

*FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT*

**COUNTY OF BANDERA,
TEXAS**

Bandera, Texas

For the Year Ended
September 30, 2021

COUNTY OF BANDERA, TEXAS

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2021

COUNTY OF BANDERA, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis.....	3
 <u>Basic Financial Statements</u>	
Government Wide Statements:	
A-1 Statement of Net Position	10
B-1 Statement of Activities.....	11
Governmental Fund Financial Statements:	
C-1 Balance Sheet	13
C-2 Reconciliation for C-1	15
C-3 Statement of Revenues, Expenditures and Changes in Fund Balance.....	16
C-4 Reconciliation for C-3	18
Fiduciary Funds:	
E-1 Statement of Fiduciary Net Position.....	19
E-2 Statement of Changes in Fiduciary Fund Net Position	20
Notes to the Financial Statements.....	21
 <u>Required Supplementary Information</u>	
G-1 Budgetary Comparison Schedule - General Fund.....	45
G-2 Budgetary Comparison Schedule - Road and Bridge Fund	46
G-3 Budgetary Comparison Schedule - Ambulance Fund.....	47
 <u>Retirement Schedules</u>	
G-4 Schedule of Changes in Net Pension Liability and Related Ratios	48
G-5 Schedule of Employer Contributions.....	50
G-6 Notes to the Schedule of Contributions.....	51
G-7 Schedule of Changes in Total OPEB Liability and Related Ratios.....	52
G-8 Notes to the Schedule of Changes in Total OPEB Liability and Related Ratios	53
 <u>Supplementary Information</u>	
H-1 Combining Balance Sheet - Nonmajor Governmental Funds	54
H-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	60
H-3 Combining Statement of Net Position - Private Purpose Trust Funds	66
H-4 Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Private Purpose Trust Funds	67

<u>Exhibit</u>		<u>Page</u>
H-5	Combining Statement of Fiduciary Net Position- Custodial Funds	68
H-6	Combining Statement of Additions, Deductions and Changes in Net Position- Custodial Funds.....	69
	<u>Report on Internal Control</u>	
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	70



NEFFENDORF & BLOCKER, P.C.

Independent Auditor's Report

Honorable Judge and County Commissioners
County of Bandera
Bandera, TX 78003

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bandera County, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bandera County, Texas, as of September 30, 2021, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

TEL: 830 997 3348

EMAIL: info@nb-cpa.com

P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAS

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 through 9), budgetary comparison information (pages 45 through 47), and the schedule of changes in net pension liability and related ratios, schedule of employer contributions, notes to the schedule of contributions, schedule of changes in total OPEB liability and related ratios and notes to the schedule of changes in total OPEB liability (pages 48 through 53), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bandera County's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements 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. Such 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 nonmajor fund financial statements 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 March 18, 2022, on our consideration of Bandera County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Bandera County's internal control over financial reporting and compliance.

Neffendorf + Blocker, P.C.

Neffendorf & Blocker, P.C.
Fredericksburg, Texas

March 18, 2022

BANDERA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

As management of Bandera County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial statements of the County for the year ended September 30, 2021. Please read it in conjunction with the independent auditors' report on page 1, and the County's Basic Financial Statements which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$21,920,939 (Net Position). Of this amount, \$3,599,195 (Unrestricted Net Position) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's Net Position increased by \$1,715,189 as a result of this year's operations.
- At September 30, 2021, the County's governmental funds reported combined ending fund balances of \$16,323,938, an increase of \$1,110,553 in comparison with the prior year.
- At September 30, 2021, the unassigned fund balance of the general fund was \$7,650,950 or 56% percent of total general fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 10 - 12). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (on pages 13 - 20) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the County.

The notes to the financial statements (starting on page 21) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Changes in Total OPEB Liability and Related Ratios are presented as required supplementary information on pages 45-53.

The combining statements for nonmajor funds and fiduciary funds beginning on page 54 contain even more information about the County's individual funds.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins on page 10. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who pay for the costs of some programs and grants provided by the outside parties and agencies (program revenues), and revenues provided by the taxpayers or other unrestricted sources (general revenues). All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's Net Position and changes in them. The County's Net Position (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's Net Position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider other factors as well, such as changes in the County's customers or its property tax base and the condition of the County's facilities.

In the Statement of Net Position and the Statement of Activities, the County has one kind of activity:

➤ Governmental activity - Most of the County's basic services are reported here, including public safety, roads and bridges, justice system, juvenile services, health and human services, culture and recreation, conservation and development and administration. Property taxes, grants, user charges, sales tax and investment earnings finance most of these activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements on pages 13 - 20 provide detailed information about the most significant funds - not the County as a whole. Laws and contracts require the County to establish some funds, such as grants received from a government agency. The County's administration establishes many other funds to help it control and manage money for particular purposes.

➤ Governmental funds - Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the Net Position (Table I) and changes in Net Position (Table II) of the County's governmental activities.

Net Position of the County's governmental activities increased from \$20,205,750 to \$21,920,939. Unrestricted Net Position - the part of Net Position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$3,599,195 at September 30, 2021. This increase in governmental Net Position was the result of six factors. First, the County's revenues exceed the expenditures by \$1,110,553. Second, the County paid principal on long-term debt of \$640,000. Third; the County acquired capital assets in the amount of \$1,612,668. Fourth, the County recorded depreciation in the amounts of \$1,313,987. Fifth, a net decrease of \$398,109 due to required entries of GASB Statement No.68 accounting and financial reporting for pensions. Sixth, a net decrease of \$48,354 due to the required entries of GASB Statement No. 75 accounting and financial reporting for other post-employment benefits.

Table I
Bandera County, Texas

NET POSITION in thousands

	Governmental Activities	
	2021	2020
Cash and Current Investments	\$ 18,718	\$ 14,419
Receivables	1,518	2,431
Capital Assets	17,026	16,728
Total Assets	\$ 37,262	\$ 33,578
Deferred Outflow	3,235	1,226
Accounts Payable	395	351
Other Liabilities and Deferred Revenue	2,784	138
Net Pension Liability	8,778	8,778
OPEB Liability	627	627
Short-term Debt (Due Within One Year)	660	640
Long-term Debt	4,067	5,282
Total Liabilities	\$ 17,311	\$ 15,816
Deferred Inflow	1,265	803
Net Position:		
Invested in capital assets, net of debt	12,483	11,473
Restricted	5,839	6,350
Unrestricted	3,599	2,383
Total Net Position	\$ 21,921	\$ 20,206

Table II
Bandera County, Texas
CHANGES IN NET POSITION
in thousands

	Governmental Activities	
	2021	2020
Revenues:		
Program Revenues		
Charges For Services	\$ 4,551	\$ 3,643
Operating Grants & Contributions	474	1,727
Capital Grants & Contributions	344	133
General Revenues		
Property Taxes	14,855	14,502
Other Taxes	1,567	1,280
Grants & Contributions	86	59
Investment Earnings	21	208
Other General Revenues	799	327
Total Revenues:	<u>\$ 22,697</u>	<u>\$ 21,879</u>
Expenditures:		
General Government	\$ 3,889	\$ 3,755
Administration of Justice	3,613	3,766
Law Enforcement	4,228	4,822
Corrections	2,087	2,295
Road & Bridge	2,248	2,945
Sanitation	346	391
Health & Human Services	2,914	3,326
Parks	320	353
Comm & Economic Development	925	795
Infrastructure & Environmental	274	31
Interest on long-term Debt	138	156
Total Expenditures:	<u>\$ 20,982</u>	<u>\$ 22,635</u>
Change in Net Position	1,715	(756)
Beginning Net Position	20,206	20,962
Net Position	<u>\$ 21,921</u>	<u>\$ 20,206</u>

The cost of all governmental activities this year was \$20,981,932. However, as shown in the Statement of Activities on page 11, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$14,855,331 because the other costs were paid by sales tax (\$991,190), grants and contributions (\$903,486), user charges (\$4,550,582), investment earnings (\$21,055) and other general revenue (\$1,375,477).

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 13) reported a combined fund balance of \$16,323,938, which is more than last year's total of \$15,213,385. Included in this year's total change in fund balance is an increase of \$187,668 in the County's General Fund. The primary reason for the General Fund's increase mirrors the governmental activities analysis highlighted on page 5.

The Commissioner's Court adopted the General Fund, Road and Bridge and Ambulance Budgets. For the General Fund, the original budget anticipated expenditures to exceed revenues and other sources, and the final budget anticipated expenditures and other financing uses to equal revenues and other financing sources. Revenues were unfavorable to budget by \$196,115; expenditures were favorable to budget by \$2,730,625 and other financing sources and uses were favorable to budget by \$455,533; resulting in a net favorable variance of \$2,990,043. For the Road and Bridge Fund, the original and final budget anticipated expenditures to exceed revenues and other sources by \$199,025. Actual revenues were more than budgeted estimates by \$161,635. Actual expenditures were less than budgeted estimates by \$805,172. The net effect is a favorable variance of \$966,807. For the Ambulance Fund, actual revenues were more than budgeted amounts by \$394,525 and the expenditures were more than budgeted amounts by \$26,105. The net effect is a variable variance of \$368,420.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2021, the County had \$17,025,782 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements. This amount represents a net increase of \$297,548 or 2%.

CAPITAL ASSETS

in thousands

	2021	2020
Land	\$ 736	\$ 486
Buildings	17,692	17,795
Equipment	12,135	11,198
Infrastructure	6,133	5,741
Construction in Progress	-	-
Total Capital Assets	\$ 36,696	\$ 35,220
Accumulated Depreciation	(19,671)	(18,492)
Capital Assets, Net	\$ 17,025	\$ 16,728

This year's major additions included:

Land	\$ 250,148
Building Improvements	32,807
Infrastructure	392,142
Equipment	937,571
<u>Total</u>	<u>\$ 1,612,668</u>

More detailed information about the County's capital assets is presented in Note 3.D. to the financial statements.

DEBT

At September 30, 2021, the County had the following outstanding debt:

OUTSTANDING DEBT

in thousands

		<u>Governmental Activities</u>	
		<u>2021</u>	<u>2020</u>
Bonds Payable	\$	4,450,000	\$ 5,090,000

At year-end the County had \$4,450,000 in refunding bonds outstanding; a decrease of \$640,000 or 13% from the prior year. The County paid \$640,000 in principal on the outstanding long-term debt.

