

**MATAGORDA COUNTY
CONSERVATION & RECLAMATION
DISTRICT NO. 1**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024



**8 WEST WAY COURT
LAKE JACKSON, TEXAS**

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MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Annual Financial Report

For the Year Ended December 31, 2024

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The following schedules were not applicable to Matagorda County Conservation & Reclamation District No. 1:

- TSI-5 Long-Term Debt Service Requirements by Years
- TSI-6 Changes in Long-Term Bonded Debt

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FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Directors
Matagorda County Conservation & Reclamation District No. 1
Markham, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Matagorda County Conservation & Reclamation District No. 1 (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the District, as of December 31, 2024, and the respective changes in financial position and 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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El Campo, TX 77437
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Angleton, TX 77515
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Bay City
2245 Avenue G
Bay City, TX 77414
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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules required by the Texas Commission on Environmental Quality are presented for purposes for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules required by the Texas Commission on Environmental Quality are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

KM&L, LLC

Lake Jackson, Texas
April 9, 2025

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MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

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

As directors of the Matagorda County Conservation & Reclamation District No. 1 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2024. We encourage readers to consider this information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$ 1,610,815 (net position). Of this total amount, \$ 1,599,122 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors within the District's fund designation.
- The District's total net position increased by \$ 209,165.
- As of the close of the current fiscal year, the District's general fund reported an ending fund balance of \$ 1,581,572 or 658.03% of the total general fund expenditures. The amount of \$ 1,581,115 (unassigned fund balance) is available for use within the District's fund designation.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the District as being principally supported by taxes (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no business-type activities and no component units for which it is financially accountable. The *governmental activities* of the District include general government and administration and drainage.

The government-wide financial statements can be found on pages 16 through 17 of this report.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one major fund, which is the general fund, and is reported as a governmental fund.

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

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

The fund financial statements can be found on pages 20 through 23 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 36 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget and actual schedule for the General Fund. Required supplementary information can be found on page 38 of this report.

In addition this report also presents supplementary information required by the Texas Commission on Environment Quality, which can be found on pages 40 through 47 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 1,610,815 as of December 31, 2024. Net position of the District's governmental activities increased by \$ 209,165 from \$ 1,401,650 to \$ 1,610,815.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

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

The District's Net Position

	<u>2024</u>	<u>2023</u>
Assets:		
Current and other assets	\$ 2,032,945	\$ 1,765,850
Capital assets (net of accumulated depreciation)	<u>11,693</u>	<u>12,340</u>
Total assets	<u>2,044,638</u>	<u>1,778,190</u>
Liabilities:		
Current and other liabilities	<u>23,041</u>	<u>5,197</u>
Total liabilities	<u>23,041</u>	<u>5,197</u>
Total deferred inflows of resources	<u>410,782</u>	<u>371,343</u>
Net Position:		
Net investment in capital assets	11,693	12,340
Unrestricted	<u>1,599,122</u>	<u>1,389,310</u>
Total net position	<u>\$ 1,610,815</u>	<u>\$ 1,401,650</u>

Governmental activities. Governmental activities increased the District's net position by \$ 209,165. Total revenues for governmental activities amounted to \$ 450,163, of which property taxes amounted to 82.10%. The following table provides a summary of the District's operations for the years ended December 31, 2024 and 2023.

The District's Change in Net Position

	<u>2024</u>	<u>2023</u>
Revenues:		
Tax revenue	\$ 369,605	\$ 362,794
Investment income	70,251	55,844
Miscellaneous	<u>10,307</u>	<u>2,664</u>
Total revenues	<u>450,163</u>	<u>421,302</u>
Expenses:		
Flood Control:		
Personnel	15,149	15,149
Professional fees	65,710	50,106
Contracted services	13,309	10,843
Repairs and maintenance	144,500	38,087
Administrative costs	<u>2,330</u>	<u>1,240</u>
Total expenses	<u>240,998</u>	<u>115,425</u>
Change in net position	209,165	305,877
Net position - beginning	<u>1,401,650</u>	<u>1,095,773</u>
Net position - ending	<u>\$ 1,610,815</u>	<u>\$ 1,401,650</u>

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

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

Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's governmental fund reported a fund balance of \$ 1,581,572. 99.97% of this total amount constitutes unassigned fund balance and 0.03% of this amount constitutes nonspendable fund balance for prepaid expenditures.

