenses of \$3,872,601 for the same reason.

**Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**

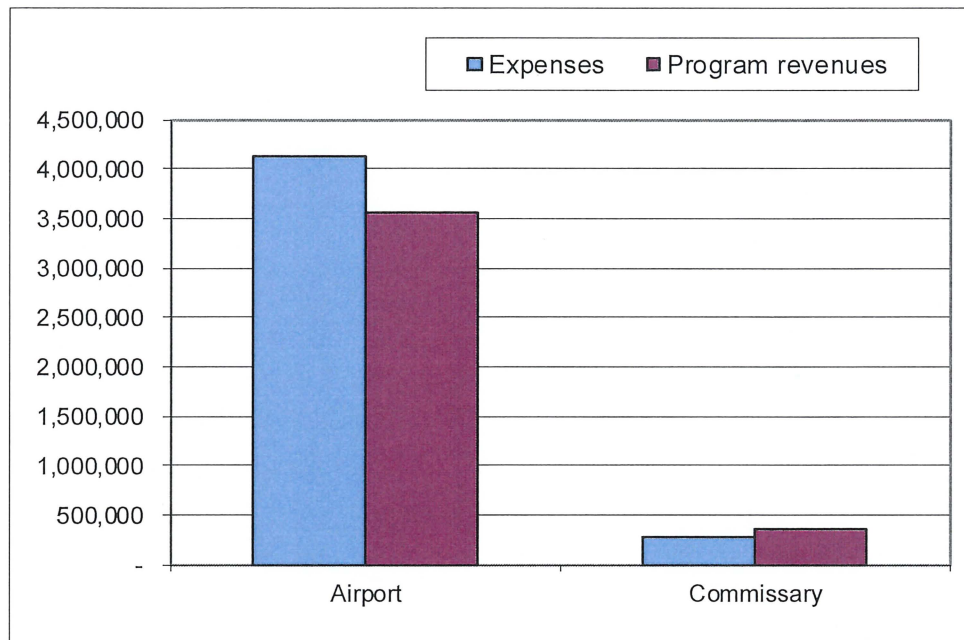


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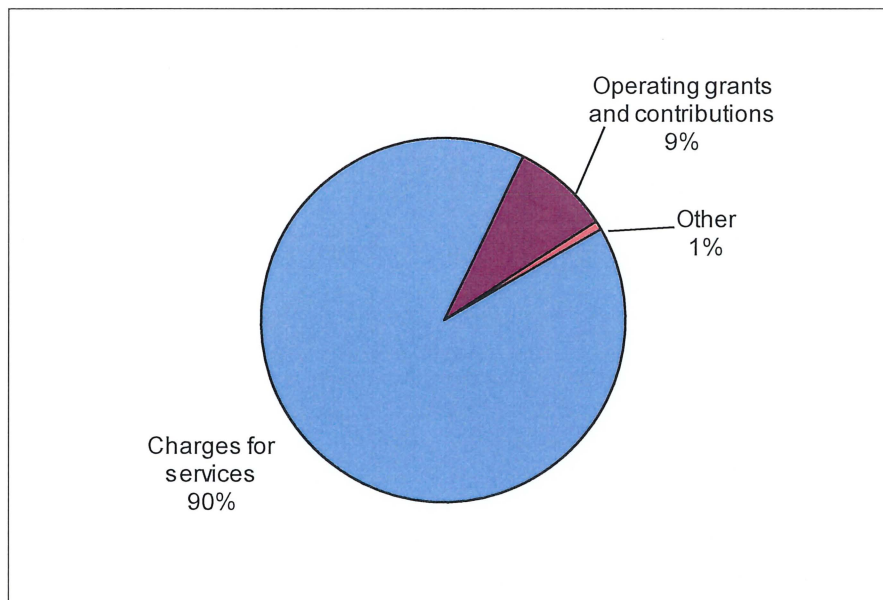
**GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)**

**Business-type activities.** Business-type activities increased the County's net position by \$509,004. Total revenues decreased \$650,469 and total expenses decreased \$514,033 primarily due to the loss of military fuel sales and related expenses. In addition, there was an increase in transfers from governmental activities of \$913,028 compared to 2022.

**Expenses and Program Revenues - Business-type Activities**



**Revenues by Source - Business-type Activities**



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## FINANCIAL ANALYSIS OF THE GOVERNMENT'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. Non-financial assets such as governmental buildings, roads, park land and long-term liabilities that will not be paid with current assets are excluded.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$38,677,383, an increase of \$11,521,616 in comparison with the prior year. Of the total fund balance, \$20,200,612 constitutes *unassigned fund balance* and is available for spending at the County's discretion. Of the remaining fund balance, \$18,476,771 is *restricted* to specific types of expenditures.

**General Fund.** The General Fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the General Fund was \$20,798,980, which constituted the total fund balance. 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 46% of total General Fund expenditures, while total fund balance represents 46% of that same amount.

The fund balance of the County's General Fund increased by \$1,326,522 during the current year. Total revenues increased \$3,793,143 primarily due to more tax revenues collected compared to prior year. Total expenditures increased \$4,745,482 due to additional expenditures in various departments in the general government and public safety functions. In addition, there was a net increase in transfers out to other funds of \$950,104.

**American Rescue Plan Act Fund.** The American Rescue Plan Act Fund is a major special revenue fund. The fund balance remained unchanged from prior year.

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of proprietary funds at the end of the year amounted to:

<b>Fund</b>	<b>2023</b>	<b>2022</b>
	<b>Unrestricted Net Position</b>	<b>Unrestricted Net Position</b>
Airport	\$ 1,229,726	\$ 1,029,946
Commissary	822,736	748,648
<b>Total</b>	<b>\$ 2,052,462</b>	<b>\$ 1,778,594</b>

Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an increase of \$5,044,704 in total expenditures and transfers out and can be briefly summarized as follows:

- \$1,765,579 in miscellaneous increases in general government expenditures, mainly due to the capital outlay purchase of property and an increase in indigent defense representation activities.
- \$2,881,787 in miscellaneous increases in transfers out, mainly due to equipment purchases for road and bridge and capital outlay for the airport taxiway improvement.
- \$397,335 in miscellaneous increases in public safety expenditures, due to capital outlay for purchases for animal services and the sheriff's office.

These increases were to be funded out of miscellaneous increases in intergovernmental revenues, fines and forfeitures revenues, and other miscellaneous revenues.

For 2023, the General Fund's actual expenditures and transfers out were \$4,251,629 lower than the final budget. This positive variance is mainly due to:

- Payroll and other various expenditure accounts that were under budget for 2023.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$48,658,337 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements, machinery and equipment, right-to-use lease assets, and subscription assets. The net increase in the County's investment in capital assets for the current year was 14% (a 14% increase for governmental activities and a 9% increase for business-type activities).

County of Victoria, Texas  
CAPITAL ASSETS  
(Net of Depreciation and Amortization)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,359,073	\$ 2,986,833	\$ -	\$ -	\$ 3,359,073	\$ 2,986,833
Construction in progress	4,044,285	3,671,029	1,362,016	470,582	5,406,301	4,141,611
Buildings	9,617,826	9,048,387	-	-	9,617,826	9,048,387
Improvements	8,217,885	7,796,860	3,157,491	3,621,168	11,375,376	11,418,028
Machinery and equipment	9,420,127	6,926,135	452,308	455,942	9,872,435	7,382,077
Infrastructure	8,191,256	7,380,940	-	-	8,191,256	7,380,940
Right-to-Use lease assets	369,684	438,856	-	-	369,684	438,856
Subscription assets	466,386	-	-	-	466,386	-
<b>Total</b>	<b>\$ 43,686,522</b>	<b>\$ 38,249,040</b>	<b>\$ 4,971,815</b>	<b>\$ 4,547,692</b>	<b>\$ 48,658,337</b>	<b>\$ 42,796,732</b>

Major capital asset events in the governmental activities during the year ended December 31, 2023 consisted of the following:

- Construction in progress had a net increase of \$373,256 due to additional costs related to the CDBG Hurricane Harvey and Courthouse improvement projects as well as various other projects, offset by the completion of various CDBG infrastructure projects and Jail HVAC Chiller improvements.
- Machinery and equipment had a net increase of \$2,493,992 due to the addition of various items including police vehicles and equipment, polling booths, and street vehicles and equipment.



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**CAPITAL ASSETS AND DEBT ADMINISTRATION - (Continued)**

**Capital assets - (Continued)**

Major capital asset events in the business-type activities during the year ended December 31, 2023 consisted of the following:

- Construction in progress had a net increase of \$891,434 due to the taxiway improvement project.
- Various machinery and equipment items were purchased and sold.

Additional information on the County's capital assets can be found in Note 7 of this report.

**Long-term debt.** At the end of the current year, the County had total bonded debt outstanding of \$35,720,000. This debt is backed by the full faith and credit of the government. The County maintains an "AA" rating from Standard & Poor's, and Fitch Ratings for general obligation debt. In addition, the County had outstanding \$93,312 in financed purchases, \$379,231 in right-to-use leases, \$433,389 in subscription liabilities, \$2,350,068 in compensated absences, \$22,234,285 in net pension liability, \$1,595,813 in OPEB liability, and \$1,596,746 in issuance premiums as of December 31, 2023.

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**County of Victoria, Texas**

**Long-term Debt**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Certificates of obligation	\$ 32,160,000	\$ 23,390,000	\$ -	\$ -	\$ 32,160,000	\$ 23,390,000
General obligation bonds	3,560,000	4,000,000	-	-	3,560,000	4,000,000
Financed purchases	93,312	185,786	-	-	93,312	185,786
Right-to-Use leases	379,231	441,825	-	-	379,231	441,825
Subscription liabilities	433,389	-	-	-	433,389	-
Interlocal commitment	-	564,160	-	-	-	564,160
Compensated absences	2,296,234	1,995,076	53,834	41,106	2,350,068	2,036,182
Net pension liability (asset)	22,234,285	(4,546,654)	-	-	22,234,285	(4,546,654)
OPEB liability	1,595,813	2,098,767	-	-	1,595,813	2,098,767
Issuance premiums	1,596,746	1,272,366	-	-	1,596,746	1,272,366
<b>Total</b>	<b>\$ 64,349,010</b>	<b>\$ 29,401,326</b>	<b>\$ 53,834</b>	<b>\$ 41,106</b>	<b>\$ 64,402,844</b>	<b>\$ 29,442,432</b>

The County's debt had a net increase of \$34,960,412 or 119%. The key factors to this net increase are the following:

- The County issued \$9,690,000 in governmental activities certificates of obligation during fiscal year 2023.
- Debt payments of \$1,360,000 on governmental activities certificates of obligation and general obligation bonds were made during fiscal year 2023.
- Net pension liability increased \$26,780,939.

Additional information on the County's long-term debt can be found in Note 14.

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## **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, as well as a means to accomplish the highest priority objectives. Through the budget, the Commissioners' Court sets the direction of the County, allocates its resources, and establishes its priorities.

The final 2024 budget was adopted by Commissioners' Court on September 11, 2023. The budget included the implementation of the compensation study adopted by the court on August 21, 2023. The property tax rate was set at \$0.3880 (38.80 cents) per \$100 assessed taxable valuation, which reflects a \$0.0054 decrease from the prior year. The taxable valuation increased for the 2024 year by \$1.4 billion, which will result in an increase of tax revenue of \$4.6 million.

### **Request for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provide in this report or requests for additional financial information should be addressed to the County Auditor's Office, 115 N. Bridge, Room 122, Victoria, Texas 77901.

## **Basic Financial Statements**

**COUNTY OF VICTORIA, TEXAS**

STATEMENT OF NET POSITION - STATUTORY BASIS

December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 40,274,751	\$ 2,129,775	\$ 42,404,526	\$ 64,502,085
Investments	13,127,000	-	13,127,000	-
Receivables (net)	35,973,353	99,146	36,072,499	23,282,700
Internal balances	5,717	(5,717)	-	-
Due from primary government	-	-	-	126,570
Due from other governments	2,372,254	4,929	2,377,183	4,903,193
Interlocal receivable - current portion	590,000	-	590,000	1,000,000
Lease receivable - current portion	190,478	110,815	301,293	1,951,578
Due from external parties	108,174	-	108,174	-
Inventory	-	86,411	86,411	2,184,926
Prepaid items	-	-	-	5,972,156
<b>Total current assets</b>	<b>92,641,727</b>	<b>2,425,359</b>	<b>95,067,086</b>	<b>103,923,208</b>
Noncurrent assets				
Capital assets				
Land and other assets not being depreciated	7,403,358	1,362,016	8,765,374	32,880,005
Buildings, improvements, and equipment (net)	35,447,094	3,609,799	39,056,893	102,649,716
Right-to-use lease assets (net)	369,684	-	369,684	4,017,619
Subscription assets (net)	466,386	-	466,386	4,181,427
<b>Net capital assets</b>	<b>43,686,522</b>	<b>4,971,815</b>	<b>48,658,337</b>	<b>143,728,767</b>
Cash - internally designated	-	-	-	9,868,699
Interlocal receivable - noncurrent portion	18,070,100	-	18,070,100	-
Lease receivable - noncurrent portion	201,497	967,361	1,168,858	24,504,398
Other assets	-	-	-	16,132
Net pension asset	-	-	-	10,941,286
<b>Total noncurrent assets</b>	<b>61,958,119</b>	<b>5,939,176</b>	<b>67,897,295</b>	<b>189,059,282</b>
<b>Total assets</b>	<b>154,599,846</b>	<b>8,364,535</b>	<b>162,964,381</b>	<b>292,982,490</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	70,368	-	70,368	-
Deferred outflow related to pension	11,824,492	-	11,824,492	9,554,509
Deferred outflow related to OPEB	305,373	-	305,373	-
<b>Total deferred outflows of resources</b>	<b>12,200,233</b>	<b>-</b>	<b>12,200,233</b>	<b>9,554,509</b>

The accompanying notes are an integral part of this statement.

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 1,208,018	\$ 275,805	\$ 1,483,823	\$ 9,270,455
Accrued expenses	1,601,164	46,861	1,648,025	13,765,322
Accrued interest payable	479,842	-	479,842	25,217
Due to other governments	751,474	-	751,474	-
Claims payable	440,112	-	440,112	-
Deposits	61,226	37,291	98,517	-
Unearned revenue	7,823,114	66,235	7,889,349	8,158,783
Accrued compensated absences	980,925	24,526	1,005,451	-
Estimated self-insurance costs	-	-	-	406,415
Estimated amounts due to third-party payers	-	-	-	953,883
Current portion of long-term obligations	2,167,033	-	2,167,033	5,542,433
<b>Total current liabilities</b>	<b>15,512,908</b>	<b>450,718</b>	<b>15,963,626</b>	<b>38,122,508</b>
Noncurrent liabilities				
Noncurrent portion of long-term obligations	37,370,954	29,308	37,400,262	37,339,398
Net pension liability	22,234,285	-	22,234,285	-
OPEB liability	1,595,813	-	1,595,813	-
<b>Total noncurrent liabilities</b>	<b>61,201,052</b>	<b>29,308</b>	<b>61,230,360</b>	<b>37,339,398</b>
<b>Total liabilities</b>	<b>76,713,960</b>	<b>480,026</b>	<b>77,193,986</b>	<b>75,461,906</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow related to property taxes	35,087,260	-	35,087,260	2,763,906
Deferred inflow related to right-to-use lease receivable	388,715	1,049,219	1,437,934	25,219,024
Deferred inflow related to pension	184,648	-	184,648	2,831,531
Deferred inflow related to OPEB	508,300	-	508,300	-
<b>Total deferred inflows of resources</b>	<b>36,168,923</b>	<b>1,049,219</b>	<b>37,218,142</b>	<b>30,814,461</b>
<b>NET POSITION</b>				
Net investment in capital assets	32,270,692	4,782,828	37,053,520	112,609,210
Restricted for:				
Debt service	1,231,488	-	1,231,488	-
Other purposes	6,935,405	-	6,935,405	12,785,167
Unrestricted	13,479,611	2,052,462	15,532,073	70,866,255
<b>Total net position</b>	<b>\$ 53,917,196</b>	<b>\$ 6,835,290</b>	<b>\$ 60,752,486</b>	<b>\$ 196,260,632</b>

**COUNTY OF VICTORIA, TEXAS**  
**STATEMENT OF ACTIVITIES - STATUTORY BASIS**  
For the year ended December 31, 2023

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government	\$ 28,114,701	\$ 6,118,225	\$ 2,342,127	\$ 1,020,995
Public safety	27,836,645	2,018,738	2,950,855	143,700
Highways and streets	7,079,047	1,381,649	190,297	1,118,555
Culture and recreation	318,800	2,200	-	-
Public health	4,974,749	2,148,136	3,241,137	57,406
Interest on long-term debt	1,177,306	-	-	-
Total governmental activities	<u>69,501,248</u>	<u>11,668,948</u>	<u>8,724,416</u>	<u>2,340,656</u>
Business-type activities				
Airport	4,123,482	3,213,995	340,898	-
Commissary	269,928	355,298	-	-
Total business-type activities	<u>4,393,410</u>	<u>3,569,293</u>	<u>340,898</u>	<u>-</u>
Total primary government	<u>\$ 73,894,658</u>	<u>\$ 15,238,241</u>	<u>\$ 9,065,314</u>	<u>\$ 2,340,656</u>
<b>Component Units</b>	<u>\$ 248,636,391</u>	<u>\$ 238,596,409</u>	<u>\$ 2,431,694</u>	<u>\$ 1,540,404</u>

General revenues  
Taxes:  
    Property taxes, levied for general purposes  
    Property taxes, levied for debt service  
    Sales taxes  
    Other taxes  
Grants and contributions not restricted to specific programs  
Unrestricted Investment earnings  
Miscellaneous  
Transfers  
Total general revenues and transfers  
Change in net position  
Net position - beginning, as restated  
Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business- type Activities	Total	Component Units
\$ (18,633,354)	\$ -	\$ (18,633,354)	\$ -
(22,723,352)	-	(22,723,352)	-
(4,388,546)	-	(4,388,546)	-
(316,600)	-	(316,600)	-
471,930	-	471,930	-
(1,177,306)	-	(1,177,306)	-
<u>(46,767,228)</u>	<u>-</u>	<u>(46,767,228)</u>	<u>-</u>
-	(568,589)	(568,589)	-
-	85,370	85,370	-
-	<u>(483,219)</u>	<u>(483,219)</u>	<u>-</u>
<u>(46,767,228)</u>	<u>(483,219)</u>	<u>(47,250,447)</u>	<u>-</u>
-	-	-	<u>(6,067,884)</u>
31,576,525	-	31,576,525	2,652,176
2,932,443	-	2,932,443	-
12,395,383	-	12,395,383	-
425,502	-	425,502	-
3,510,779	-	3,510,779	-
1,148,926	24,248	1,173,174	741,569
1,229,724	6,931	1,236,655	141,694
<u>(961,044)</u>	<u>961,044</u>	<u>-</u>	<u>-</u>
<u>52,258,238</u>	<u>992,223</u>	<u>53,250,461</u>	<u>3,535,439</u>
5,491,010	509,004	6,000,014	(2,532,445)
<u>48,426,186</u>	<u>6,326,286</u>	<u>54,752,472</u>	<u>198,793,080</u>
<u>\$ 53,917,196</u>	<u>\$ 6,835,290</u>	<u>\$ 60,752,486</u>	<u>\$ 196,260,635</u>

**COUNTY OF VICTORIA, TEXAS**  
**BALANCE SHEET - STATUTORY BASIS**  
**GOVERNMENTAL FUNDS**  
December 31, 2023

	General	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 10,689,148	\$ 7,738,992	\$ 21,844,631	\$ 40,272,771
Investments	13,127,000	-	-	13,127,000
Receivables (net)	28,294,755	-	7,539,070	35,833,825
Due from other governments	583,602	-	1,788,652	2,372,254
Due from other funds	4,387,468	-	262,608	4,650,076
Lease receivable - current portion	190,478	-	-	190,478
<b>Total current assets</b>	<u>57,272,451</u>	<u>7,738,992</u>	<u>31,434,961</u>	<u>96,446,404</u>
Noncurrent assets				
Lease receivable - noncurrent portion	201,497	-	-	201,497
<b>Total noncurrent assets</b>	<u>201,497</u>	<u>-</u>	<u>-</u>	<u>201,497</u>
<b>Total assets</b>	<u>\$ 57,473,948</u>	<u>\$ 7,738,992</u>	<u>\$ 31,434,961</u>	<u>\$ 96,647,901</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 621,423	\$ 30,626	\$ 520,334	\$ 1,172,383
Accrued expenditures	1,169,607	-	418,864	1,588,471
Due to other governments	375,810	-	375,664	751,474
Due to other funds	262,608	5	1,790,508	2,053,121
Deposits	876	-	60,350	61,226
Unearned revenue	15,246	7,658,542	149,097	7,822,885
<b>Total liabilities</b>	<u>2,445,570</u>	<u>7,689,173</u>	<u>3,314,817</u>	<u>13,449,560</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	33,837,423	-	10,291,560	44,128,983
Deferred inflows related to right-to-use lease receivable	391,975	-	-	391,975
<b>Total deferred inflows of resources</b>	<u>34,229,398</u>	<u>-</u>	<u>10,291,560</u>	<u>44,520,958</u>
<b>FUND BALANCES</b>				
Restricted	-	49,819	18,426,952	18,476,771
Unassigned	20,798,980	-	(598,368)	20,200,612
<b>Total fund balances</b>	<u>20,798,980</u>	<u>49,819</u>	<u>17,828,584</u>	<u>38,677,383</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 57,473,948</u>	<u>\$ 7,738,992</u>	<u>\$ 31,434,961</u>	<u>\$ 96,647,901</u>

The accompanying notes are an integral part of this statement.



**COUNTY OF VICTORIA, TEXAS****RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION  
OF GOVERNMENTAL ACTIVITIES - STATUTORY BASIS**

December 31, 2023

<b>Total governmental fund balances</b>		<b>\$ 38,677,383</b>
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
The Internal Service Fund is used by the County to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.		(2,830,226)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as "unavailable" in the funds.		5,073,855
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in fund balance.		3,967,869
Interlocal receivable on repayment of debt is not a current financial resource and, therefore, is not reported on the fund financial statements.		18,660,100
Capital assets, right-to-use lease assets, and subscription assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental assets at year-end consist of:		
Governmental capital, right-to-use lease, and subscription assets costs	\$212,242,753	
Accumulated depreciation and amortization of governmental assets	<u>(168,556,231)</u>	43,686,522
Deferred outflows of resources are not reported in the governmental funds:		
Deferred amount on refunding	70,368	
Deferred amount on pension	11,824,492	
Deferred amount on OPEB	<u>305,373</u>	12,200,233
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds and certificates payable	(35,720,000)	
Issuance premiums	(1,596,746)	
Financed purchases	(93,312)	
Right-to-use leases	(379,231)	
Subscription liabilities	(433,389)	
Accrued interest payable	(479,842)	
Compensated absences	(2,296,234)	
Net pension liability	(22,234,285)	
OPEB liability	<u>(1,595,813)</u>	(64,828,852)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred amount on pension	(184,648)	
Deferred amount on OPEB	<u>(508,300)</u>	(692,948)
Deferred inflows related to right-to-use lease receivable are amortized based on reduction of right-to-use lease receivable in the fund financial statements, but are amortized over the lease term in the statement of net position.		<u>3,260</u>
<b>Net position of governmental activities</b>		<b><u>\$ 53,917,196</u></b>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS***STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - STATUTORY BASIS**GOVERNMENTAL FUNDS**For the year ended December 31, 2023*

	General	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 38,193,014	\$ -	\$ 7,915,358	\$ 46,108,372
Fees of office and user fees	1,715,822	-	2,907,654	4,623,476
Intergovernmental	4,387,591	3,355,829	10,575,727	18,319,147
Fines and forfeitures	583,853	-	804,631	1,388,484
Investment income	898,071	-	248,875	1,146,946
Licenses and permits	57,398	-	-	57,398
Contributions	-	-	431,767	431,767
Miscellaneous	1,887,655	-	524,263	2,411,918
<b>Total revenues</b>	<u>47,723,404</u>	<u>3,355,829</u>	<u>23,408,275</u>	<u>74,487,508</u>
<b>EXPENDITURES</b>				
Current				
General government	23,499,820	982,971	2,754,608	27,237,399
Public safety	21,679,863	-	2,939,507	24,619,370
Highways and streets	-	-	7,971,862	7,971,862
Culture and recreation	265,521	-	-	265,521
Public health	-	-	4,969,820	4,969,820
Capital outlay	-	48,904	3,515,380	3,564,284
Debt service				
Principal retirement	-	-	1,924,160	1,924,160
Interest and fiscal charges	-	-	927,322	927,322
Bond issuance costs	-	-	165,280	165,280
<b>Total expenditures</b>	<u>45,445,204</u>	<u>1,031,875</u>	<u>25,167,939</u>	<u>71,645,018</u>
Excess (deficiency) of revenues over expenditures	<u>2,278,200</u>	<u>2,323,954</u>	<u>(1,759,664)</u>	<u>2,842,490</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	9,690,000	9,690,000
Premium on issuance of bonds	-	-	427,095	427,095
Sale of assets	(26,010)	-	-	(26,010)
Subscription liability issued	486,393	-	62,692	549,085
Transfers in	3,083,105	-	3,013,450	6,096,555
Transfers out	(4,495,166)	(2,323,954)	(1,238,479)	(8,057,599)
<b>Total other financing sources (uses)</b>	<u>(951,678)</u>	<u>(2,323,954)</u>	<u>11,954,758</u>	<u>8,679,126</u>
Change in fund balances	1,326,522	-	10,195,094	11,521,616
Fund balances at beginning of year, as restated	<u>19,472,458</u>	<u>49,819</u>	<u>7,633,490</u>	<u>27,155,767</u>
<b>Fund balances at end of year</b>	<u>\$ 20,798,980</u>	<u>\$ 49,819</u>	<u>\$ 17,828,584</u>	<u>\$ 38,677,383</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS***RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - STATUTORY BASIS  
For the year ended December 31, 2023*

<b>Total net change in fund balances - governmental funds</b>		<b>\$ 11,521,616</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
The Internal Service Fund is used by the County to charge the costs of health insurance to individual funds. The net activity of the Internal Service Fund is reported with governmental activities.		(198,839)
The net effect of various transactions involving capital assets (i.e., transfers, contributions, adjustments and dispositions) is to increase (decrease) net position.		1,114,932
Capital outlays, right-to-use lease assets, and subscription assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or the term of the lease agreement as amortization expense.		
Increase in capital, right-to-use lease, and subscription assets	\$ 7,555,038	
Depreciation and amortization expense	<u>(3,232,488)</u>	4,322,550
Issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		
Subscription liabilities	(549,085)	
Bonds at par value	(9,690,000)	
(Premium) discount	<u>(427,095)</u>	(10,666,180)
The payment on an interlocal receivable is reported as miscellaneous income in the governmental funds. However, in the government-wide statements, this payment is reported as a reduction of a current asset.		(608,206)
Current year payments on long-term debt are expenditures in the fund financial statements, but they serve to reduce long-term liabilities in the government-wide financial statements. In the current year, these amounts consist of:		
Bond principal retirement	1,360,000	
Interlocal commitment principal retirement	564,160	
Right-to-use lease principal retirement	62,594	
Subscription liabilities principal retirement	115,696	
Financed purchases principal retirement	<u>92,474</u>	2,194,924
Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Similarly, other revenues are not currently available at year end and are not reported as revenue in the governmental funds.		
Property taxes	1,173,089	
Other revenues	<u>(230,080)</u>	943,009
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences	(301,158)	
Net pension costs	(2,715,459)	
OPEB costs	(71,564)	
Increase in accrued interest	(177,244)	
Decrease in loss on bond refunding	(10,174)	
Decrease in bond premium	<u>102,715</u>	(3,172,884)
Some items reported in the statement of activities do not result from current financial resources and therefore are not reported as revenues in governmental funds. These activities consist of:		
Decrease in deferred inflows related to right-to-use lease receivable		<u>3,260</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ 5,454,182</u></b>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS**

STATEMENT OF NET POSITION - STATUTORY BASIS

PROPRIETARY FUNDS

December 31, 2023

	<u>Business-type Activities</u>			Governmental Activities- Internal Service Fund
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 1,332,109	\$ 797,666	\$ 2,129,775	\$ 1,980
Receivables (net)	56,914	42,232	99,146	139,527
Due from other governments	4,929	-	4,929	-
Lease receivable - current portion	110,815	-	110,815	-
Inventory	86,411	-	86,411	-
<b>Total current assets</b>	<u>1,591,178</u>	<u>839,898</u>	<u>2,431,076</u>	<u>141,507</u>
Noncurrent assets				
Capital assets				
Land and other assets not being depreciated	1,362,016	-	1,362,016	-
Buildings, improvements, and equipment (net)	3,509,830	99,969	3,609,799	-
Net capital assets	<u>4,871,846</u>	<u>99,969</u>	<u>4,971,815</u>	-
Lease receivable - noncurrent portion	967,361	-	967,361	-
<b>Total noncurrent assets</b>	<u>5,839,207</u>	<u>99,969</u>	<u>5,939,176</u>	-
<b>Total assets</b>	<u>7,430,385</u>	<u>939,867</u>	<u>8,370,252</u>	<u>141,507</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	272,952	2,853	275,805	35,635
Accrued expenses	40,267	6,594	46,861	12,693
Due to other funds	5,517	200	5,717	2,483,064
Deposits	37,291	-	37,291	-
Unearned revenue	66,235	-	66,235	229
Claims payable	-	-	-	440,112
Accrued compensated absences	21,103	3,423	24,526	-
<b>Total current liabilities</b>	<u>443,365</u>	<u>13,070</u>	<u>456,435</u>	<u>2,971,733</u>
Noncurrent liabilities				
Accrued compensated absences	25,216	4,092	29,308	-
<b>Total noncurrent liabilities</b>	<u>25,216</u>	<u>4,092</u>	<u>29,308</u>	-
<b>Total liabilities</b>	<u>468,581</u>	<u>17,162</u>	<u>485,743</u>	<u>2,971,733</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflows related to right-to- use lease receivable	1,049,219	-	1,049,219	-
<b>Total deferred inflow of resources</b>	<u>1,049,219</u>	-	<u>1,049,219</u>	-
<b>NET POSITION</b>				
Net investment in capital assets	4,682,859	99,969	4,782,828	-
Unrestricted	1,229,726	822,736	2,052,462	(2,830,226)
<b>Total net position</b>	<u>\$ 5,912,585</u>	<u>\$ 922,705</u>	<u>\$ 6,835,290</u>	<u>\$ (2,830,226)</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - STATUTORY BASIS  
 PROPRIETARY FUNDS

For the year ended December 31, 2023

	Business-type Activities			Governmental Activities- Internal Service Fund
	Airport	Commissary	Total	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,369,051	\$ 355,298	\$ 2,724,349	\$ 4,305,651
Rents	820,565	-	820,565	-
Miscellaneous	24,379	-	24,379	-
<b>Total operating revenues</b>	<u>3,213,995</u>	<u>355,298</u>	<u>3,569,293</u>	<u>4,305,651</u>
<b>OPERATING EXPENSES</b>				
Airport operations	3,485,947	-	3,485,947	-
Commissary operations	-	245,922	245,922	-
Health services	-	-	-	5,506,470
Depreciation	637,535	24,006	661,541	-
<b>Total operating expenses</b>	<u>4,123,482</u>	<u>269,928</u>	<u>4,393,410</u>	<u>5,506,470</u>
<b>Operating income (loss) before nonoperating revenues (expenses) and transfers</b>	(909,487)	85,370	(824,117)	(1,200,819)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income - interest	14,514	9,734	24,248	1,980
Gain (loss) on disposition of assets	6,931	-	6,931	-
Noncapital grants and contributions	340,898	-	340,898	-
Total nonoperating revenues (expenses)	<u>362,343</u>	<u>9,734</u>	<u>372,077</u>	<u>1,980</u>
Income (loss) before transfers	(547,144)	95,104	(452,040)	(1,198,839)
Transfers				
Transfers in	966,044	-	966,044	1,000,000
Transfers out	(5,000)	-	(5,000)	-
Total transfers	<u>961,044</u>	<u>-</u>	<u>961,044</u>	<u>1,000,000</u>
Change in net position	413,900	95,104	509,004	(198,839)
Total net position at beginning of year	<u>5,498,685</u>	<u>827,601</u>	<u>6,326,286</u>	<u>(2,631,387)</u>
<b>Total net position at end of year</b>	<u>\$ 5,912,585</u>	<u>\$ 922,705</u>	<u>\$ 6,835,290</u>	<u>\$ (2,830,226)</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS***STATEMENT OF CASH FLOWS - STATUTORY BASIS**PROPRIETARY FUNDS**For the year ended December 31, 2023*

	<u>Business-type Activities</u>			Governmental Activities- Internal Service Fund
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 3,234,311	\$ 342,547	\$ 3,576,858	\$ 4,446,113
Cash paid to suppliers for goods and services	(2,623,559)	(87,276)	(2,710,835)	(5,282,908)
Cash paid to employees for services	<u>(975,546)</u>	<u>(154,838)</u>	<u>(1,130,384)</u>	<u>(324,043)</u>
<b>Net cash provided (used) by operating activities</b>	<u>(364,794)</u>	<u>100,433</u>	<u>(264,361)</u>	<u>(1,160,838)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Noncapital grants and contributions	425,299	-	425,299	-
Borrowing (repayments) to other funds	4,144	11	4,155	160,240
Transfers in (out) from other funds	<u>961,044</u>	<u>-</u>	<u>961,044</u>	<u>1,000,000</u>
<b>Net cash provided (used) by noncapital financing activities</b>	<u>1,390,487</u>	<u>11</u>	<u>1,390,498</u>	<u>1,160,240</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	<u>(844,724)</u>	<u>(45,022)</u>	<u>(889,746)</u>	<u>-</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(844,724)</u>	<u>(45,022)</u>	<u>(889,746)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>14,514</u>	<u>9,734</u>	<u>24,248</u>	<u>1,980</u>
<b>Net cash provided (used) by investing activities</b>	<u>14,514</u>	<u>9,734</u>	<u>24,248</u>	<u>1,980</u>
Net increase (decrease) in cash and cash equivalents	195,483	65,156	260,639	1,382
Cash and cash equivalents at beginning of year	<u>1,136,626</u>	<u>732,510</u>	<u>1,869,136</u>	<u>598</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 1,332,109</u>	<u>\$ 797,666</u>	<u>\$ 2,129,775</u>	<u>\$ 1,980</u>

The accompanying notes are an integral part of this statement.

	<u>Business-type Activities</u>			Governmental Activities- Internal Service Fund
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (909,487)	\$ 85,370	\$ (824,117)	\$ (1,200,819)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	637,535	24,006	661,541	-
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	7,708	(12,751)	(5,043)	140,233
(Increase) decrease in lease receivable	162,405	-	162,405	-
(Increase) decrease in inventory	(44,926)	-	(44,926)	-
(Increase) decrease in prepaid items	38,266	-	38,266	-
Increase (decrease) in accounts payable	(122,999)	2,273	(120,726)	237
Increase (decrease) in accrued expenses	4,687	621	5,308	1,029
Increase (decrease) in deposits	4,750	-	4,750	-
Increase (decrease) in unearned revenue	21,295	-	21,295	229
Increase (decrease) in compensated absences	11,814	914	12,728	-
Increase (decrease) in claims payable	-	-	-	(101,747)
Increase (decrease) in deferred inflow related to right-to-use lease receivable	(175,842)	-	(175,842)	-
Total adjustments	<u>544,693</u>	<u>15,063</u>	<u>559,756</u>	<u>39,981</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ (364,794)</u>	<u>\$ 100,433</u>	<u>\$ (264,361)</u>	<u>\$ (1,160,838)</u>

**COUNTY OF VICTORIA, TEXAS**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
*December 31, 2023*

	Private Purpose Trust	Custodial
<b>ASSETS</b>		
Cash and cash equivalents	\$ 168,418	\$ 9,687,721
Receivables (net)		
Other	-	112,499
Seized assets	-	683,206
<b>Total assets</b>	<u>168,418</u>	<u>10,483,426</u>
<b>LIABILITIES</b>		
Liabilities		
Accounts payable	55,056	335,258
Due to other governments	-	6,564,614
Due to other funds	108,174	-
Due to component unit	-	126,570
<b>Total liabilities</b>	<u>163,230</u>	<u>7,026,442</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 5,188</u>	<u>\$ 3,456,984</u>

The accompanying notes are an integral part of this statement.



**COUNTY OF VICTORIA, TEXAS**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
For the year ended December 31, 2023

	Private Purpose Trust	Custodial
<b>ADDITIONS</b>		
Miscellaneous		
Participants' contributions	\$ 275,026	\$ -
Minor trust account deposits	-	517,157
Confiscation and restitution receipts	-	837,154
Inmate deposits	-	792,867
Tax collections	-	203,920,680
Investment income	1,465	27,297
<b>Total additions</b>	<u>276,491</u>	<u>206,095,155</u>
<b>DEDUCTIONS</b>		
General government		
Participants' withdrawals	275,026	-
Minor trust account disbursements	-	754,396
Confiscation and restitution disbursements	-	844,598
Inmate withdrawals	-	789,526
Tax distributions	-	203,930,423
<b>Total deductions</b>	<u>275,026</u>	<u>206,318,943</u>
Changes in net position	1,465	(223,788)
Net position - beginning	<u>3,723</u>	<u>3,680,772</u>
<b>Net position - ending</b>	<u>\$ 5,188</u>	<u>\$ 3,456,984</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS**  
**STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
December 31, 2023

	Victoria County Navigation District	Citizens Medical Center	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 8,632,187	\$ 55,869,898	\$ 64,502,085
Receivables (net)	2,535,649	20,747,051	23,282,700
Due from primary government	126,570	-	126,570
Due from other governments	-	4,903,193	4,903,193
Interlocal receivable - current portion	1,000,000	-	1,000,000
Lease receivable - current portion	531,053	1,420,525	1,951,578
Supplies inventory	-	2,184,926	2,184,926
Prepaid items and other	-	5,972,156	5,972,156
<b>Total current assets</b>	<u>12,825,459</u>	<u>91,097,749</u>	<u>103,923,208</u>
Noncurrent assets			
Capital assets			
Land and other assets not being depreciated	20,624,527	12,255,478	32,880,005
Buildings, improvements, and equipment (net)	31,161,924	71,487,792	102,649,716
Right-to-use lease assets (net)	-	4,017,619	4,017,619
Subscriptions (net)	53,376	4,128,051	4,181,427
<b>Net capital assets</b>	<u>51,839,827</u>	<u>91,888,940</u>	<u>143,728,767</u>
Cash - internally designated	-	9,868,699	9,868,699
Lease receivable - noncurrent portion	17,266,390	7,238,008	24,504,398
Other assets	-	16,132	16,132
Net pension asset	-	10,941,286	10,941,286
<b>Total noncurrent assets</b>	<u>69,106,217</u>	<u>119,953,065</u>	<u>189,059,282</u>
<b>Total assets</b>	<u>81,931,676</u>	<u>211,050,814</u>	<u>292,982,490</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow related to pension	-	9,554,509	9,554,509
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>9,554,509</u>	<u>9,554,509</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	371,744	8,898,711	9,270,455
Accrued expenditures/expenses	-	13,765,322	13,765,322
Accrued interest payable	25,217	-	25,217
Unearned revenue	-	8,158,783	8,158,783
Estimated self-insurance costs	-	406,415	406,415
Estimated amounts due to third-party payers	-	953,883	953,883
Current portion of long-term obligations	1,604,596	3,937,837	5,542,433
<b>Total current liabilities</b>	<u>2,001,557</u>	<u>36,120,951</u>	<u>38,122,508</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations	13,935,041	23,404,354	37,339,395
<b>Total noncurrent liabilities</b>	<u>13,935,041</u>	<u>23,404,354</u>	<u>37,339,395</u>
<b>Total liabilities</b>	<u>15,936,598</u>	<u>59,525,305</u>	<u>75,461,903</u>

The accompanying notes are an integral part of this statement.

	Victoria County Navigation District	Citizens Medical Center	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow related to property taxes	\$ 2,763,906	\$ -	\$ 2,763,906
Deferred inflow related to right-to-use lease receivable	16,833,166	8,385,858	25,219,024
Deferred inflow related to pensions	-	2,831,531	2,831,531
<b>Total deferred inflows of resources</b>	<u>19,597,072</u>	<u>11,217,389</u>	<u>30,814,461</u>
<b>NET POSITION</b>			
Net investment in capital assets	36,290,291	76,318,919	112,609,210
Restricted for:			
Capital expenditures	1,843,881	-	1,843,881
Pension	-	10,941,286	10,941,286
Unrestricted	8,263,834	62,602,424	70,866,258
<b>Total net position</b>	<u>\$ 46,398,006</u>	<u>\$ 149,862,629</u>	<u>\$ 196,260,635</u>

**COUNTY OF VICTORIA, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
*For the year ended December 31, 2023*

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Component Units</b>				
Victoria County Navigation District	\$ 5,167,153	\$ 3,911,944	\$ -	\$ 338,241
Citizens Medical Center	<u>243,469,238</u>	<u>234,684,465</u>	<u>2,431,694</u>	<u>1,202,163</u>
Total component units	<u>\$ 248,636,391</u>	<u>\$ 238,596,409</u>	<u>\$ 2,431,694</u>	<u>\$ 1,540,404</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Unrestricted investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue  
and Changes  
in Net Position

Component Units		
Victoria County Navigation District	Citizens Medical Center	Total
\$ (916,968)	\$ -	\$ (916,968)
<u>-</u>	<u>(5,150,916)</u>	<u>(5,150,916)</u>
<u>(916,968)</u>	<u>(5,150,916)</u>	<u>(6,067,884)</u>
2,652,176	-	2,652,176
370,367	371,202	741,569
<u>140,708</u>	<u>986</u>	<u>141,694</u>
<u>3,163,251</u>	<u>372,188</u>	<u>3,535,439</u>
2,246,283	(4,778,728)	(2,532,445)
<u>44,151,723</u>	<u>154,641,357</u>	<u>198,793,080</u>
<u>\$ 46,398,006</u>	<u>\$ 149,862,629</u>	<u>\$ 196,260,635</u>

**INDEX**

<u>Note</u>		<u>Page</u>
1	Summary of Significant Accounting Policies .....	35
2	Stewardship, Compliance, and Accountability.....	46
3	Deposits and Investments .....	46
4	Receivables .....	49
5	Due From Other Governments .....	50
6	Lease Receivables .....	50
7	Capital Assets .....	51
8	Defined Benefit Pension Plan .....	53
9	Other Postemployment Benefit Plan - Life (OPEB).....	59
10	Retiree Health Benefit Plan (OPEB).....	63
11	Employees' Health Insurance Fund.....	63
12	Deferred Compensation Plan .....	64
13	Risk Management.....	64
14	Long-term Debt.....	65
15	Interfund Receivables, Payables, and Transfers.....	70
16	Related Party Transactions .....	71
17	Commitments and Contingencies.....	71
18	Fund Balances .....	71
19	Tax Abatements.....	72
20	Restatement of Previously Issued Financial Statements .....	72
21	Subsequent Event .....	72
22	Implementation of New Standard .....	73
23	Victoria County Navigation District .....	74
24	Citizens Medical Center.....	83

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The County of Victoria, Texas (the "County") is a political subdivision of the State of Texas (the "State"). The County is governed by the Commissioners' Court, composed of four (4) County Commissioners and the County Judge, all of whom are elected officials.

