



Annual Comprehensive Financial Report

For Fiscal Year Ended

September 30, 2022

KLEBERG COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Kleberg County, Texas
Annual Comprehensive Financial Report
For The Year Ended September 30, 2022

TABLE OF CONTENTS

	Page	Exhibit/Table
FINANCIAL SECTION		
Independent Auditors' Report.....	1	
Management's Discussion and Analysis (Required Supplementary Information).....	4	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	16	Exhibit A-1
Statement of Activities.....	17	Exhibit A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	19	Exhibit A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	21	Exhibit A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	22	Exhibit A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	24	Exhibit A-6
Statement of Net Position - Internal Service Funds.....		
Statement of Revenues, Expenses, and Changes in		
Fund Net Position - Internal Service Funds.....	26	Exhibit A-8
Statement of Cash Flows - Proprietary Funds.....	27	Exhibit A-9
Statement of Fiduciary Net Position - Fiduciary Funds.....	28	Exhibit A-10
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	29	Exhibit A-11
Notes to the Financial Statements	30	
<u>Required Supplementary Information</u>		
Budgetary Comparison Schedules:		
General Fund.....	52	Exhibit B-1
Road & Bridge.....	57	Exhibit B-2
COVID-ARPA.....	58	Exhibit B-3
Schedule of the County's Proportionate Share of the		
Net Pension Liability - TCDRS	59	Exhibit B-4
Schedule of County's Contributions - TCDRS	60	Exhibit B-5
Notes to the Schedule of TCDRS Proportionate Share	61	
Schedule of the County's Proportionate Share of the		
Net OPEB Liability - OPEB Plan.....	61	Exhibit B-6
Notes to Required Supplementary Information.....	63	

Kleberg County, Texas
 Annual Comprehensive Financial Report
 For The Year Ended September 30, 2022

TABLE OF CONTENTS

	Page	Exhibit/Table
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	64	Exhibit C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Nonmajor Governmental Funds.....	65	Exhibit C-2
<u>Special Revenue Funds:</u>		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	66	Exhibit C-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	77	Exhibit C-4
<u>Budgetary Comparison Schedules:</u>		
TASK FORCE PROGRAM INCOME.....	88	Exhibit C-5
Sheriff Chapter 59 Forfeiture.....	89	Exhibit C-6
CPS Exxon Building.....	90	Exhibit C-7
Community Supervision.....	91	Exhibit C-8
CSCD Personal Bond Fund.....	92	Exhibit C-9
TEXAS A&M UNIVERSITY FUND.....	93	Exhibit C-10
Records Management.....	94	Exhibit C-11
D.A.'s Forfeiture.....	95	Exhibit C-12
Human Services 1/1-12/31.....	96	Exhibit C-13
Human Services	97	Exhibit C-14
Human Services 10/1-9/30.....	98	Exhibit C-15
<u>Debt Service Funds:</u>		
<u>Budgetary Comparison Schedule:</u>		
Debt Service Fund.....	99	Exhibit C-16
<u>Capital Projects Funds:</u>		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	100	Exhibit C-17
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	101	Exhibit C-18
<u>Budgetary Comparison Schedule:</u>		
RODEO/OUTSIDE ARENA.....	102	Exhibit C-19
<u>Fiduciary Funds:</u>		
Combining Statement of Fiduciary Assets and Liabilities.....	103	Exhibit C-23
Combining Statement of Changes in Assets and Liabilities.....	107	Exhibit C-24

Kleberg County, Texas
 Annual Comprehensive Financial Report
 For The Year Ended September 30, 2022

TABLE OF CONTENTS

	Page	Exhibit/Table
OTHER SUPPLEMENTARY INFORMATION SECTION		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	111	
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.....	113	
Schedule of Findings and Questioned Costs	116	
Summary Schedule of Prior Audit Findings.....	118	
Corrective Action Plan.....	119	
Schedule of Expenditures of Federal Awards	120	Exhibit D-1
Notes to the Schedule of Expenditures of Federal Awards.....	123	

This page is left blank intentionally.

Financial Section

This page is left blank intentionally.

Raul Hernandez & Company, P.C.
Certified Public Accountants
5402 Holly Rd., Suite 102
Corpus Christi, Texas 78411
Office (361)980-0428 Fax (361)980-1002

Independent Auditors' Report

To the Commissioners' Court
Kleberg County, Texas
P.O. Box 72
Kingsville, Texas 78364

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kleberg County, Texas ("the County"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Kleberg County, Texas' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Kleberg County, Texas as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Kleberg County, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2022, Kleberg County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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 Kleberg County, Texas' 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.

Auditors' 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 GAAS 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 GAAS 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the County's proportionate share of the net pension liability and schedule of County pension contributions, and schedule of the County's proportionate share of the net OPEB liability and schedule of County OPEB contributions 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 Kleberg County, Texas' basic financial statements. The introductory combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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 is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2024 on our consideration of Kleberg County, Texas' 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 Kleberg County, Texas'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 Kleberg County, Texas' internal control over financial reporting and compliance.

Respectfully submitted,



Raul Hernandez and Company, P.C.

Corpus Christi, Texas
April 12, 2024

KLEBERG COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Kleberg County (the County) annual financial report presents Management's Discussion and Analysis (MD&A) of the County's financial performance during the fiscal year ended September 30, 2022. The MD&A should be read in conjunction with the transmittal letter found in the introductory section of this report and the County's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the Kleberg County exceeded its liabilities at the close of the most recent fiscal year by \$40,261,859 (net position). Of this amount, \$20,395,141, (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$25,863,234 of which, \$12,564,880 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,594,714, or 11%, of total general fund expenditures; these expenditures were \$511,679 more than 2021 due, in part, to increases in judicial, and public safety.
- The fund balance for the General fund increased to \$12,671,935 in 2022, an increase of \$2,466,692 from 2021.
- At the end of the current fiscal year, the deferred outflows of resources totaled \$1,004,426. Furthermore, deferred inflows of resources totaled \$5,314,198, while net pension liability is now a net pension asset, which totaled \$3,160,037.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer short- and long-term financial information about the activities the government operates like businesses. The County maintains one type of proprietary fund- an internal service fund. The Internal Service Fund is used to report activities of the County's self-insurance program. Because these services predominately benefit governmental rather than business-type functions, the Internal Service Fund is

KLEBERG COUNTY, TEXAS

reported with governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements.

- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Figure A-1 Major Features of the County’s Government-wide and Fund Financial Statements

<u>Type of Statements</u>	<u>Government-wide</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
<u>Scope</u>	Entire county Government (except Fiduciary funds) and the county’s component units	The activities of the county that are not proprietary or fiduciary	Activities of County similar to private business; self insurance	Instances in which the county is the trustee or agent for someone else’s resources
<u>Required Financial Statements</u>	<i>Statement of Net position</i> ----- <i>Statement of Activities</i>	<i>Balance Sheet</i> <i>Statement of revenues, expenditures & changes in fund balances</i> <i>Statement of cash flows</i>	<i>Statement of net position</i> ----- <i>Statement of rev, exp, & changes in net position</i> <i>Statement of flows</i>	<i>Statement of fiduciary net position</i> ----- <i>Statement of in fiduciary net position</i>
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial	Accrual accounting and economic focus	Accrual accounting and economic resources focus

Figure A-1 shows how the required parts of this annual financial report are arranged and relate to one another. In addition to these required elements, a section with combining statements that provides details about the non-major governmental funds and internal service funds is included.

Government-wide Statements

The two government-wide statements report the County’s net position and how they have changed. Net Position—the difference between the County’s assets and liabilities—is one way to measure the County’s financial health or position.

- Over time, increases or decreases in the County’s net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County’s tax base

The government-wide financial statements of the County include the *Governmental activities*. Most of the County’s basic services are included here, such as general government, public safety,

highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Commissioner's Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*- The County maintains one type of proprietary fund, an internal service fund. The Internal Service Fund is used to report activities of the County's self-insurance program. Because these services predominantly benefit governmental rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the *government-wide financial statements*.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

KLEBERG COUNTY, TEXAS

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position was \$40,261,859, and \$30,637,374, at September 30, 2022 and 2021, respectively. (See Table A-1).

**Table A-1
County's Net Position**

	Governmental Activities		Increase (Decrease)
	2022	2021	2022-2021
Current assets:			
Cash/Cash equivalents	23,779,622	26,603,901	(2,824,279)
Equity in Pooled Cash	706,363	1,445,936	(739,573)
Taxes Receivable	1,149,913	1,085,972	63,941
Accounts Receivable	991,582	595,719	395,863
Intergovernmental Receivable	2,310,210	571,366	1,738,844
Prepaid Items	78,486	75,275	3,211
Net other Postemployment Benefit Asset	3,160,037	-	3,160,037
Total current assets:	<u>\$ 32,176,213</u>	<u>\$ 30,378,169</u>	<u>1,798,044</u>
Capital Assets:			
Capital Assets	46,932,855	39,867,011	7,065,844
Less Accumulated Depreciation	(22,564,193)	(21,260,899)	(1,303,294)
Total capital assets:	<u>24,368,662</u>	<u>18,606,112</u>	<u>5,762,550</u>
Total Assets	<u>\$ 56,544,875</u>	<u>\$ 48,984,281</u>	<u>7,560,594</u>
Deferred Outflows of Resources			
Deferred Outflow Related to OPEB	5,784	7,417	(1,633)
Deferred Outflow Related to Pension Plan	889,889	2,322,474	(1,432,585)
Deferred Charge of Refunding Bonds	108,753	122,346	(13,593)
Total Deferred Outflows of Resources	<u>1,004,426</u>	<u>2,452,237</u>	<u>(1,447,811)</u>
Current Liabilities			
Accounts payable and other current liabilities	1,373,429	2,145,008	(771,579)
Accrued Wages Payable	201,941	32,233	169,708
Accrued Interest Payable	34,458	33,562	896
Due to Other Governments and Agencies	143,097	2,481,349	(2,338,252)
Due to Others	-	79,333	(79,333)
Unearned Revenue	10,207	10,207	-
Total current liabilities	<u>1,763,132</u>	<u>4,781,692</u>	<u>(3,018,560)</u>
Long-term liabilities:			
Due within one year	973,457	791,232	182,225
Due in more than one year	8,249,945	8,982,294	(732,349)
Right to Use Liability	135,919	-	135,919
Net Pension Liability - due in more than one year	-	3,897,108	(3,897,108)
Net OPEB Liability - due in more than one year	270,128	472,716	(202,588)
Total Liabilities	<u>\$ 11,392,581</u>	<u>\$ 18,925,042</u>	<u>(7,668,380)</u>
Deferred Inflows of Resources			
Deferred Amounts Related to OPEB	204,868	10,172	194,696
Deferred Amounts Related to Pensions	5,109,330	1,853,930	3,245,400
Total Deferred Inflows of Resources	<u>5,314,198</u>	<u>1,874,102</u>	<u>3,440,096</u>
Net Position:			
Net Investment in Capital Assets	15,429,028	9,313,824	6,115,204
Restricted For:			
Federal and State Programs	-	17,339	(17,339)
Debt Service	637,874	486,752	151,122
Capital Projects	3,799,816	663,086	3,136,730
Unrestricted	20,395,141	20,156,373	238,768
Total Net Position	<u>\$ 40,261,859</u>	<u>\$ 30,637,374</u>	<u>9,624,485</u>

KLEBERG COUNTY, TEXAS

The County's overall financial position has increased in the amount of \$9,624,485. The largest portion of the County's assets are invested in capital assets (e.g. land, construction in progress, infrastructure, buildings & improvements, machinery and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The unrestricted portion of net assets was \$20,395,141, or 49% of total net position, which is down \$238,768 due, in part, to a net decrease in net pension liability.

Table A-2
Kleberg County's Changes in Net position – Governmental Activities

	Governmental Activities		Increase (Decrease)
	2022	2021	2022-2021
Revenues:			
Program:			
Charges for services	\$ 5,988,876	\$ 3,809,457	\$ 2,179,419
Operating Grants & Contributions	11,677,358	5,597,557	6,079,801
Cap. Grants & Contributions	465,801	544,409	(78,608)
General:			
Property Taxes	12,892,555	12,669,311	223,244
Sales Taxes	2,810,827	2,544,109	266,718
Intergovernmental Revenues		2,979,615	(2,979,615)
Investment Income	200,881	150,972	49,909
Miscellaneous Revenues	170,906	849,460	(678,554)
Total Revenues	<u>\$ 34,207,204</u>	<u>\$ 29,144,890</u>	<u>\$ 5,062,314</u>
Cost of Services:			
General Government	4,230,244	6,058,772	(1,828,528)
Judicial	3,197,474	2,821,764	375,710
Public Safety	10,426,638	9,440,944	985,694
Public Transportation	1,447,929	1,658,097	(210,168)
Health and Welfare	968,763	2,991,459	(2,022,696)
Culture and Recreation	3,541,803	1,728,975	1,812,828
Conservation	105,150	2,617	102,533
Economic Development & Assistance	410,345	161,172	249,173
Interest on Long-term debt	254,373	344,938	(90,565)
Total Cost of Services	<u>\$ 24,582,719</u>	<u>\$ 25,208,738</u>	<u>\$ (626,019)</u>
Change in net assets	9,624,485	3,936,152	5,688,333
Net position - beginning	<u>30,637,374</u>	<u>26,701,222</u>	<u>3,936,152</u>
Net position - ending	<u>\$ 40,261,859</u>	<u>\$ 30,637,374</u>	<u>\$ 9,624,485</u>

KLEBERG COUNTY, TEXAS

Governmental Activities

- Property tax was up \$223,244, or 1.8%, due to an increase in all tax revenues in the General Fund. Net taxable property values was \$1,762,203,277, and the total tax levy was \$.738340.
- Operating Grants & Contributions increased \$6,079,801 due to a increases in Judicial, Public Safety, and Culture & Recreation program revenues compared to the prior year.

Revenues. The County's total revenues were \$34,207,204. A significant portion, 40%, of the County's revenue comes from property taxes. In addition, 31% comes from operating grants & contributions, and 18% relates to charges for services. (See Figure A-1 and Table A-2)

Figure A-1

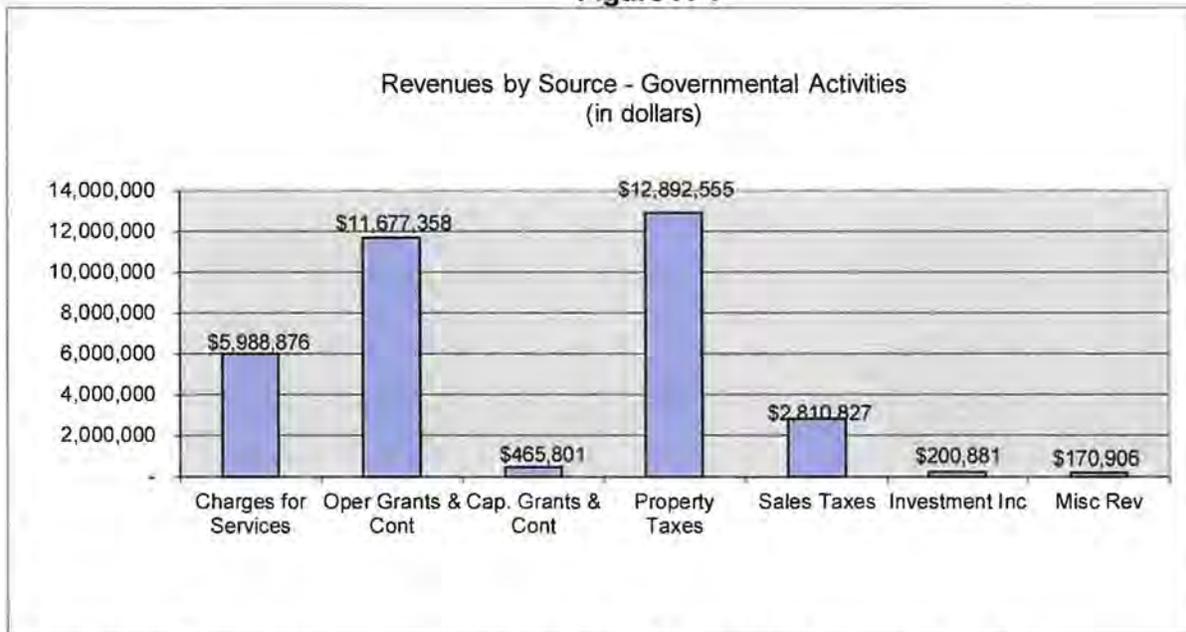


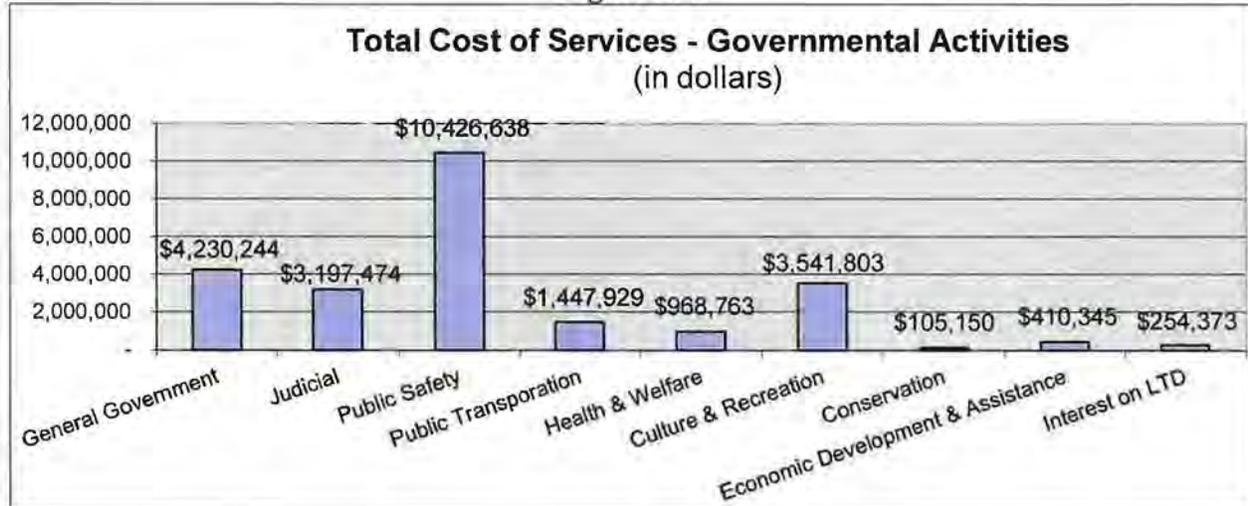
Table A-2 and Figure A-2 present the cost of each of the County's largest functions.

- The cost of all governmental activities this year was \$24,582,719. However, the amount that our taxpayers paid for these activities through property taxes was \$12,892,555.
- Some of the costs, \$5,988,876, or 18%, were paid by those who directly benefited from the programs such as human services, state juvenile and adult probationary fees, and fees of office.
- Of total costs, \$10,426,638 is attributed to Public Safety, which had a net increase from the prior year by \$985,694 due, in part, to the increase in expenditures in the General Fund, Sout Texas Task Force Federal, Operation Lone Star, Courthouse Security, and Operation Stonegarden Grants.

KLEBERG COUNTY, TEXAS

- Total costs of services were down (\$626,019), where health & welfare expenditures had the most significant decrease in the amount of (\$2,022,696). The majority of the health & welfare expenditure decrease was part of the Human Services 1/1-12/31 Fund.

Figure A-2



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. The County has maintained an AAA/Aaa bond rating since 1978.

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$25,865,234, a net increase of \$1,356,024 compared with the prior year. The largest decrease in fund balance was in the Task Force Program Income Fund.

The General fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,671,935 in contrast to \$10,131,147 in the prior year. The County, in 2022, had an increase in Taxes of \$1,102,722, which includes general property taxes, general sales & use taxes, gross receipts business taxes, and miscellaneous taxes. In addition, fines and forfeitures revenues increased by \$1,620,503, as part of an overall net increase for revenue in the amount of \$4,093,845.

KLEBERG COUNTY, TEXAS

The Debt Service Fund (County-wide) has a total fund balance of \$637,874, an increase of \$151,122. The reserves for the payment of debt service combined with the estimated first quarter collections on current year assessments will cover next year's scheduled debt. The increase in the net fund balance was the result of decreases in debt payments of principal, interest & fiscal charges, along with a decrease in bond issuance costs.