The General Fund fund balance increased by \$ 208,849 primarily due to investment income being over budget, professional fees and repairs and maintenance expenditures being under budget.

General Fund Budgetary Highlights

The District did not amend the budget in the year ending December 31, 2024. Actual revenues exceeded budgeted revenues by \$ 37,555 due to investment income. Budgeted expenditures exceeded actual expenditures by \$ 543,049 due to budgeted professional fees and repairs and maintenance exceeding actual expenditures.

Capital Assets. The District's investment in capital assets for its governmental activities as of December 31, 2024, amounts to \$ 11,693 (net of accumulated depreciation). This investment in capital assets includes land and equipment. Additional information on the District's capital assets can be found in Note 6 on pages 35 through 36.

Economic Factors and Next Year's Budgets and Rates

The District's 2025 budget was adopted at \$ 918,400, an increase of \$135,000 from the 2024 budget. The tax rate of \$ 0.00730 for each \$ 100 was set for 2025 operations.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Directors, P.O. Box 433, Markham, Texas, 77456-0413.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Statement of Net Position

December 31, 2024

	<u>Total Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 1,211,524
Investments	395,886
Receivables, net:	
Taxes	356,906
Due from other governments	66,592
Accrued interest	1,580
Prepaid expenses	457
Capital Assets (net of accumulated depreciation):	
Land	10,445
Equipment, net	<u>1,248</u>
Total assets	<u>2,044,638</u>
Liabilities:	
Accounts payable	<u>23,041</u>
Total liabilities	<u>23,041</u>
Deferred Inflows of Resources:	
Deferred inflows of resources	<u>410,782</u>
Total deferred inflows of resources	<u>410,782</u>
Net Position:	
Net investment in capital assets	11,693
Unrestricted	<u>1,599,122</u>
Total net position	<u>\$ 1,610,815</u>

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

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Statement of Activities

For the Year Ended December 31, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Net (Expense) Revenue and Changes in Net Position Total Governmental Activities</u>
Governmental Activities:		
Flood Control:		
Personnel	\$ 15,149	\$ (15,149)
Professional fees	65,710	(65,710)
Contracted services	13,309	(13,309)
Repairs and maintenance	144,500	(144,500)
Administrative costs	<u>2,330</u>	<u>(2,330)</u>
Total governmental activities	<u>\$ 240,998</u>	<u>(240,998)</u>
General Revenues:		
Tax revenue		369,605
Investment income		70,251
Miscellaneous		<u>10,307</u>
Total general revenues		<u>450,163</u>
Change in net position		209,165
Net position - beginning		<u>1,401,650</u>
Net position - ending		<u>\$ 1,610,815</u>

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

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FUND FINANCIAL STATEMENTS

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Balance Sheet - General Fund

December 31, 2024

	<u>General Fund</u>
Assets:	
Cash and cash equivalents	\$ 1,211,524
Investments	395,886
Receivable, net:	
Taxes	356,906
Due from other governments	66,592
Accrued interest	1,580
Prepaid expenditures	<u>457</u>
Total assets	<u>\$ 2,032,945</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance:	
Liabilities:	
Accounts payable	<u>\$ 23,041</u>
Total liabilities	<u>23,041</u>
Deferred Inflows of Resources:	
Deferred inflows of resources	<u>428,332</u>
Total deferred inflows of resources	<u>428,332</u>
Fund Balance:	
Nonspendable	457
Unassigned	<u>1,581,115</u>
Total fund balance	<u>1,581,572</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,032,945</u>

