

WHARTON COUNTY, TEXAS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
December 31, 2024

WHARTON COUNTY, TEXAS
COUNTY AUDITOR'S OFFICE
309 E. Milam St., Suite 300
Wharton, Texas 77488

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WHARTON COUNTY, TEXAS

Annual Comprehensive Financial Report For the Year Ended December 31, 2024

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INTRODUCTORY SECTION

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The County of Wharton

Wharton County Courthouse Annex

309 E. Milam Street, Suite 300

Wharton, Texas 77488-5074

979/532-2640

979/532-8820 Fax

Barbara Starling
County Auditor

Donna Howard, Assistant Auditor
Christa Albrecht, Assistant Auditor
Jessica Sanchez, Assistant Auditor
Susie Rodriguez, Assistant Auditor

June 23, 2025

The Honorable 23rd and 329th District Judges,
The Honorable Members of Commissioners' Court and
Citizens of Wharton County

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year December 31, 2024, in accordance with Chapters 114.025 and 115.045 of the *Texas Local Government Code*.

Management assumes full responsibility for the completeness and reliability of all the information presented in this report based on a comprehensive framework of internal controls established to compile sufficient, reliable information for the preparation of the financial statements. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

KM&L, LLC a firm of certified public accountants, have issued an unmodified ("clean") opinion on Wharton County's financial statements for the year ended December 31, 2024. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter and should be read in conjunction with it. Wharton County's MD&A can be found immediately following the report of the independent auditors. The financial section also includes government-wide financial statements, fund financial statements, notes, required supplementary information and the combining of individual fund financial statements and schedules. The statistical section of the report includes financial and demographic information, generally presented on a multi-year basis. The compliance section includes reports issued by our independent auditors and other documents to meet the Federal Single Audit requirements.

Profile of Wharton County

Wharton County, incorporated in 1846, is located in south/central Texas midway between Houston and Victoria on Highway 59 on the Coastal Plain of Southeast Texas at the coastal bend, and was established from parts of Matagorda, Jackson and Colorado counties. The County covers an area of 1,090 square miles and serves an estimated population of 42,035. Neighboring counties are Austin, Brazoria, Colorado, Fort Bend, Jackson and Matagorda. The County's three incorporated and largest communities are Wharton, which is the county seat and located east of the Colorado River, El Campo which is located west of the Colorado River and East Bernard which is located south of the San Bernard River. The County is a political subdivision of the State of Texas.

The Commissioners' Court, composed of the County Judge and four County Commissioners, one from each of four geographical precincts, is the governing body of the County. It has certain powers granted to it by the state legislature. The County Judge is elected at large for a term of four years and the Commissioners serve four-year staggered terms, with two members elected every two years.

Commissioners' Court responsibilities include the adoption of the budget, setting the tax rates, approval of contracts, calling of elections, issuance of bonds, development of policies and procedures, appointment of certain county officials and oversight responsibility of all the funds included in this report. The management and leadership provided by Commissioners' Court, along with other elected and appointed officials are important to the success of the County's financial management and growth. The County Auditor is appointed by the District Judges to serve two year terms and has responsibilities for establishing accounting policies and procedures, maintaining the records of financial transactions of the County and examining and approving disbursements from county funds prior to their submission to the Commissioners' Court for payment.

The County provides a full range of services to its citizens. Such services are public safety, county, district and justice court systems, health and welfare, conservation and environmental control and general governmental functions such as recording, licenses and permits, tax collections and elections. Other services include the construction and maintenance of public facilities, roads, bridges and other infrastructure, drainage and flood control. Wharton County also has four branch libraries, a solid waste station and a historical museum.

Budget

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit budget requests to the County Judge, who is the budget officer, during June of each year. The County Judge, assisted by the County Auditor, uses these requests for developing a proposed budget. The proposed budget is presented to the Commissioners' Court for review. Budget hearings are posted annually with the final budget approved by Commissioners' Court following the hearings. Appropriated budgets are prepared by fund (e.g., general), function (e.g., public safety), department (e.g., sheriff), category (e.g., supplies), and classification (e.g., petroleum products).

The Commissioners' Court adopts the County's budget within the available resources. Expenditures for current operating funds may not exceed available cash balances in those funds at January 1 plus the estimate of revenues by the County Auditor for that year. The Commissioners' Court may spend funds only in strict compliance with the budget. A contingency reserve is included in the budget for unforeseen non-emergency expenditures. All transfers of appropriations, either within or between departments, require the approval of Commissioners' Court. Unencumbered appropriations lapse at the fiscal year end. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The County adopts an annual appropriated budget for its general, road and bridge, farm-to-market lateral road, the capital replacement and select special revenue funds.

Local Economy

Although the County's economy has been based primarily on agriculture for many years, other major industries located within the area include an electrical power plant, new solar and wind farms, oil and gas businesses, manufacturers of furniture, clothing, tire plant, hospitals, retail stores, financial institutions, insurance companies, schools, including a junior college, and a general aviation airport. Major roadways include U.S. Highway 59, which is the future route of Interstate 69, U.S. Highway 90 Alternate, and State Highways 60 and 71. Wharton County has expanded opportunity for industry growth due to its close proximity to Houston and railway accessibility.

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay at home orders going into effect for all but essential workers. The County navigated through this time by initially closing its doors to everyday operations at the end of March, 2020 but still reported to work and met with outside parties or other employees at a scheduled time. In May, 2020 we opened all doors but followed local and State guidelines in monitoring social distancing, requiring masks and providing hand sanitizing supplies. Today we are back to normal operations with no mention of COVID updates at our twice a month meeting of Commissioners' Court but have been challenged with the inflation increases that resulted from supply chain disruptions which drove up consumer prices. The biggest impact we experienced at the County level was the large increase in gasoline, diesel and food prices in 2024 and continuing into 2025. Fortunately, the unemployment rates have declined from the peak seen during COVID of 12.8% with 2024 Texas unemployment rate ending at 4.1% while Wharton County's rate was slightly higher at 4.4%.

A comparison of county sales tax collections amounted to \$4,166,552 in 2022, \$5,391,898 in 2023 and fell slightly to \$5,289,112 in 2024. The large increase from 2022 to 2023 reflected business growth in online sales as well as the numerous solar and wind farms that have been undergoing construction around Wharton County which signifies potential economic opportunities for the County to benefit through retail, housing and job opportunities. New businesses that have committed or shown significant interest in Wharton County include a new distribution center via rail, a new 75-suite Hilton hotel and a 222-unit luxury apartment complex.

The Commissioners' Court remains active in economic development to ensure and promote growth within the County as the long-term effect is to provide sufficient resources to fund county operations. Tax abatements and economic development agreements, which give reduced property taxes for a number of years, are offered by most governmental entities to promote industry expansion and development. The County currently has two tax abatements in place including Exelon Colorado Bend Phase 3 plant that started their abatement in 2018. The other is an abatement for a 75 acre solar farm that was approved in 2018 and has received a 50% abatement that started in 2019 for 8 years.

Long-Term Financial Planning

County governments in Texas are required by law to operate under a balanced budget. The Commissioners' Court strives to use a conservative approach to the allocation of its resources to meet increasing service demands. Wharton County has financial management policies to ensure its long-term financial outlook and to protect against a reduction of services due to temporary revenue shortfall or unexpected emergency expenditures. Reserve guidelines set by Commissioners' Court are representative of an estimated cost of operations for a 90 day period. Excess funds over these guidelines may be appropriated for tax rate stabilization and one-time capital expenses or improvements.

The County's budget is its financial plan that matches revenues and appropriations with services provided to the citizens of Wharton County based on an established budget policy. Each department has the responsibility to operate their department efficiently and frugally and eliminate unnecessary expenditures. The budget is developed and resources allocated based on the vision and goals of the County. The County actively pursues grant funding to help provide resources to develop viable projects and to purchase equipment. The County also utilizes inter-local agreements with various entities for services of street maintenance, drainage projects, and housing prisoners. In 2024, as in the past several years, a portion of fund balance reserves was used to balance revenues to appropriations.

Unfunded mandates from the state and federal governments to local governments continues to place additional burden upon the County and will eventually require new or additional revenue to cover the costs of those mandates. The County adopts a yearly budget, but decisions include long-term goals to be accomplished by the County and include the following:

- Continue to provide quality services to its citizens and meet ongoing mandates
- Operate county government in a fiscally responsible manner
- Promote a favorable environment for new and existing businesses
- Work with other governmental entities for coordination of projects
- Increase construction and replacement of the county's infrastructure

Major Initiatives

Hurricane Harvey's impact from the drenching rains caused the local Colorado and San Bernard Rivers to flood at levels not seen in a century destroyed thousands of homes and hundreds of businesses. As a result of the impacts of flooding that occurred in our County, several grants have been approved and are in progress to improve our drainage in our area as well as studies of the Colorado River to develop an early warning system/local flood response and protection plan. We are still participating in a local buy-out grant of homes in repetitive flood areas. More grants were applied for and awarded in 2024 that allowed additional funding for Operation Lone Star Grant, a grant to update the radios for our local law enforcement and first responders, Senate Bill 22 grant which enabled us to hire a new Assistant County Attorney, new Assistant District Attorney and needed safety equipment for the Sheriff as well as the American Rescue Plan Act grant that allowed our county to finish construction on renovating the second General Services building so that we can house the Rural Regional Public Defender Office that we have applied for with Matagorda County.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Wharton County for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2023. This was the 36th consecutive year that Wharton County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the County Auditor's office and the professional services provided by our independent auditors, KM&L, LLC. I would like to express my sincere appreciation to all the departments who assisted and contributed information for the preparation of this report. I would also like to thank the District Judges and the members of Commissioners' Court for their leadership and support during the past year.

Respectfully submitted,

Barbara Starling
County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Wharton County
Texas**

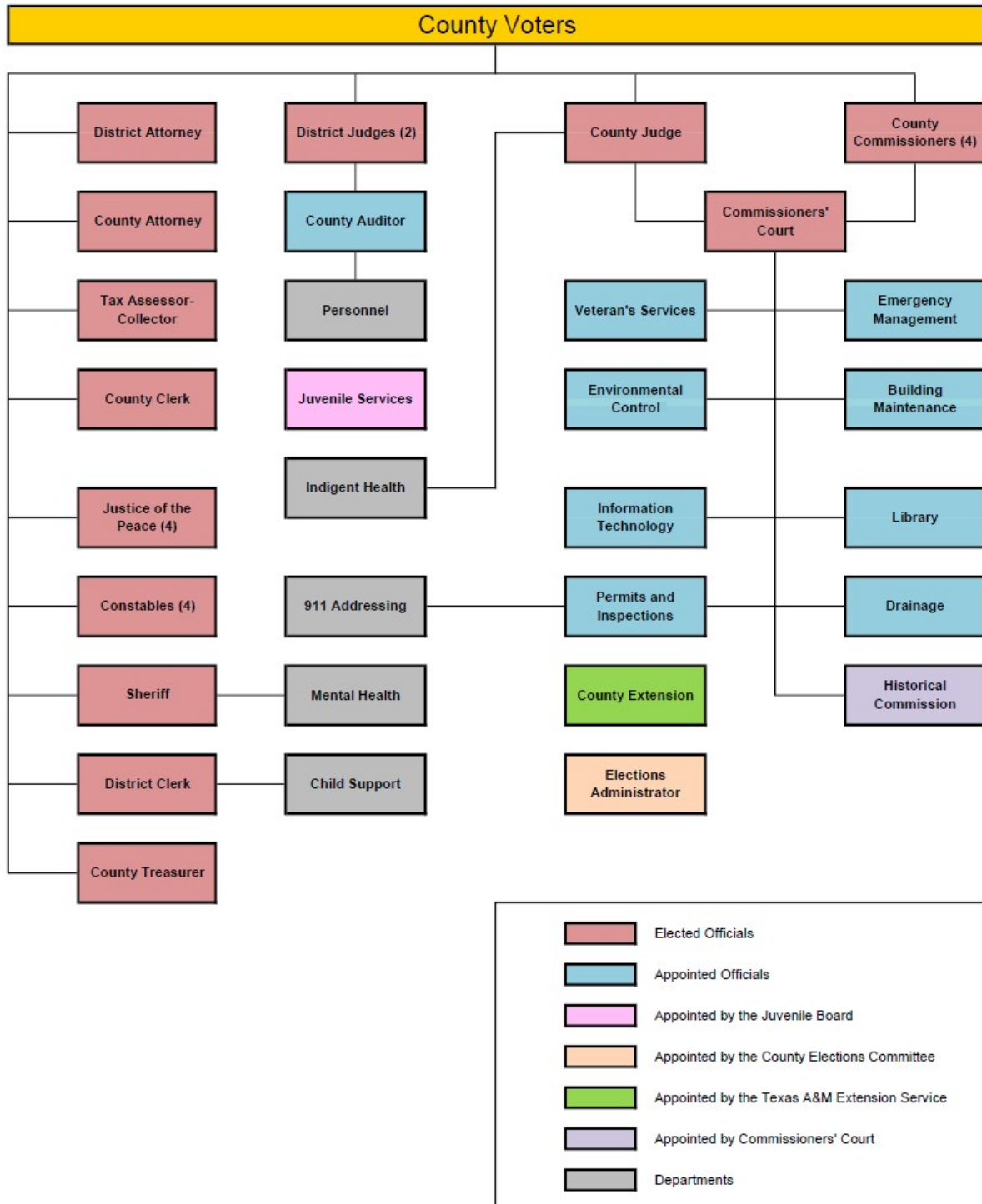
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

Wharton County, Texas
Organizational Chart
For the Year Ended December 31, 2024



WHARTON COUNTY, TEXAS

List of Principal Officials

For the Year Ended December 31, 2024

ELECTED:

COMMISSIONERS' COURT:

Phillip S. Spenrath	County Judge
Richard Zahn	Commissioner, Precinct #1
Bud Graves	Commissioner, Precinct #2
Steven Goetsch	Commissioner, Precinct #3
Doug Mathews	Commissioner, Precinct #4

DISTRICT COURT:

Ben Hardin	23rd District Judge
Randy M. Clapp	329th District Judge
Dawn Allison	District Attorney

OTHER COUNTY OFFICIALS:

Barbara Svatek	County Clerk
Kendra Charbula	District Clerk
George A. Maffett, III	County Attorney
Audrey Searce	County Treasurer
Cindy Hernandez	Tax Assessor/Collector

JUSTICE COURTS:

Jared Cullar	Justice of Peace, Precinct #1
Glenn Russell	Justice of Peace, Precinct #2
Donna Wessels	Justice of Peace, Precinct #3
Timmy Drapela	Justice of Peace, Precinct #4

LAW ENFORCEMENT:

Shannon Srubar	County Sheriff
Bill Copeland	Constable, Precinct #1
J.A. Szymanski	Constable, Precinct #2
Robert Holder	Constable, Precinct #3
Shawn Ferguson	Constable, Precinct #4

APPOINTED:

Jessica Collard	Veterans' Service Officer
Russell McDougall	Emergency Management Coordinator
Monica Martin	Permits and Inspections Director
Cindy Richter	Election Administrator
Barbara A. Starling	County Auditor
Darlene Munoz	IT Director
Leroy Kocian	Building Maintenance Supervisor
Mark Somer	Environmental Officer
Billie Jean Bram	Chief Juvenile Probation Officer
Elene Gedevani	Librarian
Corrie Bowen	County Extension Agent-Agricultural
Lori Garcia	County Extension Agent-Family and Consumer Sciences
Laura Reyna	County Extension Agent-Family and Consumer Sciences
Rusty Graves	Drainage Department Supervisor

FINANCIAL SECTION

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Independent Auditor's Report

To the Honorable County Judge
and Members of Commissioners Court
Wharton County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wharton County, Texas (the "County"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Bay City
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Bay City, TX 77414
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The Honorable County Judge
and Members of Commissioners Court
Wharton County, Texas

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, required pension schedules and required OPEB schedules on pages 5 through 17 and 69 through 79 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of expenditures of state awards as required by the Texas Grant Management Standards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the schedule of expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

KM&L, LLC

Lake Jackson, Texas
June 23, 2025

WHARTON COUNTY, TEXAS

Management's Discussion and Analysis

For the Year Ended December 31, 2024

As management of Wharton County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental activities by \$ 53,260,938 (net position). Of this amount, \$ 10,553,803 (unrestricted net position), may be used to meet the government's ongoing obligations to citizens and creditors with the County's fund designation.
- The County's total net position decreased for governmental activities by \$ 656,298.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 20,940,018. 28.69% of this amount, \$ 6,007,327 (unassigned fund balance), was available for use within the County's fund designations. Of the governmental funds amount, \$ 634,056 is nonspendable and \$ 14,298,635 has been restricted and assigned for specific uses.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 6,007,327 or 25.90% of the total general fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

WHARTON COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended December 31, 2024

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the County include general government, public safety, judicial, corrections, juvenile services, environmental services, health and welfare, culture and recreation, highways and drainage and economic development. The County has no *business-type activities*.

The government-wide financial statements can be found on pages 20 through 21 of this report.

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

- **Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances, provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The County maintains twenty-four (24) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, the Road & Bridge Fund, the Farm to Market Lateral Road Fund and the Capital Replacement Fund; all of which are considered to be major funds. Data from the other twenty (20) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 22 through 25 of this report.

- **Proprietary Funds.** The County uses internal service funds to report activities that provide services for the County's other programs and activities. The Employee Disability Fund is the County's internal service fund. Its purpose is to provide funds for employees who have used all available sick leave and are unable to work for medical reasons. Since all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 26 through 28 of this report.

WHARTON COUNTY, TEXAS

Management's Discussion and Analysis

For the Year Ended December 31, 2024

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 through 66 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 69 through 79 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 86 through 96 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 53,260,938 as of December 31, 2024. This is a decrease in net position of \$ 656,298 which is primarily due to increased expenses in the current year due to Hurricane Beryl that the County has not received reimbursement from federal sources.

A portion of the County's net position is \$ 34,034,443 (63.90%) which reflects its investments in capital assets (e.g., land; construction in progress, buildings; improvements other than buildings; machinery and equipment and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide services to citizens and consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets increased by \$ 179,677 due to capital additions exceeding depreciation in the current fiscal year.

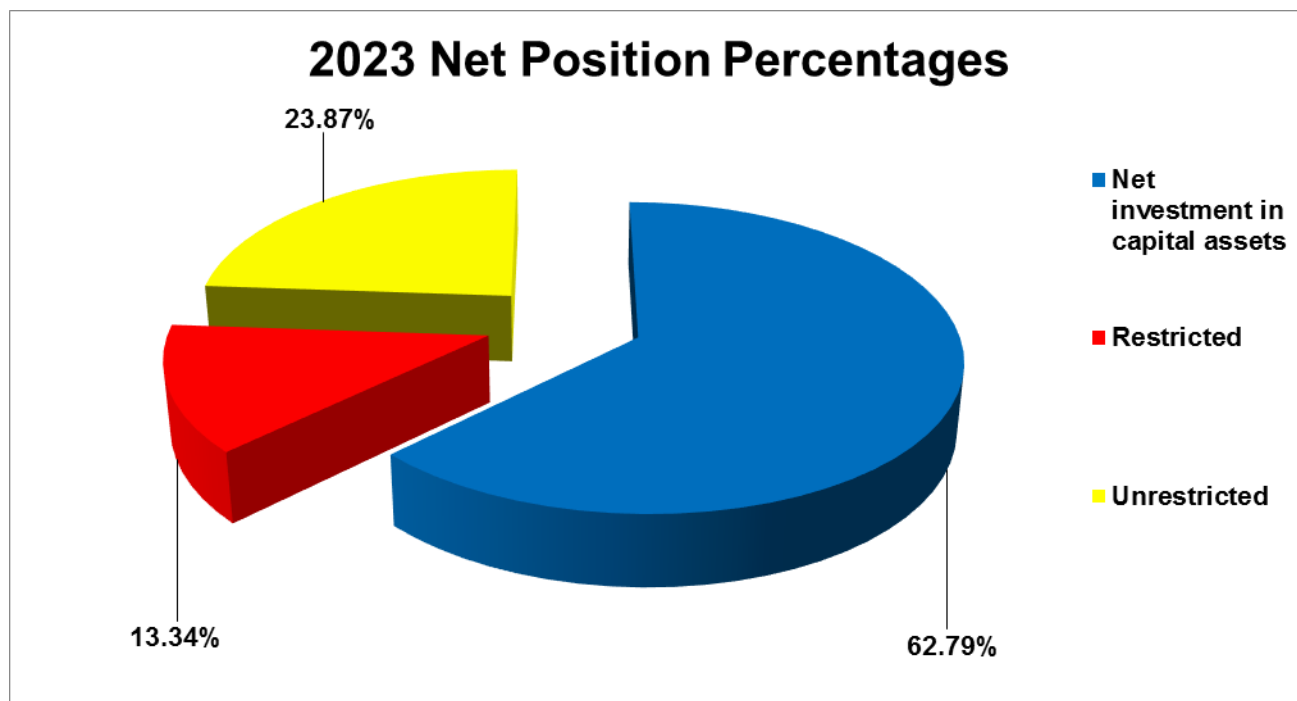
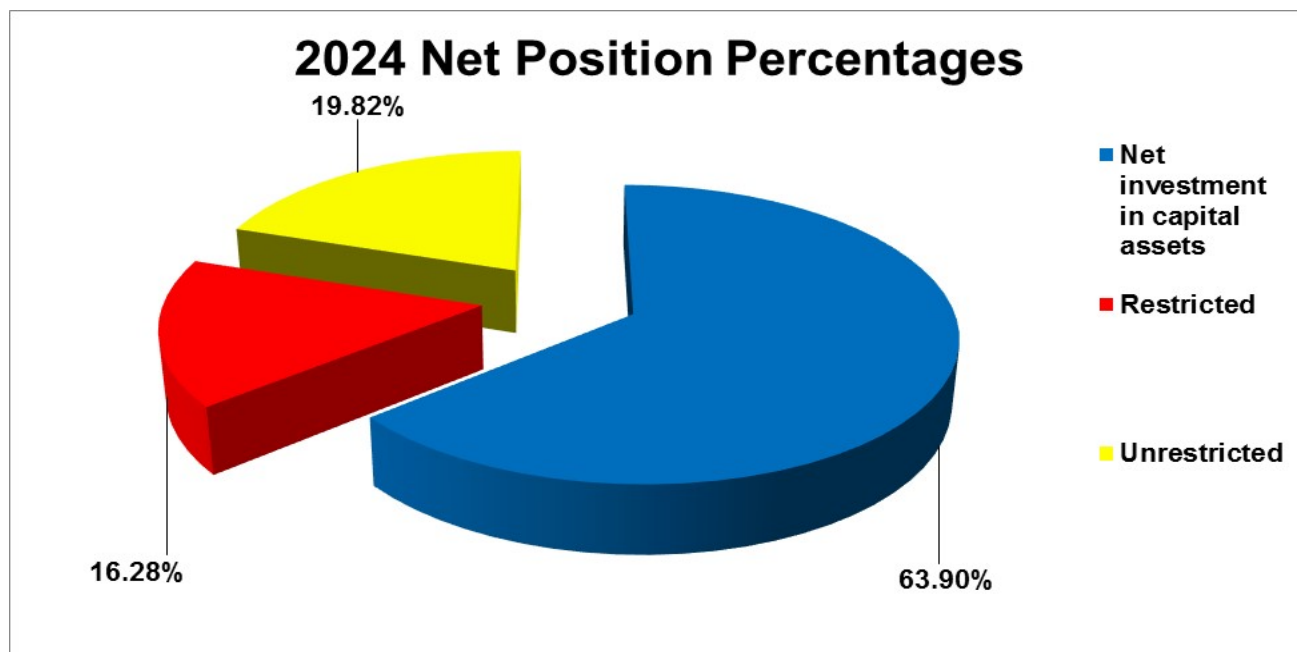
WHARTON COUNTY, TEXAS*Management's Discussion and Analysis**For the Year Ended December 31, 2024*

An additional portion of the County's net position is \$ 8,672,692 (16.28%) which represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$ 10,553,803 (19.82%) may be used to meet the government's ongoing obligations to citizens and creditors.