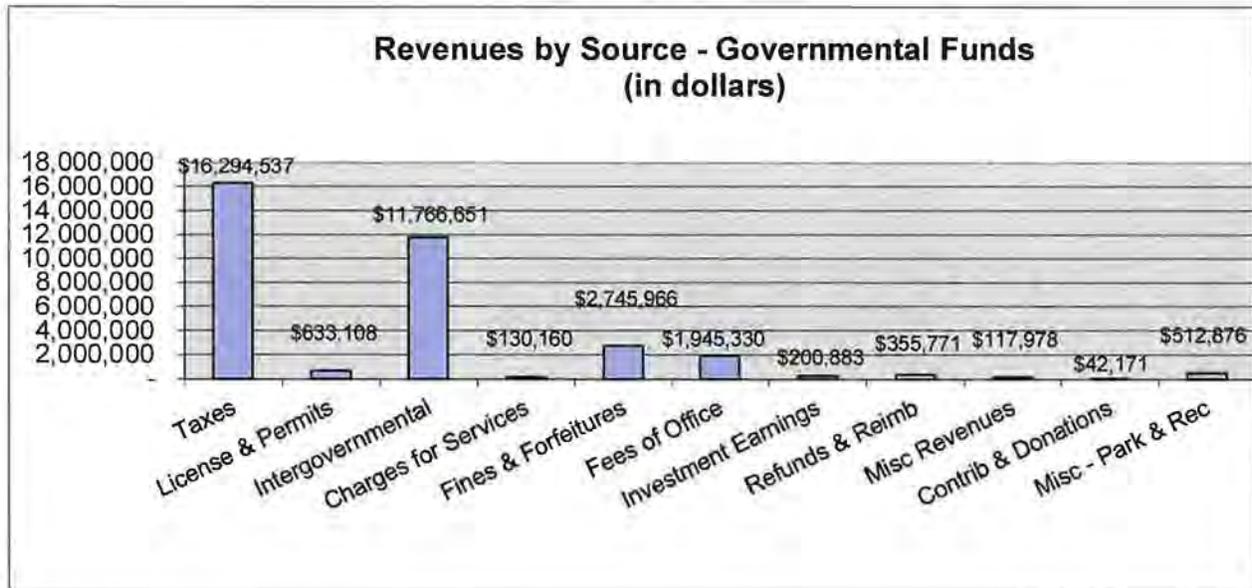
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$34,745,431, which was an increase of \$5,672,760 compared to the preceding year. The most significant variances in governmental fund revenues were derived from fines & forfeitures, and intergovernmental revenues, which increased \$1,620,503, and \$2,684,114, respectively. The increase in fines and forfeitures was due to, in part, increases in revenues for the General Fund, Road & Bridge Maintenance, and Sheriff Chapter 59 Forfeiture.

The County's primary source of revenue consists of taxes, which comprise 49% of the County's total revenues. In addition, intergovernmental, fines & forfeitures, and fees of office comprise 34%, 8.3%, and 5.9% of total revenues, respectively. The County's departments that charge for services include park & recreational, fees of office from justice of the peace precincts, and constables, which are all an important part of the County's revenues. They are an integral part of the County's ability to provide the services to which citizens have become accustomed. (See Figure A-3 and Table A-3

Figure A-3



KLEBERG COUNTY, TEXAS

**Table A-3
Governmental Funds – Revenues by Source***

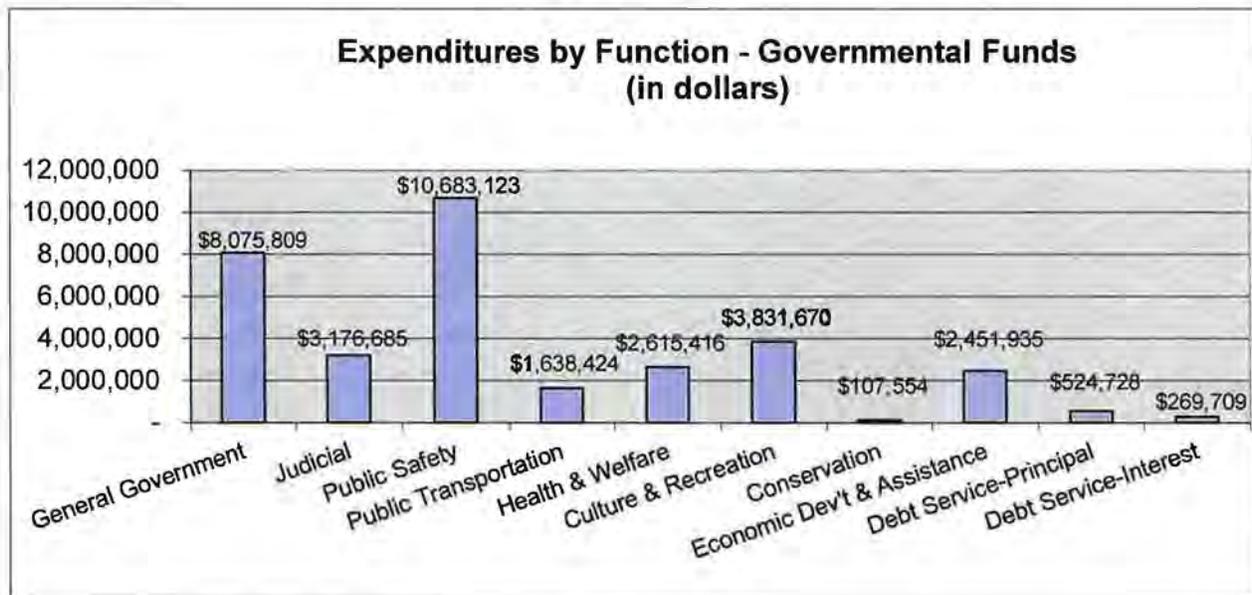
	FY 2022	FY 2021	Increase (Decrease)
Taxes	\$ 16,294,537	\$ 15,191,815	\$ 1,102,722
License and Permits	633,108	576,059	57,049
Intergovernmental	11,766,651	9,082,537	2,684,114
Charges for Services	130,160	38,756	91,404
Fines & Forfeitures	2,745,966	1,125,463	1,620,503
Fees of Office	1,945,330	1,680,946	264,384
Investment Earnings	200,883	151,004	49,879
Refunds & Reimbursements	355,771	303,603	52,168
Golf Course Revenue	-	35,235	(35,235)
Miscellaneous Revenues	117,978	799,842	(681,864)
Contributions & Donations	42,171	87,411	(45,240)
Misc - Park & Recreational	512,876	-	512,876
Total Revenues	\$ 34,745,431	\$ 29,072,671	\$ 5,672,760

(*) For comparative purposes: Taxes consists of General Property taxes, General Sales & Use taxes, and other miscellaneous taxes.

Expenditures

The County's primary expenditures were for public safety, general government, and culture & recreation categories. Public Safety accounts for 32% of total expenditures, and General Government now accounts for 24% of total expenditures. (See Figure A-4 and Table A-4)

Figure A-4



KLEBERG COUNTY, TEXAS

**Table A-4
Governmental Funds – Expenditures by Function**

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Increase (Decrease)</u>
General Government	\$ 8,075,809	\$ 6,202,802	\$ 1,873,007
Judicial	3,176,685	2,917,216	259,469
Public Safety	10,683,123	9,435,450	1,247,673
Public Transportation	1,638,424	1,724,207	(85,783)
Health and Welfare	2,615,416	2,914,717	(299,301)
Culture and Recreation	3,831,670	2,075,799	1,755,871
Conservation	107,554	-	107,554
Economic Development and Assistance	2,451,935	146,426	2,305,509
Debt Service:			
Principal	524,728	460,000	64,728
Interest and Fiscal Charges	269,709	197,042	
Bond Issuance Costs	-	140,034	(140,034)
Total Expenditures	<u>\$ 33,375,053</u>	<u>\$ 26,213,693</u>	<u>\$ 7,088,693</u>

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Increase (Decrease)</u>
Transfers In	\$ 381,935	\$ 837,853	\$ (455,918)
Transfers Out	\$ (581,935)	\$ (1,230,110)	
Right to Use Lease Proceeds	185,647	-	185,647
	<u>\$ (14,353)</u>	<u>\$ (392,257)</u>	<u>\$ (270,271)</u>

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$18,081,001 and expenditures of \$18,509,295, which both include transfers.

The following are significant variations between the final budget and actual amount.

- Actual revenues (excluding transfers) were higher than budgeted figures by \$180,269. Of this amount, Refunds & Reimbursements had the largest positive variance of \$256,080.
- Actual expenditures (excluding transfers) were \$2,343,797 below final budget amounts. The most significant positive variances were in the County Jail, Non-Departmental, and Sheriff departments which had positive variances of \$522,038, \$387,155, and \$163,414, respectively. County departments were encouraged to hold the line of salaries and expenditures to support the overall County budget due to the fact that the County was incurring higher costs on items such as medical insurance, data services, and utilities.

KLEBERG COUNTY, TEXAS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the County had invested \$46,932,858 in a broad range of capital assets, including land, construction in progress, infrastructure, buildings & improvements, and machinery & equipment. (See Table A-6.)

The capital assets of the County are those assets (land, construction in progress, infrastructure, buildings & improvements, and machinery & equipment), which are used in the performance of the County's functions. At September 30, 2022, net capital assets of the governmental activities totaled \$24,368,662. Depreciation on capital assets is recognized in the Government-wide financial statements. Accumulated depreciation for infrastructure, buildings & improvements, and equipment totaled \$22,564,196. More detailed information about the county's capital assets is presented in the notes to the financial statements on page 41.

Table A-6
County's Capital Assets

	<u>2022</u>	<u>2021</u>	<u>2022-2021</u>
Land	\$ 2,047,738	\$ 2,047,738	\$ -
Construction in Progress	9,606,505	5,885,878	3,720,627
Infrastructure	1,957,096	1,835,034	122,062
Buildings and Improvements	16,895,218	16,256,287	638,931
Machinery & Equipment	16,240,654	13,842,074	2,398,580
Right to Use Asset	185,647	-	185,647
Total at historical cost	<u>\$ 46,932,858</u>	<u>\$ 39,867,011</u>	<u>\$ 7,065,847</u>
Total Accumulated Depreciation	(22,564,196)	(21,260,899)	(1,303,297)
Net Capital Assets	<u>\$ 24,368,662</u>	<u>\$ 18,606,112</u>	<u>\$ 5,762,550</u>

Long Term Debt

At year-end, the County had \$9,241,232 in bonds, and compensated absences, as shown in Table A-7. The County's total debt had a net decrease from the prior year, due to additional bond debt payments in 2022. More detailed information about the County's debt is presented in the notes to the financial statements on page 51.

Table A-7
Long Term Debt

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ 8,615,000	\$ 9,090,000
Compensated absences	626,232	358,891
Total governmental activities	<u>\$ 9,241,232</u>	<u>\$ 9,448,891</u>

KLEBERG COUNTY, TEXAS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2023 budget preparation increased \$53,602,576 to \$1,650,025,970. With a tax rate of \$.77187, the County expects tax revenues to remain stable.
- General operating fund spending in the 2023 budget is expected to have a slight decrease as compared to 2022.
- All other funding sources are expected to stay somewhat stable with the above property tax providing the needed funding for 2022.

These indicators were taken into account when adopting the general fund budget for 2022. This budget will increase revenue from property taxes than last year's budget by an amount of \$455,442, which is an increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$175,279.

Expenditures are budgeted to increase.

If these estimates are realized, the County's budgetary general fund balance is expected to increase. If this estimate holds true, the County will have a fund balance of an estimated \$13,236,587. In light of the County's building fund balance, the Commissioners' Court is constantly monitoring the budget. Such concerns will also be reflected in the upcoming preparation of the 2022 budget to ensure that the County continues to build a positive fund balance.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

County Auditor's Department
700 East Kleberg
Kingsville, Texas 78363
(361)595-8526

This page is left blank intentionally.

Basic Financial Statements

This page is left blank intentionally.

KLEBERG COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 23,779,621
Equity in Pooled Cash	706,362
Taxes Receivables (net of allowances for uncollectibles):	1,149,913
Accounts Receivable	737,151
Intergovernmental Receivable	2,310,210
Prepaid items	77,221
Net Pension Asset	3,160,037
Capital Assets (net of accumulated depreciation):	
Land	2,047,738
Buildings and System	4,974,137
Improvements other than Buildings	965,868
Machinery and Equipment	4,982,918
Infrastructure	1,655,606
Construction in Progress	9,606,505
Right to Use Asset	135,890
Total Assets	<u>56,289,177</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to OPEB	5,784
Deferred Outflow Related to Pension Plan	889,889
Deferred Charge of Refunding Bonds	108,753
Total Deferred Outflows of Resources	<u>1,004,426</u>
LIABILITIES:	
Accounts Payable and Other Current Liabilities	1,372,163
Accrued Wages Payable	201,940
Accrued Interest Payable	34,458
Due to Other Governments and Agencies	143,097
Unearned Revenue	10,207
Noncurrent Liabilities-	
Due within one year	973,457
Due in more than one year	8,249,945
Right to Use Liability	135,919
Net OPEB Liability-due in more than one year	270,128
Total Liabilities	<u>11,391,314</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to OPEB	204,868
Deferred Amounts Related to Pensions	5,109,330
Total Deferred Inflows of Resources	<u>5,314,198</u>
NET POSITION:	
Net Investment in Capital Assets	15,429,028
Restricted For:	
Debt Service	637,874
Capital Projects	3,799,816
Unrestricted	20,395,141
Total Net Position	<u>\$ 40,261,859</u>

The accompanying notes are an integral part of this statement.

KLEBERG COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 4,230,244	\$ 2,848,135	\$ 2	\$ -
Judicial	3,197,474	60,844	3,999,749	-
Public Safety	10,426,638	1,299,217	2,211,240	-
Public Transportation	1,447,929	1,256,034	754,390	-
Health and Welfare	968,763	11,770	2,468,289	-
Culture and Recreation	3,541,803	512,876	-	465,801
Conservation	105,150	-	65,868	-
Economic Development and Assistance	410,345	-	2,177,820	-
Interest on Long-term Debt	254,373	--	--	-
Total Governmental Activities	<u>24,582,719</u>	<u>5,988,876</u>	<u>11,677,358</u>	<u>465,801</u>
Total Primary Government	<u>\$ 24,582,719</u>	<u>\$ 5,988,876</u>	<u>\$ 11,677,358</u>	<u>\$ 465,801</u>

General Revenues:
Property Taxes
Sales Taxes
Investment Income
Miscellaneous Revenues
Total General Revenues
Change in Net Assets
Net Position - Beginning
Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense)
Revenue and
Changes in
Net Position

Governmental
Activities

\$ (1,391,924)
863,119
(6,916,181)
562,495
1,511,296
(2,563,126)
(39,282)
1,767,475
(254,373)
(6,450,684)
(6,450,684)

12,892,555
2,810,827
200,881
170,906
16,075,169
9,624,485
30,637,374
\$ 40,261,859

KLEBERG COUNTY, TEXAS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Road & Bridge Maintenance</u>
ASSETS		
Assets:		
Cash and Cash Equivalents	\$ 13,271,409	\$ 678,854
Equity in Pooled Cash	-	-
Taxes Receivables (net of allowances for uncollectibles):	1,099,927	-
Accounts Receivable	219,732	58,284
Intergovernmental Receivable	195,893	-
Prepaid items	77,221	-
Total Assets	<u>\$ 14,864,182</u>	<u>\$ 737,138</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 819,566	\$ 66,398
Accrued Wages Payable	179,206	14,650
Due to Other Governments and Agencies	93,549	-
Deferred Revenue	-	-
Total Liabilities	<u>1,092,321</u>	<u>81,048</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue -- Property Taxes	1,099,926	-
Total Deferred Inflows of Resources	<u>1,099,926</u>	<u>-</u>
Fund Balances:		
Nonspendable	77,221	-
Restricted	-	656,090
Committed	-	-
Unassigned	12,594,714	-
Total Fund Balance	<u>12,671,935</u>	<u>656,090</u>
Total Liabilities and Fund Balance	<u>\$ 14,864,182</u>	<u>\$ 737,138</u>

The accompanying notes are an integral part of this statement.

<u>Debt Service Fund</u>	<u>COVID ARPA Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 637,569	\$ 3,422,321	\$ 5,754,406	\$ 23,764,559
-	-	706,362	706,362
49,986	-	-	1,149,913
305	228,466	227,501	734,288
-	-	2,114,317	2,310,210
-	-	-	77,221
<u>\$ 687,860</u>	<u>\$ 3,650,787</u>	<u>\$ 8,802,586</u>	<u>\$ 28,742,553</u>
\$ -	\$ 137,321	\$ 348,878	\$ 1,372,163
-	-	8,084	201,940
-	-	49,548	143,097
-	-	10,207	10,207
<u>-</u>	<u>137,321</u>	<u>416,717</u>	<u>1,727,407</u>
49,986	-	-	1,149,912
<u>49,986</u>	<u>-</u>	<u>-</u>	<u>1,149,912</u>
-	-	-	77,221
637,874	2,675,973	8,467,417	12,437,354
-	-	785,779	785,779
-	837,493	(867,327)	12,564,880
<u>637,874</u>	<u>3,513,466</u>	<u>8,385,869</u>	<u>25,865,234</u>
<u>\$ 687,860</u>	<u>\$ 3,650,787</u>	<u>\$ 8,802,586</u>	<u>\$ 28,742,553</u>

KLEBERG COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2022

Total fund balances - governmental funds balance sheet	\$ 25,865,234
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	24,232,772
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,149,912
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	17,925
Payables for bond principal which are not due in the current period are not reported in the funds.	(8,923,402)
Payables for right-to-use leases which are not due in the current period are not reported in the funds.	(135,919)
Payables for debt interest which are not due in the current period are not reported in the funds.	(34,458)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(626,232)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	3,160,037
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(5,109,330)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	889,889
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	108,753
Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds.	(270,128)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(204,868)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	5,784
Right-to-use lease assets used in governmental activities are not reported in the funds.	<u>135,890</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 40,261,859</u>

The accompanying notes are an integral part of this statement.

This page is left blank intentionally.

KLEBERG COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Road & Bridge Maintenance</u>
Revenue:		
Taxes:		
General Property Taxes	\$ 12,611,211	\$ -
General Sales and Use Taxes	2,810,827	-
Gross Receipts Business Taxes	-	-
Other Taxes - Miscellaneous	240,168	-
License and Permits	127,008	506,100
Intergovernmental	60,411	36,262
Charges for Services	9,845	-
Fines and Forfeitures	211,225	749,934
Fees of Office	1,104,807	-
Investment Earnings	106,988	4,992
Refunds & Reimbursements	355,771	-
Miscellaneous Revenues	96,048	11,378
Contributions & Donations	11,619	-
Miscellaneous-Park & Recreational	512,876	-
Total Revenues	<u>18,258,804</u>	<u>1,308,666</u>
Expenditures:		
Current:		
General Government	4,708,303	-
Judicial	2,333,894	-
Public Safety	6,939,896	-
Public Transportation	74,277	1,520,031
Health and Welfare	248,859	-
Culture and Recreation	915,925	-
Conservation	107,554	-
Economic Development and Assistance	-	-
Debt Service:		
Principal	35,498	1,665
Interest and Fiscal Charges	988	27
Total Expenditures	<u>15,365,194</u>	<u>1,521,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,893,610</u>	<u>(213,057)</u>
Other Financing Sources (Uses):		
Transfers In	2,466	-
Transfers Out	(579,469)	-
Right to Use Lease Proceeds	150,085	6,986
Total Other Financing Sources (Uses)	<u>(426,918)</u>	<u>6,986</u>
Net Change in Fund Balances	2,466,692	(206,071)
Fund Balances - Beginning	10,205,243	862,161
Fund Balances - Ending	<u>\$ 12,671,935</u>	<u>\$ 656,090</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

Debt Service Fund	COVID ARPA Fund	Other Governmental Funds	Total Governmental Funds
\$ 569,270	\$ --	\$ --	\$ 13,180,481
--	--	--	2,810,827
--	--	52,928	52,928
10,133	--	--	250,301
--	--	--	633,108
--	2,989,432	8,680,546	11,766,651
--	--	120,315	130,160
--	--	1,784,807	2,745,966
--	--	840,523	1,945,330
4,488	28,813	55,602	200,883
--	--	--	355,771
--	--	10,552	117,978
--	--	30,552	42,171
--	--	--	512,876
<u>583,891</u>	<u>3,018,245</u>	<u>11,575,825</u>	<u>34,745,431</u>
--	2,180,752	1,186,754	8,075,809
--	--	842,791	3,176,685
--	--	3,743,227	10,683,123
--	--	44,116	1,638,424
--	--	2,366,557	2,615,416
--	--	2,915,745	3,831,670
--	--	--	107,554
--	--	2,451,935	2,451,935
355,000	--	132,565	524,728
77,769	--	190,925	269,709
<u>432,769</u>	<u>2,180,752</u>	<u>13,874,615</u>	<u>33,375,053</u>
<u>151,122</u>	<u>837,493</u>	<u>(2,298,790)</u>	<u>1,370,378</u>
--	--	379,469	381,935
--	--	(2,466)	(581,935)
--	--	28,576	185,647
--	--	405,579	(14,353)
151,122	837,493	(1,893,211)	1,356,025
486,752	2,675,973	10,279,080	24,509,209
<u>\$ 637,874</u>	<u>\$ 3,513,466</u>	<u>\$ 8,385,869</u>	<u>\$ 25,865,234</u>

KLEBERG COUNTY, TEXAS
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net change in fund balances - total governmental funds	\$ 1,356,025
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	6,881,190
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,118,640)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(538,227)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	475,000
Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA.	49,728
(Increase) decrease in accrued interest from beginning of period to end of period.	15,336
The net revenue (expense) of internal service funds is reported with governmental activities.	(19,783)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(267,340)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	2,976,844
Proceeds of right-to-use leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(185,647)
Rounding difference	(1)
Change in net position of governmental activities - Statement of Activities	<u>\$ 9,624,485</u>

The accompanying notes are an integral part of this statement.

