

*FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT*

**COUNTY OF BANDERA,  
TEXAS**

*Bandera, Texas*

**For the Year Ended  
September 30, 2023**

**COUNTY OF BANDERA, TEXAS**

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2023**

COUNTY OF BANDERA, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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# NEFFENDORF & BLOCKER, P.C.

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## Independent Auditor's Report

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

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bandera County, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America

#### *Basis for Opinions*

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

#### *Responsibilities of Management 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.

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

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TEL: 830 997 3348

EMAIL: [info@nb-cpa.com](mailto: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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 10), budgetary comparison information (pages 47 through 50), the schedule of changes in net pension liability and related ratios, schedule of employer contributions, and the schedule of changes in total OPEB liability and related ratios (pages 51 through 58), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bandera County, Texas' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used

to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, 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 25, 2024

BANDERA COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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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, 2023. Please read it in conjunction with the independent auditors' report on page 1, and the County's Basic Financial Statements which begin on page 11.

#### FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$27,288,468 (Net Position). Of this amount, \$7,824,636 (Unrestricted Net Position) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's Net Position decreased by \$2,057,501 as a result of this year's operations.
- At September 30, 2023, the County's governmental funds reported combined ending fund balances of \$22,035,782, an increase of \$3,771,888 in comparison with the prior year.
- At September 30, 2023, the unassigned fund balance of the general fund was \$6,904,040 or 48% 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 11 - 13). 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 14 - 21) 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 22) 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 47-58.

The combining statements for nonmajor funds and fiduciary funds beginning on page 59 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 14 - 21 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 decreased from \$29,345,969 to \$27,288,468. 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 \$7,824,636 at September 30, 2023. This decrease in governmental Net Position was the result of six factors. First, the County's revenues exceed the expenditures by \$3,771,888. Second, the County paid principal on long-term debt of \$784,550. Third; the County acquired capital assets in the amount of \$1,613,538. Fourth, the County recorded depreciation and amortization in the amount of \$1,590,561. Fifth, a net decrease of \$6,108,675 due to required entries of GASB Statement No.68 accounting and financial reporting for pensions. Sixth, a net decrease of \$21,400 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	
	2023	2022
Current Assets	\$ 26,905	\$ 23,776
Capital Assets	17,659	17,736
Total Assets	\$ 44,564	\$ 41,512
Deferred Outflow	2,840	2,551
Current Liabilities	3,893	4,332
Net Pension Liability	11,726	744
OPEB Liability	503	657
Short-term Debt (Due Within One Year)	796	738
Long-term Debt	2,775	3,441
Total Liabilities	\$ 19,693	\$ 9,912
Deferred Inflow	423	4,805
Net Position:		
Invested in capital assets, net of debt	14,220	13,327
Restricted	5,376	5,688
Unrestricted	7,692	10,331
Total Net Position	\$ 27,288	\$ 29,346

**Table II**  
**Bandera County, Texas**  
**CHANGES IN NET POSITION**

in thousands

	<b>Governmental Activities</b>	
	<u>2023</u>	<u>2022</u>
<b>Revenues:</b>		
<b>Program Revenues</b>		
Charges For Services	\$ 4,354	\$ 4,300
Operating Grants & Contributions	1,662	1,857
Capital Grants & Contributions	500	394
<b>General Revenues</b>		
Property Taxes	17,559	15,851
Other Taxes	1,771	1,758
Grants & Contributions	44	36
Investment Earnings	1,281	184
Other General Revenues	252	576
<b>Total Revenues:</b>	<b>\$ 27,423</b>	<b>\$ 24,956</b>
<b>Expenditures:</b>		
General Administration	\$ 5,417	\$ 3,699
Law Enforcement	6,468	3,485
Corrections	2,939	1,618
Road & Bridge	3,042	1,725
Sanitation	367	383
Health & Human Services	4,404	2,300
Administration of Justice	4,910	2,950
Parks	433	281
Comm & Economic Development	973	922
Infrastructure & Environmental	356	11
Debt Service	172	187
<b>Total Expenditures:</b>	<b>\$ 29,481</b>	<b>\$ 17,561</b>
Change in Net Position	(2,058)	7,395
Beginning Net Position	29,346	21,951
<b>Net Position</b>	<b>\$ 27,288</b>	<b>\$ 29,346</b>

The cost of all governmental activities this year was \$29,480,899. 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 \$17,558,659 because the other costs were paid by sales tax (\$1,187,778), grants and contributions (\$2,206,330), user charges (\$4,354,443), investment earnings (\$1,280,501) and other general revenue (\$835,687).

## THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 14) reported a combined fund balance of \$22,035,782, which is more than last year's total of \$18,263,894. Included in this year's total change in fund balance is an increase of \$4,359,092 in the County's General Fund.

The Commissioner's Court adopted the General Fund, Ambulance Fund, Road & Bridge Fund and COVID Fiscal Recovery Fund Budgets. For the General Fund, the original budget and final budget anticipated expenditures to exceed revenues and other sources. Revenues were favorable to budget by \$199,402 expenditures were favorable to budget by \$5,900,367 and other financing sources and uses were favorable to budget by \$1,115,765; resulting in a net favorable variance of \$7,215,534. For the Ambulance Fund, actual revenues were more than budgeted amounts by \$291,588 and the expenditures were less than budgeted amounts by \$68,713. The net effect is a favorable variance of \$368,064. For the Road and Bridge Fund, actual revenues were more than budgeted estimates by \$354,012. Actual expenditures were less than budgeted amounts by \$552,670. The net effect is a favorable variance of \$906,682. For the COVID Fiscal Recovery Fund, actual revenues were more than budgeted amounts by \$841,487 and actual expenditures were less by \$2,347,749.

## CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2023, the County had \$17,659,353 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements. This amount represents a net decrease of \$75,450 or 1%.

### CAPITAL ASSETS in thousands

	2023	2022
Land	\$ 750	\$ 736
Buildings	17,794	17,759
Equipment	13,763	12,943
Infrastructure	6,847	6,610
Construction in Progress	146	-
Right-to-Use Leased Assets	261	167
SBITA	78	-
Total Capital Assets	\$ 39,639	\$ 38,215
Accumulated Depreciation	(21,831)	(20,426)
Accumulated Amortization	(149)	(55)
Capital Assets, Net	\$ 17,659	\$ 17,734

This year's major additions included:

Building Improvements	35,463
Infrastructure	236,678
Equipment	1,061,978
Land	14,060
Construction in Progress	146,299
Total	\$ 1,494,478

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

## DEBT

At September 30, 2023, the County had the following outstanding debt:

### OUTSTANDING DEBT

in thousands

	Governmental Activities	
	2023	2022
Bonds Payable	\$ 3,105	\$ 3,790
Right-to-Use Lease Liability	14	113
SBITA	44	-
Total	\$ 3,163	\$ 3,903

At year-end the County had \$3,105,000 in refunding bonds outstanding; a decrease of \$685,000 or 18% from the prior year.