More detailed information about the County's long-term liabilities is presented in Note 3.E. to the financial statements.

FUTURE ADOPTION OF ACCOUNTING POLICIES

The GASB has issued the following potentially significant statements which the County has not yet adopted, and which require adoption subsequent to September 30, 2021.

<u>Statement No.</u>	<u>Title</u>	<u>Adoption Required</u>
87	Leases	September 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget and tax rates. The major factors are the economy, population growth, and assessed property valuation. These indicators were taken into account when adopting the General Fund, Road and Bridge Fund and Ambulance Fund budgets for 2022. Amounts available for appropriation in the General Fund budget are \$13,776,011 and expenditures are estimated to be \$17,106,927. If these estimates are realized, the County's budgetary General fund balance is expected to decrease by \$3,330,916 for fiscal year 2022. Amounts available for appropriation in the Road and Bridge Fund budget are \$2,380,099 and expenditures are estimated to be \$3,097,024. If these estimates are realized, the County's budgetary Road and Bridge Fund balance is expected to decrease by \$233,892 for fiscal year 2022. Amounts available for appropriation in the Ambulance Fund budget are \$2,457,350 and expenditures are estimated to be \$2,126,868. If these estimates are realized, the County's Ambulance Fund balance is expected to increase by \$330,482 for fiscal year 2022.

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 Bandera County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Office of Bandera County Auditor or the Commissioners Court of Bandera County.

BASIC FINANCIAL STATEMENTS

BANDERA COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 18,718,244
Other Receivables	1,431,317
Due from Other Governments	86,850
Capital Assets:	
Land	736,228
Infrastructure, Net	2,200,718
Buildings, Net	11,504,856
Furniture and Equipment, Net	2,583,980
Total Assets	37,262,193
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge for Refunding	184,467
Deferred Outflow Related to Pension Plan	2,898,769
Deferred Outflow Related to OPEB Plan	151,916
Total Deferred Outflows of Resources	3,235,152
LIABILITIES	
Accounts Payable	395,060
Compensated Absences Payable	361,941
Accrued Interest Payable	20,506
Unearned Revenues	2,401,522
Noncurrent Liabilities:	
Debt Due Within One Year	660,000
Due in More Than One Year:	
Bonds Payable - Noncurrent	3,790,000
Unamortized Premiums (Discounts) on Bonds	277,478
Net Pension Liability	8,778,450
OPEB Liability	626,774
Total Liabilities	17,311,731
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	1,231,111
Deferred Inflow Related to OPEB Plan	33,564
Total Deferred Inflows of Resources	1,264,675
NET POSITION	
Net Investment in Capital Assets	12,482,771
Restricted:	
Restricted for Road & Bridge	3,820,438
Restricted for Special Revenue	1,851,559
Restricted for Debt Service	166,976
Unrestricted Net Position	3,599,195
Total Net Position	\$ 21,920,939

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

BANDERA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
General Administration	\$ 3,889,024	\$ 1,300,338	\$ 79,019
Law Enforcement	4,227,351	603,369	14,460
Corrections	2,086,495	-	210,574
Road and Bridge	2,248,305	599,288	62,302
Sanitation	346,377	350,492	-
Health & Human Services	2,914,185	1,051,475	-
Administration of Justice	3,613,211	358,854	107,380
Parks	320,392	286,766	-
Community & Economic Development	925,437	-	-
Infrastructure & Environmental	273,919	-	-
Interest on Debt	136,836	-	-
Other Debt Service	400	-	-
TOTAL PRIMARY GOVERNMENT	\$ 20,981,932	\$ 4,550,582	\$ 473,735

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

General Sales and Use Taxes

Other Taxes

Grants and Contributions

Miscellaneous Revenue

Investment Earnings

Total General Revenues

Change in Net Position

Net Position-- Beginning

Net Position - Ending

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

		Net (Expense) Revenue and Changes in Net Position	
		<u>Primary Government</u>	
<u>Capital</u>		<u>Governmental</u>	
<u>Grants and</u>			
<u>Contributions</u>			
\$	-	\$	(2,509,667)
	99,914		(3,509,608)
	-		(1,875,921)
	-		(1,586,715)
	-		4,115
	-		(1,862,710)
	-		(3,146,977)
	-		(33,626)
	243,840		(681,597)
	-		(273,919)
	-		(136,836)
	-		(400)
<u>\$</u>	<u>343,754</u>		<u>(15,613,861)</u>

14,061,577
793,754
991,190
576,230
85,997
799,247
21,055
<u>17,329,050</u>
1,715,189
20,205,750
<u>\$ 21,920,939</u>

BANDERA COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Ambulance Fund	Road and Bridge Fund
ASSETS			
Cash and Cash Equivalents	\$ 9,340,509	\$ 234,831	\$ 3,866,264
Taxes Receivable	696,330	53,700	166,237
Allowance for Uncollectible Taxes (credit)	(174,082)	(13,425)	(41,559)
Other Receivables	29,892	245,308	26,310
Due from Other Governments	83,825	-	-
Total Assets	<u>\$ 9,976,474</u>	<u>\$ 520,414</u>	<u>\$ 4,017,252</u>
LIABILITIES			
Accounts Payable	\$ 246,384	\$ 55,401	\$ 72,137
Unearned Revenues	156,904	-	-
Total Liabilities	<u>403,288</u>	<u>55,401</u>	<u>72,137</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	522,247	40,276	124,677
Total Deferred Inflows of Resources	<u>522,247</u>	<u>40,276</u>	<u>124,677</u>
FUND BALANCES			
Restricted for Road & Bridge	-	-	3,820,438
Retirement of Long-Term Debt	-	-	-
Other Restricted Fund Balance	-	-	-
Ambulance Services	-	424,737	-
Other Committed Fund Balance	-	-	-
Construction	1,399,989	-	-
Unassigned Fund Balance	7,650,950	-	-
Total Fund Balances	<u>9,050,939</u>	<u>424,737</u>	<u>3,820,438</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 9,976,474</u>	<u>\$ 520,414</u>	<u>\$ 4,017,252</u>

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

Coronavirus Fiscal Local Recovery	Debt Service Fund	Other Funds	Total Governmental Funds
\$ 2,244,618	\$ 166,389	\$ 2,865,633	\$ 18,718,244
-	96,740	38,866	1,051,873
-	(24,185)	(9,717)	(262,968)
-	587	13,329	315,426
-	-	3,025	86,850
<u>\$ 2,244,618</u>	<u>\$ 239,531</u>	<u>\$ 2,911,136</u>	<u>\$ 19,909,425</u>
\$ -	\$ -	\$ 21,138	\$ 395,060
2,244,618	-	-	2,401,522
<u>2,244,618</u>	<u>-</u>	<u>21,138</u>	<u>2,796,582</u>
-	72,555	29,150	788,905
-	72,555	29,150	788,905
-	-	-	3,820,438
-	166,976	-	166,976
-	-	1,851,559	1,851,559
-	-	-	424,737
-	-	1,009,289	1,009,289
-	-	-	1,399,989
-	-	-	7,650,950
-	166,976	2,860,848	16,323,938
<u>\$ 2,244,618</u>	<u>\$ 239,531</u>	<u>\$ 2,911,136</u>	<u>\$ 19,909,425</u>

BANDERA COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	16,323,938
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		11,498,409
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to increase net position.		2,252,668
The County is required under GASB Statement No. 68 to report their net pension liability/asset in the Government Wide Statement of Net Position. The items reported as a result of this requirement included a net pension liability of \$8,778,450, a deferred resource outflow of \$2,898,769 and a deferred resource inflow of \$1,231,111. The net effect of these is to decrease net position.		(7,110,792)
The County is required under GASB Statement No. 75 to report their OPEB benefit plan through TCDRS. The requirement resulted in an OPEB liability of \$626,774, a deferred resource outflow of \$151,916 and a deferred resource inflow of \$33,564. The net effect of these is to decrease net position.		(508,422)
The 2021 expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(1,313,987)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		779,125
Net Position of Governmental Activities	\$	21,920,939

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

BANDERA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Ambulance Fund	Road and Bridge Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 10,322,024	\$ 796,250	\$ 2,381,019
General Sales and Use Taxes	991,190	-	-
Other Taxes	36,066	-	-
Licenses and Permits	91,626	-	597,211
Intergovernmental Revenue and Grants	226,259	27,502	62,303
Charges for Services	1,268,284	1,042,281	1,005
Fines	277,170	-	-
Forfeits	-	-	-
Investment Earnings	13,920	559	3,645
Contributions & Donations from Private Sources	70,707	500	-
Other Revenue	132,521	229,135	502
Total Revenues	<u>13,429,767</u>	<u>2,096,227</u>	<u>3,045,685</u>
EXPENDITURES:			
Current:			
General Administration	3,482,519	-	-
Law Enforcement	4,237,822	-	-
Corrections	1,983,836	-	-
Road and Bridge	299,774	-	2,277,903
Sanitation	-	-	-
Health & Human Services	455,632	2,354,609	-
Administration of Justice	2,786,971	-	-
Parks	-	-	-
Community & Economic Development	456,078	-	-
Infrastructure & Environmental	-	-	-
Debt Service:			
Principal on Debt	-	-	-
Interest on Debt	-	-	-
Other Debt Service	-	-	-
Total Expenditures	<u>13,702,632</u>	<u>2,354,609</u>	<u>2,277,903</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(272,865)</u>	<u>(258,382)</u>	<u>767,782</u>
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	474,795	-	-
Transfers In	-	-	-
Transfers Out (Use)	(14,262)	-	-
Total Other Financing Sources (Uses)	<u>460,533</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	187,668	(258,382)	767,782
Fund Balance - October 1 (Beginning)	<u>8,863,271</u>	<u>683,119</u>	<u>3,052,656</u>
Fund Balance - September 30 (Ending)	<u>\$ 9,050,939</u>	<u>\$ 424,737</u>	<u>\$ 3,820,438</u>