KLEBERG COUNTY, TEXAS

STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

	Internal Service Funds
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 15,057
Investments	
Receivables (net of allowances for uncollectibles):	2,863
Total Current Assets	<u>17,920</u>
Noncurrent Assets:	
Restricted Cash, Cash Equivalents and Investments-	
Investments	6
Total Noncurrent Assets	<u>6</u>
Total Assets	<u>\$ 17,926</u>
LIABILITIES:	
Current Liabilities:	
Current Liabilities Payable from Restricted Assets-	
Total Liabilities	<u>—</u>
NET POSITION:	
Total Net Position	<u>\$ 17,926</u>

The accompanying notes are an integral part of this statement.

KLEBERG COUNTY, TEXASSTATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Internal Service Funds
OPERATING REVENUES:	
Total Operating Revenues	\$ —
OPERATING EXPENSES:	
Insurance premiums and Claims	219,783
Total Operating Expenses	219,783
Operating Income	(219,783)
NON-OPERATING REVENUES (EXPENSES):	
Total Non-operating Revenues (Expenses)	—
Income before Transfers	(219,783)
Interfund Transfers In	200,000
Change in Net Assets	(19,783)
Total Net Assets - Beginning	37,709
Total Net Assets - Ending	\$ 17,926

The accompanying notes are an integral part of this statement.

KLEBERG COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash Receipts (Payments) for Interfund Services provided and used:	
Operating Transactions with Other Funds	\$ --
Cash Payments to Other Suppliers for Goods and Services	(223,702)
Net Cash Provided (Used) by Operating Activities	<u>(223,702)</u>
Cash Flows from Non-capital Financing Activities:	
Proceeds (Payments) from (for) Interfund Borrowings	--
Transfers From (To) Primary Government	200,000
Net Cash Provided (Used) by Non-capital Financing Activities	<u>200,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(23,702)
Cash and Cash Equivalents at Beginning of Year	38,765
Cash and Cash Equivalents at End of Year	<u>\$ 15,063</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (219,794)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	--
Increase (Decrease) in Accounts Payable	(3,908)
Increase (Decrease) in Unearned Revenue	--
Total Adjustments	<u>(3,908)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (223,702)</u>

The accompanying notes are an integral part of this statement.

KLEBERG COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Total Fiduciary Funds
ASSETS:	
Cash and Cash Equivalents	\$ 6,240,537
Account Receivable	-
Total Assets	<u>6,240,537</u>
LIABILITIES:	
Due to Other Governments and Agencies	1,444,943
Total Liabilities	<u>1,444,943</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	4,795,594
Total Net Position	<u>\$ 4,795,594</u>

The accompanying notes are an integral part of this statement.

KLEBERG COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Investment Trust Funds	Custodial Funds	Total Fiduciary Funds
ADDITIONS:			
Contributions	\$ --	\$ --	\$ --
Governmental fees collected	--	--	--
Taxes collected for other governments	--	54,586,927	54,586,927
Payroll funds collected	--	7,159,488	7,159,488
Other funds collected	4,731,101	3,343,134	8,074,235
Total Additions	<u>4,731,101</u>	<u>65,089,549</u>	<u>69,820,650</u>
DEDUCTIONS:			
Texas remitted to other governments	--	54,605,494	54,605,494
Payroll funds remitted	--	7,159,488	7,159,488
Other funds remitted	1,345,987	3,310,853	4,656,840
Total Deductions	<u>1,345,987</u>	<u>65,075,835</u>	<u>66,421,822</u>
Change in Fiduciary Net Position	3,385,114	13,714	3,398,828
Net Position-Beginning of the Year	--	--	--
Prior Period Adjustment	286,579	1,110,187	1,396,766
Net Position-End of the Year	<u>\$ 3,671,693</u>	<u>\$ 1,123,901</u>	<u>\$ 4,795,594</u>

The accompanying notes are an integral part of this statement.

This page is left blank intentionally.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

A. Summary of Significant Accounting Policies

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally acceptable in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in Governmental Accounting and Financial Reporting Standards. The financial report has been prepared in accordance with GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", issued in June 1999 and implemented by the County in fiscal year 2004. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues which rely to a significant extent on fees and charges for support.

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

Separate fund financial statements are provided for the governmental funds, interest and sinking fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The general fund and the District Attorney's forfeiture fund are major funds and the debt service fund and road and bridge fund are designated as major funds and are reported in separate columns in the fund financial statements.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

3. Measurement focus, basis of accounting, and financial statement presentation

Government-wide and Fiduciary Fund Financial Statements:

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Intergovernmental revenues, rents, commissions, 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. All other revenue items are considered to be measurable and available only when cash is received by the County, which includes, delinquent property taxes, licenses, fees and fines. For grants, like the government-wide financial statements, the revenue is recognized when all the eligibility requirements have been met.

When the county incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

The County reports four major governmental funds:

The General Fund is the County's primary operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

The COVID ARPA fund is used to account for the COVID-19 ARPA revenues and expenditures.

The Debt Service Fund accounts for tax levies and other funds used to meet annual principle and interest payment requirements on the outstanding general obligation debt and outstanding lease purchase contracts.

The Road and Bridge Fund is a special revenue fund used to account for certain types of fines and forfeitures, licenses and permits, and intergovernmental revenues. Expenditures related to road and bridge maintenance are accounted for in this fund.

All other governmental funds are combined and reported as non-major. Non-major funds included parks, grants and other special revenue funds.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Additionally, the County reports the following fund types:

Internal service funds accounted for and financed the County's uninsured risks of loss from group health insurance. Expenses are for benefits, claims and administrative expenses which were incurred in 2022. Proprietary funds distinguish operation revenues and expenses from non-operating. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal and ongoing operations.

According to GASB Statement No. 84 Fiduciary Activities, Fiduciary funds are used to account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. Proprietary funds are similar. Custodial funds are used to report fiduciary activities that are not required to be reported in any other type of fiduciary funds. Investment trust funds are used to report fiduciary activities from the external portion of investment pools and individual accounts that are held in a trust that meet the criteria in paragraph 11c(1) of Statement 84. The County's custodial funds include assets and liabilities of the Sheriff, Justices of the Peace, Parks Department, Tax Assessor/Collector, Library, County Clerk, District Clerk, and County Attorney.

4. Assets, liabilities, and net assets

General Fund

a. Deposits and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than 90 days and local government pools. State statutes and the County's official Investment Policy authorize the County to invest in obligations of the U.S. and its agencies, certificates of deposit, local government pools, repurchase agreements, and direct obligations of states, agencies, counties, cities, and other political subdivisions of any state rated "A" or its equivalent.

Investments for the County are reported at fair value in accordance with provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. All investment income is recognized as revenue in the appropriate fund's statement of revenue, expenditures, and change in fund balance. Deposit and Investment Risk Disclosures are in accordance with GASB Statement No. 40.

b. Receivables and payables

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade receivables are directly written off when circumstances indicate a receivable is no longer collectible, usually within one year that the receivable was incurred.

Property taxes are levied prior to September 30, based on taxable value as of January 1, and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. On the governmental fund financial statements, outstanding property taxes receivable is reported as deferred revenue.

Accounts receivable include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and unearned revenue (a liability) at the time the contracts are approved and signed. Grant revenues are recognized when eligibility requirements established by the grantor have been met at which time unearned revenue (the liability account) is reduced.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Lending or borrowing between funds is reflected as "due to or due from" (current position) or "advances to/from other funds" (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund activity reflected in "due to or due from" is eliminated on the government-wide statements.

b. Inventories and Prepaid Items

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed. Inventory amounts at year-end were insignificant and therefore not reported on the financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and are accounted for under the purchases method.

Inventories of governmental funds are offset by a fund balance reserve which indicates that they do not constitute "available expendable resources" even though they are a component of net current assets.

c. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

d. **Receivable and Payable Balances**

Receivables as of September 30, 2022 for the general fund and non-major funds including the applicable allowances for uncollectible accounts, are as follows:

	General & Other Major Funds	Non-major Funds	Total Governmental Funds	Internal Service Fund	Total Governmental Activities
Receivables:					
Taxes	\$ 1,493,392	\$ —	\$ 1,493,392	\$ —	\$ 1,493,392
Accounts	506,787	481,932	988,719	--	988,719
Intergovernmental	195,893	2,114,317	2,310,210	--	2,310,210
Gross Receivables	2,196,072	2,596,249	4,792,321	--	4,792,321
Less: allowance for uncollectible taxes	(343,480)	—	(343,480)	--	(343,480)
Net total receivables	\$ 1,852,592	\$ 2,596,249	\$ 4,448,841	\$ --	\$ 4,448,841

Governmental funds report deferred revenue 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.

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

e. **Compensated Absences**

Accumulated vacation and comp time is accrued when incurred and reported in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

f. **Interfund Activity**

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide net assets.

See Note F for interfund balances and activity.

f. **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

i. Fund Equity

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts for Road & Bridge improvements, State & Federal grants, and Debt Service Fund.

Committed Fund Balance - represents amounts that can only be used for a specific purpose pursuant to constraints imposed by County ordinance or resolution no later than the close of the fiscal year. Committed amounts cannot be used for any other purpose unless the Board of Commissioners removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Commissioners. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. County ordinance and resolution are equally difficult to remove the constraint on fund balance. The committed fund balance represent amounts for Asset Forfeitures, Golf Course Fund, and CSCD Personal Bond Unit.

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners Court authorizes the Count Auditor to assign fund balance. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself. When the Commissioners Court elects to assign a fund balance, they instruct the County Auditor to do so based on the specific purpose brought to their attention. These amounts represent purchases on order and subsequent year's budget appropriation of fund balance.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds

j. Certain reclassifications have been made to prior year amounts in order to conform to current year presentation.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

k. Implementation of New Standards

The County has adopted all current GASB pronouncements that are applicable to its operations and activities. The accounting principles governing the reported amounts, financial presentations, and disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various standards-setting bodies.

The County has implemented GASB 87 for reporting leases during the reporting period. A right to use lease is defined as a contract that conveys control of another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a lease, the lease must meet the definition of "long-term" lease provided in GASB 87 and must meet the capitalization level set by the Commissioners' Court. The right to use liability is reported in the government-wide statements. The lease liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease and the interest included in the lease payment is recorded as an expense.

With GASB 87, the initial measure of a new right to use lease arrangement is reported in government fund types as an other financial source during the current period. Monthly payments are reported as principal and interest payments during the reporting period of the fund level statements.

The right to use lease asset capitalization level is determined by the Commissioners' Court. The term of the lease must be the noncancelable period during which the County has the right to use the tangible assets of another entity plus any periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised, plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87. If the lease is in a governmental fund, the full amount of the lease asset will be reported as an expenditure in the fund level statements the year the agreement is made.

GASB 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows of resources are the acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are incorporated into the definitions of the required components of the residual measure and that measure is renamed as net position, rather than net assets.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

B. Compliance and Accountability

1. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end:

Fund Name	Deficit Amount
KC Mitigation Action Plan	(33,296)
CCRTA Grant	(3,883)
Human Services 1/1 - 12/31	(340,796)
Kleberg 2014 CTIF Grant	(13,985)
Targeted Specific Grant	(8,698)
Juvenile Probation Fund	(34,583)
Operation Stonegarden Grants	(114,325)
Operation Lone Star	(227,079)
Houston HIDTA Grant	(8,540)
Operation Stonegarden Grant	(49,792)
Human Services	(164,917)
Other Special Revenue Funds	(92,107)
CEAP ARPA Fund	(6,057)
LIHWAP Grant Fund	(8,398)
Rural Business Development Grant	(74,310)

2. Excess of expenditures over appropriations

The County did not have excess of expenditures over appropriations, at the legal control by an individual fund.

3. Budgetary Data

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

The commissioner's court may levy taxes only in accordance with the budget. After final approval of the budget, the commissioner's court may spend county funds only in strict compliance with the budget, except in an emergency. The commissioner's court may authorize an emergency expenditure as an amendment to the original budget only in case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. If the court amends the original budget to meet an emergency, the court must file a copy of its order amending the budget with the county clerk and the county clerk shall attach the copy to the original budget. Only the commissioner's court may amend the budget and shift funds from one budget account to another.

The original budget is adopted by the commissioner's court and filed with the county clerk. Amendments are made during the year and approved by the commissioner's court. The budget should not be exceeded in any expenditure category under state law. The budget was amended to reflect as close as possible revenues and expenditures for the twelve month period. Certain categories exceeded the budget estimates. These variances were due to the fluctuations in revenues and expenditures as opposed to the prorated budget estimates.

The county judge is by statute, the budget officer of the county. He usually requests and relies on the assistance of the county auditor to prepare the annual budget. After being furnished budget guidelines by the commissioner's court, the county judge, with the help of the county auditor, he prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to commissioner's court.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

The commissioner's court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, commissioner's court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available resources. Also, amendments can be made within the above guidelines.

When the budget has been adopted by the commissioner's court, the county auditor is responsible for monitoring the expenditures of the various departments of the county to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the commissioner's court advised of the condition of the various funds and accounts. Appropriations lapse at year-end.

Budgets for the general fund and budgeted special revenue, debt service and budgeted capital projects funds are prepared and adopted in accordance with generally accepted accounting principles (GAAP).

The following funds had adopted budgets for the fiscal year ended September 30, 2021:

- General Fund
- Road and Bridge Fund
- D.A.'s Forfeiture Fund
- CPS Exxon Building
- Human Services 1/1-12/31
- Task Force Program Income
- COVID ARPA Fund
- Debt Service Fund
- Sheriff Chapter 59 Forfeiture
- Community Supervision
- Human Services
- Texas A&M University Fund
- CSCD Personal Bond Fund
- Human Services 10/1-9/30
- Rodeo/Outside Arena Fund
- Records Management

The level of control is the fund. By state law, expenditures can exceed appropriations as long as the amounts do not exceed the available revenues and cash balances. Since revenues and expenditures are carefully monitored, it is believed that with GAAP basis, the county will be in compliance with state law.

The legal level of budgetary control (the level on which expenditures may not exceed appropriations) is on an object class basis. If total expenditures exceed appropriations and are in excess of revenues and available cash then transfers of appropriated amounts must be made and approval must be obtained from the commissioner's court. Management may not amend the budget. All amendments must be made by and approved by the commissioner's court.

C. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than 90 days, and local government pools. The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Cash and Investments

Texas statutes authorize the County to invest in (1) obligations of the U.S. Treasury or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties or cities rated "A" or better by a national investment rating firm; (5) certificates of deposit that are insured by the Federal Deposit Insurance Corporation (FDIC) or secured by obligations having a fair value of at least the principal amount of the certificates; (6) fully collateralized direct repurchase agreements; and (7) local government pools.

1. Cash & Cash Equivalents

At September 30, 2022, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$31,073,249 and the bank balance was \$33,170,479 and was entirely covered by FDIC insurance or properly secured by collateral held by the County's agent in the County's name.

2. Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. However, investment practices of the County were not in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County's investments at September 30, 2022 are shown below:

Investment or Investment Type	Maturity	Fair Value
Texpool (AAAm)	N/A	\$ 3,155,732
Texas Class		20,961,924
Total Investments		<u>\$ 24,117,656</u>

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investments value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Public Funds Investment Pools

Public Funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The County's investments in pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value, which equals fair value. A 2a7-like pool is one which is not registered with the Securities & Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of the certain related disclosures:

a. Credit Risks

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. It is the County's policy to conform to Texas statutes for authorized investments, as stated above. At the end of the period, the County was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name. This type of transaction is not addressed by the County's investment policy, and, therefore, is not an investment option for the County at this time.

At the end of the period, the County was not exposed to custodial credit risk.

c. Concentration of Risk

This risk is the risk of loss attributed to the magnitude of government's investment in a single issuer. At the end of the period, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk associated with changes in interest rates that will adversely affect the fair value of an investment. It is the County's policy that, in order to minimize risk of loss due to interest rate fluctuation, investment maturities will not exceed the anticipated cash flow requirements of the funds. At the end of the period, the County was not significantly exposed to interest rate risk.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At the end of the period, the County was not exposed to foreign currency risk.

D. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,047,738	\$ —	\$ —	\$ 2,047,738
Construction in progress	5,885,878	3,720,628	—	9,606,506
Total capital assets not being depreciated	7,933,616	3,720,628	—	11,654,244
Capital assets being depreciated:				
Infrastructure	1,835,034	122,062	—	1,957,096
Buildings and improvements	16,440,944	454,274	—	16,895,218
Equipment	13,842,074	2,398,580	—	16,240,654
Right to Use Asset	—	185,647	—	185,647
Total capital assets being depreciated	32,118,052	3,160,563	—	35,278,615
Less accumulated depreciation for:				
Infrastructure	(259,727)	(41,763)	—	(301,490)
Buildings and improvements	(10,626,915)	(307,306)	—	(10,934,221)
Equipment	(10,558,914)	(719,813)	—	(11,278,727)
Right to Use Asset	—	(49,756)	—	(49,756)
Total accumulated depreciation	(21,445,556)	(1,118,638)	—	(22,564,194)
Total capital assets being depreciated, net	10,672,496	2,041,925	—	12,714,421
Governmental activities capital assets, net	\$ 18,606,112	\$ 5,762,553	\$ —	\$ 24,368,665

Depreciation was charged to functions as follows:

Veterans Service	\$ 4,948
Emergency Management	2,649
Non-Departmental	367,276
Public Safety	161,523
District Attorney	29,771
Maintenance	15,783
Fire Protection	27,235
Constable	20,174
Sheriff	208,683
Courthouse Security	5,574
Airport Precinct 2	5,689
Weigh Station	1,700
Health & Welfare	163,261
Parks Department	66,711
Library	3,800
Seawind	17,451
Golf Course	10,843
County Agent	5,567
	\$ 1,118,638

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

E. Interfund Balances and Activity

1. Interfund Receivables and Payables

There were no Interfund Receivables or Payables at September 30, 2022.

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2022, consisted of the following:

Transfers From	Transfers To	Amount
General fund	Special Revenue Funds	\$ 379,469
Special Revenue Funds	General Fund	2,466
Total Governmental Fund Types		<u>381,935</u>
General Fund	Internal Service Fund	200,000
	Total	<u>\$ 581,935</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to established mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

F. Short-Term Debt Activity

None

G. Long-Term Obligations

1. Long-Term Obligation Activity

2018 General Obligation Bonds in the amount of \$3,115,000 due in annual installments of \$110,000 to \$220,000 through February 15, 2039. Interest rates at 3-4% due semi-annually on February 15th, and August 15th of each year. The proceeds of the above debt were received in the 2017-2018 fiscal year and were used for the construction of a CPS Exxon Building. The debt is serviced by the CPS Exxon Building fund.