The County implemented GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* at the beginning of the year. At year-end the County had \$44,460 in subscription liabilities. The County paid \$33,558 in principal on the outstanding subscription liabilities.

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

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2024 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 2024. Amounts available for appropriation in the General Fund budget are \$18,140,855 and expenditures are estimated to be \$23,816,891. If these estimates are realized, the County's budgetary General fund balance is expected to decrease by \$5,676,036 for fiscal year 2024. Amounts available for appropriation in the Ambulance Fund budget are \$2,734,442 and expenditures are estimated to be \$2,990,095. If these estimates are realized, the County's Ambulance Fund balance is expected to decrease by \$255,653 for fiscal year 2024. Amounts available for appropriation in the Road and Bridge Fund budget are \$2,190,500 and expenditures are estimated to be \$3,427,957. If these estimates are realized, the County's budgetary Road and Bridge Fund balance is expected to decrease by \$1,237,457 for fiscal year 2024.

### **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, 2023

EXHIBIT A-1

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 25,034,002
Other Receivables	1,788,767
Due from Other Governments	42,320
Prepaid Items	39,555
Capital Assets:	
Land Purchase and Improvements	750,288
Infrastructure, Net	2,263,710
Buildings, Net	10,673,999
Furniture and Equipment, Net	3,635,418
Right-to-Use Lease Assets	142,378
SBITA Assets	47,261
Construction in Progress	146,299
Total Assets	44,563,997
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charge for Refunding	131,763
Deferred Outflow Related to Pension Plan	2,616,582
Deferred Outflow Related to OPEB Plan	91,830
Total Deferred Outflows of Resources	2,840,175
<b>LIABILITIES</b>	
Accounts Payable	450,406
Wages and Salaries Payable	460,841
Compensated Absences Payable	392,603
Accrued Interest Payable	14,622
Unearned Revenues	2,574,367
Noncurrent Liabilities:	
Due Within One Year	796,497
Due in More Than One Year:	
Bonds Payable - Noncurrent	2,395,000
Unamortized Premiums (Discounts) on Bonds	275,569
Right-to-Use Lease Liabilities - Noncurrent	85,678
SBITA Liabilities - Noncurrent	18,527
Net Pension Liability	11,725,670
Net OPEB Liability	502,794
Total Liabilities	19,692,574
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflow Related to Pension Plan	253,690
Deferred Inflow Related to OPEB Plan	169,440
Total Deferred Inflows of Resources	423,130
<b>NET POSITION</b>	
Net Investment in Capital Assets and Lease Assets	14,088,082
Restricted:	
Restricted for Special Revenue	5,357,303
Restricted for Debt Service	18,447
Unrestricted Net Position	7,824,636
Total Net Position	\$ 27,288,468

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, 2023

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
General Administration	\$ 5,416,709	\$ 1,404,991	\$ 594,039
Law Enforcement	6,468,100	332,303	5,042
Corrections	2,938,966	-	-
Road and Bridge	3,041,802	607,430	69,107
Sanitation	366,751	335,980	-
Health & Human Services	4,403,723	1,243,655	70,519
Administration of Justice	4,909,768	384,131	589,261
Parks	432,722	45,953	-
Community & Economic Development	972,851	-	-
Infrastructure & Environmental	356,342	-	334,406
Interest on Debt	163,351	-	-
Interest on Right-to-Use Leases	7,924	-	-
Interest on SBITAs	1,390	-	-
Other Debt Service	500	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 29,480,899</b>	<b>\$ 4,354,443</b>	<b>\$ 1,662,374</b>

**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	
		Capital Grants and Contributions	Primary Government Governmental
\$	371,901	\$	(3,045,778)
	127,724		(6,003,031)
	-		(2,938,966)
	-		(2,365,265)
	-		(30,771)
	-		(3,089,549)
	-		(3,936,376)
	-		(386,769)
	-		(972,851)
	-		(21,936)
	-		(163,351)
	-		(7,924)
	-		(1,390)
	-		(500)
\$	<u>499,625</u>		<u>(22,964,457)</u>

16,816,284
742,375
1,187,778
583,469
44,331
252,218
<u>1,280,501</u>
<u>20,906,956</u>
(2,057,501)
<u>29,345,969</u>
<u>\$ 27,288,468</u>

BANDERA COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023

	General Fund	Ambulance Fund	Road & Bridge Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,603,739	\$ 1,684,521	\$ 3,912,731
Taxes Receivable	958,235	118,683	167,054
Allowance for Uncollectible Taxes (credit)	(313,084)	(38,777)	(66,891)
Other Receivables	204,355	56,698	30,798
Due from Other Governments	10,414	-	-
Due from Other Funds	32,600	-	-
Prepaid Items	23,275	6,354	5,730
Total Assets	<u>\$ 15,519,534</u>	<u>\$ 1,827,479</u>	<u>\$ 4,049,422</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 274,136	\$ 33,991	\$ 46,162
Wages and Salaries Payable	314,187	74,894	41,683
Due to Other Funds	-	-	-
Unearned Revenues	42,000	-	-
Total Liabilities	<u>630,323</u>	<u>108,885</u>	<u>87,845</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	598,620	74,143	94,040
Total Deferred Inflows of Resources	<u>598,620</u>	<u>74,143</u>	<u>94,040</u>
<b>FUND BALANCES</b>			
Restricted for Road & Bridge	-	-	3,867,537
Retirement of Long-Term Debt	-	-	-
Other Restricted Fund Balance	-	-	-
Ambulance Services	-	1,644,451	-
Other Committed Fund Balance	7,386,551	-	-
Unassigned Fund Balance	6,904,040	-	-
Total Fund Balances	<u>14,290,591</u>	<u>1,644,451</u>	<u>3,867,537</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 15,519,534</u>	<u>\$ 1,827,479</u>	<u>\$ 4,049,422</u>