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

Coronavirus Fiscal Local Recovery	Debt Service Fund	Other Funds	Total Governmental Funds
\$ -	\$ 799,284	\$ 574,090	\$ 14,872,667
-	-	-	991,190
-	-	540,164	576,230
-	-	-	688,837
-	-	514,601	830,665
-	-	874,718	3,186,288
-	-	-	277,170
-	-	398,286	398,286
-	490	2,441	21,055
-	-	1,614	72,821
-	-	1,160	363,318
-	799,774	2,907,074	22,278,527
-	-	521,361	4,003,880
-	-	24,697	4,262,519
-	-	-	1,983,836
-	-	-	2,577,677
-	-	323,083	323,083
-	-	127,330	2,937,571
-	-	517,886	3,304,857
-	-	294,876	294,876
-	-	413,658	869,736
-	-	257,884	257,884
-	640,000	-	640,000
-	186,450	-	186,450
-	400	-	400
-	826,850	2,480,775	21,642,769
-	(27,076)	426,299	635,758
-	-	-	474,795
-	-	14,262	14,262
-	-	-	(14,262)
-	-	14,262	474,795
-	(27,076)	440,561	1,110,553
-	194,052	2,420,287	15,213,385
\$ -	\$ 166,976	\$ 2,860,848	\$ 16,323,938

BANDERA COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Total Net Change in Fund Balances - Governmental Funds	\$	1,110,553
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2021 capital outlays and debt principal payments is to increase the change in net position.		2,252,668
The entries required by GASB Statement No. 68 did require that some expenses on B-1 be adjusted. Total credits to expenses were \$1,772,975 and total debits to expenses were \$2,171,084. The net effect on the change in net position on Exhibit B-1 is a decrease of \$398,109.		(398,109)
The entries required by GASB Statement No. 75 did required that some expenses on B-1 be adjusted. Total credits to expenses were \$23,618 and total debits to expenses were \$71,972. The net effect on the change in net position on Exhibit B-1 is a decrease of \$48,354.		(48,354)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(1,313,987)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase the change in net position.		112,418
Change in Net Position of Governmental Activities	\$	1,715,189

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

BANDERA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

EXHIBIT E-1

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 168,501	\$ 1,009,039
Other Receivables	-	495
Total Assets	168,501	1,009,534
LIABILITIES		
Due to Other Governments	-	59,872
Total Liabilities	-	59,872
NET POSITION		
Restricted for Other Purposes	168,501	949,662
Total Net Position	\$ 168,501	\$ 949,662

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

BANDERA COUNTY, TEXAS
STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT E-2

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Charges for Services	\$ -	\$ 261,671
Investment Earnings	158	-
Contributions & Donations from Private Sources	-	1,523
Other Revenue	350	44,309,503
Total Additions	<u>508</u>	<u>44,572,697</u>
DEDUCTIONS:		
Other Operating Costs	2,260	44,615,860
Supplies	1,365	-
Total Deductions	<u>3,625</u>	<u>44,615,860</u>
Net Change in Fiduciary Net Position	(3,117)	(43,163)
Total Net Position - October 1 (Beginning)	171,618	-
Prior Period Adjustment	-	992,825
Total Net Position - September 30 (Ending)	<u>\$ 168,501</u>	<u>\$ 949,662</u>

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

COUNTY OF BANDERA, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Bandera have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

1. A. REPORTING ENTITY

The County is an independent unit and is managed by a governing body of elected officials. The accompanying financial statements present the County's primary government.

In evaluating how to define the government, for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the foregoing criteria, there were no component units identified that would require inclusion in this report. Also, the County is not included as a part of any other reporting entity.

1. B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria.

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditure/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund, the primary operating fund of the County, is always classified as a major fund. It is the basic fund of the County and covers all activities for which a separate fund has not been established.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds

The Debt Service Fund accounts for the accumulation of financial resources for and the payment of principal and interest on general long-term debt of the County other than debt service payments made by enterprise funds. Ad valorem taxes and interest earnings are used for the payment of principal and interest on the County's debt.

Fiduciary Funds (Not included in government-wide statements)

Custodial Funds

Custodial funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the County. The County uses custodial funds to account for assets held in an agent capacity for other governments.

Private Purpose Trust Funds

Private Purpose Trust Funds report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The reporting entity includes four private purpose trust funds.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor. The major funds are as follows:

Major Fund	Brief Description
General	See above for description.
Special Revenue Fund: Ambulance	Accounts for all EMS operations and activities.

Special Revenue Fund: Road and Bridge	Accounts for all road and bridge construction and maintenance activity.
Special Revenue Fund: Coronavirus Local Fiscal Recovery	Accounts for grant proceeds and related expenditures for funds appropriated from the American Rescue Plan Act.
Debt Service Fund:	Accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Nonmajor funds consist of special revenue funds and are detailed in the Combining and Individual Fund Statements - Nonmajor Funds.

1. C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Custodial and Permanent Trust Funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statement, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized revenues when both "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or within 60 days after year end. Also under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

1. D. ASSETS, LIABILITIES AND EQUITY

Cash and Cash Investments

For the purpose of the Statement of Net Position, "Cash and Cash Investments" includes demand deposit accounts and government investment pools. All amounts are considered available upon demand and are considered to be "cash equivalents."

Several funds may be invested in an investment account and each fund has an equity interest therein. Interest earned on the Investment of these monies is allocated based upon relative equity at month end.

Receivables and Payables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances of uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The major receivable balances for the governmental activities relate to property taxes and court fines and fees.

All trade and property tax receivables are shown net of an allowance for uncollectable. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectable.

Ad valorem property taxes attach as enforceable liens as of January 1. Taxes are levied prior to September 30, payable on October 1, and are delinquent on February 1. The majority of the County's property tax collections occur during December and early January each year. To the extent that County property tax revenue results in current receivables as defined by the Governmental Accounting Standards Board (GASB), they are recognized when levied.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure, are reported in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Infrastructure assets include County owned roads, bridges, signs, and improvements to land. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets and infrastructure is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 50
Vehicles	3 - 10
Machinery and Equipment	5 - 15
Infrastructure	5 - 50

Compensated Absences

Full time employees who work 30 hours per week average may be granted vacation benefits in varying amounts to specified maximums depending on tenure with the County. Accumulated vacation time may be taken in pay upon termination or retirement up to a maximum of twenty (20) days. Non-exempt full time employees who work over 40 hours per week may choose to accrue comp time in lieu of overtime payments. Accumulated comp time may be taken in pay upon termination or retirement up to a maximum of thirty (30) days. Sick leave accrues to full time employees to specified maximums; however neither the vacation or comp time accrual policy applies to accumulated sick leave. The liability for accrued compensated absences is not accrued in governmental funds using the modified accrual basis of accounting, but is reflected in the Government-Wide Statement of Net Position.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund Equity

The County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are in non-spendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e. County Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the County Commissioners or by an official or body to which the County Commissioners delegates the authority. At September 30, 2021, the County had \$1,399,989 assigned for the courthouse annex project.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The County Commissioners establish (and modify or rescind) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the County Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

Net Position

Net Position represents the difference between assets and liabilities. Net Position - Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

GASB 75 requires recognition of the Total OPEB Liability (TOL), deferred (inflows)/outflows of resources, and total OPEB expense on the face of the employer's financial statements. The TOL is calculated by the System's actuary in accordance with the provisions of GASB 75. The OPEB expense and deferred (inflows)/outflows of resources related to OPEB, which are required to be reported by an employer, primarily result from changes in the components of the TOL. Most changes in the TOL will be included in the OPEB expense in the period of the change. The County participates in the Texas County & District Retirement System Group-Term Life program.

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 reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in a separate section following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be

collected soon enough thereafter to be used to pay liabilities of the current period. Revenues not expected to be available for the current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria has been satisfied.

1. E. REVENUES, EXPENDITURES AND EXPENSES

Property Taxes

The County contracted with the County of Bandera Appraisal District for the appraisal of taxes. Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2020 tax roll, the total assessed valuation was \$2,302,621,414 and the taxes assessed amounted to \$15,586,444. The total tax rate was \$0.6769 per \$100 valuation and allocated \$0.5318 for Maintenance and Operations, \$0.1086 to the Road and Bridge Fund and \$0.0365 to the Debt Service Fund. The maximum tax levy allowed by State law for the above purposes is \$0.80 per \$100 valuation.

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Due to the immaterial amount of additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets, as required by state statute, are adopted on a basis consistent with generally accepted accounting principles for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year-end.

The County Judge and County Auditor prepare the proposed budget and submit the data to Commissioners Court. A public hearing is held on the budget by Commissioners Court. Before determining the final budget, Commissioners Court may increase or decrease the amounts requested by the various departments. In the final budget, which is usually adopted in September, expenditures for current operating funds cannot exceed the estimated available cash balances in such funds on October 1, plus the estimate of revenues for the ensuing year.

For each budgeted fund, budgetary control is maintained at the expenditure line item level. This is the level at which expenditures cannot legally exceed appropriated amounts. The County Auditor is required to monitor the expenditures of the various funds. Any expenditures in excess of the total budgeted amount of a fund must be approved by the Commissioners' Court and the budget appropriately amended. It is the amended budget that is presented in the budget versus actual financial statement disclosure.

Encumbrance accounting, under which funds are reserved for purchase orders, contracts, and other commitments, is not utilized by County of Bandera.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

3. A. DEPOSITS AND INVESTMENTS

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank 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.

At September 30, 2021, the carrying amount of the County's deposits was \$98,931 and the bank balance was \$395,860. The County's cash deposits held at Texas Partners Bank at September 30, 2021 and during the year ended September 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (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, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

Temporary investments consisted of certificates of deposits and government pool investments as follows:

<u>Name</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Maturity Date</u>	<u>FDIC Coverage</u>	<u>Pledged Securities</u>
<u>Bandera Bank -</u>					
Certificate of Deposit	\$ 213,480	\$ 213,480	6/8/2022	\$ 213,480	\$ -
<u>Texas Partners Bank-</u>					
Certificate of Deposit	210,550	210,550	9/26/2022	210,550	-
<u>Hondo National Bank -</u>					
Certificate of Deposit	218,018	218,018	9/26/2022	218,018	-
<u>Liquid Asset Portfolio -</u>					
Logic	<u>18,214,383</u>	<u>18,214,383</u>	N/A	<u>*</u>	<u>*</u>
Total Governmental Activities	\$ <u>18,856,431</u>	\$ <u>18,856,431</u>			

*The County invests in Logic (a Local Government Investment Pool) to provide its primary liquidity needs. Logic is established in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code and the Public Investment Act, Chapter 2256 of the Code. Logic is 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 adjusted daily and the fund seeks to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. Logic is rated AAA and must maintain a weighted average maturity not to exceed 60 days. At September 30, 2021, Logic had a weighted average maturity of 55 days and a net asset value of \$1.000063. The County considers the 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, short of a significant change in value.