2021 Certificates of Obligation Bonds in the amount of \$3,035,000 due in annual installments of \$200,000 to \$213,000 through September 30, 2041. Interest rates at 3.00% to 4.00% due semi-annually on February 15th and August 15th of each year. The proceeds of the above debt will be used to construct various capital projects.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Advance Refunding of Debt. On December 14, 2017, the County issued Limited Tax Refunding Bonds Series 2017 totaling \$3,945,000 with interest rates stated at 2.62% to advance refund \$3,945,000 of General Obligation Bonds Series 2009 with an interest rate of 3-4.5%. The net proceeds were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, \$3,725,000 of the Series 2009 bonds are considered to be defeased and the liability for those bonds was removed from the long-term debt. The deferred loss on defeasane of bonds, which is the difference between the reacquisition price and the net carrying amount of the refunded bonds, is being amortized over the life of the bonds. The refunding resulted in a gross debt service savings of \$222,665.66 and a net present value debt service savings of \$217,791.13 (or 5.977602% of the principal amount of the refunded bonds) which were used to refund the Series 2009 bonds and pay costs of issuance.

Deferred Charge on Refunding. At the government-wide financial statements (Exhibit A-1), the County reports cumulative charges of refunding as net deferred outflows in the amount of \$108,750.

The following is the general obligation outstanding at September 30, 2022:

Description	Interest Rates (%)	Date of Issuance	Date of Maturity	Bonds Outstanding
General Obligation Bonds, Series 2018	3.00%-4.00%	February 12, 2018	February 15, 2034	\$2,770,000
Limited Tax Refunding Bonds, Series 2017	2.62%	December 14, 2017	February 15, 2029	\$2,810,000
Bonds, Series 2021	3-4%	February 23, 2021	February 15, 2021	\$3,035,000

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2022.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 5,925,000	\$ --	\$ 120,000	\$ 5,805,000	\$ 240,000
Limited Tax Refunding bonds	3,165,000	--	355,000	2,810,000	370,000
Premium on Bonds	324,634	--	16,232	308,402	16,232
Compensated absences *	358,891	400,000	132,659	626,232	300,000
Right to Use Lease Liability	--	185,647	49,428	136,219	47,225
Total governmental activities	\$ 9,773,525	\$ 585,647	\$ 673,319	\$ 9,685,853	\$ 973,457

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General
Claims and judgments	Governmental	General

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

2. Debt Service Requirements

Debt Service Requirements or long-term debt at September 30, 2022, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 610,000	\$ 263,625	\$ 873,625
2024	625,000	245,325	870,325
2025	645,000	226,513	871,513
2026	665,000	207,739	872,739
2027	680,000	189,103	869,103
Thereafter	5,390,000	1,139,394	6,529,394
Totals	\$ 8,615,000	\$ 2,271,699	\$ 10,886,699

H. Leases

Right to Use Lease Liability

The County leases various pieces of equipment having an average of a 60-month term. The County has total payments of \$4,119 made monthly which consist of interest 2.00% to 4.00%. No assets were pledged as collateral for these leases.

Year Ending September 30,	
2023	\$ 48,835
2024	38,831
2025	33,159
2026	15,839
2027	863
Total Right to Use Lease Liability payments	137,529
Amount Representing Interest	(1,611)
Total Principal Payments	\$ 135,918

I. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County obtained general, law workers' compensation, major medical and unemployment insurance at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State to form the Texas Association of Counties plan (TAC), a Self-Funded Pool currently operating as a common risk management and insurance program. The County pays an annual premium to TAC for its above insurance coverage. The agreement for the formation of TAC provides that TAC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of re-insurance. The County continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. TAC's annual Financial Statements can be obtained at P.O. Box 2131, Austin, Texas 78768.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

J. Pension Plan

1. Plan Description

The County's pension plan ("Plan") is a non-traditional, joint contributory, defined benefit plan which provides retirement, disability and death benefits to Plan members and beneficiaries of Brooks County provides retirement, disability, and death for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is qualified pension under Section 401(a) of Internal Revenue Code. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 535 non traditional defined benefit plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) is available upon request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas statutes governing TCDRS (TCDRS ACT). Members can retire at ages 60 and above with 10 or more years of service with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more.

Members are vested after 8 years of employment with any organization with an accredited plan (not just the County), 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. Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Contributions

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 8% for the calendar year 2022. The deposit rate payable by the employee members is the rate of 4%, 5%, 6%, or 7.00% of compensation as adopted by the governing body of the employer within the options available in the TCDRS.

Employees of Kleberg County were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8.46% and 8.46% in calendar years 2021 and 2022, respectively. Kleberg County's contributions to TCDRS for the fiscal year ended September 30, 2022 were \$834,310 and were equal to the required contributions.

3. Discount Rate

The discount rate used to measure the total pension liability was 7.6%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 8.1%. The long-term expected rate of return 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 shown below are based on January 2021 information for a 10 year time horizon.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected minus Inflation) (2)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed Markets	MSCI World Ex USA (Net) Index	5.00%	3.80%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclay's U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	4.50%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&I Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90 Day U.S. Treasury	2.00%	-1.05%
Total		100.00%	

(1) Target asset allocation adopted at the March 2021 TCDRS board meeting.

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

(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.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

4. Changes in Net Pension Liability/Asset

At December 31, 2021, Kleberg County reported a net pension asset of \$3,160,038. The changes in net pension liability were as follows:

	Total Pension Liability (a)	Increase (Decrease)	
		Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2020	\$ 51,127,871	\$ 47,230,764	\$ 3,897,107
Changes for the year			
Service cost	1,055,563	-	1,055,563
Interest on total pension liability	3,843,665	-	3,843,665
Change in benefit terms	-	-	-
Diff between expected/actual experience	(82,313)	-	(82,313)
Changes of assumptions	(298,462)	-	(298,462)
Contributions - employer	-	804,758	(804,758)
Contributions - employee	-	671,681	(671,681)
Net investment income	-	10,167,228	(10,167,228)
Benefit payments, including refunds of employee contributions	(3,277,915)	(3,277,915)	-
Administrative expenses	-	(30,042)	30,042
Other Charges	-	(38,027)	38,027
Net Changes	1,240,538	8,297,683	(7,057,145)
Balance at 12/31/2021	\$ 52,368,409	\$ 55,528,447	\$ (3,160,038)

The net pension asset was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

5. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-point higher (8.60) than the current rate.

	Discount Rate (6.6%)	Discount Rate (7.6%)	Discount Rate (8.6%)
County's net pension liability	\$ 58,801,516	\$ 52,368,409	\$ 46,961,286
Fiduciary net position	55,528,547	55,528,447	55,528,547
Net pension liability / (asset)	\$ 3,272,969	\$ (3,160,038)	\$ (8,567,261)

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

6. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the District recognized pension expense of \$1,667,323.

At September 30, 2022 the County reported deferred outflows and resources and deferred inflows of resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization) \$	—	\$ 39,334
Changes in actual assumptions	290,356	74,615
Differences between projected and actual investment earnings (net of current year amortization)	—	4,995,381
Contributions subsequent to the measurement date	599,533	—
Total	\$ 889,889	\$ 5,109,330

\$580,333 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year ending September 30:	
2023	\$ (1,113,652)
2024	\$ (1,453,672)
2025	\$ (1,188,060)
2026	\$ (1,063,590)
2027	\$ —
Thereafter	—

K. Other Post-Employment Benefits

1. Plan Description

The County provides retiree coverage that has a subsidy by the employer sponsor, so there are costs determined under GASB 75. The County provides medical, dental, and vision benefits to eligible retirees and their dependents. The County pays the full individual contribution rate for the medical. The retiree pays for any dependent medical coverage elected and the full premium for dental and vision coverage. All active employees who retire directly from the County and meet the eligibility criteria may participate.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 was enacted on December 8, 2003. As a result of this legislation, employers providing drug coverage to Medicare eligible retirees, that is, at least actuarially equivalent to the standard benefit provided by Medicare, may be eligible to receive a federal subsidy. GASB has taken the position that any federal subsidy received should be reported as revenue to the plan sponsor and not used as an offset to the GASB liabilities.

2. Benefits Provided

The County provides medical, dental, and vision benefits to eligible retirees and their spouses. The County pays 100% of the individual coverage contribution rate for the medical plan for the eligible retirees under 65. The retiree pays additional premium above the individual rate for dependent coverage. The dental and vision benefits are paid for entirely by the retiree with no contribution from the County.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

3. Contributions

Employees for the County were required to contribute 0% of their annual gross earnings during the fiscal year. The contribution rates for the County were 0% and 0% in calendar year 2021 and 2022, respectively. The County's contributions to TCDRS for the year ended September 30, 2022 were \$0 because the County does not participate in the group term life insurance portion of TCDRS.

Discount Rate:

The GASB statement requires that the discount rate used to determine the plan liabilities for retiree healthcare benefits is based on the earnings rate of the plan assets if the projected assets are sufficient to cover the projected benefit payments. Since there are no plan assets held in trust the Bond Buyer GO Bond 20 Index is used for determining the discount rate of 2.06%.

Changes in the Total OPEB Liability:

At September 30, 2022, the County reported a total OPEB liability of \$270,128. The changes in the total OPEB liability were as follows:

	Increase (Decrease) Total OPEB Liability
Balance at 12/31/20	\$ 472,716
Changes for the year:	
Service cost	36,626
Interest	11,301
Change in benefit terms	(175,151)
Difference between expected and actual experience	(61,173)
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(14,191)
Other charges	-
Net changes	<u>(202,588)</u>
Balance at 12/31/21	<u>\$ 270,128</u>

The total OPEB liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date and for the year then ended.

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

4. Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the County, calculating using the discount rate of 2.06%, as well as what the County's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (1.06%) or 1 percentage point higher (3.06%) than the current rate.

	Discount Rate (1.06%)	Discount Rate (2.06%)	Discount rate (3.06%)
Total OPEB Liability	\$ 239,256	\$ 270,128	\$ 306,635

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

For the year ended September 30, 2022, the County recognized OPEB expense in the amount of \$26,668.

At September 30, 2022, 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
Difference between expected and actual economic experience (net of current year amortization)	\$ --	\$ --
Changes in actuarial assumptions	5,784	50,976
Differences between projected and actual investment earnings (net of current year amortization)	--	153,892
Contributions subsequent to the measurement date	--	--
Total	\$ 5,784	\$ 204,868

\$5,784 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 net OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

For the year ending September 30,		
2023	\$	--
2024	\$	--
2025	\$	--
2026	\$	--
2027	\$	--
Thereafter	\$	(199,084)

L. Health Care Coverage

The County began to self-insure for health insurance due to the high cost of commercial health insurance effective October 1, 2003. A stop loss policy, which covers health claims in excess of \$75,000 per individual and a one-time aggregate specific of \$150,000. The maximum lifetime coverage is unlimited. In addition, the County's aggregate stop loss coverage is \$1 million and the County maintains aggregate coverage of its group health expenses at 100% of projected claims. The self insurance plan was reinstated in November 2013.

Liabilities for claims in the Internal Service Fund are based on the requirement of GASB Statement No. 10, which requires that a liability for claims be reported in information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated. The outstanding claims plus the incurred but not reported ("IBNR") claim liability estimate as of September 30, 2022 is an actuarial estimate of health care claims outstanding at year end which have not been reported to the plan administrator.

KLEBERG COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

L. Health Care Coverage

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

The County is contingently liable in respect of lawsuits and other claims in the ordinary course of its operations. Should such contingencies become a Kleberg liability, funds would have to be appropriated in future budgets for settlement. The County had a few lawsuits and claims pending at September 30, 2022. The County's attorneys do not feel that any liability, if any, will be material enough to affect the County's financial condition.

M. Commitments and Contingencies

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until the funds in the plan are held by PEBSCO (Public Employees Benefit Service Corporation, Columbus Ohio) as the plan administrator for the County. This plan qualifies under the requirements of the Internal Revenue Service Code Section 457, Subsection G. The funds are held in trust by PEBSCO for the exclusive benefit of the employees and their beneficiaries who will receive these funds directly from PEBSCO. Since these funds are directly remitted to PEBSCO by the County, the County no longer owns the amounts deferred by employees or related income on these amounts. Therefore, since this plan does not qualify to be included with the County's fiduciary funds, there are no plan assets included in the County's financial statements. It is noted, however, that as of September 30, 2022, PEBSCO had \$422,832 (fair market value) in the plan for County employees.

O. Subsequent Events

The County has evaluated subsequent events through April 12, 2024, the date which the financial statements were available to be issued.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

KLEBERG COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT B-1
Page 1 of 5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
General Property Taxes	\$ 12,317,535	\$ 12,943,325	\$ 12,611,211	\$ (332,114)
General Sales and Use Taxes	2,578,980	2,810,827	2,810,827	—
Other Taxes - Miscellaneous	240,168	240,168	240,168	—
License and Permits	121,720	127,008	127,008	—
Intergovernmental	772,879	60,702	60,411	(291)
Charges for Services	10,559	10,058	9,845	(213)
Fines and Forfeitures	158,784	177,607	211,225	33,618
Fees of Office	1,045,642	885,047	1,104,807	219,760
Investment Earnings	111,828	106,979	106,988	9
Refunds & Reimbursements	42,187	99,691	355,771	256,080
Miscellaneous Revenues	819,523	100,629	96,048	(4,581)
Contributions & Donations	55,864	12,584	11,619	(965)
Miscellaneous-Park & Recreational	503,910	503,910	512,876	8,966
Total Revenues	<u>18,779,579</u>	<u>18,078,535</u>	<u>18,258,804</u>	<u>180,269</u>
EXPENDITURES:				
General Government				
Personal Services	537,510	537,953	91,153	446,800
Supplies	17,400	18,154	1,539	16,615
Other Services and Charges	116,252	137,635	6,664	130,971
Capital Outlay	3,118	3,118	3,118	--
Administrator				
Personal Services	68,021	71,072	69,443	1,629
Supplies	790	649	496	153
Other Services and Charges	284	1,939	1,836	103
Total Administrator	<u>69,095</u>	<u>73,660</u>	<u>71,775</u>	<u>1,885</u>
County Judge				
Personal Services	180,032	164,365	149,556	14,809
Supplies	2,351	1,880	1,652	228
Other Services and Charges	30,558	38,732	34,127	4,605
Capital Outlay	--	14,080	14,080	--
Total County Judge	<u>212,941</u>	<u>219,057</u>	<u>199,415</u>	<u>19,642</u>
County Clerk				
Personal Services	385,808	447,781	414,845	32,936
Supplies	21,103	64,048	63,410	638
Other Services and Charges	40,628	19,317	18,006	1,311
Capital Outlay	--	2,469	2,469	--
Total County Clerk	<u>447,539</u>	<u>533,615</u>	<u>498,730</u>	<u>34,885</u>
Veterans Service				
Personal Services	76,866	86,824	85,524	1,300
Supplies	2,769	5,658	5,108	550
Other Services and Charges	4,321	4,049	3,457	592
Total Veterans Service	<u>83,956</u>	<u>96,531</u>	<u>94,089</u>	<u>2,442</u>
County Auditor				
Personal Services	410,373	469,136	392,905	76,231
Supplies	8,310	7,528	5,395	2,133
Other Services and Charges	20,671	21,853	10,518	11,335
Total County Auditor	<u>439,354</u>	<u>498,517</u>	<u>408,818</u>	<u>89,699</u>

KLEBERG COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT B-1
Page 2 of 5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Treasurer				
Personal Services	158,666	153,370	148,959	4,411
Supplies	1,963	2,567	1,920	647
Other Services and Charges	4,126	5,533	4,150	1,383
Capital Outlay	-	8,349	8,349	-
Total County Treasurer	164,755	169,819	163,378	6,441
Tax Assessor/Collector				
Personal Services	414,523	473,256	411,413	61,843
Supplies	36,745	34,347	34,231	116
Other Services and Charges	30,343	38,219	29,044	9,175
Capital Outlay	-	27,496	27,496	-
Total Tax Assessor-Collector	481,611	573,318	502,184	71,134
Emergency Management				
Personal Services	31,318	31,225	29,864	1,361
Supplies	3,980	3,133	2,148	985
Other Services and Charges	14,355	19,067	17,484	1,583
Total Emergency Management	49,653	53,425	49,496	3,929
Data Processing				
Personal Services	10,644	8,698	8,594	104
Supplies	3,009	8,751	8,267	484
Other Services and Charges	212,767	196,796	195,215	1,581
Total Data Processing	226,420	214,245	212,076	2,169
Non-Departmental				
Personal Services	273,814	284,666	271,590	13,076
Supplies	58,080	93,769	65,374	28,395
Other Services and Charges	2,292,507	2,402,723	2,057,039	345,684
Total Non-Departmental	2,624,401	2,781,158	2,394,003	387,155
Total General Government	5,474,005	5,910,204	4,708,303	1,201,901
Judicial				
County court				
Personal Services	200,785	208,540	203,592	4,948
Supplies	3,150	3,103	1,352	1,751
Other Services and Charges	166,967	193,700	186,774	6,926
Total County Court	370,902	405,343	391,718	13,625
District Court				
Personal Services	120,009	123,495	114,048	9,447
Supplies	1,051	1,316	508	808
Other Services and Charges	324,788	401,805	370,209	31,596
Total District Court	445,848	526,616	484,765	41,851
District Clerk				
Personal Services	341,386	360,548	324,606	35,942
Supplies	18,488	20,434	18,317	2,117
Other Services and Charges	13,482	15,442	5,177	10,265
Capital Outlay	-	7,657	7,657	-
Total District Clerk	373,356	404,081	355,757	48,324
Justice of the Peace				
Personal Services	334,620	394,489	388,706	5,783
Supplies	20,596	20,547	15,548	4,999
Other Services and Charges	134,563	133,515	93,259	40,256
Total Justice of the Peace	489,779	548,551	497,513	51,038

KLEBERG COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT B-1
Page 3 of 5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Attorney				
Personal Services	314,704	321,062	316,459	4,603
Supplies	3,464	2,705	2,583	122
Other Services and Charges	5,398	7,193	6,386	807
Total County Attorney	<u>323,566</u>	<u>330,960</u>	<u>325,428</u>	<u>5,532</u>
District Attorney				
Personal Services	197,988	256,696	249,316	7,380
Supplies	34,869	27,198	15,405	11,793
Other Services and Charges	19,690	9,030	4,525	4,505
Total District Attorney	<u>252,547</u>	<u>292,924</u>	<u>269,246</u>	<u>23,678</u>
Law Library				
Personal Services	1,598	1,598	1,596	2
Supplies	80,855	8,085	7,871	214
Total Law Library	<u>82,453</u>	<u>9,683</u>	<u>9,467</u>	<u>216</u>
Total Judicial	<u>2,338,451</u>	<u>2,518,158</u>	<u>2,333,894</u>	<u>184,264</u>
Public Safety				
Public Safety				
Personal Services	47,088	49,722	48,468	1,254
Supplies	420	864	864	--
Other Services and Charges	--	501	464	37
Total Public Safety	<u>47,508</u>	<u>51,087</u>	<u>49,796</u>	<u>1,291</u>
Maintenance				
Personal Services	341,692	406,824	365,686	41,138
Supplies	40,138	41,139	38,026	3,113
Other Services and Charges	174,733	205,344	176,183	29,161
Total Maintenance	<u>556,563</u>	<u>653,307</u>	<u>579,895</u>	<u>73,412</u>
Fire Protection				
Supplies	67,895	60,825	51,551	9,274
Other Services and Charges	89,153	127,090	125,593	1,497
Total Fire Protection	<u>157,048</u>	<u>187,915</u>	<u>177,144</u>	<u>10,771</u>
Constables				
Personal Services	214,710	216,508	214,162	2,346
Supplies	26,704	33,114	26,171	6,943
Other Services and Charges	25,006	29,581	15,942	13,639
Total Constable	<u>266,420</u>	<u>279,203</u>	<u>256,275</u>	<u>22,928</u>
Sheriff				
Personal Services	2,119,905	2,164,567	2,096,853	67,714
Supplies	203,887	298,888	296,944	1,944
Other Services and Charges	256,555	464,384	420,235	44,149
Capital Outlay	--	131,950	82,343	49,607
Total Sheriff	<u>2,580,147</u>	<u>3,059,789</u>	<u>2,896,375</u>	<u>163,414</u>
Juvenile Board				
Personal Services	20,149	20,149	20,149	--
Total Juvenile Board	<u>20,149</u>	<u>20,149</u>	<u>20,149</u>	<u>--</u>
County Jail				
Personal Services	2,132,745	2,296,510	1,798,905	497,605
Supplies	492,783	565,313	557,331	7,982
Other Services and Charges	445,566	540,481	524,030	16,451
Capital Outlay	38,159	36,154	36,154	--
Total County Jail	<u>3,109,253</u>	<u>3,438,458</u>	<u>2,916,420</u>	<u>522,038</u>
Total Public Safety	<u>6,780,930</u>	<u>7,733,751</u>	<u>6,939,896</u>	<u>793,855</u>