WHARTON COUNTY'S NET POSITION

	<u>Governmental Activities</u>		<u>Net</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets:			
Current and other assets	\$ 49,113,421	\$ 33,237,807	\$ 15,875,614
Capital assets	<u>34,034,443</u>	<u>33,854,766</u>	<u>179,677</u>
Total assets	<u>83,147,864</u>	<u>67,092,573</u>	<u>16,055,291</u>
Total deferred outflows of resources	<u>3,000,580</u>	<u>4,356,086</u>	<u>(1,355,506)</u>
Liabilities:			
Current and other liabilities	3,072,866	3,116,994	(44,128)
Long-term liabilities	<u>5,527,561</u>	<u>6,531,262</u>	<u>(1,003,701)</u>
Total liabilities	<u>8,600,427</u>	<u>9,648,256</u>	<u>(1,047,829)</u>
Total deferred inflows of resources	<u>24,287,079</u>	<u>7,883,167</u>	<u>16,403,912</u>
Net Position:			
Net investment in capital assets	34,034,443	33,854,766	179,677
Restricted	8,672,692	7,190,864	1,481,828
Unrestricted	<u>10,553,803</u>	<u>12,871,606</u>	<u>(2,317,803)</u>
Total net position	<u>\$ 53,260,938</u>	<u>\$ 53,917,236</u>	<u>\$ (656,298)</u>

WHARTON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended December 31, 2024



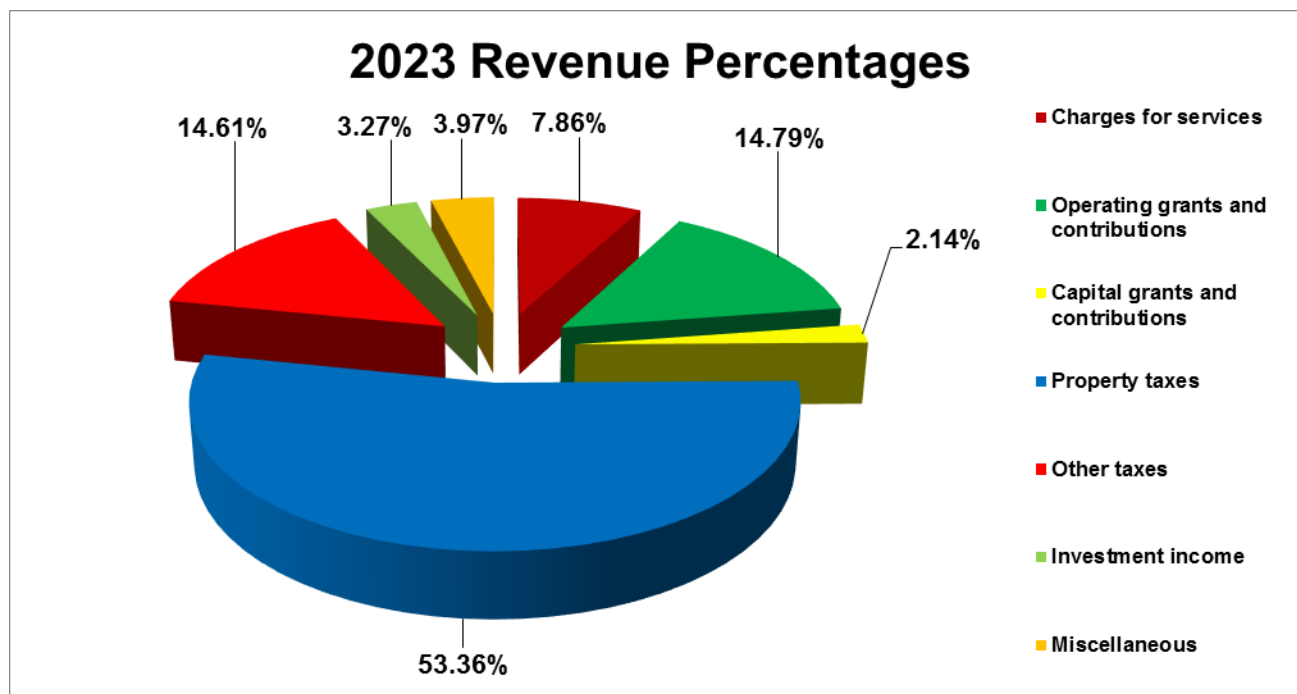
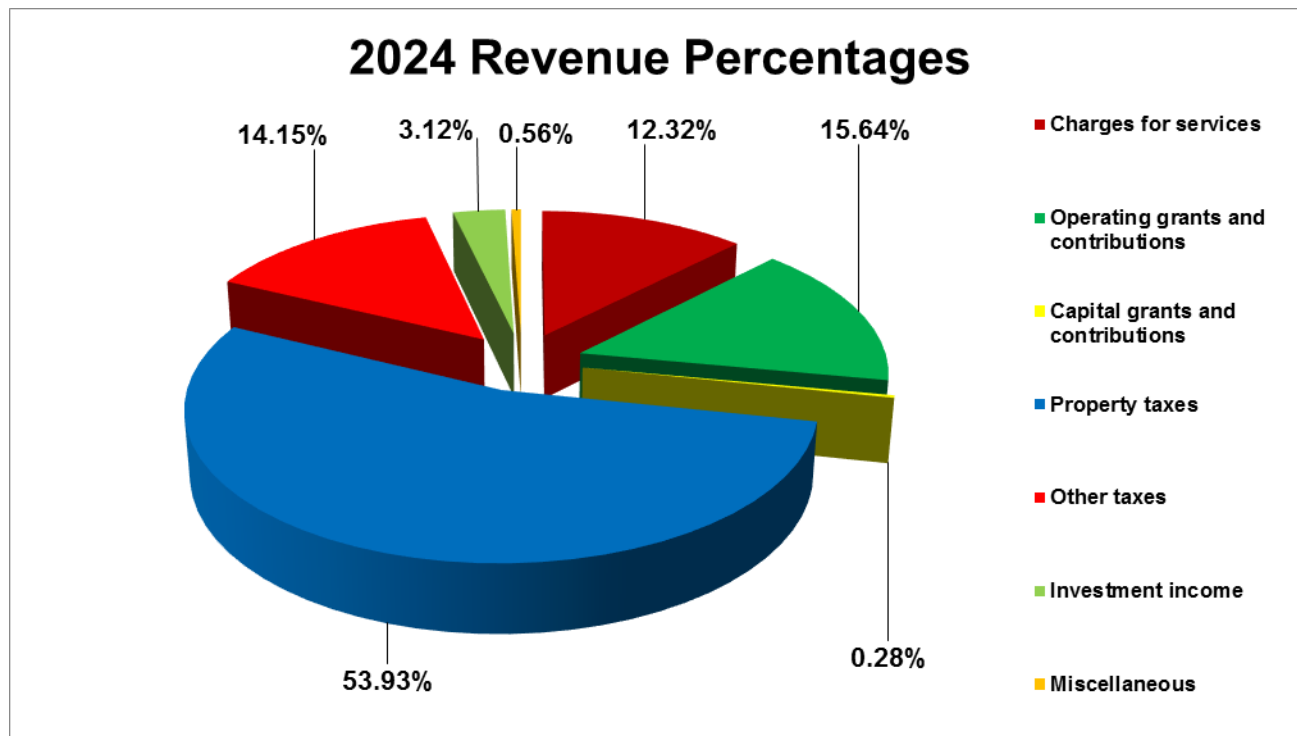
WHARTON COUNTY, TEXAS*Management's Discussion and Analysis**For the Year Ended December 31, 2024*

Analysis of the County's Operations. Governmental activities reported a decrease in net position in the amount of \$ 633,392 due to expenses incurred in the current year related to Hurricane Beryl. The following table provides a summary of the County's operations for the years ended December 31, 2024 and 2023.

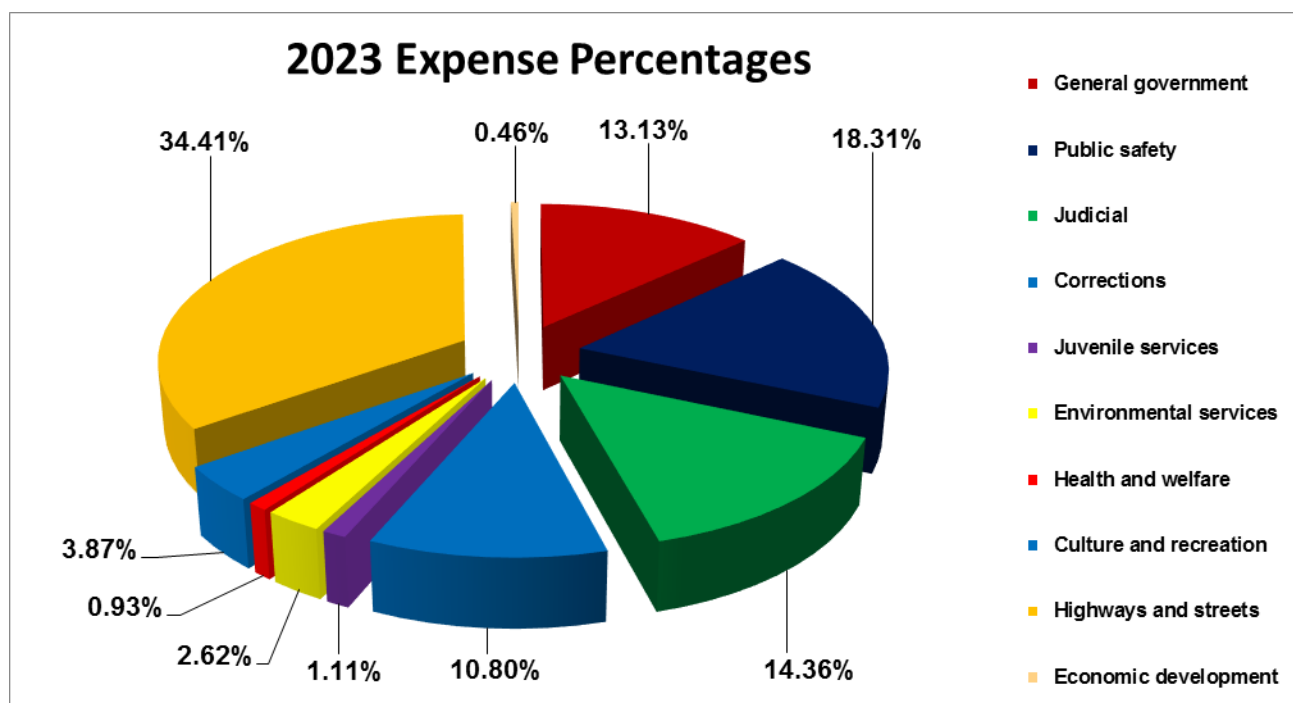
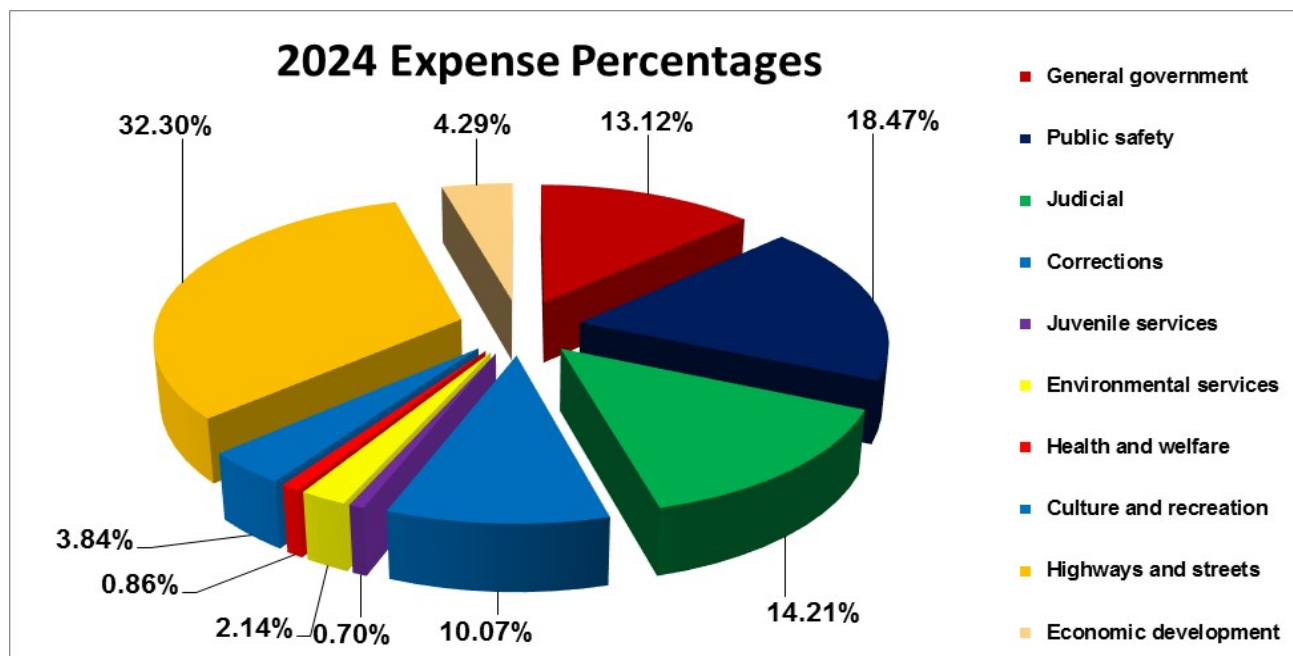
WHARTON COUNTY'S CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Net</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 4,661,816	\$ 2,931,307	\$ 1,730,509
Operating grants and contributions	5,918,952	5,514,826	404,126
Capital grants and contributions	105,942	797,503	(691,561)
General Revenues:			
Property taxes	20,415,125	19,892,525	522,600
Sales and other taxes	5,355,370	5,446,467	(91,097)
Investment income	1,182,088	1,219,038	(36,950)
Miscellaneous	<u>213,455</u>	<u>1,477,877</u>	<u>(1,264,422)</u>
Total revenues	<u>37,852,748</u>	<u>37,279,543</u>	<u>573,205</u>
Expenses:			
General government	5,053,503	4,455,960	597,543
Public safety	7,112,357	6,217,308	895,049
Judicial	5,472,655	4,875,743	596,912
Corrections	3,876,545	3,667,830	208,715
Juvenile services	268,783	377,542	(108,759)
Environmental services	824,780	890,445	(65,665)
Health and welfare	331,414	315,628	15,786
Culture and recreation	1,480,145	1,314,119	166,026
Highways and streets	12,436,975	11,682,346	754,629
Economic development	<u>1,651,889</u>	<u>153,828</u>	<u>1,498,061</u>
Total expenses	<u>38,509,046</u>	<u>33,950,749</u>	<u>4,558,297</u>
Change in net position	(656,298)	3,328,794	(3,985,092)
Net position - beginning	<u>53,917,236</u>	<u>50,588,442</u>	<u>3,328,794</u>
Net position - ending	<u>\$ 53,260,938</u>	<u>\$ 53,917,236</u>	<u>\$ (656,298)</u>

WHARTON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended December 31, 2024



WHARTON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended December 31, 2024



WHARTON COUNTY, TEXAS

Management's Discussion and Analysis

For the Year Ended December 31, 2024

Financial Analysis of the County's Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 20,962,924. The unassigned fund balance of \$ 6,007,327 constitutes 28.66% of ending fund balance. The remaining fund balance is categorized as 1) nonspendable of \$ 634,056, 2) restricted of \$ 7,286,419, and 3) assigned of \$ 7,035,122.

Fund balance of the General Fund decreased by \$ 1,257,872; the Road & Bridge Fund decreased by \$ 427,306; the Farm to Market Lateral Road Fund increased by \$ 358,484, the Capital Replacement Fund decreased by \$ 197,898 and Other Governmental Funds increased by \$ 142,223.

The decrease in fund balance in the General Fund is a result of Hurricane Beryl where the County had to expend \$ 600,000 on debris monitoring and removal as well as expending the final ARPA funds to restore the second storage building. As for the Road & Bridge Fund, due to spending the final allocation of the ARPA funds in 2024. The increase in fund balance for other governmental funds is primarily due to transfers into the funds from the General Fund for capital expenditures.

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

The difference between the General Fund original expenditure budget and the revised budget was an increase of \$ 1,574,422 primarily due to expenditures unforeseeable during the budget process including the Hurricane Beryl expenditures noted above as well as grant expenditures that were reimbursed throughout the year.

During the year, revenues exceeded budget while expenditure was less than the budget. Revenues were higher across the board. Lower than budgeted expenditures resulted in many areas, primarily in the areas of general government and law enforcement.

Total General Fund revenue exceeded the amended budget by approximately 4.55% and total General Fund expenditures were under the amended budget by approximately 6.15%.

WHARTON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended December 31, 2024

Capital Assets

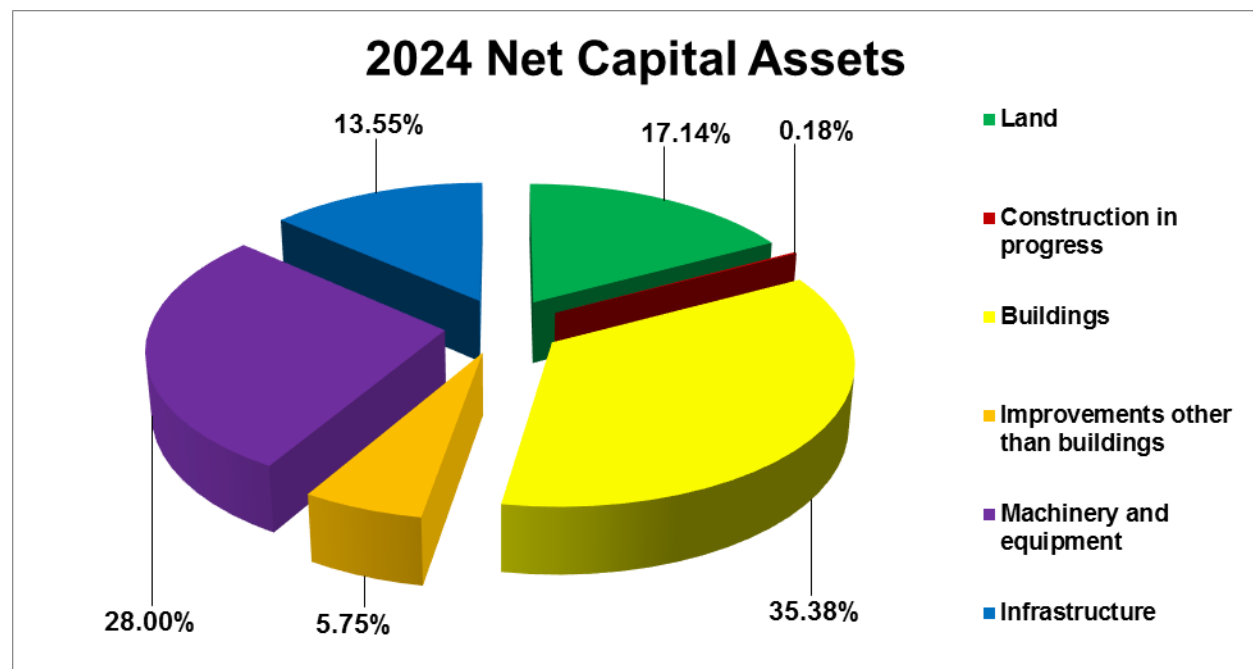
This investment in capital assets includes land; construction in progress; buildings; improvements other than buildings, machinery and equipment; and infrastructure.

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

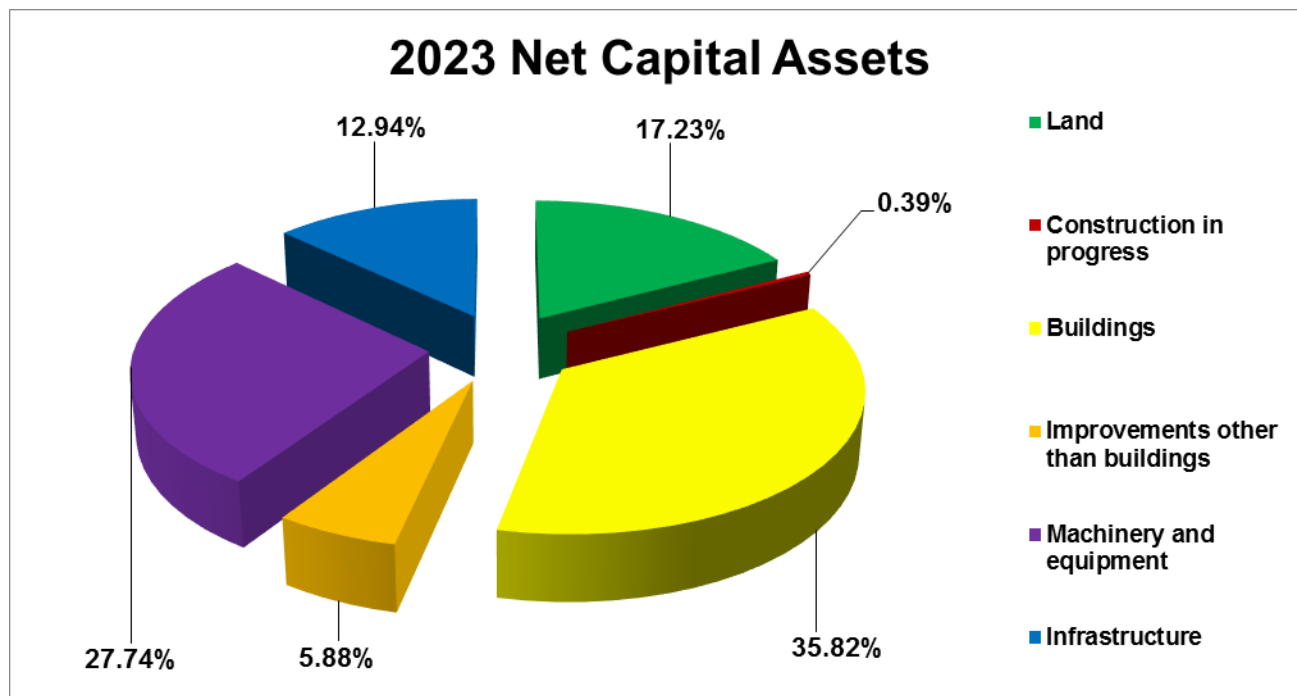
- Acquisition of new vehicles and various road and bridge equipment.
- Renovation of existing buildings placed in service during the current fiscal year.
- Replacement of two bridges.

WHARTON COUNTY'S CAPITAL ASSETS
Net of Accumulated Depreciation

	<u>Governmental Activities</u>		<u>Net</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Land	\$ 5,834,439	\$ 5,834,439	\$ -
Construction in progress	60,185	131,278	(71,093)
Buildings	12,040,979	12,126,910	(85,931)
Improvements other than buildings	1,956,737	1,991,210	(34,473)
Machinery and equipment	9,530,599	9,389,730	140,869
Infrastructure	<u>4,611,504</u>	<u>4,381,199</u>	<u>230,305</u>
Total	<u>\$ 34,034,443</u>	<u>\$ 33,854,766</u>	<u>\$ 179,677</u>



WHARTON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended December 31, 2024



Additional information on the County's capital assets can be found in Note 5 on pages 52 through 53 of this report.

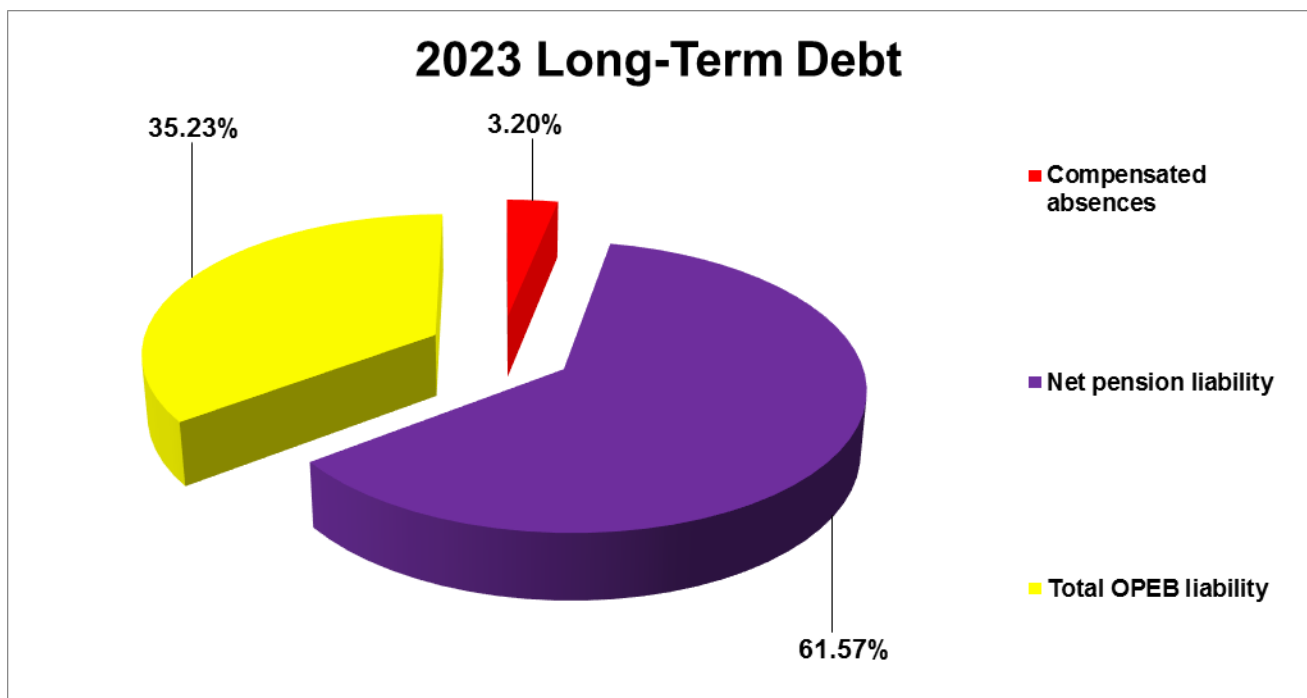
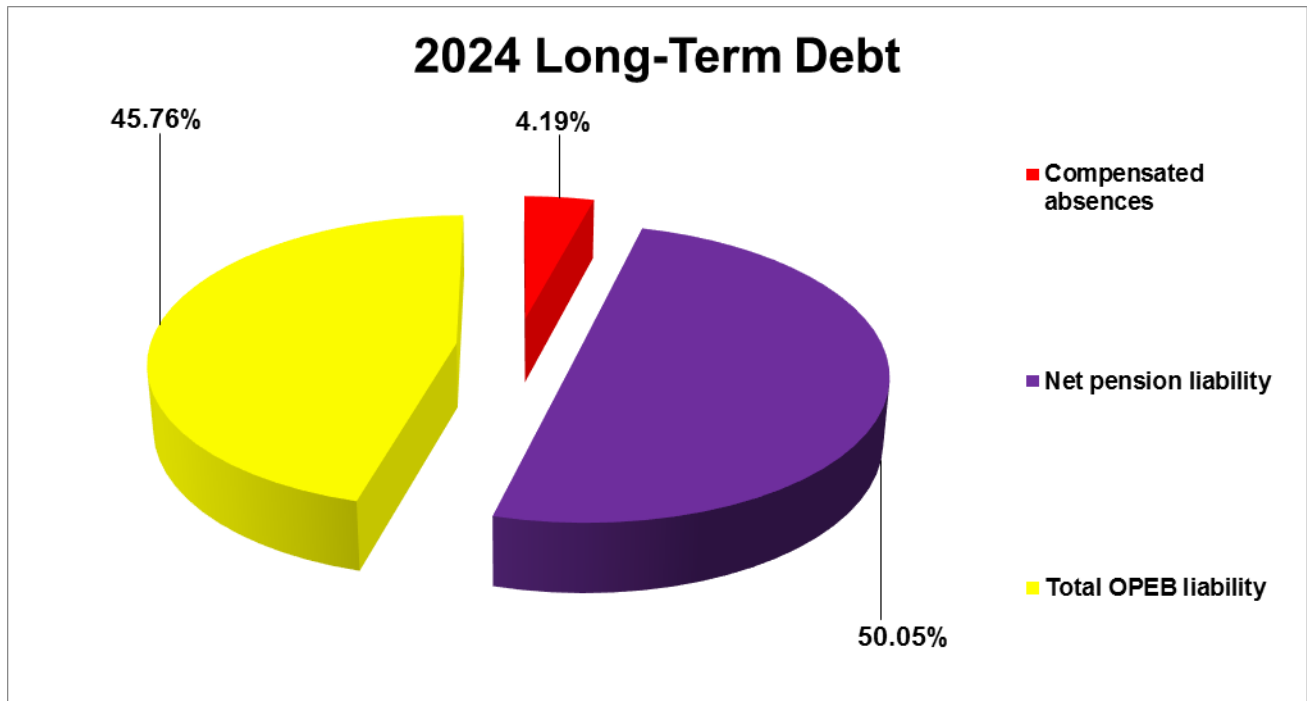
DEBT ADMINISTRATION

At the end of the current year, the County had debt related to compensated absences, net pension liability and total OPEB liability.

WHARTON COUNTY'S LONG-TERM DEBT

	<u>Governmental Activities</u>		<u>Net</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Compensated absences	\$ 231,421	\$ 208,944	\$ 22,477
Net pension liability	2,766,445	4,021,266	(1,254,821)
Total OPEB liability	<u>2,529,695</u>	<u>2,301,052</u>	<u>228,643</u>
Total	<u>\$ 5,527,561</u>	<u>\$ 6,531,262</u>	<u>\$ (1,003,701)</u>

WHARTON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended December 31, 2024



WHARTON COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended December 31, 2024

During the fiscal year, the County's total debt decreased \$ 1,003,701 or 15.37%. The net decrease was due primarily to the reductions of the net pension liability.

Additional information on the County's long-term debt can be found in Note 7 on page 54 of this report.

Economic Factors and Next Year's Budgets and Rates

The annual budget is the means by which Commissioners Court sets the direction of the County, and allocates its resources. In considering the budget for FY 2025, Commissioners Court considered the following factors:

Property tax rate was \$ 0.35239, a \$0.01 decrease from the previous year and was under the Voter Approval Tax Rate by \$ 0.08405. It appears the County will continue to see increases in unassigned fund balances in the General Fund, primarily due to conservative revenue projections and consistently underspending the budget. Employees received an average of a 6% increase in compensation for the cost of living with an additional \$1,200 per employee to defray the cost of a change in health insurance premiums. The increase in positions budgeted represents less than 2% of our total employment.

Request for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Wharton County Auditor, 309 E. Milam, Suite 300, Wharton, Texas 77488 or call (979) 532-2640.