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk - Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding types of deposits allowed and collateral requirements is to deposit funds in FDIC insurance banks which have sufficient pledged collateral if needed. The County was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2021, was covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, Logic Investment Pool invests only in investments authorized under the Public Funds Investment Act. Logic's portfolio has low marker (credit) risk due to restrictions on weighted average maturity and maximum maturity of any one investment. At September 30, 2021, the County was not exposed to concentration of credit risk, interest rate risk or foreign currency risk.

3. B. RECEIVABLES

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Road & Bridge Fund	Ambulance Fund	Debt Service Fund	Other Governmental Funds	TOTAL
Receivables:						
Property Taxes	\$ 696,330	\$ 166,237	\$ 53,700	\$ 96,740	\$ 38,866	\$ 1,051,873
Other Receivables	29,892	26,310	245,308	587	13,329	315,426
Due from Other Governments	<u>83,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,025</u>	<u>86,850</u>
Gross Receivables	\$ 810,047	\$ 192,547	\$ 299,008	\$ 97,327	\$ 55,220	\$ 1,454,149
Less: Allowance for Uncollectibles	<u>174,082</u>	<u>41,559</u>	<u>13,425</u>	<u>24,185</u>	<u>9,717</u>	<u>262,968</u>
Net Total Receivables	<u>\$ 635,965</u>	<u>\$ 150,988</u>	<u>\$ 285,583</u>	<u>\$ 73,142</u>	<u>\$ 45,503</u>	<u>\$ 1,191,181</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenue that is 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. At the end of the current fiscal year, *unavailable revenues* reported in the governmental funds were as follows:

General Fund -	
Unavailable Revenue – Property Taxes	\$ 522,247
Road and Bridge Fund -	
Unavailable Revenue – Property Taxes	124,677
Ambulance Fund -	
Unavailable Revenue – Property Taxes	40,276
Debt Service Fund -	
Unavailable Revenue – Property Taxes	72,555
Other Governmental Funds -	
Unavailable Revenue – Property Taxes	<u>29,150</u>
	<u>\$ 788,905</u>

3. C. COURT FINES, FEES AND EMS BILLINGS RECEIVABLE

In accordance with GASB Statement Number 34, the County has determined the amount of court fines, fees and EMS billings receivable to be \$1,424,698 which represents amounts owed and outstanding for the last 5 years. Based on historical collection rates for the various courts and the EMS Department, the County has booked an allowance for uncollectible accounts of \$1,097,712, resulting in a net receivable of \$326,986.

3. D. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

Primary Government

	Balance 10/1/2020	Increase	Decrease	Balance 9/30/2021
<i>Governmental Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 486,080	\$ 250,148	\$ -	\$ 736,228
Construction in Progress	-	-	-	-
Total Assets Not Being Depreciated	<u>\$ 486,080</u>	<u>\$ 250,148</u>	<u>\$ -</u>	<u>\$ 736,228</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 17,794,925	\$ 32,807	\$ (135,930)	\$ 17,691,802
Equipment and Machinery	11,197,819	937,571		12,135,390
Infrastructure	5,740,951	392,142		6,133,093
Total Assets Being Depreciated	<u>\$ 34,733,695</u>	<u>\$ 1,362,520</u>	<u>\$ (135,930)</u>	<u>\$ 35,960,285</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$ (5,819,793)	\$ (501,950)	\$ 134,797	\$ (6,186,946)
Equipment and Machinery	(9,052,534)	(498,876)		(9,551,410)
Infrastructure	(3,619,214)	(313,161)		(3,932,375)
Total Accumulated Depreciation	<u>\$ (18,491,541)</u>	<u>\$ (1,313,987)</u>	<u>\$ 134,797</u>	<u>\$ (19,670,731)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 16,242,154</u>	<u>\$ 48,533</u>	<u>\$ (1,133)</u>	<u>\$ 16,289,554</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,728,234</u>	<u>\$ 298,681</u>	<u>\$ (1,133)</u>	<u>\$ 17,025,782</u>

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

<i>Governmental Activities:</i>	
General Administration	\$ 248,945
Law Enforcement	265,026
Administration of Justice	225,134
Roads and Bridges	160,270
Community and Economic Development	54,162
Corrections	123,347
Health and Human Services	182,646
Sanitation	20,088
Parks	18,334
Infrastructure & Environmental	16,035
Total Depreciation Expense-	
Governmental Activities	<u>\$ 1,313,987</u>

3. E. LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions of the County for the year ended September 30, 2021.

	Balance 10/1/2020	Issued	Retired	Balance 9/30/2021	Due Within One Year
Texas General					
Obligation Refunding Bonds-					
Series 2015	\$ 5,090,000	\$ -	\$ 640,000	\$ 4,450,000	\$ 660,000
Premium on Bonds	350,645	-	73,167	277,478	-
SUBTOTAL	\$ 5,440,645	\$ -	\$ 713,167	\$ 4,727,478	\$ 660,000
Net Pension Liability	\$ 6,857,427	\$ 3,581,034	\$ 1,660,011	\$ 8,778,450	\$ -
OPEB Liability	527,670	112,194	13,090	626,774	-
Compensated Absences	480,946	-	119,005	361,941	-
TOTAL	\$ 13,306,688	\$ 3,693,228	\$ 2,505,273	\$ 14,494,643	\$ 660,000

Bonds Payable

The County issued General Obligation Refunding Bonds - Series 2015 for \$6,885,000 at interest rates from 2.0% to 4.0% with a final maturity date of August 15, 2028. The bonds are payable from the collection of an ad valorem tax levied on all taxable property. Proceeds from the sale of the bonds will be used to finance the remaining callable obligations from the County's Series 2007 General Obligation Bonds and the Series 2008 General Obligation Bonds. The bonds were called and were redeemed by depositing \$7,489,976 into an escrow account on September 25, 2015. The financial gain on these refunding bonds was \$644,734 and the economic gain was \$568,633. The following obligations are considered to be defeased and the liability removed from the accompanying financial statements:

Description	Refunded Amount	Balance 9/30/21
Bandera County General Obligation Bonds:		
Series 2007	\$ 5,790,000	\$ 3,765,000
Series 2008	1,140,000	855,000
TOTAL AMOUNT REFUNDED	\$ 6,930,000	\$ 4,620,000

Debt service requirements for the Texas General Obligation Refunding Bonds – Series 2015 are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2022	660,000	164,050	824,050
2023	685,000	140,950	825,950
2024	710,000	116,975	826,975
2025	735,000	92,125	827,125
2026	765,000	66,400	831,400
2027-2031	895,000	39,800	934,800
TOTAL	\$ 4,450,000	\$ 620,300	\$ 5,070,300

Operating Leases

Commitments under operating (non-capitalized) lease agreements for equipment provide for minimum future rental payments as of September 30, 2021, as follows:

Year Ended September 30	
2022	\$ 76,517
2023	33,766
2024	22,429
2025	1,671
	<u>\$ 134,383</u>
Rental Expenditures in Fiscal Year 2021	<u>\$ 113,476</u>

3. F. CONTINGENT LIABILITIES

The County is subject to various litigation and claims arising out of the normal course of operations. Although the outcome of these claims is not presently determinable, in the opinion of the government's management, the resolution of these matters will not have a material adverse effect on the accompanying financial statements. Therefore, no provision for any liability, if any, has been made in the accompanying financial statements.

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

3. G. RISK MANAGEMENT

County of Bandera is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, error and omissions and personnel risks which relate to workers' compensation. The County contracts in the form of interlocal agreements with the Texas Association of Counties (TAC) to provide the aforementioned types of insurance coverage through an intergovernmental risk pool. These multi-employer accounts provide for a combination of modified self-insurance and stop loss coverage. Contributions are set annually by Texas Association of Counties. Liability by the County is generally limited to the amounts calculated by the County interlocal agreements.

3. H. HEALTH INSURANCE

The County provides group health and dental insurance coverage for regular, full-time employees through Texas Association of Counties and Ameritas. The County pays for a portion of the premium for eligible employees. Employees, at their option, may authorize payroll withholdings to pay premiums for eligible family members.

3. I. EMPLOYEE RETIREMENT PLAN

Plan Description

A description of the pension plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follows:

- a. Bandera County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full-and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCERS is a savings-based plan. For the county’s plan, 7% of each employee’s pay is deposited into his or her TCERS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCERS Act. They may be amended as of January 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county’s contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Bandera County contribution rate is based on the TCERS funding policy adopted by the TCERS Board of Trustees and must conform with the TCERS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2020 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCERS can be found at the following link, TCERS.org/Employer.

Members covered by benefit terms.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	115
Inactive employees entitled to but not yet receiving benefits	148
Active employees	<u>218</u>
	481

Contributions

TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements fund each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

The contribution rate payable by the employee members for calendar year 2020 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County's contributions to TCDRS for the year ended September 30, 2021 were \$1,024,086, and exceed the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2020 funding valuation (see Appendix C, following for details), except as noted below and throughout this report. Please see the Bandera County December 31, 2020 Summary Valuation Report for further details.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal (1)
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smooth Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost of Living Adjustments	Cost-of-Living Adjustments for Bandera County are not considered to be substantively automatic under GASB 68. Therefore, an annual 2% cost-of-living adjustment is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60; b) earliest retirement eligibility.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	RP-2014 Mortality Tables

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10- year time horizon.