KLEBERG COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT B-1
Page 4 of 5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Transportation				
Airport Pct 2				
Other Services and Charges	30,567	8,930	8,930	—
Total Airport Pct 2	30,567	8,930	8,930	—
Weigh Station				
Personal Services	47,043	48,985	48,376	609
Supplies	744	251	251	—
Other Services and Charges	78,713	16,737	16,720	17
Total Weigh Station	126,500	65,973	65,347	626
Total Public Transportation	157,067	74,902	74,277	625
Health and Welfare				
Health				
Personal Services	83,664	83,685	82,277	1,408
Supplies	13,454	13,454	13,339	115
Other Services and Charges	3,748	3,746	3,105	641
Total Health	100,866	100,885	98,721	2,164
Welfare				
Personal Services	100,942	104,766	103,239	1,527
Supplies	3,857	6,469	5,713	756
Other Services and Charges	50,845	50,415	41,186	9,229
Total Welfare	155,644	161,650	150,138	11,512
Total Health and Welfare	256,510	262,534	248,859	13,675
Culture and Recreation				
Parks Department				
Personal Services	41,873	43,008	40,909	2,099
Supplies	10,926	15,256	11,276	3,980
Other Services and Charges	49,416	41,908	36,563	5,345
Total Parks Department	102,215	100,172	88,748	11,424
Library				
Personal Services	421,826	446,240	381,038	65,202
Supplies	180,042	93,531	81,978	11,553
Other Services and Charges	71,604	73,758	64,065	9,693
Total Library	673,472	613,529	527,081	86,448
Seawind				
Personal Services	113,782	119,908	93,415	26,493
Supplies	22,281	23,967	17,920	6,047
Other Services and Charges	254,954	222,434	188,761	33,673
Total Seawind	391,017	366,309	300,096	66,213
Total Culture and Recreation	1,166,704	1,080,009	915,925	164,084
Conservation				
County Agent				
Personal Services	108,645	108,645	89,907	18,738
Supplies	3,322	3,322	2,994	328
Other Services and Charges	12,818	12,818	10,005	2,813
Capital Outlay	—	4,648	4,648	—
Total County Agent	124,785	129,433	107,554	21,879
Total Conservation	124,785	129,433	107,554	21,879
Debt Service:				
Principal	—	—	35,498	(35,498)
Interest and Fiscal Charges	—	—	988	(988)
Total Expenditures	16,298,452	17,708,991	15,365,194	2,343,797
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	2,481,127	369,544	2,893,610	2,524,066

KLEBERG COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT B-1
Page 5 of 5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Transfers In	--	2,466	2,466	--
Transfers Out	(1,504,502)	(800,304)	(579,469)	(220,835)
Right to Use Lease Proceeds	--	--	150,085	150,085
Total Other Financing Sources (Uses)	<u>(1,504,502)</u>	<u>(797,838)</u>	<u>(426,918)</u>	<u>(370,920)</u>
Net Change in Fund Balances	976,625	(428,294)	2,466,692	2,894,986
Fund Balances - Beginning	10,200,651	10,205,243	10,205,243	--
Fund Balances - Ending	<u>\$ 11,177,276</u>	<u>\$ 9,776,949</u>	<u>\$ 12,671,935</u>	<u>\$ 2,894,986</u>

KLEBERG COUNTY, TEXAS
ROAD & BRIDGE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
License and Permits	\$ 517,830	\$ 508,460	\$ 506,100	\$ (2,360)
Intergovernmental	328,115	614,445	36,262	(578,183)
Fines and Forfeitures	819,913	767,526	749,934	(17,592)
Investment Earnings	11,000	4,992	4,992	--
Miscellaneous Revenues	12,758	11,378	11,378	--
Total Revenues	<u>1,689,616</u>	<u>1,906,801</u>	<u>1,308,666</u>	<u>(598,135)</u>
EXPENDITURES:				
Public Transportation				
Public Transportation				
Personal Services	1,004,286	1,236,684	892,792	343,892
Supplies	196,807	268,896	208,579	60,317
Other Services and Charges	389,243	391,479	346,558	44,921
Capital Outlay	118,210	136,871	72,102	64,769
Total Public Transportation	<u>1,708,546</u>	<u>2,033,930</u>	<u>1,520,031</u>	<u>513,899</u>
Total Public Transportation	<u>1,708,546</u>	<u>2,033,929</u>	<u>1,520,031</u>	<u>513,898</u>
Debt Service:				
Principal	--	--	1,665	(1,665)
Interest and Fiscal Charges	--	--	27	(27)
Total Expenditures	<u>1,708,546</u>	<u>2,033,929</u>	<u>1,521,723</u>	<u>512,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,930)</u>	<u>(127,128)</u>	<u>(213,057)</u>	<u>(85,929)</u>
OTHER FINANCING SOURCES (USES):				
Right to Use Lease Proceeds	--	--	6,986	6,986
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>6,986</u>	<u>(6,986)</u>
Net Change in Fund Balances	(18,930)	(127,128)	(206,071)	(78,943)
Fund Balances - Beginning	862,162	862,161	862,161	--
Fund Balances - Ending	<u>\$ 843,232</u>	<u>\$ 735,033</u>	<u>\$ 656,090</u>	<u>\$ (78,943)</u>

KLEBERG COUNTY, TEXAS
 COVID-ARPA
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 2,989,415	\$ 2,989,433	\$ 2,989,432	\$ (1)
Investment Earnings	390	28,813	28,813	--
Total Revenues	<u>2,989,805</u>	<u>3,018,246</u>	<u>3,018,245</u>	<u>(1)</u>
EXPENDITURES:				
General Government				
Personal Services	145,971	145,971	145,971	--
Supplies	28,361	28,361	28,361	--
Other Services and Charges	309,996	309,996	309,996	--
Capital Outlay	1,696,424	1,696,424	1,696,424	--
Total General Government	<u>2,180,752</u>	<u>2,180,752</u>	<u>2,180,752</u>	<u>--</u>
Total Expenditures	<u>2,180,752</u>	<u>2,180,752</u>	<u>2,180,752</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>809,053</u>	<u>837,494</u>	<u>837,493</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balances	 809,053	 837,494	 837,493	 (1)
Fund Balances - Beginning	2,675,972	2,675,972	2,675,973	1
Fund Balances - Ending	<u>\$ 3,485,025</u>	<u>\$ 3,513,466</u>	<u>\$ 3,513,466</u>	<u>\$ --</u>

KLEBERG COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Plan Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 1,055,563	\$ 948,787	\$ 926,034	\$ 900,424	\$ 896,540	\$ 948,035	\$ 934,978	\$ 391,455
Interest (on the total pension liability)	3,843,665	3,755,651	3,631,510	3,500,314	3,363,124	3,209,774	3,101,882	1,346,689
Changes of benefit terms	-	-	-	-	-	-	(79,814)	-
Difference between expected and actual experience	(82,313)	(168,806)	(205,279)	(1,439)	(81,376)	65,135	(251,717)	(48,778)
Change of assumptions	(298,462)	2,613,212	-	-	272,887	-	439,182	-
Benefit payments, including refunds of employee contributions	(3,277,915)	(2,848,013)	(2,804,709)	(2,805,696)	(2,718,696)	(2,802,644)	(2,488,919)	(1,269,913)
Net Change in Total Pension Liability	1,240,538	4,301,841	1,546,556	1,593,603	1,732,479	1,420,300	1,655,592	421,453
Total Pension Liability - Beginning	51,127,871	46,826,030	45,282,474	43,688,870	41,956,391	40,536,090	38,880,498	37,852,991
Total Pension Liability - Ending (a)	\$ 52,368,409	\$ 51,127,871	\$ 46,829,030	\$ 45,282,473	\$ 43,688,870	\$ 41,956,390	\$ 40,536,090	\$ 38,274,444
Plan Fiduciary Net Position								
Contributions - employer	\$ 804,758	\$ 823,381	\$ 732,910	\$ 700,018	\$ 623,323	\$ 601,590	\$ 573,164	\$ 235,097
Contributions - employee	571,681	674,902	648,363	621,734	599,459	562,987	537,823	199,951
Net investment income	10,167,228	4,552,789	6,432,842	(789,872)	5,462,727	2,704,745	(289,473)	1,252,665
Benefit payments, including refunds of employee contributions	(3,277,915)	(2,848,013)	(2,804,709)	(2,805,696)	(2,718,696)	(2,802,644)	(2,488,919)	(1,269,913)
Administrative expense	(30,042)	(34,560)	(33,604)	(31,456)	(27,605)	(29,405)	(26,916)	(14,707)
Other	(38,027)	(35,025)	(41,828)	(40,041)	(20,308)	(108,515)	47,151	(53,067)
Net Change in Plan Fiduciary Net Position	8,297,583	3,133,474	4,933,974	(2,345,313)	3,918,900	928,758	(1,647,170)	350,036
Plan Fiduciary Net Position - Beginning	47,230,764	44,097,289	39,163,315	41,508,626	37,589,726	36,660,968	38,308,137	37,075,248
Plan Fiduciary Net Position - Ending (b)	\$ 55,528,447	\$ 47,230,763	\$ 44,097,289	\$ 39,163,313	\$ 41,508,626	\$ 37,589,726	\$ 36,660,967	\$ 37,425,284
Net Pension Liability - Ending (a) - (b)	\$ (3,160,038)	\$ 3,897,108	\$ 2,731,741	\$ 6,119,160	\$ 2,180,244	\$ 4,366,664	\$ 3,875,123	\$ 849,160
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.03%	92.38%	94.17%	86.49%	95.01%	89.59%	90.44%	97.78%
Covered Payroll	\$ 9,595,440	\$ 9,641,451	\$ 9,262,334	\$ 8,881,908	\$ 8,550,391	\$ 8,042,672	\$ 7,683,180	\$ 8,067,177
Net Pension Liability as a Percentage of Covered Payroll	-32.93%	40.42%	29.49%	68.89%	25.50%	54.29%	50.44%	10.53%

KLEBERG COUNTY, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Fiscal Year Ended September 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 834,310	\$ 802,550	\$ 373,297	\$ 730,542	\$ 700,018	\$ 623,323	\$ 616,353	\$ 570,054
Contributions in relation to actuarially determined contribution	(834,310)	(802,550)	(373,297)	(730,542)	(700,018)	(623,323)	(616,353)	(570,054)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 9,861,815	\$ 9,516,129	\$ 9,240,476	\$ 9,240,476	\$ 8,881,908	\$ 8,550,391	\$ 8,135,718	\$ 7,613,398
Contributions as a percentage of covered payroll	8.46%	8.43%	4.04%	7.91%	7.88%	7.29%	7.58%	7.49%

KLEBERG COUNTY, TEXAS
NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Valuation Date: 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.0%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Other Information: There were no benefit changes during the year.

KLEBERG COUNTY, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Plan Year Ended December 31,				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 36,626	\$ 36,626	\$ 26,041	\$ 26,041	\$ 25,025
Interest (on the total OPEB liability)	11,301	10,553	17,497	15,224	15,069
Changes of benefit terms	(175,151)	-	-	-	-
Difference between expected and actual experience	-	-	-	-	-
Change of assumptions	(61,173)	-	10,683	-	-
Benefit payments, including refunds of employee contributions	(14,191)	(13,684)	(24,559)	(12,164)	(10,305)
Net Change in Total OPEB Liability	(202,588)	33,495	29,662	29,101	29,789
Total OPEB Liability - Beginning	472,716	439,221	410,166	381,065	351,276
Total OPEB Liability - Ending	\$ 270,128	\$ 472,716	\$ 439,828	\$ 410,166	\$ 381,065
Covered Payroll	\$ 6,570,046	\$ 6,182,921	\$ 6,182,921	\$ 5,908,875	\$ 5,908,875
Total OPEB Liability as a Percentage of Covered Payroll	4.11%	7.65%	7.10%	6.94%	6.45%

KLEBERG COUNTY, TEXAS
NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Straight-line amortization of expected working life
Remaining Amortization Period	NA
Asset Valuation Method	NA
Inflation	NA
Salary Increases	NA
Investment Rate of Return	2.74%, based on 20-year Bond GO Index published by bondbuyer.com as of December 26, 2019.
Retirement Age	NA
Mortality	See Tables 1 thru 4 in the Milliman Valuation Report

Other Information: There were no benefit changes during the year.

This page is left blank intentionally.

Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

KLEBERG COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ 4,258,451	\$ 1,495,955	\$ 5,754,406
Equity in Pooled Cash	684,665	21,697	706,362
Accounts Receivable	227,501	-	227,501
Intergovernmental Receivable	2,114,317	-	2,114,317
Total Assets	<u>\$ 7,284,934</u>	<u>\$ 1,517,652</u>	<u>\$ 8,802,586</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 348,878	\$ -	\$ 348,878
Accrued Wages Payable	8,084	-	8,084
Due to Other Governments and Agencies	49,548	-	49,548
Deferred Revenue	10,207	-	10,207
Total Liabilities	<u>416,717</u>	<u>-</u>	<u>416,717</u>
DEFERRED INFLOWS OF RESOURCES			
Fund Balances:			
Restricted	6,949,765	1,517,652	8,467,417
Committed	785,779	-	785,779
Unassigned	(867,327)	-	(867,327)
Total Fund Balance	<u>6,868,217</u>	<u>1,517,652</u>	<u>8,385,869</u>
Total Liabilities and Fund Balance	<u>\$ 7,284,934</u>	<u>\$ 1,517,652</u>	<u>\$ 8,802,586</u>

KLEBERG COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
Taxes:			
Gross Receipts Business Taxes	\$ 52,928	\$ -	\$ 52,928
Intergovernmental	8,676,787	3,759	8,680,546
Charges for Services	120,315	-	120,315
Fines and Forfeitures	1,784,807	-	1,784,807
Fees of Office	840,523	-	840,523
Investment Earnings	39,700	15,902	55,602
Miscellaneous Revenues	10,552	-	10,552
Contributions & Donations	30,552	-	30,552
Total Revenues	<u>11,556,164</u>	<u>19,661</u>	<u>11,575,825</u>
Expenditures:			
Current:			
General Government	1,186,754	-	1,186,754
Judicial	842,791	-	842,791
Public Safety	3,743,227	-	3,743,227
Public Transportation	44,116	-	44,116
Health and Welfare	2,366,557	-	2,366,557
Culture and Recreation	1,256,001	1,659,744	2,915,745
Economic Development and Assistance	2,451,935	-	2,451,935
Debt Service:			
Principal	132,565	-	132,565
Interest and Fiscal Charges	106,221	84,704	190,925
Total Expenditures	<u>12,130,167</u>	<u>1,744,448</u>	<u>13,874,615</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(574,003)</u>	<u>(1,724,787)</u>	<u>(2,298,790)</u>
Other Financing Sources (Uses):			
Transfers In	379,469	-	379,469
Transfers Out	(2,466)	-	(2,466)
Right to Use Lease Proceeds	28,576	-	28,576
Total Other Financing Sources (Uses)	<u>405,579</u>	<u>-</u>	<u>405,579</u>
Net Change in Fund Balances	(168,424)	(1,724,787)	(1,893,211)
Fund Balances - Beginning	7,036,641	3,242,439	10,279,080
Fund Balances - Ending	<u>\$ 6,868,217</u>	<u>\$ 1,517,652</u>	<u>\$ 8,385,869</u>

KLEBERG COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2022

	Task Force Program Income	Courthouse Restoration Fund	Federal Drug Fund	Sheriff Chapter 59 Forfeiture
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ 1,173,082	\$ 45,000	\$ 5,130	\$ 169,085
Equity in Pooled Cash	-	-	-	-
Accounts Receivable	36,507	-	-	-
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ 1,209,589	\$ 45,000	\$ 5,130	\$ 169,085
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 9,061	\$ -	\$ -	\$ -
Accrued Wages Payable	5,471	-	-	-
Due to Other Governments and Agencies	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	14,532	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Fund Balances:				
Restricted	1,195,057	-	5,130	169,085
Committed	-	-	-	-
Unassigned	-	45,000	-	-
Total Fund Balance	1,195,057	45,000	5,130	169,085
Total Liabilities and Fund Balance	\$ 1,209,589	\$ 45,000	\$ 5,130	\$ 169,085

CPS Exxon Building	Kleberg Juvenile Probation	Hotel/Motel Occupancy Tax Fund	MISD Pre-Trial Diversion	Kleberg 2014 CTIF Grant
\$ 278,655 40,041 -- -- <u>\$ 318,696</u>	\$ -- 10,667 -- -- <u>\$ 10,667</u>	\$ 215,410 11,098 15,023 -- <u>\$ 241,531</u>	\$ 4,982 -- -- -- <u>\$ 4,982</u>	\$ -- -- -- -- <u>\$ --</u>
\$ 262 -- -- <u>262</u>	\$ 2,469 -- -- <u>2,469</u>	\$ 405 70 -- <u>475</u>	\$ 26 -- -- <u>26</u>	\$ 33,296 -- -- <u>33,296</u>
-- 318,434 -- <u>318,434</u>	-- 8,198 -- <u>8,198</u>	241,056 -- -- <u>241,056</u>	4,956 -- -- <u>4,956</u>	-- -- <u>(33,296)</u> <u>(33,296)</u>
<u>\$ 318,696</u>	<u>\$ 10,667</u>	<u>\$ 241,531</u>	<u>\$ 4,982</u>	<u>\$ --</u>

KLEBERG COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2022

	CCRTA Grant	Targeted Specific Grant	Co. Atty Pretrial Diversion	Indigent Care Fund
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ 300,840
Equity in Pooled Cash	--	--	58,280	--
Accounts Receivable	--	--	2,352	36,015
Intergovernmental Receivable	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 60,632</u>	<u>\$ 336,855</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 3,883	\$ 8,698	\$ 389	\$ 2,994
Accrued Wages Payable	--	--	715	--
Due to Other Governments and Agencies	--	--	--	--
Deferred Revenue	--	--	--	--
Total Liabilities	<u>3,883</u>	<u>8,698</u>	<u>1,104</u>	<u>2,994</u>
DEFERRED INFLOWS OF RESOURCES				
Fund Balances:				
Restricted	--	--	59,528	--
Committed	--	--	--	333,861
Unassigned	(3,883)	(8,698)	--	--
Total Fund Balance	<u>(3,883)</u>	<u>(8,698)</u>	<u>59,528</u>	<u>333,861</u>
Total Liabilities and Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 60,632</u>	<u>\$ 336,855</u>

<u>Golf Course Fund</u>	<u>Juvenile Probation Fund</u>	<u>Economic Development Grant</u>	<u>Community Supervision</u>	<u>CSCD Personal Bond Unit</u>
\$ 116,563	\$ 15,901	\$ (1,127,062)	\$ 1,255	\$ 428,107
--	--	--	148,827	--
--	--	--	675	--
--	--	1,128,962	--	--
<u>\$ 116,563</u>	<u>\$ 15,901</u>	<u>\$ 1,900</u>	<u>\$ 150,757</u>	<u>\$ 428,107</u>
\$ --	\$ 50,484	\$ 1,900	\$ 1,329	\$ 91
--	--	--	--	--
--	--	--	--	--
--	50,484	1,900	1,329	91
--	--	--	149,428	428,016
116,563	--	--	--	--
--	(34,583)	--	--	--
<u>116,563</u>	<u>(34,583)</u>	<u>--</u>	<u>149,428</u>	<u>428,016</u>
<u>\$ 116,563</u>	<u>\$ 15,901</u>	<u>\$ 1,900</u>	<u>\$ 150,757</u>	<u>\$ 428,107</u>

KLEBERG COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2022

	<u>South Texas Task Force Federal</u>	<u>Energy Project Fund</u>	<u>Special Caseload Sex Fund</u>	<u>Texas A&M University Fund</u>
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ 1,863,276	\$ 9	\$ 12,794	\$ 204,863
Equity in Pooled Cash	--	--	--	--
Accounts Receivable	3,042	--	--	--
Intergovernmental Receivable	--	--	--	--
Total Assets	<u>\$ 1,866,318</u>	<u>\$ 9</u>	<u>\$ 12,794</u>	<u>\$ 204,863</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 7,184	\$ --	\$ 45	\$ 1,028
Accrued Wages Payable	--	--	--	--
Due to Other Governments and Agencies	--	--	--	--
Deferred Revenue	--	--	--	--
Total Liabilities	<u>7,184</u>	<u>--</u>	<u>45</u>	<u>1,028</u>
DEFERRED INFLOWS OF RESOURCES				
Fund Balances:				
Restricted	1,859,134	--	12,749	203,835
Committed	--	--	--	--
Unassigned	--	9	--	--
Total Fund Balance	<u>1,859,134</u>	<u>9</u>	<u>12,749</u>	<u>203,835</u>
Total Liabilities and Fund Balance	<u>\$ 1,866,318</u>	<u>\$ 9</u>	<u>\$ 12,794</u>	<u>\$ 204,863</u>