The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles, to the extent that its rules do not conflict with State financial laws and the State Constitution. The codification of GASB Statements and Interpretations and any amendments thereto define the Governmental Accounting and Financial Reporting Standards that constitute generally accepted accounting principles (GAAP) for governmental units. GASB recognizes that the establishment of accounting standards for states and local governments, which were created by states, is a power retained by the states.

Prior to 2008, the County prepared financial statements in accordance with GAAP because it did not conflict with State financial laws and the State Constitution. However, the County has concluded that complying with GASB Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), would result in publishing financial statements that are materially misleading. This statement was superseded by GASB 75 for fiscal year 2018. It would also be inconsistent with State financial laws and misrepresent the nature, scope, and duration of the financial activities of the County.

Beginning in 2008, the County prepared its financial statements using the statutory basis of accounting provided by the State in Chapter 2264, Texas Government Code (Chapter 2264), Financial Accounting and Reporting (the "Statutory Basis"). This Statutory Basis is a comprehensive basis of accounting other than GAAP that is consistent with State financial laws and the State Constitution. The statutory accounting practices as prescribed in Chapter 2264 amend or supersede portions of GASB pronouncements.

The only departure from GAAP as a result of applying the Statutory Basis of accounting is in the accounting for and reporting of OPEB. GASB 75 requires state and local governments to establish standards for the measurement, recognition, and display of other postemployment benefits expense/expenditures, related liabilities, and note disclosures in the financial statements. The Statutory Basis differs from GAAP in that GAAP requires a government to report an OPEB liability even when the government has not promised or contracted to fund future benefits and when there is no legally enforceable liability. In other words, GASB 75 does not distinguish between a government that has a legally enforceable liability and a government that does not; nor does it distinguish between a government that has promised benefits and a government that has not. In addition, GASB stated in paragraph 77 of GASB 45, "...the Board affirmed its general presumptions, and that of other standards setters, that an employer that has established a *pattern of providing* postemployment benefits has accepted *responsibility to provide* those benefits". Such presumptions may result in materially misleading financial statements and may be contrary to State law and the actions of the government's governing body.

The Statutory Basis of accounting provides an accounting basis for the County to report any legally enforceable OPEB liability it may have incurred based on the County's "Substantive Plan". A Substantive Plan is defined in Chapter 2264 as a plan providing OPEB approved by the governing body of the plan provider according to the laws and Constitution of the State. The Statutory Basis is consistent with the definition and characteristics of a liability defined in GASB Concepts Statement No. 4, *Elements of Financial Statements* as a "present obligation to sacrifice resources that the government has little or no discretion to avoid". No promises of continuing retirement healthcare benefits beyond 2023 have been made to employees by the Commissioners' Court. The County has included communications both in information provided to employees and in the annual financial statements that specifically state that the decision to provide these benefits is made on an annual basis.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

In summary, the County's presentation of OPEB in its financial statements using the Statutory Basis in Chapter 2264: (1) measures the cost of benefits according to their adoption by the government body of the County; (2) provides an accurate assessment of OPEB liabilities and the extent of their funding for the time period for which the benefits were adopted; and (3) provides information useful in assessing potential demands on the County's future cash flows.

Other significant accounting policies followed by the County are described below.

A. Reporting Entity

As required by GAAP, the County's financial statements present the County and its component units, entities for which the County is considered financially accountable. A component unit is included in the County's reporting entity if either of the following are applicable: (1) the County appoints a voting majority of the component unit's governing body and the County is able to impose its will on the component unit or there is potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the County; (2) the component unit is fiscally dependent on the County and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. The County is required to consider other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

The component units discussed in this note are included in the County's financial statements because the Commissioners' Court appoints a voting majority of the organization's governing body and the County's ability to impose its will on the organizations.

Component Units

The component units' column in the financial statements includes the financial data of the County's two component units. They are reported as discretely presented component units in a separate column to emphasize that they are legally separate from the County.

Victoria County Navigation District - Established to oversee and regulate the maintenance and operations of the Victoria Barge Canal. The District is governed by a Board of Commissioners, each member of which is appointed by the Commissioners' Court of the County. The Commissioners' Court of Victoria also reviews and approves its annual budget. This entity is considered a Governmental Fund Type for the County's reporting purposes and uses the same fiscal year as the County.

Citizens Medical Center - A 317-bed acute care hospital owned by the County and established to provide medical services to the residents of the County and surrounding areas. The Medical Center is governed by a board of directors, each member of which is appointed by the Commissioners' Court of the County. This Court also reviews and approves the annual operating budget of the Medical Center. Citizens Medical Center operates on a fiscal year ending June 30 of each year. The amounts reported for the Medical Center in the financial statements are as of June 30, 2023. The Medical Center is reported as a Proprietary Fund Type in the accompanying financial statements.



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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

A. Reporting Entity - (Continued)

Complete financial statements for each of the above noted component units may be obtained by contacting their respective administrative offices at the following addresses:

Victoria County Navigation District  
1934 FM 1432  
Victoria, Texas 77905

Citizens Medical Center  
2701 Hospital Drive  
Victoria, Texas 77901

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Likewise, the primary government is reported separately from its legally separate component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, discretely presented component units, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. 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 fund 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.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)

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. The County considers property taxes as available if they are collected within 60 days after year-end. A 120 day availability period is used for recognition of all other Governmental Fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, fines, licenses, charges for services, interest income and intergovernmental revenues. Sales taxes collected and held by the state and other third parties at year-end on behalf of the County are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the County.

The 2023 tax levy is dedicated to pay for expenditures of the 2024 budget. The entire 2023 tax levy has either been recorded as unearned revenue or unavailable revenue as of December 31, 2023.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Funds account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The American Rescue Plan Fund is reported as a major special revenue fund as of December 31, 2023. This fund established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program to support response to and recovery from COVID-19 public health emergency.

The County reports the following major proprietary funds:

Enterprise Funds are used to account for operations: 1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Airport Fund, an enterprise fund, accounts for the operations of and improvements to the County Airport.

The Commissary Fund, an enterprise fund, accounts for the operations of commissary stores within correctional facilities.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)

Additionally, the County reports the following funds:

The Debt Service Fund accounts for and report financial resources that are restricted, committed or assigned to expenditure for general government debt principal and interest.

The Capital Project Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The Internal Service Fund accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. The County maintains one Internal Service Fund: Employee Health Insurance Fund.

The Private Purpose Trust Fund, or the Flexible Benefits Plan, is used to account for amounts withheld from employee paychecks before FICA and withholding taxes are computed. All resources of the fund, including any earnings on invested resources, may be used to benefit parties outside the County. All the above is according to the plan document. The fund is excluded from the government-wide financial statements.

The Custodial Funds account for resources held by the County as an agent for various governments and individuals. These resources include ad valorem taxes collected and to be distributed to other local governments, pass-through grants, various fines and fees to be distributed to other governments, etc. The funds are excluded from the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

D. Budgets and Budgetary Accounting

The County Judge is, by statute, the budget officer of the County. After being furnished budget guidelines by the County Judge and Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures. Department officials appear before the County Judge and the County Auditor for departmental budget review. A proposed budget is prepared by the County Auditor, then submitted to the Commissioners' Court. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and estimated cash balance at January 1 of the budgeted year.

Budgets are adopted for the General Fund, Road and Bridge Special Revenue Funds and the Debt Service Fund by the first regular session of the Commissioners' Court in September. All budgets adopted by the County are on the cash basis of accounting rather than in conformity with GAAP. Under the budgetary basis, revenues are recognized as collected and expenditures when paid.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring expenditures to keep them from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control (the level on which expenditures may not exceed appropriations) for each legally adopted annual operating budget is on a line-item basis. Any amendments above the line-item level must have the approval of the Commissioners' Court before implementation. The line-item level of control is defined by the basic categories of salaries, fringe benefits, operating expenditures, other services and charges, capital outlay, and debt service.

Budget revenue amendments made during the year in the County's governmental funds netted an increase of \$13,251,942. Budget expenditure amendments in these funds netted an increase of \$12,034,957.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the County as an extension of formal budgetary integration. Encumbrances outstanding at year-end are not reported as reservations of fund balances. All encumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

E. Leases

County as Lessee

With the exception of short-term leases, when the County is a lessee in noncancellable lease arrangements the County recognizes a right-to-use lease liability (lease liability) and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value that would be material to the government-wide financial statements. For leases not meeting these criteria, lease payments are recognized as outflows of resources based on the payment provisions of the contract. See Note 14 for details of the County's leasing arrangements as lessee.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

E. Leases - (Continued)

County as Lessee - (Continued)

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

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

County as Lessor

With the exception of short-term leases and certain regulated leases, when the County is a lessor in noncancellable lease arrangements the County recognizes a right-to-use lease receivable (lease receivable) and a deferred inflow of resources in the government-wide and governmental fund financial statements. The County recognizes lease receivables with an initial, individual value that would be material to the governmental financial statements. For leases not meeting these criteria, lease revenues are recognized as inflows of resources based on the payment provisions of the contract. See Note 6 for details of the County's leasing arrangements as lessor.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

F. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the County are reported at fair value.

The County may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this Act include, but are not limited to, the following: Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; 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; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or otherwise secured; and certain repurchase agreements.

The Commissioners' Court has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995. The investments of the County are in compliance with the Commissioners' Court's investment policies.

G. 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 "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 other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

H. Inventory and Prepaid Items

Inventories of supplies held by the Airport Fund, an enterprise fund, are valued at the lower of cost (first-in, first-out) or market. Estimated cost is used when actual cost figures are not available.

Certain payments to vendors reflect costs applicable to future accounting periods. These payments are reported as deferred expenditures (governmental funds) or prepaid expenses (proprietary funds) in the fund financial statements and as deferred expenditures/expenses in the government-wide statements.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. The County defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The County reports infrastructure assets on a system basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported regardless of their amount. In the case of the initial capitalization of general infrastructure assets, the County chose to include all such items acquired on or after January 1, 2003. The County reported infrastructure assets acquired prior to January 1, 2003, beginning in year ending December 31, 2007.

As the County constructs or acquires capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not 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 capitalized when acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred during the period of construction until completion of the project with interest earned on invested proceeds over the same period.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than buildings	10-50
Infrastructure	20-40
Machinery and equipment	5-15
Office equipment and fixtures	5-10

J. Compensated Absences

Paid time off or PTO benefits are accrued by County employees according to guidelines set in the County's personnel policy. This policy states that PTO begins to accrue on the first day of employment. However, a new hire (regular 40 hour employee) may not begin to use their accrued PTO until they have completed six months of continuous service (with the exception of Public Safety employees, PTO is available after the first bi-weekly accrual). Each employee will thereafter accrue PTO according to the number of years of continuous service. Upon termination of employment, if the employee has completed one year of service, he or she will be paid for accrued but unused PTO. The payment of unused PTO may not exceed 80 hours. All PTO is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

K. Long-term Obligations

In the government-wide financial statements, and in proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs and deferred losses on refunding as expenditures/expenses, during the current period. The face amount of debt issued is reported as other financing sources. 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.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category.

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension/OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Differences between actuarial assumptions used and actual experience for determination of pension or OPEB liability – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension or OPEB liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. This year, the County has the following items that qualify for reporting in this category.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension or OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension or OPEB liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.
- Deferred amounts relating to leases represent future inflows of resources which will be recognized as revenue over the life of the lease term.



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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

M. Pensions and OPEB

For purposes of measuring the net pension liability, OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEBS, and pension and OPEB expense, information about the fiduciary net position of the Texas County & District Retirement System (TCDRS) and additions to/deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the County's pension liability is obtained from TCDRS through a report prepared for the County by TCDRS consulting actuary, Milliman, Inc., in compliance with GASB No. 68.

N. Fund Equity

Fund balances of Governmental Funds classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Commissioners Court through a resolution or by other formal action. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments can be made by the Commissioners Court or by a Court designee (e.g., a department head).

O. Net Position/Fund Balance Flow Assumption

For the classification of government-wide and proprietary fund financial statements, it is the County's policy to consider restricted net position before unrestricted net position. For governmental fund balances, the County considers an expenditure to be made from the most restrictive first when more than one classification is available. However, the County has reserved the right to deviate from this general strategy.

P. Minimum Fund Balance Policy

It is the desire of the County to maintain adequate General Fund fund balance to provide sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Commissioners' Court has adopted a financial standard to maintain an unassigned General Fund fund balance of 25% of the total budgeted expenditures.

The Commissioners' Court has also adopted a financial standard to maintain a restricted Debt Service Fund fund balance of 10% - 25% of the following year's debt service requirements, to be used for debt service expenditures.

Q. Use of Estimates

The preparation of the government-wide and fund financial statements in conformity with generally accepted accounting principles requires the County to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

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**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Deficit Fund Equity

As of December 31, 2023, the following funds had deficit equity balances:

<u>Fund</u>	<u>Fund Balance/ Net Position</u>
Nonmajor Governmental Fund	
Emergency Management	\$ 95,784
Hazard Mitigation Grant Program	294,729
CDA Victims Assistance Grant	3,285
Sheriff Victims Assistance Grant	3,070
Operation Stonegarden Grant	8,712
High Intensity Drug Trafficking Area Grant	6,248
TxCDBG Hurricane Harvey DRP	182,438
Indigent Defense Coordinator Program	4,102
Internal Service Fund	
Employee Health Insurance	2,830,226

Steps will be taken to eliminate these deficits in the upcoming fiscal year.

**NOTE 3: DEPOSITS AND INVESTMENTS**

The following is a reconciliation of deposit and investment balances as of December 31, 2023:

<u>Deposits and Investments</u>	
Bank Deposits	\$ 30,682,330
Negotiable Certificates of Deposits	13,127,000
LOGIC Investment Pool	2,441,879
Texas Class	12,352,829
Cash on Hand	<u>6,783,627</u>
 Total	 <u>\$ 65,387,665</u>

Deposits

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. All deposits of the County that exceeded the federal depository insurance coverage level of \$250,000 per account were covered by collateral held by the Federal Reserve Bank in the County's name under a collateral agreement with Prosperity Bank. The market value of the collateral held at the Federal Reserve Bank in the County's name at year-end was \$99,906,787. At December 31, 2023, the respective bank balances totaled \$48,013,642.

**NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)**

Investments

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, LOGIC uses amortized cost and Texas CLASS uses the fair value method to value portfolio assets. The pools operate in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pools is the State of Texas. The investment pools transact at a net asset value of \$1.00 per share and are classified as cash and cash equivalents for reporting purposes.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2023, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>
Negotiable Certificates of Deposits	\$ 13,127,000	\$ -	\$ 13,127,000	\$ -	\$ -
LOGIC Investment Pool	2,441,879	-	-	-	2,441,879
Texas Class	<u>12,352,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,352,829</u>
Total	<u>\$ 27,921,708</u>	<u>\$ -</u>	<u>\$ 13,127,000</u>	<u>\$ -</u>	<u>\$ 14,794,708</u>

*Interest Rate Risk*

In accordance with the County's investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio for investments to less than five years from the time of purchase. Specifically, investments of operating funds must have stated final maturities of three years or less and investments in capital project funds must have stated final maturities that do not exceed the expected completion date of the project for which the bonds were sold.

As of December 31, 2023, the County's investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Negotiable Certificates of Deposits	\$ 13,127,000	\$ -	\$ 13,127,000	\$ -	\$ -
LOGIC Investment Pool	2,441,879	2,441,879	-	-	-
Texas Class	<u>12,352,829</u>	<u>12,352,829</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 27,921,708</u>	<u>\$ 14,794,708</u>	<u>\$ 13,127,000</u>	<u>\$ -</u>	<u>\$ -</u>

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**NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)****Investments - (Continued)***Credit Risk*

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. It is the County's policy to limit its investments to those with ratings of not less than A or its equivalent.

At December 31, 2023, the County's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Negotiable Certificates of Deposits	\$ 13,127,000	\$ -	\$ -	\$ -	\$ 13,127,000
LOGIC Investment Pool	2,441,879	2,441,879	-	-	-
Texas Class	<u>12,352,829</u>	<u>12,352,829</u>	-	-	-
Total	<u>\$ 27,921,708</u>	<u>\$ 14,794,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,127,000</u>

*Concentration of Credit Risk*

The County's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity or specific user. At year-end, the County was not exposed to concentration of credit risk.

*Custodial Credit Risk - Investments*

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that securities be held in the name of the County or held on behalf of the County and that all securities are purchased using the delivery versus payment method. As of December 31, 2023, and for the year then ended, the County was not exposed to any custodial credit risk.

Please see Notes 23 and 24 for discussions relative to the cash deposits of the County's two component units.

**NOTE 4: RECEIVABLES**

Receivables at December 31, 2023, for the County's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Airport	Commissary	Nonmajor and Other Funds	Total
Gross receivables					
Ad valorem taxes	\$ 24,536,356	\$ -	\$ -	\$ 7,464,639	\$ 32,000,995
Sales taxes	2,001,636	-	-	-	2,001,636
Fines	13,986,709	-	-	-	13,986,709
Other	55,438	56,914	42,232	409,000	563,584
Total gross receivables	40,580,139	56,914	42,232	7,873,639	48,552,924
Less: Allowances	12,285,384	-	-	195,042	12,480,426
Total net receivables	<u>\$ 28,294,755</u>	<u>\$ 56,914</u>	<u>\$ 42,232</u>	<u>\$ 7,678,597</u>	<u>\$ 36,072,498</u>

The County's governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
General Fund			
Ad valorem taxes receivable	\$ 30,415,200	\$ -	\$ 30,415,200
Fines receivable	3,422,223	-	3,422,223
Other	-	15,246	15,246
American Rescue Plan Act			
Federal and state grants	-	7,658,542	7,658,542
Nonmajor Funds			
Ad valorem taxes receivable	9,745,914	-	9,745,914
Federal and state grants	545,646	149,097	694,743
	<u>\$ 44,128,983</u>	<u>\$ 7,822,885</u>	<u>\$ 51,951,868</u>

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by the following January 31, which comprises the collection dates for the current tax roll. The County of Victoria Tax Assessor-Collector bills and collects its own property taxes.

The County is permitted by State Statute to levy taxes up to \$0.80 per \$100 of assessed valuation. The combined tax rate for the budgetary year ended December 31, 2023, was \$0.3934 per \$100, which means the County has a tax margin of \$0.4066 per \$100.

**NOTE 5: DUE FROM OTHER GOVERNMENTS**

Various funds of the County reported amounts due from other governments as of the end of the current year. These amounts are comprised of the following at December 31, 2023:

	General	Airport	Nonmajor and Other Funds	Total
Contract reimbursements	\$ 525,846	\$ -	\$ 346,841	\$ 872,687
Federal and state grants	-	4,929	1,441,811	1,446,740
Alcohol and bingo taxes	57,756	-	-	57,756
	<u>\$ 583,602</u>	<u>\$ 4,929</u>	<u>\$ 1,788,652</u>	<u>\$ 2,377,183</u>

**NOTE 6: LEASE RECEIVABLES**

The County owns various properties which are available for lease, including land, buildings, and infrastructure. The terms of the noncancellable lease agreements vary from 22 months to 236 months, with multiple option periods considered as part of the overall lease terms, as the County determined that it is reasonably certain the lessees will exercise the options. For the majority of the leases, rent for the option periods is based on a specified rate table. For leases where the option periods are based on the Consumer Price Index ("CPI"), those payments will be considered variable payments in the future.

The present value of future minimum lease payments as of December 31, 2023 for governmental leases of \$391,975 is recorded as a right-to-use lease receivable in the government-wide and fund financial statements. The related deferred inflow of resources as of December 31, 2023 of \$391,975 is recorded in the fund financial statements. As of December 31, 2023, both the right-to-use lease receivable of \$1,078,176 and the related deferred inflow of resources of \$1,049,219 for the proprietary fund are recorded in the government-wide and fund financial statements.

Governmental fund inflows of resources during the current fiscal year include \$217,002 in base lease revenues and \$2,745 in lease interest revenues. Proprietary fund inflows of resources during the current fiscal year include \$101,368 in base lease revenues and \$8,683 in lease interest revenues. No variable payments were recorded.

The future payments that are included in the measurement of the lease receivables are as follows:

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 190,478	\$ 1,676	\$ 110,815	\$ 13,504	\$ 316,473
2025	184,061	634	114,299	12,177	311,171
2026	17,436	10	117,154	10,812	145,412
2027	-	-	118,965	9,414	128,379
2028	-	-	121,821	7,988	129,809
2029-2033	-	-	287,279	22,657	309,936
2034-2038	-	-	109,867	12,696	122,563
2039-2043	-	-	87,398	3,222	90,620
2044-2047	-	-	10,578	456	11,034
	<u>\$ 391,975</u>	<u>\$ 2,320</u>	<u>\$ 1,078,176</u>	<u>\$ 92,926</u>	<u>\$ 1,565,397</u>

**NOTE 7: CAPITAL ASSETS**

The County's capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 2,986,833	\$ 372,240	\$ -	\$ 3,359,073
Construction in progress	<u>3,671,029</u>	<u>2,360,801</u>	<u>1,987,545</u>	<u>4,044,285</u>
Total capital assets not being depreciated	<u>6,657,862</u>	<u>2,733,041</u>	<u>1,987,545</u>	<u>7,403,358</u>
Capital assets, being depreciated				
Machinery and equipment	24,332,116	4,332,044	778,287	27,885,873
Buildings	22,852,848	1,021,347	-	23,874,195
Improvements	27,162,121	1,011,811	-	28,173,932
Infrastructure	<u>122,769,734</u>	<u>1,066,226</u>	<u>-</u>	<u>123,835,960</u>
Total capital assets being depreciated	<u>197,116,819</u>	<u>7,431,428</u>	<u>778,287</u>	<u>203,769,960</u>
Right-to-use lease assets, being amortized				
Machinery and equipment	100,728	-	-	100,728
Buildings	<u>398,122</u>	<u>-</u>	<u>-</u>	<u>398,122</u>
Total right-to-use lease assets being amortized	<u>498,850</u>	<u>-</u>	<u>-</u>	<u>498,850</u>
Subscription assets, being amortized*	<u>-</u>	<u>570,585</u>	<u>-</u>	<u>570,585</u>
Less accumulated depreciation and amortization for				
Capital assets, being depreciated				
Machinery and equipment	17,405,981	1,820,513	760,748	18,465,746
Buildings	13,804,461	451,908	-	14,256,369
Improvements	19,365,261	590,786	-	19,956,047
Infrastructure	<u>115,388,794</u>	<u>255,910</u>	<u>-</u>	<u>115,644,704</u>
Right-to-use lease assets, being amortized				
Machinery and equipment	15,758	24,937	-	40,695
Buildings	44,236	44,235	-	88,471
Subscription assets, being amortized*	<u>-</u>	<u>104,199</u>	<u>-</u>	<u>104,199</u>
Total accumulated depreciation and amortization	<u>166,024,491</u>	<u>3,292,488</u>	<u>760,748</u>	<u>168,556,231</u>
Total capital assets being depreciated and assets being amortized, net	<u>31,591,178</u>	<u>4,709,525</u>	<u>17,539</u>	<u>36,283,164</u>
Governmental activities capital assets, net	<u>\$ 38,249,040</u>	<u>\$ 7,442,566</u>	<u>\$ 2,005,084</u>	<u>\$ 43,686,522</u>

\*Subscription assets recognized as of January 1, 2023, upon implementation of GASB 96. See Note 22 for details.

**NOTE 7: CAPITAL ASSETS - (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Construction in progress	\$ 470,582	\$ 902,308	\$ 10,874	\$ 1,362,016
Total capital assets not being depreciated	<u>470,582</u>	<u>902,308</u>	<u>10,874</u>	<u>1,362,016</u>
Capital assets, being depreciated				
Machinery and equipment	1,243,473	176,120	37,099	1,382,494
Buildings	1,111,046	-	-	1,111,046
Improvements	17,405,072	106,984	-	17,512,056
Total capital assets being depreciated	<u>19,759,591</u>	<u>283,104</u>	<u>37,099</u>	<u>20,005,596</u>
Less accumulated depreciation for				
Machinery and equipment	787,531	178,542	35,887	930,186
Buildings	1,111,046	-	-	1,111,046
Improvements	13,783,904	570,661	-	14,354,565
Total accumulated depreciation	<u>15,682,481</u>	<u>749,203</u>	<u>35,887</u>	<u>16,395,797</u>
Total capital assets being depreciated, net	<u>4,077,110</u>	<u>(466,099)</u>	<u>1,212</u>	<u>3,609,799</u>
Business-type activities capital assets, net	<u>\$ 4,547,692</u>	<u>\$ 436,209</u>	<u>\$ 12,086</u>	<u>\$ 4,971,815</u>

In the year ended December 31, 2023, fully depreciated equipment with an original cost of \$87,662 was transferred from governmental activities to business-type activities. In addition, a fully depreciated building with an original cost of \$60,000 was added to governmental activities after an insurance review was completed.

Depreciation and amortization expense was charged to functions/programs of the County as follows:

<b>Governmental activities</b>	
General government	\$ 1,159,112
Public safety	1,250,749
Highways and streets	701,098
Culture and recreation	20,978
Public health	<u>100,551</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 3,232,488</u>
<b>Business-type activities</b>	
Airport	\$ 637,535
Commissary	<u>24,006</u>
Total depreciation expense - business-type activities	<u>\$ 661,541</u>



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**NOTE 8: DEFINED BENEFIT PENSION PLAN**

Plan Description

The County provides retirement and disability benefits for all of its full-time employees through a nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide, agent multiple-employer, public employee retirement system consisting of nearly 870 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available at [TCDRS.org/employers](http://TCDRS.org/employers).

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 ages 60 and above with 10 or more years of service, with 20 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 deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

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

Membership

At the December 31, 2022 valuation and measurement date, the following is the number of members in the plan:

Inactive employees (or their beneficiaries) currently receiving benefits	433
Inactive employees entitled to but not yet receiving benefits	579
Active employees	<u>590</u>
Total	<u>1,602</u>

Funding Policy

The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 14.91% for the accounting year in 2023. The deposit rate payable by the employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

The deposit rate payable by the employer for calendar year 2023 is the rate of 14.91% as adopted by the governing body of the employer. The employee members deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

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**NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)****Net Pension Liability**

The County's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial cost method	Entry age (level of percent of pay)
Amortization method	
Recognition of economic/ demographic gains or losses	Straight-line amortization over expected working life
Recognition of assumptions changes or inputs	Straight-line amortization over expected working life
Asset valuation method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary increases	Varies by age and service. 3.00% average over career including inflation.
Investment rate of return	7.60% (Gross of administrative expenses)
Cost of living adjustments	Cost of living adjustments for Victoria County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost of living adjustments is included in the GASB calculations. No assumption for future cost of living adjustments is included in the funding valuation.
Retirement age	Based on annual rates of service retirement where deferred members are assumed to retire at the later of: a) age 60 or b) earliest retirement eligibility.
Turnover	The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement is 0% for the two years immediately prior to retirement eligibility. Rates are reduced at ages near retirement as it is anticipated that a member would be less likely to take a withdrawal if the partial lump-sum payment option was available. New employees are assumed to replace any terminated members and have similar entry ages.

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**NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)**

Net Pension Liability - (Continued)

*Actuarial Assumptions - (Continued)*

Mortality

For service retirees and beneficiaries, 135% and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and females, respectively, both projected with 100% of the MP-2021 Ultimate scale after 2010. For depositing members, 135% and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and females, respectively, both projected with 100% of the MP-2021 Ultimate scale after 2010. For disabled retirees, 160% and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and females, respectively, both projected with 100% of the MP-2021 Ultimate scale after 2010.

**NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)**

Net Pension Liability - (Continued)

*Actuarial Assumptions* - (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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 <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	7.95%
Hedge Funds	Hedge Rund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	20.00%

<sup>(1)</sup> Target asset allocation adopted at the March 2023 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 2.3% per Cliffwater's 2023 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.

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**NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)****Net Pension Liability - (Continued)***Actuarial Assumptions - (Continued)**Discount Rate*

The discount rate used to measure the total pension liability was 7.60%, no change from prior measurement. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Net Pension Liability*

	<b>Increase (Decrease)</b>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	(a)	(b)	(a) - (b)
<b>Balance at 12/31/2021</b>	\$ 192,734,216	\$ 197,280,870	\$ (4,546,654)
Changes for the year:			
Service cost	4,217,689	-	4,217,689
Interest on total pension liability <sup>(1)</sup>	14,602,398	-	14,602,398
Effect on plan changes <sup>(2)</sup>	2,478,413	-	2,478,413
Effect of economic/demographic gains or losses	837,889	-	837,889
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(360,008)	(360,008)	-
Benefit payments	(9,449,799)	(9,449,799)	-
Administrative expenses	-	(107,140)	107,140
Member contributions	-	2,238,991	(2,238,991)
Net investment income	-	(11,326,792)	11,326,792
Employer contributions	-	4,778,640	(4,778,640)
Other <sup>(3)</sup>	-	(228,249)	228,249
Net changes	<u>12,326,582</u>	<u>(14,454,357)</u>	<u>26,780,939</u>
<b>Balance at 12/31/2022</b>	<u>\$ 205,060,798</u>	<u>\$ 182,826,513</u>	<u>\$ 22,234,285</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> Reflects plan changes adopted effective in 2023.

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

**NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)**

Net Pension Liability - (Continued)

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

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

	1.0% Decrease in Discount Rate (6.60%)	Current Discount Rate (7.60%)	1.0% Increase in Discount Rate (8.60%)
Total pension liability	\$ 232,553,216	\$ 205,060,798	\$ 182,118,461
Fiduciary net position	182,826,512	182,826,513	182,826,512
Net pension liability / (asset)	\$ 49,726,704	\$ 22,234,285	\$ (708,051)

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS report.

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

For the year ended December 31, 2023, the County recognized pension expense of \$7,793,481. At December 31, 2023, the County reported the following deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 747,077	\$ 184,648
Changes of assumptions	2,676,552	-
Net difference between projected and actual earnings	3,322,843	-
Contributions subsequent to the measurement date	5,078,020	-
Total	\$ 11,824,492	\$ 184,648

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

Year ended December 31:	Pension Expense Amount
2023	\$ 468,798
2024	79,970
2025	772,361
2026	5,240,695
2027	-
Thereafter	-
Total	\$ 6,561,824

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**NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB)**

Plan Description and Benefits Provided

The County participates in the retiree Group Term Life program for the TCDRS. All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree GTL program are included in the OPEB plan. The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program. The OPEB benefit is a fixed \$5,000 lump-sum benefit and no future increases are assumed in the \$5,000 benefit amount. The benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year.

Membership

At the December 31, 2022 valuation and measurement date, the following is the number of members in the plan:

Inactive employees currently receiving benefits	378
Inactive employees entitled to but not yet receiving benefits	164
Active employees	<u>590</u>
Total	<u>1,132</u>

Contributions

The County's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000. For GASB 75 purposes, the OPEB plan is not a cost sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. The contributions are held in the GTL fund and the fund does not meet the requirements of a trust under Paragraph 4b of GASB 75 as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.

The County's contribution rates for the program are as follows:

Plan/Calendar Year	Total GTL Contribution (Rate)	Retiree Portion of GTL Contribution (Rate)
2019	0.14%	0.11%
2020	0.15%	0.12%
2021	0.15%	0.12%
2022	0.16%	0.12%
2023	0.12%	0.10%

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**NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB) - Continued**Total OPEB Liability

The County's total OPEB liability and the OPEB expense is recognized on the County's financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability.

*Actuarial Assumptions*

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 75.

Valuation timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age level percent of salary
Amortization method	
Recognition of economic/ demographic gains or losses	Straight-line amortization over expected working life
Recognition of assumptions changes or inputs	Straight-line amortization over expected working life
Asset valuation method	Does not apply
Inflation	Does not apply
Salary increases	Varies by age and service. Salary increases do not affect benefits but are used in the allocation of costs under the actuarial cost method.
Investment rate of return (Discount rate)	3.72%; 20 year bond GO Index published by bondbuyer.com as of December 31, 2022
Cost of living adjustment	Does not apply
Disability	Based on TCDRS experience
Mortality	For service retirees and beneficiaries, 135% and 120% of the Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for males and females, respectively, both projected with 100% of the MP-2021 Ultimate scale after 2010. For depositing members, 135% and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and females, respectively, both projected with 100% of the MP-2021 Ultimate scale after 2010. For disabled retirees, 160% and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and females, respectively, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Retirement	Based on annual rates of service retirement where deferred members are assumed to retire at the later of: a) age 60 or b) earliest retirement eligibility.



**NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB) - Continued**

Total OPEB Liability - (Continued)

*Actuarial Assumptions - (Continued)*

Other Termination of  
Employment

The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement vary by length of service, entry-age group and gender. No termination after eligibility for retirement is assumed.

*Discount Rate*

The discount rate used to measure the total OPEB liability at December 31, 2022 was 3.72%, an increase from the rate of 2.06% at December 31, 2021. The OPEB plan has been determined to be an unfunded OPEB plan; therefore, only the municipal bond rate applies.

*Changes in Total OPEB Liability*

	<u>Changes in Total OPEB Liability</u>
<b>Balance at 12/31/2021</b>	\$ 2,098,767
Changes for the year:	
Service cost	72,536
Interest on total OPEB liability <sup>(1)</sup>	44,336
Changes of benefit terms <sup>(2)</sup>	-
Effect of economic/demographic experience	20,436
Effect of assumptions changes or inputs <sup>(3)</sup>	(601,879)
Benefit payments	(38,383)
Other	<u>-</u>
<b>Balance at 12/31/2022</b>	<u>\$ 1,595,813</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 values changed.

<sup>(3)</sup> Reflects change in discount rate.

**NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB) - Continued**

Total OPEB Liability - (Continued)

*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 3.72%, as well as what the County's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.72%) or 1 percentage point higher (4.72%) than the current rate:

	1.0% Decrease in Discount Rate (2.72%)	Current Discount Rate (3.72%)	1.0% Increase in Discount Rate (4.72%)
County's Total OPEB Liability:	\$1,925,829	\$1,595,813	\$1,340,940

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

For the year ended December 31, 2023, the County recognized OPEB expense of \$107,082.

As of December 31, 2023, the deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,736	\$ -
Changes of assumptions	244,649	508,300
Contributions made subsequent to the measurement date	34,988	-
Total	\$ 305,373	\$ 508,300

Deferred outflows and inflows of resources to be recognized in future OPEB expense (excluding County contributions subsequent to the measurement date) are as follows:

Year ended December 31:	OPEB Expense Amount
2023	\$ (20,586)
2024	6,063
2025	(107,106)
2026	(116,287)
2027	-
Thereafter	-
Total	\$ (237,916)

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**NOTE 10: RETIREE HEALTH BENEFIT PLAN (OPEB)**

In addition to providing pension benefits, the County provides its retirees with post-employment health care benefits. In order for a County employee to be eligible for this benefit, their age combined with their years of service must equal seventy-five (75), or they must have attained the age of sixty (60) and with eight (8) years of service, or they must have twenty (20) or more years of service with Victoria County and can retire at any age with full benefits.

The County pays 41.53% of the premium cost for each retiree under the age of 65 provided they worked for Victoria County for eight (8) or more years. If the retiree worked less than eight (8) years for Victoria County the County will not pay any of the premium cost. The County does not contribute to the premium cost for dependents who may be covered under the retiree's (under 65) health insurance plan.

The County pays 50% of the premium cost for medical coverage only for each retiree over the age of 65. The County does not contribute to the premium cost for dependents for retirees over the age of 65.

Other post-employment benefits are expensed and funded on a pay-as-you-go basis. The County recognizes the cost of providing these benefits as a payroll expense/expenditure in an operating fund with corresponding revenue in the Employee Health Insurance Fund. Payments for health insurance are shown as an expense in the Employee Health Insurance Fund. The cost of providing these benefits for 117 and 118 retirees and active employees for the years 2023 and 2022, respectively, is not separated. Total payments to the Employee Health Insurance Fund by retirees were \$214,348 in 2023 and \$207,502 in 2022.

**NOTE 11: EMPLOYEES' HEALTH INSURANCE FUND**

The County maintains a self-insurance internal service fund designed to pay comprehensive health benefits incurred by its participants. The fund assumes all risk up to \$175,000 of claims per participant annually; after this a reinsurance policy pays any remaining claims for the remainder of the year. Premiums are charged to the individual funds based on a predetermined cost per employee and dependent. These amounts are recorded as operating revenue in the internal service fund and as operating expenditures/expenses in the respective funds. Any claims that have been incurred, but not reported, as of the balance sheet date are shown as current liabilities in the internal service fund and have been charged as an operating expense for that period. This amount was determined by the County's health plan administrator.

As of December 31, 2023, the fund had estimated liabilities for outstanding claims of \$440,112. There was an unrestricted net position of (\$2,830,226) as of December 31, 2023, a decrease of \$198,839 from 2022.

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**NOTE 11: EMPLOYEES' HEALTH INSURANCE FUND - (Continued)**

Below is a reconciliation of claims liabilities reported in the Employee's Health Insurance Fund for the years noted:

<u>Year</u>	<u>Payable Jan 1</u>	<u>Incurred</u>	<u>Paid</u>	<u>Payable Dec 31</u>
2014	\$ 178,351	\$ 2,346,944	\$ 2,374,667	\$ 150,628
2015	150,628	2,180,671	2,123,249	208,050
2016	208,050	2,734,593	2,694,141	248,502
2017	248,502	3,309,724	3,372,446	185,780
2018	185,780	3,681,389	3,302,952	564,217
2019	564,217	2,993,182	3,151,561	405,838
2020	405,838	3,428,325	3,514,057	320,106
2021	320,106	3,529,529	3,480,178	369,457
2022	369,457	5,097,549	4,925,147	541,859
2023	541,859	3,959,190	4,060,937	440,112

The above schedule reflects only those claims for which the County was liable. Information on claims paid by the insurance carrier under the reinsurance policy was not available. Settled claims resulting from insured risks have not exceeded insurance coverage in any of the past three fiscal years.

**NOTE 12: DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Except in specified circumstances, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

During 1998, the County transferred plan assets to an independent trust for the exclusive benefit of the participants and their beneficiaries.

**NOTE 13: RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchased commercial insurance to cover risks associated with potential claims in 2023. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

**NOTE 14: LONG-TERM DEBT**

A. Changes In Long-term Liabilities

Long-term liability activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Bonds and certificates payable					
Certificates of obligation	\$ 23,390,000	\$ 9,690,000	\$ 920,000	\$ 32,160,000	\$ 1,445,000
General obligation bonds	4,000,000	-	440,000	3,560,000	450,000
Less: Deferred amounts					
Issuance premiums	<u>1,272,366</u>	<u>427,095</u>	<u>102,715</u>	<u>1,596,746</u>	<u>-</u>
Net bonds and certificates payable	<u>28,662,366</u>	<u>10,117,095</u>	<u>1,462,715</u>	<u>37,316,746</u>	<u>1,895,000</u>
Direct borrowings					
Financed purchases	185,786	-	92,474	93,312	93,312
Right-to-Use leases	441,825	-	62,594	379,231	64,714
Subscription liabilities*	-	549,085	115,696	433,389	114,007
Interlocal commitment	564,160	-	564,160	-	-
Compensated absences	1,995,076	4,008,709	3,707,551	2,296,234	980,925
Net pension liability (asset)	(4,546,654)	26,780,939	-	22,234,285	-
OPEB liability	<u>2,098,767</u>	<u>-</u>	<u>502,954</u>	<u>1,595,813</u>	<u>-</u>
Total governmental activity long-term liabilities	<u>\$ 29,401,326</u>	<u>\$ 41,455,828</u>	<u>\$ 6,508,144</u>	<u>\$ 64,349,010</u>	<u>\$ 3,147,958</u>
<b>Business-type activities</b>					
Compensated absences	<u>\$ 41,106</u>	<u>\$ 98,885</u>	<u>\$ 86,157</u>	<u>\$ 53,834</u>	<u>\$ 24,526</u>
Total business-type activity long-term liabilities	<u>\$ 41,106</u>	<u>\$ 98,885</u>	<u>\$ 86,157</u>	<u>\$ 53,834</u>	<u>\$ 24,526</u>

\*Subscription liabilities recognized as of January 1, 2023, upon implementation of GASB 96. See Note 22 for details.

For the governmental activities, compensated absences, OPEB liability, and net pension liability are generally liquidated by the General Fund.