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

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (Net) Index	2.50%	4.55%
International Equities – Developed Markets	MSCI World ExUSA (Net) Index	5.00%	4.25%
International Equities – Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.75%
Investment – Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/ LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (Net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

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

⁽²⁾ Geometric real rates of return equal the expected return 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.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pensions plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Increase/(Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/ (Asset)
	(a)	(b)	(a)-(b)
Balances as of December 31, 2019	\$ 37,483,967	\$ 30,626,540	\$ 6,857,427
Changes for the Year:			
Service Cost	1,358,590		1,358,590
Interest on Total Pension Liability ⁽¹⁾	3,093,974		3,093,974
Effect of Plan Changes ⁽²⁾	(244,693)		(244,693)
Effects of Economic/Demographic- Gains or Losses	(171,009)		(171,009)
Effect of Assumptions Changes or Inputs	2,700,066		2,700,066
Refund of Contributions	(129,874)	(129,874)	-
Benefit Payments	(1,186,462)	(1,186,462)	-
Administrative Expenses		(24,971)	24,971
Member Contributions		654,476	(654,476)
Net Investment Income		3,164,635	(3,164,635)
Employer Contributions		1,010,698	(1,010,698)
Other ⁽³⁾		11,066	(11,066)
Balances as of December 31, 2020	<u>\$ 42,904,560</u>	<u>\$ 34,126,110</u>	<u>\$ 8,778,450</u>

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

⁽²⁾ Reflects that COLA adopted in 2021 was less than the assumed substantively automatic COLA.

⁽³⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

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

	1% Decrease <u>6.60%</u>	Current Discount Rate <u>7.60%</u>	1% Increase <u>8.60%</u>
Total Pension Liability	\$ 49,210,755	42,904,560	\$ 37,710,047
Fiduciary Net Position	<u>34,126,110</u>	<u>34,126,110</u>	<u>34,126,110</u>
Net Pension Liability/(Asset)	<u>\$ 15,084,645</u>	<u>\$ 8,778,450</u>	<u>\$ 3,583,937</u>

Pension Expense / (Income)

Prepaid Expense/(Income)	January 1, 2020 to December 31, 2020
Service Cost	\$ 1,358,590
Interest on Total Pension Liability ⁽¹⁾	3,093,974
Effect of Plan Changes	(244,693)
Administrative Expenses	24,971
Member Contributions	(654,476)
Expected Investment Return Net of Investment Expenses	(2,494,051)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	(38,324)
Recognition of Assumption Changes or Inputs	704,556
Recognition of Investment Gains or Losses	(301,874)
Other ⁽²⁾	(11,066)
Pension Expense/(Income)	\$ 1,437,606

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

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

As of December 31, 2020, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 152,788	\$ 73,527
Changes of assumptions	-	2,054,586
Net difference between projected and actual earnings	1,078,323	-
Contributions made subsequent to measurement date	N/A	770,656

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

Year ended December 31	
2021	\$ 332,202
2022	618,358
2023	80,559
2024	(134,117)
2025	-
Thereafter ⁽⁴⁾	-

⁽³⁾ Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year should be reflected as outlined in Appendix D of this Report.

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

3. J. GROUP TERM LIFE FUND

Plan Description

A description of the OPEB plan pursuant to Paragraph 50 of GASB Statement No. 75 is as follows:

- a. Bandera County participates in the retiree Group Term Life program for the Texas County & District Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full-and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB plan.
 - 2) The plan provides a \$5,000 post-retirement death benefit to beneficiaries to services retirees and disability retirees of employers that have elected participation in the retiree GTL program.
 - 3) The OPEB benefit is a fixed \$5,000 lump-sum benefit.
 - 4) No future increases are assumed in the \$5,000 benefit amount.
 - 5) Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out (or opt into) coverage as of Jan. 1 each year.
- c. Membership information is shown in the chart below.
- d. Contributions made to the retiree GTL Program are held in the GTL Fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.
- e. Benefits terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. The county's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000.

Members covered by benefit terms.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	89
Inactive employees entitled to but not yet receiving benefits	47
Active employees	<u>218</u>
	354

Contributions

For GASB 75 purposes, the OPEB plan is not a cost sharing plan as the employer's benefit payment for the year are treated as being equal to its annual retiree GTL contributions. Employers in the TCDRS Group Term Life (GTL) Program make a combined contribution for both active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contributions associated with retiree coverage are included under GASB 75. For GASB 75 purposes, the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions.

The following table shows a breakdown of the employer's contributions to the GTL program for the calendar year 2020. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments used to calculate changes in total OPEB liability. The contributions for active coverage are not considered an OPEB benefit under GASB 75.

Coverage Type	2020 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.27%	25,244	No change from prior year
Retiree GTL Benefit	0.14%	13,090	GASB 75

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2020 should be reflected as a deferred outflow. As previously noted, only contributions to the GTL program for retiree coverage should be included under GASB 75. Therefore, once the total GTL contributions made subsequent to the measurement date have been determined, this amount should be multiplied by the portion attributable to retiree coverage to determine the OPEB contributions made subsequent to the measurement date that should be reported under GASB 75. This proportion is 32.50000%, allocated as follows:

Coverage Type	2021 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.27%	67.50000%	No change from prior year
Retiree GTL Benefit	0.13%	32.50000%	GASB 75

The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County's contributions to TCDRS for the year ended September 30, 2021 were \$38,128, and were equal to the required contributions.

Total OPEB Liability

The County's Total OPEB Liability (NPL) was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability as of December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	2.12% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2020.
Disability	Members who become disabled are eligible to commence benefit payments regardless of age.
Mortality	RP-2014 Mortality Tables
Retirement	Deferred members are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility ** For all eligible members ages 75 and later,

retirement is assumed to occur immediately.

Other Termination of Employment For non-depositing members who are not vested, 100% are assumed to elect a withdrawal. No termination after eligibility for retirement is assumed.

Discount Rate

The TCDRS GTL program is treated as an unfunded OPEB plan because the GTL trust covers both active and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on a 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.12% based on the 20 Year Bond Go Index published by bondbuyer.com is used as of the measurement date of December 31, 2020.

Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2019	\$ <u>527,670</u>
Changes for the year:	
Service Cost	23,764
Interest on total OPEB liability ⁽¹⁾	14,931
Changes of benefit terms ⁽²⁾	-
Effect of economic/demographic experience	5,451
Effect of assumptions changes or inputs ⁽³⁾	68,048
Benefit payments	(13,090)
Other	-
Balance as of December 31, 2020	\$ <u><u>626,774</u></u>

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

⁽²⁾ No plan changes are valued.

⁽³⁾ Reflects change in discount rate.

Sensitivity Analysis

The following presents the Total OPEB liability of the employer, calculated using the discount rate of 2.12%, as well as what the Bandera County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.12%	2.12%	3.12%
Total OPEB Liability	\$ 764,654	\$ 626,774	\$ 522,273

OPEB Expense/ (Income)

	January 1, 2020 to December 31, 2020	
Service Cost	\$	23,764
Interest on total OPEB liability ⁽¹⁾		14,931
Effect of plan changes		-
Recognition of deferred inflows/outflows of resources		
Recognition of economic/demographic gains or losses		(2,208)
Recognition of assumption changes or inputs		24,484
Other		-
 OPEB expense/(income)	\$	<u>60,971</u>

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

As of December 31, 2020, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/ Outflows of Resources	Deferred Inflows		Deferred Outflows	
	of Resources		of Resources	
Differences between expected and actual experience	\$	10,591	\$	5,221
Changes of assumptions		22,973		137,360
Contributions made subsequent to measurement date		N/A		9,335

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

Year ended December 31		
2021	\$	22,276
2022		22,276
2023		22,279
2024		29,937
2025		12,249
Thereafter ⁽³⁾		-

⁽²⁾ Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as outlined in Appendix C of this report.

⁽³⁾ Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

3. K. DEFERRED COMPENSATION PLAN

The County offers all its employees deferred compensation programs through Nationwide Retirement Solutions, Inc. and the Variable Annuity Life Insurance Company (VALIC). The plans, created in accordance with Internal Revenue Code Section 457, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The County does not contribute to this plan. All contributions are made by the employees who elect to participate in the plan. The County remits employee contributions to the plan trustee on a regular basis. The County does not administer the Section 457 plan, nor does it provide the investment advice to the plan. Accordingly, the Section 457 plan is not part of the County's reporting entity.

The County has no liability for losses under the plans, but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

At September 30, 2021, the participants had balances of \$905,133 in Nationwide and \$1,151,841 in VALIC.

3. L. UNEARNED REVENUES

Unspent U.S. Department of Treasury State and Local Fiscal Recovery Funds in the amount of \$2,244,618 are classified as unearned revenue in the Coronavirus Local Fiscal Recovery Fund. The funds are for response to the COVID-19 public health emergency.

Unspent HAVA grant proceeds in the amount of \$114,904 are classified as unearned revenue in the General Fund. The funds are to be used to improve the administration of elections for office.

State salary supplements for FY 2022 received before year end in the amount of \$42,000 are shown as unearned revenue in the General Fund.

3.M. PRIOR PERIOD ADJUSTMENT

The County implemented the provision of GASB Statement No. 84, Fiduciary Activities. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with custodial funds. Under this guidance, fiduciary funds will now report a net position and a statement of changes in net position.

Implementation of GASB Statement No. 84 required a restatement of net position for the fiduciary funds of \$992,825. This adjustment was needed to move the beginning balances to newly created fiduciary funds.