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BASIC FINANCIAL STATEMENTS

WHARTON COUNTY, TEXAS
Statement of Net Position
December 31, 2024

Exhibit 1

	Governmental Activities
Assets:	
Cash and temporary investments	\$ 11,718,481
Investments	9,043,797
Receivables (net of allowance for uncollectibles):	
Taxes	16,458,260
Lease	242,053
Accounts	1,696,712
Due from other governments	9,370,062
Prepaid expenses	584,056
Capital Assets:	
Land	5,834,439
Construction in progress	60,185
Buildings (net)	12,040,979
Improvements other than buildings (net)	1,956,737
Machinery and equipment (net)	9,530,599
Infrastructure (net)	<u>4,611,504</u>
Total assets	<u>83,147,864</u>
Deferred Outflows of Resources:	
Deferred outflows of resources	<u>3,000,580</u>
Total deferred outflows of resources	<u>3,000,580</u>
Liabilities:	
Accounts and accrued liabilities payable	2,694,347
Unearned revenue	378,519
Noncurrent Liabilities:	
Due within one year	231,421
Due in more than one year:	
Net pension liability	2,766,445
Total OPEB liability	<u>2,529,695</u>
Total liabilities	<u>8,600,427</u>
Deferred Inflows of Resources:	
Deferred inflows of resources	<u>24,287,079</u>
Total deferred inflows of resources	<u>24,287,079</u>
Net Position:	
Net investment in capital assets	34,034,443
Restricted For:	
Highways and drainage	5,587,946
Records management and preservation	1,468,487
Other purposes	1,616,259
Unrestricted	<u>10,553,803</u>
Total net position	<u>\$ 53,260,938</u>

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

WHARTON COUNTY, TEXAS*Statement of Activities**For the Year Ended December 31, 2024*

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes In Net Position
Governmental Activities					
General government	\$ 5,053,503	\$ 254,156	\$ 1,033,654	\$ -	\$ (3,765,693)
Public safety	7,112,357	230,948	980,372	105,942	(5,795,095)
Judicial	5,472,655	1,555,375	468,773	-	(3,448,507)
Corrections	3,876,545	-	16,052	-	(3,860,493)
Juvenile services	268,783	44,602	-	-	(224,181)
Environmental services	824,780	292,270	590	-	(531,920)
Health and welfare	331,414	-	21,745	-	(309,669)
Culture and recreation	1,480,145	20,740	35,878	-	(1,423,527)
Highways and drainage	12,436,975	2,263,725	1,755,205	-	(8,418,045)
Economic development	<u>1,651,889</u>	<u>-</u>	<u>1,606,683</u>	<u>-</u>	<u>(45,206)</u>
Total governmental activities	<u>\$ 38,509,046</u>	<u>\$ 4,661,816</u>	<u>\$ 5,918,952</u>	<u>\$ 105,942</u>	<u>(27,822,336)</u>
General Revenues:					
Property taxes					20,415,125
Sales and other taxes					5,355,370
Investment income					1,182,088
Miscellaneous					<u>213,455</u>
Total general revenues					<u>27,166,038</u>
Change in net position					(656,298)
Net position - beginning					<u>53,917,236</u>
Net position - ending					<u>\$ 53,260,938</u>

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

WHARTON COUNTY, TEXAS
Balance Sheet - Governmental Funds
December 31, 2024

Exhibit 3

	Major Funds					
	General Fund	Road & Bridge Fund	Farm to Market Lateral Road Fund	Capital Replacement Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and temporary investments	\$ 3,538,284	\$ 1,272,719	\$ 818,460	\$ 2,563,309	\$ 3,482,898	\$ 11,675,670
Investments	5,426,387	2,724,410	893,000	-	-	9,043,797
Receivables (net of allowance for uncollectibles):						
Taxes	10,975,771	3,774,630	1,707,859	-	-	16,458,260
Lease	242,053	-	-	-	-	242,053
Accounts	426,193	1,267,838	296	-	2,385	1,696,712
Due from other governments	5,667,646	1,599,199	721,474	-	1,381,743	9,370,062
Due from other funds	301,014	-	-	1,314,087	-	1,615,101
Prepaid expenditures	464,620	87,784	30,540	-	1,112	584,056
Total assets	\$ 27,041,968	\$ 10,726,580	\$ 4,171,629	\$ 3,877,396	\$ 4,868,138	\$ 50,685,711
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Accounts and accrued liabilities payable	\$ 946,669	\$ 315,016	\$ 128,036	\$ -	\$ 1,304,626	\$ 2,694,347
Due to other funds	219,418	926,501	168,793	-	300,389	1,615,101
Unearned revenue	19,199	-	-	-	359,320	378,519
Total liabilities	1,185,286	1,241,517	296,829	-	1,964,335	4,687,967
Deferred Inflows of Resources:						
Deferred inflows of resources	16,046,066	6,594,996	2,416,664	-	-	25,057,726
Total deferred inflows of resources	16,046,066	6,594,996	2,416,664	-	-	25,057,726
Fund Balances:						
Nonspendable	464,620	87,784	30,540	-	51,112	634,056
Restricted	180,943	2,802,283	1,427,596	-	2,852,691	7,263,513
Assigned	3,157,726	-	-	3,877,396	-	7,035,122
Unassigned	6,007,327	-	-	-	-	6,007,327
Total fund balances	9,810,616	2,890,067	1,458,136	3,877,396	2,903,803	20,940,018
Total liabilities, deferred inflows of resources and fund balances	\$ 27,041,968	\$ 10,726,580	\$ 4,171,629	\$ 3,877,396	\$ 4,868,138	\$ 50,685,711

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

WHARTON COUNTY, TEXAS

Exhibit 3R

*Reconciliation of the Governmental Funds Balance Sheet to the Governmental
Activities Statement of Net Position
December 31, 2024*

Total fund balance - governmental funds balance sheet (Exhibit 3) \$ 20,940,018

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

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

Capital assets	\$ 116,799,328	
Accumulated depreciation/amortization	<u>(82,764,885)</u>	34,034,443

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

Property taxes receivable	\$ (26,057)	
Judicial receivables (net allowance for uncollectibles)	<u>1,520,196</u>	1,494,139

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

Deferred outflows - pension	\$ 2,676,079	
Deferred outflows - OPEB	324,501	
Compensated absences	(231,421)	
Net pension liability	(2,766,445)	
Net OPEB liability	(2,529,695)	
Deferred inflows - OPEB	<u>(723,492)</u>	(3,250,473)

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

42,811

Net position of governmental activities - statement of net position (Exhibit 1) \$ 53,260,938

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

WHARTON COUNTY, TEXAS

Exhibit 4

**Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Funds
For the Year Ended December 31, 2024**

	Major Funds					
	General Fund	Road & Bridge Fund	Farm to Market Lateral Road Fund	Capital Replacement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 18,861,700	\$ 4,891,605	\$ 2,127,645	\$ -	\$ -	\$ 25,880,950
Intergovernmental	2,084,860	1,471,636	4,875	-	2,409,860	5,971,231
Charges for services	902,475	280,777	-	-	326,016	1,509,268
Licenses and permits	101,900	789,208	-	-	-	891,108
Fines and forfeitures	595,992	164,783	-	-	123,548	884,323
Investment income	757,639	282,704	98,554	-	42,526	1,181,423
Miscellaneous	347,778	757,221	188	-	3,903	1,109,090
Total revenues	<u>23,652,344</u>	<u>8,637,934</u>	<u>2,231,262</u>	<u>-</u>	<u>2,905,853</u>	<u>37,427,393</u>
Expenditures:						
Current:						
General government	4,656,205	-	-	-	8,218	4,664,423
Public safety	6,195,839	-	-	-	352,784	6,548,623
Judicial	5,085,835	-	-	3,238	348,645	5,437,718
Corrections	3,765,460	-	-	-	-	3,765,460
Juvenile services	268,352	-	-	-	-	268,352
Environmental services	530,453	257,304	-	-	-	787,757
Health and welfare	332,099	-	-	-	-	332,099
Culture and recreation	1,352,859	-	-	903	1,323	1,355,085
Highways and drainage	-	8,176,712	1,968,448	13,385	338,912	10,497,457
Economic development	-	-	-	-	1,651,889	1,651,889
Capital outlay	<u>1,004,431</u>	<u>991,654</u>	<u>97,012</u>	<u>1,487,741</u>	<u>103,818</u>	<u>3,684,656</u>
Total expenditures	<u>23,191,533</u>	<u>9,425,670</u>	<u>2,065,460</u>	<u>1,505,267</u>	<u>2,805,589</u>	<u>38,970,613</u>
Excess (deficiency) of revenues over expenditures	<u>460,811</u>	<u>(787,736)</u>	<u>165,802</u>	<u>(1,505,267)</u>	<u>100,264</u>	<u>(1,566,126)</u>
Other Financing Sources (Uses):						
Proceeds from sale of capital assets	78,061	29,966	15,806	17,965	41,959	183,757
Transfers in	1,863	1,277,009	345,669	1,314,087	-	2,938,628
Transfers out	<u>(1,798,607)</u>	<u>(946,545)</u>	<u>(168,793)</u>	<u>(24,683)</u>	<u>-</u>	<u>(2,938,628)</u>
Total other financing sources (uses)	<u>(1,718,683)</u>	<u>360,430</u>	<u>192,682</u>	<u>1,307,369</u>	<u>41,959</u>	<u>183,757</u>
Net change in fund balances	<u>(1,257,872)</u>	<u>(427,306)</u>	<u>358,484</u>	<u>(197,898)</u>	<u>142,223</u>	<u>(1,382,369)</u>
Fund balances - beginning	<u>11,068,488</u>	<u>3,317,373</u>	<u>1,099,652</u>	<u>4,075,294</u>	<u>2,761,580</u>	<u>22,322,387</u>
Fund balances - ending	<u>\$ 9,810,616</u>	<u>\$ 2,890,067</u>	<u>\$ 1,458,136</u>	<u>\$ 3,877,396</u>	<u>\$ 2,903,803</u>	<u>\$ 20,940,018</u>

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

WHARTON COUNTY, TEXAS

Exhibit 4R

*Reconciliation of the Statement of Revenues, Expenditures and Change in
Fund Balance - Governmental Funds to Governmental Activities Statement of Activities
For the Year Ended December 31, 2024*

Net change in fund balances - total governmental funds (Exhibit 4) \$ (1,382,369)

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

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

Capital outlay	\$	3,684,656	
Depreciation expense		<u>(3,165,780)</u>	518,876

Governmental funds report the entire sales price (proceeds) from the sale of an asset as revenue because it provides current resources. In contrast, in the statement of activities, only the gain/loss on the sale of capital assets is reported. Thus, the change in net position differs from the change in the fund balance by the book value of capital assets disposed and the termination of a subscription based IT arrangements. (339,199)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. These expenses are related to compensated absences. (22,477)

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

Net pension liability decreased	\$	1,254,821	
Deferred outflows decreased		(1,376,641)	
Deferred inflows decreased		<u>350,517</u>	228,697

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

Total OPEB liability decreased	\$	(228,643)	
Deferred outflows increased		21,135	
Deferred inflows increased		<u>128,528</u>	(78,980)

Because some property taxes receivable, and judicial receivables will not be collected for several months after the County's fiscal year ends, they are not considered available revenues in the governmental funds. 424,690

Internal service funds are used by the County. The net revenue of the internal service funds are reported with the governmental activities. (5,536)

Change in net position of governmental activities (see Exhibit 2) \$ (656,298)

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

WHARTON COUNTY, TEXAS
Statement of Net Position - Proprietary Funds
December 31, 2024

Exhibit 5

	<u>Internal Service Fund</u>
Assets:	
Cash and temporary investments	\$ <u>42,811</u>
Total assets	<u>42,811</u>
Liabilities:	
Accounts and accrued liabilities payable	<u>-</u>
Total liabilities	<u>-</u>
Net Position:	
Unrestricted	<u>42,811</u>
Total net position	\$ <u><u>42,811</u></u>

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

WHARTON COUNTY, TEXAS

Exhibit 6

*Statement of Revenues, Expenses and Change in Net Position - Proprietary Funds
For the Year Ended December 31, 2024*

	Internal Service Fund
Operating Revenues:	
Contributions for self insurance	\$ <u>5,076</u>
Total operating revenues	<u>5,076</u>
Operating Expenses:	
Cost of services	<u>11,277</u>
Total operating expenses	<u>11,277</u>
Operating loss	<u>(6,201)</u>
Non-Operating Revenues:	
Investment income	<u>665</u>
Total non-operating revenues	<u>665</u>
Change in net position	(5,536)
Net position - beginning	<u>48,347</u>
Net position - ending	\$ <u><u>42,811</u></u>

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

WHARTON COUNTY, TEXAS

*Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2024*

Exhibit 7

	Internal Service Funds
Cash Flows from Operating Activities:	
Receipts from customers and others	\$ 5,076
Payments to employees	<u>(12,190)</u>
Net cash used by operating activities	<u>(7,114)</u>
Cash Flows from Investing Activities:	
Investment income	<u>665</u>
Net cash provided by investment activities	<u>665</u>
Net change in cash and temporary investments	(6,449)
Cash and temporary investments - beginning	<u>49,260</u>
Cash and temporary investments - ending	\$ <u><u>42,811</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Activities:	
Operating loss	\$ (6,201)
Changes in Liabilities:	
Decrease In:	
Accounts and accrued liabilities payable	<u>(913)</u>
Net cash used by operating activities	\$ <u><u>(7,114)</u></u>

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

WHARTON COUNTY, TEXAS

Statement of Net Position - Fiduciary Funds
December 31, 2024

Exhibit 8

	<u>Custodial Funds</u>
Assets:	
Cash and temporary investments	\$ <u>19,273,364</u>
Total assets	<u>19,273,364</u>
Liabilities:	
Accounts and accrued liabilities payable	159,703
Due to others	<u>7,743,705</u>
Total liabilities	<u>7,903,408</u>
Net Position:	
Individuals, organizations and other governments	<u>11,369,956</u>
Total net position	\$ <u><u>11,369,956</u></u>

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

WHARTON COUNTY, TEXAS

Exhibit 9

*Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended December 31, 2024*

	<u>Custodial Funds</u>
Additions:	
Contributions	\$ 10,445,815
Collections from others	109,466,757
Reimbursements from inmates	445,054
Intergovernmental	874,373
Restitution collected	87,905
Investment income	<u>65,698</u>
Total additions	<u>121,385,602</u>
Deductions:	
Distributions to others	126,999,002
Expense	824,318
Restitution disbursed	<u>86,495</u>
Total deductions	<u>127,909,815</u>
Net change in net position	(6,524,213)
Net position - beginning	<u>17,894,169</u>
Net position - ending	<u>\$ 11,369,956</u>

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

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024*

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WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Wharton County, Texas (the "County") is an independent government entity and a political subdivision of the State of Texas (the "State"). The Commissioners' Court, comprised of the County Judge and four County Commissioners, all of whom are elected officials, is the governing body of the County. The primary activities of the County include provisions of public safety; a correctional facility; administration of justice; health and welfare services; construction and maintenance of roads, bridges, and facilities; culture and recreation via libraries and a museum; and other various administrative services such as tax collection, recording records, etc. A summary of the most significant accounting and reporting policies consistently applied in the preparation of the accompanying financial statements follows.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government-Wide Financial Statements

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

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

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

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following governmental funds:

The *General Fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, judicial, corrections, juvenile services, environmental services, health and welfare, culture and recreation, highways and drainage, and economic development. The general fund is always considered a major fund for reporting purposes.

The *Road & Bridge Fund* is a special revenue fund and is used to account for revenues of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund. The Road & Bridge Fund is considered a major fund for reporting purposes.

The *Farm to Market Lateral Road Fund* is a special revenue fund and was established to comply with civil statutes that authorize counties to levy and collect ad valorem taxes. Expenditures are for the maintenance and construction of farm-to-market roads and assisting in flood control. The Farm to Market Lateral Road Fund is not considered a major fund for reporting purposes, but the County elected to present as major due to its significance.

The *Capital Replacement Fund* is a capital projects fund and is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital replacement fund is considered a major fund for reporting purposes.

Additionally, the County reports the following fund types:

Internal Service Funds account for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The County's internal service fund is used to account for the employee disability plan, which is financed from systematic transfers from governmental funds.

The *Fiduciary Funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County has the following types of fiduciary funds:

The *Custodial Funds* are custodial in nature and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in a custodial capacity where there is no trust agreement. These funds include funds held by the Sheriff Inmate Trust, District Attorney Seizure, Tax Assessor/Collector, County Clerk, District Clerk, and Juvenile Probation.

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources. Property taxes, sales tax, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

New Pronouncements

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

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

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - Continued

GASB Statement No. 101 "Compensated Absences" was issued in June 2022. The statement was implemented and did not have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102 "Certain Risk Disclosures" was issued in December 2023. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103 "Financial Reporting Model Improvements" was issued in April 2024. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104 "Disclosure of Certain Capital Assets" was issued in September 2024. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

Budgetary Data

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

Annual appropriated budgets are adopted for the General Fund and the following special revenue funds: Road & Bridge Fund, Farm to Market Lateral Road Fund, County and District Court Technology Fund, State Lateral Road Fund, Records Preservation District Court Fund, Guardianship Fund, Juvenile Case Manager Fund, Election Services Fund, Constable Forfeiture Fund, Sheriff Forfeiture Fund, District Attorney Forfeiture Fund, Justice Court Security Fund, Courthouse Security Fund, Records Preservation County Clerk Fund, Justice Court Technology Fund, Law Library Fund, and District Attorney Pretrial Intervention Fund.

Encumbrances

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to State regulations. At December 31, 2024, the General Fund had \$ 625,348 of encumbrances at year end that were re- appropriated in the subsequent year's budget.

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Investments

Cash and temporary investments include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the County. For purposes of the cash flow statement, cash and temporary investments are considered cash equivalents.

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

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The County has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the County is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

Interfund Receivables and Payables

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in government-wide and prepaid expenditures in the fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended December 31, 2024, no capitalized interest was included in the cost of capital assets under construction.

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

Buildings	40 Years
Improvements other than buildings	7-30 Years
Machinery and equipment	3-15 Years
Infrastructure	10-65 Years

Compensated Absences

Employees are allowed paid absences due to sickness, vacation, holiday, and compensatory time. Sick leave benefits are earned by full-time employees at a rate of 12 days (96 hours) per year and are allowed to accumulate up to 60 days (480 hours). Part-time employees who work at least 20 hours a week accrue benefits on a pro rata basis to a 40-hour work week. There is no liability for unpaid accumulated sick leave since the County's policy states that unused sick leave benefits will not be paid to employees upon termination.

The County has a sick leave pool that provides additional sick leave days to employees in the event of a catastrophic illness or injury, surgery, or disability that prevents an employee from active employment. Days are applied from the pool only after the employee exhausts all accrued sick, vacation, holiday, and compensatory time. The Sick Leave Pool Committee authorizes benefits from the pool.

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences - Continued

Vacation benefits are earned by full-time employees and accrue at rates depending upon an employee's length of service, up to a maximum of 20 days (160 hours) per year. Part-time employees who work at least 20 hours a week accrue benefits on a pro rata basis to a 40-hour work week. The County revised its vacation leave policy in 2012 from no maximum of carryover hours and 160 hours maximum pay at termination to a limit of 80 carryover hours and 40 hours maximum pay at termination. The revised policy includes a tiered vacation utilization schedule with an established timeframe (June 30, 2017) to allow employees to reduce their time to comply with the new provisions. The policy was also amended on January 14, 2019 to a limit of 120 carryover hours and 40 hours maximum pay at termination.

Employees who are required to work a holiday are paid straight time for the actual time worked plus 8 hours of holiday pay. Employees are credited with 8 hours of holiday time if their regularly scheduled day off falls on a holiday. In the event of separation of employment, unused holiday time is not paid to the employee.

Compensatory time represents time worked by employees in excess of 40 hours per week and is earned at one and one-half time such hours worked and applies to non-exempt employees. Compensatory time exceeding 40 hours is paid to non-exempt employees. In the event of termination, an employee is paid for all maximum allowable accumulation of vacation and compensatory time. Vacation and compensatory time is accrued when incurred in the government-wide financial statements and represents accumulated time at December 31, 2024 computed at rates in effect at that time. Liabilities are reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

Leases

Lessor: The County is a lessor for noncancellable leases of equipment. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements and governmental fund financial statements.

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

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Leases - Continued

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

- 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 are 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.

Deferred Outflows and Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year, the amount is deferred and recognized as a reduction to the net pension/total OPEB liability during the measurement period in which the contributions were made.
- Deferred inflows related to leases are amortized over the terms of the leases.

At the fund level, the County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and court fines and fees. These amounts are deferred and recognized as inflows of resources in the period that the amounts becomes available. At the government-wide level, the County reports a deferred inflow of resources for property taxes assessed for the next budget or fiscal year.

The County also recognizes a deferred inflow of resources that is related to leases receivable at the fund level under the modified accrual basis of accounting and on the Statement of Net Position under the full accrual basis of accounting. This amount is amortized at the fund level and on the Statement of Activities over the term of the lease agreement.

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from 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. The general fund is used to liquidate any future liabilities.

Other Post-Employment Benefits

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

Long-Term Debt

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

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

Estimates

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

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balance

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. Based on the County's policy, the Commissioners' Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The County's minimum fund balance policy in the general fund requires adequate unassigned fund balance to support cash flow needs through the first quarter of the fiscal year. The fund balance sufficient to meet cash flow needs is calculated at an amount not less than three months of the general fund's operating expenditures, based on the most recently completed fiscal year.

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued****Fund Balance - Continued**

The following schedule presents details of fund balance components at December 31, 2024:

	Major Funds					
	General Fund	Road & Bridge Fund	Farm to Market Lateral Road Fund	Capital Replacement Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
Prepaid expenditures	\$ 464,620	\$ 87,784	\$ 30,540	\$ -	\$ 1,112	\$ 584,056
Historical museum	-	-	-	-	50,000	50,000
Restricted:						
Court technology and security	-	-	-	-	301,221	301,221
Culture and recreation	30,374	-	-	-	-	30,374
Economic development	-	-	-	-	47,438	47,438
Election services	-	-	-	-	123,466	123,466
Environmental services	396	-	-	-	-	396
Health and welfare	5,385	-	-	-	49,803	55,188
Highways and drainage	-	2,802,283	1,427,596	-	-	4,229,879
Judicial	82,824	-	-	-	757,662	840,486
Public safety	31,206	-	-	-	104,614	135,820
Records management and preservation	-	-	-	-	1,468,487	1,468,487
Veteran's memorial	30,758	-	-	-	-	30,758
Assigned:						
Capital replacement	-	-	-	3,877,396	-	3,877,396
Subsequent year's budget	3,157,726	-	-	-	-	3,157,726
Unassigned	<u>6,007,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,007,327</u>
Total fund balance	<u>\$ 9,810,616</u>	<u>\$ 2,890,067</u>	<u>\$ 1,458,136</u>	<u>\$ 3,877,396</u>	<u>\$ 2,903,803</u>	<u>\$ 20,940,018</u>

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position

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

	<u>Governmental Activities</u>
Net Position:	
Net investment in capital assets	\$ 34,034,443
Restricted:	
Highways and drainage	5,587,946
Records management and preservation	1,468,487
Other:	
Court technology and security	301,398
Culture and recreation	80,374
Economic development	47,438
Election services	123,466
Environmental services	396
Health and welfare	55,188
Judicial	841,421
Public safety	135,820
Veteran's memorial	30,758
Unrestricted	<u>10,553,803</u>
Total net position	<u>\$ 53,260,938</u>

Property Taxes

Property taxes are recorded as revenue when levied for the current year and are due, payable, and collected in the current year. Uncollected amounts at year end are reported as deferred revenue in the governmental funds. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

The property tax calendar dates are:

Levy date and due date - October 1

Collection dates - October 1 through January 31

Lien date - February 1

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes - Continued

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's custodial fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, and farm-to-market lateral road funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the property tax code to assess all property within the appraisal district on the basis of 100 percent of its appraised value, and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

The property tax rate is allocated each year between the General Fund, Road & Bridge Fund and the Farm to Market Lateral Road Fund.

Program Revenue

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 internal service fund are charges to customers for services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 2 - DEPOSITS AND INVESTMENTS**

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. Investments are classified as either short-term investments or investments. Short-term investments have a maturity of one year or less and investments are those that have a maturity of one year or more. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures. Cash and temporary investments as reported on the financial statements at December 31, 2024 are as follows:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash and Temporary Investments:				
Cash (petty cash accounts)	\$ 2,355	\$ -	\$ -	\$ 2,355
Financial Institution Deposits:				
Demand deposits	5,126,102	42,811	19,273,364	24,442,277
Local Government Investment Pools:				
Texas CLASS	5,446,637	-	-	5,446,637
TexSTAR	<u>1,100,576</u>	<u>-</u>	<u>-</u>	<u>1,100,576</u>
Total cash and temporary investments	<u>11,675,670</u>	<u>42,811</u>	<u>19,273,364</u>	<u>30,991,845</u>
Investments:				
Broker Dealer:				
Government Securities	741,429	-	-	741,429
Certificates of deposit	<u>8,302,368</u>	<u>-</u>	<u>-</u>	<u>8,302,368</u>
Total investments	<u>9,043,797</u>	<u>-</u>	<u>-</u>	<u>9,043,797</u>
Total cash and temporary investments and investments	<u>\$ 20,719,467</u>	<u>\$ 42,811</u>	<u>\$ 19,273,364</u>	<u>\$ 40,035,642</u>

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to them. The County requires that all deposits with financial institutions be collateralized by securities and FDIC insurance. As of December 31, 2024, bank balances did not exceed the market values of pledged securities and FDIC insurance.

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under written investment policy (the “investment policy”). The investment policy primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policies, which excludes certain instruments allowed under chapter 2256 of the Texas Government Code.

The County’s deposits and investments are invested pursuant to the investment policy, which is approved by Commissioners Court. The investment policy includes lists of authorized investment instruments and allowable stated maturity of individual investments. In addition it includes an “Investment Strategy Statement” that specifically addresses each investment option and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield. Additionally, the soundness of financial institutions (including broker/dealers) in which the County will deposit funds is addressed. The County’s investment policy and types of investments are governed by the Public Funds Investment Act (PFIA). The County’s management believes it complied with the requirements of the PFIA and the County’s investment policy.

The Texas Cooperative Liquid Assets Securities System Trust (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the “Agreement”), among certain Texas governmental entities investing in CLASS (the “Participants”), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the “Board”), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for Texas CLASS may be obtained from CLASS’ website at www.texasclass.com.

The Texas Short-Term Asset Reserve Fund (TexSTAR) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

TexSTAR is measured at amortized cost. TexSTAR’s strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The County has no unfunded commitments related to TexSTAR. TexSTAR has a redemption notice period of one day and may redeem daily. TexSTAR’s authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national or state emergency that affects TexSTAR’s liquidity.