**NOTE 14: LONG-TERM DEBT - (Continued)**

B. General Obligation Certificates and Bonds

Bonds and certificates payable at December 31, 2023, are comprised of the following individual issues:

\$6,340,000 2014 Certificates of Obligation due in annual installments ranging from \$280,000 to \$465,000 through 2034; interest varying between 2.00% and 4.00%.	\$ 4,290,000
\$4,920,000 2017 Limited Tax Refunding Bonds due in annual installments ranging from \$85,000 to \$570,000 through 2030; interest varying between 2.00% and 4.00%.	3,560,000
\$9,895,000 2019 Certificates of Obligation (Citizens Medical Center) due in annual installments ranging from \$280,000 to \$690,000 through 2039; interest varying between 2.00% and 4.00%.	9,025,000
\$9,460,000 2022 Certificates of Obligation (Citizens Medical Center) due in annual installments ranging from \$280,000 to \$670,000 through 2043; interest varying between 4.00% and 5.00%.	9,155,000
\$9,460,000 2023 Certificates of Obligation due in annual installments ranging from \$200,000 to \$690,000 through 2043; interest varying between 4.00% and 5.00%.	<u>9,690,000</u>
Total General Obligation Certificates and Bonds	<u>\$ 35,720,000</u>

Annual debt service requirements to maturity for certificates of obligation and general obligation bonds are as follows:

Year Ending December 31	Governmental Activities						Combined Total
	Certificates of Obligation			General Obligation Bonds			
	Principal	Interest	Total	Principal	Interest	Total	
2024	\$ 1,445,000	\$ 1,184,685	\$ 2,629,685	\$ 450,000	\$ 131,150	\$ 581,150	\$ 3,210,835
2025	1,810,000	1,144,246	2,954,246	465,000	115,100	580,100	3,534,346
2026	1,435,000	1,078,171	2,513,171	485,000	96,100	581,100	3,094,271
2027	1,405,000	1,022,696	2,427,696	510,000	76,200	586,200	3,013,896
2028	1,525,000	963,721	2,488,721	530,000	55,400	585,400	3,074,121
2029-2033	8,840,000	3,851,853	12,691,853	1,120,000	45,200	1,165,200	13,857,053
2034-2038	8,750,000	2,186,387	10,936,387	-	-	-	10,936,387
2039-2043	<u>6,950,000</u>	<u>701,986</u>	<u>7,651,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,651,986</u>
	<u>\$ 32,160,000</u>	<u>\$ 12,133,745</u>	<u>\$ 44,293,745</u>	<u>\$ 3,560,000</u>	<u>\$ 519,150</u>	<u>\$ 4,079,150</u>	<u>\$ 48,372,895</u>

**NOTE 14: LONG-TERM DEBT - (Continued)**

C. Financed Purchases

Financed purchases payable (direct borrowings) at December 31, 2023, are comprised of the following leases:

Financed purchase agreement on a tractor used by Precinct #4. The original amount of the lease, entered into in 2020, was \$111,203. The lease is payable in five annual installments of \$23,913 and bears interest at a rate of 3.70%.	\$ 23,047
Financed purchase agreement on a data storage system. The original amount of the lease, entered into in 2021, was \$220,793. The lease is payable in three annual installments of \$70,264 and bears interest at a rate of 0.0%.	<u>70,265</u>
Total financed purchases	<u>\$ 93,312</u>

Annual requirements to maturity for the financed purchases are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2024	\$ 93,312	\$ 867	\$ 94,179
	<u>\$ 93,312</u>	<u>\$ 867</u>	<u>\$ 94,179</u>

D. Right-to-Use Leases

The County's noncancelable lease agreements are reported as right-to-use lease liabilities in the government-wide financial statements as of December 31, 2023 based on the present value of future minimum payments. Health department vehicle leases are payable in fixed monthly installments over 48-month terms and the Victoria County Extension Building lease is payable in fixed annual installments over 9 years.

No outflows of resources relating to variable or other payments were recognized during the fiscal year that were not previously included in the measurement of the lease liabilities.

Annual requirements to maturity for the right-to-use lease liabilities are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2024	\$ 64,714	\$ 4,536	\$ 69,250
2025	66,902	3,656	70,558
2026	53,945	2,805	56,750
2027	45,416	2,248	47,664
2028	47,373	2,248	49,621
2029-2032	<u>100,881</u>	<u>3,489</u>	<u>104,370</u>
	<u>\$ 379,231</u>	<u>\$ 18,982</u>	<u>\$ 398,213</u>

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**NOTE 14: LONG-TERM DEBT - (Continued)**

E. Subscription Liabilities

The County recognizes subscription liabilities for its payment obligations under subscription-based information technology arrangements (SBITAs), which convey to the County the right to use another party's information technology software. The County's SBITAs include cloud-based services and other software packages, requiring fixed monthly or annual payments over various terms. The present value of future minimum subscription payments as of December 31, 2023, is recorded as a subscription liability in the government-wide financial statements.

No outflows of resources relating to variable or other payments were recognized during the year that were not previously included in the measurement of the subscription liabilities.

Annual requirements to maturity for the subscription liabilities are as follows:

	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 114,007	\$ 11,346	\$ 125,353
2025	103,675	8,586	112,261
2026	87,410	5,667	93,077
2027	61,890	3,180	65,070
2028	61,210	1,379	62,589
2029	5,197	76	5,273
	<u>\$ 433,389</u>	<u>\$ 30,234</u>	<u>\$ 463,623</u>



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**NOTE 14: LONG-TERM DEBT - (Continued)**

F. Interlocal Receivable - (Continued)

In 2019, the County entered into a Memorandum of Understanding (MOU) with the Citizens Medical Center (the "Medical Center"), a discretely presented component unit. In order to fulfill their obligation arising from the MOU, the County issued the 2019 Certificates of Obligation for the direct benefit of the Medical Center. The County transferred \$10,000,000 to the Medical Center to be used for the purposes of constructing, improving, and equipping the Medical Center, including the hospital's emergency department, and paying fiscal and engineering fees in connection with such projects. As part of the MOU, the Medical Center will transfer funds to the County for payment of the upcoming principal and/or interest requirements on the Certificates or any refunding bonds issued. The payments by the Medical Center to the County will be paid over twenty years, beginning in 2020 and continuing through 2039, and shall occur at least thirty days prior to the next upcoming payment dates. The MOU between the two parties will terminate upon the complete satisfaction in payment of the annual payments by the Medical Center to the County.

In 2022, the County entered into an additional MOU with the Medical Center. In order to fulfill their obligation arising from the MOU, the County issued the 2022 Certificates of Obligation for the direct benefit of the Medical Center. The County transferred \$9,835,100 to the Medical Center to be used for the purposes of constructing, renovating, expanding, improving, and equipping the Medical Center, including the hospital's intensive care unit, and paying fiscal and engineering fees in connection with such projects. As part of the MOU, the Medical Center will transfer funds to the County for payment of the upcoming principal and/or interest requirements on the Certificates or any refunding bonds issued. The payments by the Medical Center to the County will be paid over twenty years, beginning in 2023 and continuing through 2043, and shall occur at least thirty days prior to the next upcoming payment dates. The MOU between the two parties will terminate upon the complete satisfaction in payment of the annual payments by the Medical Center to the County.

In 2023, the Medical Center paid a total of \$1,210,725 to the County relating to the interlocal commitment which includes \$608,206 of principal and \$602,519 in interest. The remaining amount of \$18,660,100 is reported as an interlocal receivable on the government-wide financial statements at December 31, 2023.

Annual payments on this interlocal receivable are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2024	\$ 590,000
2025	615,000
2026	815,000
2027	850,000
2028	880,000
2029-2033	4,905,000
2034-2038	5,750,000
2039-2043	<u>4,255,100</u>
	<u>\$ 18,660,100</u>

**NOTE 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A. Interfund Receivables and Payables

At times during the fiscal year the various funds of the County were involved in transactions that created interfund receivable and payable balances. These transactions related to such things as the purchase of goods by one fund on behalf of another and the receipt of revenue in one fund that belongs to or is designated for another fund.

Interfund receivable and payable balances as of December 31, 2023, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	American Rescue Plan Act	\$ 5
	Nonmajor Governmental	1,790,508
	Airport	5,517
	Commissary	200
	Internal Service	2,483,064
	Private Purpose Trust	108,174
Nonmajor Governmental	General	<u>262,608</u>
Total		<u>\$ 4,650,076</u>

B. Interfund Transfers

Each year various funds of the County transfer funds to other funds. The most significant of these are the planned transfers from the County's General Fund to the Health Department Fund, a Special Revenue Fund, and the transfer from the County's General Fund to the Employee Health Insurance Fund, the Internal Service Fund. These transfers are intended to provide the necessary resources to meet the operating obligations of the receiving fund. In the current year, there was an additional transfer from the American Rescue Plan Act Fund, a major Special Revenue Fund, to the County's General Fund for the use of grant monies. During the current fiscal year, transfers between funds consisted of the following:

<u>Transfers Out</u>	<u>Transfers In</u>				
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Airport</u>	<u>Internal Service</u>	<u>Total</u>
General	\$ -	\$ 2,529,122	\$ 966,044	\$ 1,000,000	\$ 4,495,166
American Rescue Plan Act	2,193,098	130,856	-	-	2,323,954
Nonmajor Governmental	890,007	348,472	-	-	1,238,479
Airport	-	5,000	-	-	5,000
	<u>\$ 3,083,105</u>	<u>\$ 3,013,450</u>	<u>\$ 966,044</u>	<u>\$ 1,000,000</u>	<u>\$ 8,062,599</u>

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**NOTE 16: RELATED PARTY TRANSACTIONS**

At December 31, 2023, the County recorded \$126,570 as due to component unit in the Custodial Funds. This amount represents the amount of ad valorem taxes not yet remitted to the Victoria County Navigation District at the end of the year.

**NOTE 17: COMMITMENTS AND CONTINGENCIES**

The County is exposed to the risk of contingent liabilities in the ordinary course of its operations. Specifically, such risks arise as a result of the County's participation in various state and federal grant programs and as a result of threatened and pending litigation. Disallowed costs could result if County expenditures made under its grants programs are found to be improper in that they violate state or federal regulations. Such disallowed costs would have to be paid back to the granting agency from the County's General Fund. The County is not aware of any costs that have been disallowed in the current year and does not anticipate that any will be.

As of December 31, 2023, the County was involved in various matters of litigation. It is the opinion of the County's legal counsel that any exposure faced by the County as a result of these matters was minimal. Furthermore, any losses incurred would in all probability be covered by liability insurance carried by the County.

Based on the above information, the accompanying financial statements do not reflect any accrual for contingent liabilities as of the end of the current fiscal year.

**NOTE 18: FUND BALANCES**

The following is a detail of the governmental fund balances as of December 31, 2023:

	<u>Restricted</u>	<u>Unassigned</u>	<u>Total</u>
General			
Unassigned	\$ -	\$ 20,798,980	\$ 20,798,980
American Rescue Plan Act			
Various government costs	49,819	-	49,819
Nonmajor Governmental			
Road and bridge	2,468,965	-	2,468,965
County/District Clerks	835,036	-	835,036
Public safety	2,284,139	-	2,284,139
Highways and streets	83,130	-	83,130
Public health	403,333	-	403,333
Courthouse security	171,281	-	171,281
Various court	146,680	-	146,680
Criminal District Attorney	1,123,379	-	1,123,379
Retirement of long-term debt	1,032,998	-	1,032,998
Various government costs	1,838,608	-	1,838,608
Capital projects	8,039,403	-	8,039,403
Unassigned	-	(598,368)	(598,368)
	<u>\$ 18,476,771</u>	<u>\$ 20,200,612</u>	<u>\$ 38,677,383</u>

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**NOTE 19: TAX ABATEMENTS**

The County enters into property tax abatement agreements with local businesses under the State of Texas Property Redevelopment and Tax Abatement Act. Under the Act, localities may grant property tax abatements of up to 100% of a business' tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County. The Act provides guidelines and criteria that are then adopted for two-year periods. In order to be eligible to receive tax phase-in, over a period of four to ten years, the planned new facility or planned expansion to modernization of an existing facility must meet the following qualifications:

- a. be reasonably expected to increase the appraised value of the property in the amount of not less than five hundred thousand (\$500,000) dollars after construction is completed.
- b. for new construction projects expected to create less than ten new jobs, pay employees in new jobs an aggregate base weekly wage equal to ten times the average weekly wage across all sectors for Victoria County for the most recent calendar quarter reported by the Texas Workforce Commission as of the date of the application.
- c. companies seeking to qualify for tax phase-in on the basis of job retention shall document that without the creation of a reinvestment zone and/or tax phase-in; the company will either reduce or cease operations. The taxes are abated through a reduction of assessed value. The amount of the tax abatement is determined by applying a specific percentage of taxes owed to each year in the abatement period. Provisions for recapturing abated taxes include discontinuation of products or services for a period of one year during the phase-in period, at which time the agreement shall terminate and the taxes shall be paid within 60 days of termination. The agreement can also be terminated if the company violates any of the terms and conditions of its phase-in agreement, or has delinquent unabated ad valorem taxes owed.

For the fiscal year ended December 31, 2023, the County abated property taxes totaling \$473,037 under this program, including the following tax abatement agreements that each exceed 10% of the total amount abated:

50% tax abatement to a company to expand their chemical manufacturing facility. The abatement amounted to \$213,362.

The County has not made any commitments as part of the agreements other than to reduce taxes. The County is not subject to any abatement agreements entered into by other governmental entities. The County has chosen to disclose information about some of its tax abatement agreements individually. It established a quantitative threshold of 10% of the total dollar amount of taxes abated during the year.

**NOTE 20: RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

The balance in due from other governments was restated as of December 31, 2022. The net effect of this restatement was to decrease fund balance in the Nonmajor Special Revenue Funds and governmental activities net position in the government-wide statements by \$18,414.

**NOTE 21: SUBSEQUENT EVENT**

The County is unaware of any subsequent events to be disclosed as of December 31, 2023.

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**NOTE 22: IMPLEMENTATION OF NEW STANDARD**

The County implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (“GASB 96”) during the year ended December 31, 2023. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The County implemented GASB 96 as of the beginning of the year, resulting in recognition of approximately \$570,585 in subscription assets and \$549,085 in subscription liabilities. Implementation of GASB 96 had no impact on the net position or the change in net position previously reported prior to implementation.

**NOTE 23: VICTORIA COUNTY NAVIGATION DISTRICT**

As described in Note 1, the Victoria County Navigation District (the “District”) is a component unit of the County. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the County. Following are note disclosures relating to this component unit.

A. Organization

The District was created by a vote of the electorate of Victoria County, Texas, at an election held on February 4, 1947, under the provisions of Article 8263(h) V.A.T.S. (now codified into Chapter 62, Texas Water Code). The Board of Navigation and the Canal Commissioners (the “Commissioners”) is the level of government which has oversight responsibility and control over all activities related to the District’s activities in the County.

The Commissioners are appointed by the Commissioners’ Court of the County and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters including taxing authority.

B. Summary of Significant Accounting Policies

The accounting and reporting policies of the District conform to generally accepted accounting principles (GAAP), as applicable to governments. For inclusion in this report, the District’s operations are reported in a single Governmental Fund Type.

C. Stewardship, Compliance, and Accountability

Budgetary Compliance

For the year ended December 31, 2023, the District did not comply with budgetary restrictions. The following table details these variances:

<u>Fund/Function</u>	<u>Expenditure Variance</u>
General Fund	
General government	\$ 114,678
Capital outlay	151,726
Debt service	59,574
Transfers out	250,000

These over expenditures were funded by available fund balance in the General Fund.

D. Deposits and Investments

The District’s funds are deposited and invested under the terms of the Victoria County’s depository contract. The depository bank, Prosperity Bank, deposits for safekeeping and trust with Victoria County’s agent bank, approved pledged securities in an amount sufficient to protect the District’s funds on a day-to-day basis during the period of the contract. The pledge-approved securities are waived only to the extent of the depository bank’s dollar amount of FDIC insurance.

As of December 31, 2023, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Rating</u>	<u>Portfolio %age</u>
Public Funds Investment Pool				
Texas CLASS	\$ 6,681,927	50	AAAm	100%
	<u>\$ 6,681,927</u>			

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**NOTE 23: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**

D. Deposits and Investments - (Continued)

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, Texas CLASS uses the fair value method to value portfolio assets. The pool operates in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pool is the State of Texas. The investment pool transacts at a net asset value of \$1.00 per share and is classified as cash and cash equivalents for reporting purposes.

Interest Rate Risk

In accordance with the District's investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase.

Concentration of Credit Risk

The District's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the District was not exposed to concentration of credit risk.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. During the year and at year-end, all deposits held in the depository bank were fully collateralized and therefore the District was not exposed to custodial credit risk.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2023, and for the year then ended, the District was not exposed to any custodial credit risk.

E. Receivables

Receivables at December 31, 2023 in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	<u>General Fund</u>
Gross receivables:	
Accounts	\$ 367,698
Ad valorem taxes	<u>2,282,054</u>
Total gross receivables	2,649,752
Less: Allowances	<u>114,103</u>
Total net receivables	<u>\$ 2,535,649</u>

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**NOTE 23: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**

E. Receivables - (Continued)

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Taxes are delinquent by February 1 following the October 1 levy date. A statutory lien becomes effective on all property with unpaid taxes as of January 1 of the year following the assessment.

The District's governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund			
Ad valorem taxes	<u>\$ 2,923,862</u>	<u>\$ -</u>	<u>\$ 2,923,862</u>
	<u>\$ 2,923,862</u>	<u>\$ -</u>	<u>\$ 2,923,862</u>

F. Related Party Transactions

At December 31, 2023, the District recorded a due from the County in the amount of \$126,570 for the amount of ad valorem taxes not yet remitted to the District at the end of the year.

G. Lease Receivables

The District owns various properties which are available for lease, primarily land, docks, and wharves. The terms of the noncancellable lease agreements vary, with multiple option periods considered as part of the overall lease term, as the District determined that it is reasonably certain the lessees will exercise the options. For the majority of the leases, base rent is adjusted upon the exercise of options by either the percentage increase in the Consumer Price Index ("CPI") or 20%, whichever is greater. For purposes of measurement of the lease receivables, the District incorporated a 20% increase for the option periods. Any increases above the 20% due to CPI will be considered variable payments in the future.

Some of the leases also include minimum wharfage requirements, quantified in the agreements in either dollars or net tons. These fees are normally charged in exchange for use of the District's wharves and associated equipment for loading or unloading goods. The minimum wharfage payments were included in the measurement of the lease receivables. Any wharfage payments above the minimum will be considered variable payments. During 2023, \$437,102 of variable payments relating to amounts received over minimum wharfage requirements were recognized but not included in the measurement of the lease receivable. The District also charges wharfage fees based solely on usage with no minimum wharfage requirements. These fees are not included in the measurement of the lease receivables, as they are considered to be variable payments in their entirety.

The present value of future minimum lease payments as of December 31, 2023 for governmental leases of \$17,797,443 is recorded as a right-to-use lease receivable in the government-wide and fund financial statements. The related deferred inflow of resources as of December 31, 2023 of \$17,797,443 is recorded in the fund financial statements.



**NOTE 23: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**

G. Lease Receivables - (Continued)

Governmental fund inflows of resources relating to lease receivables during the current year include \$493,690 in base lease revenues and \$769,678 in lease interest revenues. An additional \$501,477 in base lease revenues were recognized in the government-wide financial statements in order to amortize the deferred inflow of resources over the lease term.

The future payments that are included in the measurement of the lease receivables are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 531,053	\$ 747,402	\$ 1,278,455
2025	579,094	722,986	1,302,080
2026	484,981	700,722	1,185,703
2027	502,059	679,033	1,181,092
2028	476,973	658,532	1,135,505
2029 - 2033	2,227,769	2,987,133	5,214,902
2034 - 2038	1,608,722	2,576,521	4,185,243
2039 - 2043	2,679,339	2,141,804	4,821,143
2044 - 2048	3,243,633	1,512,594	4,756,227
2049 - 2053	2,370,990	877,757	3,248,747
2054 - 2058	560,345	601,455	1,161,800
2059 - 2063	770,412	466,524	1,236,936
2064 - 2068	1,105,391	263,769	1,369,160
2069 - 2073	656,682	37,602	694,284
	<u>\$ 17,797,443</u>	<u>\$ 14,973,834</u>	<u>\$ 32,771,277</u>

H. Interlocal Receivable

On March 30, 2022, the District entered into a Mutual Contribution in Aid of Construction Agreement with the Victoria Sales Tax Development Corporation (VSTDC). Under this agreement, the District will receive funding from the VSTDC to be used for the development of the Texas Logistics Center which will expand rail access to the inland port. VSTDC will contribute a total of \$3,000,000, payable in \$1,000,000 annual installments beginning on April 30, 2022. The District received \$1,000,000 during the current year relating to this agreement. The remaining \$1,000,000 is recognized as an interlocal receivable on the government-wide financial statements.

<u>Year Ending December 31</u>	<u>Installments</u>	<u>Total</u>
2024	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

**NOTE 23: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**

I. Capital Assets

The District's capital asset activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 18,558,444	\$ -	\$ -	\$ 18,558,444
Construction in progress	832,815	1,233,268	-	2,066,083
Total capital assets not being depreciated	<u>19,391,259</u>	<u>1,233,268</u>	<u>-</u>	<u>20,624,527</u>
Capital assets, being depreciated				
Improvements	52,993,503	65,501	-	53,059,004
M.P.R.R. Main Line Bridge	4,029,273	-	-	4,029,273
Equipment	442,066	8,950	-	451,016
Total capital assets being depreciated	<u>57,464,842</u>	<u>74,451</u>	<u>-</u>	<u>57,539,293</u>
Subscription assets, being amortized*	<u>-</u>	<u>86,242</u>	<u>-</u>	<u>86,242</u>
Less accumulated depreciation and amortization for				
Capital assets, being depreciated				
Improvements	21,627,537	2,361,826	-	23,989,363
M.P.R.R. Main Line Bridge	2,015,843	65,615	-	2,081,458
Equipment	252,152	54,396	-	306,548
Subscription assets, being amortized*	<u>-</u>	<u>32,866</u>	<u>-</u>	<u>32,866</u>
Total accumulated depreciation and amortization	<u>23,895,532</u>	<u>2,514,703</u>	<u>-</u>	<u>26,410,235</u>
Total capital assets being depreciated and subscriptions assets being amortized, net	<u>33,569,310</u>	<u>(2,354,010)</u>	<u>-</u>	<u>31,215,300</u>
Governmental activities capital assets, net	<u>\$ 52,960,569</u>	<u>\$ (1,120,742)</u>	<u>\$ -</u>	<u>\$ 51,839,827</u>

\*Subscription assets recognized as of January 1, 2023, upon implementation of GASB 96.

Depreciation and amortization expense of \$2,514,703 was charged to the general government function/program in 2023.

J. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

At times during the year the various funds of the District were involved in transactions that created interfund receivable and payable balances. These transactions related to such things as the purchase of goods by one fund on behalf of another and the receipt of revenue in one fund that belongs to or is designated for another fund. Interfund receivable and payable balances as of December 31, 2023, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	TXLC Construction	<u>\$ 3,500</u>
		<u>\$ 3,500</u>

**NOTE 23: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**

J. Interfund Receivables, Payables, and Transfers - (Continued)

Interfund Transfers

Each year various funds of the District transfer funds to other funds. In the current year, these transactions related to the transfer of matching grant funds. During the current year, transfers between funds consisted of the following:

	<u>Transfers In</u>	
	<u>TXLC Construction</u>	<u>Total</u>
Transfers out		
General	\$ 250,000	\$ 250,000
	<u>\$ 250,000</u>	<u>\$ 250,000</u>

K. Long-term Debt

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Revenue bonds	\$ 14,785,000	\$ -	\$ 1,435,000	\$ 13,350,000	\$ 1,475,000
Notes payable - direct borrowings	2,238,847		92,886	2,145,961	95,530
Subscription liabilities*	-	86,242	42,566	43,676	34,066
Total governmental activity					
long-term liabilities	<u>\$ 17,023,847</u>	<u>\$ 86,242</u>	<u>\$ 1,570,452</u>	<u>\$ 15,539,637</u>	<u>\$ 1,604,596</u>

\*Subscription liabilities recognized as of January 1, 2023, upon implementation of GASB 96.

**NOTE 23: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**

L. Long-term Debt - (Continued)

Revenue Bonds

Revenue bonds payable at December 31, 2023, are comprised of the following issues:

2012 Revenue Refunding Bonds due in annual installments of various amounts beginning in 2013 through June 1, 2028; interest rate of 3.05%.	\$ 1,970,000
2012A Revenue Refunding Bonds due in annual installments of various amounts beginning in 2013 through June 1, 2032; interest rate of 2.99%.	6,155,000
2015 Port Improvement Revenue Bonds due in annual installments of various amounts beginning in 2016 through June 1, 2030; interest rate of 2.98%.	<u>5,225,000</u>
Total	<u>\$ 13,350,000</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,475,000	\$ 377,696	\$ 1,852,696
2025	1,520,000	332,765	1,852,765
2026	1,575,000	286,334	1,861,334
2027	1,620,000	238,401	1,858,401
2028	1,670,000	189,045	1,859,045
2029 - 2032	<u>5,490,000</u>	<u>284,785</u>	<u>5,774,785</u>
Total	<u>\$ 13,350,000</u>	<u>\$ 1,709,026</u>	<u>\$ 15,059,026</u>

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**NOTE 23: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**L. Long-term Debt - (Continued)Notes Payable

Notes payable at December 31, 2023, are comprised of the following direct borrowing:

Smith property note due in monthly installments of various amounts beginning in 2016 through June 15, 2036; interest rate of 2.75%, revised to 2.65% as of June 15, 2021.	\$ 1,163,833
Traylor property note due in monthly installments of \$5,258 beginning in 2022 through November 4, 2052; interest rate of 4.75%.	<u>982,128</u>
Total	<u>\$ 2,145,961</u>

Annual debt service requirements to maturity for the notes payable are as follows:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 95,530	\$ 77,451	\$ 172,981
2025	98,703	74,278	172,981
2026	101,761	71,220	172,981
2027	104,921	68,059	172,980
2028	108,000	64,981	172,981
2029 - 2033	593,673	271,232	864,905
2034 - 2038	407,168	180,723	587,891
2039 - 2043	183,017	132,463	315,480
2044 - 2048	232,718	82,762	315,480
2049 - 2052	<u>220,470</u>	<u>21,397</u>	<u>241,867</u>
Total	<u>\$ 2,145,961</u>	<u>\$ 1,044,566</u>	<u>\$ 3,190,527</u>

Subscription Liabilities

The District recognizes subscription liabilities for its payment obligations under subscription-based information technology arrangements (SBITAs), which convey to the District the right to use another party's information technology software. The District's SBITAs include cloud-based services and other software packages. The present value of future minimum subscription payments as of December 31, 2023, is recorded as a subscription liability in the government-wide financial statements.

Outflows of resources from SBITAs which are included in the measurement of the subscription liability balance as of December 31, 2023 were comprised of \$42,566 of principal payments.

Principal and interest requirements to maturity as of December 31, 2023, are as follows:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 34,066	\$ -	\$ 34,066
2025	<u>9,610</u>	<u>-</u>	<u>9,610</u>
	<u>\$ 43,676</u>	<u>\$ -</u>	<u>\$ 43,676</u>

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**NOTE 23: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**

M. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchased commercial insurance to cover risks associated with potential claims during 2023. There were no significant reductions in coverage in the past year, and there were no settlements exceeding insurance coverage for each of the past three years.

N. Retirement Plan

The District sponsors a defined contribution pension plan established under Section 457(b) of the Internal Revenue Code that covers all of its employees. The plan is administered by Prosperity Bank Trust Department. Employees are able to select their contribution as a percentage of their eligible earnings, which amounted to \$31,100 for the year ended December 31, 2023. The District matches employee contributions up to 7%. Total contributions made by the District for the year totaled \$28,086.

O. Implementation of New Standard

The District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements ("GASB 96") during the year ended December 31, 2023. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The District implemented GASB 96 as of the beginning of the year, resulting in recognition of \$86,242 in subscription assets and \$86,242 in subscription liabilities. Implementation of GASB 96 had no impact on the net position or the change in net position previously reported prior to implementation.

P. Subsequent Events

The District is currently a party to three (3) separate pending litigation matters in 2024 related to the acquisition of right-of-way for the Port of Victoria South Industrial Site Rail Build-Out Project. The following matters are currently pending in Victoria County, Texas:

Cause No. CIV2-21264; Victoria County Navigation District v. Jana L. Cogswell, City of Corpus Christi, Texas, Air Liquide Large Industries U.S. LP, and Victoria Electric Cooperative, Inc.; In the County Court at Law No. 2, Victoria County, Texas.

Cause No. CIV1-21285; Victoria County Navigation District v. Jayce A. Studer, Trustee of the Joyce A. Studer Revocable Trust, Boardwalk Texas Intrastate, LLC, and Kinder Morgan Tejas Pipeline, LLC.

Cause No. CIV2-21288; Victoria County Navigation District v. Circle G Partnership and DCP Intrastate Network, LLC; In the County Court at Law No. 2, Victoria County, Texas.

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**NOTE 24: CITIZENS MEDICAL CENTER**

As described in Note 1, Citizens Medical Center is a component unit of the County. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the County. Following are note disclosures relating to this component unit:

A. Nature of Operations and Reporting Entity

Citizens Medical Center (the "Medical Center") is a 317-bed acute care hospital that is a component unit of Victoria County, Texas (the "County"). The Medical Center is operated by a Board of Managers (the "Board") that is appointed by the County Commissioners' Court. Its primary mission is to provide healthcare services to the citizens of the County. The Medical Center primarily earns revenues by providing inpatient, outpatient, skilled nursing, home health, and emergency care services to patients in Victoria County and surrounding areas.

The Medical Center controls the operations of five and nine freestanding nursing homes located in the Medical Center's service area at June 30, 2023 and 2022, respectively.

B. Summary of Significant Accounting Policies

The financial statements of the Medical Center have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants and county appropriations) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program specific (such as county appropriations), property taxes, investment income, and interest on capital asset-related debt are included in nonoperating revenues and expenses. The Medical Center first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Patient Accounts Receivable

The Medical Center reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients, and others. The Medical Center provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

Supplies

Supply inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out (FIFO) method.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

B. Summary of Significant Accounting Policies - (Continued)

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The estimated useful lives shown below are being used by the Medical Center.

The following estimated useful lives are being used by the Medical Center:

Land improvements	5 to 25 years
Buildings, building improvements, and fixed equipment	3 to 40 years
Major movable equipment	3 to 25 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital, Lease and Subscription Asset Impairment

The Medical Center evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected accumulated depreciation is increased by the amount of the impairment.

No asset impairment was recognized during the years ended June 30, 2023 and 2022.

Deferred Outflows of Resources

The Medical Center reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its balance sheet.



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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

B. Summary of Significant Accounting Policies - (Continued)

Compensated Absences

Medical Center policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash.

Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs, and no liability is accrued for such benefits employees have earned but not yet realized.

Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date, plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Risk Management

The Medical Center is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than general and professional liability, employee health claims and workers' compensation. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The Medical Center is self-insured for a portion of its exposure to risk of loss from general and professional liability, employee health claims, and workers' compensation. Annual estimated provisions are accrued for the self-insured portion of medical malpractice and employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Agent Multiple Employer Defined Benefit Pension Plan

The Medical Center has an agent defined benefit pension plan through the Texas Hospital Association (the Plan). 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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

The Medical Center reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its balance sheet.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

B. Summary of Significant Accounting Policies - (Continued)

Net Position

Net position of the Medical Center is classified in three components.

- Net investment in capital assets consists of capital, lease, and subscription assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets.
- Restricted for pension represents assets restricted for providing contributions to the agent multiple employer defined benefit pension plan which provides pensions in accordance with the benefit terms of the Plan.
- Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

At June 30, 2023 and 2022, \$577,628 and \$84,455, respectively, of unrestricted net position has been designated by the Medical Center's Board for self-insured health care. Designated assets remain under the control of the Board, which may, at its discretion, later use these assets for other purposes.

Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis for the period the related services are rendered, and such estimated amounts are revised in future periods, as adjustments become known.

Charity Care

The Medical Center provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

The cost of charity care provided under the Medical Center's charity policy was approximately \$7,844,000 and \$7,859,000 for 2023 and 2022, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to gross uncompensated charges.

Income Taxes

As an essential government function of the County, the Medical Center is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the Medical Center is subject to federal income tax on any unrelated business taxable income.

C. Change in Accounting Principle

On July 1, 2022, the Medical Center adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, using a retrospective method of adoption to all subscription-based technology agreements (SBITAs) in place and not yet completed at the beginning of the earliest period presented. The statement requires end users of such agreements to recognize a lease a subscription liability, measured at the present value of payments expected to be made during the subscription term, and an intangible right-to-use subscription asset. The 2022 financial statements and disclosures were restated to reflect the impact of this adoption.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

C. Change in Accounting Principle - (Continued)

The effect of the changes made to the accompanying balance sheet, statement of revenues, expenses, and changes in net position and statement of cash flows as of and for the year ended June 30, 2022 can be found in the Citizens Medical Center Independent Auditor's Report and Financial Statements on pages 19-20.

D. Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Medical Center's deposit policy for custodial credit risk requires compliance with the provisions of the *Texas Public Funds Investment Act*.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; bonds of any city, county, school district or special road district of the State of Texas; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

At June 30, 2023 and 2022, the Medical Center had bank balances of \$65,738,597 and \$59,020,846, respectively. At June 30, 2023 and 2022, \$327,628 and \$0 respectively, was uninsured and uncollateralized. The remaining cash was insured or collateralized by assets held in other than the Medical Center's name based on the Medical Center's cash management arrangement with the County Treasurer. The County maintains custody of the Medical Center's operating cash accounts and is responsible for obtaining appropriate collateralization of such accounts.

E. Patient Accounts Receivable

The Medical Center grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at June 30, 2023, consisted of the following:

Hospital	
Patients and their insurance carriers	\$ 21,283,774
Medicare	3,050,417
Medicaid	673,276
	<u>25,007,467</u>
Nursing Homes	
Patients and their insurance carriers	427,059
Medicare	1,363,662
Medicaid	1,881,679
	<u>3,672,400</u>
	28,679,867
Less allowance for uncollectible amounts	<u>7,932,816</u>
Total	<u>\$ 20,747,051</u>

F. Leases Receivable

The Medical Center leases a portion of its office space to various third parties, the terms of which expire 2024 through 2042. Certain leases include payments that increase annually based upon the Consumer Price Index (the Index). The leases were measured based upon the Index at lease commencement. Revenue recognized under lease contracts during the years ended June 30, 2023 and 2022, was approximately \$2,328,000 and \$1,702,000, respectively, which includes both lease revenue and interest.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)****G. Capital, Lease, and Subscription Assets**

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

	Balance June 30, 2022	Additions/ Transfers	Disposals	Balance June 30, 2023
Land and land improvements	\$ 11,410,320	\$ 46,413	\$ -	\$ 11,456,733
Buildings, improvements, and fixed equipment	140,363,817	18,592,665	-	158,956,482
Major moveable equipment	91,782,207	7,264,048	(1,183,204)	97,863,051
Construction in progress	15,102,569	(14,303,824)	-	798,745
	<u>258,658,913</u>	<u>11,599,302</u>	<u>(1,183,204)</u>	<u>269,075,011</u>
Less accumulated depreciation:				
Land improvements	4,053,921	102,159	-	4,156,080
Buildings, improvements, and fixed equipment	91,037,400	4,785,067	-	95,822,467
Major moveable equipment	83,160,645	3,376,739	(1,184,190)	85,353,194
	<u>178,251,966</u>	<u>8,263,965</u>	<u>(1,184,190)</u>	<u>185,331,741</u>
Capital assets, net	<u>\$ 80,406,947</u>	<u>\$ 3,335,337</u>	<u>\$ 986</u>	<u>\$ 83,743,270</u>

Lease asset activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions/ Transfers	Disposals	Balance June 30, 2023
Major moveable equipment	\$ 8,859,715	\$ 1,057,614	\$ (54,326)	\$ 9,863,003
	<u>8,859,715</u>	<u>1,057,614</u>	<u>(54,326)</u>	<u>9,863,003</u>
Less accumulated depreciation:				
Major moveable equipment	3,349,990	2,549,720	(54,326)	5,845,384
	<u>3,349,990</u>	<u>2,549,720</u>	<u>(54,326)</u>	<u>5,845,384</u>
Lease assets, net	<u>\$ 5,509,725</u>	<u>\$ (1,492,106)</u>	<u>\$ -</u>	<u>\$ 4,017,619</u>

Subscription asset activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions/ Transfers	Disposals	Balance June 30, 2023
Subscription IT asset	\$ 5,230,124	\$ 2,032,244	\$ (551,114)	\$ 6,711,254
Less accumulated amortization:				
Subscription IT asset	1,451,784	1,682,533	(551,114)	2,583,203
Subscription assets, net	<u>\$ 3,778,340</u>	<u>\$ 349,711</u>	<u>\$ -</u>	<u>\$ 4,128,051</u>

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)****H. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses included in current liabilities at June 30, 2023, consisted of the following:

Payable to suppliers and contractors	\$ 8,167,092
Payable to employees (including payroll taxes and benefits)	6,949,182
Payable under management fee arrangement	5,807,437
Revenue received in advance	147,148
Payable under self-insured programs	<u>1,593,174</u>
Total	<u>\$ 22,664,033</u>

**I. Long-term Obligations**

The following is a summary of long-term obligation transactions for the Medical Center for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-term debt:					
Certificates of obligation due to County					
2019 Series	\$ 9,430,000	\$ -	\$ (300,000)	\$ 9,130,000	\$ 310,000
2022 Series	-	9,835,100	(305,000)	9,530,100	280,000
Lease liability	6,447,980	1,057,614	(2,308,354)	5,197,240	2,172,872
Subscription liability	<u>3,350,391</u>	<u>2,032,244</u>	<u>(1,897,784)</u>	<u>3,484,851</u>	<u>1,174,965</u>
Total long-term obligations	<u>\$ 19,228,371</u>	<u>\$ 12,924,958</u>	<u>\$ (4,811,138)</u>	<u>\$ 27,342,191</u>	<u>\$ 3,937,837</u>

**Certificates of Obligation Due to County - 2019 Series**

In December 2019, the Medical Center entered into a Memorandum of Understanding (MOU) with the County, whereas the County issued Certificates of Obligation Bonds (the Bonds) for the purpose of paying all or a portion of certain construction projects (the Projects) of the Medical Center. As a result of issuing the Bonds, the County transferred \$10,000,000 to the Medical Center, which was deposited in a restricted cash account for the Projects.

The MOU requires the Medical Center to transfer to the County an amount equal to the upcoming principal and/or interest requirements on the Bonds. Such transfers shall occur at least 30 days prior to the next upcoming principal and/or interest payment dates.

The Bonds mature annually through February 15, 2039, and bear interest at rates ranging from 2.10% to 4.00% annually.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**I. Long-term Obligations - (Continued)Certificates of Obligation Due to County - 2022 Series

In September 2022, the Medical Center entered into an MOU with the County, whereas the County issued Certificates of Obligation Bonds (the Bonds) for the purpose of paying all or a portion of certain construction projects (the Projects) of the Medical Center. As a result of issuing the Bonds, the County transferred \$9,835,100 to the Medical Center, which was deposited in a restricted cash account for the Projects.

The MOU requires the Medical Center to transfer to the County an amount equal to the upcoming principal and/or interest requirements on the Bonds. Such transfers shall occur at least 30 days prior to the next upcoming principal and/or interest payment dates.

The Bonds mature annually through February 15, 2043, and bear interest at rates ranging from 4.00% to 5.00% annually.

The Medical Center's debt service requirements under the MOUs as of June 30, 2023, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 590,000	\$ 621,724	\$ 1,211,724
2025	615,000	598,035	1,213,035
2026	815,000	571,355	1,386,355
2027	850,000	540,205	1,390,205
2028	880,000	507,761	1,387,761
2029-2043	<u>14,910,100</u>	<u>3,606,991</u>	<u>18,517,091</u>
	<u>\$ 18,660,100</u>	<u>\$ 6,446,071</u>	<u>\$ 25,106,171</u>

Lease Liabilities

The Medical Center leases equipment and office space, the terms of which expire in various years through 2027. The following is a schedule by year of payments under the leases as of June 30, 2023:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,172,872	\$ 84,719	\$ 2,257,591
2025	1,982,403	41,591	2,023,994
2026	909,862	7,200	917,062
2027	<u>132,103</u>	<u>338</u>	<u>132,441</u>
	<u>\$ 5,197,240</u>	<u>\$ 133,848</u>	<u>\$ 5,331,088</u>

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**I. Long-term Obligations - (Continued)Subscription Liabilities

The Medical Center has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2028. The following is a schedule by year of payments under the SBITAs as of June 30, 2023:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,174,965	\$ 70,970	\$ 1,245,935
2025	1,051,724	47,166	1,098,890
2026	824,375	27,449	851,824
2027	432,290	11,303	443,593
2028	1,497	-	1,497
	<u>\$ 3,484,851</u>	<u>\$ 156,888</u>	<u>\$ 3,641,739</u>

J. Self-insured Claims

The Medical Center is partially self-insured for the cost for its general and professional liability, employee health care benefits costs, and workers' compensation claims. *The Texas Tort Claims Act* limits the Medical Center's general and professional liability to \$100,000 per person and \$300,000 per occurrence. The Medical Center purchases annual stop-loss insurance coverage for all employee health care benefits and workers' compensation claims. Stop-loss coverage began at \$450,000 and \$400,000 for workers compensation claims at June 30, 2023 and 2022, respectively. Stop-loss coverage for employee health claims began at \$350,000 and \$325,000 at June 30, 2023 and 2022, respectively.

Losses from asserted and unasserted claims identified under the Medical Center's incident reporting system are accrued based on estimates that incorporate the Medical Center's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. It is reasonably possible that the Medical Center's estimate of losses will change by a material amount in the near term.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**J. Self-insured Claims - (Continued)

Activity in the Medical Center's self-insured claims liability accounts during 2023 and 2022 are summarized as follows:

	2023		
	<u>Employee Health Care Benefits</u>	<u>Worker's Compensation</u>	<u>General and Professional Liability</u>
Balance, beginning of year	\$ 1,350,000	\$ 103,048	\$ 300,000
Current year claims incurred and changes in estimates for claims incurred in prior years	(13,779,126)	(471,175)	-
Claim and expenses paid, net	<u>14,022,300</u>	<u>474,542</u>	-
Balance, end of year	<u>\$ 1,593,174</u>	<u>\$ 106,415</u>	<u>\$ 300,000</u>

	2022		
	<u>Employee Health Care Benefits</u>	<u>Worker's Compensation</u>	<u>General and Professional Liability</u>
Balance, beginning of year	\$ 1,865,685	\$ 198,135	\$ 300,000
Current year claims incurred and changes in estimates for claims incurred in prior years	(11,460,500)	(471,199)	-
Claim and expenses paid, net	<u>10,944,815</u>	<u>376,112</u>	-
Balance, end of year	<u>\$ 1,350,000</u>	<u>\$ 103,048</u>	<u>\$ 300,000</u>

K. Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. These payment arrangements include the following:

Medicare

Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates. The Medical Center is reimbursed for certain services at tentative rates with final settlements determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare administrative contractor. The Medical Center's cost reports have been audited by the Medicare administrative contractor through June 30, 2020.