3.N. SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 18, 2022, the date which the financial statements were available to be issued. The County is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BANDERA COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 10,200,000	\$ 10,200,000	\$ 10,322,024	\$ 122,024
General Sales and Use Taxes	700,000	700,000	991,190	291,190
Other Taxes	16,500	16,500	36,066	19,566
Licenses and Permits	75,500	75,500	91,626	16,126
Intergovernmental Revenue and Grants	253,450	1,241,910	226,259	(1,015,651)
Charges for Services	999,375	1,005,795	1,268,284	262,489
Fines	190,260	190,260	277,170	86,910
Investment Earnings	72,000	72,000	13,920	(58,080)
Contributions & Donations from Private Sources	-	70,707	70,707	-
Other Revenue	53,210	53,210	132,521	79,311
Total Revenues	12,560,295	13,625,882	13,429,767	(196,115)
EXPENDITURES:				
Current:				
General Administration	4,557,991	5,590,151	3,482,519	2,107,632
Law Enforcement	4,537,621	4,540,921	4,237,822	303,099
Corrections	2,079,957	2,079,957	1,983,836	96,121
Road and Bridge	297,472	297,472	299,774	(2,302)
Health & Human Services	496,303	496,303	455,632	40,671
Administration of Justice	2,878,835	2,955,962	2,786,971	168,991
Community & Economic Development	472,491	472,491	456,078	16,413
Total Expenditures	15,320,670	16,433,257	13,702,632	2,730,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,760,375)	(2,807,375)	(272,865)	2,534,510
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	474,795	474,795
Other Resources	5,000	5,000	-	(5,000)
Transfers Out (Use)	-	-	(14,262)	(14,262)
Total Other Financing Sources (Uses)	5,000	5,000	460,533	455,533
Net Change	(2,755,375)	(2,802,375)	187,668	2,990,043
Fund Balance - October 1 (Beginning)	8,863,271	8,863,271	8,863,271	-
Fund Balance - September 30 (Ending)	\$ 6,107,896	\$ 6,060,896	\$ 9,050,939	\$ 2,990,043

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

BANDERA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Property Taxes	\$ 2,240,000	\$ 2,240,000	\$ 2,381,019	\$ 141,019
Licenses and Permits	556,000	556,000	597,211	41,211
Intergovernmental Revenue and Grants	28,400	28,400	62,303	33,903
Charges for Services	650	650	1,005	355
Investment Earnings	40,000	40,000	3,645	(36,355)
Other Revenue	19,000	19,000	502	(18,498)
Total Revenues	2,884,050	2,884,050	3,045,685	161,635
EXPENDITURES:				
Road and Bridge	3,083,075	3,083,075	2,277,903	805,172
Total Expenditures	3,083,075	3,083,075	2,277,903	805,172
Change in Fund Balance	(199,025)	(199,025)	767,782	966,807
Fund Balance - October 1 (Beginning)	3,052,656	3,052,656	3,052,656	-
Fund Balance - September 30 (Ending)	\$ 2,853,631	\$ 2,853,631	\$ 3,820,438	\$ 966,807

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

BANDERA COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - AMBULANCE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Property Taxes	\$ 770,000	\$ 770,000	\$ 796,250	\$ 26,250
Intergovernmental Revenue and Grants	10,000	27,503	27,502	(1)
Charges for Services	863,000	863,000	1,042,281	179,281
Investment Earnings	10,000	10,000	559	(9,441)
Contributions & Donations from Private	-	-	500	500
Other Revenue	31,200	31,200	229,135	197,935
Total Revenues	1,684,200	1,701,703	2,096,227	394,525
EXPENDITURES:				
Health & Human Services	2,311,002	2,328,504	2,354,609	(26,105)
Total Expenditures	2,311,002	2,328,504	2,354,609	(26,105)
Change in Fund Balance	(626,802)	(626,802)	(258,382)	368,420
Fund Balance - October 1 (Beginning)	683,119	683,119	683,119	-
Fund Balance - September 30 (Ending)	\$ 56,317	\$ 56,317	\$ 424,737	\$ 368,420

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

BANDERA COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
A. Total Pension Liability			
Service Cost	\$ 1,358,590	\$ 1,182,887	\$ 1,085,351
Interest (on the Total Pension Liability)	3,093,974	2,636,355	2,252,712
Changes of Benefit Terms	(244,693)	2,886,707	2,393,186
Difference between Expected and Actual Experience	(171,009)	78,052	66,739
Changes of Assumptions	2,700,066	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,316,335)	(1,304,095)	(1,019,823)
Net Change in Total Pension Liability	\$ 5,420,593	\$ 5,479,906	\$ 4,778,165
Total Pension Liability - Beginning	37,483,967	32,004,061	27,225,896
Total Pension Liability - Ending	\$ 42,904,560	\$ 37,483,967	\$ 32,004,061
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 1,010,698	\$ 900,555	\$ 844,658
Contributions - Employee	654,476	622,299	590,088
Net Investment Income	3,164,635	4,290,636	(483,528)
Benefit Payments, Including Refunds of Employee Contributions	(1,316,335)	(1,304,095)	(1,019,823)
Administrative Expense	(24,971)	(23,339)	(20,987)
Other	11,066	11,756	15,004
Net Change in Plan Fiduciary Net Position	\$ 3,499,569	\$ 4,497,812	\$ (74,588)
Plan Fiduciary Net Position - Beginning	30,626,540	26,128,729	26,203,316
Plan Fiduciary Net Position - Ending	\$ 34,126,109	\$ 30,626,541	\$ 26,128,728
C. Net Pension Liability	\$ 8,778,451	\$ 6,857,426	\$ 5,875,333
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.54%	81.71%	81.64%
E. Covered Payroll	\$ 9,349,655	\$ 8,889,985	\$ 8,429,833
F. Net Pension Liability as a Percentage of Covered Payroll	93.89%	77.14%	69.70%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$	1,106,668	\$ 1,173,888	\$ 1,114,399	\$ 1,072,594
	2,064,156	1,864,767	1,771,095	1,609,200
	136,901	-	(579,646)	23,438
	(122,651)	(210,760)	(757,891)	160,505
	147,693	-	275,178	-
	(948,746)	(848,128)	(842,230)	(615,726)
\$	2,384,021	\$ 1,979,767	\$ 980,905	\$ 2,250,011
	24,841,875	22,862,108	21,881,203	19,631,192
\$	27,225,896	\$ 24,841,875	\$ 22,862,108	\$ 21,881,203
\$	764,343	\$ 756,593	\$ 743,611	\$ 742,320
	564,390	562,368	550,098	537,913
	3,296,122	1,522,595	(219,880)	1,254,017
	(948,746)	(848,128)	(842,230)	(615,726)
	(17,426)	(16,571)	(14,728)	(14,934)
	4,928	6,237	48,413	(37,702)
\$	3,663,611	\$ 1,983,094	\$ 265,284	\$ 1,865,887
	22,539,706	20,556,612	20,291,329	18,425,442
\$	26,203,317	\$ 22,539,706	\$ 20,556,613	\$ 20,291,329
\$	1,022,579	\$ 2,302,169	\$ 2,305,495	\$ 1,589,874
	96.24%	90.73%	89.92%	92.73%
\$	8,062,707	\$ 8,033,828	\$ 7,858,536	\$ 7,684,473
	12.68%	28.66%	29.34%	20.69%

BANDERA COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Year Ending December 31	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
2011	602,843	602,843	-	6,758,324	8.9%
2012	631,706	631,706	-	6,957,111	9.1%
2013	671,036	671,036	-	7,131,089	9.4%
2014	742,320	742,320	-	7,684,473	9.7%
2015	743,418	743,611	(193)	7,858,536	9.5%
2016	756,593	756,593	-	8,033,828	9.4%
2017	764,343	764,343	-	8,062,707	9.5%
2018	844,668	844,668	-	8,429,833	10.0%
2019	900,555	900,555	-	8,889,985	10.1%
2020	1,1010,698	1,1010,698	-	9,349,655	10.8%

⁽¹⁾ TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis. If additional assistance is needed, please contact TCDRS.

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

BANDERA COUNTY
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, 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.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions reflected
	2017: New mortality assumptions were reflected
	2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: Employer contributions reflect that a 1% flat COLA was adopted.
	2016: No changes in plan provisions were reflected in the Schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: Employer contributions reflect that a 2% flat COLA was adopted.
	2019: Employer contributions reflect that a 2% flat COLA was adopted.
	2020: Employer contributions reflect that a 2% flat COLA was adopted.

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

BANDERA COUNTY, TEXAS
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
Total OPEB Liability				
Service Cost	\$ 23,764	\$ 17,368	\$ 19,588	\$ 17,872
Interest on the Total OPEB Liability	14,931	16,833	14,905	15,456
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	5,451	(3,377)	1,357	(19,460)
Changes of Assumptions	68,048	109,484	(45,947)	17,879
Benefit Payments*	(13,090)	(11,557)	(9,273)	(8,869)
Net Change in Total OPEB Liability	99,104	128,751	(19,370)	22,878
Total OPEB Liability - Beginning	527,670	398,919	418,289	295,411
Total OPEB Liability - Ending	\$ 626,774	\$ 527,670	\$ 398,919	\$ 318,289
Covered Payroll	\$ 9,349,655	\$ 8,889,985	\$ 8,429,833	\$ 8,062,707
Total OPEB Liability as a Percentage of Covered Payroll	6.70%	5.94%	4.73%	5.19%

*The Supplemental Death Benefit Fund is considered to be an unfunded OPEB plan under GASB 75. Because of this benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Note: GASB Codification, Vol. 2, P52.139 states that the information on this schedule should be determined as of the measurement date of the plan.

As required by GASB 75, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

BANDERA COUNTY
NOTES TO THE SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic /demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Does not apply
Investment Rate of Return (Discount Rate)	2.12%, 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2020.
Cost of Living Adjustment	Does not apply
Disability	Members who become disabled are eligible to commence benefit payments regardless of age.
Mortality	RP-2014 Healthy Annuitant Mortality Table
Retirement	Deferred member are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility
Other Termination of Employment	The rate of assumed future termination from active participation in the plan vary. No termination after eligibility for retirement is assumed.