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

COVID Fiscal Recovery Fund	Other Funds	Total Governmental Funds
\$ 2,535,019	\$ 2,297,992	\$ 25,034,002
-	104,521	1,348,493
-	(43,785)	(462,537)
-	50,710	342,561
-	31,906	42,320
-	-	32,600
-	4,196	39,555
<u>\$ 2,535,019</u>	<u>\$ 2,445,540</u>	<u>\$ 26,376,994</u>
\$ 2,652	\$ 93,465	\$ 450,406
-	30,077	460,841
-	32,600	32,600
2,532,367	-	2,574,367
<u>2,535,019</u>	<u>156,142</u>	<u>3,518,214</u>
-	56,195	822,998
-	56,195	822,998
-	-	3,867,537
-	18,447	18,447
-	1,489,766	1,489,766
-	-	1,644,451
-	724,990	8,111,541
-	-	6,904,040
-	2,233,203	22,035,782
<u>\$ 2,535,019</u>	<u>\$ 2,445,540</u>	<u>\$ 26,376,994</u>

BANDERA COUNTY, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2023

<b>Total Fund Balances - Governmental Funds</b>	\$	22,035,782
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.		13,695,903
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 2023 capital outlays and debt principal payments is to increase net position.		2,253,630
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 \$11,725,670, a deferred resource outflow of \$2,616,582 and a deferred resource inflow of \$253,690. The net effect of these is to decrease net position by \$9,362,778.		(9,362,778)
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 \$502,794, a deferred resource outflow of \$91,830 and a deferred resource inflow of \$169,440. The net effect of these is to decrease net position by \$580,404.		(580,404)
The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. Please note this includes the amortization on the right-to-use leased assets and SBITAs.		(1,590,561)
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.		836,896
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>27,288,468</b>

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, 2023

	General Fund	Ambulance Fund	Road & Bridge Fund
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 13,408,024	\$ 1,654,174	\$ 1,561,246
General Sales and Use Taxes	1,187,778	-	-
Other Taxes	68,371	-	-
Licenses and Permits	107,959	-	607,430
Intergovernmental Revenue and Grants	273,509	99,196	69,107
Charges for Services	1,297,032	1,243,655	874
Fines	154,437	-	-
Forfeits	-	-	-
Investment Earnings	846,975	77,890	212,804
Contributions & Donations from Private Sources	1,360	300	-
Contributions from Special Assessment	-	-	-
Other Revenue	114,840	1,299	-
Total Revenues	<u>17,460,285</u>	<u>3,076,514</u>	<u>2,451,461</u>
<b>EXPENDITURES:</b>			
Current:			
General Administration	3,440,051	-	-
Law Enforcement	4,570,610	-	-
Corrections	2,118,911	-	-
Road and Bridge	327,413	-	2,642,510
Sanitation	-	-	-
Health & Human Services	501,097	2,550,762	-
Administration of Justice	2,815,241	-	-
Parks	-	-	-
Community & Economic Development	477,384	-	-
Infrastructure & Environmental	-	-	-
Debt Service:			
Principal on Debt	-	-	-
Principal on Right-to-Use Leases	62,202	1,974	908
Principal on SBITAs	24,087	-	-
Interest on Debt	-	-	-
Interest on Right-to-Use Leases	6,859	441	312
Interest on SBITAs	601	-	-
Other Debt Service	-	-	-
Total Expenditures	<u>14,344,456</u>	<u>2,553,177</u>	<u>2,643,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,115,829</u>	<u>523,337</u>	<u>(192,269)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of Real and Personal Property	6,704	6,500	10,500
Proceeds from Right-to-Use Leases	119,060	-	-
Transfers In	990,000	-	-
Transfers Out (Use)	-	-	-
Insurance Recovery	127,499	-	-
Total Other Financing Sources (Uses)	<u>1,243,263</u>	<u>6,500</u>	<u>10,500</u>
Net Change in Fund Balances	4,359,092	529,837	(181,769)
Fund Balance - October 1 (Beginning)	<u>9,931,499</u>	<u>1,114,614</u>	<u>4,049,306</u>
Fund Balance - September 30 (Ending)	<u>\$ 14,290,591</u>	<u>\$ 1,644,451</u>	<u>\$ 3,867,537</u>

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

COVID Fiscal Recovery Fund	Other Funds	Total Governmental Funds
\$ -	\$ 1,222,421	\$ 17,845,865
-	-	1,187,778
-	515,098	583,469
-	-	715,389
841,487	889,006	2,172,305
-	610,750	3,152,311
-	-	154,437
-	332,303	332,303
-	142,832	1,280,501
-	5,112	6,772
-	27,253	27,253
-	56,521	172,660
<u>841,487</u>	<u>3,801,296</u>	<u>27,631,043</u>
841,487	505,068	4,786,606
-	34,473	4,605,083
-	-	2,118,911
-	-	2,969,923
-	313,813	313,813
-	115,746	3,167,605
-	900,911	3,716,152
-	327,357	327,357
-	376,864	854,248
-	334,406	334,406
-	685,000	685,000
-	908	65,992
-	9,471	33,558
-	140,950	140,950
-	312	7,924
-	789	1,390
-	500	500
<u>841,487</u>	<u>3,746,568</u>	<u>24,129,418</u>
-	54,728	3,501,625
-	-	23,704
-	-	119,060
-	46,964	1,036,964
-	(1,036,964)	(1,036,964)
-	-	127,499
-	(990,000)	270,263
-	(935,272)	3,771,888
-	3,168,475	18,263,894
<u>\$ -</u>	<u>\$ 2,233,203</u>	<u>\$ 22,035,782</u>

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, 2023

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	3,771,888
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 2023 capital outlays and debt principal payments is to increase the change in net position.		2,253,630
The entries required by GASB Statement No. 68 did require that some expenses on Exhibit B-1 be adjusted. Total credits to expense were \$2,885,060 and total debits were \$8,993,735. The net effect on the change in net position on Exhibit B-1 is a decrease of \$6,108,675.		(6,108,675)
The entries required by GASB Statement No. 75 did require that some expenses on Exhibit B-1 be adjusted. Total credits to expenses were \$54,491 and total debits were \$75,891. The net effect on the change in net position on Exhibit B-1 is a decrease of \$21,400.		(21,400)
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. Please note this includes the amortization on the right-to-use leased assets and SBITAs.		(1,590,561)
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 decrease the change in net position.		(362,383)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>(2,057,501)</b>