Medicaid

Inpatient services are paid under a prospective payment system. Outpatient services rendered to Medicaid program beneficiaries are primarily paid based on a cost reimbursement methodology. The Medical Center is reimbursed for certain services at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by Medicaid.



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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

K. Net Patient Service Revenue - (Continued)

Skilled Nursing

Revenue from Medicare skilled nursing patients are generally paid based on prospectively established per diem rates that are based on patient's acuity. Medicaid and private pay rates are also paid based on per diem rates.

Approximately 52% and 54% of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2023 and 2022, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

Supplemental Medicaid Funding Revenue

On December 12, 2011, the United States Department of Health and Human Services (HHS) approved a new Medicaid Section 1115(a) demonstration entitled "Texas Health Transformation Quality Improvement Program" (Waiver). The Waiver expanded existing Medicaid managed care programs and established two funding pools that assist providers with uncompensated care costs (UC Pool) and promotes health system transformation (DSRIP Pool). The revenue from the two funding pools is recognized as earned throughout the demonstration year.

During the years ended June 30, 2023 and 2022, the Medical Center recognized revenue of approximately \$2,918,000 and \$2,942,000, respectively, from the UC Pool, which is included as a component of net patient service revenue in the accompanying consolidated statements of revenues, expenses and changes in net position.

During the years ended June 30, 2023 and 2022, the Medical Center recognized revenue of approximately \$177,000 and \$5,063,000 respectively, from DSRIP Pool, as the barriers were met for the conditional contribution. DSRIP Pool revenue is included as a component of net patient service revenue in the accompanying consolidated statements of revenues, expenses and changes in net position.

The Waiver was originally effective from December 12, 2011 to September 30, 2016, and extended through December 2017 as the Texas Health and Human Services Commission (HHSC) and CMS negotiated a longer-term extension. On December 21, 2017, the Texas Health and Human Services Commission (HHSC) received an approved extension from Centers for Medicare and Medicaid Services (CMS) for the period of January 1, 2018 through September 30, 2022. Among other changes, the approved plan required a change in the methodology used to allocate UC funds and a phase out of the DSRIP program over the five-year period.

On April 22, 2022, the Medical Center approved an extension of the Waiver through September 30, 2030. This extension provides for the continuation of UC Pool. The DSRIP program ended on September 30, 2021, and was not extended under the Waiver extension. The Medical Center also approved an expansion of directed payment programs, which transitions participating hospitals away from the DSRIP program. One of the new directed payment programs is the Comprehensive Hospital Increased Reimbursement Program (CHIRP), which adds a quality component to the existing Uniform Hospital Rate Increase Program (UHRIP).

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

K. Net Patient Service Revenue - (Continued)

Supplemental Medicaid Funding Revenue - (Continued)

Under UHRIP, HHSC directed managed care organizations in a service delivery area to provide a uniform percentage rate increase to all hospitals within a particular class of hospitals. CHIRP also provides for rate increases similar to UHRIP but also provides for a rate enhancement above the UHRIP rate, based upon a percentage of estimated average commercial reimbursement. Participating hospitals may opt into this second component. The UHRIP program transitioned on August 31, 2021, and the CHIRP program began on September 1, 2021. CHIRP will require annual approval by the Medical Center and has been approved through August 31, 2023. Revenue from UHRIP and CHIRP is estimated based on patient claims and known program factors and are recognized as a component of net patient service revenue. Both programs also include additional payment and recoupment provisions based on certain quality measures. At June 30, 2023 and 2022, the Medical Center recorded a liability of approximately \$8,159,000 and \$0, respectively, related to quality payments received that are not probable to be retained. This liability is reflected as a component of accrued liabilities in the consolidated balance sheets and could change by a material amount in the near term.

In response to the growing number of uninsured patients and the rising cost of healthcare, the Texas Legislature established a Texas Medicaid Disproportionate Share Program (DSH Program) that was designed to assist those facilities serving the majority of the indigent patients by providing funds supporting increased access to healthcare within the community. This program allows the Texas Department of Human Services to levy assessments from certain hospitals, use the assessed funds to obtain federal matching funds, and then redistribute the total funds to those facilities serving a disproportionate share of indigent patients in the state of Texas. Revenue recognized from the DSH Program was approximately \$0 and \$761,000 for the years ended June 30, 2023 and 2022, respectively, and is included as a component of patient care service revenue in the accompanying statements of revenues, expenses and changes in net position.

In 2022, the Medical Center also began participating in the Public Hospital Augmented Reimbursement Program (HARP). HARP is a statewide supplemental program that provides Medicaid payments to certain hospitals for inpatient and outpatient services that serve Texas Medicaid fee-for-service patients. The program serves as a financial transition for providers historically participating in the DSRIP program and provides additional funding to participating hospitals to assist in offsetting the cost hospitals incur while providing Medicaid services. The Medical Center recognized approximately \$592,000 and \$0 for the years ended June 30, 2023 and 2022, respectively, and is included as a component of patient care service revenue in the accompanying statements of revenues, expenses and changes in net position.

The Medical Center began participating in the Quality Improvement Payment Program (QIPP) on September 1, 2017. The program is designed to assist nursing facilities serving indigent patients by providing funding to support increases access to health care within the community. It is also designed to allow participating providers to receive additional reimbursement if they either reach a national benchmark level or they make quarterly improvements in up to four predetermined quality measures.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

K. Net Patient Service Revenue - (Continued)

Supplemental Medicaid Funding Revenue - (Continued)

Revenue recognized under the QIPP program (net of any intergovernmental transfer payments) was approximately \$11,524,000 and \$19,572,000 for the years ended June 30, 2023 and 2022, respectively, and is included in nursing home net patient service revenue in the statements of revenues, expenses and changes in net position. At June 30, 2023 and 2022, the Medical Center recorded estimated receivables under this program of approximately \$5,199,000 and \$9,340,000, respectively, which are included in Medicaid supplemental funding receivable in the balance sheets. At June 30, 2023 and 2022, the estimated receivable included \$2,879,000 and \$5,403,000 respectively, of prepaid intergovernmental transfers, which the Medical Center is required to contribute in advance of receiving any gross proceeds.

The programs described above are subject to review and scrutiny by both the Texas Legislature and the CMS and the programs could be modified or terminated based on new legislation or regulation in future periods. Additionally, the funding the Medical Center has received is subject to audit and is not representative of funding to be received in future years.

L. Nursing Home Operations

Effective March 1, 2014, the Medical Center entered a series of lease and management agreements with two nursing home operators that resulted in the Medical Center becoming the legal operator of twelve nursing homes. Effective February 28, 2015 and September 1, 2018, the management agreements for two and one, respectively of these freestanding nursing homes was terminated by the Medical Center. Additionally, effective September 1, 2022, the management agreements for four of these freestanding nursing homes was terminated by the Medical Center. The lease agreements generally call for monthly payments ranging from approximately \$43,700 to \$99,000 per facility and are cancelable. Due to the cancelable terms of the lease agreements, the leases are not subject to the accounting under GASB 87. Under the terms of these agreements, the Medical Center incurred approximately \$4,877,000 and \$7,730,000 of rental expense in 2023 and 2022, respectively, which is included in nursing facility expenses on the statement of revenues, expenses and changes in net position. Future minimum lease payments under these cancelable agreements at June 30, 2023, were approximately \$3,926,400 for 2024.

Under the management agreement, the managers provide all services necessary to operate the homes, including employees, supplies and other operating costs. The managers also provide all billing and collection services. All patient revenue from the facilities is paid to the Medical Center. From these collections, the Medical Center pays the managers for all facility costs and the management fees pursuant to the agreements. However, Medical Center payments to the manager are generally limited to the amount of net patient revenue received from the facilities. At its option, the Medical Center may pay additional amounts to the manager above the amounts collected for patient revenue.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

M. Pension Plan

Plan Description

The Medical Center sponsors a public employee defined benefit pension plan for eligible employees within an agent multiple-employer retirement program sponsored for member hospitals by the Texas Hospital Association (THA). HealthSHARE, a wholly-owned subsidiary of THA, is the plan administrator of the Plan. The Plan's assets are invested as a portion of the THA's master pension trust fund. Benefit provisions are contained in the plan document and were established and can be amended only with the authority of the Medical Center's Board. The Plan does not issue a stand-alone financial report. However, an annual actuarial valuation report is available from the Medical Center or HealthSHARE. That report may be obtained by writing HealthSHARE at 1108 Lavaca, Suite 700, Austin, Texas 78701.

Benefits Provided

The Plan provides retirement, disability and survivor benefits to plan members and their beneficiaries. Additionally, the Plan provides fully vested benefits to terminated employees who have at least five years of vesting service. Employees may retire (with reduced benefits) at age 60 with five years of vesting service. The monthly benefit at normal retirement (age 65 plus five years of Plan participation) for participants who entered the plan prior to March 1, 2018, payable in a lifetime annuity during the final five years of employment, ranges from 1.75% to 3.25% times the years of service times average monthly compensation, subject to certain benefit limits. The monthly benefit at normal retirement (65 plus five years of Plan participation) for participants who entered or re-entered the plan on or after March 1, 2018, payable in a lifetime annuity during the final five years of employment, ranges from 1.50% to 3.00% times the years of service times average monthly compensation, subject to certain benefit limits.

The terms of the Plan provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date provided the employee joined the plan prior to March 1, 2019. The annual adjustments are equal to the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2%. No cost-of-living adjustments are available for benefits earned by participants who entered or re-entered the plan on or after March 1, 2018.

Membership

The employees covered by the Plan at February 28, 2023 (measurement date) are:

	<u>2023</u>
Inactive employees or beneficiaries currently receiving benefits	203
Inactive employees entitled to but not yet receiving benefits	469
Active employees	<u>869</u>
	<u>1,541</u>

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

M. Pension Plan - (Continued)

Contributions

The Medical Center's governing body has the authority to establish and amend the contribution requirements of the Medical Center and active employees.

The governing body establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Plan participants are required to contribute 4.0% to 5.5% of their compensation, depending on the benefits class to which they are assigned.

The Medical Center is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the years ended June 30, 2023 and 2022, employees contributed approximately \$2,779,000 and \$2,526,000, respectively, and the Medical Center contributed \$1,606,000 and \$1,725,000, respectively. Employee contributions expressed as a percentage of annual pay was 4.5% and 4.2% for June 30, 2023 and 2022, respectively. Medical Center contributions expressed as a percentage of annual pay was 2.6% and 3.0% for June 30, 2023 and 2022, respectively.

Net Pension Liability (Asset)

The Medical Center's net pension liability (asset) was measured as of February 28, 2023 and 2022, for the years ended June 30, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension liability (asset) was determined by the roll forward procedure of the total pension liability in the actuarial valuation as of March 1, 2022 and March 1, 2021, respectively, with the results rolled forward to February 28, 2023 and 2022, for the years ended June 30, 2023 and 2022, respectively.

*Actuarial Assumptions*

The total pension liability in the March 1, 2022 and 2021, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%
Salary increases	4.46%, average, including inflation
Ad hoc cost of living adjustments	Not included
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Mortality rates	Pri-2012 Mortality Table with Projection Scale MP-2021

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**M. Pension Plan - (Continued)Net Pension Liability (Asset) - (Continued)*Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real estate return by the target asset allocation percentage and by adding expected inflation (2.0%). In addition, the final 6.75% assumption reflected a reduction of 0.61% for adverse deviation and 0.20% for investment related expenses.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equities		
Large cap	45%	6.0%
Small cap	15%	6.5%
International Equities	15%	6.0%
Fixed income	<u>25%</u>	2.5%
Total	<u>100%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75% at February 28, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

M. Pension Plan - (Continued)

Net Pension Liability (Asset) - (Continued)

*Changes in Net Pension Liability (Asset)*

Changes in total pension liability, Plan fiduciary net position and the net pension (asset) for the year ended June 30, 2023 are as follows:

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
<b>Balance at June 30, 2022</b>	\$ 123,513,952	\$ 149,654,195	\$ (26,140,243)
Changes for the year:			
Service cost	5,150,528	-	5,150,528
Interest	8,280,038	-	8,280,038
Differences between expected and actual experience	172,644	-	172,644
Member contributions	-	1,710,000	(1,710,000)
Employer contributions	-	2,728,761	(2,728,761)
Net investment income	-	(9,647,085)	9,647,085
Benefit payments, including refunds of employee contributions	(4,200,983)	(4,200,983)	-
Administrative expenses	(456,819)	(456,819)	-
Assumption changes	(3,612,577)	-	(3,612,577)
Net changes	<u>5,332,831</u>	<u>(9,866,126)</u>	<u>15,198,957</u>
<b>Balance at June 30, 2023</b>	<u>\$ 128,846,783</u>	<u>\$ 139,788,069</u>	<u>\$ (10,941,286)</u>

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate*

The Medical Center's proportionate share of the net pension liability (asset) has been calculated using a discount rate of 6.75%. The following presents the Medical Center's proportionate share of the net pension liability (asset) using a discount rate calculated using a discount rate that is 1% lower (5.75%) and 1% higher (7.75%) than the current rate:

	1.0% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1.0% Increase in Discount Rate (7.75%)
Medical Center's net pension liability (asset)	\$ 5,944,051	\$ (10,941,286)	\$ (24,834,220)

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**M. Pension Plan - (Continued)Pension Expense (Credit) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the years ended June 30, 2023 and 2022, the Medical Center recognized pension expense (credit) of \$(1,103,381) and \$(4,310,267), respectively. At June 30, 2023, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 843,395	\$ 23,982
Changes of assumptions	463,953	2,807,549
Net difference between projected and actual earnings on plan investments	7,677,161	-
Contributions subsequent to the measurement date	570,000	-
Total	\$ 9,554,509	\$ 2,831,531

At June 30, 2023 and 2022, the Medical Center reported \$570,000 and \$540,000, respectively, as deferred outflows of resources related to pensions resulting from Medical Center contributions made subsequent to the measurement date that will be/was recognized as an increase in the net pension asset in the years ended June 30, 2023 and 2022, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2023, related to pensions, will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2024	\$ (44,406)
2025	(945,145)
2026	3,194,258
2027	3,948,271
Total	\$ 6,152,978



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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**M. Pension Plan - (Continued)Pension Plan Fiduciary Net Position

As of February 28, 2023 and 2022, the master pension trust fund was comprised of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,367,764	\$ 5,852,798
Investments at fair value:		
Mutual funds	373,615,473	400,082,012
Common/collective trust funds	252,891,632	260,745,484
103-12 investment fund	<u>57,094,451</u>	<u>56,045,477</u>
Total investments at fair value	<u>683,601,556</u>	<u>716,872,973</u>
Total plan fiduciary net pension	<u>\$ 685,969,320</u>	<u>\$ 722,725,771</u>

The Plan's interest in the master pension trust fund of the measurement date of February 28, 2023 and 2022, was \$139,788,069 and \$149,654,195, respectively.

*Investment Policy*

Investment policy decisions are established and maintained by the Trustees of the THA Retirement Plan for Member Hospitals. The Trustees have several asset mix alternatives from which participating employers may choose in order to control risk. The Trustees employ and select investment managers with the advice of investment counsel which is completely independent of the investment managers.

The primary goal of a pension fund is to help pay the cost of the pension plan while providing adequate security to meet the benefits promised under the Plan. As a consequence, two important dimensions of a pension plan's investment program are expected return and expected risk.

The Plan trustees diversify plan investments among asset classes, recognizing that there is a relationship between the level of risk assumed in an investment program and the level of return that should be expected. Appropriate diversification better enables the Plan trustees to balance risk and return. The fund's diversification guidelines are set forth below.

<u>Asset Class/Style</u>	<u>Target Asset Mix</u>
Large cap U.S. equities	45%
Small cap U.S. equities	15%
International equities	<u>15%</u>
Total equities	<u>75%</u>
Intermediate fixed income	25%
Long duration fixed income	<u>0%</u>
Total fixed income	<u>25%</u>

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

M. Pension Plan - (Continued)

Pension Plan Fiduciary Net Position - (Continued)

*Investment Policy - (Continued)*

The Trustees maintain a portfolio structure that may combine active and passive management in order to balance the objectives of enhanced return and cost control.

Passive equity and fixed income portfolios invest in a substantially similar manner as that of the underlying benchmark.

Active equity managers have the following requirements:

- The equity portion of the portfolio should not be less than 90% of the portfolio, measured at market value.
- Equity holdings in any one economic sector should not exceed the greater of 30% of the portfolio or 10 percentage points above the sector weight in the benchmark.
- Equity holdings in any single company (including common stock and convertible securities) should not exceed 10% of the portfolio.

Active fixed income managers have the following requirements:

- The primary investments should be government, corporate and mortgage securities.
- Holdings in obligations of any single entity (with the exception of the U.S. government and/or its agencies) should not exceed 5% of the portfolio.

The common collective trust fund investment objective is to approximate as closely as practicable, before expenses, to the performance of the S&P 500 Index over the long term.

The 103-12 investment fund objective is to approximate as closely as practicable to the performance of the MSCI EAFE Index.

*Investment Rate of Return*

The annual money-weighted rate of return on pension plan investments, net of expenses, which expresses net investment performance adjusted for changing amounts actually invested each month was 7.70% for the 12 months ended March 1, 2022.

*Credit Risk*

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Plan's policy to limit its holdings in obligations of any single entity, excluding U.S. Government and its agencies, to 5% of the portfolio.

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the Plan's investments are held in trust accounts.

**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

M. Pension Plan - (Continued)

Pension Plan Fiduciary Net Position - (Continued)

*Concentration of Credit Risk*

It is the Plan's policy to limit equity holdings in any one economic sector to the greater of 25% of the portfolio or 10% above the sector weight in the benchmark and limit equity holdings in any single company to 7% of the portfolio. Additionally, the Plan's policy limits holdings in fixed income obligations of any single entity, excluding U.S. Government and its agencies, to 5% of the portfolio.

The following table reflects the Plan's investments in single issuers that represent more than 5% of total investments:

	<u>2023</u>	<u>2022</u>
Dodge & Cox International Stock Fund	7.5%	7.6%
Morgan Stanley Pooled International Equity Trust	8.3%	7.8%
PIMCO Total Return Fund	12.0%	12.4%
S + P 500 Flagship Fund	36.9%	36.1%
State Street Russell 1000 Value Index Fund	7.2%	7.9%
State Street TR Pass Bond Market Index Fund	12.0%	12.3%
Vanguard Small Cap Index	15.3%	14.7%

Following is a description of the valuation methodologies and inputs used for pension plan assets measured at fair value on a recurring basis, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

The fair value of the master pension trust fund assets at February 28, 2023 and 2022, were as follows:

	Carrying Amount	<u>Fair Value Measurements Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
February 28, 2023:				
Investments by fair value level:				
Mutual funds	\$ 373,615,473	\$ 373,615,473	\$ -	\$ -
Total investments by fair value level	<u>373,615,473</u>	<u>\$ 373,615,473</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV) (A):				
Common/collective trust fund	252,891,632			
103-12 investment fund	<u>57,094,451</u>			
Total investments measured at NAV	<u>309,986,083</u>			
Total investments measured at fair value	<u>\$ 683,601,556</u>			

**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

M. Pension Plan - (Continued)

Pension Plan Fiduciary Net Position - (Continued)

	Carrying Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
February 28, 2022:				
Investments by fair value level:				
Mutual funds	<u>\$ 400,082,012</u>	<u>\$ 400,082,012</u>	<u>\$ -</u>	<u>\$ -</u>
Total investments by fair value level	<u>400,082,012</u>	<u>\$ 400,082,012</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV) (A):				
Common/collective trust fund	260,745,484			
103-12 investment fund	<u>56,045,477</u>			
Total investments measured at NAV	<u>316,790,961</u>			
Total investments measured at fair value	<u>\$ 716,872,973</u>			

(A). Certain investments that are measured at fair using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts disclosed for total plan investments at fair value.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Plan did not hold any Level 2 or 3 securities at March 1, 2023 or 2022.

The valuation method of investments measured at the net asset value (NAV) per share (or its equivalent) are presented as above. There were no unfunded commitments or redemption restrictions for these funds.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

N. COVID-19 Pandemic and CARES Act Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) as a global pandemic. Patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

While some of these policies have been eased and states have lifted moratoriums on non-emergent procedures, some restrictions remain in place, and some state and local governments re-imposed certain restrictions due to increasing rates of COVID-19 cases prior to the widespread availability of a vaccine.

Beginning in mid-March of 2020, the Medical Center deferred all nonessential medical and surgical procedures and suspended elective procedures, which resumed at different rates during 2020.

The Medical Center's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The Medical Center has taken steps to enhance its operational and financial flexibility, and react to the risks the COVID-19 pandemic presents to its business, including the following:

- Implementation of targeted cost reduction initiatives
- Reduction of certain planned projects and capital expenditures

The extent of the COVID-19 pandemic's adverse effect on the Medical Center's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Medical Center's control and ability to forecast. Because of these and other uncertainties, the Medical Center cannot estimate the length or severity of the effect of the pandemic on the Medical Center's business. Decreases in cash flows and results of operations may have an effect on the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

N. COVID-19 Pandemic and CARES Funding Act - (Continued)

Provider Relief Fund

As of June 30, 2023, the Medical Center received approximately \$17,886,000 of distributions from the CARES Act Provider Relief Fund. These distributions from the Provider Relief Fund are not subject to repayment, provided the Medical Center is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the HHS.

The Medical Center is accounting for such payments as voluntary nonexchange transactions. Payments are recognized as eligibility requirements have been met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on the Medical Center's operating revenues and expenses through year end, the Medical Center recognized approximately \$2,432,000 and \$0, related to hospital and nursing home operations, respectively, during the year ended June 30, 2023, and recognized approximately \$2,100,000 and \$9,345,000, related to hospital and nursing home operations, respectfully, during the year ended June 30, 2022. These payments are recorded as nonoperating revenue Provider Relief Funds – hospitals and Provider Relief Funds – nursing homes in the statements of revenues, expenses and changes in net position. The unrecognized amount of Provider Relief Fund distributions is recorded as a refundable advance – provider relief funds in the accompanying balance sheets, which were approximately \$0 and \$2,432,000, respectively, at June 30, 2023 and 2022.

The Medical Center has recognized revenue from the Provider Relief Fund based on guidance issued by HHS as of June 30, 2023. The Medical Center will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on the Medical Center's revenues and expenses. The terms and conditions governing the Provider Relief Fund are complex and subject to interpretation and change. If the Medical Center is unable to attest to or comply with current or future terms and conditions, its ability to retain some or all of the distributions received may be affected. Additionally, the amounts recorded in the financial statements compared to the Medical Center's Provider Relief Fund reporting could differ. Provider Relief Fund payments are subject to government oversight, including potential audits.

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**NOTE 24: CITIZENS MEDICAL CENTER - (Continued)**

N. COVID-19 Pandemic and CARES Funding Act - (Continued)

Medicare Accelerated and Advanced Payment Program

During the year ended June 30, 2020, the Medical Center requested received approximately \$20,319,000 of accelerated Medicare payments as provided for in the CARES Act, which allowed for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. These amounts are expected to be recaptured by CMS according to the payback provisions.

Effective September 30, 2020, the payback provisions were revised and extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25% of the remittance advice payment followed by a six-month payback period at 50% of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withhold amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29 months at a rate of 4%.

Recoupment on the advancements totaled approximately \$3,409,000 and \$14,589,000 in 2023 and 2022 respectively, and the advancements were fully paid back as of June 30, 2023.

O. Subsequent Events

Subsequent events have been evaluated through October 31, 2023, which is the date the consolidated financial statements were available to be issued.

**Required Supplementary Information**



**COUNTY OF VICTORIA, TEXAS***MAJOR GOVERNMENTAL FUND - GENERAL FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - STATUTORY BASIS**For the year ended December 31, 2023*

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>					
Taxes	\$ 37,089,160	\$ 37,766,094	\$ 38,155,335	\$ (37,679)	\$ 38,193,014
Fees of office and user fees	1,760,700	1,760,700	1,699,326	(16,496)	1,715,822
Intergovernmental	4,231,320	4,293,402	4,520,586	132,995	4,387,591
Fines and forfeitures	780,000	780,000	625,632	41,779	583,853
Investment income					
Interest	300,100	461,600	906,421	8,350	898,071
Licenses and permits	42,000	42,000	51,647	(5,751)	57,398
Miscellaneous	1,935,539	2,012,981	1,874,259	(13,396)	1,887,655
<b>Total revenues</b>	<u>46,138,819</u>	<u>47,116,777</u>	<u>47,833,206</u>	<u>109,802</u>	<u>47,723,404</u>
<b>EXPENDITURES</b>					
Current					
General government	22,527,740	24,293,319	22,881,332	(618,488)	23,499,820
Public safety	23,208,522	23,605,857	21,586,520	(93,343)	21,679,863
Culture and recreation	271,666	271,669	264,247	(1,274)	265,521
<b>Total expenditures</b>	<u>46,007,928</u>	<u>48,170,845</u>	<u>44,732,099</u>	<u>(713,105)</u>	<u>45,445,204</u>
Excess (deficiency) of revenues over expenditures	<u>130,891</u>	<u>(1,054,068)</u>	<u>3,101,107</u>	<u>822,907</u>	<u>2,278,200</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of assets	1,000	1,000	(26,010)	-	(26,010)
SBITDA issued	-	-	-	(486,393)	486,393
Transfers in	2,190,280	2,718,439	3,083,105	-	3,083,105
Transfers out	(2,324,993)	(5,206,780)	(4,393,897)	101,269	(4,495,166)
<b>Total other financing sources (uses)</b>	<u>(133,713)</u>	<u>(2,487,341)</u>	<u>(1,336,802)</u>	<u>(385,124)</u>	<u>(951,678)</u>
Change in fund balance	(2,822)	(3,541,409)	1,764,305	437,783	1,326,522
Fund balance, January 1	<u>18,667,089</u>	<u>18,667,089</u>	<u>18,667,089</u>	<u>(805,369)</u>	<u>19,472,458</u>
<b>Fund balance, December 31</b>	<u>\$ 18,664,267</u>	<u>\$ 15,125,680</u>	<u>\$ 20,431,394</u>	<u>\$ (367,586)</u>	<u>\$ 20,798,980</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

The accompanying notes to required supplementary information are an integral part of this schedule.

**COUNTY OF VICTORIA, TEXAS***SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION**Last ten years*

	Measurement Year		
	2014	2015	2016
<b>Total Pension Liability</b>			
Service cost	\$ 3,577,472	\$ 3,776,298	\$ 4,065,893
Interest (on the total pension liability)	9,485,056	10,149,077	10,684,513
Effect of plan changes	-	(701,094)	-
Effect of assumption changes or inputs	-	1,386,660	-
Effect of economic/demographic (gains) or losses	621,328	(1,535,186)	(330,461)
Benefit payments, including refunds of employee contributions	<u>(5,762,494)</u>	<u>(6,083,068)</u>	<u>(6,466,997)</u>
<b>Net Change in Total Pension Liability</b>	7,921,362	6,992,687	7,952,948
<b>Total Pension Liability - Beginning</b>	<u>118,170,701</u>	<u>126,092,063</u>	<u>133,084,750</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 126,092,063</u>	<u>\$ 133,084,750</u>	<u>\$ 141,037,698</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 3,702,500	\$ 3,769,876	\$ 3,800,589
Contributions - Employee	1,893,248	1,936,039	1,988,347
Net investment income	7,248,240	(355,076)	8,359,703
Benefit payments, including refunds of employee contributions	(5,762,494)	(6,083,068)	(6,466,997)
Administrative expense	(84,874)	(81,559)	(90,807)
Other	<u>230,957</u>	<u>(68,399)</u>	<u>180,203</u>
<b>Net Change in Plan Fiduciary Net Position</b>	7,227,577	(882,187)	7,771,038
<b>Plan Fiduciary Net Position - Beginning</b>	<u>106,554,565</u>	<u>113,782,142</u>	<u>112,899,955</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 113,782,142</u>	<u>\$ 112,899,955</u>	<u>\$ 120,670,993</u>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<u>\$ 12,309,921</u>	<u>\$ 20,184,795</u>	<u>\$ 20,366,705</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	90.24%	84.83%	85.56%
<b>Covered Payroll</b>	\$ 27,046,396	\$ 27,657,704	\$ 28,404,964
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	45.51%	72.98%	71.70%

NOTE: Information for the prior year was not readily available. The County will compile the respective information over the next year as provided by TCDRS on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

Measurement Year					
2017	2018	2019	2020	2021	2022
\$ 4,039,378	\$ 3,806,114	\$ 3,627,860	\$ 3,875,395	\$ 4,442,715	\$ 4,217,689
11,470,437	12,163,758	12,653,682	13,301,521	13,957,191	14,602,398
-	-	-	-	-	2,478,413
1,054,081	-	-	10,290,048	312,120	-
(243,371)	(1,385,186)	357,417	474,642	(553,943)	837,889
<u>(7,071,153)</u>	<u>(8,002,461)</u>	<u>(8,727,628)</u>	<u>(9,055,743)</u>	<u>(9,090,356)</u>	<u>(9,809,806)</u>
9,249,372	6,582,225	7,911,331	18,885,863	9,067,727	12,326,583
<u>141,037,698</u>	<u>150,287,070</u>	<u>156,869,295</u>	<u>164,780,626</u>	<u>183,666,489</u>	<u>192,734,216</u>
<u>\$ 150,287,070</u>	<u>\$ 156,869,295</u>	<u>\$ 164,780,626</u>	<u>\$ 183,666,489</u>	<u>\$ 192,734,216</u>	<u>\$ 205,060,799</u>
\$ 3,914,502	\$ 3,847,415	\$ 4,071,804	\$ 4,610,581	\$ 4,489,976	\$ 4,778,640
2,051,460	1,951,589	2,030,101	2,143,036	2,126,510	2,238,991
17,595,977	(2,577,942)	21,698,296	15,594,804	35,765,042	(11,326,792)
(7,071,153)	(8,002,461)	(8,727,628)	(9,055,743)	(9,090,356)	(9,809,806)
(91,146)	(106,114)	(115,069)	(120,090)	(106,731)	(107,140)
<u>(15,671)</u>	<u>(54,202)</u>	<u>(68,862)</u>	<u>(53,158)</u>	<u>(24,890)</u>	<u>(228,249)</u>
16,383,969	(4,941,715)	18,888,642	13,119,430	33,159,551	(14,454,356)
<u>120,670,993</u>	<u>137,054,962</u>	<u>132,113,247</u>	<u>151,001,889</u>	<u>164,121,319</u>	<u>197,280,870</u>
<u>\$ 137,054,962</u>	<u>\$ 132,113,247</u>	<u>\$ 151,001,889</u>	<u>\$ 164,121,319</u>	<u>\$ 197,280,870</u>	<u>\$ 182,826,514</u>
<u>\$ 13,232,108</u>	<u>\$ 24,756,048</u>	<u>\$ 13,778,737</u>	<u>\$ 19,545,170</u>	<u>\$ (4,546,654)</u>	<u>\$ 22,234,285</u>
91.20%	84.22%	91.64%	89.36%	102.36%	89.16%
\$ 29,306,268	\$ 27,879,837	\$ 29,001,437	\$ 30,614,801	\$ 30,378,713	\$ 31,985,583
45.15%	88.80%	47.51%	63.84%	-14.97%	69.51%

**COUNTY OF VICTORIA, TEXAS**  
*SCHEDULE OF EMPLOYER CONTRIBUTIONS*  
*TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION*  
*Last ten fiscal years*

	Fiscal Year		
	2014	2015	2016
Actuarially Determined Contribution	\$ 2,983,888	\$ 3,702,500	\$ 3,769,876
Contribution in relation to the actuarially determined contribution	<u>(2,983,888)</u>	<u>(3,702,500)</u>	<u>(3,769,876)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 25,330,071	\$ 27,046,396	\$ 27,657,704
Contributions as a percentage of covered payroll	11.8%	13.7%	13.6%

The accompanying notes to required supplementary information are an integral part of this schedule.

Fiscal Year						
2017	2018	2019	2020	2021	2022	2023
\$ 3,800,589	\$ 3,914,502	\$ 3,847,415	\$ 4,071,804	\$ 4,610,581	\$ 4,489,976	\$ 4,778,640
<u>(3,800,589)</u>	<u>(3,914,502)</u>	<u>(3,847,415)</u>	<u>(4,071,804)</u>	<u>(4,610,581)</u>	<u>(4,489,976)</u>	<u>(4,778,640)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 27,657,704	\$ 29,306,568	\$ 27,879,837	\$ 29,001,437	\$ 30,614,801	\$ 30,378,713	\$ 31,985,583
13.7%	13.4%	13.8%	14.0%	15.1%	14.8%	14.9%

**COUNTY OF VICTORIA, TEXAS***SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - LIFE**Last ten years*

	Measurement Year		
	2017	2018	2019
<b>Total OPEB Liability</b>			
Service cost	\$ 35,991	\$ 38,855	\$ 32,230
Interest (on the total OPEB liability)	46,335	46,441	50,853
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	(9,035)	877	10,445
Effect of assumption changes or inputs	73,830	(160,803)	378,320
Benefit payments	<u>(26,376)</u>	<u>(25,092)</u>	<u>(31,902)</u>
<b>Net Change in Total OPEB Liability</b>	120,745	(99,722)	439,946
<b>Total OPEB Liability - Beginning</b>	<u>1,202,861</u>	<u>1,323,606</u>	<u>1,223,884</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 1,323,606</u>	<u>\$ 1,223,884</u>	<u>\$ 1,663,830</u>
<b>Covered Payroll</b>	\$ 29,306,268	\$ 27,879,837	\$ 29,001,437
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	4.52%	4.39%	5.74%

NOTE: Information for the prior four years was not readily available. The County will compile the respective information over the next four years as provided by TCDRS on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

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Measurement Year		
2020	2021	2022
\$ 60,068	\$ 70,532	\$ 72,536
46,735	42,997	44,336
-	-	-
7,814	4,389	20,436
234,068	41,526	(601,879)
<u>(36,738)</u>	<u>(36,454)</u>	<u>(38,383)</u>
311,947	122,990	(502,954)
<u>1,663,830</u>	<u>1,975,777</u>	<u>2,098,767</u>
<u>\$ 1,975,777</u>	<u>\$ 2,098,767</u>	<u>\$ 1,595,813</u>
\$ 30,614,801	\$ 30,378,713	\$ 31,985,583
6.45%	6.91%	4.99%

**COUNTY OF VICTORIA, TEXAS***SCHEDULE OF EMPLOYER CONTRIBUTIONS**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - LIFE**Last ten fiscal years*

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	Fiscal Year		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 26,376	\$ 25,092	\$ 31,902
Contribution in relation to the actuarially determined contribution	<u>(26,376)</u>	<u>(25,092)</u>	<u>(31,902)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$29,306,568	\$27,879,837	\$29,001,437
Contributions as a percentage of covered payroll	0.1%	0.1%	0.1%

NOTE: Information for the prior four years was not readily available. The County will compile the respective information over the next four years.

The accompanying notes to required supplementary information are an integral part of this schedule.



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Fiscal Year		
2021	2022	2023
\$ 36,738	\$ 36,454	\$ 38,383
<u>(36,738)</u>	<u>(36,454)</u>	<u>(38,383)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$30,614,801	\$30,378,713	\$31,985,583
0.1%	0.1%	0.1%

## COUNTY OF VICTORIA, TEXAS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2023

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#### **NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

The County annually adopts budgets that are prepared using the cash basis of accounting, which is not consistent with generally accepted accounting principles (GAAP). A reconciliation to the statutory basis is provided in the preceding statement. Refer to Note 1 of the notes to the financial statements for explanation of the statutory basis of accounting used to prepare the financial statements.

The Required Supplementary Information does not include a budgetary comparison schedule for the Major Special Revenue Fund, American Rescue Plan Act Fund. The activity of the fund is funded by the federal government, thereby no local control over appropriating funds is possible. Therefore, there is no requirement of presenting a budgetary comparison schedule.

#### **NOTE 2: TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION**

##### Valuation Date

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the 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	17.6 years (based on contribution rate calculated in 12/31/22 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.70% average over career including inflation.
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected 2019: New inflation, mortality, and other assumptions were reflected 2022: New investment return and inflation assumptions were reflected

**COUNTY OF VICTORIA, TEXAS**

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION*

*December 31, 2023*

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**NOTE 2: TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION - (Continued)**

Methods and Assumptions Used to Determine Contribution Rates - (Continued)

Changes in Plan Provisions Reflected In the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule
	2016: No changes in plan provisions were reflected in the Schedule
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017
	2018: No changes in plan provisions were reflected in the Schedule
	2019: No changes in plan provisions were reflected in the Schedule
	2020: No changes in plan provisions were reflected in the Schedule
	2021: No changes in plan provisions were reflected in the Schedule
2022: No changes in plan provisions were reflected in the Schedule	

**NOTE 3: TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - LIFE**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

There were no changes in plan provisions or assumptions during the year.

**Combining and Individual Fund Statements and Schedules**

**COUNTY OF VICTORIA, TEXAS**

ALL NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2023

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 11,837,508	\$ 1,949,073	\$ 8,058,050	\$ 21,844,631
Receivables (net)	4,885,164	2,653,906	-	7,539,070
Due from other governments	1,788,652	-	-	1,788,652
Due from other funds	262,608	-	-	262,608
<b>Total assets</b>	<b>\$ 18,773,932</b>	<b>\$ 4,602,979</b>	<b>\$ 8,058,050</b>	<b>\$ 31,434,961</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 501,687	\$ -	\$ 18,647	\$ 520,334
Accrued expenditures	418,864	-	-	418,864
Due to other governments	375,664	-	-	375,664
Due to other funds	1,790,508	-	-	1,790,508
Deposits	60,350	-	-	60,350
Unearned revenue	149,097	-	-	149,097
<b>Total liabilities</b>	<b>3,296,170</b>	<b>-</b>	<b>18,647</b>	<b>3,314,817</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Property taxes	6,175,933	3,569,981	-	9,745,914
Other	545,646	-	-	545,646
<b>Total deferred inflows of resources</b>	<b>6,721,579</b>	<b>3,569,981</b>	<b>-</b>	<b>10,291,560</b>
<b>FUND BALANCES</b>				
Restricted	9,354,551	1,032,998	8,039,403	18,426,952
Unassigned	(598,368)	-	-	(598,368)
<b>Total fund balances</b>	<b>8,756,183</b>	<b>1,032,998</b>	<b>8,039,403</b>	<b>17,828,584</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 18,773,932</b>	<b>\$ 4,602,979</b>	<b>\$ 8,058,050</b>	<b>\$ 31,434,961</b>

**COUNTY OF VICTORIA, TEXAS***ALL NONMAJOR GOVERNMENTAL FUNDS**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - STATUTORY BASIS**For the year ended December 31, 2023*

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 5,130,169	\$ 2,785,189	\$ -	\$ 7,915,358
Fees of office and user fees	2,907,654	-	-	2,907,654
Intergovernmental	10,575,727	-	-	10,575,727
Fines and forfeitures	804,631	-	-	804,631
Investment income	105,619	14,554	128,702	248,875
Contributions	431,767	-	-	431,767
Miscellaneous	524,263	-	-	524,263
<b>Total revenues</b>	<u>20,479,830</u>	<u>2,799,743</u>	<u>128,702</u>	<u>23,408,275</u>
<b>EXPENDITURES</b>				
Current				
General government	2,754,608	-	-	2,754,608
Public safety	2,939,507	-	-	2,939,507
Highways and streets	7,971,862	-	-	7,971,862
Public health	4,969,820	-	-	4,969,820
Capital outlay	2,264,273	-	1,251,107	3,515,380
Debt service				
Principal retirement	-	1,924,160	-	1,924,160
Interest and fiscal charges	-	927,322	-	927,322
Bond issuance costs	-	-	165,280	165,280
<b>Total expenditures</b>	<u>20,900,070</u>	<u>2,851,482</u>	<u>1,416,387</u>	<u>25,167,939</u>
Excess (deficiency) of revenues over expenditures	<u>(420,240)</u>	<u>(51,739)</u>	<u>(1,287,685)</u>	<u>(1,759,664)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	9,690,000	9,690,000
Premium on issuance of bonds	-	-	427,095	427,095
Subscription liability issued	62,692	-	-	62,692
Transfers in	2,721,267	292,183	-	3,013,450
Transfers out	(448,472)	-	(790,007)	(1,238,479)
<b>Total other financing sources (uses)</b>	<u>2,335,487</u>	<u>292,183</u>	<u>9,327,088</u>	<u>11,954,758</u>
Change in fund balances	1,915,247	240,444	8,039,403	10,195,094
Fund balances at beginning of year, as restated	<u>6,840,936</u>	<u>792,554</u>	<u>-</u>	<u>7,633,490</u>
<b>Fund balances at end of year</b>	<u>\$ 8,756,183</u>	<u>\$ 1,032,998</u>	<u>\$ 8,039,403</u>	<u>\$ 17,828,584</u>

## **NONMAJOR SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, private purpose trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The County's Special Revenue Funds consists of Road and Bridge and other funds.

### **ROAD AND BRIDGE FUNDS**

The Road and Bridge Funds are constitutional funds established to account for current funds used for the purpose of constructing and maintaining roads and bridges. The principal sources of revenues for these funds are ad valorem taxes and intergovernmental revenues.

The County is divided into four precincts, each of which is administered by one of the four County Commissioners. Each precinct has a separate budget for construction and maintenance of roads and bridges in the precinct. The Road and Bridge Funds consists of the following:

**Road and Bridge Precinct Funds** - Account for costs associated with the construction and maintenance of roads and bridges in the four Commissioners' precincts. Revenues are derived primarily from ad valorem taxes, vehicle registration fees, and interest earnings.