SUPPLEMENTARY INFORMATION

BANDERA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	11 Hotel/Motel Tax Fund	14 Mansfield Park Fund	15 Indigent Health Care Fund	16 Sanitary Landfill Fund
ASSETS				
Cash and Cash Equivalents	\$ 502,026	\$ 49,121	\$ 302,989	\$ 272,808
Taxes Receivable	-	5,637	11,274	-
Allowance for Uncollectible Taxes (credit)	-	(1,409)	(2,819)	-
Other Receivables	12,146	166	133	28
Due from Other Governments	-	-	-	-
Total Assets	<u>\$ 514,172</u>	<u>\$ 53,515</u>	<u>\$ 311,577</u>	<u>\$ 272,836</u>
LIABILITIES				
Accounts Payable	\$ 8,676	\$ 3,254	\$ -	\$ 367
Total Liabilities	<u>8,676</u>	<u>3,254</u>	<u>-</u>	<u>367</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	4,228	8,456	-
Total Deferred Inflows of Resources	<u>-</u>	<u>4,228</u>	<u>8,456</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Other Restricted Fund Balance	505,496	-	-	-
Committed Fund Balance:				
Other Committed Fund Balance	-	46,033	303,121	272,469
Total Fund Balances	<u>505,496</u>	<u>46,033</u>	<u>303,121</u>	<u>272,469</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 514,172</u>	<u>\$ 53,515</u>	<u>\$ 311,577</u>	<u>\$ 272,836</u>

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

18 Sheriff's Tax Sale Fund	22 Child Abuse Prevention Fund	25 Juvenile Probation Local Fund	27 Sheriff's Seized Asset Fund	28 Law Library Fund	30 County Clerk Records Mgmt Fund	31 Records Preservation Fund	32 Courthouse Security Fund
\$ 1,854	\$ 1,727	\$ 324,536	\$ 65,695	\$ 29,546	\$ 264,460	\$ 7,163	\$ 34,489
-	-	21,955	-	-	-	-	-
-	-	(5,489)	-	-	-	-	-
-	-	258	118	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,854</u>	<u>\$ 1,727</u>	<u>\$ 341,260</u>	<u>\$ 65,813</u>	<u>\$ 29,546</u>	<u>\$ 264,460</u>	<u>\$ 7,163</u>	<u>\$ 34,489</u>
\$ -	\$ -	\$ -	\$ -	\$ 655	\$ -	\$ -	\$ -
-	-	-	-	655	-	-	-
-	-	16,466	-	-	-	-	-
-	-	16,466	-	-	-	-	-
-	1,727	324,794	65,813	28,891	264,460	7,163	34,489
1,854	-	-	-	-	-	-	-
<u>1,854</u>	<u>1,727</u>	<u>324,794</u>	<u>65,813</u>	<u>28,891</u>	<u>264,460</u>	<u>7,163</u>	<u>34,489</u>
<u>\$ 1,854</u>	<u>\$ 1,727</u>	<u>\$ 341,260</u>	<u>\$ 65,813</u>	<u>\$ 29,546</u>	<u>\$ 264,460</u>	<u>\$ 7,163</u>	<u>\$ 34,489</u>

BANDERA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	33 Juvenile Probation State Fund	34 Juvenile Probation Mental Health	36 Juvenile Probation Title IV-E	45 Alternative Dispute Resolution
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 781	\$ 67	\$ 13,272
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 781</u>	<u>\$ 67</u>	<u>\$ 13,272</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Other Restricted Fund Balance	-	781	67	13,272
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	-
Total Fund Balances	<u>-</u>	<u>781</u>	<u>67</u>	<u>13,272</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 781</u>	<u>\$ 67</u>	<u>\$ 13,272</u>

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

46 Appellate Judicial System Fund	48 Guardianship Fee Fund	49 Hot Check Collection Fund	51 Family Protection Fund	52 Attorney Pre-Trial Diversion	55 District Clerk Records Mgmt Fund	56 County Clerk Records Mgmt Fund	57 County Attorney Forfeitures
\$ 202	\$ 20,792	\$ -	\$ 430	\$ 29,285	\$ 6,091	\$ 215,052	\$ 1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	100	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 202</u>	<u>\$ 20,792</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 29,385</u>	<u>\$ 6,091</u>	<u>\$ 215,052</u>	<u>\$ 1</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,161	\$ 1,808	\$ -
-	-	-	-	-	1,161	1,808	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
202	20,792	-	430	29,385	4,930	213,244	1
-	-	-	-	-	-	-	-
<u>202</u>	<u>20,792</u>	<u>-</u>	<u>430</u>	<u>29,385</u>	<u>4,930</u>	<u>213,244</u>	<u>1</u>
<u>\$ 202</u>	<u>\$ 20,792</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 29,385</u>	<u>\$ 6,091</u>	<u>\$ 215,052</u>	<u>\$ 1</u>

BANDERA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	58 Justice Court Technology	60 State Funded Training-Law Enforcement	63 Court Records Preservation Fund	65 District Clerk Records Archive
ASSETS				
Cash and Cash Equivalents	\$ 11,296	\$ 27,146	\$ 45,890	\$ 28,621
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	<u>\$ 11,296</u>	<u>\$ 27,146</u>	<u>\$ 45,890</u>	<u>\$ 28,621</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 182
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>182</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Other Restricted Fund Balance	11,296	27,146	45,890	28,439
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	-
Total Fund Balances	<u>11,296</u>	<u>27,146</u>	<u>45,890</u>	<u>28,439</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 11,296</u>	<u>\$ 27,146</u>	<u>\$ 45,890</u>	<u>\$ 28,621</u>

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

68 Juvenile Commitment RDCTN Grant	69 Capital Credits Fund	85 Child Welfare Board	88 Various Grants Fund	95 Medina Lake County Park Fund	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ 216,175	\$ 6,676	\$ -	\$ 387,442	\$ 2,865,633	\$ 2,865,633
-	-	-	-	-	38,866	38,866
-	-	-	-	-	(9,717)	(9,717)
-	-	-	-	380	13,329	13,329
-	-	-	3,025	-	3,025	3,025
<u>\$ -</u>	<u>\$ 216,175</u>	<u>\$ 6,676</u>	<u>\$ 3,025</u>	<u>\$ 387,822</u>	<u>\$ 2,911,136</u>	<u>\$ 2,911,136</u>
\$ -	\$ -	\$ -	\$ 3,025	\$ 2,010	\$ 21,138	\$ 21,138
-	-	-	3,025	2,010	21,138	21,138
-	-	-	-	-	29,150	29,150
-	-	-	-	-	29,150	29,150
-	216,175	6,676	-	-	1,851,559	1,851,559
-	-	-	-	385,812	1,009,289	1,009,289
-	216,175	6,676	-	385,812	2,860,848	2,860,848
<u>\$ -</u>	<u>\$ 216,175</u>	<u>\$ 6,676</u>	<u>\$ 3,025</u>	<u>\$ 387,822</u>	<u>\$ 2,911,136</u>	<u>\$ 2,911,136</u>

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	11 Hotel/Motel Tax Fund	14 Mansfield Park Fund	15 Indigent Health Care Fund	16 Sanitary Landfill Fund
REVENUES:				
Property Taxes	\$ -	\$ 81,843	\$ 167,200	\$ -
Other Taxes	540,164	-	-	-
Intergovernmental Revenue and Grants	-	-	32,552	-
Charges for Services	-	33,673	-	350,217
Forfeits	-	-	-	-
Investment Earnings	396	80	270	248
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	\$ -	\$ 1,150	\$ -	\$ -
Total Revenues	540,560	116,746	200,022	350,465
EXPENDITURES:				
General Administration	-	-	-	-
Law Enforcement	-	-	-	-
Sanitation	-	-	-	323,083
Health & Human Services	-	-	126,470	-
Administration of Justice	-	-	-	-
Parks	-	155,399	-	-
Community & Economic Development	394,799	-	-	-
Infrastructure & Environmental	-	-	-	-
Total Expenditures	394,799	155,399	126,470	323,083
Excess (Deficiency) of Revenues Over (Under) Expenditures	145,761	(38,653)	73,552	27,382
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	145,761	(38,653)	73,552	27,382
Fund Balance - October 1 (Beginning)	359,735	84,686	229,569	245,087
Fund Balance - September 30 (Ending)	\$ 505,496	\$ 46,033	\$ 303,121	\$ 272,469

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

18 Sheriff's Tax Sale Fund	22 Child Abuse Prevention Fund	25 Juvenile Probation Local Fund	27 Sheriff's Seized Asset Fund	28 Law Library Fund	30 County Clerk Records Mgmt Fund	31 Records Preservation Fund	32 Courthouse Security Fund
\$ -	\$ -	\$ 325,047	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	73,477	8,042	-	-	-	-
-	439	2,121	-	14,077	82,263	3,104	18,180
398,286	-	-	-	-	-	-	-
-	1	302	57	25	214	8	30
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -
398,286	440	400,957	8,099	14,102	82,477	3,112	18,210
397,913	-	-	-	-	25,235	3,824	-
-	-	-	1,424	-	-	-	10,000
-	-	-	-	-	-	-	-
-	-	331,577	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	10,109	-	-	-
-	-	-	-	-	-	-	-
397,913	-	331,577	1,424	10,109	25,235	3,824	10,000
373	440	69,380	6,675	3,993	57,242	(712)	8,210
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
373	440	69,380	6,675	3,993	57,242	(712)	8,210
1,481	1,287	255,414	59,138	24,898	207,218	7,875	26,279
\$ 1,854	\$ 1,727	\$ 324,794	\$ 65,813	\$ 28,891	\$ 264,460	\$ 7,163	\$ 34,489

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	33 Juvenile Probation State Fund	34 Juvenile Probation Mental Health	36 Juvenile Probation Title IV-E	45 Alternative Dispute Resolution
REVENUES:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	137,097	-	-	-
Charges for Services	-	-	-	7,487
Forfeits	-	-	-	-
Investment Earnings	-	-	-	11
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	137,097	-	-	7,498
EXPENDITURES:				
General Administration	-	-	-	-
Law Enforcement	-	-	-	-
Sanitation	-	-	-	-
Health & Human Services	-	-	-	-
Administration of Justice	164,517	-	-	6,000
Parks	-	-	-	-
Community & Economic Development	-	-	-	-
Infrastructure & Environmental	-	-	-	-
Total Expenditures	164,517	-	-	6,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,420)	-	-	1,498
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(27,420)	-	-	1,498
Fund Balance - October 1 (Beginning)	27,420	781	67	11,774
Fund Balance - September 30 (Ending)	\$ -	\$ 781	\$ 67	\$ 13,272