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, 2023

EXHIBIT E-1

	Private Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 178,343	\$ 1,936,328
Other Receivables	-	1,836
Total Assets	<u>178,343</u>	<u>1,938,164</u>
<b>LIABILITIES</b>		
Accounts Payable	967	50,679
Total Liabilities	<u>967</u>	<u>50,679</u>
<b>NET POSITION</b>		
Restricted for Other Purposes	177,376	1,887,485
Total Net Position	<u>\$ 177,376</u>	<u>\$ 1,887,485</u>

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

BANDERA COUNTY, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

EXHIBIT E-2

	Private Purpose Trust Funds	Custodial Funds
<b>ADDITIONS:</b>		
Charges for Services	\$ 270	\$ 217,607
Investment Earnings	8,060	-
Contributions & Donations from Private Sources	1,220	900
Other Revenue	-	56,623,632
<b>Total Additions</b>	<u>9,550</u>	<u>56,842,139</u>
<b>DEDUCTIONS:</b>		
Other Operating Costs	3,146	57,176,068
Supplies	139	-
<b>Total Deductions</b>	<u>3,285</u>	<u>57,176,068</u>
Net Change in Fiduciary Net Position	6,265	(333,929)
Total Net Position - October 1 (Beginning)	<u>171,111</u>	<u>2,221,414</u>
<b>Total Net Position - September 30 (Ending)</b>	<u><u>\$ 177,376</u></u>	<u><u>\$ 1,887,485</u></u>

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

COUNTY OF BANDERA, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

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:

<b>Major Fund</b>	<b>Brief Description</b>
General	See above for description.
Special Revenue Fund: Ambulance	Accounts for all EMS operations and activities.
Special Revenue Fund:	Accounts for all road and bridge construction and

Road and Bridge maintenance activity.

Special Revenue Fund: Accounts for grant proceeds and related expenditures for  
Coronavirus Local Fiscal funds appropriated from the American Rescue Plan Act.  
Recovery

**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 \$5,000 (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.
- 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.

### **GASB Statement No. 87**

As of October 1, 2021, the County adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Disclosures required by this standard are included in Note 3.E.

### **Implementation of GASB Statement No. 96**

As of October 1, 2022, the County adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The standard requires recognition of right-to-use subscription assets and liabilities for SBITAs that previously were classified as operating expenditures based on the payment provisions of the contract. The disclosures required by this standard are included in Note 3.E.

## **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 2022 tax roll, the total assessed valuation was \$3,097,522,737 and the taxes assessed amounted to \$16,232,241. The total tax rate was \$0.5595 per \$100 valuation and allocated \$0.5325 for Maintenance and Operations and \$0.0270 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, 2023, the carrying amount of the County's deposits was \$1,995,318 and the bank balance was \$2,139,265. The County's cash deposits held at Texas Partners Bank at September 30, 2023 and during the year ended September 30, 2023 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	\$ 216,452	\$ 216,452	6/8/2024	\$ 250,000	\$ -
<u>Texas Partners Bank-</u>					
Certificate of Deposit	215,914	215,914	9/26/2024	250,000	-
<u>Liquid Asset Portfolio -</u>					
Logic	<u>24,720,989</u>	<u>24,720,989</u>	N/A	<u>*</u>	<u>*</u>
Total Governmental Activities	<u>\$ 25,153,355</u>	<u>\$ 25,153,355</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, 2023, Logic had a weighted average maturity of 39 days and a net asset value of \$0.999858. 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, 2023, 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, 2023, 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	Ambulance Fund	Road & Bridge Fund	Other Governmental Funds	TOTAL
Receivables:					
Property Taxes	\$ 958,235	\$ 118,683	\$ 167,054	\$ 104,521	\$ 1,348,493
Other Receivables	204,355	56,698	30,798	50,710	342,561
Due from Other Governments	<u>10,414</u>	<u>-</u>	<u>-</u>	<u>31,906</u>	<u>42,320</u>
Gross Receivables	\$ 1,173,004	\$ 175,381	\$ 197,852	\$ 187,137	\$ 1,733,374
Less: Allowance for Uncollectibles	<u>313,084</u>	<u>38,777</u>	<u>66,891</u>	<u>43,785</u>	<u>462,537</u>
Net Total Receivables	<u>\$ 859,920</u>	<u>\$ 136,604</u>	<u>\$ 130,961</u>	<u>\$ 143,352</u>	<u>\$ 1,270,837</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 and unearned revenues* reported in the governmental funds were as follows:

General Fund -	
Unavailable Revenue - Property Taxes	\$ 598,620
Unearned Revenue	42,000
Ambulance Fund -	
Unavailable Revenue - Property Taxes	74,143
Road & Bridge Fund -	
Unavailable Revenue - Property Taxes	94,040
COVID Fiscal Recovery Fund-	
Unearned Revenue	2,532,367
Other Governmental Funds -	
Unavailable Revenue - Property Taxes	<u>56,195</u>
Total Unavailable and Unearned Revenue	<u>\$ 3,397,365</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 \$2,240,490 which represents amounts owed and

outstanding. Based on historical collection rates for the various courts and the EMS Department, the County has booked an allowance for uncollectible accounts of \$1,680,240, resulting in a net receivable of \$560,250.

### 3. D. CAPITAL ASSETS

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

#### Primary Government

	Balance 10/1/2022	Increase	Decrease	Balance 9/30/2023
<i>Governmental Activities:</i>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 736,228	\$ 14,060	\$ -	\$ 750,288
Construction in Progress	-	146,299	-	146,299
<b>Total Assets Not Being Depreciated</b>	<b>\$ 736,228</b>	<b>\$ 160,359</b>	<b>\$ -</b>	<b>\$ 896,587</b>
<b>Capital Assets, Being Depreciated</b>				
Buildings and Improvements	\$ 17,758,957	\$ 35,463	\$ -	\$ 17,794,420
Equipment and Machinery	12,943,464	1,061,978	(242,550)	13,762,892
Infrastructure	6,610,260	236,678	-	6,846,938
<b>Total Assets Being Depreciated</b>	<b>\$ 37,312,681</b>	<b>\$ 1,334,119</b>	<b>\$ (242,550)</b>	<b>\$ 38,404,250</b>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	\$ (6,691,144)	\$ (429,277)	\$ -	\$ (7,120,421)
Equipment and Machinery	(9,488,856)	(724,422)	85,804	(10,127,474)
Infrastructure	(4,246,049)	(337,179)	-	(4,583,228)
<b>Total Accumulated Depreciation</b>	<b>\$ (20,426,049)</b>	<b>\$ (1,490,878)</b>	<b>\$ 85,804</b>	<b>\$ (21,831,123)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 17,622,860</b>	<b>\$ 3,600</b>	<b>\$ (156,746)</b>	<b>\$ 17,469,714</b>
<b>Right-to-Use Lease Assets being Amortized</b>				
Equipment	\$ 166,946	\$ 99,361	\$ (4,952)	\$ 261,355
SBITA	58,319	19,699	-	78,018
<b>Total Right-to-Use Lease Assets</b>	<b>\$ 225,265</b>	<b>\$ 119,060</b>	<b>\$ (4,952)</b>	<b>\$ 339,373</b>
<b>Less Accumulated Amortization</b>				
Equipment	\$ (55,003)	\$ (68,926)	\$ 4,952	\$ (118,977)
SBITA	-	(30,757)	-	(30,757)
<b>Total Accumulated Amortization</b>	<b>\$ (55,003)</b>	<b>\$ (99,683)</b>	<b>\$ 4,952</b>	<b>\$ (149,734)</b>
<b>Total Right-to-Use Assets Being Amortized, Net</b>	<b>\$ 170,262</b>	<b>\$ 19,377</b>	<b>\$ -</b>	<b>\$ 189,639</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 17,793,122</b>	<b>\$ 22,977</b>	<b>\$ (156,746)</b>	<b>\$ 17,659,353</b>