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

At December 31, 2024, CLASS and TexSTAR has a weighted average maturity of 46 days and 36 days, respectively. Although the pools have a weighted average maturity, the County considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

As of December 31, 2024, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Texas CLASS	\$ 5,446,637	46
TexSTAR	1,100,576	36
Government Securities	741,429	599
Certificates of Deposit	<u>8,302,368</u>	482
Total	<u>\$ 15,591,010</u>	304

Credit Risk - As of December 31, 2024, the LGIP's (which represent approximately 41.99% of the investment portfolio) are rated AAAM by Standard and Poor's, the government securities (which represent 4.76% of the investment portfolio) were covered by private insurance and the certificates of deposit (which represents 53.25% of the investment portfolio) were covered by Federal Depository Insurance coverage, respectively, therefore, the County does not have a significant exposure to credit risk.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires the County to manage its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

Fair Value Measures

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

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

Fair Value Measures - Continued

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

The following table sets forth by level, within the fair value hierarchy, the County's assets at fair value as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government Securities	\$ <u>741,429</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>741,429</u>
Total assets at fair value	\$ <u>741,429</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>741,429</u>

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES**Receivables and Allowances

Receivables as of December 31, 2024, for the government's individual governmental major and nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Major Funds				
	General Fund	Road & Bridge Fund	Farm to Market Lateral Road Fund	Other Governmental Funds	Total Governmental Funds
Receivables:					
Property taxes	\$ 11,747,303	\$ 4,040,006	\$ 1,845,050	\$ -	\$ 17,632,359
Lease	242,053	-	-	-	242,053
Accounts	426,193	1,267,838	296	2,385	1,696,712
Due from other governments	<u>5,667,646</u>	<u>1,599,199</u>	<u>721,474</u>	<u>1,381,743</u>	<u>9,370,062</u>
Gross receivables	18,083,195	6,907,043	2,566,820	1,384,128	28,941,186
Less Allowance for Uncollectibles:					
Property taxes	<u>(771,532)</u>	<u>(265,376)</u>	<u>(137,191)</u>	<u>-</u>	<u>(1,174,099)</u>
Total net receivables	<u>\$ 17,311,663</u>	<u>\$ 6,641,667</u>	<u>\$ 2,429,629</u>	<u>\$ 1,384,128</u>	<u>\$ 27,767,087</u>

Receivables From Other Governments

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

Amounts due from federal and state as of December 31, 2024 are summarized below:

	Sales and Other Taxes	Federal Grants	State Grants	Other	Total
Major Governmental Funds:					
General Fund	\$ 843,827	\$ 124,376	\$ 13,309	\$ 4,686,134	\$ 5,667,646
Road & Bridge	-	-	-	1,599,199	1,599,199
Farm to Market Lateral Road Fund	-	-	-	721,474	721,474
Other Governmental Funds	<u>-</u>	<u>1,358,276</u>	<u>23,467</u>	<u>-</u>	<u>1,381,743</u>
Totals	<u>\$ 843,827</u>	<u>\$ 1,482,652</u>	<u>\$ 36,776</u>	<u>\$ 7,006,807</u>	<u>\$ 9,370,062</u>

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued**Governmental Funds

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of December 31, 2024, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Major Funds				
	General Fund	Road & Bridge Fund	Farm to Market Lateral Road Fund	Other Governmental Funds	Total
Deferred Inflows of Resources:					
Current property taxes collected (October 1, 2024 Levy)	\$ 4,644,430	\$ 1,597,493	\$ 720,619	\$ -	\$ 6,962,542
Current property taxes receivable (October 1, 2024 Levy)	10,917,127	3,755,042	1,698,763	-	16,370,932
Delinquent property taxes receivable (October 1, 2023 and prior)	(16,747)	(6,592)	(2,718)	-	(26,057)
Fines and fees	271,143	1,249,053	-	-	1,520,196
Leases	230,113	-	-	-	230,113
Unearned Revenue:					
Federal grants	19,199	-	-	9,320	28,519
State grants	-	-	-	350,000	350,000
Totals	<u>\$ 16,065,265</u>	<u>\$ 6,594,996</u>	<u>\$ 2,416,664</u>	<u>\$ 359,320</u>	<u>\$ 25,436,245</u>

Governmental Activities

Governmental activities defer the recognition of pension expense for contributions made from the measurement date to the current year-end of December 31, 2024 and report these as deferred outflows of resources. Governmental activities also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of December 31, 2024, the various components of deferred outflows and inflows of resources and unearned revenue reported in the governmental activities were as follows:

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Unearned Revenue
<u>Governmental Activities:</u>			
Current property taxes collected (October 1, 2024, Levy)	\$ -	\$ 6,962,542	\$ -
Current property taxes receivable (October 1, 2024 Levy)	-	16,370,932	-
Leases	-	230,113	-
Pension Related:			
Differences between expected and actual experience	417,758	-	-
Net difference between projected and actual investment earnings	200,366	-	-
Subsequent contributions	2,057,955	-	-
OPEB Related:			
Differences between expected and actual experience	4,501	519,418	-
Changes in assumptions	200,491	204,074	-
Subsequent contributions	119,309	-	-
Unearned Revenue:			
Federal grants	-	-	28,519
State grants	-	-	350,000
Totals	<u>\$ 3,000,580</u>	<u>\$ 24,287,079</u>	<u>\$ 378,519</u>

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at December 31, 2024 consisted of the following:

Receivable Fund	Payable Fund	12-31-24
General Fund	Road & Bridge Fund	\$ 625
General Fund	Other Governmental Funds	300,389
Capital Replacement Fund	General Fund	219,418
Capital Replacement Fund	Road & Bridge Fund	925,876
Capital Replacement Fund	Farm to Market Lateral Road Fund	168,793
		<u>\$ 1,615,101</u>

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

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued**

Interfund transfers for the year ended December 31, 2024 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>Amounts</u>
General Fund	Road & Bridge Fund	\$ 1,254,189
General Fund	Farm to Market Lateral Road Fund	325,000
General Fund	Capital Replacement Fund	219,418
Road & Bridge Fund	Farm to Market Lateral Road Fund	20,669
Road & Bridge Fund	Capital Replacement Fund	925,876
Farm to Market Lateral Road Fund	Capital Replacement Fund	168,793
Capital Replacement Fund	General Fund	1,863
Capital Replacement Fund	Road & Bridge Fund	<u>22,820</u>
Total		<u>\$ 2,938,628</u>

Transfers from the General Fund to the Road & Bridge Fund, and Farm to Market Lateral Road Fund included \$ 1,254,189 and \$ 325,000, respectively, as a result of grant expenditures. Transfers from the General Fund to the Road & Bridge Fund, and Farm to Market Lateral Road Fund to the Capital Replacement Fund in the amounts of \$ 219,418, \$ 925,876, and \$ 168,793, respectively, were for unspent capital to be used for future capital purchases. Transfers from the Capital Replacement Fund to the General Fund and Road & Bridge Fund included \$ 1,863 and \$ 22,820, respectively, to repay prior years transfers that were not used. The \$252,652 transferred from the Road & Bridge Fund to the Farm to Market Lateral Road Fund was to cover budgeted expenditures.

NOTE 5 - CAPITAL ASSETSCapital Transactions

	<u>Balance 01-01-24</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments & Transfers</u>	<u>Balance 12-31-24</u>
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 5,834,439	\$ -	\$ -	\$ -	\$ 5,834,439
Construction in progress	<u>131,278</u>	<u>60,185</u>	<u>-</u>	<u>(131,278)</u>	<u>60,185</u>
Total capital assets not being depreciated	<u>5,965,717</u>	<u>60,185</u>	<u>-</u>	<u>(131,278)</u>	<u>5,894,624</u>
Capital Assets, Being Depreciated:					
Buildings	23,764,286	384,388	(10,768)	131,278	24,269,184
Improvements other than buildings	2,445,657	79,729	-	-	2,525,386
Machinery and equipment	26,704,259	2,785,933	(1,072,459)	-	28,417,733
Infrastructure	<u>55,428,572</u>	<u>374,421</u>	<u>(110,592)</u>	<u>-</u>	<u>55,692,401</u>
Total capital assets being depreciated	<u>108,342,774</u>	<u>3,624,471</u>	<u>(1,193,819)</u>	<u>131,278</u>	<u>110,904,704</u> (continued)

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 5 - CAPITAL ASSETS - Continued**

	Balance 01-01-24	Additions	Retirements	Adjustments & Transfers	Balance 12-31-24
Less Accumulated Depreciation For:					
Buildings	\$ 11,637,376	\$ 590,829	\$ -	\$ -	\$ 12,228,205
Improvements other than buildings	454,447	114,202	-	-	568,649
Machinery and equipment	17,314,529	2,340,083	(767,478)	-	18,887,134
Infrastructure	<u>51,047,373</u>	<u>120,666</u>	<u>(87,142)</u>	<u>-</u>	<u>51,080,897</u>
Total accumulated depreciation	<u>80,453,725</u>	<u>3,165,780</u>	<u>(854,620)</u>	<u>-</u>	<u>82,764,885</u>
Total capital assets being depreciated, net	<u>27,889,049</u>	<u>458,691</u>	<u>(339,199)</u>	<u>131,278</u>	<u>28,139,819</u>
Governmental activities capital assets, net	\$ <u>33,854,766</u>	\$ <u>518,876</u>	\$ <u>(339,199)</u>	\$ <u>-</u>	\$ <u>34,034,443</u>

Depreciation/Amortization

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

	12-31-24
Governmental Activities:	
General government	\$ 402,047
Public safety	593,093
Judicial	62,429
Corrections	132,900
Juvenile services	254
Environmental services	39,266
Culture and recreation	130,307
Highways and drainage	<u>1,805,484</u>
Total governmental activities	\$ <u>3,165,780</u>

NOTE 6 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of December 31, 2024, for the government's individual governmental major and nonmajor funds, and fiduciary funds in the aggregate are as follows:

	Major Funds				
	General Fund	Road & Bridge Fund	Farm to Market Lateral Road Fund	Other Governmental Funds	Total
Accounts and Accrued Liabilities Payable:					
Vendors	\$ 442,156	\$ 198,011	\$ 85,904	\$ 1,094,430	\$ 1,820,501
Accrued compensation	504,513	117,005	42,132	17,697	681,347
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,499</u>	<u>192,499</u>
Totals	\$ <u>946,669</u>	\$ <u>315,016</u>	\$ <u>128,036</u>	\$ <u>1,304,626</u>	\$ <u>2,694,347</u>

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 6 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE - Continued**

	<u>Fiduciary Funds</u>
Accounts and Accrued Liabilities Payable:	
Vendors	\$ 158,974
Accrued compensation	<u>729</u>
 Total	 <u>\$ 159,703</u>

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended December 31, 2024:

	<u>Balance 01-01-24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12-31-24</u>	<u>Due Within One Year</u>
Governmental Type Activities:					
Compensated absences	\$ 208,944	\$ 231,421	\$ (208,944)	\$ 231,421	\$ 231,421
Net pension liability	4,021,266	9,056,499	(10,311,320)	2,766,445	-
Total OPEB liability	<u>2,301,052</u>	<u>347,752</u>	<u>(119,109)</u>	<u>2,529,695</u>	<u>-</u>
 Total governmental activities	 <u>\$ 6,531,262</u>	 <u>\$ 9,635,672</u>	 <u>\$(10,639,373)</u>	 <u>\$ 5,527,561</u>	 <u>\$ 231,421</u>

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences and net pension and total OPEB liability are generally liquidated by the general fund.

NOTE 8 - LEASES

On November 1, 2018, the County entered into a five-year lease as lessor for the use of land located at 1017 N Alabama Road, Wharton, Texas 77488 to Diamond Towers V LLC (the "Lessee"). The initial lease term will terminate on the fifth anniversary of the commencement date and automatically renew for a maximum of seventeen additional five-year terms (each additional five-year term shall be defined as an "extension term"). The County used a lease term of 22 years from the implementation date of this new standard. As of December 31, 2024, the value of the lease receivable is \$ 242,053. The Lessee is required to make monthly fixed payments ranging from \$ 1,000 to \$ 1,611 during the lease term. The monthly rent will increase by ten percent over each extension term. The lease has an interest rate of 1.99%. The value of the deferred inflow of resources as of December 31, 2024, was \$ 230,113, and the County recognized lease revenue of \$ 17,017 during the fiscal year.

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 8 - LEASES - Continued**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 8,460	\$ 4,740	\$ 13,200
2026	8,630	4,570	13,200
2027	8,803	4,397	13,200
2028	9,200	4,220	13,420
2029	10,497	4,023	14,520
2030-2034	57,445	16,849	74,294
2035-2039	71,247	10,476	81,723
2040-2043	<u>67,771</u>	<u>2,799</u>	<u>70,570</u>
	<u>\$ 242,053</u>	<u>\$ 52,074</u>	<u>\$ 294,127</u>

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN

Plan Description - The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 870 non-traditional defined benefit plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 79768-2034.

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

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

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

	<u>Plan Year 2024</u>	<u>Plan Year 2023</u>
Employee deposit rate	7.00%	7.00%
Employer deposit rate	15.17%	15.17%
Matching ratio (County to employee)	2 to 1	2 to 1
Years required for vesting	8	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/20	60/8, 0/20

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Employees Covered by Benefit Terms:

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	222
Inactive employees entitled to but not yet receiving benefits	162
Active employees	<u>237</u>
	<u>621</u>

Contributions - The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee compensation, and the employer matching percentages are either 100%, 150%, 200%, or 250%, both as adopted by the governing body of the employer. Under the state laws governing TCDRS, the contribution rate for each employer is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. Participating employers are required to contribute at the actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.

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

Employees of the County were required to contribute 7.00% of their annual compensation during the fiscal year. The County's required contribution rates of 13.38% and 13.13% in calendar years 2024 and 2023, respectively. The County's contributions to TCDRS for the year ended December 31, 2024 were \$ 2,057,955.

Net Pension Liability - The County's Net Pension Liability was measured as of December 31, 2023, and the Total Pension Liability (TPL) 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, 2023 actuarial valuation was determined using the following actuarial assumptions:

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

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Except where indicated in the section of this GASB 68 report entitled “Actuarial Methods and Assumptions Used for GASB Calculations”, the assumptions used in this analysis for the December 31, 2023 financial reporting metrics are the same as those used in the December 31, 2023 actuarial valuation analysis for the County.

Following is a description of the assumptions used in the December 31, 2023 actuarial valuation analysis for the County. This information may also be found in the Wharton County December 31, 2023 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions

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

The assumed long-term investment return of 7.50% is net after investment and administrative expenses and is expected to enable the system to credit each employer’s Subdivison Accumulation Fund (SAF) with a nominal annual rate of 7.50% on the combined Employee Savings Fund (ESF) and SAF funds, less the amount credited to the County’s ESF. Under the TCDRS Act, the ESF is credited with a nominal annual rate of 7.00%. It is assumed interest will be credited at the nominal annual rate of 7.50% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

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

Employer Specific Economic Assumptions

Growth in membership	0.00%
Payroll growth	3.00%

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS’ investment consultant, Cliffwater LLC. The numbers are based on January 2024 information for a 10-year time horizon.

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

The valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. 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 ⁽¹⁾	Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

⁽¹⁾ Target asset allocation adopted at the March 2024 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.20%, per Cliffwater's 2024 capital market assumptions

⁽³⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

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

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

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

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance as of December 31, 2022	\$ 72,675,703	\$ 68,654,437	\$ 4,021,266
Changes for the Year:			
Service cost	1,644,612	-	1,644,612
Interest on total pension liability ⁽¹⁾	5,496,234	-	5,496,234
Effect of plan changes ⁽²⁾	1,398,422	-	1,398,422
Effect of economic/demographic gains or losses	440,696	-	440,696
Effect of assumptions changes or inputs	-	-	-
Refunds of contributions	(102,590)	(102,590)	-
Employer contributions	-	1,901,534	(1,901,534)
Member contributions	-	877,440	(877,440)
Net investment income	-	7,532,346	(7,532,346)
Benefit payment,	(3,974,957)	(3,974,957)	-
Administrative expense	-	(39,064)	39,064
Other changes ⁽³⁾	-	(37,471)	37,471
Balance as of December 31, 2023	<u>\$ 77,578,120</u>	<u>\$ 74,811,675</u>	<u>\$ 2,766,445</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.⁽²⁾ No plan changes valued.⁽³⁾ Relates to allocation of system-wide items.

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

	1% Decrease In Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase In Discount Rate (8.60%)
Total pension liability	\$ 86,538,150	\$ 77,578,120	\$ 69,953,259
Fiduciary net position	<u>74,811,675</u>	<u>74,811,675</u>	<u>74,811,675</u>
Net pension liability / (asset)	<u>\$ 11,726,475</u>	<u>\$ 2,766,445</u>	<u>\$ (4,858,416)</u>

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

	Year Ended 12-31-23
<i>Pension Expense:</i>	
Service cost	\$ 1,644,612
Interest on total pension liability ⁽¹⁾	5,496,234
Effect of plan changes	1,398,422
Administrative expenses	39,064
Member contributions	(877,440)
Expected investment return net of investment expenses	(5,166,440)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(127,354)
Recognition of assumption changes or inputs	796,125
Recognition of investment gains or losses	(1,411,436)
Other ⁽²⁾	37,471
Pension expense	\$ <u>1,829,258</u>

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

⁽²⁾ Related to allocation of system-wide items.

Deferred Inflows and Outflows - At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 417,758	\$ -
Net difference between projected and actual investment earnings	200,366	-
Contributions subsequent to the measurement date ⁽³⁾	<u>2,057,955</u>	<u>-</u>
Totals	\$ <u>2,676,079</u>	\$ <u>-</u>

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

Year Ended December 31,	
2025	\$ (392,082)
2026	(123,810)
2027	1,607,198
2028	(473,182)
2029	-
Thereafter ⁽⁴⁾	-

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

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

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description - The County provides post-retirement dental, medical, and prescription drug benefits through the Retiree Health Care Plan (the "Plan"), a single-employer plan that is not administered through a formal trust, for eligible employees who retire between the ages of 62 and 65 with at least eight consecutive years of service with the County or when the sum of their age and years of service equals 75 or more (the "Rule of 75") with at least eight consecutive years of service with the County. Retirees are eligible to remain in the Plan until they reach the age of 65. Dependent family members are included in the Plan, if at the time of the employee's retirement they were covered by the County's health plan.

The County participates in the TAC Health and Employee Benefits Pool (the "Pool"). The Pool does not provide for separate rate schedules for active employees and retirees. The County revised its policy in 2012 so that Retirees, ages 62 to 65 with 8 to 12 years of service, pay approximately 70 percent and retirees under Rule of 75 pay approximately 41 percent of the total cost for their own insurance coverage and 100 percent of the total cost for any dependents covered. The County pays 100 percent of the dental premium for retirees who choose not to remain in the medical plan. Retirees may elect to remain in the dental plan after the age of 65, but they must pay 100 percent of the cost. The contribution requirements of the County are established by and may be amended by the Commissioners Court.

The following table provides a summary of the number of participants in the plan as of December 31, 2024:

Inactive plan members or beneficiaries currently receiving benefits	10
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>196</u>
Total	<u>206</u>

Total OPEB Liability - The County's total OPEB liability of \$ 2,529,695 was determined by an actuarial valuation as of December 31, 2022 rolled forward to a measurement date of December 31, 2023.

Actuarial assumptions and other inputs - The total OPEB liability in the December 31, 2022 actuarial valuation rolled forward to a measurement date of December 31, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued**

Inflation	2.50%
Salary increases	0.40% to 5.25%, not including wage inflation of 3.00%
Discount rate	3.77% as of December 31, 2023
Actuarial cost method	Individual entry-age normal
Demographic assumptions	Based on experience study covering the four-year period ending December 31, 2020 as conducted for TCDRS. For the OPEB valuation, the standard TCDRS retirement rates were adjusted to reflect the impact of the County's retiree medical plan design.
Mortality	For healthy retirees, the Pub-2010 General Retirees Tables for males and females are used with male rates multiplied by 135% and female rates multiplied by 120%. Those rates are projected on a fully generational basis based on 100% of the ultimate rates of mortality improvement scale MP-2021.
Healthcare costs trend rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	It was assumed that 85% of retirees that are eligible for the County's subsidy would choose to receive retiree health care benefits through the County. Retirees who are not eligible for the County subsidy were not assumed to receive health care through the County.

Changes of assumptions reflect a change in the discount rate from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023.

Funding Policy - The county has elected to finance the Plan as a pay-as-you-go basis and these financial statements assume that this funding method will continue in the near future.

Changes in total OPEB Liability - The changes in the total OPEB liability as of December 31, 2023 are as follows:

	<u>Total OPEB Liability</u>
Charges for the Year:	
Service cost	206,600
Interest	95,311
Difference in expected and actual experience	(17,136)
Change in assumptions	45,841
Benefit payments	<u>(101,973)</u>
Net changes	228,643
Total OPEB liability - beginning	<u>2,301,052</u>
Total OPEB liability - ending	\$ <u><u>2,529,695</u></u>

WHARTON COUNTY, TEXAS*Notes to the Financial Statements**For the Year Ended December 31, 2024***NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued**

The employer contributions show above include contributions of \$ 50,159 and implicit benefit payments of \$ 51,814 which were paid by the County using its own assets.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Net OPEB liability	\$ 2,769,568	\$ 2,529,695	\$ 2,370,120

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	\$ 2,330,468	\$ 2,529,695	\$ 2,769,568

OPEB Expense Deferred Inflows and Outflows - For the year ended December 31, 2024, the County recognized OPEB expense as follows:

	Year Ended 12-31-24
Service cost	\$ 206,600
Interest	95,311
Recognition of current year outflow due to liabilities	3,040
Recognition of prior year inflow due to liabilities	<u>(106,662)</u>
OPEB expense	<u>\$ 198,289</u>

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,501	\$ 519,418
Changes in assumptions	200,691	204,074
Net differences between projected and actual earnings	<u>119,309</u>	<u>-</u>
Totals	<u>\$ 324,501</u>	<u>\$ 723,492</u>

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

\$ 119,309 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending December 31, 2025.

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>December 31,</u>	
2025	\$ (103,622)
2026	(103,622)
2027	(87,486)
2028	(65,810)
2029	(73,382)
Thereafter	(84,378)

NOTE 11 - SELF INSURANCE

The employee disability fund was established as a self-insurance program (the "Plan") for short-term disability benefits for County employees who have used all available sick leave. The estimated annual rate per employee budgeted in the eligible departments to fund the Plan for the payment of possible claims was \$ 2 per month per employee in 2024. Payment for disability, as set by Commissioners' Court, is 35 percent of an employee's monthly salary and longevity pay. The County also pays the employee's cost of dependent coverage. Payments are made bi-weekly and are limited to 12 weeks. The net loss in fiscal year 2024 was \$ 5,536, reflective of claims being more than deposits. Net position as of December 31, 2024 was \$ 42,811.

NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 400 other entities in the Texas Association of Counties' (TAC) Workers' Compensation Self-Insurance Fund (the "Pool"). The TAC created this Pool in 1974 to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the TAC's Insurance Trust Fund.

This Pool purchases commercial insurance at group rates for participants in the Pool. The County has no additional risk or responsibility to the Pool in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

WHARTON COUNTY, TEXAS

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 13 - CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County reports liabilities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

NOTE 14 - TAX ABATEMENTS

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

For the year ended December 31, 2024, the County abated property taxes totaling \$ 1,340,538 under this program.

NOTE 15 - EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through June 23, 2025, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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WHARTON COUNTY, TEXAS

Exhibit 10

*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 18,318,706	\$ 18,318,706	\$ 18,861,700	\$ 542,994
Intergovernmental	1,082,816	2,010,631	2,084,860	74,229
Charges for services	863,010	863,010	902,475	39,465
Licenses and permits	160,090	160,090	101,900	(58,190)
Fines and forfeitures	493,000	493,000	595,992	102,992
Investment income	500,010	500,010	757,639	257,629
Miscellaneous	190,960	276,518	347,778	71,260
Total revenues	21,608,592	22,621,965	23,652,344	1,030,379
Expenditures:				
Current:				
General government	4,695,921	4,972,559	4,656,205	316,354
Public safety	6,016,122	6,527,372	6,195,839	331,533
Judicial	4,898,838	5,235,329	5,085,835	149,494
Corrections	3,914,255	3,989,603	3,765,460	224,143
Juvenile services	324,393	268,375	268,352	23
Environmental services	614,274	622,577	530,453	92,124
Health and welfare	542,534	545,049	332,099	212,950
Culture and recreation	1,301,400	1,392,235	1,352,859	39,376
Capital outlay	830,000	1,159,060	1,004,431	154,629
Total expenditures	23,137,737	24,712,159	23,191,533	1,520,626
Excess (deficiency) of revenues over expenditures	(1,529,145)	(2,090,194)	460,811	2,551,005
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	77,600	78,061	461
Transfers in	-	-	1,863	1,863
Transfers out	(1,525,000)	(1,569,000)	(1,798,607)	(229,607)
Total other financing sources (uses)	(1,525,000)	(1,491,400)	(1,718,683)	(227,283)
Net change in fund balance	(3,054,145)	(3,581,594)	(1,257,872)	2,323,722
Fund balance - beginning	11,068,488	11,068,488	11,068,488	-
Fund balance - ending	\$ 8,014,343	\$ 7,486,894	\$ 9,810,616	\$ 2,323,722

WHARTON COUNTY, TEXAS

Exhibit 11

*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Road & Bridge Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,887,568	\$ 4,887,568	\$ 4,891,605	\$ 4,037
Intergovernmental	-	1,471,636	1,471,636	-
Charges for services	278,000	278,000	280,777	2,777
Licenses and permits	805,000	805,000	789,208	(15,792)
Fines and forfeitures	160,000	160,000	164,783	4,783
Investment income	190,000	190,000	282,704	92,704
Miscellaneous	80,200	791,944	757,221	(34,723)
Total revenues	6,400,768	8,584,148	8,637,934	53,786
Expenditures:				
Current:				
Environmental services	191,739	258,073	257,304	769
Highways and drainage	6,701,132	9,430,919	8,176,712	1,254,207
Capital outlay	1,200,000	1,929,360	991,654	937,706
Total expenditures	8,092,871	11,618,352	9,425,670	2,192,682
Deficiency of revenues over expenditures	(1,692,103)	(3,034,204)	(787,736)	2,246,468
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	29,966	29,966	-
Transfers in	1,200,000	1,244,000	1,277,009	33,009
Transfers out	-	-	(946,545)	(946,545)
Total other financing sources (uses)	1,200,000	1,273,966	360,430	(913,536)
Net change in fund balance	(492,103)	(1,760,238)	(427,306)	1,332,932
Fund balance - beginning	3,317,373	3,317,373	3,317,373	-
Fund balance - ending	\$ 2,825,270	\$ 1,557,135	\$ 2,890,067	\$ 1,332,932

WHARTON COUNTY, TEXAS

Exhibit 12

*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Farm to Market Lateral Road Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,113,324	\$ 2,113,324	\$ 2,127,645	\$ 14,321
Intergovernmental	-	4,875	4,875	-
Investment income	40,000	40,000	98,554	58,554
Miscellaneous	-	-	188	188
Total revenues	<u>2,153,324</u>	<u>2,158,199</u>	<u>2,231,262</u>	<u>73,063</u>
Expenditures:				
Current:				
Highways and drainage	2,352,231	2,377,775	1,968,448	409,327
Capital outlay	<u>300,000</u>	<u>265,806</u>	<u>97,012</u>	<u>168,794</u>
Total expenditures	<u>2,652,231</u>	<u>2,643,581</u>	<u>2,065,460</u>	<u>578,121</u>
Excess (deficiency) of revenues over expenditures	<u>(498,907)</u>	<u>(485,382)</u>	<u>165,802</u>	<u>651,184</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	15,806	15,806	-
Transfers in	325,000	325,000	345,669	20,669
Transfers out	-	-	(168,793)	(168,793)
Total other financing sources (uses)	<u>325,000</u>	<u>340,806</u>	<u>192,682</u>	<u>(148,124)</u>
Net change in fund balance	<u>(173,907)</u>	<u>(144,576)</u>	<u>358,484</u>	<u>503,060</u>
Fund balance - beginning	<u>1,099,652</u>	<u>1,099,652</u>	<u>1,099,652</u>	<u>-</u>
Fund balance - ending	<u>\$ 925,745</u>	<u>\$ 955,076</u>	<u>\$ 1,458,136</u>	<u>\$ 503,060</u>