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

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

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

Total fund balance - general fund balance sheet \$ 1,581,572

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 23,394 in assets less \$ 11,701 in accumulated depreciation. 11,693

Property taxes receivable unavailable to pay for current period expenditures are deferred in the fund. Deferred property tax revenues for the general fund amounted to \$ 17,550. 17,550

Net position of governmental activities - statement of net position \$ 1,610,815

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

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Statement of Revenues, Expenditures, and Change in Fund Balance - General Fund

For the Year Ended December 31, 2024

	<u>General Fund</u>
Revenues:	
Tax revenue	\$ 368,642
Investment income	70,251
Miscellaneous	<u>10,307</u>
Total revenues	<u>449,200</u>
Expenditures:	
Current:	
Flood Control:	
Personnel	15,149
Professional fees	65,710
Contracted services	13,309
Repairs and maintenance	144,500
Administrative costs	<u>1,683</u>
Total expenditures	<u>240,351</u>
Net change in fund balance	208,849
Fund balance - beginning	<u>1,372,723</u>
Fund balance - ending	<u>\$ 1,581,572</u>

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

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1
*Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance
of the General Fund to the Governmental Activities Statement of Activities
For the Year Ended December 31, 2024*

Change in fund balance - general fund	\$ 208,849
 Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds reports capital outlay as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation expense, \$ 647, exceeded capital outlay, \$ 0, in the current period.	(647)
Property tax revenues in the governmental activities statement of activities do not provide current financial resources and are not reported as revenues in the fund. Deferred property tax revenues for the general fund increased by \$ 963.	<u>963</u>
Change in net position of governmental activities	\$ <u>209,165</u>

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

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MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

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MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Matagorda County Conservation & Reclamation District No. 1 (the "District") was created by election in open court on December 20, 1923 by two-third majority of commissioners Court as authorized by Section 52 of Article III, as broadened by Section 59 of Article XVI of the Texas Constitution. At December 31, 2024, the District had no employees.

The accounting and reporting policies of the District relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable).

Reporting Entity

The Board of the District is elected by the public; has the authority to make decisions, appoint administrators and managers; significantly influence operations; and has the primary accountability for fiscal matters. Therefore, the District is not included in any other governmental "reporting entity" as defined by GASB in its Statement No. 61, "*The Financial Reporting Entity*." There are no component units included within the reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The *governmental activities* are supported by tax revenues. The District has no *business-type activities* that 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 program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program. The District had no program revenues during the tax year ended December 31, 2024. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. The District does not have any fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues 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 District 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.

Revenues from local sources consist primarily of property taxes. Property tax revenues are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Revenue from investments is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase.

The District reports the following major governmental fund:

The *General Fund* is the District's only fund. It accounts for all financial resources of the District. The major revenue source includes property taxes and investment income. Expenditures include all costs associated with the daily operations of the District.

Budgetary data

The original annual appropriated budget is adopted by the Board of Directors in August of the preceding year. Expenses are budgeted substantially on the modified accrual basis of accounting. Tax collections are budgeted based upon 100% of the tax levied in October of the year preceding the budget year (i.e. 2024 budgeted tax revenue is based upon the October, 2023 tax levy). Accordingly, there is no material difference between the financial reporting and budget basis of accounting.

Once the budget is adopted, expenditures may not legally exceed total appropriations at the fund level without approval of a majority of the Board. Line items may exceed appropriated amounts at the discretion of management as long as total expenditures for the fund do not exceed appropriated amounts. Appropriations not exercised in the current year lapse at the end of the year.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Encumbrance Accounting

The District does not employ a complete purchase order system for all expenditures and therefore does not utilize encumbrance accounting. Appropriations generally lapse at the end of the year.