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

46 Appellate Judicial System Fund	48 Guardianship Fee Fund	49 Hot Check Collection Fund	51 Family Protection Fund	52 Attorney Pre-Trial Diversion	55 District Clerk Records Mgmt Fund	56 County Clerk Records Mgmt Fund	57 County Attorney Forfeitures
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,009	2,420	575	1,275	6,540	3,820	83,670	-
-	-	-	-	-	-	-	-
1	-	1	-	31	6	200	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2,010	2,420	576	1,275	6,571	3,826	83,870	-
-	-	-	-	-	6,679	87,001	-
-	-	-	-	9,515	-	-	-
-	-	-	-	-	-	-	-
2,873	787	2,078	1,500	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,873	787	2,078	1,500	9,515	6,679	87,001	-
(863)	1,633	(1,502)	(225)	(2,944)	(2,853)	(3,131)	-
-	-	218	-	-	-	-	-
-	-	218	-	-	-	-	-
(863)	1,633	(1,284)	(225)	(2,944)	(2,853)	(3,131)	-
1,065	19,159	1,284	655	32,329	7,783	216,375	1
\$ 202	\$ 20,792	\$ -	\$ 430	\$ 29,385	\$ 4,930	\$ 213,244	1

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	58 Justice Court Technology	60 State Funded Training-Law Enforcement	63 Court Records Preservation Fund	65 District Clerk Records Archive
REVENUES:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	6,416	-	-
Charges for Services	5,650	-	4,268	4,188
Forfeits	-	-	-	-
Investment Earnings	8	25	40	25
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	5,658	6,441	4,308	4,213
EXPENDITURES:				
General Administration	-	-	-	709
Law Enforcement	-	3,758	-	-
Sanitation	-	-	-	-
Health & Human Services	-	-	-	-
Administration of Justice	6,000	-	-	-
Parks	-	-	-	-
Community & Economic Development	-	-	-	-
Infrastructure & Environmental	-	-	-	-
Total Expenditures	6,000	3,758	-	709
Excess (Deficiency) of Revenues Over (Under) Expenditures	(342)	2,683	4,308	3,504
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(342)	2,683	4,308	3,504
Fund Balance - October 1 (Beginning)	11,638	24,463	41,582	24,935
Fund Balance - September 30 (Ending)	\$ 11,296	\$ 27,146	\$ 45,890	\$ 28,439

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

68 Juvenile Commitment RDCTN Grant	69 Capital Credits Fund	85 Child Welfare Board	88 Various Grants Fund	95 Medina Lake County Park Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 574,090
-	-	-	-	-	540,164
-	13,177	-	243,840	-	514,601
-	-	-	-	248,742	874,718
-	-	-	-	-	398,286
-	190	6	-	266	2,441
-	-	1,614	-	-	1,614
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,160
-	13,367	1,620	243,840	249,008	2,907,074
-	-	-	-	-	521,361
-	-	-	-	-	24,697
-	-	-	-	-	323,083
-	-	860	-	-	127,330
2,554	-	-	-	-	517,886
-	-	-	-	139,477	294,876
-	8,750	-	-	-	413,658
-	-	-	257,884	-	257,884
2,554	8,750	860	257,884	139,477	2,480,775
(2,554)	4,617	760	(14,044)	109,531	426,299
-	-	-	14,044	-	14,262
-	-	-	14,044	-	14,262
(2,554)	4,617	760	-	109,531	440,561
2,554	211,558	5,916	-	276,281	2,420,287
\$ -	\$ 216,175	\$ 6,676	\$ -	\$ 385,812	\$ 2,860,848

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 SEPTEMBER 30, 2021

EXHIBIT H-3

	64 Ambulance Sinking Fund	89 Historical Commission Fund	91 Available School Fund	92 Permanent School Fund	Total Private Purpose Trust Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,260	\$ 6,466	\$ 283	\$ 160,492	\$ 168,501
Total Assets	<u>\$ 1,260</u>	<u>\$ 6,466</u>	<u>\$ 283</u>	<u>\$ 160,492</u>	<u>\$ 168,501</u>
NET POSITION					
Restricted for Other Purposes	1,260	6,466	283	160,492	168,501
Total Net Position	<u>\$ 1,260</u>	<u>\$ 6,466</u>	<u>\$ 283</u>	<u>\$ 160,492</u>	<u>\$ 168,501</u>

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

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	64 Ambulance Sinking Fund	89 Historical Commission Fund	91 Available School Fund	92 Permanent School Fund	Total Private Purpose Trust Funds
ADDITIONS:					
Investment Earnings	\$ 1	\$ 7	\$ 150	\$ -	\$ 158
Other Revenue	-	350	-	-	350
Total Additions	<u>1</u>	<u>357</u>	<u>150</u>	<u>-</u>	<u>508</u>
DEDUCTIONS:					
Other Operating Costs	-	-	2,260	-	2,260
Supplies	-	1,365	-	-	1,365
Total Deductions	<u>-</u>	<u>1,365</u>	<u>2,260</u>	<u>-</u>	<u>3,625</u>
Change in Net Position	1	(1,008)	(2,110)	-	(3,117)
Net Position - October 1 (Beginning)	<u>1,259</u>	<u>7,474</u>	<u>2,393</u>	<u>160,492</u>	<u>171,618</u>
Net Position - September 30 (Ending)	<u>\$ 1,260</u>	<u>\$ 6,466</u>	<u>\$ 283</u>	<u>\$ 160,492</u>	<u>\$ 168,501</u>

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

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2021

EXHIBIT H-5

	47 State Fee & Fine Fund	96 EMS Memorials & Donations	99 Officials' Fee and Accounts	Total Custodial Funds
ASSETS				
Cash and Cash Equivalents	\$ 68,456	\$ 2,603	\$ 937,980	\$ 1,009,039
Other Receivables	495	-	-	495
Total Assets	<u>68,951</u>	<u>2,603</u>	<u>937,980</u>	<u>1,009,534</u>
LIABILITIES				
Due to Other Governments	59,872	-	-	59,872
Total Liabilities	<u>59,872</u>	<u>-</u>	<u>-</u>	<u>59,872</u>
NET POSITION				
Restricted for Other Purposes	9,079	2,603	937,980	949,662
Total Net Position	<u>\$ 9,079</u>	<u>\$ 2,603</u>	<u>\$ 937,980</u>	<u>\$ 949,662</u>

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

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Data Control Codes	47 State Fee & Fine Fund	96 EMS Memorials & Donations	99 Officials' Fee and Accounts	Total Custodial Funds
ADDITIONS:				
Charges for Services	\$ 261,671	\$ -	\$ -	\$ 261,671
Contributions & Donations from Private	513	1,010	-	1,523
Other Revenue	-	-	44,309,503	44,309,503
Total Additions	<u>262,184</u>	<u>1,010</u>	<u>44,309,503</u>	<u>44,572,697</u>
DEDUCTIONS:				
Other Operating Costs	<u>254,650</u>	<u>1,123</u>	<u>44,360,087</u>	<u>44,615,860</u>
Total Deductions	<u>254,650</u>	<u>1,123</u>	<u>44,360,087</u>	<u>44,615,860</u>
Change in Net Position	7,534	(113)	(50,584)	(43,163)
Total Net Position - October 1 (Beginning)	-	-	-	-
Prior Period Adjustment	<u>1,545</u>	<u>2,716</u>	<u>988,564</u>	<u>992,825</u>
Total Net Position - September 30 (Ending)	<u>\$ 9,079</u>	<u>\$ 2,603</u>	<u>\$ 937,980</u>	<u>\$ 949,662</u>

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



NEFFENDORF & BLOCKER, P.C.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Judge and Commissioners
County of Bandera, Texas
Bandera, TX 78003

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bandera County, Texas (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 18, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

TEL: 830 997 3348 **EMAIL: info@nb-cpa.com**
P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bandera 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

We noted certain matters that we reported to management of the County of Bandera, Texas, in a separate letter dated March 18, 2022.

Sincerely,

Neffendorf + Blocker, P.C.

Neffendorf & Blocker, P.C.
Fredericksburg, Texas

March 18, 2022



NEFFENDORF & BLOCKER, P.C.

March 18, 2022

Honorable Judge and Commissioners
County of Bandera, Texas
Bandera, TX 78003

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bandera County, Texas for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 1, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bandera County, Texas are described in Note I to the financial statements. GASB Statement No. 84 *Accounting and Reporting for Fiduciary Activities* was adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by Bandera County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

TEL: 830 997 3348 **EMAIL:** info@nb-cpa.com

P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 18, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis; Budgetary Comparison Schedule - General Fund; Budgetary Comparison Schedule – Road and Bridge Fund; the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of Employer Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining Balance Sheet – Nonmajor Governmental Funds; Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds; Combining Statement of Changes in Assets and Liabilities – All Agency Funds; Combining Statement of Net Position – Private Purpose Trust Funds; and Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Private Purpose Trust Funds and the Schedule of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Commissioner's Court and management of Bandera County and is not intended to be and should not be used by anyone other than these specified parties.

Other Comments and Recommendations

Fixed Assets and Depreciation

During review of the depreciation schedule, it was noted that \$668,091 were not included in the current year additions and the EMS building that was sold was not included in disposals. We recommend a review of all capital expenditure accounts and asset sale proceeds account be completed and compared to the fixed asset ledger to ensure all current year changes have been reflected in the schedule.

In reviewing the County's fixed asset register and depreciation report, we noted discrepancies when reconciling to the financial statements. We recommend that the fixed asset register and depreciation report be reviewed and reconciled to the financials on an annual basis.

Grants

Several grant receipts were recorded in expenditures accounts. We recommend that all grant receipts be recorded in a grant revenue account.

The County Auditor did not have copies of all grant agreements. The Auditor's office should monitor all grant receipts and disbursements for compliance with grant agreements. The Auditor's office has started obtaining the grant agreements in the current fiscal year.

OCA Reports- Justice of the Peace

We noted several differences between the monthly reports submitted to the Auditor's Office and the monthly reports filed with the OCA (Office of Court Administration). We recommend that the monthly reports be reconciled to the OCA reports.

Prior Year Recommendations

We noted the following old outstanding checks for the following accounts:

Commissary Account- \$1,726.26

Sheriff Department Fund- \$5,250

Tax Assessor Collector Tax Bank Account:

Outstanding Deposits- \$4,615.88

Outstanding Checks- \$19,428.01

Tax Assessor Collector MV Division Account:

Outstanding Deposits- \$1,335.47

Outstanding Wires- \$25,313.54

We recommend that the old outstanding checks be researched for proper disposition.

We appreciate the cooperation of the County Auditor's offices and the various officials and employees of the County.

Sincerely,

Neffendorf + Blocker, P.C.

Neffendorf & Blocker, P.C.

Fredericksburg, Texas

March 18, 2022