### **OTHER SPECIAL REVENUE FUNDS**

The Other Special Revenue Funds consists of various funds that account for particular functions and activities as described below:

**Emergency Management Fund** - Accounts for the funds received from the City of Victoria and the State of Texas for Emergency Management operations.

**LEPC Fund** - Accounts for funds received from local businesses and organizations for financial support of the Local Emergency Planning Committees.

**Justice of the Peace Special Fund** - Records the disposition of cash bonds and miscellaneous overpayments. These funds are disbursed according to court orders.

**Court-Initiated Guardianship Fund** - The fund was established under Chapter 118, §118.0052 (2) (E) of the Local Government Code. Fees collected may be used only to supplement county funds to pay the compensation of a guardian appointed by the court, an attorney appointed by the court and fund local guardianship programs that provide guardians for indigent persons.

**County Jury Fund** - Accounts for funds allocated under Section 134.101, 134.102, or 134.103 to the county or municipal jury fund maintained by the county treasurer. As required by Section 134.151 the money that is deposited in the County Jury Fund may be used by a county only to fund juror reimbursement and finance jury services.

**Records Management Fund** - Accounts for monies received by the County under Local Government Code Section 118.011. Expenditures of the fund are made to manage and preserve documents filed in the office of the County Clerk. Revenues come from filing charges assessed by the County Clerk.

**Courthouse Security Fund** - Accounts for funds received from various sources designated to be used to enhance security in the County Courthouse.

**Justice Court Building Security Fund** - Accounts for funds received that are designated to be used to enhance security in buildings that house justice court other than the County Courthouse.

## NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

### OTHER SPECIAL REVENUE FUNDS - (Continued)

**District Clerk Records Management Fund** - Accounts for monies received by the County from filing charges assessed by the District Clerk under Local Government Code Section 51.317. Expenditures of the fund are made to manage and preserve documents filed in the office of the District Clerk.

**County Clerk of the Court Fund** - Accounts for funds allocated under Section 134.101 or 134.102 to the county or municipal jury fund maintained by the county treasurer. As required by Section 134.151 the money that is deposited in the County Jury Fund may be used only to defray costs of services provided by a county or district clerk.

**District Clerk of the Court Fund** - Accounts for funds allocated under Section 134.101 or 134.102 to the clerk of the court account fund maintained by the county treasurer. As required by Section 134.151 the money that is deposited in the District Clerk of the Court may be used only to defray costs of services provided by a county or district clerk.

**Court Reporter Service Fund** - Accounts for funds allocated under Section 134.102 to the clerk of the court account fund. As required by Section 51.601 money deposited in the court reporter service fund may be used to assist in the payment of court reported related services.

**Court Facility Fee Fund** - The fund was established under Chapter 135, § 135.101 or 135.102 of the Local Government Code. Fees collected may be used by the county only to fund construction, renovation, or improvement of facilities that house the courts. It can also be used to pay the principal of, interest on, and costs of the issuance of bonds, including refunding bonds, issued for the construction, renovation, or improvement of the facilities.

**Community Development Block Grant (CDBG) - DR Local Buyout** - This grant is for recovery from Hurricane Harvey. The funds are used to conduct disaster recovery buyouts and acquisitions of real property impacted by Hurricane Harvey in Victoria County and administered by Grant Works.

**Language Access Fund** - The fund was established under Chapter 135, § 135.101 or 135.102 of the Local Government Code. Fees collected may be used by the county only to provide language access services for individuals appearing before the court or receiving court services.

**Patriot Park Donations Fund** - Accounts for funds received from various entities which have been donated for specific purposes for the Patriot Park.

**Opioid Settlement Fund** - Used to account for funds received from the State of Texas through statewide opioid settlement agreements and disbursements for opioid remediation strategies.

**Sheriff Special Fund** - Records out-of-county cash bonds and various fines and fees collected by the Sheriff's department. These funds are remitted to the State and other entities as appropriate.

**FEMA Public Assistance DR-4485 COVID 19** - The Texas of Division of Emergency Management (TDEM) has provided funding for COVID19 activities specifically emergency protective measures.

**Gulf of Mexico Energy Security Act Fund** - Accounts for funds received from the U.S. Department of Interior for rentals, royalties, bonus and other sums derived from certain Outer Continental Shelf leases in the Gulf of Mexico. These revenues are reserved for projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses.



## NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

### OTHER SPECIAL REVENUE FUNDS - (Continued)

**Hazard Mitigation Grant Program (HMGP)** -The Texas of Division of Emergency Management (TDEM) has issued a sub-grant for the Hazard Mitigation Grant Program (HMGP) Emergency Operations Center (EOC) Operations Center Hardening Project. This project will harden the Victoria County EOC critical facility/infrastructure with the construction of an enclosure for the outside EOC stair entrance to address hazards including intrusion of water/wind driven rain into the facility. This project will provide for continuity of operations to the critical government facility during severe weather events through engineered construction of an enclosure over the exterior basement stairwell to prevent debris entering the water drain and prevent flood water into the basement as a result of wind driven rain.

**Hurricane Harvey Fund** - Accounts for funds received from the Federal Emergency Management Agency and insurance reimbursements. Funds are used to repair hurricane-damaged properties and as reimbursement for eligible hurricane expenses.

**TxDOT McCoy Road Reconstruction Fund** - The Texas Department of Transportation (TxDOT) has provided funding for the reconstruction and widening of the road crossing over the McCoy Rd at-grade public crossing. In 2015, the Texas Legislature included \$20 million in the General Appropriations Act to fund projects on public roadways that would improve connectivity to Texas maritime ports. TxDOT distributes these funds through the Port Access Improvement Program, which provides grants to ports and other entities for projects that will improve connectivity, enhance safety, and relieve congestion in communities around the state's maritime ports.

**CTIF Grant Fund** - This grant will fund infrastructure projects located in areas that have been affected by increased oil and gas production. This is funded by Texas Department of Transportation (TxDOT).

**Capital Credits Fund** - Accounts for funds received from the Texas Comptroller of Public Accounts from an allocation of unclaimed capital credits received from electric cooperatives which can be used for community and economic development.

**Juvenile Probation Fund** - Records monies received by the County from the Texas Juvenile Probation Commission as well as transfers from the General Fund of the County. These monies are spent to provide various services related to the operation of the County Juvenile Probation Department.

**Drug Courts Program Fund** - Accounts for the revenues/expenditures related to operations of the state mandated programs for monitoring and rehabilitating violators of state drug laws.

**County Specialty Court Fund** - Accounts for funds allocated under Section 134.101 or 134.102 to the county specialty court. This account fund is maintained by the county treasurer. As required by Section 134.151 the money deposited may be used only to fund specialty court programs established under Subtitle K, Title 2, Government Code.

**Local Truancy Preventions Fund** - Accounts for funds allocated under Section 134.103 to the local truancy prevention and diversion fund maintained by the County Treasurer, which may be used to finance the salary, benefits, training travel expenses, office supplies, and other necessary expenses relating to the position of a juvenile case manager employed by Article 45.056 Code of Criminal Procedure.

**Justice Technology Fund** - Accounts for funds received from a defendant convicted of a misdemeanor offense in a Justice Court, pursuant to Article 102.0173, Code of Criminal Procedures. These funds are administered by or under the direction of the Commissioners' Court and are used to finance the technological enhancements of the Justice Courts.

## NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

### OTHER SPECIAL REVENUE FUNDS - (Continued)

**Family Protection Fee Fund** - Accounts for funds received from individuals filing suit for dissolution of a marriage. These funds are administered by or under the direction of the Commissioners' Court and are to be distributed to non-profit organizations in Victoria County.

**County/District Technology Fund** - Accounts for funds received from a defendant convicted of a criminal offense in a County or District Court, pursuant to Article 102.0169, Code of Criminal Procedures. These funds are administered by or under the direction of the Commissioners' Court and are used to finance the technological enhancements of the County and District Courts.

**Child Abuse Prevention Fund** - Accounts for fines for certain child sexual assault and related convictions. This fine is put into the Child Abuse Prevention fund. The money allocated here may be used only to fund child abuse prevention programs in the county the court is located. This fund shall be administered by or under the direction of the commissioner's court.

**Rural Salary Assistance Program** - The Texas Comptroller of Public Accounts has issued an award for the Rural Salary Assistance Program. The grant is to fund minimum salaries and hire additional staff for the Sheriff's Office and Criminal District Attorney, and to purchase vehicles, firearms, and safety equipment for the Sheriff's Office.

**CDA Processing Fee Fund** - Accounts for fees earned by the office of the Criminal District Attorney from the collection of "hot" checks returned to County merchants. Expenditures of the fund include normal operating costs of the District Attorney's Office.

**CDA Bond Forfeiture Commissions Fund** - Accounts for funds received from the Criminal District Attorney retaining a commission on bond forfeiture collection pursuant to Government Code 41.005.

**CDA State Judiciary Fund** - Accounts for funds received from the State Comptroller's Office to provide financial assistance to district attorneys for office expenses, supplies, and personnel.

**Pre-Trial Intervention Fund** - Accounts for fees for first time offenders or non-violent crimes which are used for expenses related to the defendants participation in the pre-trial intervention program, refurbish courthouse facilities, train staff and purchase office supplies that are related to this program.

**CARE Court Fund** - CARE Court is established as a felony specialty court pursuant to Texas Government Code Chapter 121. The specialty court provides specialized direct services, generally for drug treatment, to offenders as an alternative to incarceration.

**CDA Victims Assistance Grant Fund** - Accounts for the funds received from the U.S. Department of Justice and administered by the Office for Victims of Crime. The purpose of the grant is to stimulate State participation and support for victim service programs and promote victim cooperation with law enforcement, in addition to the direct benefit to crime victims with Federal assistance monies.

**Sheriff Victims Assistance Grant Fund** - Accounts for the funds received from the Office of the Attorney General to provide funding for a full-time Crime Victim Liaison to work in the Sheriff's Department and the Victoria Police Department.

**State Criminal Alien Assistance Program (SCAAP) Fund** - Accounts for funds received from the Office of Justice Program, Bureau of Justice Assistance. This grant will provide funding for the purchase of Technology- Tracking devices and electronic monitoring, specifically pipe scanners and downloading stations used by VCSO Jailers.

## NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

### OTHER SPECIAL REVENUE FUNDS - (Continued)

**Texas Vine Grant Fund** - Accounts for funds received from the Office of the Attorney General. The purpose of the Vine (Victim Information and Notification Everyday) Grant is to provide basic information on jailed suspects/offenders and their scheduled court events to crime victims and other concerned citizens.

**Operation Lone Star Fund** - The Office of the Governor (OOG) has provided funding for the Operation Lone Star Grant Program. The purpose of the program is to enhance interagency border security operations supporting Operation Lone Star including the facilitation of directed actions to deter and interdict criminal activity and detain non-citizen inmates.

**Operation Stonegarden Grant Fund** - Accounts for funds received from the Department of Homeland Security to enhance cooperation and coordination between federal and local law enforcement agencies in a joint mission to secure the United States borders.

**Golden Crescent Regional Planning Commission (GCRPC) 9-1-1 Allocation Fund** - Accounts for funds received from the Golden Crescent Regional Planning Commission. This agreement will establish and maintain 9-1-1 emergency telephone service in State Planning Region 17, and the Commission on State Emergency Communications has approved the plan.

**Byrne Justice Assistance Grant (JAG) Program Fund** - Accounts for funds received from the City of Victoria for the purchase of equipment and training of personnel for the Victoria County Sheriff's Office.

**High Intensity Drug Trafficking Area Grant Fund** - Accounts for funds received from the Office of National Drug Control Policy to support initiatives designed to implement the strategy proposed by the Executive Board of the Houston HIDTA and approved by the Office of the National Drug Control Policy.

**Body Worn Camera Fund** - The Office of the Governor (OOG) has provided funding to improve public safety and support victims of crime by addressing system gaps and promoting innovative solutions to common problems. Funds may be used for obtaining body-worn cameras, digital video storage, and retrieval systems or cloud-based services.

**Feral Hog Grant Fund** - Accounts for funds received from the Texas A&M AgriLife Extension Service. This grant will provide funding for the purchase of eight hog box traps and hog bait. This will enhance the hog eradication in Victoria County.

**TXCDBG WCID #2 PLACEDO Fund** - Texas Department of Agriculture has provided funding the Texas Community Development Block Grant. The grant will carry out water system improvements in the Placedo area in collaboration with Victoria County Water Control and Improvement District No. 2 (District). The project would provide district wide benefits through improvements at the District Water Plant.

**TXCDBG Hurricane Harvey Disaster Recovery Program Fund** - The General Land Office (GLO) has provided funding for the Texas Community Development Block Grant. Hurricane Harvey overwhelmed the drainage system of Victoria County. This inundated the street and drainage systems and threatened public health. This grant will be used to make infrastructure improvements to facilitate proper storm water conveyance and reduce the impact of future flooding.

**State Fees Fund** - Accounts for statutory additions to various fines collected by the County. These fees are transferred to the State and the General Fund of the County on a periodic basis.

**NONMAJOR SPECIAL REVENUE FUNDS - (Continued)**

**OTHER SPECIAL REVENUE FUNDS - (Continued)**

**Provision of Mental Health Peace Officers (PESC) Funding Fund** - Memorandum of Understanding (MOU) between Victoria County, Texas and Gulf Bend Center for the Provision of Mental Health Peace Officers under the Psychiatric Emergency Services Program (PESC) funding through Texas Health and Human Services Commission. It is for reimbursement (not to exceed \$11,000.00) for the transportation of individuals with mental illness to the appropriate location where the individuals can receive necessary services.

**Mental Health Peace Officer Fund** - Accounts for funds received from Gulf Bend Center to employ a mental health deputy assigned in the mental health task force.

**BISD School Resource Officer Fund** - Accounts for funds received from Bloomington Independent School District (BISD) to employ a juvenile probation officer that is housed and working on BISD campuses.

**Bullet-Resistant Shield Grant (CDBG)** - The Office of the Governor has issued an award for the purchase of 13 Level III Rifle Resistant shields. The shields will be utilized by school resource officers to most effectively protect their lives, as well as the lives of students and staff at assigned campuses throughout Victoria County.

**Sheriff's Special Purpose Fund** - Accounts for the use of drug related monies awarded to the Sheriff's Department via court proceedings.

**Sheriff's Donation Fund** - Accounts for funds received from various entities which have been donated for specific purposes for the Victoria County Sheriff.

**CDA Contraband Forfeiture Fund** - Accounts for the use of drug related monies awarded to the Criminal District Attorney via court proceedings post October 17, 1989.

**CDA DOJ Equitable Share Fund** - Accounts for funds received from the U.S. Department of Justice. The purpose of this program is for law enforcement to deter crime by depriving criminals of the profits and proceeds of their illegal activities and to weaken criminal enterprises by removing the instrumentalities of crime.

**Sheriff's Federal Forfeiture Fund** - Accounts for funds received from the U.S. Departments of Treasury and Justice. The purpose of this program is for law enforcement to deter crime by depriving criminals of the profits and proceeds of their illegal activities and to weaken criminal enterprises by removing the instrumentalities of crime.

**National School Lunch Program Fund** - Accounts for funds received from the U.S. Department of Agriculture. This grant will provide funding for the purchase of food for children and increase food security.

**VISD School Resource Officer Fund** - Accounts for funds received from Victoria Independent School District (VISD) to employ school resource officers that are housed and working on VISD campuses.

**Election Administrator's Special Fund** - Records the various fees received designated to be used by the County Election Administrator in coordinating various County elections.

## NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

### OTHER SPECIAL REVENUE FUNDS - (Continued)

**2020 Help America Vote Act (HAVA) Elections Security Fund** - The purpose of this award is to improve the administration of elections for Federal office, including to enhance election technology and make election security improvements to the systems, equipment and processes used in federal election. Funds will be used for the purchase of card scanners, printers and software which will increase the efficiency and security of the local voting process in the county.

**Elections Chapter 19 Fund** - Accounts for funds received from the Secretary of State to increase the number of registered voters in the state, maintain and report an accurate list of the number of registered voters, and/or increase the efficiency of the voter registration office through the use of technological equipment.

**Tax Assessor-Collector Special Fund** - Accounts for interest earnings on the Special Inventory Escrow Account. These funds are the sole property of the collector and are used to defray the cost of administration of the prepayment procedure established by Texas Property Tax Code Section 23.122.

**Historical Commission Fund** - Accounts for monies received through various promotional activities. These funds are expended for the purpose of preserving the historical heritage of the County of Victoria.

**Texas Historical Commission Certified Local Government Grant Fund** - The Certified Local Government Program provides funding to participating city and county governments to develop and sustain an effective local preservation program critical to preserving local historic resources.

**Child Welfare Board Fund** - Accounts for funds that are designated to provide various child protective services to residents of the County.

**Indigent Defense Coordinator Program (TIDC)** - The Texas Indigent Defense Commission has issued an award for indigent defense services. The pandemic related backlog, growing caseload, and increase in incarcerated defendants necessitates the addition of staffing for the Victoria County Pre-Trial Services. This grant will allow Victoria County to hire for additional support staff for the Pre-Trial Services. This award will fund personnel costs (salary and benefits), furniture and equipment, IT costs, Office Supplies and Training.

**Coastal Plains Regional Public Defender** - The Texas Indigent Defense Commission has issued an award for indigent defense services. This will provide indigent defense services to four counties, including Victoria, Jackson, Lavaca, and Refugio Counties. Participating counties will execute interlocal agreements with Victoria. This award will fund personnel costs (salary and benefits), furniture and equipment, IT costs, office supplies, contract services, and training.

**Law Library Fund** - Accounts for expenditures related to the establishment and maintenance of a professional library for members of the Texas Bar Association. Revenues are derived from fees assessed on civil cases filed in County and District Courts.

**Health Department Fund** - Accounts for revenues and expenditures associated with services provided to the public by the nursing division, special services division, and the environmental services division located at the Victoria City/County Health Department.

**Medicaid Administrative Claims Fund** - Accounts for funds received from the Texas Health and Human Services to reimburse agencies for proper and efficient administration of the Texas Medicaid State Plan. The program is to ensure more effective and timely access of individuals to health care, the most appropriate utilization of Medicaid covered services, and to promote activities and behaviors that reduce the risk of poor health outcomes for the state's most vulnerable populations.

**NONMAJOR SPECIAL REVENUE FUNDS - (Continued)**

**OTHER SPECIAL REVENUE FUNDS - (Continued)**

**Texas Home Visiting Grant Fund** - Accounts for funds received from the Texas Department of Family and Protective Services for providing a maternal, infant and early childhood home visiting program through the STARS Clinic.

**Hogg Foundation Grant Fund** - Accounts for funds received from Hogg Foundation for Mental Health. The grant award will provide funding for the Be Well Victoria program to support opportunities for resilience, mental health and overall well-being in our community.

**COVID-19 Health Disparities Grant Fund** - Accounts for funds received from the Department of State Health Services. The purpose of the COVID-19 Health Disparities Grant is to ensure community engagement in targeted communities disproportionately impacted by COVID-19 and the building of sustainable relationships in those targeted communities.

**CPS/Public Health Workforce Grant Fund** - The Department of State Health Services issued this grant to establish, expand, train and sustain public health workforce in support of Coronavirus 2019 (COVID-19) response and in alignment with the Public Health Crisis Response Cooperative Agreement for Emergency Response from the Centers for Disease Control. In addition, the purpose of the grant is to perform required activities intended to slow the transmission of the disease, minimize morbidity and mortality, preserve function of healthcare workforce and infrastructure, and minimize social and economic impacts.

**WIC Program Fund** - Accounts for funds received from the Texas Department of State Health Services for Victoria County's participation in the WIC Card Program. These funds are used to determine eligibility of applicants through assessment of their income, residence and nutritional status and provide nutrition education and counseling to eligible participants.

**Law Enforcement Officer Education (LEOSE) Fund** - Accounts for funds received from the State of Texas. These funds are used for continuing education of persons licensed under Government Code Chapter 415 or to provide necessary training to full-time law enforcement support personnel.

**COUNTY OF VICTORIA, TEXAS****NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET - STATUTORY BASIS**

December 31, 2023

	Road and Bridge	Other Special Revenue	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,330,186	\$ 7,507,322	\$ 11,837,508
Receivables (net)			
Ad valorem	4,615,691	-	4,615,691
Other	19,506	249,967	269,473
Due from other governments	-	1,788,652	1,788,652
Due from other funds	-	262,608	262,608
<b>Total assets</b>	<u>\$ 8,965,383</u>	<u>\$ 9,808,549</u>	<u>\$ 18,773,932</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 137,900	\$ 363,787	\$ 501,687
Accrued expenditures	113,696	305,168	418,864
Due to other governments	-	375,664	375,664
Due to other funds	8,539	1,781,969	1,790,508
Deposits	60,350	-	60,350
Unearned revenue	-	149,097	149,097
<b>Total liabilities</b>	<u>320,485</u>	<u>2,975,685</u>	<u>3,296,170</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue			
Property taxes	6,175,933	-	6,175,933
Other	-	545,646	545,646
<b>Total deferred inflows of resources</b>	<u>6,175,933</u>	<u>545,646</u>	<u>6,721,579</u>
<b>FUND BALANCES</b>			
Restricted	2,468,965	6,885,586	9,354,551
Unassigned	-	(598,368)	(598,368)
<b>Total fund balances</b>	<u>2,468,965</u>	<u>6,287,218</u>	<u>8,756,183</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 8,965,383</u>	<u>\$ 9,808,549</u>	<u>\$ 18,773,932</u>

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
STATUTORY BASIS**For the year ended December 31, 2023*

	Road and Bridge	Other Special Revenue	Total
<b>REVENUES</b>			
Taxes	\$ 5,130,169	\$ -	\$ 5,130,169
Fees of office and user fees	-	2,907,654	2,907,654
Intergovernmental	1,381,649	9,194,078	10,575,727
Fines and forfeitures	-	804,631	804,631
Investment income			
Interest	51,360	54,259	105,619
Contributions	-	431,767	431,767
Miscellaneous	132,039	392,224	524,263
<b>Total revenues</b>	<u>6,695,217</u>	<u>13,784,613</u>	<u>20,479,830</u>
<b>EXPENDITURES</b>			
Current			
General government	-	2,754,608	2,754,608
Public safety	-	2,939,507	2,939,507
Highways and streets	7,971,862	-	7,971,862
Public health	-	4,969,820	4,969,820
Capital outlay	-	2,264,273	2,264,273
<b>Total expenditures</b>	<u>7,971,862</u>	<u>12,928,208</u>	<u>20,900,070</u>
Excess (deficiency) of revenues over expenditures	<u>(1,276,645)</u>	<u>856,405</u>	<u>(420,240)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Subscription liability issued	-	62,692	62,692
Transfers in	1,504,994	1,216,273	2,721,267
Transfers out	(15,103)	(433,369)	(448,472)
<b>Total other financing sources (uses)</b>	<u>1,489,891</u>	<u>845,596</u>	<u>2,335,487</u>
Change in fund balance	213,246	1,702,001	1,915,247
Fund balance, January 1, as restated	<u>2,255,719</u>	<u>4,585,217</u>	<u>6,840,936</u>
<b>Fund balance, December 31</b>	<u>\$ 2,468,965</u>	<u>\$ 6,287,218</u>	<u>\$ 8,756,183</u>



**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

ROAD AND BRIDGE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2023

	Road and Bridge Funds				Total
	Pct. 1	Pct. 2	Pct. 3	Pct. 4	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 730,693	\$ 1,506,737	\$ 1,035,911	\$ 1,056,845	\$ 4,330,186
Receivables (net)					
Ad valorem	1,176,253	1,105,454	1,082,854	1,251,130	4,615,691
Other	5,017	4,282	4,580	5,627	19,506
<b>Total assets</b>	<u>\$ 1,911,963</u>	<u>\$ 2,616,473</u>	<u>\$ 2,123,345</u>	<u>\$ 2,313,602</u>	<u>\$ 8,965,383</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 40,381	\$ 16,869	\$ 70,376	\$ 10,274	\$ 137,900
Accrued expenditures	26,948	25,018	34,273	27,457	113,696
Due to other funds	2,193	1,897	2,505	1,944	8,539
Deposits	-	60,000	350	-	60,350
<b>Total liabilities</b>	<u>69,522</u>	<u>103,784</u>	<u>107,504</u>	<u>39,675</u>	<u>320,485</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue					
Property taxes	1,574,115	1,479,912	1,449,511	1,672,395	6,175,933
<b>Total deferred inflows of resources</b>	<u>1,574,115</u>	<u>1,479,912</u>	<u>1,449,511</u>	<u>1,672,395</u>	<u>6,175,933</u>
<b>FUND BALANCE</b>					
Restricted	268,326	1,032,777	566,330	601,532	2,468,965
<b>Total liabilities, deferred inflows and fund balance</b>	<u>\$ 1,911,963</u>	<u>\$ 2,616,473</u>	<u>\$ 2,123,345</u>	<u>\$ 2,313,602</u>	<u>\$ 8,965,383</u>

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**ROAD AND BRIDGE FUNDS**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - STATUTORY BASIS**For the year ended December 31, 2023*

	Road and Bridge Funds				Total
	Pct. 1	Pct. 2	Pct. 3	Pct. 4	
<b>REVENUES</b>					
Taxes	\$ 1,308,183	\$ 1,231,236	\$ 1,205,614	\$ 1,385,136	\$ 5,130,169
Intergovernmental	349,799	336,638	332,251	362,961	1,381,649
Investment income					
Interest	8,862	18,699	13,009	10,790	51,360
Miscellaneous	34,552	-	38,749	58,738	132,039
<b>Total revenues</b>	<u>1,701,396</u>	<u>1,586,573</u>	<u>1,589,623</u>	<u>1,817,625</u>	<u>6,695,217</u>
<b>EXPENDITURES</b>					
Current					
Highways and streets	3,167,485	1,482,033	1,805,546	1,516,798	7,971,862
Excess (deficiency) of revenues over expenditures	<u>(1,466,089)</u>	<u>104,540</u>	<u>(215,923)</u>	<u>300,827</u>	<u>(1,276,645)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,210,843	35,396	90,577	168,178	1,504,994
Transfers out	<u>(2,682)</u>	<u>-</u>	<u>(9,739)</u>	<u>(2,682)</u>	<u>(15,103)</u>
<b>Total other financing sources (uses)</b>	<u>1,208,161</u>	<u>35,396</u>	<u>80,838</u>	<u>165,496</u>	<u>1,489,891</u>
Change in fund balance	(257,928)	139,936	(135,085)	466,323	213,246
Fund balance, January 1	<u>526,254</u>	<u>892,841</u>	<u>701,415</u>	<u>135,209</u>	<u>2,255,719</u>
<b>Fund balance, December 31</b>	<u>\$ 268,326</u>	<u>\$ 1,032,777</u>	<u>\$ 566,330</u>	<u>\$ 601,532</u>	<u>\$ 2,468,965</u>

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2023

	Emergency Mgmt.	LEPC Fund	Justice of the Peace Special	Court Initiated Guardianship	County Jury
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 15,757	\$ 667	\$ 9,658	\$ 3,805
Receivables (net)					
Other	-	-	-	270	655
Due from other governments	241,356	-	-	-	-
Due from other funds	37,576	-	-	-	-
<b>Total assets</b>	<u>\$ 278,932</u>	<u>\$ 15,757</u>	<u>\$ 667</u>	<u>\$ 9,928</u>	<u>\$ 4,460</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 350	\$ -	\$ 667	\$ -	\$ -
Accrued expenditures	14,985	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	321,805	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>337,140</u>	<u>-</u>	<u>667</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	37,576	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>37,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	-	15,757	-	9,928	4,460
Unassigned	(95,784)	-	-	-	-
<b>Total fund balances</b>	<u>(95,784)</u>	<u>15,757</u>	<u>-</u>	<u>9,928</u>	<u>4,460</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 278,932</u>	<u>\$ 15,757</u>	<u>\$ 667</u>	<u>\$ 9,928</u>	<u>\$ 4,460</u>

<u>Records Mgmt.</u>	<u>Courthouse Security</u>	<u>Justice Court Building Security</u>	<u>District Clerk Records Mgmt.</u>	<u>County Clerk of the Court</u>	<u>District Clerk of the Court</u>	<u>Court Reporter Service</u>	<u>Court Facility Fee</u>
\$ 606,835	\$ 139,226	\$ 30,414	\$ 49,626	\$ 89,892	\$ 73,705	\$ 42,066	\$ 56,877
952	1,620	21	1,593	998	2,621	1,630	1,338
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 607,787</u>	<u>\$ 140,846</u>	<u>\$ 30,435</u>	<u>\$ 51,219</u>	<u>\$ 90,890</u>	<u>\$ 76,326</u>	<u>\$ 43,696</u>	<u>\$ 58,215</u>
\$ 8	\$ -	\$ -	\$ 4	\$ 2	\$ 6	\$ -	\$ -
1,568	-	-	579	413	1,367	-	-
-	-	-	-	-	-	-	-
3	-	-	1	1	3	-	-
-	-	-	-	-	-	-	-
<u>1,579</u>	<u>-</u>	<u>-</u>	<u>584</u>	<u>416</u>	<u>1,376</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
606,208	140,846	30,435	50,635	90,474	74,950	43,696	58,215
-	-	-	-	-	-	-	-
<u>606,208</u>	<u>140,846</u>	<u>30,435</u>	<u>50,635</u>	<u>90,474</u>	<u>74,950</u>	<u>43,696</u>	<u>58,215</u>
\$ <u>607,787</u>	\$ <u>140,846</u>	\$ <u>30,435</u>	\$ <u>51,219</u>	\$ <u>90,890</u>	\$ <u>76,326</u>	\$ <u>43,696</u>	\$ <u>58,215</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2023

	CDBG DR Local Buyout	Language Access	Patriot Park Donations	Opioid Settlement	Sheriff Special
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 19,860	\$ 3,002	\$ 163,517	\$ 43,083
Receivables (net)					
Other	-	253	-	-	-
Due from other governments	1,875	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<u>\$ 1,875</u>	<u>\$ 20,113</u>	<u>\$ 3,002</u>	<u>\$ 163,517</u>	<u>\$ 43,083</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,875	\$ -	\$ -	\$ -	\$ 42,949
Accrued expenditures	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	134
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>1,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,083</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	-	20,113	3,002	163,517	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>20,113</u>	<u>3,002</u>	<u>163,517</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 1,875</u>	<u>\$ 20,113</u>	<u>\$ 3,002</u>	<u>\$ 163,517</u>	<u>\$ 43,083</u>

FEMA Public Assistance COVID-19	Gulf of Mexico Energy Security Act	Hazard Mitigation Grant Program	TxDOT McCoy Rd Reconstr.	CTIF Grant	Capital Credits	Juvenile Probation	Drug Courts Program
\$ 679,667	\$ 743,648	\$ -	\$ 332,519	\$ -	\$ 152,569	\$ 389,788	\$ 411
-	-	-	-	-	-	-	-
-	-	294,729	-	58,283	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 679,667</u>	<u>\$ 743,648</u>	<u>\$ 294,729</u>	<u>\$ 332,519</u>	<u>\$ 58,283</u>	<u>\$ 152,569</u>	<u>\$ 389,788</u>	<u>\$ 411</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 37,966	\$ -
-	-	-	-	-	-	55,949	-
-	-	-	249,389	-	-	-	-
-	-	294,729	-	58,283	-	310	-
-	-	-	-	-	-	-	-
-	-	294,729	249,389	58,283	1,000	94,225	-
-	-	294,729	-	-	-	-	-
-	-	294,729	-	-	-	-	-
679,667	743,648	-	83,130	-	151,569	295,563	411
-	-	(294,729)	-	-	-	-	-
<u>679,667</u>	<u>743,648</u>	<u>(294,729)</u>	<u>83,130</u>	<u>-</u>	<u>151,569</u>	<u>295,563</u>	<u>411</u>
<u>\$ 679,667</u>	<u>\$ 743,648</u>	<u>\$ 294,729</u>	<u>\$ 332,519</u>	<u>\$ 58,283</u>	<u>\$ 152,569</u>	<u>\$ 389,788</u>	<u>\$ 411</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2023

	County Specialty Court	Local Truancy Preventions	Justice Technology	Family Protection Fee	County/ District Technology
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,198	\$ 39,800	\$ 5,223	\$ 172	\$ 12,724
Receivables (net)					
Other	121	82	66	44	45
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<u>\$ 4,319</u>	<u>\$ 39,882</u>	<u>\$ 5,289</u>	<u>\$ 216</u>	<u>\$ 12,769</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,528	\$ -	\$ -	\$ -	\$ -
Accrued expenditures	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>3,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	791	39,882	5,289	216	12,769
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>791</u>	<u>39,882</u>	<u>5,289</u>	<u>216</u>	<u>12,769</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 4,319</u>	<u>\$ 39,882</u>	<u>\$ 5,289</u>	<u>\$ 216</u>	<u>\$ 12,769</u>

Child Abuse Prevention	Rural Salary Assistance Program	CDA Processing Fee	CDA Bond Forfeiture Commissions	CDA State Judiciary	Pre-Trial Intervention	CARE Court	CDA Victims Assistance Grant
\$ 291	\$ -	\$ 8,874	\$ 38,410	\$ 1,300	\$ 68,047	\$ 3,777	\$ -
-	-	-	-	-	-	-	-
-	21,617	-	-	1,038	-	-	12,037
-	-	-	-	-	-	-	-
<u>\$ 291</u>	<u>\$ 21,617</u>	<u>\$ 8,874</u>	<u>\$ 38,410</u>	<u>\$ 2,338</u>	<u>\$ 68,047</u>	<u>\$ 3,777</u>	<u>\$ 12,037</u>
\$ -	\$ -	\$ 216	\$ -	\$ 843	\$ 3	\$ -	\$ 11
-	21,617	-	-	-	912	-	2,604
-	-	-	-	-	-	-	-
-	-	-	-	-	2	-	12,707
-	-	-	-	-	-	-	-
-	21,617	216	-	843	917	-	15,322
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
291	-	8,658	38,410	1,495	67,130	3,777	-
-	-	-	-	-	-	-	(3,285)
<u>291</u>	<u>-</u>	<u>8,658</u>	<u>38,410</u>	<u>1,495</u>	<u>67,130</u>	<u>3,777</u>	<u>(3,285)</u>
<u>\$ 291</u>	<u>\$ 21,617</u>	<u>\$ 8,874</u>	<u>\$ 38,410</u>	<u>\$ 2,338</u>	<u>\$ 68,047</u>	<u>\$ 3,777</u>	<u>\$ 12,037</u>

(continued)



**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2023

	Sheriff Victims Assistance Grant	Texas Vine Grant	Operation Stonegarden Grant	GCRPC 9-1-1 Allocation	High Intensity Drug Trafficking Area Grant
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 17,613	\$ -
Receivables (net)					
Other	-	-	-	-	-
Due from other governments	10,493	6,010	123,423	-	13,803
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 10,493</b>	<b>\$ 6,010</b>	<b>\$ 123,423</b>	<b>\$ 17,613</b>	<b>\$ 13,803</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 10	\$ 1,502	\$ -	\$ -	\$ 4,050
Accrued expenditures	2,205	-	17,313	-	2,198
Due to other governments	-	-	-	-	-
Due to other funds	11,348	4,508	91,418	-	13,803
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>13,563</b>	<b>6,010</b>	<b>108,731</b>	<b>-</b>	<b>20,051</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	23,404	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>23,404</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted	-	-	-	17,613	-
Unassigned	(3,070)	-	(8,712)	-	(6,248)
<b>Total fund balances</b>	<b>(3,070)</b>	<b>-</b>	<b>(8,712)</b>	<b>17,613</b>	<b>(6,248)</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 10,493</b>	<b>\$ 6,010</b>	<b>\$ 123,423</b>	<b>\$ 17,613</b>	<b>\$ 13,803</b>

TxCDBG WCID #2 Placedo	TxCDBG Hurricane Harvey DRP	State Fees	PESC Mental Health	Mental Health Peace Officer	BISD School Resource Officer	Bullet Resistant Shield Grant	Sheriff's Special Purpose
\$ -	\$ -	\$ 117,894	\$ -	\$ -	\$ -	\$ -	\$ 958,078
-	-	8,381	-	-	-	-	56,297
3,025	182,438	-	2,490	68,822	10,001	119	-
-	-	-	-	-	-	-	-
<u>\$ 3,025</u>	<u>\$ 182,438</u>	<u>\$ 126,275</u>	<u>\$ 2,490</u>	<u>\$ 68,822</u>	<u>\$ 10,001</u>	<u>\$ 119</u>	<u>\$ 1,014,375</u>
\$ -	\$ 182,438	\$ -	\$ -	\$ 215	\$ 26	\$ 119	\$ 140
-	-	-	598	13,342	3,249	-	596
-	-	126,275	-	-	-	-	-
3,025	-	-	1,892	55,265	6,726	-	21
-	-	-	-	-	-	-	-
<u>3,025</u>	<u>182,438</u>	<u>126,275</u>	<u>2,490</u>	<u>68,822</u>	<u>10,001</u>	<u>119</u>	<u>757</u>
-	182,438	-	-	-	-	-	-
-	182,438	-	-	-	-	-	-
-	-	-	-	-	-	-	1,013,618
-	(182,438)	-	-	-	-	-	-
-	(182,438)	-	-	-	-	-	1,013,618
<u>\$ 3,025</u>	<u>\$ 182,438</u>	<u>\$ 126,275</u>	<u>\$ 2,490</u>	<u>\$ 68,822</u>	<u>\$ 10,001</u>	<u>\$ 119</u>	<u>\$ 1,014,375</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2023

	Sheriff's Donation	CDA Contraband Forfeiture	CDA DOJ Equitable Share	Sheriff's Federal Forfeiture	National School Lunch Program
<b>ASSETS</b>					
Cash and cash equivalents	\$ 916	\$ 1,048,798	\$ 1,122	\$ 731,680	\$ -
Receivables (net)					
Other	-	28,447	-	-	-
Due from other governments	-	-	-	-	20,454
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<u>\$ 916</u>	<u>\$ 1,077,245</u>	<u>\$ 1,122</u>	<u>\$ 731,680</u>	<u>\$ 20,454</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 1,984	\$ -	\$ 5,656	\$ 7,988
Accrued expenditures	-	1,563	-	-	3,720
Due to other governments	-	-	-	-	-
Due to other funds	-	4	-	-	8,746
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>3,551</u>	<u>-</u>	<u>5,656</u>	<u>20,454</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	916	1,073,694	1,122	726,024	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>916</u>	<u>1,073,694</u>	<u>1,122</u>	<u>726,024</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 916</u>	<u>\$ 1,077,245</u>	<u>\$ 1,122</u>	<u>\$ 731,680</u>	<u>\$ 20,454</u>

VISD School Resource Officer	Election Admin. Special	Elections Chapter 19	Tax Assessor- Collector Special	Historical Commission	Child Welfare Board	Indigent Defense Coordinator Program
\$ -	\$ 70,684	\$ -	\$ 37,684	\$ 3,692	\$ 28,077	\$ -
-	1,087	-	-	-	-	-
95,484	-	1,308	-	-	-	6,941
-	-	-	-	-	-	2,455
<u>\$ 95,484</u>	<u>\$ 71,771</u>	<u>\$ 1,308</u>	<u>\$ 37,684</u>	<u>\$ 3,692</u>	<u>\$ 28,077</u>	<u>\$ 9,396</u>
\$ -	\$ 7,326	\$ 1,308	\$ -	\$ 75	\$ -	\$ 7
31,749	725	-	-	-	-	1,918
-	-	-	-	-	-	-
63,735	6	-	-	-	-	11,573
-	-	-	-	-	-	-
<u>95,484</u>	<u>8,057</u>	<u>1,308</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>13,498</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	63,714	-	37,684	3,617	28,077	-
-	-	-	-	-	-	(4,102)
-	63,714	-	37,684	3,617	28,077	(4,102)
<u>\$ 95,484</u>	<u>\$ 71,771</u>	<u>\$ 1,308</u>	<u>\$ 37,684</u>	<u>\$ 3,692</u>	<u>\$ 28,077</u>	<u>\$ 9,396</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

*NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS*

*OTHER SPECIAL REVENUE FUNDS*

*COMBINING BALANCE SHEET - STATUTORY BASIS*

*December 31, 2023*

	Coastal Plains Regional Public Defender	Law Library	Health Department	Medicaid Administrative Claims
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 22,235	\$ 374,691	\$ 52,005
Receivables (net)				
Other	-	2,241	124,433	16,772
Due from other governments	3,069	-	198,762	-
Due from other funds	-	-	222,577	-
<b>Total assets</b>	<b>\$ 3,069</b>	<b>\$ 24,476</b>	<b>\$ 920,463</b>	<b>\$ 68,777</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,069	\$ 4,074	\$ 31,031	\$ 3,593
Accrued expenditures	-	-	72,208	650
Due to other governments	-	-	-	-
Due to other funds	-	-	479,052	-
Unearned revenue	-	-	149,097	-
<b>Total liabilities</b>	<b>3,069</b>	<b>4,074</b>	<b>731,388</b>	<b>4,243</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	7,499
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,499</b>
<b>FUND BALANCES</b>				
Restricted	-	20,402	189,075	57,035
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>20,402</b>	<b>189,075</b>	<b>57,035</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 3,069</b>	<b>\$ 24,476</b>	<b>\$ 920,463</b>	<b>\$ 68,777</b>