Cash and Investments

The District considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Current investments have an original maturity greater than three months but less than one year at the time of purchase. Non-current investments have an original maturity of greater than one year at the time of purchase.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of January 1 for all real and business property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

The appraisal and recording of all property within the District is the responsibility of the Matagorda County Appraisal District (MCAD), an independent governmental unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. MCAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years. Under certain circumstances taxpayers and taxing units, including the District, may challenge orders of the MCAD Review Board through various appeals and, if necessary, legal action.

The assessed value of the property tax roll on October 1, 2024, upon which the levy for the 2025 year was based, was \$ 5,605,406,923. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to penalty and interest charges plus 20% delinquent collection fees for attorney costs

The tax rates assessed for the year ended December 31, 2024, to finance general fund operations was \$ 0.00730 per \$ 100 valuation.

As of December 31, 2024, the District had collected \$ 71,425 of the 2024 levy (levied October 1, 2024), which is deferred and set aside for 2025 operations. Additionally, property taxes receivable of \$ 339,357 and \$ 21,953 from the 2024 levy and prior year levies, respectively, are recorded as deferred inflows of resources, net of allowance for uncollectible taxes of \$ 4,403. Allowances for uncollectible taxes are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets

Capital assets, which include land and equipment, are reported in the governmental activities columns in the government-wide financial statement. The District started capitalizing land and equipment expenditures beginning during the year ended December 31, 2004. Land and equipment acquired prior to January 1, 2004 have not been reported. The District chose not to capitalize any assets before that time period. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are being depreciated using the straight-line method over the useful lives. Equipment has an estimated useful life of 20 years.

Deferred Outflows and Inflows of Resources

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

Fund Balance

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

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balance - Continued

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a board resolution by the government's highest level of decision-making authority.

Assigned Fund Balance - Amounts that are constrained by the District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the individual authorized. With the exception of the General Fund, this is the residual fund balance classification for all government funds with positive balances.

Unassigned Fund Balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

As of December 31, 2024, nonspendable fund balance related to prepaid expenditures includes \$ 457 and unassigned fund balance includes \$ 1,581,115 in the general fund.

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Restricted net position, as presented in the government-wide statement of net position, is reported when constraints placed on the use of net position are either 1) externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments), or 2) imposed by law through constitutional provisions or enabling legislation. The District has no restricted net position for the year ended December 31, 2024.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 2. NEW PRONOUNCEMENTS

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

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

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

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

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

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

NOTE 3. DEPOSITS AND INVESTMENTS

The District classifies deposits and investments for financial statement purposes as cash and cash equivalents, current investments, and non-current investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose an investment is considered a cash equivalent if when purchased it has maturity of three months or less. Investments are classified as either current investments or non-current investments. Current investments have maturity of one year or less and non-current investments are those that have a maturity of one year or more. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 3. DEPOSITS AND INVESTMENTS - Continued

Cash and cash equivalents, current investments, and non-current investments as reported on the statement of net position at December 31, 2024 are as follows:

	<u>Total</u>
Cash and Cash Equivalents:	
Financial Institution Deposits:	
Demand deposits	\$ 866,973
Local Government Investment Pools:	
Texas CLASS Government	<u>344,551</u>
Total cash and cash equivalents	<u>1,211,524</u>
Investments:	
Certificates of deposit	<u>395,886</u>
Total cash and cash equivalents and investments	<u>\$ 1,607,410</u>

Deposits

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

Under Texas state law, a bank serving as the District's depository must have a bond or in lieu thereof, deposited or pledged securities with the District or an independent third party agent, an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

At December 31, 2024, the carrying amount of the District's cash, savings, and time deposits was \$ 1,262,859. The financial institutions balances were \$ 1,286,534 at December 31, 2024. Bank balances of \$ 1,286,534 were covered by federal depository insurance and securities pledged in the District's name.

Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the District to invest its funds in areas that primarily emphasizes the safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. The District's investment compliance requirements and types of investments are governed by the Public Funds Investment Act (PFIA) and the Texas Commission on Environmental Quality (TCEQ). The District believes it has complied with the requirements of the PFIA and the TCEQ.