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

<b>Governmental Activities:</b>	
General Administration	\$ 305,824
Law Enforcement	294,676
Corrections	135,376
Roads and Bridge	192,161
Sanitation	20,399
Health and Human Services	202,610
Administration of Justice	240,467
Parks	21,019
Community & Economic Development	56,410
Infrastructure & Environmental	21,936
<b>Total Depreciation Expense-</b>	
Governmental Activities	<b>\$ 1,490,878</b>

Amortization expense was charged to the functions of the County as follows:

Governmental Activities:

General Administration	\$	66,305
Law Enforcement		6,954
Corrections		2,447
Health and Human Services		2,447
Administration of Justice		12,500
Community & Economic Development		9,030
Total Amortization Expense-		
Governmental Activities	\$	<u>99,683</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, 2023.

	Balance 10/1/2022	Issued	Retired	Balance 9/30/2023	Due Within One Year
Texas General					
Obligation Refunding Bonds-					
Series 2015	\$ 3,790,000	\$ -	\$ 685,000	\$ 3,105,000	\$ 710,000
Premium on Bonds	276,524	-	955	275,569	-
Right-to-Use Lease Liability	112,873	99,361	65,992	146,242	60,564
SBITA Liability	-	78,018	33,558	44,460	25,933
SUBTOTAL	<u>\$ 4,179,397</u>	<u>\$ 177,379</u>	<u>\$ 785,505</u>	<u>\$ 3,571,271</u>	<u>\$ 796,497</u>
Net Pension Liability	\$ 743,841	\$ 12,270,532	\$ 1,288,703	\$ 11,725,670	\$ -
OPEB Liability	657,169	39,920	194,295	502,794	-
Compensated Absences	386,071	6,532	-	392,603	-
TOTAL	<u>\$ 5,966,478</u>	<u>\$ 12,494,363</u>	<u>\$ 2,268,503</u>	<u>\$ 16,192,338</u>	<u>\$ 796,497</u>

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 9/30/23
Bandera County General Obligation Bonds:		
Series 2007	\$ 5,790,000	\$ 2,620,000
Series 2008	1,140,000	640,000
TOTAL AMOUNT REFUNDED	<u>\$ 6,930,000</u>	<u>\$ 3,260,000</u>

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

Year Ending September 30,	Principal	Interest	Annual Requirements
2024	710,000	116,975	826,975
2025	735,000	92,125	827,125
2026	765,000	66,400	831,400
2027	795,000	35,800	830,800
2028	100,000	4,000	104,000
TOTAL	<u>\$ 3,105,000</u>	<u>\$ 315,300</u>	<u>\$ 3,420,300</u>

### Lease Liabilities

As of October 1, 2021, the County has a 40-month lease as lessee for the use of 1207-A Pecan Street. An initial lease liability was recorded in the amount of \$78,200. As of September 30, 2023, the value of the lease liability is \$33,558. The County is required to make monthly fixed payments of \$1,850. The lease has an interest rate of 0.2630%.

As of October 1, 2021, the County had a 29-month lease as lessee for the use of UBEO printers and copiers. An initial lease liability was recorded in the amount of \$54,667. As of September 30, 2023, the value of the lease liability is \$11,837. The County is required to make monthly payment of \$2,386. The lease has an interest rate of 0.3280%

As of October 1, 2021, the County had a 56-month lease as lessee for the use of five Xerox copiers. An initial lease liability was recorded in the amount of \$16,762. As of September 30, 2023, the value of the lease liability is \$16,762. The County is required to make monthly fixed payments of \$793. The lease has an interest rate of 0.7120%.

On October 28, 2022, the County entered into a 60-month lease as lessee for the use of 17 Ricoh copiers. An initial lease liability was recorded in the amount of \$91,221. As of September 30, 2023, the value of the lease liability is \$76,367. The County is required to make monthly payments of \$2,715. The lease has an interest rate of 6.64%.

On May 23, 2023, the County entered into a 60-month lease as lessee for the use of Xerox copiers in the County Clerk and Treasurer offices. An initial lease liability was recorded in the amount of \$8,140. As of September 30, 2023, the value of the lease liability is \$7,718. The County is required to make monthly fixed payments of \$140. The lease has an interest rate of 0.00%.

Remaining obligations associated with leases are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2024	60,564	4,723	65,287
2025	36,400	3,414	39,814
2026	25,588	2,110	27,698
2027	22,708	759	23,467
2028	982	-	982
TOTAL	<u>\$ 146,242</u>	<u>\$ 11,006</u>	<u>\$ 157,248</u>

### Subscription-Based Information Technology Arrangements

As of October 1, 2022, the County had a 36-month subscription with LexisNexis for a law library subscription. An initial subscription liability was recorded in the amount of \$9,706. As of September 30, 2023, the value of the subscription liability was \$6,695. The County is required to make monthly

fixed payments of \$272. The subscription has an interest rate of 3.378%.

As of October 1, 2022, the County had a 36-month subscription with LexisNexis for library patron access. An initial subscription liability was recorded in the amount of \$13,497. As of September 30, 2023, the value of the subscription liability was \$9,314. The County is required to make monthly fixed payments of \$378. The subscription has an interest rate of 3.378%.