<u>Operation Lone Star</u>	<u>H/S Agriculture Grant</u>	<u>District Clerk Records Mgmt & Preservation</u>	<u>Courthouse Security</u>	<u>J.P.'s Tech Fund</u>
\$ (226,992)	\$ --	\$ 29,585	\$ --	\$ 93,522
--	40,875	7,065	62,593	489
--	--	1,275	1,430	196
227,079	--	--	--	--
<u>\$ 87</u>	<u>\$ 40,875</u>	<u>\$ 37,925</u>	<u>\$ 64,023</u>	<u>\$ 94,207</u>
\$ 87	\$ --	\$ 14	\$ 742	\$ 175
--	--	--	1,397	--
--	--	--	--	--
--	--	--	--	--
<u>87</u>	<u>--</u>	<u>14</u>	<u>2,139</u>	<u>175</u>
--	40,875	37,911	61,884	94,032
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>40,875</u>	<u>37,911</u>	<u>61,884</u>	<u>94,032</u>
<u>\$ 87</u>	<u>\$ 40,875</u>	<u>\$ 37,925</u>	<u>\$ 64,023</u>	<u>\$ 94,207</u>

KLEBERG COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2022

	<u>County Clerks</u>	<u>Records Management</u>	<u>Houston HIDTA Grant</u>	<u>D.A.'s Hot Check</u>
ASSETS				
Assets:				
Cash and Cash Equivalents	\$ --	\$ 241,370	\$ --	\$ --
Equity in Pooled Cash	9,323	17,297	(6,562)	16,472
Accounts Receivable	--	7,389	--	--
Intergovernmental Receivable	--	--	23,754	--
Total Assets	<u>\$ 9,323</u>	<u>\$ 266,056</u>	<u>\$ 17,192</u>	<u>\$ 16,472</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 600	\$ 525	\$ --	\$ --
Accrued Wages Payable	--	431	--	--
Due to Other Governments and Agencies	--	--	25,732	--
Deferred Revenue	--	--	--	--
Total Liabilities	<u>600</u>	<u>956</u>	<u>25,732</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES				
Fund Balances:				
Restricted	--	265,100	--	16,472
Committed	8,723	--	--	--
Unassigned	--	--	(8,540)	--
Total Fund Balance	<u>8,723</u>	<u>265,100</u>	<u>(8,540)</u>	<u>16,472</u>
Total Liabilities and Fund Balance	<u>\$ 9,323</u>	<u>\$ 266,056</u>	<u>\$ 17,192</u>	<u>\$ 16,472</u>

<u>D.A.'s Forfeiture</u>	<u>Constable Pct 4 Forfeiture</u>	<u>County Attorney's Asset Forfeiture Fund</u>	<u>County Attorney Hot Checks Fund</u>	<u>Operation Stonegarden Grants</u>
\$ 709,701	\$ 164,880	\$ 5,076	\$ --	\$ (417,302)
708,222	--	--	4,315	(150,335)
47,526	--	--	21	--
--	--	--	--	519,063
<u>\$ 1,465,449</u>	<u>\$ 164,880</u>	<u>\$ 5,076</u>	<u>\$ 4,336</u>	<u>\$ (48,574)</u>
\$ 65,285	\$ --	\$ --	\$ --	\$ 1,218
--	--	--	--	--
23,816	--	--	--	--
10,207	--	--	--	--
<u>99,308</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,218</u>
1,366,141	164,880	5,076	4,336	--
--	--	--	--	--
--	--	--	--	(49,792)
<u>1,366,141</u>	<u>164,880</u>	<u>5,076</u>	<u>4,336</u>	<u>(49,792)</u>
<u>\$ 1,465,449</u>	<u>\$ 164,880</u>	<u>\$ 5,076</u>	<u>\$ 4,336</u>	<u>\$ (48,574)</u>

KLEBERG COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2022

	<u>Human Services 1/1-12/31</u>	<u>Human Services Neighbor to Neighbor</u>	<u>Human Services</u>
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ --	\$ --	\$ --
Equity in Pooled Cash	(499,721)	18,762	(210,058)
Accounts Receivable	--	--	--
Intergovernmental Receivable	166,047	--	47,731
Total Assets	<u>\$ (333,674)</u>	<u>\$ 18,762</u>	<u>\$ (162,327)</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 7,122	\$ --	\$ 2,590
Accrued Wages Payable	--	--	--
Due to Other Governments and Agencies	--	--	--
Deferred Revenue	--	--	--
Total Liabilities	<u>7,122</u>	<u>--</u>	<u>2,590</u>
DEFERRED INFLOWS OF RESOURCES			
Fund Balances:			
Restricted	--	18,762	--
Committed	--	--	--
Unassigned	(340,796)	--	(164,917)
Total Fund Balance	<u>(340,796)</u>	<u>18,762</u>	<u>(164,917)</u>
Total Liabilities and Fund Balance	<u>\$ (333,674)</u>	<u>\$ 18,762</u>	<u>\$ (162,327)</u>

Human Services 10/1-9/30	Airport Ramp Grant	Other Special Revenue Funds	GOMESA Grant Fund	CEAP ARPA Fund
\$ --	\$ 6,059	\$ 31,683	\$ --	\$ (4,313)
--	45,474	(45,909)	397,450	--
76,050	--	--	--	--
--	--	--	1,681	--
<u>\$ 76,050</u>	<u>\$ 51,533</u>	<u>\$ (14,226)</u>	<u>\$ 399,131</u>	<u>\$ (4,313)</u>
\$ 41,161	\$ 16,190	\$ 77,881	\$ 10,000	\$ 1,744
--	--	--	--	--
--	--	--	--	--
<u>41,161</u>	<u>16,190</u>	<u>77,881</u>	<u>10,000</u>	<u>1,744</u>
121,848	35,343	--	389,131	--
--	--	--	--	--
(86,959)	--	(92,107)	--	(6,057)
<u>34,889</u>	<u>35,343</u>	<u>(92,107)</u>	<u>389,131</u>	<u>(6,057)</u>
<u>\$ 76,050</u>	<u>\$ 51,533</u>	<u>\$ (14,226)</u>	<u>\$ 399,131</u>	<u>\$ (4,313)</u>

KLEBERG COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2022

	LIHWAP Grant Fund	Rural Business Development Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ (8,398)	\$ (74,310)	\$ 4,258,451
Equity in Pooled Cash	--	--	684,665
Accounts Receivable	--	--	227,501
Intergovernmental Receivable	--	--	2,114,317
Total Assets	<u>\$ (8,398)</u>	<u>\$ (74,310)</u>	<u>\$ 7,284,934</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ --	\$ --	\$ 348,878
Accrued Wages Payable	--	--	8,084
Due to Other Governments and Agencies	--	--	49,548
Deferred Revenue	--	--	10,207
Total Liabilities	<u>--</u>	<u>--</u>	<u>416,717</u>
DEFERRED INFLOWS OF RESOURCES			
Fund Balances:			
Restricted	--	--	6,949,765
Committed	--	--	785,779
Unassigned	(8,398)	(74,310)	(867,327)
Total Fund Balance	<u>(8,398)</u>	<u>(74,310)</u>	<u>6,868,217</u>
Total Liabilities and Fund Balance	<u>\$ (8,398)</u>	<u>\$ (74,310)</u>	<u>\$ 7,284,934</u>

This page is left blank intentionally.

KLEBERG COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Task Force Program Income	Courthouse Restoration Fund	Federal Drug Fund	Sheriff Chapter 59 Forfeiture
Revenue:				
Taxes:				
Gross Receipts Business Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	182,654	45,000	1,850	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	229,328
Fees of Office	--	--	--	--
Investment Earnings	5,616	6	9	27
Miscellaneous Revenues	--	--	--	--
Contributions & Donations	--	--	--	--
Total Revenues	<u>188,270</u>	<u>45,006</u>	<u>1,859</u>	<u>229,355</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	--	--	--	--
Public Safety	675,351	--	35,144	175,152
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	2,530	--	--	--
Interest and Fiscal Charges	38	--	--	--
Total Expenditures	<u>677,919</u>	<u>--</u>	<u>35,144</u>	<u>175,152</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(489,649)</u>	<u>45,006</u>	<u>(33,285)</u>	<u>54,203</u>
Other Financing Sources (Uses):				
Transfers In	2,466	--	--	--
Transfers Out	(2,466)	--	--	--
Right to Use Lease Proceeds	10,394	--	--	--
Total Other Financing Sources (Uses)	<u>10,394</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(479,255)	45,006	(33,285)	54,203
Fund Balances - Beginning	1,674,312	(6)	38,415	114,882
Fund Balances - Ending	<u>\$ 1,195,057</u>	<u>\$ 45,000</u>	<u>\$ 5,130</u>	<u>\$ 169,085</u>

CPS Exxon Building	CDBG Mitigation Fund	Kleberg Juvenile Probation	Hotel/Motel Occupancy Tax Fund	MISD Pre-Trial Diversion
\$ --	\$ --	\$ --	\$ 52,928	\$ --
136,744	603,952	5,000	--	30,791
98,400	--	4,794	--	--
--	--	--	--	--
--	--	--	--	--
2,053	--	1	1,465	--
--	--	--	--	--
<u>237,197</u>	<u>603,952</u>	<u>9,795</u>	<u>54,393</u>	<u>30,791</u>
--	603,952	--	--	31,510
--	--	--	--	--
15,013	--	170,597	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	19,240	--
--	--	--	--	--
120,000	--	--	--	--
106,150	--	--	--	--
<u>241,163</u>	<u>603,952</u>	<u>170,597</u>	<u>19,240</u>	<u>31,510</u>
<u>(3,966)</u>	<u>--</u>	<u>(160,802)</u>	<u>35,153</u>	<u>(719)</u>
--	--	164,856	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>164,856</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(3,966)	--	4,054	35,153	(719)
322,400	--	4,144	205,903	5,675
<u>\$ 318,434</u>	<u>\$ --</u>	<u>\$ 8,198</u>	<u>\$ 241,056</u>	<u>\$ 4,956</u>

KLEBERG COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Kleberg 2014 CTIF Grant	CCRTA Grant	Targeted Specific Grant	Co. Atty Pretrial Diversion
Revenue:				
Taxes:				
Gross Receipts Business Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	580	--	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	29,765
Fees of Office	--	--	--	--
Investment Earnings	--	--	--	--
Miscellaneous Revenues	--	--	--	--
Contributions & Donations	--	--	--	--
Total Revenues	<u>--</u>	<u>580</u>	<u>--</u>	<u>29,765</u>
Expenditures:				
Current:				
General Government	19,311	965	49,577	--
Judicial	--	--	--	38,735
Public Safety	--	--	--	--
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>19,311</u>	<u>965</u>	<u>49,577</u>	<u>38,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,311)</u>	<u>(385)</u>	<u>(49,577)</u>	<u>(8,970)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	29,561	--
Transfers Out	--	--	--	--
Right to Use Lease Proceeds	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>29,561</u>	<u>--</u>
Net Change in Fund Balances	<u>(19,311)</u>	<u>(385)</u>	<u>(20,016)</u>	<u>(8,970)</u>
Fund Balances - Beginning	(13,985)	(3,498)	11,318	68,498
Fund Balances - Ending	<u>\$ (33,296)</u>	<u>\$ (3,883)</u>	<u>\$ (8,698)</u>	<u>\$ 59,528</u>

Indigent Care Fund	Golf Course Fund	Juvenile Probation Fund	Economic Development Grant	Community Supervision
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	340,942	2,177,820	283,271
--	--	--	--	--
--	--	--	--	--
48	--	--	2,775	399,718
--	--	--	--	211
<u>48</u>	<u>--</u>	<u>340,942</u>	<u>2,180,595</u>	<u>683,200</u>
--	--	--	--	--
--	--	345,546	--	620,681
173,486	--	--	--	--
--	6,808	--	--	--
--	--	--	2,180,595	--
--	--	--	--	--
<u>173,486</u>	<u>6,808</u>	<u>345,546</u>	<u>2,180,595</u>	<u>620,681</u>
<u>(173,438)</u>	<u>(6,808)</u>	<u>(4,604)</u>	<u>--</u>	<u>62,519</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>(173,438)</u>	<u>(6,808)</u>	<u>(4,604)</u>	<u>--</u>	<u>62,519</u>
507,299	123,371	(29,979)	--	86,909
<u>\$ 333,861</u>	<u>\$ 116,563</u>	<u>\$ (34,583)</u>	<u>\$ --</u>	<u>\$ 149,428</u>

KLEBERG COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	CSCD Personal Bond Unit	South Texas Task Force Federal	Energy Project Fund	Special Caseload Sex Fund
Revenue:				
Taxes:				
Gross Receipts Business Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	58,308
Charges for Services	--	--	--	--
Fines and Forfeitures	--	1,356,026	--	--
Fees of Office	284,464	--	--	--
Investment Earnings	748	14,699	--	--
Miscellaneous Revenues	--	--	--	--
Contributions & Donations	--	--	--	--
Total Revenues	<u>285,212</u>	<u>1,370,725</u>	<u>--</u>	<u>58,308</u>
Expenditures:				
Current:				
General Government	--	--	107,051	--
Judicial	--	--	--	--
Public Safety	194,919	212,445	--	57,362
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>194,919</u>	<u>212,445</u>	<u>107,051</u>	<u>57,362</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>90,293</u>	<u>1,158,280</u>	<u>(107,051)</u>	<u>946</u>
Other Financing Sources (Uses):				
Transfers In	--	--	107,060	--
Transfers Out	--	--	--	--
Right to Use Lease Proceeds	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>107,060</u>	<u>--</u>
Net Change in Fund Balances	90,293	1,158,280	9	946
Fund Balances - Beginning	337,723	700,854	--	11,803
Fund Balances - Ending	<u>\$ 428,016</u>	<u>\$ 1,859,134</u>	<u>\$ 9</u>	<u>\$ 12,749</u>

Texas A&M University Fund	Operation Lone Star	H/S Agriculture Grant	District Clerk Records Mgmt & Preservation	Courthouse Security
\$ --	\$ --	\$ --	\$ --	\$ --
187,291	297,074	41,193	--	--
--	--	--	--	--
--	--	--	--	--
27	--	--	44,583	16,871
--	--	--	1,294	12
--	--	--	--	--
<u>187,318</u>	<u>297,074</u>	<u>41,193</u>	<u>45,877</u>	<u>16,883</u>
--	--	--	--	--
--	--	--	9,336	--
--	297,074	--	--	66,354
--	--	--	--	--
--	--	13,809	--	--
131,162	--	--	--	--
--	--	--	--	--
<u>131,162</u>	<u>297,074</u>	<u>13,809</u>	<u>9,336</u>	<u>66,354</u>
<u>56,156</u>	<u>--</u>	<u>27,384</u>	<u>36,541</u>	<u>(49,471)</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>56,156</u>	<u>--</u>	<u>27,384</u>	<u>36,541</u>	<u>(49,471)</u>
147,679	--	13,491	1,370	111,355
<u>\$ 203,835</u>	<u>\$ --</u>	<u>\$ 40,875</u>	<u>\$ 37,911</u>	<u>\$ 61,884</u>

KLEBERG COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	J.P.'s Tech Fund	H.A.V.A. Grant	County Clerks	Records Management
Revenue:				
Taxes:				
Gross Receipts Business Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for Services	--	--	5,351	--
Fines and Forfeitures	3,771	--	--	--
Fees of Office	--	--	--	93,822
Investment Earnings	676	2	--	1,706
Miscellaneous Revenues	--	--	--	--
Contributions & Donations	--	--	--	--
Total Revenues	<u>4,447</u>	<u>2</u>	<u>5,351</u>	<u>95,528</u>
Expenditures:				
Current:				
General Government	--	13,142	4,119	107,158
Judicial	15,226	--	--	--
Public Safety	--	--	--	--
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>15,226</u>	<u>13,142</u>	<u>4,119</u>	<u>107,158</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,779)</u>	<u>(13,140)</u>	<u>1,232</u>	<u>(11,630)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Transfers Out	--	--	--	--
Right to Use Lease Proceeds	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(10,779)</u>	<u>(13,140)</u>	<u>1,232</u>	<u>(11,630)</u>
Fund Balances - Beginning	104,811	13,140	7,491	276,730
Fund Balances - Ending	<u>\$ 94,032</u>	<u>\$ --</u>	<u>\$ 8,723</u>	<u>\$ 265,100</u>

Houston HIDTA Grant	D.A.'s Hot Check	D.A.'s Forfeiture	Constable Pct 4 Forfeiture	County Attorney's Asset Forfeiture Fund
\$ --	\$ --	\$ --	\$ --	\$ --
41,918	--	363,191	--	--
--	--	--	--	--
--	--	165,917	--	--
--	133	6,761	827	37
--	--	--	--	--
<u>41,918</u>	<u>133</u>	<u>535,869</u>	<u>827</u>	<u>37</u>
--	--	--	--	--
--	--	777,366	--	800
13,094	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>13,094</u>	<u>--</u>	<u>777,366</u>	<u>--</u>	<u>800</u>
<u>28,824</u>	<u>133</u>	<u>(241,497)</u>	<u>827</u>	<u>(763)</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>28,824</u>	<u>133</u>	<u>(241,497)</u>	<u>827</u>	<u>(763)</u>
(37,364)	16,339	1,607,638	164,053	5,839
<u>\$ (8,540)</u>	<u>\$ 16,472</u>	<u>\$ 1,366,141</u>	<u>\$ 164,880</u>	<u>\$ 5,076</u>

KLEBERG COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	County Attorney Hot Checks Fund	Operation Stonegarden Grants	Human Services 1/1-12/31	Human Services Neighbor to Neighbor
Revenue:				
Taxes:				
Gross Receipts Business Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	928,938	569,695	31,117
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	1,065	--	--	--
Investment Earnings	28	--	--	--
Miscellaneous Revenues	--	--	2,186	--
Contributions & Donations	--	--	--	--
Total Revenues	<u>1,093</u>	<u>928,938</u>	<u>571,881</u>	<u>31,117</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	1,328	--	--	--
Public Safety	--	864,495	--	--
Public Transportation	--	--	--	--
Health and Welfare	--	--	713,506	30,785
Culture and Recreation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	10,035	--
Interest and Fiscal Charges	--	--	33	--
Total Expenditures	<u>1,328</u>	<u>864,495</u>	<u>723,574</u>	<u>30,785</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(235)</u>	<u>64,443</u>	<u>(151,693)</u>	<u>332</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Transfers Out	--	--	--	--
Right to Use Lease Proceeds	--	--	18,182	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>18,182</u>	<u>--</u>
Net Change in Fund Balances	(235)	64,443	(133,511)	332
Fund Balances - Beginning	4,571	(114,235)	(207,285)	18,430
Fund Balances - Ending	<u>\$ 4,336</u>	<u>\$ (49,792)</u>	<u>\$ (340,796)</u>	<u>\$ 18,762</u>

Human Services	Human Services 10/1-9/30	Airport Ramp Grant	Other Special Revenue Funds	GOMESA Grant Fund
\$ --	\$ --	\$ --	\$ --	\$ --
646,435	431,777	22,057	--	465,801
11,770	--	--	--	--
--	--	--	--	--
--	--	33	454	52
--	8,366	--	--	--
--	30,552	--	--	--
<u>658,205</u>	<u>470,695</u>	<u>22,090</u>	<u>454</u>	<u>465,853</u>
--	--	--	241,571	--
--	--	--	--	--
--	--	44,116	--	--
827,317	607,654	--	--	506,376
--	--	--	--	--
--	--	--	--	--
<u>827,317</u>	<u>607,654</u>	<u>44,116</u>	<u>241,571</u>	<u>506,376</u>
<u>(169,112)</u>	<u>(136,959)</u>	<u>(22,026)</u>	<u>(241,117)</u>	<u>(40,523)</u>
--	50,000	25,526	--	--
--	--	--	--	--
--	50,000	25,526	--	--
<u>--</u>	<u>50,000</u>	<u>25,526</u>	<u>--</u>	<u>--</u>
<u>(169,112)</u>	<u>(86,959)</u>	<u>3,500</u>	<u>(241,117)</u>	<u>(40,523)</u>
4,195	121,848	31,843	149,010	429,654
<u>\$ (164,917)</u>	<u>\$ 34,889</u>	<u>\$ 35,343</u>	<u>\$ (92,107)</u>	<u>\$ 389,131</u>