The District invests in Texas CLASS Government to provide its liquidity needs. Texas CLASS Government is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. Texas CLASS Government is a 2(a)7 like fund, meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed. Texas CLASS Government is rated AAA and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 3. DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

At December 31, 2024 Texas CLASS Government had a weighted average maturity of 19 days. Although Texas CLASS Government portfolios had a weighted average maturity of 19 days, the District considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

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

<u>Investment Type</u>	<u>Interest Rate</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity (Days)</u>
Texas CLASS Government	Varies	\$ 344,551	19
Certificates of deposit	Varies	<u>395,886</u>	78
		<u>\$ 740,437</u>	51

Credit Risk - As of December 31, 2024, the local government investment pool (which represents 46.53% of the investment portfolio) is rated AAAM by Standard and Poor’s or AAAA by Fitch and the certificate of deposit (which represent 53.47% of the investment portfolio) is fully insured by the FDIC.

Interest Rate Risk - The District limits its exposure to interest rate risk by diversifying its investments by security type and institution. District policy will be that the maximum allowable stated maturity of an individual investment for operating funds shall not exceed five years, unless a temporary extension of maturities is approved by the Board of Directors.

Fair Value Measures

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 3. DEPOSITS AND INVESTMENTS - Continued

Fair Value Measures - Continued

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

As of December 31, 2024, the District has no assets or liabilities measured at fair value.

NOTE 4. RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED INFLOWS OF RESOURCES, AND UNEARNED REVENUES

Receivables and Allowances

Receivables as of December 31, 2024, for the District's general fund, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>
Receivables:	
Property taxes	\$ 361,310
Due from other governments	66,592
Accrued interest	<u>1,580</u>
Gross receivables	429,482
Less: Allowance for Uncollectible	<u>4,403</u>
Net total receivables	<u>\$ 425,079</u>

Deferred Inflows of Resources and Unearned Revenues

Governmental funds defer the recognition of revenue in connection with receivables for revenues that are considered to be unavailable to liquidate liabilities of the current period and report these amounts as deferred inflows of resources. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of December 31, 2024, deferred inflows of resources reported in the governmental funds were as follows:

	<u>Deferred Inflows of Resources (Unavailable)</u>
Current property taxes collected (October 1, 2024 Levy)	\$ 71,425
Current property taxes receivable (October 1, 2024 Levy)	339,357
Delinquent property taxes receivable (October 1, 2023 and prior)	<u>17,550</u>
Total deferred inflows of resources from governmental funds	<u>\$ 428,332</u>

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 4. RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED INFLOWS OF RESOURCES, AND UNEARNED REVENUES - Continued

Deferred Inflows of Resources and Unearned Revenues - Continued

Governmental activities defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. As of December 31, 2024, deferred inflows of resources reported on the governmental activities were as follows:

	<u>Deferred Inflows of Resources (Unavailable)</u>
Current property taxes collected (October 1, 2024 Levy)	\$ 71,425
Current property taxes receivable (October 1, 2024 Levy)	<u>339,357</u>
Total deferred inflows of resources from governmental activities	<u>\$ 410,782</u>

As of December 31, 2024, there were no unearned revenues reported.