WHARTON COUNTY, TEXAS*Texas County and District Retirement System**Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios**With a Measurement Date of December 31,*

	2023	2022	2021	2020
Total Pension Liability:				
Service cost	\$ 1,644,612	\$ 1,584,674	\$ 1,575,227	\$ 1,421,633
Interest on the Total Pension Liability	5,496,234	5,265,263	5,232,529	5,092,722
Effect of plan changes	1,398,422	-	(1,876,883)	143,819
Effect of assumption changes or inputs	-	-	(208,113)	3,461,984
Effect of economic/demographic (gains) or losses	440,696	174,472	(402,414)	(588,038)
Benefit payments/refunds of contributions	<u>(4,077,547)</u>	<u>(4,014,118)</u>	<u>(3,788,195)</u>	<u>(3,629,997)</u>
Net Change in Total Pension Liability	4,902,417	3,010,291	532,151	5,902,123
Total Pension Liability - Beginning	<u>72,675,703</u>	<u>69,665,412</u>	<u>69,133,261</u>	<u>63,231,138</u>
Total Pension Liability - Ending (a)	<u>\$ 77,578,120</u>	<u>\$ 72,675,703</u>	<u>\$ 69,665,412</u>	<u>\$ 69,133,261</u>
Fiduciary Net Position:				
Employer contributions	\$ 1,901,534	\$ 1,696,966	\$ 1,649,288	\$ 1,619,733
Member contributions	877,440	783,045	761,044	747,405
Investment Income net of investment expenses	7,532,346	(4,243,880)	13,569,183	5,974,990
Benefit payments/refunds of contributions	(4,077,547)	(4,014,118)	(3,788,195)	(3,629,997)
Administrative expense	(39,064)	(40,233)	(40,374)	(45,730)
Other	<u>(37,471)</u>	<u>(153,625)</u>	<u>(21,827)</u>	<u>(31,603)</u>
Net Change in Fiduciary Net Position	6,157,238	(5,971,845)	12,129,119	4,634,798
Fiduciary Net Position - Beginning	<u>68,654,437</u>	<u>74,626,282</u>	<u>62,497,163</u>	<u>57,862,365</u>
Fiduciary Net Position - Ending (b)	<u>\$ 74,811,675</u>	<u>\$ 68,654,437</u>	<u>\$ 74,626,282</u>	<u>\$ 62,497,163</u>
Net Pension Liability/(Asset) (a-b)	<u>\$ 2,766,445</u>	<u>\$ 4,021,266</u>	<u>\$ (4,960,870)</u>	<u>\$ 6,636,098</u>
Fiduciary Net Position as a Percentage of				
Total Pension Liability	<u>96.43%</u>	<u>94.47%</u>	<u>107.12%</u>	<u>90.40%</u>
Pensionable Covered Payroll	<u>\$ 12,534,861</u>	<u>\$ 11,186,358</u>	<u>\$ 10,872,058</u>	<u>\$ 10,677,209</u>
Net Pension Liability/(Asset) as a Percentage of				
Covered Payroll	<u>22.07%</u>	<u>35.95%</u>	<u>(45.63%)</u>	<u>62.15%</u>

2019	2018	2017	2016	2015	2014
\$ 1,294,028	\$ 1,262,029	\$ 1,251,440	\$ 1,269,249	\$ 1,171,800	\$ 1,112,031
4,752,464	4,581,352	4,312,530	4,062,559	3,880,713	3,612,194
1,485,015	-	168,793	-	(127,104)	296,736
-	-	401,175	-	497,625	-
251,825	(299,049)	98,218	(249,924)	(628,042)	466,730
<u>(3,787,375)</u>	<u>(3,152,663)</u>	<u>(2,703,996)</u>	<u>(2,549,012)</u>	<u>(2,288,255)</u>	<u>(2,189,889)</u>
3,995,957	2,391,669	3,528,160	2,532,872	2,506,737	3,297,802
<u>59,235,180</u>	<u>56,843,511</u>	<u>53,315,351</u>	<u>50,782,479</u>	<u>48,275,742</u>	<u>44,977,940</u>
<u>\$ 63,231,137</u>	<u>\$ 59,235,180</u>	<u>\$ 56,843,511</u>	<u>\$ 53,315,351</u>	<u>\$ 50,782,479</u>	<u>\$ 48,275,742</u>
\$ 1,462,279	\$ 1,395,448	\$ 1,336,096	\$ 1,291,062	\$ 1,344,576	\$ 1,134,048
705,926	686,929	658,643	636,444	613,525	593,743
8,404,528	(1,005,137)	6,876,608	3,291,800	176,884	2,932,816
(3,787,375)	(3,152,663)	(2,703,996)	(2,549,012)	(2,288,255)	(2,189,889)
(44,093)	(41,099)	(35,454)	(35,762)	(32,124)	(33,576)
<u>(47,375)</u>	<u>(26,532)</u>	<u>(9,839)</u>	<u>45,859</u>	<u>(159,288)</u>	<u>58,118</u>
6,693,890	(2,143,054)	6,122,058	2,680,391	(344,682)	2,495,260
<u>51,168,475</u>	<u>53,311,529</u>	<u>47,189,471</u>	<u>44,509,080</u>	<u>44,853,762</u>	<u>42,358,502</u>
<u>\$ 57,862,365</u>	<u>\$ 51,168,475</u>	<u>\$ 53,311,529</u>	<u>\$ 47,189,471</u>	<u>\$ 44,509,080</u>	<u>\$ 44,853,762</u>
<u>\$ 5,368,772</u>	<u>\$ 8,066,705</u>	<u>\$ 3,531,982</u>	<u>\$ 6,125,880</u>	<u>\$ 6,273,399</u>	<u>\$ 3,421,980</u>
<u>91.51%</u>	<u>86.38%</u>	<u>93.79%</u>	<u>88.51%</u>	<u>87.65%</u>	<u>92.91%</u>
<u>\$ 10,084,658</u>	<u>\$ 9,813,271</u>	<u>\$ 9,409,184</u>	<u>\$ 9,092,062</u>	<u>\$ 8,764,648</u>	<u>\$ 8,482,043</u>
<u>53.24%</u>	<u>82.20%</u>	<u>37.54%</u>	<u>67.38%</u>	<u>71.58%</u>	<u>40.34%</u>

WHARTON COUNTY, TEXAS*Texas County and District Retirement System
Schedule of Employer Contributions
For the Ten Years Ended December 31,*

Exhibit 14

	<u>Actuarially Determined Contribution⁽¹⁾</u>	<u>Actual Employer Contribution⁽¹⁾</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll⁽²⁾</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 1,244,580	\$ 1,344,576	\$ (99,996)	\$ 8,764,648	15.3%
2016	1,291,062	1,291,062	-	9,092,062	14.2%
2017	1,292,822	1,336,096	(43,274)	9,409,184	14.2%
2018	1,395,448	1,395,448	-	9,813,271	14.2%
2019	1,462,279	1,462,279	-	10,084,658	14.5%
2020	1,619,733	1,619,733	-	10,677,209	15.2%
2021	1,621,024	1,649,288	(28,264)	10,872,058	15.2%
2022	1,658,937	1,696,966	(38,029)	11,186,358	15.2%
2023	1,645,827	1,901,534	(255,707)	12,534,861	15.2%
2024	1,815,125	2,057,955	(242,830)	13,565,953	15.2%

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

⁽²⁾ Payroll is calculated based on contributions as reported to TCDRS.

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WHARTON COUNTY, TEXAS*Wharton County Retiree Health Care Plan**Schedule of Changes in Total OPEB Liability and Related Ratios**For the Last Ten Years Ended December 31,*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability:				
Service cost	\$ 206,600	\$ 256,846	\$ 217,610	\$ 195,511
Interest on the total OPEB liability	95,311	46,457	40,701	64,717
Changes in benefit terms	-	-	241,160	-
Differences between expected and actual experience	(17,136)	(80,141)	6,604	(536,739)
Change in assumptions	45,841	(258,924)	87,664	60,717
Benefit payments	<u>(101,973)</u>	<u>(119,232)</u>	<u>(127,841)</u>	<u>(99,298)</u>
Net Change in Total OPEB Liability	228,643	(154,994)	465,898	(315,092)
Total OPEB Liability - Beginning	<u>2,301,052</u>	<u>2,456,046</u>	<u>1,990,148</u>	<u>2,305,240</u>
Total OPEB Liability - Ending	<u>\$ 2,529,695</u>	<u>\$ 2,301,052</u>	<u>\$ 2,456,046</u>	<u>\$ 1,990,148</u>
Covered-Employee Payroll	<u>\$ 12,520,317</u>	<u>\$ 11,142,616</u>	<u>\$ 10,841,550</u>	<u>\$ 10,667,956</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	<u>20.20%</u>	<u>20.65%</u>	<u>22.65%</u>	<u>18.66%</u>
Notes to Schedule:				
Discount Rate	3.77%	4.05%	1.84%	2.00%

Changes of assumptions reflect the effects of changes in the discount rate each period. The discount rate at the beginning of FYE 2019 was 3.31%.

- 2023 - The health care trend assumption was modified.
- 2022 - The demographic assumptions were updated to reflect the 2021 TCDRS experience study and the participation assumption for future retirees was increased. The changes of benefit terms reflects an increase to the County's retiree medical subsidy from \$ 352 to \$ 414 per month. Because the increase to the participation assumption was due to the change to the County's retiree healthcare subsidy, the impact of the participation assumption change is included in the changes of benefit terms.
- 2021 - The participation assumption was modified.
- 2019 - The health care trend assumption was modified.

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

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 169,616	\$ 174,423	\$ 133,819
77,679	78,680	84,131
-	-	-
(4,722)	(424,576)	(9,026)
115,766	10,848	55,339
<u>(124,122)</u>	<u>(116,346)</u>	<u>(115,024)</u>
234,217	(276,971)	149,239
<u>2,071,023</u>	<u>2,347,994</u>	<u>2,198,755</u>
\$ <u>2,305,240</u>	\$ <u>2,071,023</u>	\$ <u>2,347,994</u>
\$ <u>10,158,444</u>	\$ <u>9,849,849</u>	\$ <u>9,674,270</u>
<u>22.69%</u>	<u>21.03%</u>	<u>24.27%</u>
2.75%	3.71%	3.31%

*Notes to the Required Supplementary Information
For The Year Ended December 31, 2024*

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in the funds, plus the anticipated revenues for the current year as estimated by the County Auditor. The fund budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles. The major funds, General Fund, Road & Bridge Fund, and Farm to Market Lateral Road Fund budget and actual comparisons are presented as Required Supplementary Information at the fund level.

NOTE 2 - SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

Methods and assumptions used to determine contribution rates:

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WHARTON COUNTY, TEXAS

*Notes to the Required Supplementary Information
For The Year Ended December 31, 2024*

NOTE 2 - SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS - Continued

Changes in Assumptions and Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality, and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Employer Contributions*	2015: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits and a 20% CPI COLA was adopted. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: Employer contributions reflect that a 20% CPI COLA was adopted. 2019: No changes in plan provisions were reflected in the Schedule. 2020: Employer contributions reflect that a 10% CPI COLA was adopted. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No changes in plan provisions were reflected in the Schedule.

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

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Caney Creek Flood Infrastructure Project Fund - This fund accounts for funding received for the Texas Water Development Board flood infrastructure fund grant for the purpose of conducting a multi-jurisdictional flood risk and flood reduction project of Caney Creek.

County and District Court Technology Fund - This fund is used to account for fees collected from the county and district courts on convictions of felony and misdemeanor offenses for purposes of enhancing technology in the county and district courts.

State Lateral Road Fund - This fund accounts for revenue from the State of Texas that is restricted by the State for use in construction of new county roads and maintenance of existing county roads that adjoin state roads.

Records Preservation District Clerk Fund - This fund accounts for fees collected on filings and recordings by the district clerk to be used for specific records preservation and automation projects.

Guardianship Fund - This fund accounts for receipts of proceeds collected by probate courts for support of the judiciary in guardianship cases.

Juvenile Case Manager Fund - This fund accounts for receipts of proceeds collected by justice courts to fund salary and benefits of personnel to handle school truancy cases.

Election Services Fund - This fund is used to account for receipts of proceeds from the contract between political parties and other entities for administering election services.

Constables Forfeiture Fund - This fund is used to account for revenues received from federal and state court cases dealing with illegal drug violations. An agreement between the district attorney and the other entities involved in the resolution of the drug case establishes the division of proceeds. Funds are used for training, essential equipment, and operating expenses needed to enhance law enforcement activities.

Sheriff Forfeiture Fund - This fund accounts for revenues received from federal and state court cases dealing with illegal drug violations. An agreement between the district attorney and the other entities involved in the resolution of the drug case establishes the division of proceeds. Funds are used for training, essential equipment, and operating expenses needed to enhance law enforcement activities.

District Attorney Forfeiture Fund - This fund accounts for revenues received from federal and state court cases dealing with illegal drug violations. An agreement between the district attorney and the other entities involved in the resolution of the drug case establishes the division of proceeds. Funds are used for training, essential equipment, and operating expenses needed to enhance law enforcement activities.

Justice Court Security Fund - This fund accounts for fees collected by the justice courts on convictions of misdemeanor offenses. Funds are to be used for providing security to justice court buildings.

Courthouse Security Fund - This fund accounts for fees collected by the district, county, and justice courts on convictions of felony and misdemeanor offenses. Funds are to be used for providing security to the courts.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Records Preservation County Clerk Fund - This fund accounts for fees collected on filings and recording by the County clerk. Funds are to be used by the County clerk specifically for records preservation and automation projects.

Justice Court Technology Fund - This fund accounts for fees assessed by justice courts on convictions of misdemeanor offenses. Funds are designated for purposes of enhancing technology in the justice courts.

Law Library Fund - This fund accounts for revenues received through civil cases filed in the county and district courts. Funds collected are used to support the management and expenditures necessary to maintain the law library in the County.

District Attorney Pretrial Intervention Fund - This fund accounts for fees collected for participation in a pretrial intervention program. Funds are used for program costs.

Home Grants Fund - This fund accounts for revenues received from federal grants to assist in providing affordable housing for low income citizens.

Water/Sewer Projects Grants Fund - This fund accounts for revenues received from federal grants to build sewer systems in non-incorporated subdivisions.

Theft by Check Fund - This fund accounts for fees received for the collection of bad checks. Expenditures are made for the improvement of the operation of the district attorney's office.

Permanent Fund

Permanent funds are governmental funds which are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Historical Museum Fund - This fund accounts for interest earned on an endowment to be used for operations for the County museum.

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WHARTON COUNTY, TEXAS

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2024

	Special		
	Caney Creek Flood Infrastructure Project Fund	County and District Court Technology Fund	State Lateral Road Fund
Assets:			
Cash and temporary investments	\$ 55,369	\$ 15,318	\$ -
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Due from other governments	23,467	-	-
Prepaid expenditures	-	-	-
Total assets	<u>\$ 78,836</u>	<u>\$ 15,318</u>	<u>\$ -</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	\$ 31,398	\$ -	\$ -
Due to others	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>31,398</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Nonspendable	-	-	-
Restricted	47,438	15,318	-
Total fund balance	<u>47,438</u>	<u>15,318</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 78,836</u>	<u>\$ 15,318</u>	<u>\$ -</u>

Revenue Funds

Records Preservation District Clerk Fund	Guardianship Fund	Juvenile Case Manager Fund	Election Services Fund	Constable Forfeiture Fund	Sheriff Forfeiture Fund
\$ 202,052	\$ 49,803	\$ 100,572	\$ 121,081	\$ 26,313	\$ 80,688
-	-	-	2,385	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 202,052</u>	<u>\$ 49,803</u>	<u>\$ 100,572</u>	<u>\$ 123,466</u>	<u>\$ 26,313</u>	<u>\$ 80,688</u>
\$ 268	\$ -	\$ -	\$ -	\$ -	\$ 2,387
-	-	-	-	-	-
-	-	-	-	-	-
<u>268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,387</u>
-	-	-	-	-	-
<u>201,784</u>	<u>49,803</u>	<u>100,572</u>	<u>123,466</u>	<u>26,313</u>	<u>78,301</u>
<u>201,784</u>	<u>49,803</u>	<u>100,572</u>	<u>123,466</u>	<u>26,313</u>	<u>78,301</u>
<u>\$ 202,052</u>	<u>\$ 49,803</u>	<u>\$ 100,572</u>	<u>\$ 123,466</u>	<u>\$ 26,313</u>	<u>\$ 80,688</u>

WHARTON COUNTY, TEXAS

*Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2024*

	Special		
	District Attorney Forfeiture Fund	Justice Court Security Fund	Courthouse Security Fund
Assets:			
Cash and temporary investments	\$ 554,307	\$ 7,950	\$ 239,287
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Due from other governments	-	-	-
Prepaid expenditures	<u>935</u>	<u>-</u>	<u>177</u>
Total assets	<u>\$ 555,242</u>	<u>\$ 7,950</u>	<u>\$ 239,464</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	\$ 1,749	\$ -	\$ -
Due to others	-	-	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,749</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Nonspendable	935	-	177
Restricted	<u>552,558</u>	<u>7,950</u>	<u>239,287</u>
Total fund balance	<u>553,493</u>	<u>7,950</u>	<u>239,464</u>
Total liabilities and fund balance	<u>\$ 555,242</u>	<u>\$ 7,950</u>	<u>\$ 239,464</u>

Revenue Funds

Records Preservation County Clerk Fund	Justice Court Technology Fund	Law Library Fund	District Attorney Pretrial Intervention Fund	Home Grants Fund	Water/Sewer Projects Grants Fund
\$ 1,267,771	\$ 38,666	\$ 98,094	\$ 2,456	\$ 558,305	\$ 9,320
-	-	-	-	-	-
-	-	-	-	-	1,358,276
-	-	-	-	-	-
<u>\$ 1,267,771</u>	<u>\$ 38,666</u>	<u>\$ 98,094</u>	<u>\$ 2,456</u>	<u>\$ 558,305</u>	<u>\$ 1,367,596</u>
\$ 1,068	\$ -	\$ 1,452	\$ -	\$ 208,305	\$ 1,057,887
-	-	-	-	-	300,389
-	-	-	-	350,000	9,320
<u>1,068</u>	<u>-</u>	<u>1,452</u>	<u>-</u>	<u>558,305</u>	<u>1,367,596</u>
-	-	-	-	-	-
<u>1,266,703</u>	<u>38,666</u>	<u>96,642</u>	<u>2,456</u>	<u>-</u>	<u>-</u>
<u>1,266,703</u>	<u>38,666</u>	<u>96,642</u>	<u>2,456</u>	<u>-</u>	<u>-</u>
<u>\$ 1,267,771</u>	<u>\$ 38,666</u>	<u>\$ 98,094</u>	<u>\$ 2,456</u>	<u>\$ 558,305</u>	<u>\$ 1,367,596</u>

WHARTON COUNTY, TEXAS

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2024

Exhibit 16

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	<u>Special Revenue Funds</u>	<u>Permanent Fund</u>	
	<u>Theft by Check Fund</u>	<u>Historical Museum Fund</u>	<u>Total Other Governmental Funds</u>
Assets:			
Cash and temporary investments	\$ 5,546	\$ 50,000	\$ 3,482,898
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	2,385
Due from other governments	-	-	1,381,743
Prepaid expenditures	<u>-</u>	<u>-</u>	<u>1,112</u>
Total assets	<u>\$ 5,546</u>	<u>\$ 50,000</u>	<u>\$ 4,868,138</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	\$ 112	\$ -	\$ 1,304,626
Due to others	-	-	300,389
Unearned revenue	<u>-</u>	<u>-</u>	<u>359,320</u>
Total liabilities	<u>112</u>	<u>-</u>	<u>1,964,335</u>
Fund Balance:			
Nonspendable	-	50,000	51,112
Restricted	<u>5,434</u>	<u>-</u>	<u>2,852,691</u>
Total fund balance	<u>5,434</u>	<u>50,000</u>	<u>2,903,803</u>
Total liabilities and fund balance	<u>\$ 5,546</u>	<u>\$ 50,000</u>	<u>\$ 4,868,138</u>

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WHARTON COUNTY, TEXAS

*Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended December 31, 2024*

			Special
	Caney Creek Flood Infrastructure Project Fund	County and District Court Technology Fund	State Lateral Road Fund
Revenues:			
Intergovernmental	\$ 236,360	\$ -	\$ 35,763
Charges for services	-	1,278	-
Fines and forfeitures	-	-	-
Investment income	-	222	-
Miscellaneous	-	-	-
Total revenues	236,360	1,500	35,763
Expenditures:			
Current:			
General administration	-	-	-
Public safety	-	-	-
Judicial	-	-	-
Culture and recreation	-	-	-
Highways and drainage	303,149	-	35,763
Economic development	-	-	-
Capital outlay	-	-	-
Total expenditures	303,149	-	35,763
Excess (deficiency) of revenue over expenditures	(66,789)	1,500	-
Other Financing Sources:			
Proceeds from sale of capital assets	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	(66,789)	1,500	-
Fund balance - beginning	114,227	13,818	-
Fund balance - ending	\$ 47,438	\$ 15,318	\$ -

Revenue Funds

Records Preservation District Clerk Fund	Guardianship Fund	Juvenile Case Manager Fund	Election Services Fund	Constable Forfeiture Fund	Sheriff Forfeiture Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29,045	-	17,865	22,858	-	-
-	-	-	-	-	88,599
2,994	756	1,371	1,799	399	1,457
-	-	-	-	-	-
<u>32,039</u>	<u>756</u>	<u>19,236</u>	<u>24,657</u>	<u>399</u>	<u>90,056</u>
-	-	-	8,218	-	-
-	-	-	-	-	55,892
20,868	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	34,792
<u>20,868</u>	<u>-</u>	<u>-</u>	<u>8,218</u>	<u>-</u>	<u>90,684</u>
<u>11,171</u>	<u>756</u>	<u>19,236</u>	<u>16,439</u>	<u>399</u>	<u>(628)</u>
-	-	-	-	-	22,509
-	-	-	-	-	22,509
11,171	756	19,236	16,439	399	21,881
<u>190,613</u>	<u>49,047</u>	<u>81,336</u>	<u>107,027</u>	<u>25,914</u>	<u>56,420</u>
<u>\$ 201,784</u>	<u>\$ 49,803</u>	<u>\$ 100,572</u>	<u>\$ 123,466</u>	<u>\$ 26,313</u>	<u>\$ 78,301</u>

WHARTON COUNTY, TEXAS

*Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended December 31, 2024*

	Special		
	District Attorney Forfeiture Fund	Justice Court Security Fund	Courthouse Security Fund
Revenues:			
Intergovernmental	\$ 17,889	\$ -	\$ -
Charges for services	-	292	38,574
Fines and forfeitures	34,949	-	-
Investment income	8,350	118	3,513
Miscellaneous	3,903	-	-
Total revenues	65,091	410	42,087
Expenditures:			
Current:			
General administration	-	-	-
Public safety	-	-	-
Judicial	66,480	-	1,964
Culture and recreation	-	-	-
Highways and drainage	-	-	-
Economic development	-	-	-
Capital outlay	-	-	15,734
Total expenditures	66,480	-	17,698
Excess (deficiency) of revenue over expenditures	(1,389)	410	24,389
Other Financing Sources:			
Proceeds from sale of capital assets	19,450	-	-
Total other financing sources	19,450	-	-
Net change in fund balance	18,061	410	24,389
Fund balance - beginning	535,432	7,540	215,075
Fund balance - ending	\$ 553,493	\$ 7,950	\$ 239,464

Revenue Funds

Records Preservation County Clerk Fund	Justice Court Technology Fund	Law Library Fund	District Attorney Pretrial Intervention Fund	Home Grants Fund	Water/Sewer Projects Grants Fund
\$ -	\$ -	\$ -	\$ -	\$ 513,165	\$ 1,606,683
170,075	14,480	31,549	-	-	-
-	-	-	-	-	-
18,594	515	1,354	37	184	-
-	-	-	-	-	-
188,669	14,995	32,903	37	513,349	1,606,683
-	-	-	-	-	-
-	-	-	-	296,892	-
73,227	5,867	16,555	-	163,165	-
-	-	-	-	-	-
-	-	-	-	45,206	1,606,683
-	-	-	-	53,292	-
73,227	5,867	16,555	-	558,555	1,606,683
115,442	9,128	16,348	37	(45,206)	-
-	-	-	-	-	-
-	-	-	-	-	-
115,442	9,128	16,348	37	(45,206)	-
1,151,261	29,538	80,294	2,419	45,206	-
\$ 1,266,703	\$ 38,666	\$ 96,642	\$ 2,456	\$ -	\$ -

WHARTON COUNTY, TEXAS

*Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended December 31, 2024*

Exhibit 17

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	Special Revenue Funds	Permanent Fund	
	Theft by Check Fund	Historical Museum Fund	Total Other Governmental Funds
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 2,409,860
Charges for services	-	-	326,016
Fines and forfeitures	-	-	123,548
Investment income	86	777	42,526
Miscellaneous	-	-	3,903
Total revenues	86	777	2,905,853
Expenditures:			
Current:			
General administration	-	-	8,218
Public safety	-	-	352,784
Judicial	519	-	348,645
Culture and recreation	-	1,323	1,323
Highways and drainage	-	-	338,912
Economic development	-	-	1,651,889
Capital outlay	-	-	103,818
Total expenditures	519	1,323	2,805,589
Excess (deficiency) of revenue over expenditures	(433)	(546)	100,264
Other Financing Sources:			
Proceeds from sale of capital assets	-	-	41,959
Total other financing sources	-	-	41,959
Net change in fund balance	(433)	(546)	142,223
Fund balance - beginning	5,867	50,546	2,761,580
Fund balance - ending	\$ 5,434	\$ 50,000	\$ 2,903,803

WHARTON COUNTY, TEXAS*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2024*

Exhibit 18

Page 1 of 8

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
General Government:				
Commissioners' Court:				
Salaries and wages, and employee benefits	\$ 518,053	\$ 518,053	\$ 516,684	\$ 1,369
Operating expenditures	577,513	1,092,162	947,560	144,602
Capital outlay	100,000	51,732	-	51,732
Total Commissioners' Court	1,195,566	1,661,947	1,464,244	197,703
Elections/Voters Registration:				
Salaries and wages, and employee benefits	196,312	196,312	153,279	43,033
Operating expenditures	76,005	87,015	79,336	7,679
Total Elections/Voters Registration	272,317	283,327	232,615	50,712
County Auditor:				
Salaries and wages, and employee benefits	595,367	595,402	592,245	3,157
Operating expenditures	52,333	62,474	56,021	6,453
Total County Auditor	647,700	657,876	648,266	9,610
Human Resources:				
Operating expenditures	-	1,723	1,723	-
Total Human Resources	-	1,723	1,723	-
County Treasurer:				
Salaries and wages, and employee benefits	266,364	266,364	259,588	6,776
Operating expenditures	38,419	42,256	38,883	3,373
Total County Treasurer	304,783	308,620	298,471	10,149
Central Appraisal District:				
Operating expenditures	375,663	375,764	369,937	5,827
Total Central Appraisal District	375,663	375,764	369,937	5,827
Tax Assessor-Collector:				
Salaries and wages, and employee benefits	785,555	786,728	777,686	9,042
Operating expenditures	106,949	118,886	106,655	12,231
Total Tax Assessor-Collector	892,504	905,614	884,341	21,273
Outside Audits/Accounting:				
Operating expenditures	59,950	59,950	44,033	15,917
Total Outside Audits/Accounting	59,950	59,950	44,033	15,917