KLEBERG COUNTY, TEXAS
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	CEAP ARPA Fund	LIHWAP Grant Fund	Rural Business Developm Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:				
Taxes:				
Gross Receipts Business Taxes	\$ --	\$ --	\$ --	\$ 52,928
Intergovernmental	717,520	--	65,868	8,676,787
Charges for Services	--	--	--	120,315
Fines and Forfeitures	--	--	--	1,784,807
Fees of Office	--	--	--	840,523
Investment Earnings	--	--	--	39,700
Miscellaneous Revenues	--	--	--	10,552
Contributions & Donations	--	--	--	30,552
Total Revenues	<u>717,520</u>	<u>--</u>	<u>65,868</u>	<u>11,556,164</u>
Expenditures:				
Current:				
General Government	--	8,398	--	1,186,754
Judicial	--	--	--	842,791
Public Safety	--	--	--	3,743,227
Public Transportation	--	--	--	44,116
Health and Welfare	--	--	--	2,366,557
Culture and Recreation	723,577	--	--	1,256,001
Economic Development and Assistance	--	--	140,178	2,451,935
Debt Service:				
Principal	--	--	--	132,565
Interest and Fiscal Charges	--	--	--	106,221
Total Expenditures	<u>723,577</u>	<u>8,398</u>	<u>140,178</u>	<u>12,130,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,057)</u>	<u>(8,398)</u>	<u>(74,310)</u>	<u>(574,003)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	379,469
Transfers Out	--	--	--	(2,466)
Right to Use Lease Proceeds	--	--	--	28,576
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>405,579</u>
Net Change in Fund Balances	(6,057)	(8,398)	(74,310)	(168,424)
Fund Balances - Beginning	--	--	--	7,036,641
Fund Balances - Ending	<u>\$ (6,057)</u>	<u>\$ (8,398)</u>	<u>\$ (74,310)</u>	<u>\$ 6,868,217</u>

KLEBERG COUNTY, TEXAS
TASK FORCE PROGRAM INCOME
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 1,068,154	\$ 1,068,154	\$ 182,654	\$ (885,500)
Investment Earnings	5,000	5,616	5,616	-
Total Revenues	<u>1,073,154</u>	<u>1,073,770</u>	<u>188,270</u>	<u>(885,500)</u>
EXPENDITURES:				
Public Safety				
Public Safety				
Personal Services	739,540	657,895	554,012	103,883
Supplies	155,150	117,500	20,185	97,315
Other Services and Charges	394,200	249,550	101,154	148,396
Total Public Safety	<u>1,288,890</u>	<u>1,024,945</u>	<u>675,351</u>	<u>349,594</u>
Total Public Safety	<u>1,288,890</u>	<u>1,024,945</u>	<u>675,351</u>	<u>349,594</u>
Debt Service:				
Principal	--	--	2,530	(2,530)
Interest and Fiscal Charges	--	--	38	(38)
Total Expenditures	<u>1,288,890</u>	<u>1,024,945</u>	<u>677,919</u>	<u>347,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(215,736)</u>	<u>48,825</u>	<u>(489,649)</u>	<u>(538,474)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	--	2,466	2,466	--
Transfers Out	--	(2,466)	(2,466)	--
Right to Use Lease Proceeds	--	--	10,394	10,394
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>10,394</u>	<u>(10,394)</u>
Net Change in Fund Balances	<u>(215,736)</u>	<u>48,825</u>	<u>(479,255)</u>	<u>(528,080)</u>
Fund Balances - Beginning	1,674,312	1,674,312	1,674,312	--
Fund Balances - Ending	<u>\$ 1,458,576</u>	<u>\$ 1,723,137</u>	<u>\$ 1,195,057</u>	<u>\$ (528,080)</u>

KLEBERG COUNTY, TEXAS
SHERIFF CHAPTER 59 FORFEITURE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fines and Forfeitures	\$ 228,000	\$ 290,300	\$ 229,328	\$ (60,972)
Investment Earnings	30	30	27	(3)
Total Revenues	<u>228,030</u>	<u>290,330</u>	<u>229,355</u>	<u>(60,975)</u>
EXPENDITURES:				
Public Safety				
Public Safety				
Personal Services	150,000	150,000	12,165	137,835
Other Services and Charges	290,000	162,988	162,987	1
Total Public Safety	<u>440,000</u>	<u>312,988</u>	<u>175,152</u>	<u>137,836</u>
Total Public Safety	<u>440,000</u>	<u>312,988</u>	<u>175,152</u>	<u>137,836</u>
Total Expenditures	<u>440,000</u>	<u>312,988</u>	<u>175,152</u>	<u>137,836</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(211,970)</u>	<u>(22,658)</u>	<u>54,203</u>	<u>76,861</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(211,970)	(22,658)	54,203	76,861
Fund Balances - Beginning	114,882	114,882	114,882	-
Fund Balances - Ending	<u>\$ (97,088)</u>	<u>\$ 92,224</u>	<u>\$ 169,085</u>	<u>\$ 76,861</u>

KLEBERG COUNTY, TEXAS
 CPS EXXON BUILDING
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 136,000	\$ 136,744	\$ 136,744	\$ --
Charges for Services	98,400	98,400	98,400	--
Investment Earnings	--	2,053	2,053	--
Total Revenues	<u>234,400</u>	<u>237,197</u>	<u>237,197</u>	<u>--</u>
EXPENDITURES:				
Public Safety				
Public Safety				
Maintenance				
Supplies	4,500	4,500	4,210	290
Other Services and Charges	10,900	10,900	10,803	97
Total Maintenance	<u>15,400</u>	<u>15,400</u>	<u>15,013</u>	<u>387</u>
Total Public Safety	<u>15,400</u>	<u>15,400</u>	<u>15,013</u>	<u>387</u>
Debt Service:				
Principal	120,000	120,000	120,000	--
Interest and Fiscal Charges	106,150	106,150	106,150	--
Total Expenditures	<u>241,550</u>	<u>241,550</u>	<u>241,163</u>	<u>387</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,150)</u>	<u>(4,353)</u>	<u>(3,966)</u>	<u>387</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(7,150)	(4,353)	(3,966)	387
Fund Balances - Beginning	322,400	322,400	322,400	--
Fund Balances - Ending	<u>\$ 315,250</u>	<u>\$ 318,047</u>	<u>\$ 318,434</u>	<u>\$ 387</u>

KLEBERG COUNTY, TEXAS
COMMUNITY SUPERVISION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 319,000	\$ 320,560	\$ 283,271	\$ (37,289)
Fees of Office	347,755	347,755	399,718	51,963
Investment Earnings	1,200	1,244	211	(1,033)
Total Revenues	<u>667,955</u>	<u>669,559</u>	<u>683,200</u>	<u>13,641</u>
EXPENDITURES:				
Public Safety				
Public Safety				
Personal Services	570,000	571,803	551,129	20,674
Supplies	18,000	18,804	7,775	11,029
Other Services and Charges	42,100	62,102	61,777	325
Total Public Safety	<u>630,100</u>	<u>652,709</u>	<u>620,681</u>	<u>32,028</u>
Total Public Safety	<u>630,100</u>	<u>652,709</u>	<u>620,681</u>	<u>32,028</u>
Total Expenditures	<u>630,100</u>	<u>652,709</u>	<u>620,681</u>	<u>32,028</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>37,855</u>	<u>16,850</u>	<u>62,519</u>	<u>45,669</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	11,432	11,432	—	(11,432)
Transfers Out	(4,000)	(4,091)	—	(4,091)
Total Other Financing Sources (Uses)	<u>7,432</u>	<u>7,341</u>	<u>—</u>	<u>7,341</u>
Net Change in Fund Balances	45,287	24,191	62,519	38,328
Fund Balances - Beginning	86,909	86,909	86,909	—
Fund Balances - Ending	<u>\$ 132,196</u>	<u>\$ 111,100</u>	<u>\$ 149,428</u>	<u>\$ 38,328</u>

KLEBERG COUNTY, TEXAS
 CSCD PERSONAL BOND FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fees of Office	\$ 283,000	\$ 284,464	\$ 284,464	\$ --
Investment Earnings	70	748	748	--
Total Revenues	<u>283,070</u>	<u>285,212</u>	<u>285,212</u>	<u>--</u>
EXPENDITURES:				
Public Safety				
Public Safety				
Personal Services	181,289	184,632	163,206	21,426
Supplies	2,055	5,259	5,259	--
Other Services and Charges	30,031	32,261	26,454	5,807
Total Public Safety	<u>213,375</u>	<u>222,152</u>	<u>194,919</u>	<u>27,233</u>
Total Public Safety	<u>213,375</u>	<u>222,152</u>	<u>194,919</u>	<u>27,233</u>
Total Expenditures	<u>213,375</u>	<u>222,152</u>	<u>194,919</u>	<u>27,233</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>69,695</u>	<u>63,060</u>	<u>90,293</u>	<u>27,233</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	69,695	63,060	90,293	27,233
Fund Balances - Beginning	337,723	337,723	337,723	--
Fund Balances - Ending	<u>\$ 407,418</u>	<u>\$ 400,783</u>	<u>\$ 428,016</u>	<u>\$ 27,233</u>

KLEBERG COUNTY, TEXAS
 TEXAS A&M UNIVERSITY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 206,000	\$ 206,064	\$ 187,291	\$ (18,773)
Investment Earnings	30	45	27	(18)
Total Revenues	<u>206,030</u>	<u>206,109</u>	<u>187,318</u>	<u>(18,791)</u>
EXPENDITURES:				
Economic Development and Assistance				
Personal Services	147,852	147,884	84,941	62,943
Supplies	25,412	24,888	18,984	5,904
Other Services and Charges	33,200	33,292	24,161	9,131
Total Economic Development and Assistance	<u>206,464</u>	<u>206,064</u>	<u>128,086</u>	<u>77,978</u>
Total Expenditures	<u>206,464</u>	<u>209,140</u>	<u>131,162</u>	<u>77,978</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(434)</u>	<u>(3,031)</u>	<u>56,156</u>	<u>59,187</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(434)	(3,031)	56,156	59,187
Fund Balances - Beginning	147,679	147,679	147,679	-
Fund Balances - Ending	<u>\$ 147,245</u>	<u>\$ 144,648</u>	<u>\$ 203,835</u>	<u>\$ 59,187</u>

KLEBERG COUNTY, TEXAS
 RECORDS MANAGEMENT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fees of Office	\$ 93,800	\$ 93,822	\$ 93,822	\$ --
Investment Earnings	1,000	1,000	1,706	706
Total Revenues	<u>94,800</u>	<u>94,822</u>	<u>95,528</u>	<u>706</u>
EXPENDITURES:				
General Government				
Personal Services	56,500	56,452	56,222	230
Supplies	21,300	21,582	21,390	192
Other Services and Charges	29,500	29,553	29,546	7
Total General Government	<u>107,300</u>	<u>107,587</u>	<u>107,158</u>	<u>429</u>
Total Expenditures	<u>107,300</u>	<u>107,587</u>	<u>107,158</u>	<u>429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,500)</u>	<u>(12,765)</u>	<u>(11,630)</u>	<u>1,135</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(12,500)	(12,765)	(11,630)	1,135
Fund Balances - Beginning	276,730	276,730	276,730	--
Fund Balances - Ending	<u>\$ 264,230</u>	<u>\$ 263,965</u>	<u>\$ 265,100</u>	<u>\$ 1,135</u>

KLEBERG COUNTY, TEXAS

D.A.'S FORFEITURE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 1,183,922	\$ 1,183,922	\$ 363,191	\$ (820,731)
Fines and Forfeitures	27,500	27,500	165,917	138,417
Investment Earnings	13,429	13,429	6,761	(6,668)
Total Revenues	<u>1,224,851</u>	<u>1,224,851</u>	<u>535,869</u>	<u>(688,982)</u>
EXPENDITURES:				
Judicial				
District Attorney				
Personal Services	831,923	831,923	543,273	288,650
Supplies	107,625	107,625	54,269	53,356
Other Services and Charges	430,656	430,656	179,824	250,832
Total District Attorney	<u>1,370,204</u>	<u>1,370,204</u>	<u>777,366</u>	<u>592,838</u>
Total Judicial	<u>1,370,204</u>	<u>1,370,204</u>	<u>777,366</u>	<u>592,838</u>
Total Expenditures	<u>1,370,204</u>	<u>1,370,204</u>	<u>777,366</u>	<u>592,838</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(145,353)</u>	<u>(145,353)</u>	<u>(241,497)</u>	<u>(96,144)</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balances	 (145,353)	 (145,353)	 (241,497)	 (96,144)
Fund Balances - Beginning	1,607,637	1,607,637	1,607,638	1
Fund Balances - Ending	<u>\$ 1,462,284</u>	<u>\$ 1,462,284</u>	<u>\$ 1,366,141</u>	<u>\$ (96,143)</u>

KLEBERG COUNTY, TEXAS

HUMAN SERVICES 1/1-12/31

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 707,699	\$ 707,699	\$ 569,695	\$ (138,004)
Miscellaneous Revenues	2,000	2,534	2,186	(348)
Total Revenues	<u>709,699</u>	<u>710,233</u>	<u>571,881</u>	<u>(138,352)</u>
EXPENDITURES:				
Health and Welfare				
Health & Welfare				
Personal Services	102,000	102,731	99,941	2,790
Supplies	6,200	9,263	9,035	228
Other Services and Charges	590,000	598,705	586,348	12,357
Capital Outlay	--	18,182	18,182	--
Total Health & Welfare	<u>698,200</u>	<u>728,881</u>	<u>713,506</u>	<u>15,375</u>
Total Health and Welfare	<u>698,200</u>	<u>728,881</u>	<u>713,506</u>	<u>15,375</u>
Debt Service:				
Principal	--	--	10,035	(10,035)
Interest and Fiscal Charges	--	--	33	(33)
Total Expenditures	<u>698,200</u>	<u>728,881</u>	<u>723,574</u>	<u>5,307</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,499</u>	<u>(18,648)</u>	<u>(151,693)</u>	<u>(133,045)</u>
OTHER FINANCING SOURCES (USES):				
Right to Use Lease Proceeds	--	--	18,182	18,182
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>18,182</u>	<u>(18,182)</u>
Net Change in Fund Balances	11,499	(18,648)	(133,511)	(114,863)
Fund Balances - Beginning	(207,385)	(207,285)	(207,285)	--
Fund Balances - Ending	<u>\$ (195,886)</u>	<u>\$ (225,933)</u>	<u>\$ (340,796)</u>	<u>\$ (114,863)</u>

KLEBERG COUNTY, TEXAS

EXHIBIT C-14

HUMAN SERVICES
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 2,300,000	\$ 2,380,047	\$ 646,435	\$ (1,733,612)
Charges for Services	11,400	11,443	11,770	327
Total Revenues	<u>2,311,400</u>	<u>2,391,490</u>	<u>658,205</u>	<u>(1,733,285)</u>
EXPENDITURES:				
Health and Welfare				
Health & Welfare				
Personal Services	963,379	963,379	452,814	510,565
Supplies	125,763	125,763	57,944	67,819
Other Services and Charges	270,212	139,212	66,380	72,832
Capital Outlay	-	275,179	250,179	25,000
Total Health & Welfare	<u>1,359,354</u>	<u>1,503,533</u>	<u>827,317</u>	<u>676,216</u>
Total Health and Welfare	<u>1,359,354</u>	<u>1,503,533</u>	<u>827,317</u>	<u>676,216</u>
Total Expenditures	<u>1,359,354</u>	<u>1,503,533</u>	<u>827,317</u>	<u>676,216</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>952,046</u>	<u>887,957</u>	<u>(169,112)</u>	<u>(1,057,069)</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	952,046	887,957	(169,112)	(1,057,069)
Fund Balances - Beginning	4,195	4,194	4,195	1
Fund Balances - Ending	<u>\$ 956,241</u>	<u>\$ 892,151</u>	<u>\$ (164,917)</u>	<u>\$ (1,057,068)</u>

KLEBERG COUNTY, TEXAS
HUMAN SERVICES 10/1-9/30
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ --	\$ 503,474	\$ 431,777	\$ (71,697)
Miscellaneous Revenues	8,365	8,366	8,366	--
Contributions & Donations	31,000	31,900	30,552	(1,348)
Total Revenues	<u>39,365</u>	<u>543,740</u>	<u>470,695</u>	<u>(73,045)</u>
EXPENDITURES:				
Health and Welfare				
Health & Welfare				
Personal Services	313,656	313,605	303,692	9,913
Supplies	266,526	266,094	245,827	20,267
Other Services and Charges	36,890	63,881	58,135	5,746
Total Health & Welfare	<u>617,072</u>	<u>643,580</u>	<u>607,654</u>	<u>35,926</u>
Total Health and Welfare	<u>617,072</u>	<u>643,580</u>	<u>607,654</u>	<u>35,926</u>
Total Expenditures	<u>617,072</u>	<u>643,580</u>	<u>607,654</u>	<u>35,926</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(577,707)</u>	<u>(99,840)</u>	<u>(136,959)</u>	<u>(37,119)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	108,200	108,206	50,000	(58,206)
Total Other Financing Sources (Uses)	<u>108,200</u>	<u>108,206</u>	<u>50,000</u>	<u>58,206</u>
Net Change in Fund Balances	(469,507)	8,366	(86,959)	(95,325)
Fund Balances - Beginning	121,848	121,847	121,848	1
Fund Balances - Ending	<u>\$ (347,659)</u>	<u>\$ 130,213</u>	<u>\$ 34,889</u>	<u>\$ (95,324)</u>

KLEBERG COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-16

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
General Property Taxes	\$ 569,270	\$ 569,270	\$ 569,270	\$ --
Other Taxes - Miscellaneous	10,133	10,133	10,133	--
Investment Earnings	5,500	4,488	4,488	--
Total Revenues	<u>584,903</u>	<u>583,891</u>	<u>583,891</u>	<u>--</u>
EXPENDITURES:				
Debt Service:				
Principal	355,000	355,400	355,000	400
Interest and Fiscal Charges	162,976	162,976	77,769	85,207
Total Expenditures	<u>517,976</u>	<u>518,376</u>	<u>432,769</u>	<u>85,607</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>66,927</u>	<u>65,515</u>	<u>151,122</u>	<u>85,607</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	66,927	65,515	151,122	85,607
Fund Balances - Beginning	486,752	486,752	486,752	--
Fund Balances - Ending	<u>\$ 553,679</u>	<u>\$ 552,267</u>	<u>\$ 637,874</u>	<u>\$ 85,607</u>

KLEBERG COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2022

	<u>Capital Projects Fund</u>	<u>Rodeo Outside Arena Fund</u>	<u>Total Nonmajor Capital Projects Funds (See Exhibit C-1)</u>
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ 724	\$ 1,495,231	\$ 1,495,955
Equity in Pooled Cash	21,697	—	21,697
Total Assets	<u>\$ 22,421</u>	<u>\$ 1,495,231</u>	<u>\$ 1,517,652</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
DEFERRED INFLOWS OF RESOURCES			
Fund Balances:			
Restricted	\$ 22,421	\$ 1,495,231	\$ 1,517,652
Total Fund Balance	<u>22,421</u>	<u>1,495,231</u>	<u>1,517,652</u>
Total Liabilities and Fund Balance	<u>\$ 22,421</u>	<u>\$ 1,495,231</u>	<u>\$ 1,517,652</u>

KLEBERG COUNTY, TEXASCOMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Capital Projects Fund	Rodeo Outside Arena Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:			
Intergovernmental	\$ —	\$ 3,759	\$ 3,759
Investment Earnings	8	15,894	15,902
Total Revenues	<u>8</u>	<u>19,653</u>	<u>19,661</u>
Expenditures:			
Current:			
Culture and Recreation	—	1,659,744	1,659,744
Debt Service:			
Interest and Fiscal Charges	—	84,704	84,704
Total Expenditures	<u>—</u>	<u>1,744,448</u>	<u>1,744,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8</u>	<u>(1,724,795)</u>	<u>(1,724,787)</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	8	(1,724,795)	(1,724,787)
Fund Balances - Beginning	22,413	3,220,026	3,242,439
Fund Balances - Ending	<u>\$ 22,421</u>	<u>\$ 1,495,231</u>	<u>\$ 1,517,652</u>