NOTE 5. RISK MANAGEMENT

The District is exposed to all the normally expected risks of a public entity of its size and nature. Management is unaware of any unusual or unexpected types of risk. There has been no significant reduction in bond coverage during the year ended December 31, 2024. As of December 31, 2024 management is unaware of any material liability for unpaid claims or unasserted claims.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Balance 01/01/24</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/24</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ <u>10,445</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,445</u>
Total capital assets, not being depreciated	<u>10,445</u>	<u>-</u>	<u>-</u>	<u>10,445</u>
Depreciated Capital Assets:				
Equipment	<u>12,949</u>	<u>-</u>	<u>-</u>	<u>12,949</u>
Total capital assets being depreciated	<u>12,949</u>	<u>-</u>	<u>-</u>	<u>12,949</u>
Accumulated Depreciation:				
Equipment	<u>11,054</u>	<u>647</u>	<u>-</u>	<u>11,701</u>
Total accumulated depreciation	<u>11,054</u>	<u>647</u>	<u>-</u>	<u>11,701</u>
Total capital assets being depreciated, net	<u>1,895</u>	<u>(647)</u>	<u>-</u>	<u>1,248</u>
Governmental activities, capital assets, net	<u>\$ 12,340</u>	<u>\$ (647)</u>	<u>\$ -</u>	<u>\$ 11,693</u>

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

Notes to the Financial Statements

For the Year Ended December 31, 2024

NOTE 6. CAPITAL ASSETS - Continued

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

Governmental Activities:	
Flood control	\$ <u> 647</u>
Total depreciation expense-governmental activities	\$ <u> 647</u>

See Note 1 for additional information regarding capital assets.

NOTE 7. TAX ABATEMENTS

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

The District entered into a property tax abatement agreement for the purpose of attracting or retaining businesses. Tax abatements on property tax were granted on assessed land valued at \$ 3,891,608 during the year ended December 31, 2013 by the District to a pipe manufacturing company for ten years granted for the commitment of building a new steel pipe production plant valued at a minimum value of \$ 1,314,000,000. If the agreement continues as intended, the abatement period would be for the years ending 2015 through 2024. The District also agreed to recapture a prorated amount of abated taxes if these conditions were not met through the claw back payment clause. The District's agreement determines the percentage, amount and duration of the tax abatement, which is not to exceed ten years. In the case that the Company exceeds the job target, the District has committed to providing an additional surplus job credit incentive to the Company.

For the year ended December 31, 2024, the District abated property taxes totaling \$ 468 under this agreement for a total property value abated of \$ 6,379,602.

NOTE 8. EVALUATION OF SUBSEQUENT EVENTS

The District has evaluated subsequent events through April 9, 2025, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Tax revenue	\$ 371,645	\$ 371,645	\$ 368,642	\$ (3,003)
Investment income	40,000	40,000	70,251	30,251
Miscellaneous	-	-	10,307	10,307
Total revenues	<u>411,645</u>	<u>411,645</u>	<u>449,200</u>	<u>37,555</u>
Expenditures:				
Current:				
Flood Control:				
Personnel	20,000	20,000	15,149	4,851
Professional fees	116,000	116,000	65,710	50,290
Contracted services	14,000	14,000	13,309	691
Repairs and maintenance	619,000	619,000	144,500	474,500
Administrative costs	9,400	9,400	1,683	7,717
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>783,400</u>	<u>783,400</u>	<u>240,351</u>	<u>543,049</u>
Change in fund balance	<u>(371,755)</u>	<u>(371,755)</u>	<u>208,849</u>	<u>580,604</u>
Fund balance - beginning	<u>1,372,723</u>	<u>1,372,723</u>	<u>1,372,723</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,000,968</u>	<u>\$ 1,000,968</u>	<u>\$ 1,581,572</u>	<u>\$ 580,604</u>

**INFORMATION REQUIRED BY
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

TSI-1 - Services and Rates

For the Year Ended December 31, 2024

1. Services Provided by the District:

- Retail Water
- Wholesale Water
- Drainage
- Retail Wastewater
- Wholesale Wastewater
- Irrigation
- Parks/Recreation
- Fire Protection
- Security
- Solid Waste/Garbage
- Flood Control
- Roads
- Participates in joint venture, regional system and/or wastewater service (other than Emergency interconnect)
- Other (specify): _____

2. Location of District:

County(ies) in which District is located. Matagorda

Is the District located entirely within one county? Yes X No _____

Is the District located within a city? Entirely _____ Partly X Not at all _____

City(ies) in which District is located. Markham, Texas

Is the District located within a city's extra territorial jurisdiction (ETJ)?