WHARTON COUNTY, TEXAS*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2024*

Exhibit 18

Page 2 of 8

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
General Government - Continued:				
Data Processing:				
Salaries and wages, and employee benefits	\$ 98,325	\$ 98,325	\$ 97,957	\$ 368
Operating expenditures	191,577	177,620	128,127	49,493
Capital outlay	50,000	2,567	-	2,567
Total Data Processing	339,902	278,512	226,084	52,428
Courthouse & Associated Buildings:				
Salaries and wages, and employee benefits	171,346	171,530	162,524	9,006
Operating expenditures	586,190	321,995	323,967	(1,972)
Capital outlay	60,000	370,936	360,936	10,000
Total Courthouse & Associated Buildings	817,536	864,461	847,427	17,034
Total General Government	4,905,921	5,397,794	5,017,141	380,653
Public Safety:				
Emergency Management:				
Salaries and wages, and employee benefits	133,437	140,142	130,337	9,805
Operating expenditures	18,156	19,212	5,058	14,154
Total Emergency Management	151,593	159,354	135,395	23,959
Constable, Pct. 1:				
Salaries and wages, and employee benefits	110,411	110,537	110,078	459
Operating expenditures	4,808	18,591	6,574	12,017
Total Constable, Pct. 1	115,219	129,128	116,652	12,476
Constable, Pct. 2:				
Salaries and wages, and employee benefits	321,102	321,406	318,574	2,832
Operating expenditures	28,170	45,981	31,132	14,849
Total Constable, Pct. 2	349,272	367,387	349,706	17,681
Constable, Pct. 3:				
Salaries and wages, and employee benefits	104,755	104,755	104,301	454
Operating expenditures	6,608	11,082	8,152	2,930
Total Constable, Pct. 3	111,363	115,837	112,453	3,384
Constable, Pct. 4:				
Salaries and wages, and employee benefits	92,915	92,915	92,424	491
Operating expenditures	21,606	29,678	22,489	7,189
Total Constable, Pct. 4	114,521	122,593	114,913	7,680

WHARTON COUNTY, TEXAS*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2024*

Exhibit 18

Page 3 of 8

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Public Safety - Continued:				
Lonestar Grant:				
Salaries and wages, and employee benefits	\$ -	\$ 76,886	\$ 76,886	\$ -
Operating expenditures	-	6,974	6,974	-
Capital outlay	-	12,200	12,200	-
Total Lonestar Grant	-	96,060	96,060	-
OT/STEP Grant:				
Salaries and wages, and employee benefits	-	48,747	48,747	-
Capital outlay	-	52,650	52,650	-
Total OT/STEP Grant	-	101,397	101,397	-
Sheriff:				
Salaries and wages, and employee benefits	4,171,479	4,232,997	4,169,297	63,700
Operating expenditures	521,961	801,952	794,684	7,268
Capital outlay	550,000	627,188	554,289	72,899
Total Sheriff	5,243,440	5,662,137	5,518,270	143,867
School Resource Officer - Boiling:				
Salaries and wages, and employee benefits	278,284	261,769	195,985	65,784
Total School Resource Officer - Boiling	278,284	261,769	195,985	65,784
School Resource Officer - Louise:				
Salaries and wages, and employee benefits	90,780	90,780	67,608	23,172
Total School Resource Officer - Louise	90,780	90,780	67,608	23,172
Public Safety, Other:				
Operating expenditures	111,650	112,968	6,539	106,429
Total Public Safety, Other	111,650	112,968	6,539	106,429
Total Public Safety	6,566,122	7,219,410	6,814,978	404,432
Judicial:				
County Clerk:				
Salaries and wages, and employee benefits	538,140	538,140	530,954	7,186
Operating expenditures	53,923	64,212	49,592	14,620
Total County Clerk	592,063	602,352	580,546	21,806

WHARTON COUNTY, TEXAS*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2024*

Exhibit 18

Page 4 of 8

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Judicial - Continued:				
County Court:				
Salaries and wages, and employee benefits	\$ 341,254	\$ 341,254	\$ 332,843	\$ 8,411
Operating expenditures	<u>136,140</u>	<u>147,630</u>	<u>83,519</u>	<u>64,111</u>
Total County Court	<u>477,394</u>	<u>488,884</u>	<u>416,362</u>	<u>72,522</u>
Bail Bond Board:				
Salaries and wages, and employee benefits	2,218	2,219	2,199	20
Operating expenditures	<u>300</u>	<u>299</u>	<u>263</u>	<u>36</u>
Total Bail Bond Board	<u>2,518</u>	<u>2,518</u>	<u>2,462</u>	<u>56</u>
23 rd District Court:				
Salaries and wages, and employee benefits	126,632	126,632	123,203	3,429
Operating expenditures	<u>63,960</u>	<u>217,737</u>	<u>216,017</u>	<u>1,720</u>
Total 23 rd District Court	<u>190,592</u>	<u>344,369</u>	<u>339,220</u>	<u>5,149</u>
329 th District Court:				
Salaries and wages, and employee benefits	227,743	227,743	227,097	646
Operating expenditures	<u>570,978</u>	<u>565,293</u>	<u>565,129</u>	<u>164</u>
Total 329 th District Court	<u>798,721</u>	<u>793,036</u>	<u>792,226</u>	<u>810</u>
Capital Murder Trials:				
Operating expenditures	<u>140,337</u>	<u>152,460</u>	<u>152,459</u>	<u>1</u>
Total Capital Murder Trials	<u>140,337</u>	<u>152,460</u>	<u>152,459</u>	<u>1</u>
Victims of Crime Grant:				
Salaries and wages, and employee benefits	-	75,067	75,067	-
Operating expenditures	<u>-</u>	<u>1,043</u>	<u>1,043</u>	<u>-</u>
Total Victims of Crime Grant	<u>-</u>	<u>76,110</u>	<u>76,110</u>	<u>-</u>
District Attorney:				
Salaries and wages, and employee benefits	736,665	741,547	733,259	8,288
Operating expenditures	<u>59,755</u>	<u>79,950</u>	<u>77,269</u>	<u>2,681</u>
Total District Attorney	<u>796,420</u>	<u>821,497</u>	<u>810,528</u>	<u>10,969</u>
District Clerk:				
Salaries and wages, and employee benefits	529,347	535,270	532,433	2,837
Operating expenditures	<u>53,174</u>	<u>52,474</u>	<u>51,151</u>	<u>1,323</u>
Total District Clerk	<u>582,521</u>	<u>587,744</u>	<u>583,584</u>	<u>4,160</u>

WHARTON COUNTY, TEXAS*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2024*

Exhibit 18

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	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Judicial - Continued:				
Justice of the Peace, Pct. 1:				
Salaries and wages, and employee benefits	\$ 184,564	\$ 184,564	\$ 177,637	\$ 6,927
Operating expenditures	19,282	22,303	20,316	1,987
Capital outlay	-	10,189	10,189	-
Total Justice of the Peace, Pct. 1	203,846	217,056	208,142	8,914
Justice of the Peace, Pct. 2:				
Salaries and wages, and employee benefits	238,930	240,224	239,902	322
Operating expenditures	25,155	27,155	23,114	4,041
Total Justice of the Peace, Pct. 2	264,085	267,379	263,016	4,363
Justice of the Peace, Pct. 3:				
Salaries and wages, and employee benefits	165,788	165,788	165,155	633
Operating expenditures	21,357	23,175	18,914	4,261
Total Justice of the Peace, Pct. 3	187,145	188,963	184,069	4,894
Justice of the Peace, Pct. 4:				
Salaries and wages, and employee benefits	172,775	172,775	171,730	1,045
Operating expenditures	20,905	22,285	13,793	8,492
Total Justice of the Peace, Pct. 4	193,680	195,060	185,523	9,537
Court of Appeals:				
Operating expenditures	5,700	5,700	5,316	384
Total Court of Appeals	5,700	5,700	5,316	384
Judicial, Other:				
Operating expenditures	131,000	159,850	159,850	-
Total Judicial, Other	131,000	159,850	159,850	-
County Attorney, State:				
Salaries and wages, and employee benefits	86,219	86,219	84,000	2,219
Operating expenditures	1,500	1,500	-	1,500
Total County Attorney, State	87,719	87,719	84,000	3,719

WHARTON COUNTY, TEXAS*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2024*

Exhibit 18

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	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Judicial - Continued:				
County Attorney:				
Salaries and wages, and employee benefits	\$ 223,933	\$ 223,933	\$ 222,421	\$ 1,512
Operating expenditures	<u>21,164</u>	<u>30,888</u>	<u>30,190</u>	<u>698</u>
Total County Attorney	<u>245,097</u>	<u>254,821</u>	<u>252,611</u>	<u>2,210</u>
Total Judicial	<u>4,898,838</u>	<u>5,245,518</u>	<u>5,096,024</u>	<u>149,494</u>
Corrections:				
Jail and Detention Facility:				
Salaries and wages, and employee benefits	2,954,322	2,957,242	2,773,902	183,340
Operating expenditures	941,100	1,009,132	969,626	39,506
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>8,782</u>	<u>16,218</u>
Total Jail and Detention Facility	<u>3,920,422</u>	<u>3,991,374</u>	<u>3,752,310</u>	<u>239,064</u>
Adult Probation:				
Operating expenditures	<u>18,833</u>	<u>23,229</u>	<u>21,932</u>	<u>1,297</u>
Total Adult Probation	<u>18,833</u>	<u>23,229</u>	<u>21,932</u>	<u>1,297</u>
Total Corrections	<u>3,939,255</u>	<u>4,014,603</u>	<u>3,774,242</u>	<u>240,361</u>
Juvenile Services:				
Juvenile Probation:				
Salaries and wages, and employee benefits	234,824	198,860	198,837	23
Operating expenditures	<u>89,569</u>	<u>69,515</u>	<u>69,515</u>	<u>-</u>
Total Juvenile Probation	<u>324,393</u>	<u>268,375</u>	<u>268,352</u>	<u>23</u>
Total Juvenile Services	<u>324,393</u>	<u>268,375</u>	<u>268,352</u>	<u>23</u>
Environmental Services:				
Permits & Inspection:				
Salaries and wages, and employee benefits	102,264	102,108	101,823	285
Operating expenditures	<u>76,080</u>	<u>79,043</u>	<u>75,899</u>	<u>3,144</u>
Total Permits & Inspections	<u>178,344</u>	<u>181,151</u>	<u>177,722</u>	<u>3,429</u>
Environmental Control:				
Salaries and wages, and employee benefits	116,524	116,850	113,954	2,896
Operating expenditures	<u>66,942</u>	<u>68,980</u>	<u>13,195</u>	<u>55,785</u>
Total Environmental Control:	<u>183,466</u>	<u>185,830</u>	<u>127,149</u>	<u>58,681</u>

WHARTON COUNTY, TEXAS*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2024*

Exhibit 18

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	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Environmental Services - Continued:				
Extension Service:				
Salaries and wages, and employee benefits	\$ 214,464	\$ 214,464	\$ 190,348	\$ 24,116
Operating expenditures	38,000	41,132	35,234	5,898
Total Extension Services	252,464	255,596	225,582	30,014
Total Environmental Services	614,274	622,577	530,453	92,124
Health and Welfare:				
Veteran's Service Officer:				
Salaries and wages, and employee benefits	98,645	98,645	97,781	864
Operating expenditures	7,493	8,939	4,301	4,638
Total Veteran's Service Officer	106,138	107,584	102,082	5,502
Indigent Health Care, Adm Costs:				
Operating expenditures	31,300	31,978	30,750	1,228
Total Indigent Health Care, Adm. Costs	31,300	31,978	30,750	1,228
Indigent Health Care, Eligible Costs, Sept-Dec:				
Operating expenditures	68,189	68,189	2,104	66,085
Total Indigent Health Care, Eligible Costs, Sept-Dec	68,189	68,189	2,104	66,085
Indigent Health Care, Eligible Costs, Jan-Aug:				
Operating expenditures	147,888	147,888	16,903	130,985
Total Indigent Health Care, Eligible Costs, Jan-Aug	147,888	147,888	16,903	130,985
Aid to Indigent:				
Operating expenditures	189,019	189,410	180,260	9,150
Total Aid to Indigent	189,019	189,410	180,260	9,150
Total Health and Welfare	542,534	545,049	332,099	212,950
Culture and Recreation:				
Library:				
Salaries and wages, and employee benefits	1,013,650	1,014,667	987,007	27,660
Operating expenditures	240,250	309,292	299,186	10,106
Capital outlay	45,000	6,598	5,385	1,213
Total Library	1,298,900	1,330,557	1,291,578	38,979

WHARTON COUNTY, TEXAS

*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2024*

Exhibit 18
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	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Culture and Recreation - Continued:				
Historical Commission:				
Operating expenditures	\$ 2,500	\$ 4,802	\$ 4,516	\$ 286
Total Historical Commission	2,500	4,802	4,516	286
Historical Museum:				
Operating expenditures	45,000	63,337	62,013	1,324
Total Historical Museum	45,000	63,337	62,013	1,324
Parks & Recreation:				
Operating expenditures	-	137	137	-
Total Parks & Recreation	-	137	137	-
Total Culture and Recreation	1,346,400	1,398,833	1,358,244	40,589
Total Current Expenditures	\$ 23,137,737	\$ 24,712,159	\$ 23,191,533	\$ 1,520,626

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WHARTON COUNTY, TEXAS

Exhibit 19

*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - Road & Bridge Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Environmental Services:				
Solid Waste Station:				
Salaries and wages, and employee benefits	\$ 100,090	\$ 100,231	\$ 99,648	\$ 583
Operating expenditures	91,649	157,842	157,656	186
Capital outlay	-	50,370	50,370	-
Total Solid Waste Station	191,739	308,443	307,674	769
Total Environmental Services	191,739	308,443	307,674	769
Highways and Drainage:				
Road & Bridge Pct 1:				
Salaries and wages, and employee benefits	834,646	836,865	707,055	129,810
Operating expenditures	572,509	1,583,760	952,825	630,935
Capital outlay	300,000	581,912	380,876	201,036
Total Road & Bridge Pct 1	1,707,155	3,002,537	2,040,756	961,781
Road & Bridge Pct 2:				
Salaries and wages, and employee benefits	897,126	899,570	770,422	129,148
Operating expenditures	669,190	1,192,591	1,140,006	52,585
Capital outlay	300,000	280,921	48,370	232,551
Total Road & Bridge Pct 2	1,866,316	2,373,082	1,958,798	414,284
Road & Bridge Pct 3:				
Salaries and wages, and employee benefits	918,401	919,594	824,805	94,789
Operating expenditures	695,965	933,154	934,035	(881)
Capital outlay	300,000	352,344	221,000	131,344
Total Road & Bridge Pct 3	1,914,366	2,205,092	1,979,840	225,252
Road & Bridge Pct 4:				
Salaries and wages, and employee benefits	938,757	940,007	854,213	85,794
Operating expenditures	615,612	2,058,331	1,966,075	92,256
Capital outlay	300,000	663,813	291,038	372,775
Total Road & Bridge Pct 4	1,854,369	3,662,151	3,111,326	550,825
Road Equipment, All Pcts:				
Operating expenditures	558,926	67,047	27,276	39,771
Total Road & Equipment, All Pcts	558,926	67,047	27,276	39,771
Total Highways and Drainage	7,901,132	11,309,909	9,117,996	2,191,913
Total current expenditures	\$ 8,092,871	\$ 11,618,352	\$ 9,425,670	\$ 2,192,682

WHARTON COUNTY, TEXAS

Exhibit 20

*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - Farm to Market Lateral Road Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Highways and Drainage:				
Salaries and wages, and employee benefits	\$ 1,309,287	\$ 1,314,162	\$ 1,139,902	\$ 174,260
Operating expenditures	1,042,944	1,063,613	828,546	235,067
Capital outlay	<u>300,000</u>	<u>265,806</u>	<u>97,012</u>	<u>168,794</u>
Total Highways and Drainage	<u>2,652,231</u>	<u>2,643,581</u>	<u>2,065,460</u>	<u>578,121</u>
Total current expenditures	<u>\$ 2,652,231</u>	<u>\$ 2,643,581</u>	<u>\$ 2,065,460</u>	<u>\$ 578,121</u>

WHARTON COUNTY, TEXAS

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Special Revenue Funds
By Function and Legal Level of Budgetary Control
For the Year Ended December 31, 2024*

	County and District Court Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	1,000	1,000	1,278	278
Investment income	<u>60</u>	<u>60</u>	<u>222</u>	<u>162</u>
Total revenues	<u>1,060</u>	<u>1,060</u>	<u>1,500</u>	<u>440</u>
Expenditures:				
Judicial:				
Operating expenditures	2,700	2,700	-	2,700
Highways and drainage:				
Operating expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,700</u>	<u>2,700</u>	<u>-</u>	<u>2,700</u>
Net change in fund balance	(1,640)	(1,640)	1,500	3,140
Fund balance - beginning	<u>13,818</u>	<u>13,818</u>	<u>13,818</u>	<u>-</u>
Fund balance - ending	<u>\$ 12,178</u>	<u>\$ 12,178</u>	<u>\$ 15,318</u>	<u>\$ 3,140</u>

State Lateral Road Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 35,763	\$ 35,763	\$ 35,763	\$ -
-	-	-	-
-	-	-	-
35,763	35,763	35,763	-
-	-	-	-
35,763	35,763	35,763	-
35,763	35,763	35,763	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

WHARTON COUNTY, TEXAS

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Special Revenue Funds
By Function and Legal Level of Budgetary Control
For the Year Ended December 31, 2024*

	Records Preservation District Clerk Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 23,000	\$ 23,000	\$ 29,045	\$ 6,045
Investment income	<u>800</u>	<u>800</u>	<u>2,994</u>	<u>2,194</u>
Total revenues	<u>23,800</u>	<u>23,800</u>	<u>32,039</u>	<u>8,239</u>
Expenditures:				
Judicial:				
Salaries and wages, and employee benefits	7,388	7,388	5,838	1,550
Operating expenditures	<u>2,000</u>	<u>16,620</u>	<u>15,030</u>	<u>1,590</u>
Total expenditures	<u>9,388</u>	<u>24,008</u>	<u>20,868</u>	<u>3,140</u>
Net change in fund balance	14,412	(208)	11,171	11,379
Fund balance - beginning	<u>190,613</u>	<u>190,613</u>	<u>190,613</u>	<u>-</u>
Fund balance - ending	<u>\$ 205,025</u>	<u>\$ 190,405</u>	<u>\$ 201,784</u>	<u>\$ 11,379</u>

Guardianship Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
<u>100</u>	<u>100</u>	<u>756</u>	<u>656</u>
<u>100</u>	<u>100</u>	<u>756</u>	<u>656</u>
-	-	-	-
<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
(4,900)	(4,900)	756	5,656
<u>49,047</u>	<u>49,047</u>	<u>49,047</u>	<u>-</u>
<u>\$ 44,147</u>	<u>\$ 44,147</u>	<u>\$ 49,803</u>	<u>\$ 5,656</u>

WHARTON COUNTY, TEXAS

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Special Revenue Funds
By Function and Legal Level of Budgetary Control
For the Year Ended December 31, 2024*

	Juvenile Case Manager Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 14,500	\$ 14,500	\$ 17,865	\$ 3,365
Investment income	<u>250</u>	<u>250</u>	<u>1,371</u>	<u>1,121</u>
Total revenues	<u>14,750</u>	<u>14,750</u>	<u>19,236</u>	<u>4,486</u>
Expenditures:				
General Government:				
Operating expenditures	-	-	-	-
Judicial:				
Operating expenditures	<u>2,567</u>	<u>2,567</u>	<u>-</u>	<u>2,567</u>
Total expenditures	<u>2,567</u>	<u>2,567</u>	<u>-</u>	<u>2,567</u>
Net change in fund balance	12,183	12,183	19,236	7,053
Fund balance - beginning	<u>81,336</u>	<u>81,336</u>	<u>81,336</u>	<u>-</u>
Fund balance - ending	<u>\$ 93,519</u>	<u>\$ 93,519</u>	<u>\$ 100,572</u>	<u>\$ 7,053</u>

Election Services Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 9,000	\$ 9,000	\$ 22,858	\$ 13,858
400	400	1,799	1,399
9,400	9,400	24,657	15,257
10,000	10,000	8,218	1,782
-	-	-	-
10,000	10,000	8,218	1,782
(600)	(600)	16,439	17,039
107,027	107,027	107,027	-
\$ 106,427	\$ 106,427	\$ 123,466	\$ 17,039

WHARTON COUNTY, TEXAS

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - Special Revenue Funds
 By Function and Legal Level of Budgetary Control
 For the Year Ended December 31, 2024*

	Constable Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Investment income	<u>60</u>	<u>60</u>	<u>399</u>	<u>339</u>
Total revenues	<u>60</u>	<u>60</u>	<u>399</u>	<u>339</u>
Expenditures:				
Public Safety:				
Operating expenditures	5,000	5,000	-	5,000
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	<u>(4,940)</u>	<u>(4,940)</u>	<u>399</u>	<u>5,339</u>
Other Financing Sources:				
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,940)	(4,940)	399	5,339
Fund balance - beginning	<u>25,914</u>	<u>25,914</u>	<u>25,914</u>	<u>-</u>
Fund balance - ending	<u>\$ 20,974</u>	<u>\$ 20,974</u>	<u>\$ 26,313</u>	<u>\$ 5,339</u>

Sheriff Forfeiture Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 88,599	\$ 88,599
50	50	1,457	1,407
50	50	90,056	90,006
25,180	58,619	55,892	2,727
-	46,248	34,792	11,456
25,180	104,867	90,684	14,183
(25,130)	(104,817)	(628)	104,189
-	-	22,509	22,509
-	-	22,509	22,509
(25,130)	(104,817)	21,881	126,698
56,420	56,420	56,420	-
\$ 31,290	\$ (48,397)	\$ 78,301	\$ 126,698

WHARTON COUNTY, TEXAS

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - Special Revenue Funds
 By Function and Legal Level of Budgetary Control
 For the Year Ended December 31, 2024*

	District Attorney Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 17,889	\$ 17,889	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	34,949	34,949
Investment income	1,500	1,500	8,350	6,850
Miscellaneous	-	3,903	3,903	-
Total revenues	1,500	23,292	65,091	41,799
Expenditures:				
Judicial:				
Salaries and wages, and employee benefits	53,968	78,715	41,747	36,968
Operating expenditures	85,404	90,115	24,733	65,382
Capital outlay	5,000	5,000	-	5,000
Total expenditures	144,372	173,830	66,480	107,350
Excess (deficiency) of revenues over expenditures	(142,872)	(150,538)	(1,389)	149,149
Other Financing Sources:				
Proceeds from sale of capital assets	-	-	19,450	19,450
Total other financing sources	-	-	19,450	19,450
Net change in fund balance	(142,872)	(150,538)	18,061	168,599
Fund balance - beginning	535,432	535,432	535,432	-
Fund balance - ending	\$ 392,560	\$ 384,894	\$ 553,493	\$ 168,599

Justice Court Security Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
600	600	292	(308)
-	-	-	-
30	30	118	88
-	-	-	-
630	630	410	(220)
-	-	-	-
1,829	1,829	-	1,829
-	-	-	-
1,829	1,829	-	1,829
(1,199)	(1,199)	410	1,609
-	-	-	-
-	-	-	-
(1,199)	(1,199)	410	1,609
7,540	7,540	7,540	-
\$ 6,341	\$ 6,341	\$ 7,950	\$ 1,609

WHARTON COUNTY, TEXAS

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Special Revenue Funds
By Function and Legal Level of Budgetary Control
For the Year Ended December 31, 2024*

	Courthouse Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 35,000	\$ 35,000	\$ 38,574	\$ 3,574
Investment income	<u>500</u>	<u>500</u>	<u>3,513</u>	<u>3,013</u>
Total revenues	<u>35,500</u>	<u>35,500</u>	<u>42,087</u>	<u>6,587</u>
Expenditures:				
Judicial:				
Salaries and wages, and employee benefits	28,617	28,617	-	28,617
Operating expenditures	11,612	11,612	1,964	9,648
Capital outlay	<u>45,000</u>	<u>45,000</u>	<u>15,734</u>	<u>29,266</u>
Total expenditures	<u>85,229</u>	<u>85,229</u>	<u>17,698</u>	<u>67,531</u>
Net change in fund balance	(49,729)	(49,729)	24,389	74,118
Fund balance - beginning	<u>215,075</u>	<u>215,075</u>	<u>215,075</u>	<u>-</u>
Fund balance - ending	\$ <u>165,346</u>	\$ <u>165,346</u>	\$ <u>239,464</u>	\$ <u>74,118</u>

Records Preservation County Clerk Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 165,000	\$ 165,000	\$ 170,075	\$ 5,075
4,000	4,000	18,594	14,594
<u>169,000</u>	<u>169,000</u>	<u>188,669</u>	<u>19,669</u>
5,560	5,560	625	4,935
103,846	103,846	72,602	31,244
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>109,406</u>	<u>109,406</u>	<u>73,227</u>	<u>36,179</u>
59,594	59,594	115,442	55,848
<u>1,151,261</u>	<u>1,151,261</u>	<u>1,151,261</u>	<u>-</u>
<u>\$ 1,210,855</u>	<u>\$ 1,210,855</u>	<u>\$ 1,266,703</u>	<u>\$ 55,848</u>

WHARTON COUNTY, TEXAS

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Special Revenue Funds
By Function and Legal Level of Budgetary Control
For the Year Ended December 31, 2024*

	Justice Court Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 12,000	\$ 12,000	\$ 14,480	\$ 2,480
Investment income	<u>100</u>	<u>100</u>	<u>515</u>	<u>415</u>
Total revenues	<u>12,100</u>	<u>12,100</u>	<u>14,995</u>	<u>2,895</u>
Expenditures:				
Judicial:				
Operating expenditures	18,865	18,865	5,867	12,998
Capital outlay	<u>2,400</u>	<u>2,400</u>	<u>-</u>	<u>2,400</u>
Total expenditures	<u>21,265</u>	<u>21,265</u>	<u>5,867</u>	<u>15,398</u>
Net change in fund balance	(9,165)	(9,165)	9,128	18,293
Fund balance - beginning	<u>29,538</u>	<u>29,538</u>	<u>29,538</u>	<u>-</u>
Fund balance - ending	<u>\$ 20,373</u>	<u>\$ 20,373</u>	<u>\$ 38,666</u>	<u>\$ 18,293</u>

Law Library Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 25,000	\$ 25,000	\$ 31,549	\$ 6,549
300	300	1,354	1,054
25,300	25,300	32,903	7,603
22,600	22,600	16,555	6,045
-	-	-	-
22,600	22,600	16,555	6,045
2,700	2,700	16,348	13,648
80,294	80,294	80,294	-
\$ 82,994	\$ 82,994	\$ 96,642	\$ 13,648

WHARTON COUNTY, TEXAS

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Special Revenue Funds
By Function and Legal Level of Budgetary Control
For the Year Ended December 31, 2024*

Exhibit 21
Page 8 of 8

	District Attorney Pretrial Intervention Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Investment income	\$ 10	\$ 10	\$ 37	\$ 27
Total revenues	10	10	37	27
Expenditures:				
Judicial:				
Operating expenditures	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	10	10	37	27
Fund balance - beginning	2,419	2,419	2,419	-
Fund balance - ending	\$ 2,429	\$ 2,429	\$ 2,456	\$ 27