KLEBERG COUNTY, TEXAS
 RODEO/OUTSIDE ARENA
 CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-19

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 3,760	\$ 3,760	\$ 3,759	\$ (1)
Investment Earnings	15,894	15,894	15,894	--
Total Revenues	<u>19,654</u>	<u>19,654</u>	<u>19,653</u>	<u>(1)</u>
EXPENDITURES:				
Culture and Recreation				
Parks Department				
Capital Outlay	1,744,448	1,744,448	1,659,744	84,704
Total Parks Department	<u>1,744,448</u>	<u>1,744,448</u>	<u>1,659,744</u>	<u>84,704</u>
Total Culture and Recreation	<u>1,744,448</u>	<u>1,744,448</u>	<u>1,659,744</u>	<u>84,704</u>
Debt Service:				
Interest and Fiscal Charges	84,704	84,704	84,704	--
Total Expenditures	<u>1,829,152</u>	<u>1,829,152</u>	<u>1,744,448</u>	<u>84,704</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,809,498)</u>	<u>(1,809,498)</u>	<u>(1,724,795)</u>	<u>84,703</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(1,809,498)	(1,809,498)	(1,724,795)	84,703
Fund Balances - Beginning	3,220,026	3,220,026	3,220,026	--
Fund Balances - Ending	<u>\$ 1,410,528</u>	<u>\$ 1,410,528</u>	<u>\$ 1,495,231</u>	<u>\$ 84,703</u>

KLEBERG COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Investment Trust Funds			
	County Clerk Trustee	County Attorney Trustee	District Clerk Registry	Total Investment Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 35,563	\$ 154	\$ 3,635,976	\$ 3,671,693
Accounts Receivable	-	-	-	-
Total assets	<u>35,563</u>	<u>154</u>	<u>3,635,976</u>	<u>3,671,693</u>
LIABILITIES				
Due to Other Governments and Agencies	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	35,563	154	3,635,976	3,671,693
Total Net Position	<u>\$ 35,563</u>	<u>\$ 154</u>	<u>\$ 3,635,976</u>	<u>\$ 3,671,693</u>

Custodial Funds

Payroll Fund	County Sheriff Seizures	J.P. Pct #1	J.P. Pct #2	J.P. Pct #3	J.P. Pct #4	Sheriff Commissary	Sheriff Account
\$ -	\$ 1,129,290	\$ 16,442	\$ 7,943	\$ 60,926	\$ 7,622	\$ 15,624	\$ 1,356
<u>-</u>	<u>1,129,290</u>	<u>16,442</u>	<u>7,943</u>	<u>60,926</u>	<u>7,622</u>	<u>15,624</u>	<u>1,356</u>
-	1,129,290	16,442	7,943	60,926	7,622	15,624	1,356
<u>-</u>	<u>1,129,290</u>	<u>16,442</u>	<u>7,943</u>	<u>60,926</u>	<u>7,622</u>	<u>15,624</u>	<u>1,356</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

KLEBERG COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Sheriff Inmate Trust	Tax Assessor/ Collector Highway Acct	Tax Assessor/ Collector VIT Acct	Tax Assessor/ Collector Tax Acct	Library
ASSETS					
Cash and Cash Equivalents	\$ 182,876	\$ 155,984	\$ 276,152	\$ 9,710	\$ 1,217
Accounts Receivable	-	-	-	-	-
Total assets	<u>182,876</u>	<u>155,984</u>	<u>276,152</u>	<u>9,710</u>	<u>1,217</u>
LIABILITIES					
Due to Other Governments and Agencies	-	-	-	9,710	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,710</u>	<u>-</u>
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	182,876	155,984	276,152	-	1,217
Total Net Position	<u>\$ 182,876</u>	<u>\$ 155,984</u>	<u>\$ 276,152</u>	<u>\$ -</u>	<u>\$ 1,217</u>

Custodial Funds								
County Clerk Cash Bonds	District Clerk	District Clerk Cash Bond	District Clerk Fee Acct	Tax Office Special	DPS Seizures	Task Force Seizures	Activities Fund	Total Custodial Funds
\$ 257,177	\$ 42,938	\$ 159,640	\$ 3,460	\$ 14,457	\$ 97,671	\$ 98,359	\$ 30,000	6,240,537
<u>257,177</u>	<u>42,938</u>	<u>159,640</u>	<u>3,460</u>	<u>14,457</u>	<u>97,671</u>	<u>98,359</u>	<u>30,000</u>	<u>6,240,537</u>
-	-	-	-	-	97,671	98,359	-	1,444,943
-	-	-	-	-	<u>97,671</u>	<u>98,359</u>	-	<u>1,444,943</u>
<u>257,177</u>	<u>42,938</u>	<u>159,640</u>	<u>3,460</u>	<u>14,457</u>	-	-	<u>30,000</u>	<u>4,795,594</u>
\$ <u>257,177</u>	\$ <u>42,938</u>	\$ <u>159,640</u>	\$ <u>3,460</u>	\$ <u>14,457</u>	\$ -	\$ -	\$ <u>30,000</u>	<u>4,795,594</u>

KLEBERG COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Investment Trust Funds			
	County Clerk Trustee	County Attorney Trustee	District Clerk Registry	Total Investment Trust Funds
ADDITIONS				
Contributions				
Governmental fees collected	\$ -	\$ -	\$ -	\$ -
Taxes collected for other governments	-	-	-	-
Payroll funds collected	-	-	-	-
Other funds collected	477,424	8,923	4,244,754	4,731,101
Total Contributions	<u>477,424</u>	<u>8,923</u>	<u>4,244,754</u>	<u>4,731,101</u>
DEDUCTIONS				
Governmental fees remitted	-	-	-	-
Taxes remitted to other governments	-	-	-	-
Payroll funds remitted	-	-	-	-
Other funds remitted	478,554	8,798	858,635	1,345,987
Total deductions	<u>478,554</u>	<u>8,798</u>	<u>858,635</u>	<u>1,345,987</u>
Net increase (decrease) in fiduciary net position	(1,130)	125	3,386,119	3,385,114
Net position-beginning	36,693	29	249,857	286,579
Net position-ending	<u>\$ 35,563</u>	<u>\$ 154</u>	<u>\$ 3,635,976</u>	<u>\$ 3,671,693</u>

Custodial Funds

Payroll Fund	County Sheriff Seizures	J.P. Pct #1	J.P. Pct #2	J.P. Pct #3	J.P. Pct #4	Sheriff Commissary	Sheriff Account	Sheriff Inmate Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
7,159,488	-	-	-	-	-	-	-	-
-	231,480	239,874	72,915	992,642	35,408	139,949	27,207	311,445
<u>7,159,488</u>	<u>231,480</u>	<u>239,874</u>	<u>72,915</u>	<u>992,642</u>	<u>35,408</u>	<u>139,949</u>	<u>27,207</u>	<u>311,445</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
7,159,488	-	-	-	-	-	-	-	-
-	231,480	239,874	72,915	992,642	35,408	139,949	27,207	308,805
<u>7,159,488</u>	<u>231,480</u>	<u>239,874</u>	<u>72,915</u>	<u>992,642</u>	<u>35,408</u>	<u>139,949</u>	<u>27,207</u>	<u>308,805</u>
-	-	-	-	-	-	-	-	2,640
-	-	-	-	-	-	-	-	180,236
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,876</u>

KLEBERG COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Tax Assessor/ Collector Highway Acct	Tax Assessor/ Collector VIT Acct	Tax Assessor/ Collector Tax Acct	Library
ADDITIONS				
Contributions				
Governmental fees collected	\$ -	\$ -	\$ -	\$ -
Taxes collected for other governments	8,606,852	384,910	45,595,165	-
Payroll funds collected	-	-	-	-
Other funds collected	-	-	-	11,803
Total Contributions	<u>8,606,852</u>	<u>384,910</u>	<u>45,595,165</u>	<u>11,803</u>
DEDUCTIONS				
Governmental fees remitted	-	-	-	-
Taxes remitted to other governments	8,620,512	389,817	45,595,165	-
Payroll funds remitted	-	-	-	-
Other funds remitted	-	-	-	11,697
Total deductions	<u>8,620,512</u>	<u>389,817</u>	<u>45,595,165</u>	<u>11,697</u>
Net increase (decrease) in fiduciary net position	(13,660)	(4,907)	-	106
Net position-beginning	169,644	281,059	-	1,111
Net position-ending	<u>\$ 155,984</u>	<u>\$ 276,152</u>	<u>\$ -</u>	<u>\$ 1,217</u>

Custodial Funds								
County Clerk Cash Bonds	District Clerk	District Clerk Cash Bond	District Clerk Fee Acct	Tax Office Special	DPS Seizures	Task Force Seizures	Activities Fund	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	54,586,927
-	-	-	-	-	-	-	-	7,159,488
<u>66,924</u>	<u>180,749</u>	<u>29,537</u>	<u>17,073</u>	<u>12,074</u>	<u>687</u>	<u>955,961</u>	<u>17,406</u>	<u>8,074,235</u>
<u>66,924</u>	<u>180,749</u>	<u>29,537</u>	<u>17,073</u>	<u>12,074</u>	<u>687</u>	<u>955,961</u>	<u>17,406</u>	<u>69,820,650</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	54,605,494
-	-	-	-	-	-	-	-	7,159,488
<u>67,419</u>	<u>171,825</u>	<u>26,600</u>	<u>16,843</u>	<u>10,097</u>	<u>687</u>	<u>955,961</u>	<u>1,444</u>	<u>4,656,840</u>
<u>67,419</u>	<u>171,825</u>	<u>26,600</u>	<u>16,843</u>	<u>10,097</u>	<u>687</u>	<u>955,961</u>	<u>1,444</u>	<u>66,421,822</u>
(495)	8,924	2,937	230	1,977	-	-	15,962	3,398,828
<u>257,672</u>	<u>34,014</u>	<u>156,703</u>	<u>3,230</u>	<u>12,480</u>	<u>-</u>	<u>-</u>	<u>14,038</u>	<u>1,396,766</u>
<u>\$ 257,177</u>	<u>\$ 42,938</u>	<u>\$ 159,640</u>	<u>\$ 3,460</u>	<u>\$ 14,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>30,000</u>	<u>\$ 4,795,594</u>

This page is left blank intentionally.

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

This page is left blank intentionally.

Raul Hernandez & Company, P.C.
Certified Public Accountants
5402 Holly Rd., Suite 102
Corpus Christi, Texas 78411
Office (361)980-0428 Fax (361)980-1002

Independent Auditors' Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Commissioners' Court
Kleberg County, Texas
P.O. Box 72
Kingsville, Texas 78364

Members of the Commissioners' Court:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kleberg County, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Kleberg County, Texas' basic financial statements, and have issued our report thereon dated April 12, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kleberg County, Texas' 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 Kleberg County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the Kleberg County, Texas' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Kleberg County, Texas' 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*.

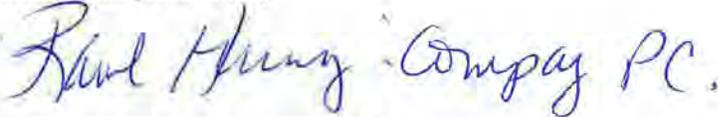
Kleberg County, Texas' Response to Findings

Kleberg County, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Kleberg County, Texas' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Respectfully submitted,



Raul Hernandez and Company, P.C.

Corpus Christi, Texas
April 12, 2024

Raul Hernandez & Company, P.C.
Certified Public Accountants
5402 Holly Rd., Suite 102
Corpus Christi, Texas 78411
Office (361)980-0428 Fax (361)980-1002

Independent Auditors' Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance

Commissioners' Court
Kleberg County, Texas
P.O. Box 72
Kingsville, Texas 78364

Members of the Commissioners' Court:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kleberg County, Texas' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Kleberg County, Texas' major federal programs for the year ended September 30, 2022. Kleberg County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kleberg County, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Kleberg County, Texas'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 Kleberg County, Texas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Kleberg County, Texas's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

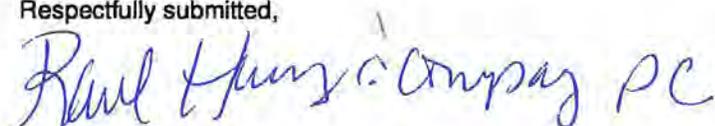
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Raul Hernandez and Company PC". The signature is written in a cursive, flowing style.

Raul Hernandez and Company, P.C.

Corpus Christi, Texas

April 12, 2024

KLEBERG COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? X Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: August 2019

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)? Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
11.307	Economic Adjustment Assistance
21.207	Coronavirus State and Local Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

KLEBERG COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

B. Financial Statement Findings

Finding No. 2022-001

Criteria: The County's accounting system must make it possible to both:(a) to present fairly and fully disclose the funds and activities of the County in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related and legal and contractual provisions.

Condition: The County did not prepare year-end reconciliations and other year end supporting schedules in a timely manner or they were not complete. The County provided auditors with incorrect trial balances multiple times. This resulted in additional time effort on our part during the course of the audit.

Cause: The County lacks sufficient staff to assist with the year-end closing of the County's general ledger, including preparation of supporting schedules. During the year, some positions within the County Auditor's office were vacated upon the County Auditor's retirement. The distribution of the duties took an extraordinary amount of time to adapt to the processes.

Effect: The County has various ledgers that were not balanced and finalized at year end, and this has delayed the completion of the audit.

Recommendation: The County must develop of year end closing plan to ensure that proper internal controls over financial reporting and compliance are in place.

Management Response:The County is going to create a process for year-end closing which will be developed and implemented for full compliance of financial reporting at year end and enhanced cross training will be conducted. The County has re-appointed the former County Auditor to her original position.

C. Federal Award Findings and Questioned Costs

NONE

KLEBERG COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
N/A		

KLEBERG COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2022

N/A

KLEBERG COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT D-1
Page 1 of 3

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
AGING CLUSTER:				
<u>U. S. Department of Health and Human Services</u>				
Passed Through Texas Health and Humans Services Commission:				
CARES ACT - Nutrition Services under Title III-C of the Older Americ	93.045	2001TXHDC	\$	\$ 44,595
Passed Through United States Department of Health and Human Services:				
Special Programs for the Aging - Title XX	93.045	000158400		350,820
Special Programs For the Aging - Title III	93.045	Title III		212,239
Total Passed Through United States Department of Health and Human Services			-	563,059
Total U. S. Department of Health and Human Services			-	607,654
Total Aging Cluster			-	607,654
ECONOMIC DEVELOPMENT CLUSTER:				
<u>U. S. Department of Commerce</u>				
Passed Through Economic Adjustment Assistance - Disaster Supplemental Assistance:				
Economic Development Administration (EDA)	11.307	08-79-05329		2,180,595
Total U. S. Department of Commerce			-	2,180,595
Total Economic Development Cluster			-	2,180,595
FEDERAL TRANSIT CLUSTER:				
<u>U. S. Department of Transportation</u>				
Passed Through Texas Department of Transportation:				
Buses and Bus Facilities Program	20.526	51003F23121		52,005
Passed Through Texas Department of Transportation:				
Buses and Bus Facilities Program	20.526	51003023119		73,174
Total U. S. Department of Transportation			-	125,179
Total Federal Transit Cluster			-	125,179
TRANSIT SERVICES PROGRAMS CLUSTER:				
<u>U. S. Department of Transportation</u>				
Passed Through Texas Department of Transportation:				
Section 5310 Public Transportation Program	20.513	22023110821		22,613
Total U. S. Department of Transportation			-	22,613
Total Transit Services Programs Cluster			-	22,613
OTHER PROGRAMS:				
<u>U.S. Department of Transportation</u>				
Passed Through Highway Planning and Construction:				
Contributions of Right of Ways	20.205	091602023		22,320
Total U.S. Department of Transportation			-	22,320
<u>U.S. Department of Justice</u>				
Passed Through CESF:				
Coronavirus Emergency Supplemental Funding	16.034	4143301		4,706
Total U.S. Department of Justice			\$ -	\$ 4,706

KLEBERG COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT D-1
Page 2 of 3

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U. S. Department of Transportation</u>				
Passed Through Highway Planning & Construction:				
Contributions of Right of Ways	20.205	0102040971	\$	\$ 16,912
Contributions of Right of Ways	20.205	032109002003	--	23,276
Contributions of Right of Ways	20.205	091602024	--	27,450
Total Passed Through Highway Planning & Construction			--	67,638
Passed Through Texas Department of Transportation:				
Airport Improvement Program	20.106	20CRKINGS		44,116
Bus Shelter	20.509	21012904520		25,000
Section 5311 Public Transportation Program	20.509	51018052921		174,143
Section 5311 Public Transportation Program	20.509	51018052921		365,195
Total Passed Through Texas Department of Transportation			--	608,454
Total U. S. Department of Transportation			--	676,092
<u>U. S. Department of the Treasury</u>				
Direct Program:				
Terrorism and Financial Intelligence	21.016	2022		212,280
Passed Through American Rescue Plan:				
Coronavirus State and Local Fiscal Recovery Fund	21.027	ARPA		2,180,752
Total U. S. Department of the Treasury			--	2,393,032
<u>U. S. Department of the Interior</u>				
Passed Through United States Department of the Interior:				
GOMESA	15.435	2021		506,376
Passed Through United States Department of the Interior National Parks:				
National Padre Island Seashore Dispatch Agreement	15.944	N/A		40,587
Total U. S. Department of the Interior			--	546,963
<u>U. S. Department of Justice</u>				
Passed Through Organized Crime Drug Enforcement Task Forces:				
State Criminal Alien Assistance Program	16.606	2016-H1304-TX-AP		3,700
Passed Through Victims of Crime Grant:				
Victims of Crime Grant	16.575	2899705		38,564
Total U. S. Department of Justice			--	42,264
<u>U. S. Department of Housing & Urban Development</u>				
Passed Through Texas Department of Agriculture:				
Community Development Block Grant	14.228	B18DP48002		603,952
Total U. S. Department of Housing & Urban Development			--	603,952
<u>U. S. Department of Health and Human Services</u>				
Passed Through Texas Department of Housing & Community Affairs:				
Comprehensive Energy Assistance Program	93.568	58210003395	--	664,365
Comprehensive Energy Assistance Program	93.568	CEAP-ARPA	--	723,577
Total Passed Through Texas Department of Housing & Community Affairs			--	1,387,942
Total U. S. Department of Health and Human Services			--	1,387,942

KLEBERG COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT D-1
Page 3 of 3

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U. S. Department of Agriculture</u>				
Passed Through Texas Department of Agriculture:				
Rural Business Development	10.351	Kleberg		140,178
Total U. S. Department of Agriculture			\$ --	\$ 140,178
<u>U S General Services Administration</u>				
Passed Through .:				
Federal Surplus Personal Property	39.003	N/A	\$ --	\$ 77,531
Total U S General Services Administration			--	77,531
<u>U.S Department of Health & Human Services</u>				
Passed Through Texas Department of Housing & Community Affairs:				
Low Income Household Water Assistance Program	93.568	34210003686		18,790
Total U S Department of Health & Human Services			--	18,790
<u>Office of the President Office of the National Drug Control Policy</u>				
Passed Through Office of the President Office of the National Drug Control Policy:				
HIDTA Houston Money Laundering Initiative	95.001	G18HN0014A		16,230
Total Office of the President Office of the National Drug Control Policy			--	16,230
<u>HELP AMERICA VOTE ACT (HAVA)</u>				
Passed Through Help America Vote Act (HAVA):				
Election Security	90.404	tx18101001-01-137		13,142
Total HELP AMERICA VOTE ACT (HAVA)			--	13,142
<u>Department of Homeland Security-FEMA</u>				
Passed Through Emergency Food & Shelter National Board Program:				
Emergency Food & Shelter	97.024	30-8196-00		6,077
Passed Through Texas Department of Public Safety-Div of Emergency Managment:				
Operation Stone Garden-TF 3/1/22-2/28/23	97.067	20213222107		181,439
Passed Through Texas Department of Public Safety-Div of Emergency Mngmnt:				
Operation Stone Garden-SO 3/1/21-3/1/22	97.067	20203193006	--	99,106
Operation Stone Garden - TF 3/1/2021-3/31/2022	97.067	2020-3222106	--	73,064
Operation Stone Garden-SO 3/1/22-2/28/23	97.067	20213193007		257,914
Total Passed Through Texas Department of Public Safety-Div of Emergency Mngmnt			--	430,084
Total Department of Homeland Security-FEMA			--	617,600
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ --	\$ 9,496,783

The accompanying notes are an integral part of this schedule.

KLEBERG COUNTY, TEXAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2022

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Kleberg County, Texas. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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

This page is left blank intentionally.