Texas Home Visiting Grant	Hogg Foundation Grant	COVID-19 Health Disparities Grant	CPS/Public Health Workforce Grant	WIC Program	LEOSE	Total
\$ -	\$ 161,905	\$ -	\$ -	\$ -	\$ 50,840	\$ 7,507,322
-	-	-	-	-	-	249,967
175,778	-	20,145	55,787	159,365	-	1,788,652
-	-	-	-	-	-	262,608
<u>\$ 175,778</u>	<u>\$ 161,905</u>	<u>\$ 20,145</u>	<u>\$ 55,787</u>	<u>\$ 159,365</u>	<u>\$ 50,840</u>	<u>\$ 9,808,549</u>
\$ 10,484	\$ 1,184	\$ 131	\$ 215	\$ 7,734	\$ -	\$ 363,787
15,019	3,478	1,453	10,713	22,477	-	305,168
-	-	-	-	-	-	375,664
150,275	20	18,561	44,859	129,154	-	1,781,969
-	-	-	-	-	-	149,097
<u>175,778</u>	<u>4,682</u>	<u>20,145</u>	<u>55,787</u>	<u>159,365</u>	<u>-</u>	<u>2,975,685</u>
-	-	-	-	-	-	545,646
-	-	-	-	-	-	545,646
-	157,223	-	-	-	50,840	6,885,586
-	-	-	-	-	-	(598,368)
-	157,223	-	-	-	50,840	6,287,218
<u>\$ 175,778</u>	<u>\$ 161,905</u>	<u>\$ 20,145</u>	<u>\$ 55,787</u>	<u>\$ 159,365</u>	<u>\$ 50,840</u>	<u>\$ 9,808,549</u>

(concluded)

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
STATUTORY BASIS

For the year ended December 31, 2023

	Emergency Mgmt.	LEPC Fund	Court Initiated Guardianship	County Jury	Records Mgmt.
<b>REVENUES</b>					
Fees of office and user fees	\$ -	\$ -	\$ 9,210	\$ 16,456	\$ 212,279
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	-	3,849
Contributions	203,778	2,500	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>203,778</u>	<u>2,500</u>	<u>9,210</u>	<u>16,456</u>	<u>216,128</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	5,489	19,000	278,401
Public safety	422,234	2,012	-	-	-
Public health	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>422,234</u>	<u>2,012</u>	<u>5,489</u>	<u>19,000</u>	<u>278,401</u>
Excess (deficiency) of revenues over expenditures	<u>(218,456)</u>	<u>488</u>	<u>3,721</u>	<u>(2,544)</u>	<u>(62,273)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Subscription liability issued	-	-	-	-	-
Transfers in	180,880	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>180,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(37,576)	488	3,721	(2,544)	(62,273)
Fund balance, January 1, as restated	<u>(58,208)</u>	<u>15,269</u>	<u>6,207</u>	<u>7,004</u>	<u>668,481</u>
<b>Fund balance, December 31</b>	<u>\$ (95,784)</u>	<u>\$ 15,757</u>	<u>\$ 9,928</u>	<u>\$ 4,460</u>	<u>\$ 606,208</u>

Courthouse Security	Justice Court Building Security	District Clerk Records Mgmt.	County Clerk of the Court	District Clerk of the Court	Court Reporter Service	Court Facility Fee	CDBG DR Local Buyout
\$ 56,883	\$ 2,626	\$ 36,525	\$ 42,829	\$ 58,213	\$ 39,931	\$ 31,571	\$ -
-	-	-	-	-	-	-	7,380
-	-	-	-	-	-	-	-
1,811	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>58,694</u>	<u>2,626</u>	<u>36,525</u>	<u>42,829</u>	<u>58,213</u>	<u>39,931</u>	<u>31,571</u>	<u>7,380</u>
18,049	-	16,392	13,477	34,343	-	-	2,750
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>41,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>59,749</u>	<u>-</u>	<u>16,392</u>	<u>13,477</u>	<u>34,343</u>	<u>-</u>	<u>-</u>	<u>2,750</u>
<u>(1,055)</u>	<u>2,626</u>	<u>20,133</u>	<u>29,352</u>	<u>23,870</u>	<u>39,931</u>	<u>31,571</u>	<u>4,630</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(30,000)	-	-
-	-	-	-	-	(30,000)	-	-
<u>(1,055)</u>	<u>2,626</u>	<u>20,133</u>	<u>29,352</u>	<u>23,870</u>	<u>9,931</u>	<u>31,571</u>	<u>4,630</u>
<u>141,901</u>	<u>27,809</u>	<u>30,502</u>	<u>61,122</u>	<u>51,080</u>	<u>33,765</u>	<u>26,644</u>	<u>(4,630)</u>
<u>\$ 140,846</u>	<u>\$ 30,435</u>	<u>\$ 50,635</u>	<u>\$ 90,474</u>	<u>\$ 74,950</u>	<u>\$ 43,696</u>	<u>\$ 58,215</u>	<u>\$ -</u>

(continued)



**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
STATUTORY BASIS

For the year ended December 31, 2023

	Language Access	Patriot Park Donations	Opioid Settlement	FEMA Public Assistance COVID-19	Gulf of Mexico Energy Security Act
<b>REVENUES</b>					
Fees of office and user fees	\$ 11,252	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	163,517	-	511,509
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>11,252</u>	<u>-</u>	<u>163,517</u>	<u>-</u>	<u>511,509</u>
<b>EXPENDITURES</b>					
Current					
General government	1,369	-	-	-	-
Public safety	-	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>1,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>9,883</u>	<u>-</u>	<u>163,517</u>	<u>-</u>	<u>511,509</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Subscription liability issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(57,000)	(127,877)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,000)</u>	<u>(127,877)</u>
Change in fund balance	9,883	-	163,517	(57,000)	383,632
Fund balance, January 1, as restated	<u>10,230</u>	<u>3,002</u>	<u>-</u>	<u>736,667</u>	<u>360,016</u>
<b>Fund balance, December 31</b>	<u>\$ 20,113</u>	<u>\$ 3,002</u>	<u>\$ 163,517</u>	<u>\$ 679,667</u>	<u>\$ 743,648</u>

Hazard Mitigation Grant Program	Hurricane Harvey	TxDOT McCoy Rd Reconstr.	CTIF Grant	Capital Credits	Juvenile Probation	Drug Courts Program	County Specialty Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 537	\$ 302	\$ 10,000
-	45,254	-	190,297	62,458	1,732,079	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,791	4	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	45,254	-	190,297	62,458	1,734,407	306	10,000
-	5,035	59,213	-	1,000	1,824,117	-	12,516
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
143,688	-	-	-	-	-	-	-
143,688	5,035	59,213	-	1,000	1,824,117	-	12,516
(143,688)	40,219	(59,213)	190,297	61,458	(89,710)	306	(2,516)
-	-	-	-	-	-	-	-
-	5,000	-	-	-	385,273	-	-
-	(259)	-	(190,297)	-	-	-	-
-	4,741	-	(190,297)	-	385,273	-	-
(143,688)	44,960	(59,213)	-	61,458	295,563	306	(2,516)
(151,041)	(44,960)	142,343	-	90,111	-	105	3,307
\$ (294,729)	\$ -	\$ 83,130	\$ -	\$ 151,569	\$ 295,563	\$ 411	\$ 791

(continued)

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
STATUTORY BASIS

For the year ended December 31, 2023

	Local Truancy Preventions	Justice Technology	Family Protection Fee	County/ District Technology	Child Abuse Prevention
<b>REVENUES</b>					
Fees of office and user fees	\$ 10,023	\$ 8,656	\$ 2,180	\$ 2,836	\$ 115
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>10,023</u>	<u>8,656</u>	<u>2,180</u>	<u>2,836</u>	<u>115</u>
<b>EXPENDITURES</b>					
Current					
General government	-	14,386	2,050	10,500	-
Public safety	-	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>14,386</u>	<u>2,050</u>	<u>10,500</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>10,023</u>	<u>(5,730)</u>	<u>130</u>	<u>(7,664)</u>	<u>115</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Subscription liability issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	10,023	(5,730)	130	(7,664)	115
Fund balance, January 1, as restated	<u>29,859</u>	<u>11,019</u>	<u>86</u>	<u>20,433</u>	<u>176</u>
<b>Fund balance, December 31</b>	<u>\$ 39,882</u>	<u>\$ 5,289</u>	<u>\$ 216</u>	<u>\$ 12,769</u>	<u>\$ 291</u>

Rural Salary Assistance Program	CDA Processing Fee	CDA Bond Forfeiture Commissions	CDA State Judiciary	Pre-Trial Intervention	CARE Court	CDA Victims Assistance Grant	Sheriff Victims Assistance Grant
\$ -	\$ 2,562	\$ 2,607	\$ -	\$ 21,810	\$ 1,500	\$ -	\$ -
21,618	-	-	23,538	-	-	50,547	45,959
-	-	-	-	-	-	-	-
-	117	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>21,618</u>	<u>2,679</u>	<u>2,607</u>	<u>23,538</u>	<u>21,810</u>	<u>1,500</u>	<u>50,547</u>	<u>45,959</u>
6,437	-	-	23,538	24,045	-	71,496	-
15,181	-	-	-	-	-	-	59,381
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>21,618</u>	<u>-</u>	<u>-</u>	<u>23,538</u>	<u>24,045</u>	<u>-</u>	<u>71,496</u>	<u>59,381</u>
-	2,679	2,607	-	(2,235)	1,500	(20,949)	(13,422)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	26,461	14,254
-	-	-	-	-	-	-	-
-	-	-	-	-	-	26,461	14,254
-	2,679	2,607	-	(2,235)	1,500	5,512	832
-	5,979	35,803	1,495	69,365	2,277	(8,797)	(3,902)
<u>\$ -</u>	<u>\$ 8,658</u>	<u>\$ 38,410</u>	<u>\$ 1,495</u>	<u>\$ 67,130</u>	<u>\$ 3,777</u>	<u>\$ (3,285)</u>	<u>\$ (3,070)</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
STATUTORY BASIS

For the year ended December 31, 2023

	SCAAP Program	Texas Vine Grant	Operation Lone Star	Operation Stonegarden Grant	GCRPC 9-1-1 Allocation
<b>REVENUES</b>					
Fees of office and user fees	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	19,139	1,346,880	359,856	-
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	-	212
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	1,140	-
<b>Total revenues</b>	<u>-</u>	<u>19,139</u>	<u>1,346,880</u>	<u>360,996</u>	<u>212</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public safety	2,815	17,680	381,061	384,400	-
Public health	-	-	-	-	-
Capital outlay	-	-	870,819	-	-
<b>Total expenditures</b>	<u>2,815</u>	<u>17,680</u>	<u>1,251,880</u>	<u>384,400</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,815)</u>	<u>1,459</u>	<u>95,000</u>	<u>(23,404)</u>	<u>212</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Subscription liability issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(2,815)	1,459	95,000	(23,404)	212
Fund balance, January 1, as restated	<u>2,815</u>	<u>(1,459)</u>	<u>(95,000)</u>	<u>14,692</u>	<u>17,401</u>
<b>Fund balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,712)</u>	<u>\$ 17,613</u>

Byrne JAG Program	High Intensity Drug Trafficking Area Grant	Body Worn Camera	Feral Hog Grant	TxCDBG WCID #2 Placedo	TxCDBG Hurricane Harvey DRP	PESC Mental Health	Mental Health Peace Officer
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,235	145,085	74,992	-	3,025	1,100,840	17,648	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	8,250	-	-	-	380,318
<u>25,235</u>	<u>145,085</u>	<u>74,992</u>	<u>8,250</u>	<u>3,025</u>	<u>1,100,840</u>	<u>17,648</u>	<u>380,318</u>
-	-	-	-	-	-	-	-
25,235	139,833	22,754	-	-	-	-	380,318
-	-	-	345	-	-	17,648	-
-	-	-	-	-	1,118,555	-	-
<u>25,235</u>	<u>139,833</u>	<u>22,754</u>	<u>345</u>	<u>-</u>	<u>1,118,555</u>	<u>17,648</u>	<u>380,318</u>
-	5,252	52,238	7,905	3,025	(17,715)	-	-
-	-	-	-	-	-	-	-
-	-	18,554	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	18,554	-	-	-	-	-
-	5,252	70,792	7,905	3,025	(17,715)	-	-
-	(11,500)	(70,792)	(7,905)	(3,025)	(164,723)	-	-
<u>\$ -</u>	<u>\$ (6,248)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (182,438)</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - STATUTORY BASIS

For the year ended December 31, 2023

	BISD School Resource Officer	Bullet Resistant Shield Grant	Sheriff's Special Purpose	Sheriff's Donation	CDA Contraband Forfeiture
<b>REVENUES</b>					
Fees of office and user fees	\$ 83,032	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	89,630	-	-	-
Fines and forfeitures	-	-	231,630	-	234,617
Investment income					
Interest	-	-	11,186	316	12,288
Contributions	-	-	-	77,100	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>83,032</u>	<u>89,630</u>	<u>242,816</u>	<u>77,416</u>	<u>246,905</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	108,667
Public safety	83,032	119	53,035	67,500	-
Public health	-	-	-	-	-
Capital outlay	-	89,511	-	-	-
<b>Total expenditures</b>	<u>83,032</u>	<u>89,630</u>	<u>53,035</u>	<u>67,500</u>	<u>108,667</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>189,781</u>	<u>9,916</u>	<u>138,238</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Subscription liability issued	-	-	-	-	-
Transfers in	-	-	9,000	-	-
Transfers out	-	-	-	(9,000)	(1,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>(9,000)</u>	<u>(1,000)</u>
Change in fund balance	-	-	198,781	916	137,238
Fund balance, January 1, as restated	<u>-</u>	<u>-</u>	<u>814,837</u>	<u>-</u>	<u>936,456</u>
<b>Fund balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,013,618</u>	<u>\$ 916</u>	<u>\$ 1,073,694</u>

<u>CDA DOJ Equitable Share</u>	<u>Sheriff's Federal Forfeiture</u>	<u>National School Lunch Program</u>	<u>VISD School Resource Officer</u>	<u>Election Admin. Special</u>	<u>HAVA Elections Security</u>	<u>Elections Chapter 19</u>	<u>Tax Assessor- Collector Special</u>
\$ -	\$ -	\$ -	\$ 793,163	\$ 95,233	\$ -	\$ 9,101	\$ -
-	-	129,736	-	-	-	-	-
-	338,384	-	-	-	-	-	-
13	8,746	-	-	586	-	-	9,743
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,288
<u>13</u>	<u>347,130</u>	<u>129,736</u>	<u>793,163</u>	<u>95,819</u>	<u>-</u>	<u>9,101</u>	<u>12,031</u>
-	-	-	-	78,035	70	9,101	2,065
-	67,212	-	793,163	-	-	-	-
-	-	203,658	-	-	-	-	-
-	-	-	-	-	-	-	-
-	<u>67,212</u>	<u>203,658</u>	<u>793,163</u>	<u>78,035</u>	<u>70</u>	<u>9,101</u>	<u>2,065</u>
<u>13</u>	<u>279,918</u>	<u>(73,922)</u>	<u>-</u>	<u>17,784</u>	<u>(70)</u>	<u>-</u>	<u>9,966</u>
-	-	-	-	-	-	-	-
-	-	73,922	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	<u>73,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13	279,918	-	-	17,784	(70)	-	9,966
<u>1,109</u>	<u>446,106</u>	<u>-</u>	<u>-</u>	<u>45,930</u>	<u>70</u>	<u>-</u>	<u>27,718</u>
<u>\$ 1,122</u>	<u>\$ 726,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,684</u>

(continued)



**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

STATUTORY BASIS

For the year ended December 31, 2023

	Historical Commission	Historical Commission CLG Grant	Child Welfare Board	Indigent Defense Coordinator Program	Coastal Plains Regional Public Defender
<b>REVENUES</b>					
Fees of office and user fees	\$ -	\$ -	\$ 396	\$ -	\$ -
Intergovernmental	-	11,564	-	33,815	3,069
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	39	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	100	-	-	-	-
<b>Total revenues</b>	<u>139</u>	<u>11,564</u>	<u>396</u>	<u>33,815</u>	<u>3,069</u>
<b>EXPENDITURES</b>					
Current					
General government	1,681	13,980	6,035	42,989	3,069
Public safety	-	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>1,681</u>	<u>13,980</u>	<u>6,035</u>	<u>42,989</u>	<u>3,069</u>
Excess (deficiency) of revenues over expenditures	<u>(1,542)</u>	<u>(2,416)</u>	<u>(5,639)</u>	<u>(9,174)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Subscription liability issued	-	-	-	-	-
Transfers in	936	-	11,028	9,174	-
Transfers out	-	(936)	-	-	-
<b>Total other financing sources (uses)</b>	<u>936</u>	<u>(936)</u>	<u>11,028</u>	<u>9,174</u>	<u>-</u>
Change in fund balance	(606)	(3,352)	5,389	-	-
Fund balance, January 1, as restated	<u>4,223</u>	<u>3,352</u>	<u>22,688</u>	<u>(4,102)</u>	<u>-</u>
<b>Fund balance, December 31</b>	<u>\$ 3,617</u>	<u>\$ -</u>	<u>\$ 28,077</u>	<u>\$ (4,102)</u>	<u>\$ -</u>

Law Library	Health Department	Medicaid Administrative Claims	Texas Home Visiting Grant	Hogg Foundation Grant	COVID-19 Health Disparities Grant	CPS/Public Health Workforce Grant
\$ 56,880	\$ 1,288,946	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,254,596	34,264	664,565	-	39,209	292,244
-	-	-	-	-	-	-
-	3,558	-	-	-	-	-
-	-	-	-	148,389	-	-
-	128	-	-	-	-	-
<u>56,880</u>	<u>2,547,228</u>	<u>34,264</u>	<u>664,565</u>	<u>148,389</u>	<u>39,209</u>	<u>292,244</u>
45,313	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,902,636	36,296	664,565	140,974	39,209	292,244
-	-	-	-	-	-	-
<u>45,313</u>	<u>2,902,636</u>	<u>36,296</u>	<u>664,565</u>	<u>140,974</u>	<u>39,209</u>	<u>292,244</u>
<u>11,567</u>	<u>(355,408)</u>	<u>(2,032)</u>	<u>-</u>	<u>7,415</u>	<u>-</u>	<u>-</u>
-	62,692	-	-	-	-	-
-	481,791	-	-	-	-	-
<u>(17,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(17,000)</u>	<u>544,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(5,433)</u>	<u>189,075</u>	<u>(2,032)</u>	<u>-</u>	<u>7,415</u>	<u>-</u>	<u>-</u>
<u>25,835</u>	<u>-</u>	<u>59,067</u>	<u>-</u>	<u>149,808</u>	<u>-</u>	<u>-</u>
<u>\$ 20,402</u>	<u>\$ 189,075</u>	<u>\$ 57,035</u>	<u>\$ -</u>	<u>\$ 157,223</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

STATUTORY BASIS

For the year ended December 31, 2023

	WIC Program	LEOSE	Total
<b>REVENUES</b>			
Fees of office and user fees	\$ -	\$ -	\$ 2,907,654
Intergovernmental	672,245	22,285	9,194,078
Fines and forfeitures	-	-	804,631
Investment income			
Interest	-	-	54,259
Contributions	-	-	431,767
Miscellaneous	-	-	392,224
<b>Total revenues</b>	<u>672,245</u>	<u>22,285</u>	<u>13,784,613</u>
<b>EXPENDITURES</b>			
Current			
General government	-	-	2,754,608
Public safety	-	22,542	2,939,507
Public health	672,245	-	4,969,820
Capital outlay	-	-	2,264,273
<b>Total expenditures</b>	<u>672,245</u>	<u>22,542</u>	<u>12,928,208</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(257)</u>	<u>856,405</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Subscription liability issued	-	-	62,692
Transfers in	-	-	1,216,273
Transfers out	-	-	(433,369)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>845,596</u>
Change in fund balance	-	(257)	1,702,001
Fund balance, January 1, as restated	<u>-</u>	<u>51,097</u>	<u>4,585,217</u>
<b>Fund balance, December 31</b>	<u>\$ -</u>	<u>\$ 50,840</u>	<u>\$ 6,287,218</u>

(concluded)

## **GENERAL FUND**

The General Fund is a constitutional fund and is utilized to account for all County revenues and expenditures except those which are required to be classed in other constitutional funds and such other funds that are presented separately to facilitate proper accountability.

**COUNTY OF VICTORIA, TEXAS**

*GENERAL FUND*

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN*

*FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL*

*For the year ended December 31, 2023*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Taxes				
Ad valorem				
Current	\$ 25,112,160	\$ 25,112,160	\$ 25,001,250	\$ (110,910)
Delinquent	400,000	400,000	546,484	146,484
Penalty and interest	177,000	201,600	250,861	49,261
Sales and use	<u>11,400,000</u>	<u>12,052,334</u>	<u>12,356,740</u>	<u>304,406</u>
Total taxes	<u>37,089,160</u>	<u>37,766,094</u>	<u>38,155,335</u>	<u>389,241</u>
Fees of office and user fees				
Sheriff's department	225,000	225,000	195,091	(29,909)
Estray fees	100	100	(2,049)	(2,149)
County treasurer	2,000	2,000	2,760	760
Election administrator	-	-	60	60
County clerk	375,000	375,000	267,362	(107,638)
Probate personnel education fees	1,000	1,000	1,465	465
County courts at law	1,600	1,600	1,777	177
Tax assessor-collector	600,000	600,000	630,739	30,739
Criminal district attorney	9,000	9,000	7,040	(1,960)
District clerk	100,000	100,000	68,725	(31,275)
Justices of the peace	57,000	57,000	74,862	17,862
JP Truancy Cost FC 65.107	-	-	300	300
Deferred adjudication	20,000	20,000	17,987	(2,013)
Constables	95,000	95,000	135,568	40,568
Pre-trial supervisory fees	10,000	10,000	9,931	(69)
Pre-trial bonding fees	250,000	250,000	277,848	27,848
Interlock device fees	<u>15,000</u>	<u>15,000</u>	<u>9,860</u>	<u>(5,140)</u>
Total fees of office and user fees	<u>1,760,700</u>	<u>1,760,700</u>	<u>1,699,326</u>	<u>(61,374)</u>
Intergovernmental				
Payment in lieu of taxes	-	-	589	589
Alcohol beverage tax	265,000	265,000	286,944	21,944
County courts at law	168,000	168,000	168,000	-
Bingo gross receipts tax	110,000	110,000	117,493	7,493
Tobacco settlement	40,000	44,915	47,238	2,323
Indigent defense grant	65,000	65,000	-	(65,000)
Jury fee reimbursement/SB1704	35,000	35,000	33,706	(1,294)
DA Longevity Reimb/GC 41	1,820	1,820	2,557	737
Constitutional Judge State	-	20,839	22,650	1,811
Juvenile detention contracts	2,300,000	2,300,000	2,387,415	87,415
State juvenile detention funds	78,000	81,733	248,289	166,556
Jail inmate bedspace	1,100,000	1,100,000	1,092,430	(7,570)
Jail inmate contract other	18,000	18,000	19,156	1,156
Jail inmate extradition	12,500	12,500	16,100	3,600
General inmate medical	38,000	38,000	35,544	(2,456)
Abandoned vehicles	<u>-</u>	<u>32,595</u>	<u>42,475</u>	<u>9,880</u>
Total intergovernmental	<u>4,231,320</u>	<u>4,293,402</u>	<u>4,520,586</u>	<u>227,184</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>REVENUES (continued)</b>				
Fines and forfeitures				
District court fines	\$ 210,000	\$ 210,000	\$ 203,109	\$ (6,891)
County court at law fines	300,000	300,000	187,952	(112,048)
Justice of the peace fines	260,000	260,000	214,123	(45,877)
Forfeitures	10,000	10,000	20,448	10,448
Total fines and forfeitures	<u>780,000</u>	<u>780,000</u>	<u>625,632</u>	<u>(154,368)</u>
Interest	<u>300,100</u>	<u>461,600</u>	<u>906,421</u>	<u>444,821</u>
Licenses and permits				
Marriage licenses	15,000	15,000	18,787	3,787
Beer and whiskey licenses	26,000	26,000	29,860	3,860
Miscellaneous	1,000	1,000	3,000	2,000
Total licenses and permits	<u>42,000</u>	<u>42,000</u>	<u>51,647</u>	<u>9,647</u>
Miscellaneous				
Records management preservation	5,000	5,000	1,399	(3,601)
Criminal justice planning commission	-	-	8	8
Crime stopper fee	-	-	101	101
Consolidated state criminal fee	20,000	20,000	20,626	626
LEOSEF collection	-	-	1	1
Victims of crime collection	-	-	11	11
Legal service for indigents fees	1,000	1,000	39	(961)
Defensive driving course fee	2,500	2,500	3,130	630
Visual record by electronic device	2,500	2,500	2,521	21
Court reporter fees	2,000	2,000	1,447	(553)
Arrest warrant fees	25,000	25,000	22,284	(2,716)
Other fees	124,190	128,191	97,437	(30,754)
Personal recognizant fees	-	-	18	18
CJAD contract services	5,000	5,000	5,007	7
Rents and royalties	276,241	286,241	298,058	11,817
Telephone commissions	95,000	95,000	51,175	(43,825)
Election machines rental	5,000	5,000	16,534	11,534
Reimbursements and refunds	1,317,958	1,374,349	1,313,486	(60,863)
Restitutions	-	-	33	33
Comm. A.C. permits	-	-	625	625
Miscellaneous	54,150	61,200	40,319	(20,881)
Total miscellaneous	<u>1,935,539</u>	<u>2,012,981</u>	<u>1,874,259</u>	<u>(138,722)</u>
<b>Total revenues</b>	<u>46,138,819</u>	<u>47,116,777</u>	<u>47,833,206</u>	<u>716,429</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES</b>				
Current				
General government				
County judge				
Salaries	\$ 183,730	\$ 205,491	\$ 205,486	\$ 5
Fringe benefits	52,128	57,090	55,512	1,578
Operating expenditures	8,878	29,878	27,716	2,162
Other services and charges	5,000	-	-	-
Total county judge	<u>249,736</u>	<u>292,459</u>	<u>288,714</u>	<u>3,745</u>
Commissioners' court				
Salaries	159,174	141,476	124,173	17,303
Fringe benefits	41,397	50,181	37,085	13,096
Operating expenditures	38,200	53,169	50,719	2,450
Other services and charges	4,800	5,300	5,128	172
Capital outlay	13,000	14,993	14,992	1
Total commissioners' court	<u>256,571</u>	<u>265,119</u>	<u>232,097</u>	<u>33,022</u>
Records management				
Salaries	91,644	88,390	88,161	229
Fringe benefits	29,662	29,662	28,280	1,382
Operating expenditures	1,000	1,000	653	347
Total records management	<u>122,306</u>	<u>119,052</u>	<u>117,094</u>	<u>1,958</u>
County clerk				
Salaries	598,094	598,094	545,939	52,155
Fringe benefits	189,023	189,023	171,764	17,259
Operating expenditures	32,826	32,826	18,485	14,341
Total county clerk	<u>819,943</u>	<u>819,943</u>	<u>736,188</u>	<u>83,755</u>
Pre-trial services				
Salaries	108,212	108,212	106,233	1,979
Fringe benefits	34,181	34,181	32,411	1,770
Operating expenditures	3,070	3,070	768	2,302
Total pre-trial services	<u>145,463</u>	<u>145,463</u>	<u>139,412</u>	<u>6,051</u>
Veterans' service officer				
Salaries	68,057	82,447	79,875	2,572
Fringe benefits	20,641	23,929	18,163	5,766
Operating expenditures	4,170	16,416	6,456	9,960
Total veterans' service officer	<u>92,868</u>	<u>122,792</u>	<u>104,494</u>	<u>18,298</u>
Heritage director				
Salaries	48,319	48,319	48,318	1
Fringe benefits	16,145	16,145	15,496	649
Operating expenditures	2,000	2,000	1,996	4
Total heritage director	<u>66,464</u>	<u>66,464</u>	<u>65,810</u>	<u>654</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Current (continued)				
General government (continued)				
Non-departmental				
Salaries	\$ 250,000	\$ 6,600	\$ -	\$ 6,600
Operating expenditures	1,683,826	1,414,426	1,347,290	67,136
Other services and charges	1,522,218	1,770,986	1,687,126	83,860
Capital outlay	<u>775,000</u>	<u>1,499,282</u>	<u>1,211,565</u>	<u>287,717</u>
Total non-departmental	<u>4,231,044</u>	<u>4,691,294</u>	<u>4,245,981</u>	<u>445,313</u>
County court at law				
Salaries	597,451	596,704	590,668	6,036
Fringe benefits	160,130	160,130	153,709	6,421
Operating expenditures	12,085	15,085	10,787	4,298
Other services and charges	<u>143,000</u>	<u>200,486</u>	<u>200,478</u>	<u>8</u>
Total county court at law	<u>912,666</u>	<u>972,405</u>	<u>955,642</u>	<u>16,763</u>
County court at law # 2				
Other services and charges	<u>130,000</u>	<u>259,901</u>	<u>259,901</u>	<u>-</u>
Total county court at law # 2	<u>130,000</u>	<u>259,901</u>	<u>259,901</u>	<u>-</u>
District court				
Salaries	385,068	383,457	330,079	53,378
Fringe benefits	165,846	165,846	151,632	14,214
Operating expenditures	16,114	24,525	18,645	5,880
Other services and charges	<u>996,585</u>	<u>1,556,882</u>	<u>1,537,599</u>	<u>19,283</u>
Total district court	<u>1,563,613</u>	<u>2,130,710</u>	<u>2,037,955</u>	<u>92,755</u>
District clerk				
Salaries	603,254	597,780	557,792	39,988
Fringe benefits	198,239	198,239	178,138	20,101
Operating expenditures	<u>67,749</u>	<u>74,093</u>	<u>71,283</u>	<u>2,810</u>
Total district clerk	<u>869,242</u>	<u>870,112</u>	<u>807,213</u>	<u>62,899</u>
Justice of the peace # 1				
Salaries	175,749	177,729	177,550	179
Fringe benefits	58,349	58,802	57,308	1,494
Operating expenditures	<u>5,513</u>	<u>5,513</u>	<u>2,847</u>	<u>2,666</u>
Total justice of the peace # 1	<u>239,611</u>	<u>242,044</u>	<u>237,705</u>	<u>4,339</u>
Justice of the peace # 2				
Salaries	139,787	141,768	141,764	4
Fringe benefits	40,629	41,081	40,694	387
Operating expenditures	<u>5,713</u>	<u>5,713</u>	<u>5,425</u>	<u>288</u>
Total justice of the peace # 2	<u>186,129</u>	<u>188,562</u>	<u>187,883</u>	<u>679</u>
Justice of the peace # 3				
Salaries	227,411	227,411	227,247	164
Fringe benefits	69,373	69,373	68,090	1,283
Operating expenditures	<u>4,747</u>	<u>6,238</u>	<u>5,226</u>	<u>1,012</u>
Total justice of the peace # 3	<u>301,531</u>	<u>303,022</u>	<u>300,563</u>	<u>2,459</u>

(continued)



**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Current (continued)				
General government (continued)				
Justice of the peace # 4				
Salaries	\$ 160,920	\$ 162,165	\$ 162,162	\$ 3
Fringe benefits	51,324	51,608	50,341	1,267
Operating expenditures	5,718	5,718	5,575	143
Total justice of the peace # 4	<u>217,962</u>	<u>219,491</u>	<u>218,078</u>	<u>1,413</u>
Criminal district attorney				
Salaries	1,558,580	1,575,110	1,401,495	173,615
Fringe benefits	435,473	439,240	390,344	48,896
Operating expenditures	36,256	36,256	35,691	565
Total criminal district attorney	<u>2,030,309</u>	<u>2,050,606</u>	<u>1,827,530</u>	<u>223,076</u>
Election administrator				
Salaries	182,252	182,285	165,794	16,491
Fringe benefits	55,438	55,438	46,958	8,480
Operating expenditures	84,870	91,370	57,405	33,965
Other services and charges	42,336	37,836	24,801	13,035
Capital outlay	-	19,595	19,261	334
Total election administrator	<u>364,896</u>	<u>386,524</u>	<u>314,219</u>	<u>72,305</u>
County auditor				
Salaries	432,988	444,219	444,209	10
Fringe benefits	131,612	131,594	131,191	403
Operating expenditures	16,164	16,994	16,673	321
Total county auditor	<u>580,764</u>	<u>592,807</u>	<u>592,073</u>	<u>734</u>
County treasurer				
Salaries	273,664	269,314	265,883	3,431
Fringe benefits	85,791	85,791	80,841	4,950
Operating expenditures	35,747	40,097	19,447	20,650
Capital outlay	-	11,511	11,511	-
Total county treasurer	<u>395,202</u>	<u>406,713</u>	<u>377,682</u>	<u>29,031</u>
Tax assessor-collector				
Salaries	690,290	681,140	646,262	34,878
Fringe benefits	217,322	217,322	198,092	19,230
Operating expenditures	17,202	20,252	18,451	1,801
Other services and charges	-	6,100	6,032	68
Total tax assessor-collector	<u>924,814</u>	<u>924,814</u>	<u>868,837</u>	<u>55,977</u>
Administrative services				
Salaries	276,345	276,345	261,341	15,004
Fringe benefits	75,347	75,347	72,573	2,774
Operating expenditures	16,300	16,300	7,936	8,364
Total administrative services	<u>367,992</u>	<u>367,992</u>	<u>341,850</u>	<u>26,142</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Current (continued)				
General government (continued)				
Information technology				
Salaries	\$ 472,697	\$ 464,739	\$ 449,593	\$ 15,146
Fringe benefits	136,266	136,266	125,937	10,329
Operating expenditures	626,300	535,800	534,425	1,375
Other services and charges	267,000	382,585	376,701	5,884
Capital outlay	55,735	43,950	43,062	888
Debt service	70,265	70,265	70,264	1
Total information technology	<u>1,628,263</u>	<u>1,633,605</u>	<u>1,599,982</u>	<u>33,623</u>
Human resources				
Salaries	174,500	188,742	182,369	6,373
Fringe benefits	55,160	58,409	55,620	2,789
Operating expenses	<u>15,400</u>	<u>15,881</u>	<u>11,098</u>	<u>4,783</u>
Total human resources	<u>245,060</u>	<u>263,032</u>	<u>249,087</u>	<u>13,945</u>
Facilities management				
Salaries	565,196	541,650	514,243	27,407
Fringe benefits	183,689	183,689	162,609	21,080
Operating expenditures	1,243,659	1,471,429	1,433,147	38,282
Capital outlay	-	12,862	12,861	1
Total facilities management	<u>1,992,544</u>	<u>2,209,630</u>	<u>2,122,860</u>	<u>86,770</u>
Adult probation department				
Operating expenditures	<u>1,000</u>	<u>1,000</u>	<u>142</u>	<u>858</u>
Total adult probation department	<u>1,000</u>	<u>1,000</u>	<u>142</u>	<u>858</u>
Juvenile detention facility				
Salaries	2,344,930	2,426,663	2,390,882	35,781
Fringe benefits	663,392	700,819	687,722	13,097
Operating expenditures	410,950	429,228	385,160	44,068
Other services and charges	129,650	129,650	127,369	2,281
Capital outlay	-	18,578	18,577	1
Total juvenile detention facility	<u>3,548,922</u>	<u>3,704,938</u>	<u>3,609,710</u>	<u>95,228</u>
Juvenile board				
Salaries	34,878	34,878	34,877	1
Fringe benefits	<u>7,947</u>	<u>7,947</u>	<u>7,753</u>	<u>194</u>
Total juvenile board	<u>42,825</u>	<u>42,825</u>	<u>42,630</u>	<u>195</u>
Total general government	<u>22,527,740</u>	<u>24,293,319</u>	<u>22,881,332</u>	<u>1,411,987</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Current (continued)				
Public safety				
Fire marshal				
Salaries	\$ 435,661	\$ 435,661	\$ 434,145	\$ 1,516
Fringe benefits	128,574	128,574	125,403	3,171
Operating expenditures	149,450	144,024	113,631	30,393
Other services and charges	125,000	125,000	116,595	8,405
Capital outlay	17,500	42,976	42,976	-
Total fire marshal	<u>856,185</u>	<u>876,235</u>	<u>832,750</u>	<u>43,485</u>
Sheriff				
Salaries	12,162,964	11,715,733	10,916,024	799,709
Fringe benefits	3,621,814	3,621,814	3,177,870	443,944
Operating expenditures	3,010,386	3,328,861	2,939,488	389,373
Other services and charges	40,000	80,000	79,893	107
Capital outlay	-	220,190	100,317	119,873
Total sheriff	<u>18,835,164</u>	<u>18,966,598</u>	<u>17,213,592</u>	<u>1,753,006</u>
Constable # 1				
Salaries	57,331	57,331	57,097	234
Fringe benefits	18,198	18,097	17,707	390
Operating expenditures	3,700	6,540	6,182	358
Capital outlay	-	66,156	66,155	1
Total constable # 1	<u>79,229</u>	<u>148,124</u>	<u>147,141</u>	<u>983</u>
Constable # 2				
Salaries	58,821	58,821	58,587	234
Fringe benefits	17,793	17,793	17,602	191
Operating expenditures	12,800	12,800	8,378	4,422
Total constable # 2	<u>89,414</u>	<u>89,414</u>	<u>84,567</u>	<u>4,847</u>
Constable # 3				
Salaries	58,291	58,291	58,057	234
Fringe benefits	17,673	17,673	17,458	215
Operating expenditures	4,700	4,700	3,079	1,621
Total constable # 3	<u>80,664</u>	<u>80,664</u>	<u>78,594</u>	<u>2,070</u>
Constable # 4				
Salaries	57,416	57,416	57,182	234
Fringe benefits	18,217	17,670	17,633	37
Operating expenditures	4,700	6,362	5,668	694
Total constable # 4	<u>80,333</u>	<u>81,448</u>	<u>80,483</u>	<u>965</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Current (continued)				
Public safety (continued)				
Animal services				
Salaries	\$ 493,075	\$ 423,151	\$ 384,929	\$ 38,222
Fringe benefits	156,988	157,220	117,475	39,745
Operating expenditures	140,000	209,432	183,817	25,615
Other services and charges	55,441	55,441	55,441	-
Capital outlay	-	176,100	68,952	107,148
Total animal services	<u>845,504</u>	<u>1,021,344</u>	<u>810,614</u>	<u>210,730</u>
Non-departmental				
Other services and charges				
City/County interlocal agreement	<u>2,342,029</u>	<u>2,342,030</u>	<u>2,338,779</u>	<u>3,251</u>
Total non-departmental	<u>2,342,029</u>	<u>2,342,030</u>	<u>2,338,779</u>	<u>3,251</u>
Total public safety	<u>23,208,522</u>	<u>23,605,857</u>	<u>21,586,520</u>	<u>2,019,337</u>
Culture and recreation				
Extension service				
Salaries	197,475	196,367	196,364	3
Fringe benefits	35,666	35,666	34,231	1,435
Operating expenditures	25,525	23,394	17,628	5,766
Other services and charges	13,000	14,593	14,375	218
Capital outlay	-	1,649	1,649	-
Total extension service	<u>271,666</u>	<u>271,669</u>	<u>264,247</u>	<u>7,422</u>
Total culture and recreation	<u>271,666</u>	<u>271,669</u>	<u>264,247</u>	<u>7,422</u>
<b>Total expenditures</b>	<u>46,007,928</u>	<u>48,170,845</u>	<u>44,732,099</u>	<u>3,438,746</u>
Excess (deficiency) of revenues over expenditures	<u>130,891</u>	<u>(1,054,068)</u>	<u>3,101,107</u>	<u>4,155,175</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	1,000	1,000	(26,010)	(27,010)
Transfers in	2,190,280	2,718,439	3,083,105	364,666
Transfers out	<u>(2,324,993)</u>	<u>(5,206,780)</u>	<u>(4,393,897)</u>	<u>812,883</u>
<b>Total other financing sources (uses)</b>	<u>(133,713)</u>	<u>(2,487,341)</u>	<u>(1,336,802)</u>	<u>1,150,539</u>
Change in fund balance	(2,822)	(3,541,409)	1,764,305	5,305,714
Fund balance, January 1	<u>18,667,089</u>	<u>18,667,089</u>	<u>18,667,089</u>	<u>-</u>
<b>Fund balance, December 31</b>	<u>\$ 18,664,267</u>	<u>\$ 15,125,680</u>	<u>\$ 20,431,394</u>	<u>\$ 5,305,714</u>

(concluded)

**NONMAJOR SPECIAL REVENUE FUNDS**

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**ROAD AND BRIDGE PRECINCT NO. 1**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL - STATUTORY BASIS**For the year ended December 31, 2023*

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 1,271,377	\$ 1,268,877	\$ -	\$ 1,268,877
Delinquent taxes	20,208	27,431	19	27,412
Penalty and interest	10,597	11,919	25	11,894
Intergovernmental				
Vehicle license fees	90,000	90,043	-	90,043
Additional license fees	220,000	223,228	(510)	223,738
Permits	28,500	36,018	-	36,018
Investment income				
Interest	6,104	8,862	-	8,862
Miscellaneous	35,100	34,085	(467)	34,552
<b>Total revenues</b>	<u>1,681,886</u>	<u>1,700,463</u>	<u>(933)</u>	<u>1,701,396</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Salaries	647,537	634,429	2,914	631,515
Fringe benefits	200,046	189,186	975	188,211
Operating expenditures	1,010,767	979,961	(31,962)	1,011,923
Other services and charges	470	463	-	463
Capital outlay	1,335,375	1,335,373	-	1,335,373
<b>Total expenditures</b>	<u>3,194,195</u>	<u>3,139,412</u>	<u>(28,073)</u>	<u>3,167,485</u>
Excess (deficiency) of revenues over expenditures	<u>(1,512,309)</u>	<u>(1,438,949)</u>	<u>27,140</u>	<u>(1,466,089)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,211,391	1,210,842	(1)	1,210,843
Transfers out	(2,682)	(2,682)	-	(2,682)
<b>Total other financing sources (uses)</b>	<u>1,208,709</u>	<u>1,208,160</u>	<u>(1)</u>	<u>1,208,161</u>
Change in fund balance	(303,600)	(230,789)	27,139	(257,928)
Fund balance, January 1	<u>602,273</u>	<u>602,273</u>	<u>76,019</u>	<u>526,254</u>
<b>Fund balance, December 31</b>	<u>\$ 298,673</u>	<u>\$ 371,484</u>	<u>\$ 103,158</u>	<u>\$ 268,326</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

**COUNTY OF VICTORIA, TEXAS**

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

ROAD AND BRIDGE PRECINCT NO. 2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL - STATUTORY BASIS

For the year ended December 31, 2023

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 1,196,590	\$ 1,194,237	\$ -	\$ 1,194,237
Delinquent taxes	17,000	25,817	12	25,805
Penalty and interest	8,300	11,217	23	11,194
Intergovernmental				
Vehicle license fees	90,000	90,043	-	90,043
Additional license fees	220,000	210,097	(480)	210,577
Permits	28,500	36,018	-	36,018
Investment income				
Interest	5,000	18,699	-	18,699
Miscellaneous	1,100	-	-	-
<b>Total revenues</b>	<u>1,566,490</u>	<u>1,586,128</u>	<u>(445)</u>	<u>1,586,573</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Salaries	619,425	551,348	774	550,574
Fringe benefits	184,789	164,271	172	164,099
Operating expenditures	761,388	420,288	9,677	410,611
Other services and charges	16,700	1,163	-	1,163
Capital outlay	355,587	355,586	-	355,586
<b>Total expenditures</b>	<u>1,937,889</u>	<u>1,492,656</u>	<u>10,623</u>	<u>1,482,033</u>
Excess (deficiency) of revenues over expenditures	<u>(371,399)</u>	<u>93,472</u>	<u>(11,068)</u>	<u>104,540</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	35,519	35,396	-	35,396
<b>Total other financing sources (uses)</b>	<u>35,519</u>	<u>35,396</u>	<u>-</u>	<u>35,396</u>
Change in fund balance	(335,880)	128,868	(11,068)	139,936
Fund balance, January 1	<u>1,101,957</u>	<u>1,101,957</u>	<u>209,116</u>	<u>892,841</u>
<b>Fund balance, December 31</b>	<u>\$ 766,077</u>	<u>\$ 1,230,825</u>	<u>\$ 198,048</u>	<u>\$ 1,032,777</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**ROAD AND BRIDGE PRECINCT NO. 3**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL - STATUTORY BASIS**For the year ended December 31, 2023*

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 1,171,661	\$ 1,169,357	\$ -	\$ 1,169,357
Delinquent taxes	17,000	25,290	(4)	25,294
Penalty and interest	8,200	10,985	22	10,963
Intergovernmental				
Vehicle license fees	90,000	90,043	-	90,043
Additional license fees	220,000	205,720	(470)	206,190
Permits	28,500	36,018	-	36,018
Investment income				
Interest	5,000	13,009	-	13,009
Miscellaneous	49,300	38,494	(255)	38,749
<b>Total revenues</b>	<u>1,589,661</u>	<u>1,588,916</u>	<u>(707)</u>	<u>1,589,623</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Salaries	708,232	690,719	(3,223)	693,942
Fringe benefits	227,102	210,983	(871)	211,854
Operating expenditures	825,403	792,577	(54,123)	846,700
Other services and charges	2,000	463	-	463
Capital outlay	56,207	52,587	-	52,587
<b>Total expenditures</b>	<u>1,818,944</u>	<u>1,747,329</u>	<u>(58,217)</u>	<u>1,805,546</u>
Excess (deficiency) of revenues over expenditures	<u>(229,283)</u>	<u>(158,413)</u>	<u>57,510</u>	<u>(215,923)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	32,465	32,294	(58,283)	90,577
Transfers out	(9,739)	(9,739)	-	(9,739)
<b>Total other financing sources (uses)</b>	<u>22,726</u>	<u>22,555</u>	<u>(58,283)</u>	<u>80,838</u>
Change in fund balance	(206,557)	(135,858)	(773)	(135,085)
Fund balance, January 1	<u>785,163</u>	<u>785,163</u>	<u>83,748</u>	<u>701,415</u>
<b>Fund balance, December 31</b>	<u>\$ 578,606</u>	<u>\$ 649,305</u>	<u>\$ 82,975</u>	<u>\$ 566,330</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.