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WHARTON COUNTY, TEXAS*Combining Statement of Net Position - Fiduciary Funds
December 31, 2024*

	Custodial		
	District Attorney's Seizure Fund	Juvenile Probation Grants Fund	Historical Commission Fund
Assets:			
Cash and temporary investments	\$ <u>125,518</u>	\$ <u>111,347</u>	\$ <u>2,005</u>
Total assets	<u>125,518</u>	<u>111,347</u>	<u>2,005</u>
Liabilities:			
Accounts and accrued liabilities payable	-	20,009	-
Due to others	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>20,009</u>	<u>-</u>
Net Position:			
Individuals, organizations and other governments	<u>125,518</u>	<u>91,338</u>	<u>2,005</u>
Total net position	\$ <u><u>125,518</u></u>	\$ <u><u>91,338</u></u>	\$ <u><u>2,005</u></u>

Funds

State Fees Fund	Child Protective Services Fund	District Clerk's Other Fund	District Clerk's Trust Fund	County Clerk's Trust Fund	County Clerk's Other Fund
\$ 136,711	\$ 524,788	\$ 9,375,154	\$ 588,341	\$ 166,761	\$ 234,537
136,711	524,788	9,375,154	588,341	166,761	234,537
136,711	2,983	-	-	-	-
-	-	-	-	-	-
136,711	2,983	-	-	-	-
-	521,805	9,375,154	588,341	166,761	234,537
\$ -	\$ 521,805	\$ 9,375,154	\$ 588,341	\$ 166,761	\$ 234,537

(continued)

WHARTON COUNTY, TEXAS
Combining Statement of Net Position - Fiduciary Funds
December 31, 2024

	Custodial		
	Sheriff Restitution Civil Seizure Fund	Sheriff Inmate Commissary Fund	Justice of the Peace Fund
Assets:			
Cash and temporary investments	\$ 2,679	\$ 234,538	\$ 393
Total assets	2,679	234,538	393
Liabilities:			
Accounts and accrued liabilities payable	-	-	-
Due to others	-	-	-
Total liabilities	-	-	-
Net Position:			
Individuals, organizations and other governments	2,679	234,538	393
Total net position	\$ 2,679	\$ 234,538	\$ 393

Fund				
Tax Assessor/ Collector Fund	Child Support Fund	Sheriff Inmate Trust Fund	Juvenile Probation Fee and Restitution Fund	Total Custodial Funds
\$ 7,743,705	\$ 9,582	\$ 16,169	\$ 1,136	\$ 19,273,364
7,743,705	9,582	16,169	1,136	19,273,364
-	-	-	-	159,703
7,743,705	-	-	-	7,743,705
7,743,705	-	-	-	7,903,408
-	9,582	16,169	1,136	11,369,956
\$ -	\$ 9,582	\$ 16,169	\$ 1,136	\$ 11,369,956

WHARTON COUNTY, TEXAS

*Combining Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended December 31, 2024*

	Custodial		
	District Attorney's Seizure Fund	Juvenile Probation Grants Fund	Historical Commission Fund
Additions:			
Contributions	\$ -	\$ -	\$ -
Collections from others	80,414	-	-
Reimbursements for inmates	-	-	-
Intergovernmental	-	767,150	-
Restitution collected	-	-	-
Investment income	-	-	30
	<u>-</u>	<u>-</u>	<u>30</u>
Total additions	<u>80,414</u>	<u>767,150</u>	<u>30</u>
Deductions:			
Distributions to others	186,122	-	-
Expenditures	-	781,765	-
Restitution disbursed	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>186,122</u>	<u>781,765</u>	<u>-</u>
Net change in net position	(105,708)	(14,615)	30
Net position - beginning	<u>231,226</u>	<u>105,953</u>	<u>1,975</u>
Net position - ending	\$ <u><u>125,518</u></u>	\$ <u><u>91,338</u></u>	\$ <u><u>2,005</u></u>

Funds

State Fees Fund	Child Protective Services Fund	District Clerk's Other Fund	District Clerk's Trust Fund	County Clerk's Trust Fund	County Clerk's Other Fund
\$ -	\$ -	\$ 10,365,099	\$ 37,168	\$ 2,989	\$ 40,559
-	-	-	-	-	-
-	-	-	-	-	-
-	107,223	-	-	-	-
-	-	-	-	-	-
-	7,566	-	-	3,837	-
-	114,789	10,365,099	37,168	6,826	40,559
-	-	16,706,068	130,638	6,210	57,888
-	42,553	-	-	-	-
-	-	-	-	-	-
-	42,553	16,706,068	130,638	6,210	57,888
-	72,236	(6,340,969)	(93,470)	616	(17,329)
-	449,569	15,716,123	681,811	166,145	251,866
\$ -	\$ 521,805	\$ 9,375,154	\$ 588,341	\$ 166,761	\$ 234,537

(continued)

WHARTON COUNTY, TEXAS

*Combining Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended December 31, 2024*

	Custodial		
	Sheriff Restitution Civil Seizure Fund	Sheriff Inmate Commissary Fund	Justice of the Peace Fund
Additions:			
Contributions	\$ -	\$ -	\$ -
Collections from others	-	294,450	-
Reimbursements for inmates	-	-	-
Intergovernmental	-	-	-
Restitution collected	80,490	-	4,448
Investment income	<u>52</u>	<u>-</u>	<u>-</u>
Total additions	<u>80,542</u>	<u>294,450</u>	<u>4,448</u>
Deductions:			
Distributions to others	-	317,531	-
Expenditures	-	-	-
Restitution disbursed	<u>79,632</u>	<u>-</u>	<u>4,448</u>
Total deductions	<u>79,632</u>	<u>317,531</u>	<u>4,448</u>
Net change in net position	910	(23,081)	-
Net position - beginning	<u>1,769</u>	<u>257,619</u>	<u>393</u>
Net position - ending	<u>\$ 2,679</u>	<u>\$ 234,538</u>	<u>\$ 393</u>

Funds				
Tax Assessor/ Collector Fund	Child Support Fund	Sheriff Inmate Trust Fund	Juvenile Probation Fee and Restitution Fund	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ 10,445,815
109,026,182	65,711	-	-	109,466,757
-	-	445,054	-	445,054
-	-	-	-	874,373
-	-	-	2,967	87,905
54,213	-	-	-	65,698
109,080,395	65,711	445,054	2,967	121,385,602
109,080,395	64,317	449,833	-	126,999,002
-	-	-	-	824,318
-	-	-	2,415	86,495
109,080,395	64,317	449,833	2,415	127,909,815
-	1,394	(4,779)	552	(6,524,213)
-	8,188	20,948	584	17,894,169
\$ -	\$ 9,582	\$ 16,169	\$ 1,136	\$ 11,369,956

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STATISTICAL SECTION

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WHARTON COUNTY, TEXAS

Statistical Section
(unaudited)

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

	<u>Page</u>
<u>Financial Trends</u>	136-143
These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	144-149
These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	
<u>Debt Capacity</u>	150-153
These tables 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.	
<u>Demographic and Economic Indicators</u>	154-155
These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<u>Operating Information</u>	156-163
These tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides.	

WHARTON COUNTY, TEXAS*Net Position by Components**Last Ten Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities:					
Net investment in capital assets	\$ 29,573,944	\$ 29,745,198	\$ 30,830,817	\$ 30,228,949	\$ 30,563,386
Restricted	5,522,855	5,364,188	5,440,386	8,337,352	7,052,505
Unrestricted	<u>9,844,371</u>	<u>9,643,248</u>	<u>8,064,656</u>	<u>7,172,686</u>	<u>6,553,291</u>
Total governmental activities net position	<u>\$ 44,941,170</u>	<u>\$ 44,752,634</u>	<u>\$ 44,335,859</u>	<u>\$ 45,738,987</u>	<u>\$ 44,169,182</u>

Source:

Annual Comprehensive Financial Report (Statement of Net Position)

Table 1

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 31,009,088	\$ 30,599,412	\$ 32,082,807	\$ 33,854,766	\$ 34,034,443
5,995,523	6,073,718	6,462,897	7,190,864	8,672,692
<u>7,328,172</u>	<u>9,143,044</u>	<u>12,042,738</u>	<u>12,871,606</u>	<u>10,553,803</u>
<u>\$ 44,332,783</u>	<u>\$ 45,816,174</u>	<u>\$ 50,588,442</u>	<u>\$ 53,917,236</u>	<u>\$ 53,260,938</u>

WHARTON COUNTY, TEXAS*Changes in Net Position**Last Ten Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses:					
Governmental Activities:					
General government	\$ 2,712,787	\$ 3,014,521	\$ 3,434,835	\$ 3,310,118	\$ 4,064,758
Public safety	3,987,280	4,538,756	4,560,650	4,456,177	4,843,553
Judicial	3,484,682	3,661,489	3,252,477	3,854,126	3,974,244
Corrections	2,636,573	2,608,924	2,973,428	2,894,269	3,347,473
Juvenile services	839,061	712,444	769,820	885,053	974,020
Environmental services	577,675	552,023	543,778	629,078	585,855
Health and welfare	434,526	393,132	436,146	492,801	510,847
Culture and recreation	1,109,660	1,078,600	1,335,405	1,229,117	1,292,759
Highways and drainage	8,109,454	8,014,506	8,751,421	8,910,619	8,877,960
Economic development	<u>283,341</u>	<u>11,550</u>	<u>38,975</u>	<u>345,010</u>	<u>3,850</u>
Total governmental activities expenses	<u>\$ 24,175,039</u>	<u>\$ 24,585,945</u>	<u>\$ 26,096,935</u>	<u>\$ 27,006,368</u>	<u>\$ 28,475,319</u>
Program Revenues:					
Governmental Activities:					
Charges for services:					
General government	\$ 212,247	\$ 234,078	\$ 210,651	\$ 239,396	\$ 230,851
Public safety	222,649	303,561	204,266	130,507	332,689
Judicial	1,256,684	1,228,735	1,390,790	1,484,284	1,429,275
Corrections	22,999	19,782	14,048	8,457	59,171
Juvenile services	3,071	2,470	3,045	2,010	3,390
Environmental services	199,112	225,496	218,029	233,855	201,575
Health and welfare	5,820	6,446	5,084	5,232	4,324
Culture and recreation	22,443	20,227	32,396	24,256	21,800
Highways and drainage	1,317,025	1,061,648	1,270,629	2,080,306	1,412,989
Economic development	10,194	-	-	-	-
Operating grants and contributions	1,739,817	1,833,683	1,558,885	3,637,962	1,764,880
Capital grants and contributions	<u>1,277,602</u>	<u>596,929</u>	<u>364,728</u>	<u>495,868</u>	<u>202,245</u>
Total governmental activities program revenues	<u>6,289,663</u>	<u>5,533,055</u>	<u>5,272,551</u>	<u>8,342,133</u>	<u>5,663,189</u>
Net (expense) revenue	<u>\$(17,885,376)</u>	<u>\$(19,052,890)</u>	<u>\$(20,824,384)</u>	<u>\$(18,664,235)</u>	<u>\$(22,812,130)</u>
General Revenues:					
Governmental Activities:					
Taxes:					
Property taxes	\$ 15,179,646	\$ 15,376,482	\$ 15,801,746	\$ 18,261,437	\$ 17,390,310
Sales taxes	2,839,466	2,810,287	3,103,082	3,114,662	3,128,692
Alcoholic beverage taxes	31,350	33,742	31,632	34,165	38,020
Investment income	152,288	164,900	227,239	452,292	568,603
Gain (loss) on sale of capital assets	113,502	8,953	136,319	(199,389)	43,014
Miscellaneous	<u>429,813</u>	<u>469,990</u>	<u>107,591</u>	<u>78,619</u>	<u>113,497</u>
Total general revenues	<u>\$ 18,746,065</u>	<u>\$ 18,864,354</u>	<u>\$ 19,407,609</u>	<u>\$ 21,741,786</u>	<u>\$ 21,282,136</u>
Change in net position	<u>\$ 860,689</u>	<u>\$ (188,536)</u>	<u>\$ (1,416,775)</u>	<u>\$ 3,077,551</u>	<u>\$ (1,529,994)</u>

Source: Annual Comprehensive Financial Report (Statement of Activities)

Table 2

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 4,359,123	\$ 3,455,958	\$ 2,763,541	\$ 4,455,960	\$ 5,053,503
5,143,844	5,036,694	5,174,946	6,217,308	7,112,357
4,174,295	4,039,640	4,318,762	4,875,743	5,472,655
3,326,468	3,040,490	2,664,417	3,667,830	3,876,545
375,168	436,807	358,119	377,542	268,783
651,673	677,304	906,878	890,445	824,780
502,409	449,544	307,843	315,628	331,414
993,714	1,328,822	1,113,739	1,314,119	1,480,145
9,421,121	8,984,363	10,215,815	11,682,346	12,436,975
<u>112,844</u>	<u>151,609</u>	<u>409,929</u>	<u>153,828</u>	<u>1,651,889</u>
<u>\$ 29,060,659</u>	<u>\$ 27,601,231</u>	<u>\$ 28,233,989</u>	<u>\$ 33,950,749</u>	<u>\$ 38,509,046</u>
\$ 230,116	\$ 240,108	\$ 240,198	\$ 283,234	\$ 254,156
198,009	382,059	316,017	128,417	230,948
1,121,121	1,333,027	1,409,478	1,192,743	1,555,375
5,209	8,286	8,768	-	-
1,640	1,736	2,500	1,934	44,602
232,065	239,911	215,896	231,356	292,270
5,411	5,270	290	-	-
17,810	18,753	21,528	8,925	20,740
1,409,686	1,414,594	1,814,039	1,084,698	2,263,725
-	17,500	1,065	-	-
2,965,354	1,393,390	3,944,435	5,514,826	5,918,952
<u>379,726</u>	<u>338,061</u>	<u>520,555</u>	<u>797,503</u>	<u>105,942</u>
<u>6,566,147</u>	<u>5,392,695</u>	<u>8,494,769</u>	<u>9,243,636</u>	<u>10,686,710</u>
<u>\$(22,494,512)</u>	<u>\$(22,208,536)</u>	<u>\$(19,739,220)</u>	<u>\$(24,707,113)</u>	<u>\$(27,822,336)</u>
\$ 18,387,112	\$ 18,641,729	\$ 18,914,389	\$ 19,892,525	\$ 20,415,125
3,347,124	4,272,527	4,166,552	5,391,898	5,289,113
44,910	55,574	60,912	54,569	66,257
473,484	268,107	451,132	1,219,038	1,182,088
228,265	232,092	57,190	119,065	-
<u>177,218</u>	<u>221,898</u>	<u>861,313</u>	<u>1,358,812</u>	<u>213,455</u>
<u>\$ 22,658,113</u>	<u>\$ 23,691,927</u>	<u>\$ 24,511,488</u>	<u>\$ 28,035,907</u>	<u>\$ 27,166,038</u>
<u>\$ 163,601</u>	<u>\$ 1,483,391</u>	<u>\$ 4,772,268</u>	<u>\$ 3,328,794</u>	<u>\$ (656,298)</u>

WHARTON COUNTY, TEXAS*Fund Balances, Governmental Funds**Last Ten Fiscal Years**(modified accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:					
Nonspendable	\$ 459,780	\$ 514,921	\$ 476,199	\$ 411,257	\$ 549,708
Restricted	118,629	111,875	97,387	106,737	104,734
Assigned	1,364,227	1,374,801	2,327,020	1,891,764	1,298,106
Unassigned	<u>7,547,046</u>	<u>7,347,792</u>	<u>5,486,854</u>	<u>6,408,444</u>	<u>7,054,818</u>
Total general fund	<u>\$ 9,489,682</u>	<u>\$ 9,349,389</u>	<u>\$ 8,387,460</u>	<u>\$ 8,818,202</u>	<u>\$ 9,007,366</u>
All Other Governmental Funds:					
Nonspendable	\$ 143,620	\$ 152,760	\$ 169,775	\$ 50,000	\$ 196,059
Restricted	5,323,872	4,476,453	4,911,242	8,162,799	6,877,765
Assigned	1,073,594	1,855,862	2,039,754	2,519,430	2,709,671
Unassigned	<u>(771)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 6,540,315</u>	<u>\$ 6,485,075</u>	<u>\$ 7,120,771</u>	<u>\$ 10,732,229</u>	<u>\$ 9,783,495</u>

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

Table 3

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 564,173	\$ 526,889	\$ 435,666	\$ 414,595	\$ 464,620
109,028	109,028	120,946	104,799	180,943
1,328,161	3,206,328	3,092,485	3,793,225	3,157,726
<u>7,958,364</u>	<u>8,376,451</u>	<u>7,537,628</u>	<u>6,755,869</u>	<u>6,007,327</u>
<u>\$ 9,959,726</u>	<u>\$ 12,218,696</u>	<u>\$ 11,186,725</u>	<u>\$ 11,068,488</u>	<u>\$ 9,810,616</u>
\$ 200,176	\$ 156,528	\$ 127,513	\$ 143,086	\$ 169,436
5,836,495	5,914,690	6,291,951	7,035,519	7,082,570
2,993,438	3,520,141	3,665,679	4,075,294	3,877,396
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 9,030,109</u>	<u>\$ 9,591,359</u>	<u>\$ 10,085,143</u>	<u>\$ 11,253,899</u>	<u>\$ 11,129,402</u>

WHARTON COUNTY, TEXAS*Changes in Fund Balances, Governmental Funds**Last Ten Fiscal Years**(modified accrual basis of accounting)*

	2015	2016	2017	2018	2019
Revenues:					
Taxes	\$ 18,071,600	\$ 18,139,123	\$ 19,129,082	\$ 21,550,645	\$ 20,522,682
Licenses and permits	852,780	882,335	854,445	864,720	869,370
Intergovernmental	1,793,626	1,812,520	3,297,070	3,998,405	2,268,779
Charges for services	1,242,329	1,264,847	1,250,690	1,289,833	1,272,486
Fines and forfeitures	796,199	887,364	539,629	659,504	788,858
Investment income	152,013	164,615	226,868	451,887	567,990
Miscellaneous	<u>1,033,594</u>	<u>845,527</u>	<u>668,856</u>	<u>1,397,178</u>	<u>751,453</u>
Total revenues	<u>23,942,141</u>	<u>23,996,331</u>	<u>25,966,640</u>	<u>30,212,172</u>	<u>27,041,618</u>
Expenditures:					
Current:					
General government	2,636,716	2,811,052	3,273,471	3,227,037	3,581,483
Public safety	4,009,062	4,478,061	4,449,858	4,398,147	4,804,833
Judicial	3,795,955	3,859,889	3,273,652	3,699,590	4,030,801
Corrections	2,797,976	2,428,392	2,774,289	2,788,681	3,059,191
Juvenile services	824,601	709,582	742,525	865,784	940,745
Environmental services	538,485	538,813	585,425	616,459	694,427
Health and welfare	443,469	386,348	426,851	523,593	496,771
Culture and recreation	1,034,321	1,035,721	1,226,502	1,157,968	1,149,289
Highways and drainage	9,054,050	7,954,956	9,714,590	8,646,703	9,158,457
Economic development	283,341	11,550	38,975	345,010	3,850
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>25,417,976</u>	<u>24,214,364</u>	<u>26,506,138</u>	<u>26,268,972</u>	<u>27,919,847</u>
Excess (deficiency) of revenues over expenditures	<u>(1,475,835)</u>	<u>(218,033)</u>	<u>(539,498)</u>	<u>3,943,200</u>	<u>(878,229)</u>
Other Financing Sources (Uses):					
Transfers in	829,273	1,760,707	2,498,515	2,022,772	1,456,559
Transfers out	(844,273)	(1,760,707)	(2,498,515)	(2,022,772)	(1,441,559)
Proceeds from sale of capital assets	<u>150,860</u>	<u>22,500</u>	<u>213,265</u>	<u>99,000</u>	<u>119,364</u>
Total other financing sources (uses)	<u>135,860</u>	<u>22,500</u>	<u>213,265</u>	<u>99,000</u>	<u>134,364</u>
Net change in fund balances	<u>\$ (1,339,975)</u>	<u>\$ (195,533)</u>	<u>\$ (326,233)</u>	<u>\$ 4,042,200</u>	<u>\$ (743,865)</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

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

Table 4

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 21,793,042	\$ 23,014,614	\$ 23,141,853	\$ 25,254,594	\$ 25,880,950
870,650	896,790	887,795	908,795	891,108
2,016,657	2,734,121	5,294,695	6,312,329	5,971,231
1,342,214	1,445,087	1,427,695	1,363,257	1,509,268
933,417	717,921	629,834	625,058	884,323
473,484	268,107	451,132	1,218,479	1,181,423
<u>655,151</u>	<u>752,959</u>	<u>1,093,465</u>	<u>1,358,812</u>	<u>1,109,090</u>
<u>28,084,615</u>	<u>29,829,599</u>	<u>32,926,469</u>	<u>37,041,324</u>	<u>37,427,393</u>
3,820,447	3,102,146	3,864,446	4,678,594	4,664,423
4,986,465	5,146,647	6,444,083	6,913,501	6,548,623
3,908,120	4,013,346	4,995,722	4,871,921	5,437,718
2,985,449	2,932,482	3,193,569	3,591,520	3,765,460
374,429	436,554	357,866	377,289	268,352
589,816	642,071	947,705	1,341,480	787,757
482,276	450,197	332,688	317,683	332,099
1,145,102	1,231,589	1,186,134	1,422,621	1,355,085
10,031,630	9,134,830	11,810,838	12,464,632	10,497,457
112,844	151,609	409,929	153,828	1,651,889
<u>-</u>	<u>-</u>	<u>-</u>	<u>43,761</u>	<u>3,684,656</u>
<u>28,436,578</u>	<u>27,241,471</u>	<u>33,542,980</u>	<u>36,176,830</u>	<u>38,993,519</u>
<u>(351,963)</u>	<u>2,588,128</u>	<u>(616,511)</u>	<u>864,494</u>	<u>(1,566,126)</u>
1,745,002	2,529,159	3,461,846	3,914,355	2,938,628
(1,745,002)	(2,529,159)	(3,461,846)	(3,914,355)	(2,938,628)
<u>550,937</u>	<u>232,092</u>	<u>78,324</u>	<u>186,025</u>	<u>183,757</u>
<u>550,937</u>	<u>232,092</u>	<u>78,324</u>	<u>186,025</u>	<u>183,757</u>
<u>\$ 198,974</u>	<u>\$ 2,820,220</u>	<u>\$ (538,187)</u>	<u>\$ 1,050,519</u>	<u>\$ (1,382,369)</u>
0.0%	0.0%	0.0%	0.0%	0.0%

WHARTON COUNTY, TEXAS

Table 5

***Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years***

Fiscal Year	Real Property	Personal Property	Less: Real property Exemptions	Total Taxable Assessed Value ^(a)	Estimated Actual Assessed Value	Total Direct Tax Rate ^(b)	Assessed Value as a Percentage of Actual Value
2015	\$ 3,997,967,891	\$ 943,918,595	\$ (1,841,025,303)	\$ 3,100,861,183	\$3,100,861,183	0.49000	100.00%
2016	4,665,304,666	848,400,643	(2,080,585,019)	3,433,120,290	3,433,120,290	0.49000	100.00%
2017	5,060,011,173	951,083,366	(2,259,076,991)	3,752,017,548	3,752,017,548	0.47500	100.00%
2018	5,313,332,645	996,490,439	(2,291,151,719)	4,018,671,365	4,018,671,365	0.47396	100.00%
2019	5,737,374,607	1,067,293,726	(2,505,907,055)	4,298,761,278	4,298,761,278	0.46240	100.00%
2020	5,766,564,770	1,027,474,609	(2,466,483,642)	4,327,555,737	4,327,555,737	0.45869	100.00%
2021	6,285,323,081	1,062,890,907	(2,753,395,975)	4,594,818,013	4,594,818,013	0.42479	100.00%
2022	7,083,262,823	1,193,563,686	(3,007,909,156)	5,268,917,353	5,268,917,353	0.39056	100.00%
2023	7,930,833,923	1,192,682,793	(3,913,229,259)	5,210,287,457	5,210,287,457	0.36418	100.00%
2024	9,108,395,516	1,189,259,844	(4,248,146,211)	6,049,509,149	6,049,509,149	0.35239	100.00%

Source: Wharton County Central Appraisal District

Note: Property is assessed at actual value; therefore, the assessed values are equal to actual values.
Tax rates are per \$ 100 of assessed value.

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WHARTON COUNTY, TEXAS
Direct and Overlapping Governments
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Wharton County:				
Operating	0.49000	0.49000	0.47500	0.47396
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total County millage	<u>0.49000</u>	<u>0.49000</u>	<u>0.47500</u>	<u>0.47396</u>
Overlapping Rates:				
Cities:				
Operating	0.78027	0.76819	0.75905	0.72869
Debt service	<u>0.41297</u>	<u>0.44924</u>	<u>0.43656</u>	<u>0.50141</u>
Total City millage	<u>1.19324</u>	<u>1.21743</u>	<u>1.19561</u>	<u>1.23010</u>
Overlapping Rates:				
School District:				
Operating	5.44015	5.69000	5.72000	5.64000
Debt service	<u>0.42090</u>	<u>0.12000</u>	<u>0.11906</u>	<u>0.44710</u>
Total School District millage	<u>5.86105</u>	<u>5.81000</u>	<u>5.83906</u>	<u>6.08710</u>
Special Districts	<u>2.05083</u>	<u>2.10135</u>	<u>2.09533</u>	<u>2.17922</u>
Total Direct and Overlapping rates	<u>9.59512</u>	<u>9.61878</u>	<u>9.60500</u>	<u>9.97038</u>

<u>2024 Tax Rates</u>	<u>Operating</u>	<u>Debt Service</u>
Cities:		
City of East Bernard	0.16449	-
City of El Campo	0.29200	0.16806
City of Wharton	<u>0.09523</u>	<u>0.34140</u>
Total Cities Millage	<u>0.55172</u>	<u>0.50946</u>
School Districts:		
Boling ISD	0.66690	0.39000
East Bernard ISD	0.79470	0.19526
El Campo ISD	0.75520	0.29750
Louise ISD	0.76740	-
Wharton ISD	<u>0.69060</u>	<u>0.34640</u>
Total School Districts Millage	<u>3.67480</u>	<u>1.22916</u>
Special Districts:		
Water Control Boling	0.31000	
Water Control #1 - Louise	0.15293	
Water Control #2 - East Bernard	0.20464	
Isaacson MUD	0.28911	
Hungerford MUD	0.26431	
Coastal Bend Groundwater	0.00600	
Wharton County Junior College	0.13280	
ESD #1 - Volunteer Fire	0.04971	
ESD #2 - East Barnard	0.08797	
ESD #3 - Wharton	0.08367	
ESD #4 - El Campo	0.06076	
Wharton County Hospital	<u>0.21710</u>	
Total Special Districts Millage	<u>1.85900</u>	

Source: Wharton County Tax Assessor/Collector
All tax rates shown per \$ 100 of assessed valuation.

Note: Overlapping rates are those of other governments that apply to property owners within Wharton County. Not all overlapping rates apply to all County property owners.