Entirely _____ Partly X Not at all _____

ETJ's in which District is located. Markham, Texas

Is the general membership of the Board appointed by an office outside the District?

Yes _____ No X

If Yes, by whom? _____

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

*TSI-2 - General Fund Expenditures
For the Year Ended December 31, 2024*

Personnel expenditures	\$	15,149
Professional fees:		
Auditing		6,000
Legal		39,182
Engineering		20,528
Contracted services:		
Appraisal district fees		5,461
Bookkeeping fees		6,000
Tax Assessor/collector		1,848
Repairs and maintenance		144,500
Administrative costs:		
Advertising		1,247
Operating Supplies		158
Insurance and bonds		<u>278</u>
Total expenditures	\$	<u>240,351</u>

Number of persons employed by the District: 0 Full-Time, 0 Part-Time

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

TSI-3 - Temporary Investments

December 31, 2024

<u>Description</u>	<u>Identification Or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
Texas CLASS Government Certificate of Deposit	--	4.36%	Demand	\$ 344,551	\$ -
Certificate of Deposit	56824JAG9	4.90%	03/07/25	150,173	483
Certificate of Deposit	53052LAQ2	5.45%	03/27/25	<u>245,713</u>	<u>1,097</u>
Total				<u>\$ 740,437</u>	<u>\$ 1,580</u>

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

TSI-4 - Taxes Levied and Receivable
For the Year Ended December 31, 2024

	<u>Total Taxes</u>
Taxes receivable, beginning of year	\$ 338,666
2024 original tax levy, net of current year adjustments	410,782
Adjustments (prior years)	<u>(6,075)</u>
 Total to be accounted for	 <u>743,373</u>
 Tax collections:	
Current year	71,425
Prior years	<u>310,638</u>
 Total collections	 <u>382,063</u>
 Taxes receivable, end of year	 <u>\$ 361,310</u>
 Taxes receivable, by years	
2024	\$ 339,357
Prior years	21,953
Less allowance for uncollectible tax	<u>(4,403)</u>
 Taxes receivable (net), end of year	 <u>\$ 356,907</u>

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Property Valuations:				
Land	\$ 3,265,387,232	\$ 3,031,743,086	\$ 2,407,608,701	\$ 2,384,581,584
Improvements	5,992,215,305	5,479,833,173	4,740,584,311	4,298,061,146
Non-real property	1,391,612,570	1,498,583,022	1,342,439,155	1,074,799,393
Exemptions/caps/productivity losses	<u>(5,043,808,184)</u>	<u>(4,735,387,328)</u>	<u>(3,808,765,436)</u>	<u>(3,544,342,446)</u>
 Total property valuations	 <u>\$ 5,605,406,923</u>	 <u>\$ 5,274,771,953</u>	 <u>\$ 4,681,866,731</u>	 <u>\$ 4,213,099,677</u>

Tax Rates Per \$100 Valuation:				
Debt service rates*	None	None	None	None
Maintenance tax rates	0.007300	0.007040	0.007430	0.008190
Other district tax rates	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
 Total tax rates per \$ 100 valuation	 <u>0.007300</u>	 <u>0.007040</u>	 <u>0.007430</u>	 <u>0.008190</u>

Original tax levy:	<u>\$ 410,782</u>	<u>\$ 371,343</u>	<u>\$ 361,378</u>	<u>\$ 347,712</u>
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Percent of taxes collected to taxes Levied**	17.39%	93.38%	98.99%	99.33%
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* Matagorda County Conservation & Reclamation District No. 1 has no debt.