**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**ROAD AND BRIDGE PRECINCT NO. 4**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - STATUTORY BASIS**For the year ended December 31, 2023*

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 1,346,164	\$ 1,343,517	\$ -	\$ 1,343,517
Delinquent taxes	19,000	29,035	10	29,025
Penalty and interest	9,300	12,620	26	12,594
Intergovernmental				
Vehicle license fees	90,000	90,043	4,276	85,767
Additional license fees	250,000	236,359	(4,817)	241,176
Permits	28,500	36,018	-	36,018
Investment income				
Interest	4,000	10,790	-	10,790
Miscellaneous	74,100	58,640	(98)	58,738
<b>Total revenues</b>	<u>1,821,064</u>	<u>1,817,022</u>	<u>(603)</u>	<u>1,817,625</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Salaries	646,740	557,507	(830)	558,337
Fringe benefits	178,623	155,553	(581)	156,134
Operating expenditures	937,997	831,498	97,662	733,836
Other services and charges	55,539	52,039	21,466	30,573
Capital outlay	24,851	16,305	2,300	14,005
Debt service	23,914	23,913	-	23,913
<b>Total expenditures</b>	<u>1,867,664</u>	<u>1,636,815</u>	<u>120,017</u>	<u>1,516,798</u>
Excess (deficiency) of revenues over expenditures	<u>(46,600)</u>	<u>180,207</u>	<u>(120,620)</u>	<u>300,827</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	49,282	200,057	31,879	168,178
Transfers out	(2,682)	(2,682)	-	(2,682)
<b>Total other financing sources (uses)</b>	<u>46,600</u>	<u>197,375</u>	<u>31,879</u>	<u>165,496</u>
Change in fund balance	-	377,582	(88,741)	466,323
Fund balance, January 1	<u>450,282</u>	<u>450,282</u>	<u>315,073</u>	<u>135,209</u>
<b>Fund balance, December 31</b>	<u>\$ 450,282</u>	<u>\$ 827,864</u>	<u>\$ 226,332</u>	<u>\$ 601,532</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

## **NONMAJOR DEBT SERVICE FUND**

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for general government debt principal and interest.

**COUNTY OF VICTORIA, TEXAS**

## NONMAJOR GOVERNMENTAL FUND

## DEBT SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

## BUDGET AND ACTUAL

For the year ended December 31, 2023

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 2,753,967	\$ 2,701,032	\$ -	\$ 2,701,032
Delinquent taxes	30,000	57,670	55	57,615
Penalty and interest	14,800	26,605	63	26,542
Investment income				
Interest	250	14,554	-	14,554
<b>Total revenues</b>	<u>2,799,017</u>	<u>2,799,861</u>	<u>118</u>	<u>2,799,743</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	1,939,160	1,924,160	-	1,924,160
Interest and fiscal charges	982,565	927,822	500	927,322
<b>Total expenditures</b>	<u>2,921,725</u>	<u>2,851,982</u>	<u>500</u>	<u>2,851,482</u>
Excess (deficiency) of revenues over expenditures	<u>(122,708)</u>	<u>(52,121)</u>	<u>(382)</u>	<u>(51,739)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	292,183	292,183	-	292,183
<b>Total other financing sources (uses)</b>	<u>292,183</u>	<u>292,183</u>	<u>-</u>	<u>292,183</u>
Change in fund balance	169,475	240,062	(382)	240,444
Fund balance, January 1	<u>765,427</u>	<u>765,427</u>	<u>(27,127)</u>	<u>792,554</u>
<b>Fund balance, December 31</b>	<u>\$ 934,902</u>	<u>\$ 1,005,489</u>	<u>\$ (27,509)</u>	<u>\$ 1,032,998</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

## CUSTODIAL FUNDS

Custodial Funds are used to account for the monies received and disbursed by the County in the capacity of trustee, custodian, or agent for individuals or other entities.

**County Clerk-Trusts Fund** - Accounts for monies held by the County Clerk in trust for various minors of the County of Victoria.

**Criminal District Attorney Fund** - Accounts for the merchants' portion of collections made on "hot" checks.

**District Clerk-Trusts Fund** - Accounts for monies held by the District Clerk in trust for various minors of the County of Victoria.

**Jail Inmate Trust Fund** - Accounts for monies that are held for the benefit of and use by inmates in the County Jail.

**Tax Assessor-Collector Fund** - Accounts for the collection of ad valorem taxes, various vehicle taxes, and sales taxes by the County Tax Assessor-Collector. These monies are remitted to other governments and the State as collected.

**Juvenile Restitution Fund** - Records the receipt and disbursement of monies collected from juvenile offenders and paid to owners of damaged property.

**Special Services Fund** - Records confiscated drug monies prior to their being awarded, by action of the court, to various individuals and/or County departments.

**Juvenile Inmate Trust Fund** - Accounts for monies that are held for the benefit of and use by inmates in the County Juvenile Detention facility.

**COUNTY OF VICTORIA, TEXAS***FIDUCIARY FUNDS - CUSTODIAL FUNDS**COMBINING STATEMENT OF NET POSITION**December 31, 2023*

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	<u>County Clerk- Trusts</u>	<u>Criminal District Attorney</u>	<u>District Clerk- Trusts</u>	<u>Jail Inmate Trust</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 962,104	\$ 3,168	\$ 999,845	\$ 69,389
Receivables (net)				
Other	-	-	-	-
Seized assets	-	-	-	-
<b>Total assets</b>	<u>\$ 962,104</u>	<u>\$ 3,168</u>	<u>\$ 999,845</u>	<u>\$ 69,389</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 3,168	\$ 9,020	\$ 69,389
Due to other governments	-	-	-	-
Due to component unit	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>3,168</u>	<u>9,020</u>	<u>69,389</u>
<b>NET POSITION</b>				
Restricted	<u>962,104</u>	<u>-</u>	<u>990,825</u>	<u>-</u>
<b>Total net position</b>	<u>\$ 962,104</u>	<u>\$ -</u>	<u>\$ 990,825</u>	<u>\$ -</u>

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<u>Tax Assessor- Collector</u>	<u>Juvenile Restitution</u>	<u>Special Services</u>	<u>Juvenile Inmate Trust</u>	<u>Total</u>
\$ 6,738,961	\$ 112	\$ 913,587	\$ 555	\$ 9,687,721
112,499	-	-	-	112,499
-	-	683,206	-	683,206
<u>\$ 6,851,460</u>	<u>\$ 112</u>	<u>\$ 1,596,793</u>	<u>\$ 555</u>	<u>\$ 10,483,426</u>
\$ 160,276	\$ 112	\$ 92,738	\$ 555	\$ 335,258
6,564,614	-	-	-	6,564,614
126,570	-	-	-	126,570
<u>6,851,460</u>	<u>112</u>	<u>92,738</u>	<u>555</u>	<u>7,026,442</u>
-	-	1,504,055	-	3,456,984
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,504,055</u>	<u>\$ -</u>	<u>\$ 3,456,984</u>

**COUNTY OF VICTORIA, TEXAS***FIDUCIARY FUNDS - CUSTODIAL FUNDS**COMBINING STATEMENT OF CHANGES IN NET POSITION**For the year ended December 31, 2023*

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	County Clerk- Trusts	Criminal District Attorney	District Clerk- Trusts	Jail Inmate Trust
<b>ADDITIONS</b>				
Miscellaneous				
Minor trust account deposits	\$ 207,718	\$ -	\$ 309,439	\$ -
Confiscation and restitution receipts	-	29,030	-	-
Inmate deposits	-	-	-	789,526
Tax collections	-	-	-	-
Investment income	1,694	-	5,435	-
<b>Total additions</b>	<u>209,412</u>	<u>29,030</u>	<u>314,874</u>	<u>789,526</u>
<b>DEDUCTIONS</b>				
General government				
Minor trust account disbursements	180,190	-	574,206	-
Confiscation and restitution disbursements	-	29,030	-	-
Inmate withdrawals	-	-	-	789,526
Tax distributions	-	-	-	-
<b>Total deductions</b>	<u>180,190</u>	<u>29,030</u>	<u>574,206</u>	<u>789,526</u>
Changes in net position	29,222	-	(259,332)	-
Net position, beginning	<u>932,882</u>	<u>-</u>	<u>1,250,157</u>	<u>-</u>
<b>Net position, ending</b>	<u>\$ 962,104</u>	<u>\$ -</u>	<u>\$ 990,825</u>	<u>\$ -</u>

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<u>Tax Assessor- Collector</u>	<u>Juvenile Restitution</u>	<u>Special Services</u>	<u>Juvenile Inmate Trust</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 517,157
-	2,474	805,650	-	837,154
-	-	-	3,341	792,867
203,920,680	-	-	-	203,920,680
9,743	-	10,425	-	27,297
<u>203,930,423</u>	<u>2,474</u>	<u>816,075</u>	<u>3,341</u>	<u>206,095,155</u>
-	-	-	-	754,396
-	2,474	809,753	3,341	844,598
-	-	-	-	789,526
<u>203,930,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,930,423</u>
<u>203,930,423</u>	<u>2,474</u>	<u>809,753</u>	<u>3,341</u>	<u>206,318,943</u>
-	-	6,322	-	(223,788)
-	-	1,497,733	-	3,680,772
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,504,055</u>	<u>\$ -</u>	<u>\$ 3,456,984</u>



## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time .....	180
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property tax and sales tax revenues.....	191
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future .....	204
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments .....	211
<b>Operating Information</b>	
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs .....	213

**COUNTY OF VICTORIA, TEXAS**  
**NET POSITION BY COMPONENT (1)**  
*Last ten fiscal years*

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 19,248,568	\$ 18,533,816	\$ 16,809,816	\$ 15,075,452
Restricted	1,818,838	1,561,037	2,283,067	2,695,608
Unrestricted	<u>20,591,811</u>	<u>14,018,912</u>	<u>17,629,833</u>	<u>15,968,499</u>
Total governmental activities net position	<u>\$ 41,659,217</u>	<u>\$ 34,113,765</u>	<u>\$ 36,722,716</u>	<u>\$ 33,739,559</u>
Business-type activities				
Net investment in capital assets	\$ 8,436,735	\$ 8,172,038	\$ 7,942,228	\$ 7,118,679
Unrestricted	<u>(1,359,561)</u>	<u>(1,521,139)</u>	<u>(1,647,712)</u>	<u>549,053</u>
Total business-type activities net position	<u>\$ 7,077,174</u>	<u>\$ 6,650,899</u>	<u>\$ 6,294,516</u>	<u>\$ 7,667,732</u>
Primary Government				
Net investment in capital assets	\$ 27,685,303	\$ 27,753,134	\$ 24,752,044	\$ 22,194,131
Restricted	1,818,838	1,561,037	2,283,067	2,695,608
Unrestricted	<u>19,232,250</u>	<u>12,497,773</u>	<u>15,982,121</u>	<u>16,517,552</u>
Total primary government activities net position	<u>\$ 48,736,391</u>	<u>\$ 41,811,944</u>	<u>\$ 43,017,232</u>	<u>\$ 41,407,291</u>

(1) Accrual basis of accounting

NOTES: Amounts presented using a Statutory Basis of Accounting

The County implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The County implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

Fiscal Year

2018	2019	2020	2021	2022	2023
\$ 19,060,322	\$ 10,876,359	\$ 11,906,255	\$ 22,643,608	\$ 28,113,132	\$ 32,270,692
3,329,934	3,930,837	4,482,986	5,696,513	6,491,711	8,166,893
<u>12,312,292</u>	<u>16,924,646</u>	<u>16,622,042</u>	<u>9,035,581</u>	<u>13,839,757</u>	<u>13,479,611</u>
<u>\$ 34,702,548</u>	<u>\$ 31,731,842</u>	<u>\$ 33,011,283</u>	<u>\$ 37,375,702</u>	<u>\$ 48,444,600</u>	<u>\$ 53,917,196</u>
\$ 5,975,370	\$ 6,130,111	\$ 5,652,802	\$ 5,119,321	\$ 4,547,692	\$ 4,782,828
404,747	476,162	1,032,578	1,474,553	1,778,594	2,052,462
<u>\$ 6,380,117</u>	<u>\$ 6,606,273</u>	<u>\$ 6,685,380</u>	<u>\$ 6,593,874</u>	<u>\$ 6,326,286</u>	<u>\$ 6,835,290</u>
\$ 25,035,692	\$ 17,006,470	\$ 17,559,057	\$ 27,762,929	\$ 32,660,824	\$ 37,053,520
3,329,934	3,930,837	4,482,986	5,696,513	6,491,711	8,166,893
<u>12,717,039</u>	<u>17,400,808</u>	<u>17,654,620</u>	<u>10,510,134</u>	<u>15,618,351</u>	<u>15,532,073</u>
<u>\$ 41,082,665</u>	<u>\$ 38,338,115</u>	<u>\$ 39,696,663</u>	<u>\$ 43,969,576</u>	<u>\$ 54,770,886</u>	<u>\$ 60,752,486</u>

**COUNTY OF VICTORIA, TEXAS****CHANGES IN NET POSITION (1)***Last ten fiscal years*

	Fiscal Year			
	2014	2015	2016	2017
<b>Governmental activities</b>				
Expenses				
General government	\$ 19,041,903	\$ 18,521,250	\$ 20,353,896	\$ 26,304,990
Public safety	19,021,706	18,684,796	20,708,786	21,626,868
Streets and highways	6,098,697	5,444,923	5,866,714	6,298,408
Culture and recreation	332,869	306,605	353,798	395,762
Public health	3,551,753	3,527,448	3,941,509	4,299,622
Interest on long-term debt	785,052	433,173	493,290	615,616
<b>Total expenses</b>	<b>48,831,980</b>	<b>46,918,195</b>	<b>51,717,993</b>	<b>59,541,266</b>
Program revenues				
Charges for services				
General government	5,648,982	4,795,027	5,683,863	6,475,812
Public safety	2,547,897	2,504,511	2,619,758	2,103,246
Streets and highways	1,641,604	1,496,157	1,441,352	1,395,105
Culture and recreation	-	-	2,338	1,850
Public health	570,998	587,120	545,175	459,781
Operating grants and contributions	4,651,866	4,440,829	4,104,052	4,626,724
Capital grants and contributions	398,800	-	169,264	1,214,971
<b>Total program revenues</b>	<b>15,460,147</b>	<b>13,823,644</b>	<b>14,565,802</b>	<b>16,277,489</b>
<b>Total governmental activities net program (expense) revenue</b>	<b>(33,371,833)</b>	<b>(33,094,551)</b>	<b>(37,152,191)</b>	<b>(43,263,777)</b>
General revenues and other changes in net position				
Taxes				
Property taxes	23,817,161	25,407,422	26,135,287	25,826,188
Sales taxes	11,824,484	10,626,687	9,085,344	9,275,154
Other taxes	295,983	331,179	307,839	282,089
Grants and contributions not restricted to specific programs	730,719	251,659	289,639	2,739,331
Unrestricted investment earnings	174,003	183,319	185,145	312,407
Miscellaneous	657,416	661,223	659,665	652,954
Extraordinary item	-	-	-	3,264,253
Transfers	(255,786)	(296,254)	(671,653)	(2,071,756)
Special items	-	-	-	-
<b>Total general revenues and other changes in net position</b>	<b>37,243,980</b>	<b>37,165,235</b>	<b>35,991,266</b>	<b>40,280,620</b>
<b>Total governmental activities change in net position</b>	<b>\$ 3,872,147</b>	<b>\$ 4,070,684</b>	<b>\$ (1,160,925)</b>	<b>\$ (2,983,157)</b>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 24,306,587	\$ 23,817,872	\$ 22,331,100	\$ 22,332,747	\$ 24,242,100	\$ 28,114,701
21,767,661	23,277,427	22,647,849	21,794,099	22,402,099	27,836,645
6,400,322	7,226,644	6,484,337	6,053,548	7,656,770	7,079,047
317,732	312,336	287,547	281,960	240,643	318,800
4,041,478	4,118,147	4,871,860	5,290,892	5,498,833	4,974,749
301,789	558,442	583,908	549,960	745,518	1,177,306
<u>57,135,569</u>	<u>59,310,868</u>	<u>57,206,601</u>	<u>56,303,206</u>	<u>60,785,963</u>	<u>69,501,248</u>
6,601,723	6,074,148	4,469,942	5,336,819	5,500,661	6,118,225
2,167,104	2,543,329	1,750,924	1,833,123	2,690,476	2,018,738
1,409,429	1,408,121	1,347,561	1,383,485	1,387,293	1,381,649
2,625	3,540	250	1,800	2,050	2,200
441,946	782,105	1,128,741	1,634,307	1,438,750	2,148,136
5,456,911	6,401,522	8,847,234	7,087,257	7,709,954	8,724,416
3,041,129	671,011	806,880	2,470,691	2,405,763	2,340,656
<u>19,120,867</u>	<u>17,883,776</u>	<u>18,351,532</u>	<u>19,747,482</u>	<u>21,134,947</u>	<u>22,734,020</u>
(38,014,702)	(41,427,092)	(38,855,069)	(36,555,724)	(39,651,016)	(46,767,228)
26,205,061	25,814,316	29,021,304	28,770,115	30,668,752	34,472,140
10,314,720	10,236,137	9,914,958	10,694,633	12,361,082	12,395,383
336,764	338,937	274,495	380,983	388,590	425,502
1,354,933	254,689	412,994	158,895	6,426,196	3,510,779
602,197	766,974	444,946	245,363	381,355	1,148,926
641,980	422,329	546,982	819,227	705,602	1,229,724
481,222	-	-	-	-	-
(165,366)	(392,250)	(481,169)	(149,073)	(48,016)	(961,044)
734,506	-	-	-	-	-
<u>40,506,017</u>	<u>37,441,132</u>	<u>40,134,510</u>	<u>40,920,143</u>	<u>50,883,561</u>	<u>52,221,410</u>
\$ <u>2,491,315</u>	\$ <u>(3,985,960)</u>	\$ <u>1,279,441</u>	\$ <u>4,364,419</u>	\$ <u>11,232,545</u>	\$ <u>5,454,182</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

*CHANGES IN NET POSITION (1)*

*Last ten fiscal years*

	Fiscal Year			
	2014	2015	2016	2017
<b>Business-type activities</b>				
Expenses				
Airport	\$ 4,722,858	\$ 5,323,304	\$ 5,680,308	\$ 5,640,986
Navarro Project	591,031	612,894	547,458	550,407
Commisary	129,621	113,824	114,924	153,074
Total expenses	<u>5,443,510</u>	<u>6,050,022</u>	<u>6,342,690</u>	<u>6,344,467</u>
Program revenues				
Charges for services				
Airport	3,645,290	4,351,312	4,531,502	4,894,066
Navarro Project	535,511	504,534	522,983	524,583
Commisary	162,251	161,543	166,848	159,086
Operating grants and contributions	91,031	65,148	78,842	64,804
Capital grants and contributions	440,400	243,803	13,000	-
Total program revenues	<u>4,874,483</u>	<u>5,326,340</u>	<u>5,313,175</u>	<u>5,642,539</u>
Total business-type activities net program (expense) revenue	(569,027)	(723,682)	(1,029,515)	(701,928)
General revenues and other changes in net position				
Unrestricted investment earnings	848	1,153	1,479	3,388
Miscellaneous	11,712	-	-	-
Transfers	255,786	296,254	671,653	2,071,756
Special item - transfer of operations	-	-	-	-
Total general revenues and other changes in net position	<u>268,346</u>	<u>297,407</u>	<u>673,132</u>	<u>2,075,144</u>
<b>Total business-type activities change in net position</b>	<u>\$ (300,681)</u>	<u>\$ (426,275)</u>	<u>\$ (356,383)</u>	<u>\$ 1,373,216</u>
<b>Total primary government change in net position</b>	<u>\$ 3,571,466</u>	<u>\$ 3,644,409</u>	<u>\$ (1,517,308)</u>	<u>\$ (1,609,941)</u>

(1) Accrual basis of accounting

NOTES: Amounts presented using a Statutory Basis of Accounting

The County implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The County implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 5,553,508	\$ 3,656,509	\$ 2,841,230	\$ 3,284,451	\$ 4,686,383	\$ 4,123,482
-	-	-	-	-	-
<u>147,365</u>	<u>175,288</u>	<u>165,383</u>	<u>198,062</u>	<u>221,060</u>	<u>269,928</u>
<u>5,700,873</u>	<u>3,831,797</u>	<u>3,006,613</u>	<u>3,482,513</u>	<u>4,907,443</u>	<u>4,393,410</u>
4,727,396	2,993,978	2,160,555	2,661,592	3,616,913	3,213,995
-	-	-	-	-	-
175,539	173,247	255,532	404,277	430,675	355,298
73,151	83,212	184,324	167,141	537,341	340,898
-	<u>237,142</u>	-	-	-	-
<u>4,976,086</u>	<u>3,487,579</u>	<u>2,600,411</u>	<u>3,233,010</u>	<u>4,584,929</u>	<u>3,910,191</u>
(724,787)	(344,218)	(406,202)	(249,503)	(322,514)	(483,219)
6,312	10,444	4,140	1,924	6,910	24,248
-	-	-	7,000	-	6,931
165,366	392,250	481,169	149,073	48,016	961,044
<u>(734,506)</u>	-	-	-	-	-
<u>(562,828)</u>	<u>402,694</u>	<u>485,309</u>	<u>157,997</u>	<u>54,926</u>	<u>992,223</u>
<u>\$ (1,287,615)</u>	<u>\$ 58,476</u>	<u>\$ 79,107</u>	<u>\$ (91,506)</u>	<u>\$ (267,588)</u>	<u>\$ 509,004</u>
<u>\$ 1,203,700</u>	<u>\$ (3,927,484)</u>	<u>\$ 1,358,548</u>	<u>\$ 4,272,913</u>	<u>\$ 10,964,957</u>	<u>\$ 5,963,186</u>

(concluded)

**COUNTY OF VICTORIA, TEXAS***FUND BALANCES, GOVERNMENTAL FUNDS (1)**Last ten fiscal years*

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable				
Advance to other funds	\$ 1,572,545	\$ 1,641,361	\$ 1,984,347	\$ -
Unassigned	<u>16,507,992</u>	<u>18,954,639</u>	<u>18,449,982</u>	<u>17,318,465</u>
Total general fund	<u>\$ 18,080,537</u>	<u>\$ 20,596,000</u>	<u>\$ 20,434,329</u>	<u>\$ 17,318,465</u>
All Other Governmental Funds				
Restricted				
Various capital projects	\$ 4,360,037	\$ 2,682,918	\$ 142,086	\$ -
Road & bridge	2,426,924	2,763,394	2,996,031	2,719,326
County/District Clerks	194,097	237,461	306,810	364,893
Public safety	763,363	586,856	978,937	1,365,867
Highways and streets	-	-	-	-
Public health	1,840	-	66,691	27,166
Courthouse security	71,465	74,793	86,851	78,382
Retirement of long-term debt	386,801	361,231	411,677	405,931
Various court	-	-	-	-
Criminal District Attorney	-	-	-	-
Various government costs	87,013	273,084	377,990	403,007
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,602,895)</u>
Total all other governmental funds	<u>\$ 8,291,540</u>	<u>\$ 6,979,737</u>	<u>\$ 5,367,073</u>	<u>\$ 3,761,677</u>

(1) Modified accrual basis of accounting

NOTE: Amounts presented using a Statutory Basis of Accounting



Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>18,682,620</u>	<u>17,922,967</u>	<u>16,060,315</u>	<u>16,461,732</u>	<u>19,472,458</u>	<u>20,798,980</u>
<u>\$ 18,682,620</u>	<u>\$ 17,922,967</u>	<u>\$ 16,060,315</u>	<u>\$ 16,461,732</u>	<u>\$ 19,472,458</u>	<u>\$ 20,798,980</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,039,403
2,943,347	2,145,278	2,488,430	2,497,746	2,255,719	2,468,965
465,609	305,369	438,676	585,001	831,618	835,036
1,500,219	2,008,931	1,876,333	1,160,985	1,362,393	2,284,139
-	-	-	478,484	142,343	83,130
119,436	180,887	213,347	225,857	208,875	403,333
96,823	124,714	145,518	170,554	169,710	171,281
471,251	541,502	530,730	596,283	792,554	1,032,998
-	-	-	-	-	146,680
-	-	-	-	-	1,123,379
580,020	737,459	916,795	2,469,457	2,565,530	1,888,427
<u>(367,436)</u>	<u>(589,137)</u>	<u>(245)</u>	<u>-</u>	<u>(627,019)</u>	<u>(598,368)</u>
<u>\$ 5,809,269</u>	<u>\$ 5,455,003</u>	<u>\$ 6,609,584</u>	<u>\$ 8,184,367</u>	<u>\$ 7,701,723</u>	<u>\$ 17,878,403</u>

**COUNTY OF VICTORIA, TEXAS***CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)**Last ten fiscal years*

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues</b>				
Taxes	\$ 35,908,161	\$ 36,250,684	\$ 35,508,536	\$ 35,652,475
Fees of office and user fees	3,401,611	3,263,987	3,349,455	3,178,804
Intergovernmental	9,875,293	8,983,997	8,797,632	9,706,909
Fines and forfeitures	1,391,031	1,156,377	1,643,780	1,936,418
Investment income	173,458	181,688	183,980	310,694
Licenses and permits	40,431	58,412	39,533	61,234
Contributions	684,669	119,484	110,442	406,175
Miscellaneous	951,545	930,084	908,467	865,666
<b>Total revenues</b>	<b>52,426,199</b>	<b>50,944,713</b>	<b>50,541,825</b>	<b>52,118,375</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	18,669,404	18,434,960	19,251,396	24,640,425
Public safety	18,310,906	18,719,272	19,491,221	19,374,178
Highways and streets	6,168,092	5,296,511	5,659,988	7,291,882
Culture and recreation	297,340	263,792	315,601	313,589
Public health	3,494,559	3,615,808	3,883,793	4,146,837
Capital outlay	2,948,623	1,302,382	1,440,333	123,150
<b>Debt service</b>				
Principal retirement	827,385	1,018,228	1,054,925	887,100
Interest and fiscal charges	564,164	624,304	547,250	502,957
Bond issue costs	136,030	-	-	123,790
<b>Total expenditures</b>	<b>51,416,503</b>	<b>49,275,257</b>	<b>51,644,507</b>	<b>57,403,908</b>
Excess (deficiency) of revenues over expenditures	1,009,696	1,669,456	(1,102,682)	(5,285,533)
<b>Other financing sources (uses)</b>				
Bonds issued	6,340,000	-	-	4,920,000
Payment to escrow	-	-	-	(5,302,717)
Capital lease	245,425	-	-	-
Sales of assets	26,044	-	-	1,275
Transfers in	1,659,234	1,947,195	2,309,609	1,904,672
Transfers out	(2,074,753)	(2,412,992)	(2,981,262)	(4,391,428)
Payments to component unit	-	-	-	-
Premium on issuance of bonds	296,030	-	-	506,507
Right-to-use lease issued	-	-	-	-
Subscription liability issued	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>6,491,980</b>	<b>(465,797)</b>	<b>(671,653)</b>	<b>(2,361,691)</b>
<b>Extraordinary Items</b>				
Extraordinary Item	-	-	-	2,925,964
<b>Change in fund balances</b>	<b>\$ 7,501,676</b>	<b>\$ 1,203,659</b>	<b>\$ (1,774,335)</b>	<b>\$ (4,721,260)</b>
Debt service as a percentage of noncapital expenditures	<u>3.22%</u>	<u>3.51%</u>	<u>3.25%</u>	<u>2.75%</u>

(1) Modified accrual basis of accounting

NOTE: Amounts presented using a Statutory Basis of Accounting

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 36,776,092	\$ 36,210,166	\$ 37,769,168	\$ 38,972,877	\$ 43,117,998	\$ 46,108,372
3,408,145	3,928,318	4,170,249	4,927,929	4,720,261	4,623,476
15,624,255	11,183,725	11,767,886	12,057,398	19,966,039	18,319,147
1,732,727	1,863,648	908,559	1,364,908	1,186,322	1,388,484
592,655	764,147	444,425	244,795	380,757	1,146,946
44,989	53,980	55,928	59,047	38,145	57,398
925,026	895,267	1,111,581	971,202	359,988	431,767
1,147,918	1,403,202	2,279,032	1,837,080	1,697,026	2,411,918
<u>60,251,807</u>	<u>56,302,453</u>	<u>58,506,828</u>	<u>60,435,236</u>	<u>71,466,536</u>	<u>74,487,508</u>
23,090,130	21,664,882	21,832,791	22,028,388	25,460,296	27,237,399
20,086,422	21,269,889	21,605,397	20,982,811	23,216,899	24,619,370
6,071,539	7,044,887	6,359,200	5,710,807	7,176,134	7,971,862
248,439	237,131	247,639	252,831	233,973	265,521
4,011,118	4,656,263	4,808,668	5,215,356	5,540,051	4,969,820
2,607,738	588,441	1,330,510	2,490,384	5,227,764	3,564,284
992,856	933,752	954,786	1,255,964	1,292,290	1,924,160
393,712	427,494	566,061	621,875	584,249	927,322
-	189,043	-	-	160,097	165,280
<u>57,501,954</u>	<u>57,011,782</u>	<u>57,705,052</u>	<u>58,558,416</u>	<u>68,891,753</u>	<u>71,645,018</u>
2,749,853	(709,329)	801,776	1,876,820	2,574,783	2,842,490
-	9,895,000	-	-	9,460,000	9,690,000
-	-	-	-	-	-
-	-	111,203	220,793	-	-
7,050	1,208	11,119	27,660	7,669	(26,010)
2,331,791	1,754,569	1,982,640	2,886,896	3,621,962	6,096,555
(2,805,953)	(2,349,410)	(3,614,809)	(3,035,969)	(4,171,032)	(8,057,599)
-	(10,002,616)	-	-	(9,838,306)	-
-	296,659	-	-	538,403	427,095
-	-	-	-	498,250	-
-	-	-	-	-	549,085
<u>(467,112)</u>	<u>(404,590)</u>	<u>(1,509,847)</u>	<u>99,380</u>	<u>116,946</u>	<u>8,679,126</u>
1,129,006	-	-	-	-	-
<u>\$ 3,411,747</u>	<u>\$ (1,113,919)</u>	<u>\$ (708,071)</u>	<u>\$ 1,976,200</u>	<u>\$ 2,691,729</u>	<u>\$ 11,521,616</u>
<u>2.57%</u>	<u>2.87%</u>	<u>2.79%</u>	<u>3.43%</u>	<u>3.27%</u>	<u>4.67%</u>

**COUNTY OF VICTORIA, TEXAS****TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1)***Last ten fiscal years*

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<u>Fiscal Year</u>	<u>Ad Valorem</u>	<u>Penalty and Interest</u>	<u>Sales</u>	<u>Total</u>
2014	\$ 23,857,090	\$ 226,586	\$ 11,824,484	\$ 35,908,160
2015	25,394,946	229,051	10,626,687	36,250,684
2016	26,174,207	248,985	9,085,344	35,508,536
2017	26,086,063	291,258	9,275,154	35,652,475
2018	26,207,789	253,583	10,314,720	36,776,092
2019	25,704,436	269,592	10,236,138	36,210,166
2020	27,604,001	250,209	9,914,958	37,769,168
2021	27,997,486	280,758	10,694,633	38,972,877
2022	30,451,452	305,464	12,361,082	43,117,998
2023	33,389,506	323,483	12,395,383	46,108,372
Change 2014-2023	39.96%	42.76%	4.83%	28.41%

(1) Modified accrual basis of accounting

NOTES: Property tax rates have remained stable because of growth in property tax values and the addition of new construction values.

Increase in ad valorem revenues in 2020, 2022, and 2023 is due to an increase in taxable assessed values in the County.

**COUNTY OF VICTORIA, TEXAS**

*ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - GENERAL AND I&S*

*Last ten fiscal years*

Fiscal Year	Tax Roll	Real Property			Personal Property	
		Residential Property	Commercial and Industrial Property	Rural-Underdeveloped Property	Business	Other
2014	2013	\$ 3,170,347,590	\$ 1,728,672,403	\$ 1,024,696,569	\$ 2,027,623,445	\$ 135,934,520
2015	2014	3,334,260,997	1,854,149,141	1,192,795,666	2,151,078,215	137,890,000
2016	2015	3,600,729,580	1,927,390,407	1,272,680,618	2,245,895,665	100,076,960
2017	2016	3,695,285,075	1,817,385,566	1,280,347,158	2,101,048,269	50,990,150
2018	2017	3,800,900,747	1,867,539,086	1,263,321,519	2,022,310,652	45,179,240
2019	2018	3,835,612,285	1,863,986,398	1,303,680,506	1,888,492,492	68,527,440
2020	2019	4,023,912,223	2,013,843,145	1,427,901,840	2,014,143,034	141,207,970
2021	2020	4,214,224,745	2,024,151,824	1,419,629,038	1,996,782,146	100,936,890
2022	2021	4,485,681,600	2,246,116,394	1,456,675,163	2,043,197,225	79,683,340
2023	2022	5,004,567,812	2,485,913,142	1,534,405,949	2,329,007,458	146,211,310

(1) Values on property for maintenance and operation and interest and sinking taxes. Property exemptions differ from those allowed on road and bridge taxes.

NOTE: Property in the County is reassessed annually. The County assesses property at 100 percent of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Victoria County Tax Assessor/Collector

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<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value (1) as a Percentage of Actual Value</u>
\$ 1,901,616,018	\$ 6,185,658,509	\$ 0.3386	\$ 6,185,658,509	100.00%
2,136,944,123	6,533,229,896	0.3386	6,533,229,896	100.00%
2,136,201,137	7,010,572,093	0.3299	7,010,572,093	100.00%
2,024,244,176	6,920,812,042	0.3959	6,920,812,042	100.00%
2,021,928,370	6,977,322,874	0.3959	6,977,322,874	100.00%
2,084,423,602	6,875,875,519	0.3959	6,875,875,519	100.00%
2,330,907,978	7,290,100,234	0.3959	7,290,100,234	100.00%
2,285,738,005	7,469,986,638	0.3959	7,469,986,638	100.00%
2,290,016,904	8,021,336,818	0.3959	8,021,336,818	100.00%
2,727,656,087	8,772,449,584	0.3934	8,772,449,584	100.00%

**COUNTY OF VICTORIA, TEXAS***ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - ROAD AND BRIDGE**Last ten fiscal years*

Fiscal Year	Tax Roll	Real Property			Personal Property	
		Residential Property	Commercial and Industrial Property	Rural-Underdeveloped Property	Business	Other
2014	2013	\$ 3,170,347,590	\$ 1,728,672,403	\$ 1,024,696,569	\$ 2,027,623,445	\$ 135,934,520
2015	2014	3,334,260,997	1,854,149,141	1,192,795,666	2,151,078,215	137,890,000
2016	2015	3,600,729,580	1,927,390,407	1,272,680,618	2,245,895,665	100,076,960
2017	2016	3,695,285,075	1,817,385,566	1,280,347,158	2,101,048,269	50,990,150
2018	2017	3,800,900,747	1,867,539,086	1,263,321,519	2,022,310,652	45,179,240
2019	2018	3,835,612,285	1,863,986,398	1,303,680,506	1,888,492,492	68,527,440
2020	2019	4,023,912,223	2,013,843,145	1,427,901,840	2,014,143,034	141,207,970
2021	2020	4,214,224,745	2,024,151,824	1,419,629,038	1,996,782,146	100,936,890
2022	2021	4,485,681,600	2,246,116,394	1,456,675,163	2,043,197,225	79,683,340
2023	2022	5,004,567,812	2,485,913,142	1,534,405,949	2,329,007,458	146,211,310

(1) Values on property for road and bridges taxes.  
Property exemptions differ from those allowed on maintenance and operation and interest and sinking taxes.