As of October 1, 2022, the County had a 36-month subscription with LexisNexis for prison solution. An initial subscription liability was recorded in the amount of \$7,029. As of September 30, 2023, the value of the subscription liability was \$4,751. The County is required to make monthly fixed payments of \$205. The subscription has an interest rate of 3.378%.

As of October 1, 2022, the County had an 18-month subscription for the use of Land Records Management Software. An initial subscription liability was recorded in the amount of \$28,088. As of September 30, 2023, the value of the subscription liability was \$9,501. The County is required to make monthly fixed payments of \$1,599. The subscription has an interest rate of 3.3467%.

On October 1, 2022, the County entered into a 36-month subscription for the use of DebtBook for debt management software. An initial subscription liability was recorded in the amount of \$19,699. As of September 30, 2023, the value of the subscription liability was \$14,199. The County is required to make annual fixed payments of \$5,500. The subscription has an interest rate of 2.5033%.

Remaining obligations associated with SBITAs are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2024	25,933	995	26,928
2025	18,527	393	18,920
TOTAL	\$ 44,460	\$ 1,388	\$ 45,848

### 3. F. COMMITMENTS AND CONTINGENCIES

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.

The County entered into an architectural services agreement with DRG Architects LLC for a total of \$380,000. The remaining balance at September 30, 2023 was \$285,000.

### 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) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS 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 TCDRS 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 TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2022 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, [TCDRS.org/Employer](https://www.tcdrs.org/Employer).

#### *Members covered by benefit terms.*

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	128
Inactive employees entitled to but not yet receiving benefits	164
Active employees	<u>215</u>
	507

#### **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 2022 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, 2023 were \$1,245,823, and exceed the required contributions.

### **Net Pension Liability**

The County's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

#### ***Actuarial assumptions:***

The Total Pension Liability in the December 31, 2022 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 (level percent of pay) (1)
Amortization Method	
Recognition of Economic/Demographic	Straight-Line amortization over Expected Working Life

Gains or Losses	
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 1.7% 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 considered to be substantively automatic under GASB 68. Therefore, an annual 2.5% cost-of-living adjustment is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scaled after 2010.
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.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)option	The termination rate is 0% for the two years immediately prior to retirement eligibility. Rates are reduced at ages near retirement as it is anticipated that a member would be less likely to take a withdrawal if the partial lump-sum payment option was available.

*(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 2023 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 <sup>(1)</sup>	Geometric Real Rate of Return <sup>(2)</sup>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (Net) Index	2.50%	4.95%
International Equities – Developed Markets	MSCI World Ex USA (Net) Index	5.00%	4.95%
International Equities – Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.95%
Investment – Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (Net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

<sup>(1)</sup> Target asset allocation adopted at the March 2023 TCDRS Board meeting

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

## Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes 7.50%, increased by .10% to be gross of administrative expenses. 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, 2021	\$ 42,757,074	\$ 42,013,232	\$ 743,841
Changes for the Year:			
Service Cost	1,388,034		1,388,034
Interest on Total Pension Liability <sup>(1)</sup>	3,295,405		3,295,405
Effect of Plan Changes <sup>(2)</sup>	5,878,654		5,878,654
Effects of Economic/Demographic- Gains or Losses	(166,043)		(166,043)
Effect of Assumptions Changes or Inputs			
Refund of Contributions	(186,279)	(186,279)	
Benefit Payments	(1,412,030)	(1,412,030)	
Administrative Expenses		(23,341)	23,341
Member Contributions		687,116	(687,116)
Net Investment Income		(2,484,453)	2,484,453
Employer Contributions		1,164,171	(1,164,171)
Other <sup>(3)</sup>		70,727	(70,727)
Balances as of December 31, 2022	<u>\$ 51,554,814</u>	<u>\$ 39,829,144</u>	<u>\$ 11,725,670</u>

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

<sup>(2)</sup> Reflects plan changes adopted effective in 2023. Also reflects decrease in substantively automatic COLA valued.

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

### Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 7.60%, as well as what the 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	\$ 59,296,196	51,554,814	\$ 45,200,060
Fiduciary Net Position	<u>39,829,144</u>	<u>39,829,144</u>	<u>39,829,144</u>
Net Pension Liability/(Asset)	<u>\$ 19,467,052</u>	<u>\$ 11,725,670</u>	<u>\$ 5,370,916</u>

### Pension Expense / (Income)

Prepaid Expense/(Income)	January 1, 2022 to December 31, 2022
Service Cost	\$ 1,388,034
Interest on Total Pension Liability <sup>(1)</sup>	3,295,405
Effect of Plan Changes	5,878,654
Administrative Expenses	23,341
Member Contributions	(687,116)
Expected Investment Return Net of Investment Expenses	(3,204,211)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	(9,595)
Recognition of Assumption Changes or Inputs	631,814
Recognition of Investment Gains or Losses	108,900
Other <sup>(2)</sup>	(70,727)
Pension Expense/(Income)	\$ 7,354,499

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

<sup>(2)</sup> Relates to allocation of system-wide items.

As of December 31, 2022, 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	\$ 167,285	\$ 107,035
Changes of assumptions	86,405	675,015
Net difference between projected and actual earnings	-	891,592
Contributions made subsequent to measurement date	N/A	942,940

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	
2023	\$ 193,320
2024	(21,354)
2025	110,254
2026	1,137,732
2027	-
Thereafter <sup>(3)</sup>	-

<sup>(4)</sup> 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.

Payables to the pension plan. None as of September 30, 2023.

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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	100
Inactive employees entitled to but not yet receiving benefits	49
Active employees	<u>215</u>
	364

**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 2022. 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	2022 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.28%	27,485	No change from prior year
Retiree GTL Benefit	0.13%	12,761	GASB 75

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2022 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 32.25806%, allocated as follows:

Coverage Type	2023 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.21%	67.74194%	No change from prior year
Retiree GTL Benefit	0.10%	32.25806%	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, 2023 were \$34,391, and were equal to the required contributions.

### Total OPEB Liability

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2022 were based on the results of an actuarial study for the period January 1, 2017- December 31, 2022, except where required to be different by GASB 75.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Salary Increases	Note that salary increases do not affect benefits but are used in the allocation of costs under the actuarial cost method.
Investment Rate of Return (Discount Rate)	3.72% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2022.
Disability	Members who become disabled are eligible to commence benefit payments regardless of age.



Mortality	135% of Pub-2010 General Employees Amount-Weighted Mortality Tables for males and 120% General Employees Amount-Weighted Mortality Tables for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Retirement	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 3.72% based on the 20 Year Bond Go Index published by bondbuyer.com is used as of the measurement date of December 31, 2022.

### Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2021	\$ 657,169
Changes for the year:	
Service Cost	25,978
Interest on total OPEB liability <sup>(1)</sup>	13,942
Changes of benefit terms <sup>(2)</sup>	-
Effect of economic/demographic experience	(9,248)
Effect of assumptions changes or inputs <sup>(3)</sup>	(172,286)
Benefit payments	(12,761)
Other	-
Balance as of December 31, 2022	<u>\$ 502,794</u>

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

<sup>(2)</sup> No plan changes are valued.

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

### Sensitivity Analysis

The following presents the Total OPEB liability of the employer, calculated using the discount rate of 3.72%, 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 (2.72%) or 1 percentage point higher (4.72%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease	Current Discount Rate	1% Increase
	2.72%	3.72%	4.72%
Total OPEB Liability	\$597,646	\$ 502,794	\$428,642

### OPEB Expense/ (Income)

	January 1, 2022 to December 31, 2022
Service Cost	\$ 25,978
Interest on total OPEB liability <sup>(1)</sup>	13,942
Effect of plan changes	-
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(5,948)
Recognition of assumption changes or inputs	(1,535)
Other	-
<b>OPEB expense/(income)</b>	<b>\$ 32,437</b>

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

As of December 31, 2022, 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	\$ 18,211	\$ 2,951
Changes of assumptions	151,229	81,162
Contributions made subsequent to measurement date	N/A	7,717

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		
2023	\$	(7,480)
2024		178
2025		(17,511)
2026		(30,255)
2027		(30,259)
Thereafter <sup>(4)</sup>		-

<sup>(3)</sup> 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.

Payables to the OPEB plan. None as of September 30, 2023.

### 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, 2023, the participants had balances of \$907,950 in Nationwide and \$1,039,539 in VALIC.

3. L. UNEARNED REVENUES

Unspent U.S. Department of Treasury State and Local Fiscal Recovery Funds in the amount of \$2,532,367 are classified as unearned revenue in the Coronavirus Local Fiscal Recovery Fund. The funds are for response to the COVID-19 public health emergency.

The county attorney supplement for fiscal year 2024 in the amount of \$42,000 is classified as unearned revenue in the General Fund. The state funds are to be used to supplement the County Attorney’s salary.

3.M. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures in the General Fund exceeded the budget appropriations in four functions but not in total. Expenditures in the Ambulance Fund exceeded the budget appropriations in two functions but not in total. Expenditures in the Road and Bridge Fund exceeded the budget appropriation in two functions but not in total.

3.N. ADOPTION OF NEW STANDARD

For fiscal year 2023, the County adopted GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability. The standard requires recognition of the right-to-use subscription assets and liabilities for SBITAs that previously were classified as operating expenditures based on the payment provisions of the contract.

3.O. INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2023 is as follows:

**Interfund Receivable and Payables**

	Receivable	Payable
General Fund	\$ 32,600	\$ -
Nonmajor Governmental Funds	-	32,600
<b>TOTAL</b>	<b>\$ 32,600</b>	<b>\$ 32,600</b>

This balance results from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

**Interfund Transfers**

	Transfers In	Transfers Out
General Fund	\$ 990,000	\$ -
Nonmajor Governmental Funds	46,964	1,036,964
<b>TOTAL</b>	<b>\$ 1,036,964</b>	<b>\$ 1,036,964</b>

3.P. SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 25, 2024, 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, 2023

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 13,724,763	\$ 13,724,763	\$ 13,408,024	\$ (316,739)
General Sales and Use Taxes	1,000,000	1,000,000	1,187,778	187,778
Other Taxes	35,700	35,700	68,371	32,671
Licenses and Permits	124,450	124,450	107,959	(16,491)
Intergovernmental Revenue and Grants	106,005	233,729	273,509	39,780
Charges for Services	1,086,336	1,115,461	1,297,032	181,571
Fines	146,100	146,100	154,437	8,337
Investment Earnings	70,000	764,599	846,975	82,376
Contributions & Donations from Private Sources	30	1,310	1,360	50
Other Revenue	66,960	114,772	114,840	68
Total Revenues	16,360,344	17,260,883	17,460,285	199,402
<b>EXPENDITURES:</b>				
Current:				
General Administration	8,675,549	8,687,862	3,440,051	5,247,811
Law Enforcement	4,725,314	4,894,144	4,570,610	323,534
Corrections	2,243,292	2,293,856	2,118,911	174,945
Road and Bridge	330,891	330,891	327,413	3,478
Health & Human Services	552,998	550,559	501,097	49,462
Administration of Justice	3,067,860	3,001,874	2,815,241	186,633
Community & Economic Development	485,029	485,637	477,384	8,253
Debt Service:				
Principal on Right-to-Use Leases	-	-	62,202	(62,202)
Principal on SBITAs	-	-	24,087	(24,087)
Interest on Right-to-Use Leases	-	-	6,859	(6,859)
Interest on SBITAs	-	-	601	(601)
Total Expenditures	20,080,933	20,244,823	14,344,456	5,900,367
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,720,589)	(2,983,940)	3,115,829	6,099,769
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	6,704	6,704
Proceeds from Right-to-Use Leases	-	-	119,060	119,060
Transfers In	-	-	990,000	990,000
Insurance Recovery	-	127,498	127,499	1
Total Other Financing Sources (Uses)	-	127,498	1,243,263	1,115,765
Net Change	(3,720,589)	(2,856,442)	4,359,092	7,215,534
Fund Balance - October 1 (Beginning)	9,931,499	9,931,499	9,931,499	-
Fund Balance - September 30 (Ending)	\$ 6,210,910	\$ 7,075,057	\$ 14,290,591	\$ 7,215,534