** Calculated as taxes collected for a tax year divided by taxes levied for that year.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1*TSI-7 - Comparative Schedule of Revenues and Expenditures - General Fund - Five Years**For the Five Years Ended December 31,*

	AMOUNTS				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues:					
Tax revenue	\$ 368,642	\$ 359,152	\$ 349,764	\$ 315,634	\$ 278,948
Investment income (loss)	70,251	55,844	(8,126)	4,155	24,482
Miscellaneous	<u>10,307</u>	<u>2,664</u>	<u>153</u>	<u>2,649</u>	<u>7,708</u>
Total revenues	<u>449,200</u>	<u>417,660</u>	<u>341,791</u>	<u>322,438</u>	<u>311,138</u>
Expenditures:					
Current:					
Flood Control:					
Personnel	15,149	15,149	15,149	15,149	15,149
Professional fees	65,710	50,106	63,365	56,107	66,058
Contracted services	13,309	10,843	9,585	8,414	7,797
Repairs and maintenance	144,500	38,087	174,786	89,298	61,025
Administrative costs	<u>1,683</u>	<u>593</u>	<u>2,215</u>	<u>4,268</u>	<u>6,132</u>
Total expenditures	<u>240,351</u>	<u>114,778</u>	<u>265,100</u>	<u>173,236</u>	<u>156,161</u>
Excess of revenues over expenditures	<u>\$ 208,849</u>	<u>\$ 302,882</u>	<u>\$ 76,691</u>	<u>\$ 149,202</u>	<u>\$ 154,977</u>

PERCENTAGES

2024	2023	2022	2021	2020
82.1%	86.0%	102.3%	97.9%	89.6%
15.6	13.3	(2.4)	1.3	7.9
2.3	0.7	0.1	0.8	2.5
100.0	100.0	100.0	100.0	100.0
3.4	3.6	4.4	4.7	4.9
14.6	12.0	18.6	17.4	21.2
3.0	2.6	2.8	2.6	2.5
32.2	9.1	51.1	27.7	19.6
0.4	0.2	0.7	1.3	2.0
53.6	27.5	77.6	53.7	50.2
<u>46.4%</u>	<u>72.5%</u>	<u>22.4%</u>	<u>46.3%</u>	<u>49.8%</u>

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1

TSI-8 - Board Members, Key Personnel and Consultants

For the Year Ended December 31, 2024

Complete District Mailing Address: PO Box 413
Markham, Texas 77456-0413

District Business Telephone Number: (979) 843-5010

Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): April 25, 2012

Limit on Fees of Office that a Director may receive during a fiscal year
(Set by Board Resolution - TWC Section 49.060): \$ 7,200

<u>Names</u>	<u>Term of Office (Elected or Appointed) or Date Hired</u>	<u>Fees of Office Paid* 12/31/24</u>	<u>Expense Reimburse- ments 12/31/24</u>	<u>Title at Year End</u>	<u>Resident of District</u>
<i>Board Members:</i>					
Willie Younger	Appointed February/2024 - February/2026	\$ 4,800	\$ -	Director	Yes
Garry Koeppen	Appointed February/2024 - February/2026	4,800	-	Director	Yes
Dwight Vavra	Appointed February/2024 - February/2026	4,800	-	Director	Yes

The District has no employees.

*Fees of office are the amounts actually paid to a Director during the District's fiscal year.

MATAGORDA COUNTY CONSERVATION & RECLAMATION DISTRICT NO. 1*TSI-8 - Board Members, Key Personnel and Consultants - Continued**For the Year Ended December 31, 2024*

<u>Name</u>	<u>Date Hired</u>	<u>Fees & Expenses 12/31/24</u>	<u>Title Year End</u>
Consultants:			
Matagorda County TAC	Inception	\$ 1,848	Tax Collector
Matagorda County Appraisal District	1982	5,461	Appraisal District
KM&L, LLC	2017	6,000	Auditor
Ellen Dodd	2014	6,000	Bookkeeper
Allen Cumbie	2006	39,182	Attorney
Daniel Delich Consulting	2015	18,578	Specialized Consulting
Sharron's Bookkeeping & Tax Service	2016	1,350	Payroll Processor
Lynn Engineering	2024	4,201	Engineer

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