NOTE: Property in the County is reassessed annually. The County assesses property at 100 percent of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Victoria County Tax Assessor/Collector

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<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value (1) as a Percentage of Actual Value</u>
\$ 2,018,035,538	\$ 6,069,238,989	\$ 0.0600	\$ 6,069,238,989	100.00%
2,249,412,211	6,420,761,808	0.0600	6,420,761,808	100.00%
2,190,939,913	6,955,833,317	0.0660	6,955,833,317	100.00%
2,079,036,609	6,866,019,609	0.0660	6,866,019,609	100.00%
2,076,655,611	6,922,595,633	0.0630	6,922,595,633	100.00%
2,139,034,659	6,821,264,462	0.0630	6,821,264,462	100.00%
2,384,598,367	7,236,409,845	0.0630	7,236,409,845	100.00%
2,340,528,309	7,415,196,334	0.0523	7,415,196,334	100.00%
2,344,768,261	7,966,585,461	0.0630	7,966,585,461	100.00%
2,781,343,555	8,718,762,116	0.0605	8,718,762,116	100.00%



**COUNTY OF VICTORIA, TEXAS***DIRECT AND OVERLAPPING PROPERTY TAX RATES**PER \$100 OF ASSESSED VALUE**Last ten fiscal years*

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Tax Roll	County Direct Rates				Overlapping Rates				
	Debt Service	General Fund	Road & Bridge Fund	Total	City of Victoria	Navigation District	Victoria Junior College	Victoria I.S.D.	Bloomington I.S.D.
2013	\$ 0.0235	\$ 0.3151	\$ 0.0600	\$ 0.3986	\$ 0.5996	\$ 0.0277	\$ 0.1823	\$ 1.2896	\$ 1.5150
2014	0.0250	0.3136	0.0600	0.3986	0.5840	0.0240	0.1875	1.2744	1.5150
2015	0.0206	0.3093	0.0660	0.3959	0.5711	0.0240	0.1925	1.2663	1.4002
2016	0.0206	0.3093	0.0660	0.3959	0.5892	0.0266	0.2065	1.2663	1.4002
2017	0.0215	0.3114	0.0630	0.3959	0.5952	0.0286	0.2170	1.2663	1.4002
2018	0.0215	0.3114	0.0630	0.3959	0.6224	0.0305	0.2235	1.3763	1.4002
2019	0.0213	0.3116	0.0630	0.3959	0.6115	0.0308	0.2206	1.1935	1.2317
2020	0.0272	0.3164	0.0523	0.3959	0.6115	0.0308	0.2203	1.1899	1.2281
2021	0.0265	0.3064	0.0630	0.3959	0.5882	0.0297	0.2076	1.1682	1.2204
2022	0.0329	0.3000	0.0605	0.3934	0.5582	0.0288	0.1959	1.0542	1.1163

SOURCE: Victoria County Appraisal District

Overlapping Rates

Industrial I.S.D.	Nursery I.S.D.	McFaddin I.S.D.	W.C.I.D #1	W.C.I.D #2	V.C.D.D. #2	V.C.D.D. #3	Ground Water District	Quail Creek M.U.D.	Total
\$ 1.2610	\$ 1.1000	\$ 1.1550	\$ 0.7217	\$ 1.0700	\$ 0.1162	\$ 0.0307	\$ 0.0088	\$ 0.3494	\$ 9.4060
1.2400	1.1000	1.1500	0.6569	1.0700	0.1089	0.0294	0.00878	0.1729	9.1338
1.2520	1.1000	1.2900	0.6462	1.1400	0.1116	0.0290	0.00878	0.1822	9.2451
1.2833	1.1000	1.3350	0.5033	0.8607	0.1179	0.0297	0.00878	0.1822	8.9893
1.3630	1.1000	1.3600	0.3849	0.5702	0.1134	0.0295	0.00843	0.1822	8.5694
1.3135	1.1150	1.4900	0.3849	1.3158	0.1144	0.0312	0.00843	0.1964	9.5212
1.2122	1.0650	1.2400	0.6371	1.1302	0.0901	0.0298	0.00843	0.1926	8.8867
1.2053	1.0360	1.2864	0.6399	1.0475	0.0925	0.0308	0.00828	0.1926	8.8199
1.1987	1.0436	1.3034	0.6102	0.2937	0.0931	0.0290	0.00800	0.1810	7.9748
1.1325	1.0431	1.1501	0.5119	0.2763	0.0831	0.0279	0.00800	0.1572	7.3435

**COUNTY OF VICTORIA, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**(UNAUDITED)**  
*Current Year and Nine Years Ago*

2023		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Taxable Assessed Valuation
INV Nylon Chem Americas LLC	\$ 355,517,230	4.05%
Haliburton Energy Services	138,973,130	1.58%
AEP Texas Central Co	122,192,330	1.39%
Victoria WLE LP	102,465,580	1.17%
Caterpillar Inc	80,500,000	0.92%
Allegiant Resources LLC	75,351,310	0.86%
Union Pacific Railroad Co	69,077,250	0.79%
Transcontinental Gas Pipeline	66,310,920	0.76%
Dow Chemical	60,401,990	0.69%
South Texas Electric Coop Inc	<u>57,325,520</u>	<u>0.64%</u>
	<u>\$ 1,128,115,260</u>	<u>12.86%</u>

2014		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Taxable Assessed Valuation
Invista S A R L	\$ 197,198,440	3.58%
South Texas Electric Coop Inc	88,092,310	1.60%
Pioneer Natural Resources	68,580,000	1.24%
AEP Texas Central Co	43,519,320	0.79%
E I Dupont De Nemours	40,172,320	0.73%
Invista S A R L	39,977,740	0.73%
Victoria WLE LP	39,533,798	0.72%
Union Pacific Railroad Co	36,542,540	0.66%
EES Leasing LLC	32,067,830	0.58%
Integrated Production Serv	<u>29,430,890</u>	<u>0.53%</u>
	<u>\$ 615,115,188</u>	<u>11.16%</u>

SOURCE: Victoria County Tax Assessor/Collector

**COUNTY OF VICTORIA, TEXAS***PROPERTY TAX LEVIES AND COLLECTIONS(1) - GENERAL AND I&S**Last ten fiscal years*

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year (Original Levy)</u>	<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Collections within the Fiscal Year of the Levy</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>
2014	\$ 20,449,268	\$ 47,279	\$ 20,496,547	\$ 20,044,953	97.80%
2015	21,401,700	461,458	21,863,158	21,384,820	97.81%
2016	22,206,174	(10,010)	22,196,164	21,658,022	97.58%
2017	21,799,367	144,737	21,944,104	21,425,479	97.64%
2018	22,111,531	214,439	22,325,970	21,869,446	97.96%
2019	21,908,979	(40,188)	21,868,791	21,501,047	98.32%
2020	23,334,503	192,528	23,527,031	23,018,147	97.84%
2021	24,621,248	(14,165)	24,607,083	24,085,398	97.88%
2022	25,454,269	491,759	25,946,028	25,519,444	98.36%
2023	28,230,414	283,399	28,513,813	28,022,894	98.28%

(1) Tax levies and collections on maintenance and operation and interest and sinking only

The information above is presented to illustrate the County's ability to collect the amount it levies for a fiscal year, rather than provide a detailed breakdown of the revenue recognized in a fiscal year.

SOURCE: Victoria County Tax Assessor/Collector

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Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 412,892	\$ 20,457,414	99.81%
424,541	21,808,699	99.75%
459,596	22,116,864	99.64%
412,278	21,836,005	99.51%
368,569	22,235,397	99.59%
266,552	21,763,776	99.52%
398,152	23,406,467	99.49%
393,002	24,453,834	99.38%
220,039	25,682,097	98.98%
-	28,022,894	98.28%

**COUNTY OF VICTORIA, TEXAS***PROPERTY TAX LEVIES AND COLLECTIONS (1) - ROAD AND BRIDGE**Last ten fiscal years*

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<u>Fiscal Year</u>	Taxes Levied for the Fiscal Year (Original Levy)	<u>Adjustments</u>	Total <u>Adjusted Levy</u>	<u>Collections within the Fiscal Year of the Levy</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>
2014	\$ 3,512,229	\$ 7,734	\$ 3,519,963	\$ 3,443,695	97.83%
2015	3,686,201	78,551	3,764,752	3,683,761	97.85%
2016	4,262,192	(3,378)	4,258,814	4,157,006	97.61%
2017	4,255,603	28,255	4,283,858	4,183,834	97.67%
2018	4,105,567	39,876	4,145,443	4,061,624	97.98%
2019	4,069,728	(8,166)	4,061,562	3,994,493	98.35%
2020	4,233,572	144,579	4,378,151	4,284,258	97.86%
2021	3,617,300	133,089	3,750,389	3,671,161	97.89%
2022	4,583,413	238,797	4,822,210	4,744,339	98.39%
2023	4,960,931	158,582	5,119,513	5,032,380	98.30%

(1) Tax levies and collections on road and bridge only.

SOURCE: Victoria County Tax Assessor/Collector

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Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 69,960	\$ 3,513,655	99.82%
72,074	3,755,835	99.76%
87,296	4,244,302	99.66%
79,770	4,263,604	99.53%
68,055	4,129,679	99.62%
48,877	4,043,370	99.55%
73,994	4,358,252	99.55%
59,608	3,730,769	99.48%
40,517	4,784,856	99.23%
-	5,032,380	98.30%

**COUNTY OF VICTORIA, TEXAS**

**SALES TAX REVENUE**

*Last ten fiscal years*

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<u>Fiscal Year</u>	<u>Collections</u>
2014	\$ 10,721,246
2015	9,891,860
2016	8,515,577
2017	8,244,984
2018	9,420,631
2019	9,451,596
2020	9,148,982
2021	9,891,242
2022	11,457,658
2023	11,304,405

NOTES: Collections reported on the budgetary (cash) basis of accounting and include only sales and use tax revenue.



**COUNTY OF VICTORIA, TEXAS****DIRECT AND OVERLAPPING SALES TAX RATES***Last ten fiscal years*

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<u>Fiscal Year</u>	<u>Direct Rate</u>	<u>Overlapping Rates</u>		<u>Total</u>
	<u>County</u>	<u>City of Victoria</u>	<u>State of Texas</u>	
2014	0.50%	1.50%	6.25%	8.25%
2015	0.50%	1.50%	6.25%	8.25%
2016	0.50%	1.50%	6.25%	8.25%
2017	0.50%	1.50%	6.25%	8.25%
2018	0.50%	1.50%	6.25%	8.25%
2019	0.50%	1.50%	6.25%	8.25%
2020	0.50%	1.50%	6.25%	8.25%
2021	0.50%	1.50%	6.25%	8.25%
2022	0.50%	1.50%	6.25%	8.25%
2023	0.50%	1.50%	6.25%	8.25%

NOTES: Eventhough the total sales tax rate is 8.25%, sales occurring outside the City of Victoria city limits would only be taxed at 6.75% which is the combination of the County and the State of Texas sales tax rates.

Texas counties have the option of imposing an additional local sales tax of 0.5% to 1.5% for a combined total of state and local taxes of 8.25%.

**COUNTY OF VICTORIA, TEXAS***RATIOS OF OUTSTANDING DEBT BY TYPE**Last ten fiscal years*

Fiscal Year	Governmental Activities					
	Certificates of Obligation*	General Obligation Bonds	Less: Issuance Discount	Plus: Issuance Premiums	Direct Borrowing Financed Purchases	Right-to-Use Leases
2014	\$ 13,680,000	\$ 925,000	\$ (37,638)	\$ 456,904	\$ 376,738	\$ -
2015	13,340,000	470,000	(35,163)	412,212	288,940	-
2016	12,985,000	-	(32,689)	383,640	197,015	-
2017	7,245,000	4,920,000	-	763,838	100,769	-
2018	6,585,000	4,835,000	-	708,713	-	-
2019	15,800,000	4,835,000	-	950,247	-	-
2020	15,105,000	4,835,000	-	880,289	87,290	-
2021	14,525,000	4,425,000	-	810,331	277,455	-
2022	23,390,000	4,000,000	-	1,272,366	185,786	441,825
2023	32,160,000	3,560,000	-	1,596,746	93,312	379,231

NOTES: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

N/A denotes information not available

\*Payments on the 2019 Certificates of Obligation (\$9,895,000 principal) will be reimbursed by the Citizens Medical Center over twenty years beginning in 2021. Payments on the 2022 Certificates of Obligation (\$9,460,000) will be reimbursed by the Citizens Medical Center over twenty years beginning in 2023.

<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
<u>Subscription Liabilities</u>	<u>Interlocal Commitment</u>	<u>Direct Borrowing</u>	<u>Financed Purchases</u>			
\$ -	\$ 2,559,061	\$ 16,333	\$ -	\$ 17,976,398	0.42%	\$ 197.37
-	2,335,833	-	-	16,811,822	0.39%	181.98
-	2,105,908	-	-	15,638,874	0.36%	169.13
-	1,863,808	-	-	14,893,415	0.36%	161.74
-	1,615,952	-	-	13,744,665	0.35%	149.34
-	1,362,200	-	-	22,947,447	0.54%	249.20
-	1,102,414	-	-	22,009,993	0.49%	239.41
-	836,450	-	-	20,874,236	0.39%	229.48
-	564,160	-	-	29,854,137	0.56%	327.83
433,389	-	-	-	38,222,678	N/A	416.99

**COUNTY OF VICTORIA, TEXAS***RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**Last ten fiscal years*

Fiscal Year	General Bonded Debt Outstanding				Debt Service Funds Available (1)
	Certificates of Obligation	General Obligation Bonds	Plus: Issuance Premiums	Total	
2014	\$ 13,680,000	\$ 925,000	\$ 456,904	\$ 15,061,904	\$ 386,801
2015	13,340,000	470,000	412,212	14,222,212	361,231
2016	12,985,000	-	383,640	13,368,640	411,677
2017	7,245,000	4,920,000	763,838	12,928,838	405,931
2018	6,585,000	4,835,000	708,713	12,128,713	471,251
2019	15,800,000 *	4,835,000	950,247	21,585,247	541,502
2020	15,105,000	4,835,000	880,289	20,820,289	530,730
2021	14,525,000	4,425,000	810,331	19,760,331	596,283
2022	23,390,000 *	4,000,000	1,272,366	28,662,366	792,554
2023	32,160,000	3,560,000	1,596,746	37,316,746	1,032,998

**NOTES:**

\*Payments on the 2019 Certificates of Obligation (\$9,895,000 principal) will be reimbursed by the Citizens Medical Center over twenty years beginning in 2021. Payments on the 2022 Certificates of Obligation (\$9,460,000) will be reimbursed by the Citizens Medical Center over twenty years beginning in 2023.

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) This is the amount restricted for debt service principal payments.

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<u>Net Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
\$ 14,675,103	0.24%	\$ 156.10
13,860,981	0.21%	145.58
12,956,963	0.18%	135.98
12,522,907	0.18%	127.70
11,657,462	0.17%	118.96
21,043,745	0.31%	218.21
20,289,559	0.28%	211.12
19,164,048	0.26%	201.77
27,869,812	0.35%	306.04
36,283,748	0.41%	395.83

**COUNTY OF VICTORIA, TEXAS***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**(UNAUDITED)**December 31, 2023*

	<u>Net Debt Outstanding</u>		<u>Percentage Applicable To County</u>	<u>Amount Applicable To County</u>
	<u>Date</u>	<u>Amount</u>		
Direct Debt:				
County of Victoria	12/31/2023	<u>\$ 38,222,678</u>	100.00%	<u>\$ 38,222,678</u>
Overlapping Debt:				
City of Victoria	9/30/2023	43,892,099	100.00%	43,892,099
Victoria County Navigation District	12/31/2023	15,539,637	100.00%	15,539,637
Victoria Junior College District	8/31/2023	30,104,781	100.00%	30,104,781
Victoria Independent School District	8/31/2023	107,098,382	100.00%	107,098,382
Industrial Independent School District	8/31/2023	15,739,731	25.46%	4,007,336
Victoria County Water Control and Improvement District #1	6/30/2023	1,505,182	100.00%	1,505,182
Victoria County Water Control and Improvement District #2	9/30/2023	<u>11,006</u>	100.00%	<u>11,006</u>
Total Overlapping Debt		<u>213,890,818</u>		<u>202,158,423</u>
Total		<u>\$ 252,113,496</u>		<u>\$ 240,381,101</u>

NOTE: The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the County's boundaries and dividing it by each government's total taxable value.

SOURCE: County of Victoria, City of Victoria, Victoria Junior College, Victoria Independent School District, Industrial Independent School District, Victoria County Water Control and Improvement District Numbers 1 and 2.

**COUNTY OF VICTORIA, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
*Last ten fiscal years*

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 2,021,818,632	\$ 2,167,543,505	\$ 2,286,693,308	\$ 2,236,264,055
Total net debt applicable to limit	<u>14,218,199</u>	<u>13,448,769</u>	<u>12,573,323</u>	<u>11,759,068</u>
Legal debt margin	<u>\$ 2,007,600,433</u>	<u>\$ 2,154,094,736</u>	<u>\$ 2,274,119,985</u>	<u>\$ 2,224,504,987</u>
Total net debt applicable to the limit as a percentage of debt limit	0.70%	0.62%	0.55%	0.53%

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 2,249,812,811	\$ 2,240,074,780	\$ 2,405,252,053	\$ 2,438,931,161	\$ 2,577,838,431	\$ 2,193,112,396
<u>10,948,749</u>	<u>20,093,498</u>	<u>19,409,270</u>	<u>18,353,717</u>	<u>26,597,446</u>	<u>34,687,002</u>
<u>\$ 2,238,864,062</u>	<u>\$ 2,219,981,282</u>	<u>\$ 2,385,842,783</u>	<u>\$ 2,420,577,444</u>	<u>\$ 2,551,240,985</u>	<u>\$ 2,158,425,394</u>
0.49%	0.90%	0.81%	0.75%	1.03%	1.58%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 8,772,449,584
Debt limit	2,193,112,396
Debt applicable to limit	
Certificates of obligation	32,160,000
General obligation bonds	3,560,000
Less: Debt Service Fund Balance	<u>1,032,998</u>
Total amount of debt applicable to debt limit	<u>34,687,002</u>
Legal debt margin	<u>\$ 2,158,425,394</u>



**COUNTY OF VICTORIA, TEXAS***DEMOGRAPHIC STATISTICS**(UNAUDITED)**Last ten fiscal years*

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<u>Fiscal Year</u>	(1) <u>Population</u>	(2) <u>Personal Income (000's)</u>	(2) <u>Per Capita Personal Income</u>	(3) <u>Unemployment Rate</u>
2014	91,081	\$ 4,318,998	\$ 47,419	4.2%
2015	92,382	4,351,303	47,101	4.2%
2016	92,467	4,109,015	44,438	5.0%
2017	92,084	3,912,142	42,484	4.9%
2018	92,035	4,246,686	46,142	3.8%
2019	92,084	4,506,415	48,938	3.4%
2020	91,936	4,953,641	53,881	8.1%
2021	90,964	5,319,509	58,479	5.4%
2022	91,065	5,375,580	59,030	3.6%
2023	91,664	N/A	N/A	3.6%

NOTE: N/A denotes information not available

SOURCE: (1) Texas Association of Counties & Census Bureau  
(2) U.S. Department of Commerce, Bureau of Economic Analysis - Estimates based on Victoria County Area statistical data. Data for 2023 is not yet available.  
(3) Texas Workforce Commission & Economic Research

**COUNTY OF VICTORIA, TEXAS***PRINCIPAL EMPLOYERS**(UNAUDITED)**Current Year and Nine Years Ago*

<u>Employer</u>	<u>2023</u>	
	<u>Employees</u>	<u>Percentage of Total Area Employment</u>
Formosa Plastics	3,400	8.21%
Victoria Independent School District	2,025	4.89%
The Inteplast Group	1,248	3.01%
Citizens Medical Center	1,220	2.94%
DeTar Healthcare System	775	1.87%
City of Victoria	654	1.58%
Calhoun County ISD	634	1.53%
Invista	600	1.45%
Caterpillar- NAHEX Victoria	600	1.45%
DOW-Seadrift Operations	587	1.42%
	<u>11,743</u>	<u>28.35%</u>

<u>Employer</u>	<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Area Employment</u>
Formosa Plastics	2,595	5.36%
The Inteplast Group	2,300	4.75%
Victoria Independent School District	2,163	4.47%
Citizens Medical Center	986	2.04%
DeTar Healthcare System	897	1.85%
Alcoa	706	1.46%
Invista	700	1.45%
City of Victoria	613	1.27%
Dow-Seadrift Operations	579	1.20%
Calhoun Independent School District	563	1.16%
	<u>12,102</u>	<u>25.01%</u>

SOURCE: Victoria Economic Development Corporation

NOTE: Based on Victoria Metropolitan Statistical Area, which includes Victoria, Calhoun, Dewitt, Lavaca, Gonzales, Jackson and Goliad Counties.

**COUNTY OF VICTORIA, TEXAS**

*FULL-TIME-EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM*

*Last ten fiscal years*

Function/Program	Fiscal Year			
	2014	2015	2016	2017
<b>General government</b>				
County Judge	3	1	1	2
Comissioners' court	1	3	3	2
Records management	2	2	2	2
County clerk	15	15	14	15
Pre-Trial Services	2	2	2	2
Veterans' service officer	1	1	1	1
Heritage director	1	1	1	1
County court at law #1	2	2	4	5
County court at law #2	2	2	-	-
District court	11	11	11	11
District clerk	14	14	14	14
Justice of the peace #1	4	4	4	4
Justice of the peace #2	3	3	3	3
Justice of the peace #3	4	4	4	4
Justice of the peace #4	3	3	3	3
Criminal district attorney	28	28	28	28
Election administrator	3	3	3	3
County auditor	8	8	8	8
County treasurer	4	5	5	5
Tax assessor-collector	15	16	16	16
Administrative services	4	4	4	4
Information technology	8	9	9	8
Human resources	-	-	-	-
Building maintenance	10	10	9	9
Juvenile detention facility	62	57	57	55
<b>Public safety</b>				
Fire marshal	7	9	9	9
Sheriff	200	202	202	202
Constable #1	1	1	1	1
Constable #2	1	1	1	1
Constable #3	1	1	1	1
Constable #4	1	1	1	1
Animal control	-	-	-	-
<b>Culture and recreation</b>				
Parks and recreation	1	1	1	1
Extension service	5	5	5	5
Public health (includes flood/emg mgmt & health dept)	60	51	49	51
Highways and streets	43	44	44	43
Airport	15	17	17	17
Commissary	1	1	1	1
Navarro Project	3	3	3	3
<b>Total</b>	<u>549</u>	<u>545</u>	<u>541</u>	<u>541</u>

NOTES: A full-time employee is scheduled to work 2,080 hours per year (including paid time off).

Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

In 2023, Animal Control was no longer a part of the health department and became its own department.

Fiscal Year					
2018	2019	2020	2021	2022	2023
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
15	15	15	15	15	15
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
5	5	5	5	5	5
-	-	-	-	-	-
11	11	11	11	11	11
14	14	14	14	14	14
4	4	4	4	4	4
3	3	3	3	3	3
4	4	4	4	4	4
3	3	3	3	3	3
28	28	27	27	28	28
3	3	6	5	5	5
8	8	8	8	8	8
5	5	5	5	5	5
16	16	16	16	16	16
4	4	3	3	3	4
7	7	7	7	7	7
-	-	2	2	3	3
12	12	12	12	13	13
56	56	56	56	56	56
9	9	9	9	7	7
202	202	213	226	234	234
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
-	-	-	-	-	11
1	-	-	-	-	-
5	5	5	5	5	5
51	52	59	59	59	57
43	43	44	43	45	45
17	14	14	15	15	15
1	1	1	2	2	2
-	-	-	-	-	-
<u>541</u>	<u>538</u>	<u>560</u>	<u>573</u>	<u>584</u>	<u>594</u>

**COUNTY OF VICTORIA, TEXAS***OPERATING INDICATORS BY FUNCTION/PROGRAM**Last ten fiscal years*

Function/Program	Fiscal Year			
	2014	2015	2016	2017
General government				
County Court				
Criminal cases filed	1,984	1,472	1,730	1,472
Criminal case dispositions	1,970	1,970	1,721	1,843
Civil cases filed	393	469	419	535
Civil case dispositions	403	468	587	444
Juvenile cases filed	72	66	112	28
Juvenile case dispositions	96	90	112	40
District Court				
Criminal cases filed	1,046	933	972	863
Criminal case dispositions	1,020	969	892	811
Civil cases filed	3,411	2,770	3,012	3,378
Civil case dispositions	2,969	2,918	2,849	3,452
Justice of the Peace				
Civil cases filed	1,223	1,322	1,577	1,811
Criminal cases filed	11,350	8,247	6,788	6,487
Elections Administrator				
New registrations	3,486	2,026	5,774	5,963
Elections held	5	2	6	1
County Auditor				
Accounts payable invoices processed	18,835	22,529	24,700	24,259
County Treasurer				
Payroll checks processed	17,392	17,478	17,665	17,058
Tax Assessor-collector				
Automobile registrations	100,034	97,932	92,717	91,587
Public Safety				
Animal Control				
Animal control calls	7,554	7,976	7,000	6,748
Sheriff				
Emergency 911 calls received	4,286	5,268	5,105	5,755
Fire marshal				
Fires	215	179	180	314
Culture and recreation				
Parks and recreation				
Cabana rentals	31	12	24	20
Public health				
Health Department				
Immunizations administered	5,841	3,296	4,352	4,840
Adult/child health screening visits	1,554	1,582	1,076	840
Environmental inspections/permits	3,299	3,683	4,011	2,303
Mosquito control trips	39	73	55	61
Water laboratory tests	7,478	9,682	4,236	2,305
Highways and streets				
Road and bridge precincts				
Miles of roads overlaid	36	35	39	40

Fiscal Year					
2018	2019	2020	2021	2022	2023
1,686	1,983	1,520	1,320	1,853	1,248
1,726	982	1,712	828	2,029	1,720
654	624	422	348	645	319
554	576	168	225	326	217
70	95	90	77	91	84
86	57	57	60	74	100
1,081	863	885	955	1,033	820
803	1,132	706	931	1,053	987
2,949	2,506	2,106	2,101	1,823	1,927
2,884	2,682	1,814	2,227	2,087	1,820
2,485	2,567	2,079	2,487	2,194	2,340
8,183	8,456	5,976	6,118	6,032	5,197
9,808	2,866	5,060	3,256	8,998	3,077
5	2	3	4	4	2
25,504	26,353	23,808	23,991	25,828	26,023
16,954	17,174	17,093	16,862	16,449	17,288
91,016	90,696	87,257	90,455	89,662	89,759
5,498	4,452	4,870	4,230	4,390	3,726
5,405	5,055	5,248	5,317	5,606	5,935
415	323	363	219	557	264
26	39	2	17	23	24
3,674	4,151	2,699	9,838	3,491	1,345
651	674	658	840	617	542
2,416	2,760	2,784	2,846	3,246	2,890
88	88	77	132	83	66
1,760	1,405	1,312	1,580	2,238	2,236
37	45	42	32	36	39

**COUNTY OF VICTORIA, TEXAS***CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**Last ten fiscal years*

Function/Program	Fiscal Year			
	2014	2015	2016	2017
<b>General government</b>				
Buildings	9	10	11	11
Parking lots	3	3	3	3
<b>Public safety</b>				
Animal Control				
Animal Shelter	1	1	1	1
Sheriff				
Jail	1	1	1	1
Patrol units	96	98	110	110
Fire Marshal				
Stations	1	1	1	1
Fire trucks	7	7	7	7
<b>Highways and streets</b>				
Roads (miles)	604.62	592.96	590.21	604.67
Bridges	90	90	90	90
Landfills	3	3	3	3
<b>Culture and recreation</b>				
Lake (acreage)	95	95	95	95
Boat ramps	2	2	2	2
Extension Office	1	1	1	1
4 H Activity Center	1	1	1	1
<b>Airport</b>				
T-Hanger	6	6	6	6
Terminal	1	1	1	1
<b>Navarro Lease Project</b>				
Building	1	1	1	1

SOURCES: Various County Departments

Texas Department of Transportation

Fiscal Year						
2018	2019	2020	2021	2022	2023	
11	11	11	13	13	14	
3	3	3	3	3	3	
1	1	1	1	1	1	
1	1	1	1	1	1	
114	114	125	106	111	110	
1	1	1	1	1	1	
7	8	10	10	11	12	
592.25	599.26	599.54	599.72	601.88	604.33	
90	90	90	90	90	92	
3	3	3	3	3	3	
95	95	95	95	95	95	
2	2	2	2	2	2	
1	1	1	1	1	1	
1	1	1	1	1	1	
6	6	6	6	6	6	
1	1	1	1	1	1	
1	1	1	0	0	0	



**SINGLE AUDIT SECTION**



CERTIFIED PUBLIC ACCOUNTANTS  
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**INDEPENDENT AUDITORS' 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 the Commissioners' Court  
County of Victoria, Texas

We have audited, 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, the statutory basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Victoria, Texas (the "County") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 6, 2024. Our report includes a reference to other auditors who audited the financial statements of the Citizens Medical Center, as described in our report on the County's financial statements. These financial statements were not audited in accordance with *Government Auditing Standards*.

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.

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, 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 result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HARRISON, WALDROP & UHEREK, L.L.P.  
Certified Public Accountants

August 6, 2024



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE TEXAS GRANT MANAGEMENT STANDARDS**

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the County of Victoria, Texas' (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Texas Grant Management Standards* that could have a direct and material effect on each of the County's major federal and state programs for the year ended December 31, 2023. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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 and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *Texas Grant Management Standards* (TxGMS). Our responsibilities under those standards, the Uniform Guidance, and the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

### Auditor's Responsibility for the Audit of Compliance

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

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

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

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

### Report on Internal Control Over Compliance

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

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, 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 and the TxGMS. Accordingly, this report is not suitable for any other purpose.



HARRISON, WALDROP & UHEREK, L.L.P.  
Certified Public Accountants

August 6, 2024

**COUNTY OF VICTORIA, TEXAS***SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**For the year ended December 31, 2023*

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
<b>FEDERAL EXPENDITURES</b>		
<b>U. S. Department of Homeland Security</b>		
<i>Passed Through the Transportation Security Administration</i>		
Law Enforcement Officer Reimbursement Agreement Program	97.090	70T02021T6114N288
<i>Passed Through the Office of the Texas Governor, Homeland Security Grants Division</i>		
Homeland Security Grant Program	97.067	EMW-2021-SS-00062
Homeland Security Grant Program	97.067	EMW-2022-SS-00021
Total Office of the Texas Governor, Homeland Security Grants Division		
<i>Passed Through the Texas Division of Emergency Management</i>		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4332
Hazard Mitigation Grant	97.039	DR-4332-0356
Total Texas Division of Emergency Management		
Total U.S. Department of Homeland Security		
<b>U. S. Department of Justice</b>		
<i>Direct Program</i>		
Equitable Sharing Program	16.922	N/A
Equitable Sharing Program	16.922	N/A
<i>Passed Through the Office of the Texas Governor, Criminal Justice Division</i>		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02660-JAGX
Crime Victim Assistance	16.575	C-00069
Crime Victim Assistance	16.575	C-00934
Crime Victim Assistance	16.575	C-00070
Crime Victim Assistance	16.575	C-00935
Total Office of the Texas Governor, Criminal Justice Division		
Total U.S. Department of Justice		
<b>U. S. Department of Agriculture</b>		
<i>Passed Through Texas Health and Human Services Commission</i>		
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HHS000807400001
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HHS000807400001
Total Texas Health and Human Services Commission		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 25,550	\$ -	\$ 25,550	\$ -		
25,550	-	25,550	-		
228,758	-	228,758	-		
154,502	-	154,502	-		
383,260	-	383,260	-		
5,294	-	5,294	-		
5,294	-	5,294	-		
143,688	-	143,688	-		
143,688	-	143,688	-		
148,982	-	148,982	-		
557,792	-	557,792	-		
-	8,647	8,647	-		
-	58,565	58,565	-		
-	67,212	67,212	-		
25,235	-	25,235	12,615		
25,235	-	25,235	12,615		
27,380	-	27,380	-		
23,167	-	23,167	-		
35,466	-	35,466	-		
10,493	-	10,493	-		
96,506	-	96,506	-		
121,741	-	121,741	12,615		
121,741	67,212	188,953	12,615		
476,845	-	476,845	-		3
195,400	-	195,400	-		3
672,245	-	672,245	-		(continued)



**COUNTY OF VICTORIA, TEXAS***SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**For the year ended December 31, 2023*

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
<b>FEDERAL EXPENDITURES - (Continued)</b>		
<b>U. S. Department of Agriculture - (Continued)</b>		
<i>Passed Through Texas Department of Agriculture</i>		
School Breakfast Program	10.553	236TX332N1099
School Breakfast Program	10.553	236TX332N1099
National School Lunch Program	10.555	236TX332N1099
National School Lunch Program	10.555	236TX332N1099
Supply Chain Assistance (SCA)	10.555	236TX400N8903
Non-Cash Assistance (Commodities)	10.565	236TX877Y8005
Non-Cash Assistance (Commodities)	10.565	236TX877Y8005
Total Child Nutrition Cluster		
Total Texas Department of Agriculture		
Total U.S. Department of Agriculture		
<b>U. S. Department of Health and Human Services</b>		
<i>Passed Through Texas Department of State Health Services</i>		
Public Health Emergency Preparedness (PHEP)	93.069	537-18-0181-00001
Public Health Emergency Preparedness (PHEP)	93.069	HHS001311200045
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	HHS001077700001
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	HHS000769700001
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HHS001096400026
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HHS001096400026
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HHS001096400026
Immunization Cooperative Agreements	93.268	HHS000119700011
Immunization Cooperative Agreements	93.268	HHS001331300049

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 19,304	\$ -	\$ 19,304	\$ -	Child Nutrition Cluster	
19,782	-	19,782	-	Child Nutrition Cluster	
39,086	-	39,086	-		
39,116	-	39,116	-	Child Nutrition Cluster	
39,373	-	39,373	-	Child Nutrition Cluster	
11,841	-	11,841	-	Child Nutrition Cluster	
90,330	-	90,330	-		
1,713	-	1,713	-	Child Nutrition Cluster	4
6,049	-	6,049	-	Child Nutrition Cluster	4
7,762	-	7,762	-		
137,178	-	137,178	-		
137,178	-	137,178	-		
809,423	-	809,423	-		
53,033	-	53,033	-		
39,762	-	39,762	-		
92,795	-	92,795	-		
292,244	-	292,244	-		
25,901	-	25,901	-		
318,145	-	318,145	-		
10,896	-	10,896	-		
3,328	-	3,328	-		
4,115	-	4,115	-		
18,339	-	18,339	-		
117,703	-	117,703	-		
46,140	-	46,140	-		
163,843	-	163,843	-		

(continued)

**COUNTY OF VICTORIA, TEXAS***SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**For the year ended December 31, 2023*

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
<b>FEDERAL EXPENDITURES - (Continued)</b>		
<b>U. S. Department of Health and Human Services - (Continued)</b>		
<i>Passed Through Texas Department of State Health Services - (Continued)</i>		
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	HHS001105400020
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	HHS001105400020
Preventive Health and Health Services Block Grant	93.991	HHS001029800001
Preventive Health and Health Services Block Grant	93.991	HHS001324900053
Preventive Health and Health Services Block Grant	93.991	HHS000438400007
Preventive Health and Health Services Block Grant	93.991	HHS000438400007
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	HHS001057600044
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HHS000812700032
Total Texas Department of State Health Services		
<i>Passed Through Texas Health and Human Services Commission</i>		
Medical Assistance Program	93.778	HHS000537900284
<i>Passed Through Brazos Valley Council of Governments</i>		
HIV Care Formula Grants	93.917	5608/SR4-565-01
HIV Care Formula Grants	93.917	5611/SR1-565-03
HIV Care Formula Grants	93.917	5611/1-565-02
Total Brazos Valley Council of Governments		
Total U.S. Department of Health and Human Services		
<b>U. S. Department of Housing and Urban Development</b>		
<i>Passed Through Texas General Land Office</i>		
Community Development Block Grant/State's program	14.228	20-065-094-C262
Community Development Block Grant/State's program	14.228	20-066-004-C033
Total Texas General Land Office		
<i>Passed Through Brazos Valley Council of Governments</i>		
Housing Opportunities for Persons with AIDS	14.241	5607/5-565-01
Housing Opportunities for Persons with AIDS	14.241	5607/6-565-01
Housing Opportunities for Persons with AIDS	14.241	5613/1-565-01
Total Brazos Valley Council of Governments		
Total U.S. Department of Housing and Urban Development		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 441,911	\$ -	\$ 441,911	\$ 136,563		3
251,020	-	251,020	81,227		3
692,931	-	692,931	217,790		
100,352	-	100,352	-		
55,682	-	55,682	-		
62,113	-	62,113	-		
20,369	-	20,369	-		
238,516	-	238,516	-		
43,190	-	43,190	-		3
27,689	-	27,689	-		
1,595,448	-	1,595,448	217,790		
36,297	-	36,297	-	Medicaid Cluster	
46,093	-	46,093	-		
53,925	-	53,925	-		
18,421	-	18,421	-		
118,439	-	118,439	-		
1,750,184	-	1,750,184	217,790		
1,118,555	-	1,118,555	-		
2,750	-	2,750	-		
1,121,305	-	1,121,305	-		
1,192	-	1,192	-		
64,117	-	64,117	-		
22,117	-	22,117	-		
87,426	-	87,426	-		
1,208,731	-	1,208,731	-		

(continued)

**COUNTY OF VICTORIA, TEXAS****SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the year ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
<b>FEDERAL EXPENDITURES - (Continued)</b>		
<b>U. S. Department of Transportation</b>		
<i>Passed Through Federal Aviation Administration</i>		
Airport Improvement Program and COVID-19 Airports Programs	20.106	3-48-0219-025-2022
Airport Improvement Program and COVID-19 Airports Programs	20.106	3-48-0219-024-2022
Total U.S. Department of Transportation		
<b>U. S. Department of the Interior</b>		
<i>Direct Program</i>		
GOMESA	15.435	N/A
<i>Passed Through Texas Historical Commission</i>		
Historic Preservation Fund Grants-in-Aid	15.904	TX-21-001
Total U.S. Department of the Interior		
<b>Executive Office of the President</b>		
<i>Passed Through Office of National Drug Control Policy</i>		
High Intensity Drug Trafficking Areas Program	95.001	G22HN0020A
High Intensity Drug Trafficking Areas Program	95.001	G23HN0020A
Total Executive Office of the President		
<b>U.S. Department of the Treasury</b>		
<i>Direct Program</i>		
Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19
Total U.S. Department of the Treasury		
<b>TOTAL FEDERAL EXPENDITURES</b>		
<b>STATE EXPENDITURES</b>		
<b>Texas Department of State Health Services</b>		
Texas Epidemiology Capacity Expansion IDCU/SUR	N/A	HHS000436300025
Texas Epidemiology Capacity Expansion IDCU/SUR	N/A	HHS001315700028
TB/PC-STATE Tuberculosis Prevention and Control	N/A	HHS001182200025
TB/PC-STATE Tuberculosis Prevention and Control	N/A	HHS001182200025
ZONOSIS Control	N/A	HHS000932900004
<i>Passed Through Brazos Valley Council of Governments</i>		
HIV Health and Social Services (State Services)	N/A	5609/5-565-01
HIV Health and Social Services (State Services)	N/A	5612/1-565-01
Total Brazos Valley Council of Governments		
Total Texas Department of State Health Services		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 177,369	\$ -	\$ 177,369	\$ -		
98,514	-	98,514	-		
<u>275,883</u>	<u>-</u>	<u>275,883</u>	<u>-</u>		
-	127,877	127,877	-		
11,564	-	11,564	-		
<u>11,564</u>	<u>127,877</u>	<u>139,441</u>	<u>-</u>		
109,056	-	109,056	-		
36,030	-	36,030	-		
<u>145,086</u>	<u>-</u>	<u>145,086</u>	<u>-</u>		
-	3,355,829	3,355,829	587,615		
-	3,355,829	3,355,829	587,615		
<u>4,880,404</u>	<u>3,550,918</u>	<u>8,431,322</u>	<u>818,020</u>		
-	54,023	54,023	-		
-	27,318	27,318	-		
-	19,350	19,350	-		
-	13,217	13,217	-		
-	9,100	9,100	-		
<u>-</u>	<u>123,008</u>	<u>123,008</u>	<u>-</u>		
47,484	-	47,484	-		
31,824	-	31,824	-		
<u>79,308</u>	<u>-</u>	<u>79,308</u>	<u>-</u>		
<u>79,308</u>	<u>123,008</u>	<u>202,316</u>	<u>-</u>		

(continued)

**COUNTY OF VICTORIA, TEXAS***SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**For the year ended December 31, 2023*

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
<b>STATE EXPENDITURES - (Continued)</b>		
<b>Texas Juvenile Justice Department</b>		
State Aid	N/A	TJPC-A-2023-235
State Aid	N/A	TJPC-A-2024-235
Grant R	N/A	TJPC-R-2024-235
Grant R	N/A	TJPC-R-2023-235
Grant R	N/A	TJPC-R-2024-235
Total Texas Juvenile Justice Department		
<b>Office of the Attorney General of Texas</b>		
Texas Vine Grant	N/A	20222344900-515-01
<b>Texas Department of Transportation</b>		
Routine Airport Maintenance Program	N/A	M2313VICT
County Transportation Infrastructure Fund Grant	N/A	CTIF-02-235
Total Texas Department of Transportation		
<b>Law Enforcement Officers Standards and Education</b>		
Training Grant	N/A	N/A
<b>Texas Task Force on Indigent Defense</b>		
Indigent Defense	N/A	212-22-235
Indigent Defense Coordinator Program	N/A	212-23-N02
Indigent Defense Coordinator Program	N/A	212-24-C14
Coastal Plains Regional Public Defender	N/A	SN-24-002
Total Texas Task Force Indigent Defense		
<b>Texas Office of the Governor - Criminal Justice Division</b>		
Body Worn Camera Program	N/A	2022-BC-ST-00220
<b>Texas Office of the Governor - Homeland Security Grants Division</b>		
Operation Lone Star Grant Program	N/A	4381001
<b>Texas Comptroller of Public Accounts</b>		
Rural Law Enforcement Salary Assistance Grant Program	N/A	IA-0000000442
Rural Law Enforcement Salary Assistance Grant Program	N/A	IA-0000000425
Total Texas Comptroller of Public Accounts		

**TOTAL STATE EXPENDITURES****TOTAL FEDERAL AND STATE EXPENDITURES**

See accompanying notes to schedule of expenditures of federal and state awards.

Expenditures				Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total				
\$ -	\$ 700,728	\$ 700,728	\$ -			
-	707,552	707,552	-			
-	8,331	8,331	-			
-	195,239	195,239	-			
-	40,600	40,600	-			
-	1,652,450	1,652,450	-			
-	17,680	17,680	-			
-	39,465	39,465	-			
-	190,297	190,297	-			
-	229,762	229,762	-			
-	22,542	22,542	-			
-	71,230	71,230	-			
-	26,873	26,873	-			
-	6,941	6,941	-			
-	3,069	3,069	-			
-	108,113	108,113	-			
-	4,200	4,200	-			
-	1,251,880	1,251,880	-			
-	6,437	6,437	-			
-	15,181	15,181	-			
-	21,618	21,618	-			
79,308	3,431,253	3,510,561	-			
\$ 4,959,712	\$ 6,982,171	\$ 11,941,883	\$ 818,020			

(concluded)



**COUNTY OF VICTORIA, TEXAS**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the year ended December 31, 2023

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**NOTE 1: BASIS OF ACCOUNTING**

Expenditures reported on the schedule are reported on the statutory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Texas Grant Management Standards (TxGMS), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2: PROGRAM COSTS**

The accompanying schedule of expenditures of federal and state awards includes only the federal and state grant portion of the program costs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the TxGMS.

**NOTE 3: INDIRECT COST RATE**

The amount expended for these grants includes a total of \$99,758 claimed as indirect cost recoveries using an approved indirect cost rate of 14.21 percent of total expenses.

The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4: NONCASH AWARDS**

The amount of commodities reported on the schedule is the value of the commodities received by the County during the fiscal year and priced as prescribed by the Department of Agriculture, Food and Nutrition Service.

**COUNTY OF VICTORIA, TEXAS**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*  
 For the year ended December 31, 2023

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Adverse (GAAP Basis); Unmodified (Statutory Basis)

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)?  yes  none reported

Noncompliance material to financial statements noted?

yes  no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)?  yes  none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) and Texas Grant Management Standards?

yes  no

Identification of major programs:

*Federal Assistance Listing Number(s)*

*Name of Major Programs or Cluster*

10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
21.027	Coronavirus State and Local Fiscal Recovery Funds
N/A	Operation Lone Star Grant Program
N/A	Texas Juvenile Justice Department-2023-235 and 2024-235

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

None noted.

**Section III - Federal Award Findings and Questioned Costs**

None noted.

**COUNTY OF VICTORIA, TEXAS**  
*SCHEDULE OF PRIOR AUDIT FINDINGS*  
*For the year ended December 31, 2023*

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None were reported.