Table 6

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.46240	0.45869	0.42479	0.39056	0.36418	0.35239
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>0.46240</u>	<u>0.45869</u>	<u>0.42479</u>	<u>0.39056</u>	<u>0.36418</u>	<u>0.35239</u>
0.66254	0.63808	0.60040	0.57565	0.55455	0.55172
<u>0.52971</u>	<u>0.54059</u>	<u>0.50287</u>	<u>0.49615</u>	<u>0.50543</u>	<u>0.50946</u>
<u>1.19225</u>	<u>1.17867</u>	<u>1.10327</u>	<u>1.07180</u>	<u>1.05998</u>	<u>1.06118</u>
5.19160	5.13330	4.84000	4.70610	3.78330	3.67480
<u>0.64790</u>	<u>0.65429</u>	<u>0.66824</u>	<u>0.64354</u>	<u>0.80458</u>	<u>1.22916</u>
<u>5.83950</u>	<u>5.78759</u>	<u>5.50824</u>	<u>5.34964</u>	<u>4.58788</u>	<u>4.90396</u>
<u>2.07405</u>	<u>2.06327</u>	<u>1.97003</u>	<u>1.88751</u>	<u>1.81150</u>	<u>1.85900</u>
<u>9.56820</u>	<u>9.48822</u>	<u>9.00633</u>	<u>8.69951</u>	<u>7.82354</u>	<u>8.17653</u>

WHARTON COUNTY, TEXAS*Principal Property Taxpayers**Current Year and Nine Years Ago*

Table 7

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
Hecate Energy Ramsey, LLC.	\$ 323,477,664	1	5.35%	\$ -	-	-
Bernard Creek Solar Phase 1	241,223,230	2	3.99%	-	-	-
Gulf South Pipeline Co, LP	221,939,756	3	3.67%	-	-	-
Gulfstar Power LLC	215,468,815	4	3.56%	-	-	-
Red Tailed Hawk Solar, LLC	164,844,525	5	2.72%	-	-	-
Danish Fields Solar, LLC	117,936,290	6	1.95%	-	-	-
Prairie Swith Wind, LLC	102,241,190	7	1.69%	-	-	-
Centerpoint Energy Houston Electric	94,690,590	8	1.57%	34,005,036	8	1.10%
AEP Texas, Inc.	72,725,323	9	1.20%	-	-	-
Colorado Bend I Power	85,667,928	10	1.42%	186,754,628	1	6.02%
JM Eagle	-	-	-	45,227,610	2	1.46%
Enterprise Texas Pipeline, LP	-	-	-	40,605,411	3	1.31%
Milagro Exploration LLC	-	-	-	40,175,091	4	1.30%
Armour Lacy Etal Est	-	-	-	38,357,783	5	1.24%
Apache Corporation	-	-	-	36,488,039	6	1.18%
Nan Ya Plastics Corp USA	-	-	-	34,844,072	7	1.12%
Transcontinental Gas Pipeline	-	-	-	31,206,565	9	1.01%
Wharton County Foods LLC	-	-	-	30,612,621	10	0.99%
Total	\$ <u>1,640,215,311</u>		<u>27.12%</u>	\$ <u>518,276,856</u>		<u>16.73%</u>
Total Taxable Assessed Value	\$ <u>6,049,509,149</u>			\$ <u>3,100,861,183</u>		

Source: Wharton County Tax Office

WHARTON COUNTY, TEXAS
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

Fiscal Year	Tax Levy as of Fiscal Year End	Collected Within the Fiscal Year of the Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 15,017,751	\$ 14,750,331	98.22%	\$ 105,148	\$ 14,855,479	98.92%
2016	15,195,345	14,860,663	97.80%	107,144	14,967,807	98.50%
2017	15,870,072	15,455,042	97.38%	99,539	15,554,581	98.01%
2018	16,966,243	16,547,699	97.53%	80,637	16,628,336	98.01%
2019	16,091,014	15,710,298	97.63%	76,899	15,787,197	98.11%
2020	16,992,928	16,610,299	97.75%	71,885	16,682,184	98.17%
2021	17,102,494	16,719,997	97.76%	65,407	16,785,404	98.15%
2022	17,254,552	16,958,286	98.28%	57,320	17,015,606	98.62%
2023	18,430,771	18,078,389	98.09%	66,906	18,145,295	98.45%
2024	19,136,275	18,712,870	97.79%	-	18,712,870	97.79%

Source: Wharton County Tax Assessor/Collector

WHARTON COUNTY, TEXAS*Ratios of Outstanding Debt by Type
Last Ten Fiscal Years*

Table 9

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total Outstanding Debt	Percentage of Personal Income	Population ⁽¹⁾	Per Capita
2015	\$ -	\$ -	\$ -	0.00%	41,486	\$ -
2016	-	-	-	0.00%	41,486	-
2017	-	-	-	0.00%	41,735	-
2018	-	-	-	0.00%	41,968	-
2019	-	-	-	0.00%	41,619	-
2020	-	-	-	0.00%	41,577	-
2021	-	-	-	0.00%	41,570	-
2022	-	-	-	0.00%	41,570	-
2023	-	-	-	0.00%	41,824	-
2024	-	-	-	0.00%	42,035	-

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Population can be found in the Schedule of Demographic and Economic Statistics on page 154.

WHARTON COUNTY, TEXAS*Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years*

Table 10

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Debt	Percentage of Actual Taxable Property Value ⁽¹⁾	Per Capita ⁽²⁾
2015	\$	- \$	- \$	- \$ 0.00%	\$ -
2016		-	-	- 0.00%	-
2017		-	-	- 0.00%	-
2018		-	-	- 0.00%	-
2019		-	-	- 0.00%	-
2020		-	-	- 0.00%	-
2021		-	-	- 0.00%	-
2022		-	-	- 0.00%	-
2023		-	-	- 0.00%	-
2024		-	-	- 0.00%	-

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 144 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 154.

WHARTON COUNTY, TEXAS

*Computation of Direct and Overlapping Debt
As of December 31, 2024*

Table 11

<u>Taxing Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
City of El Campo	\$ 19,028,408	14.40%	\$ 2,740,091
City of Wharton	25,477,114	10.00%	2,547,711
Boiling ISD	1,410,484	0.00%	<u>-</u>
Subtotal, overlapping debt			5,287,802
Wharton County, Texas direct debt			<u>-</u>
Total direct & overlapping debt			\$ <u><u>5,287,802</u></u>

Source: Assessed value data used to estimate applicable percentage provided by the Wharton County Appraisal District. Debt outstanding data provided by each government unit.

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

(1) Estimated Percentage Applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entities' taxable assessed value that is within the government's boundaries and dividing it by the County's taxable assessed value.

WHARTON COUNTY, TEXAS
Computation of Legal Debt Margin
Last Ten Fiscal Years

Table 12

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed value of real property ⁽¹⁾	\$ <u>3,100,861,183</u>	\$ <u>3,433,120,290</u>	\$ <u>3,752,017,548</u>	\$ <u>4,018,671,365</u>	\$ <u>4,298,761,278</u>
Debt limit ⁽²⁾	\$ <u>775,215,296</u>	\$ <u>858,280,073</u>	\$ <u>938,004,387</u>	\$ <u>1,004,667,841</u>	\$ <u>1,074,690,320</u>
Amount of debt applicable to limit ⁽³⁾					
Total bonded debt	-	-	-	-	-
Less: Assets in debt service fund	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ <u>775,215,296</u>	\$ <u>858,280,073</u>	\$ <u>938,004,387</u>	\$ <u>1,004,667,841</u>	\$ <u>1,074,690,320</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed value of real property ⁽¹⁾	\$ <u>4,327,555,737</u>	\$ <u>4,594,818,013</u>	\$ <u>5,268,917,353</u>	\$ <u>5,210,287,457</u>	\$ <u>6,049,509,149</u>
Debt limit ⁽²⁾	\$ <u>1,081,888,934</u>	\$ <u>1,148,704,503</u>	\$ <u>1,317,229,338</u>	\$ <u>1,302,571,864</u>	\$ <u>1,512,377,287</u>
Amount of debt applicable to limit ⁽³⁾					
Total bonded debt	-	-	-	-	-
Less: Assets in debt service fund	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ <u>1,081,888,934</u>	\$ <u>1,148,704,503</u>	\$ <u>1,317,229,338</u>	\$ <u>1,302,571,864</u>	\$ <u>1,512,377,287</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Source:

(1) Wharton County Appraisal District.

(2) Debt limit is 25% of assessed value of real property per Article 3 Section 52 of the Texas Constitution

(3) Annual Comprehensive Financial Report Statement of Net Position

WHARTON COUNTY, TEXAS*Demographic and Economic Statistics
Last Ten Fiscal Years*

Table 13

Calendar Year	Estimated Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Household Income ⁽¹⁾	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽³⁾
2024	42,035	\$ 32,579	\$ 66,100	38.4	8,265	4.4%	\$ 39,446	4.1%
2023	41,824	29,061	59,712	37.7	8,157	3.5%	37,514	4.0%
2022	41,570	27,608	53,963	37.2	8,197	3.6%	34,255	3.9%
2021	41,570	26,724	51,770	37.3	8,290	4.5%	32,177	4.2%
2020	41,577	25,298	48,310	37.3	8,233	7.0%	32,177	6.9%
2019	41,619	26,281	49,619	37.2	8,611	3.3%	30,641	3.5%
2018	41,968	25,867	50,145	37.2	8,613	3.4%	28,985	3.6%
2017	41,735	23,245	46,445	37.2	8,720	3.8%	27,828	3.7%
2016	41,486	21,581	45,176	37.2	8,903	5.0%	26,999	4.5%
2015	41,486	20,782	41,992	37.2	8,844	4.5%	26,513	4.2%

Sources:

- (1) US Census Bureau
- (2) Individual ISD's
- (3) US Census Bureau and US Bureau of Labor Statistics

WHARTON COUNTY, TEXAS*Principal Employers**Current Year and Nine Years Ago*

Table 14

Employer	2024			2015		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Wharton County Junior College	556	1	3.1%	363	4	1.8%
El Campo ISD	497	2	2.7%	509	1	2.6%
Greenleaf Nursery Company, Inc.	428	3	2.4%	377	3	1.9%
HEB	379	4	2.1%	-	-	-
Wharton ISD	367	5	2.0%	327	5	1.6%
Wal Mart	343	6	1.9%	93	10	0.5%
Praseks	318	7	1.7%	-	-	-
El Campo Memorial Hospital	289	8	1.6%	-	-	-
Wharton County	247	9	1.4%	218	8	1.1%
Nan Ya Plastics Corporation USA	210	10	1.2%	229	7	1.2%
Leedo Mfg Company, Inc.	-	-	-	465	2	2.3%
Wharton County Foods	-	-	-	237	6	1.2%
Memorial Hermann Medical Group	-	-	-	176	9	0.9%
Total	<u>3,634</u>		<u>20.1%</u>	<u>2,994</u>		<u>15.1%</u>

Sources: US Census Bureau, Individual employers, Wharton Economic Development Corp and El Campo City Development Corp provided employee counts.

WHARTON COUNTY, TEXAS*Full-Time Equivalent Employees by Function
Last Ten Fiscal Years*

Table 15

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	27	27	26	27	28	23	24	22	29	28
Public safety	50	51	50	48	50	48	47	53	53	55
Judicial	34	34	34	36	37	37	37	37	38	41
Corrections	30	30	31	35	34	30	33	30	31	31
Juvenile services	5	5	5	5	4	5	5	5	5	5
Environmental services	7	7	7	7	4	3	4	3	3	3
Health and welfare	2	2	2	2	2	2	2	1	1	1
Culture and recreation	14	14	13	13	14	14	13	13	14	14
Highways and drainage	49	55	55	59	52	61	58	59	54	55
Total	<u>218</u>	<u>225</u>	<u>223</u>	<u>232</u>	<u>225</u>	<u>223</u>	<u>223</u>	<u>223</u>	<u>228</u>	<u>233</u>

Source: Wharton County Annual Budget

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WHARTON COUNTY, TEXAS*Operating Indicators by Function
Last Ten Fiscal Years*

Function	Fiscal Year				
	2015	2016	2017	2018	2019
General Government:					
Accounts payable checks issued	5,639	5,643	5,647	5,493	5,279
Payroll checks issued	519	505	381	426	415
Direct deposits issued	5,785	5,926	5,944	6,075	6,056
ACH's issued	9	162	140	10	142
EFT's issued	96	70	110	53	98
Motor vehicle registrations	49,108	48,753	48,821	48,830	48,759
Judicial:					
Hot check cases processed	902	69	39	119	48
Theft by check cases filed	100	35	30	19	14
Civil cases filed	2,072	1,707	1,841	1,762	5,582
Civil cases disposed	1,813	1,373	1,941	997	1,748
Criminal cases filed	8,475	6,686	10,021	7,251	8,133
Criminal cases disposed	6,378	6,062	6,601	6,456	5,087
Birth certificates	-	-	4	2	-
Death inquests	180	172	284	308	27
Marriage license applications	234	238	258	238	264
Public Safety:					
911 calls received	12,161	13,344	11,917	9,868	3,468
EMS runs	6,218	6,333	6,472	5,426	5,391
EMS transfer runs	1,981	959	1,962	624	752
Total EMS runs	8,199	7,292	8,434	6,050	6,143
Average daily jail population	138	119	146	140	142
Jail bookings	2,341	2,306	2,054	2,026	2,132
Jail releases	2,230	2,287	2,057	2,031	2,115
Jail inmates at December 31,	119	134	132	124	145
Physical arrests	2,341	642	955	809	825
Citations issued	862	884	1,207	1,238	1,395
Warnings issued	4,654	4,447	6,583	7,384	7,460
Offenses reported	1,466	1,328	1,099	1,130	1,523
Calls for service	29,700	28,902	31,957	29,870	29,723
Highways and Drainage:					
Potholes repaired	27,593	24,307	23,491	22,794	28,047
Resurfacing miles	11	22	56	43	62
Miles of mowing along roadway	3,394	3,427	2,224	5,232	3,909
Miles of cleaning ditch/culverts	46	75	84	65	125
Miles of grading roadways	5,802	4,791	5,340	5,995	6,513
Culture and Recreation:					
Books/AV material checked out	135,887	135,394	134,060	155,489	132,722
Computer use sessions recorded	38,739	30,834	23,023	20,780	18,621
Elections:					
Registered voters	23,275	25,209	24,663	25,151	25,004
Votes cast	5,624	14,871	3,045	13,002	3,160
Percentage voters – votes cast	24.16%	58.99%	12.35%	51.70%	12.64%

Sources: Various County Departments

Table 16

Fiscal Year				
2020	2021	2022	2023	2024
5,203	20,972	5,289	5,434	5,157
365	246	334	322	308
6,154	6,204	6,136	6,267	6,417
153	152	169	157	168
129	123	233	76	126
47,250	48,807	48,221	48,715	48,259
37	13	6	9	1
11	3	4	1	1
5,416	5,283	5,453	6,163	6,245
1,545	1,363	1,263	1,362	1,760
5,690	6,244	7,280	6,942	9,150
4,022	4,944	5,182	5,214	6,435
-	-	-	-	-
81	62	38	73	89
235	235	245	203	-
2,379	8,901	9,507	11,406	10,404
5,257	6,176	6,590	5,275	6,390
499	470	507	504	640
5,756	6,646	7,097	5,779	7,030
119	123	141	153	150
1,607	1,628	1,938	1,840	1,770
1,647	1,608	1,929	1,813	1,800
99	126	128	156	127
824	904	1,091	1,139	1,033
585	810	976	1,957	1,652
3,994	4,991	3,995	6,714	4,697
1,266	1,284	1,329	1,262	1,026
26,326	26,943	25,255	26,231	26,689
19,936	29,945	27,613	42,057	52,341
44	38	48	40	32
3,895	3,595	4,224	6,518	5,135
106	135	73	70	190
7,135	7,740	6,850	6,655	6,681
103,300	110,872	112,094	113,724	161,018
10,339	10,843	10,481	9,732	9,551
25,733	25,484	25,890	25,751	26,354
16,843	1,753	12,212	4,536	16,524
65.45%	6.88%	47.17%	17.61%	62.70%

WHARTON COUNTY, TEXAS
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 17

Function/Asset Class	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Buildings:										
General government	11	11	11	10	4	4	4	4	4	4
Public safety	1	1	1	1	3	3	3	4	4	4
Judicial	3	3	3	4	6	6	6	6	6	6
Corrections	3	3	3	3	2	2	2	2	2	2
Environmental services	2	2	2	2	4	4	4	4	-	-
Culture and recreation	6	6	6	6	6	6	6	6	6	6
Highways and drainage	9	9	9	6	9	10	10	10	11	11
Vehicles:										
General government	3	3	3	3	3	3	3	3	3	3
Public Safety:										
Patrol	25	24	20	19	19	19	25	32	30	30
Other	18	17	22	21	30	31	18	10	13	12
Corrections	6	6	4	5	3	8	5	7	10	4
Judicial	5	6	4	3	2	2	3	3	4	3
Juvenile services	1	2	1	1	1	1	1	1	1	2
Environmental services	4	6	4	4	2	4	4	4	4	5
Health and welfare	1	1	1	1	1	1	1	-	-	-
Highways and drainage	114	113	107	106	113	114	116	124	140	129
Highways and Drainage:										
County Roads:										
Hard surface miles	461.41	461.41	461.41	461.43	421.04	422.80	421.50	422.50	453.38	453.63
Gravel miles	486.39	487.39	487.11	487.11	484.30	485.31	485.91	483.04	489.53	489.28
Dirt, unimproved roads	21.83	20.80	20.88	20.88	6.73	6.73	6.73	6.73	6.73	6.73
Bridges	194	194	196	195	194	195	195	195	194	194

Source: Various County departments

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WHARTON COUNTY, TEXAS*Miscellaneous Information**December 31, 2024*

Table 18

Page 1 of 2

Economic ResourcesAgriculture: The area consists primarily of prairie land.

The major field crops of the area:

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Yield per Acre</u>
Farming Acres:				
Corn	107,871	119,908	(12,037)	135
Cotton	68,448	53,908	14,540	850
Grain Sorghum	17,044	16,787	257	96
Rice	21,204	23,407	(2,203)	104
Soybean	4,319	2,320	1,999	40
Wheat	406	2,436	(2,030)	45
Hay	20,478	18,913	1,565	4
Pecans	1,603	2,032	(429)	50

	<u>2024</u>	<u>2023</u>	<u>2024 Price</u>	<u>Value</u>
Livestock in the area include:				
Cattle:				
Breeder	2,200	2,200	1,750	3,850,000
Calves	32,500	32,500	1,450	47,125,000
Slaughter	3,000	3,000	1,155	3,465,000
Eggs (dozen)	63,320,592	63,320,592	2.15	136,139,273

Business:

Oil industries, agriculture and agribusiness, manufacturing and assembly, construction, real estate, electricity and education sectors are significant economic contributions.

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Building permits issued within the County:			
City of East Bernard	21	21	-
City of El Campo	107	1,126	(1,019)
City of Wharton	963	938	25
County of Wharton	148	152	(4)

Minerals:

Oil, sand and soil

Electrical Productions:

Colorado Bend Energy Partners, Wharton

Healthcare Facilities:**Hospitals:**

El Campo Memorial Hospital, El Campo

Oakbend Medical Center, Wharton

WHARTON COUNTY, TEXAS

Miscellaneous Information

December 31, 2024

Table 18

Page 2 of 2

Clinics:

Mid Coast medical Clinic, El Campo

Regent Family Practice, Wharton

Community Events:

Farmer's market

Freedom Fest

Kolache Festival

Veteran's Day Program

Wharton County Youth Fair & Rodeo

Juneteenth Festival

Monterey Square Wine & Arts Fair

Note: This is not an exhaustive list. Not included are individual practitioners, specialty care practices or pediatric practices.

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FEDERAL AND STATE AWARDS SECTION

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Independent Auditor's Report

On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Honorable County Judge
and Members of Commissioners Court
Wharton County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wharton County, Texas (the "County"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 23, 2025.

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.

Lake Jackson
8 W Way Ct.
Lake Jackson, TX 77566
979-297-4075

El Campo
201 W. Webb St.
El Campo, TX 77437
979-543-6836

Angleton
2801 N. Velasco, Suite C
Angleton, TX 77515
979-849-8297

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



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

Report on Compliance and Other Matters

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

Purpose of This Report

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

KM&L, LLC

Lake Jackson, Texas
June 23, 2025



Independent Auditor's Report

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

To the Honorable County Judge
and Members of Commissioners Court
Wharton County, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Wharton County, Texas' (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and 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, 2024. 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, 2024.

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 TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

KM&L, LLC

Lake Jackson, Texas
June 23, 2025

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WHARTON COUNTY, TEXAS

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2024

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unmodified.
2. No internal control findings required to be reported in this schedule, were disclosed in the audit of the financial statements.
3. Noncompliance, which is material to the financial statements: None.
4. No internal control findings, that are required to be reported in this schedule, was disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): No; the Texas Grant Management Standards Section 510(a): No
7. Major programs include:
 - Federal:
 - 14.228 Community Development Block Grant/State's Program
 - 21.027 Coronavirus State and Local Fiscal Recovery Act
 - State:
 - SB22 - Rural Law Enforcement Salary Assistance Program
8. Dollar threshold used to distinguish between Type A and Type B programs:
Federal - \$ 750,000; State: - \$ 750,000.
9. Low Risk Auditee: Federal - Yes; State - No.

II. Findings related to the financial statements.

The audit disclosed no findings required to be reported.

III. Findings and questioned costs related to the federal and state awards.

The audit disclosed no findings and questioned costs required to be reported.



The County of Wharton

Wharton County Courthouse Annex
309 E. Milam Street, Suite 300
Wharton, Texas 77488-5074
(979) 532-2640
(979) 532-8820 Fax

Barbara A. Starling
Wharton County Auditor

Donna Howard, Assistant Auditor
Christa Albrecht, Assistant Auditor
Susie Rodriguez, Assistant Auditor
Jessica Sanchez, Assistant Auditor

Federal:

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

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

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

None.

State:

In accordance with the Texas Grant Management Standards, the auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings. This summary schedule of prior audit findings must report the status of the following:

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

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

None.



The County of Wharton

Wharton County Courthouse Annex

309 E. Milam Street, Suite 300

Wharton, Texas 77488-5074

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Wharton County Auditor

Donna Howard, Assistant Auditor
Christa Albrecht, Assistant Auditor
Susie Rodriguez, Assistant Auditor
Jessica Sanchez, Assistant Auditor

Federal:

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

None.

State:

In accordance with the Texas Grant Management Standards, the auditee must prepare, in a document separate from the auditor's findings a corrective action plan must be presented to address each finding included in the current year auditor's reports. The corrective action plan is as follows:

None.

WHARTON COUNTY, TEXAS*Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024*Exhibit 24
Page 1 of 2

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Contract/ Program Number	Expenditures or Award Amount
U.S. Department of Housing and Urban Development:			
Passed Through Texas General Land Office:			
Community Development Block Grants/State's Program	14.228	20-065-107-C294	\$ 1,034,959
Community Development Block Grants/State's Program	14.228	24-065-032-E487	567,874
Community Development Block Grants/State's Program	14.228	20-066-009-C052	266,192
Passed Through Texas Department of Agriculture:			
Community Development Block Grants/State's Program	14.228	7220500	<u>3,850</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 1,872,875</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	--	\$ <u>3,316</u>
			<u>3,316</u>
Passed Through Texas Office of the Governor:			
Crime Victim Assistance Grant	16.575	4315703	<u>76,110</u>
			<u>76,110</u>
Passed Through Texas Office of the Governor:			
Violence Against Women Formula Grants	16.588	4477402	<u>17,889</u>
			<u>17,889</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 97,315</u>
U.S. Department of Treasury:			
Direct Program:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	--	\$ <u>1,699,058</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u>\$ 1,699,058</u>
U.S. Department of National Endowments for Humanities:			
Direct Program:			
Grants to States	45.310	--	\$ <u>1,373</u>
TOTAL U.S. DEPARTMENT OF NATIONAL ENDOWMENT FOR HUMANITIES			<u>\$ 1,373</u>
U.S. Department of Health and Human Services:			
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E	93.658	HHS000285000026	\$ <u>2,697</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 2,697</u>

(continued)

WHARTON COUNTY, TEXAS*Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024*Exhibit 24
Page 2 of 2

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Contract/ Program Number	Expenditures or Award Amount
U.S. Department of Homeland Security:			
Passed Through the Texas Division of Emergency Management:			
Disaster Grants - Public Assistance	97.036	4798-DR-TX-136	\$ 42,410
Disaster Grants - Public Assistance	97.036	4798-DR-TX-142	7,726
			<u>50,136</u>
Passed Through Texas Office of the Governor:			
Homeland Security Grant Program	97.067	3930905	52,650
Homeland Security Grant Program	97.067	3930906	48,746
Homeland Security Grant Program	97.067	4253503	76,944
			<u>178,340</u>
 TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			 \$ <u>228,476</u>
 TOTAL FEDERAL ASSISTANCE			 \$ <u>3,901,794</u>
 TOTAL MAJOR PROGRAMS			 \$ <u>3,571,933</u>
 TYPE A PROGRAM			 \$ <u>750,000</u>

WHARTON COUNTY, TEXAS

Exhibit 25

*Schedule of Expenditures of State Awards
For the Year Ended December 31, 2024*

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Commission on Environmental Quality: Passed Through Houston-Galveston Area Council: Solid Waste Implementation Grant	24-16-11-3	\$ <u>50,370</u>
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		\$ <u>50,370</u>
Office of Attorney General: Direct Program: Texas Victim Information and Notification Everyday (VINE)	C-01192	\$ <u>18,030</u>
TOTAL OFFICE OF ATTORNEY GENERAL		\$ <u>18,030</u>
Texas Office of Court Administration: Direct Program: Indigent Defense Formula Grant	212-24-241	\$ <u>41,697</u>
TOTAL TEXAS OFFICE OF COURT ADMINISTRATION		\$ <u>41,697</u>
Texas State Comptroller: Direct Program: SB22 - Sheriff's Office Rural Law Enforcement Salary Assistance Program SB22 - County Attorney Rural Law Enforcement Salary Assistance Program SB22 - District Attorney Rural Law Enforcement Salary Assistance Program	IA-0000000412 IA-0000000079 IA-0000000415	\$ 350,000 56,246 <u>106,919</u>
TOTAL TEXAS STATE COMPTROLLER		\$ <u>513,165</u>
Texas Office of the Governor: Direct Program: Operation Lone Star Grant	4389501	\$ <u>96,060</u>
TOTAL TEXAS OFFICE OF THE GOVERNOR		\$ <u>96,060</u>
Texas Water Development Board: Direct Program: Caney Creek Basin Flood Protection Study Caney Creek Basin Flood Protection Study	G1001283 G1001484	\$ 67,570 <u>168,790</u>
TOTAL TEXAS WATER DEVELOPMENT BOARD		\$ <u>236,360</u>
TOTAL STATE ASSISTANCE		\$ <u>955,682</u>
TOTAL MAJOR PROGRAMS		\$ <u>513,165</u>
TYPE A PROGRAM		\$ <u>750,000</u>

WHARTON COUNTY, TEXAS

*Notes to the Schedules of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024*

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of Wharton County, Texas (the "County") under programs of the federal government for the year ended December 31, 2024. The information in these Schedules are presented in accordance with the requirements of Office of Management and Budget (OMB) Uniform Guidance (federal awards) and the requirements of the Texas Grant Management Standards (state awards). Because the Schedules present only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County accounts for all federal awards under programs of the federal and state government in the General and Special Revenue Funds. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal and state grant funds for governmental funds are considered to be earned to the extent of expenditures made under the provisions of the grant. When such funds are advanced to the County, they are recorded as unearned revenues until earned. Otherwise, federal grant funds are received on a reimbursement basis from the respective federal program agencies. Generally, unused balances are returned to the grantor at the close of specified project periods.

NOTE 3 - INDIRECT COST RATE

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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