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, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Property Taxes	\$ 1,699,171	\$ 1,699,171	\$ 1,654,174	\$ (44,997)
Intergovernmental Revenue and Grants	70,000	98,992	99,196	204
Charges for Services	973,500	973,500	1,243,655	270,155
Investment Earnings	7,000	12,000	77,890	65,890
Contributions & Donations from Private	-	-	300	300
Other Revenue	-	-	36	36
Total Revenues	<u>2,749,671</u>	<u>2,783,663</u>	<u>3,075,251</u>	<u>291,588</u>
<b>EXPENDITURES:</b>				
Health & Human Services	2,673,617	2,621,890	2,550,762	71,128
Debt Service:				
Principal on Right-to-Use Leases	-	-	1,974	(1,974)
Interest on Right-to-Use Leases	-	-	441	(441)
Total Expenditures	<u>2,673,617</u>	<u>2,621,890</u>	<u>2,553,177</u>	<u>68,713</u>
Excess of Revenues Over Expenditures	<u>76,054</u>	<u>161,773</u>	<u>522,074</u>	<u>360,301</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	6,500	6,500
Transfers In	-	-	1,263	1,263
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,763</u>	<u>7,763</u>
Change in Fund Balance	76,054	161,773	529,837	368,064
Fund Balance - October 1 (Beginning)	1,114,614	1,114,614	1,114,614	-
Fund Balance - September 30 (Ending)	<u>\$ 1,190,668</u>	<u>\$ 1,276,387</u>	<u>\$ 1,644,451</u>	<u>\$ 368,064</u>

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, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
<b>REVENUES:</b>				
Property Taxes	\$ 1,490,149	\$ 1,490,149	\$ 1,561,246	\$ 71,097
Licenses and Permits	551,000	551,000	607,430	56,430
Intergovernmental Revenue and Grants	28,400	28,400	69,107	40,707
Charges for Services	900	900	874	(26)
Investment Earnings	27,000	27,000	212,804	185,804
Other Revenue	35,000	35,000	-	(35,000)
Total Revenues	2,132,449	2,132,449	2,451,461	319,012
<b>EXPENDITURES:</b>				
Road and Bridge	3,185,899	3,196,400	2,642,510	553,890
Debt Service:				
Principal on Right-to-Use Leases	-	-	908	(908)
Interest on Right-to-Use Leases	-	-	312	(312)
Total Expenditures	3,185,899	3,196,400	2,643,730	552,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,053,450)	(1,063,951)	(192,269)	871,682
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	10,500	10,500	-
Total Other Financing Sources (Uses)	-	10,500	10,500	-
Change in Fund Balance	(1,053,450)	(1,053,451)	(181,769)	871,682
Fund Balance - October 1 (Beginning)	4,049,306	4,049,306	4,049,306	-
Fund Balance - September 30 (Ending)	\$ 2,995,856	\$ 2,995,855	\$ 3,867,537	\$ 871,682

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 - COVID FISCAL RECOVERY FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual GAAP BASIS (See Note)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 841,487	\$ 841,487
Total Revenues	-	-	841,487	841,487
<b>EXPENDITURES:</b>				
Current:				
General Administration	3,189,236	3,189,236	841,487	2,347,749
Total Expenditures	3,189,236	3,189,236	841,487	2,347,749
Change in Fund Balance	(3,189,236)	(3,189,236)	-	3,189,236
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	\$ (3,189,236)	\$ (3,189,236)	\$ -	\$ 3,189,236

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, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
<b>A. Total Pension Liability</b>			
Service Cost	\$ 1,388,034	\$ 1,543,446	\$ 1,358,590
Interest (on the Total Pension Liability)	3,295,405	3,327,622	3,093,974
Changes of Benefit Terms	5,878,654	(3,676,814)	(244,693)
Difference between Expected and Actual Experience	(166,043)	182,845	(171,009)
Changes of Assumptions	-	(172,811)	2,700,066
Benefit Payments, Including Refunds of Employee Contributions	(1,598,309)	(1,351,774)	(1,316,335)
Net Change in Total Pension Liability	\$ 8,797,741	\$ (147,486)	\$ 5,420,593
Total Pension Liability - Beginning	42,757,074	42,904,560	37,483,967
Total Pension Liability - Ending	\$ 51,554,815	\$ 42,757,074	\$ 42,904,560
<b>B. Total Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,164,171	\$ 1,031,137	\$ 1,010,698
Contributions - Employee	687,116	674,556	654,476
Net Investment Income	(2,484,453)	7,536,508	3,164,635
Benefit Payments, Including Refunds of Employee Contributions	(1,598,309)	(1,351,774)	(1,316,335)
Administrative Expense	(23,341)	(22,730)	(24,971)
Other	70,727	19,426	11,066
Net Change in Plan Fiduciary Net Position	\$ (2,184,089)	\$ 7,887,123	\$ 3,499,569
Plan Fiduciary Net Position - Beginning	42,013,232	34,126,110	30,626,540
Plan Fiduciary Net Position - Ending	\$ 39,829,143	\$ 42,013,233	\$ 34,126,109
<b>C. Net Pension Liability</b>	<b>\$ 11,725,672</b>	<b>\$ 743,841</b>	<b>\$ 8,778,451</b>
<b>D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>77.26%</b>	<b>98.26%</b>	<b>79.54%</b>
<b>E. Covered Payroll</b>	<b>\$ 9,815,942</b>	<b>\$ 9,538,725</b>	<b>\$ 9,349,655</b>
<b>F. Net Pension Liability as a Percentage of Covered Payroll</b>	<b>119.46%</b>	<b>7.80%</b>	<b>93.89%</b>

Note: GASB Codification, Vol. 2, P20, I46 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 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 1,182,887	\$ 1,085,351	\$ 1,106,668	\$ 1,173,888	\$ 1,114,399	\$ 1,072,594
2,636,355	2,252,712	2,064,156	1,864,767	1,771,095	1,609,200
2,886,707	2,393,186	136,901	-	(579,646)	23,438
78,052	66,739	(122,651)	(210,760)	(757,891)	160,505
-	-	147,693	-	275,178	-
(1,304,095)	(1,019,823)	(948,746)	(848,128)	(842,230)	(615,726)
\$ 5,479,906	\$ 4,778,165	\$ 2,384,021	\$ 1,979,767	\$ 980,905	\$ 2,250,011
32,004,061	27,225,896	24,841,875	22,862,108	21,881,203	19,631,192
\$ 37,483,967	\$ 32,004,061	\$ 27,225,896	\$ 24,841,875	\$ 22,862,108	\$ 21,881,203
\$ 900,555	\$ 844,658	\$ 764,343	\$ 756,593	\$ 743,611	\$ 742,320
622,299	590,088	564,390	562,368	550,098	537,913
4,290,636	(483,528)	3,296,122	1,522,595	(219,880)	1,254,017
(1,304,095)	(1,019,823)	(948,746)	(848,128)	(842,230)	(615,726)
(23,339)	(20,987)	(17,426)	(16,571)	(14,728)	(14,934)
11,756	15,004	4,928	6,237	48,413	(37,702)
\$ 4,497,812	\$ (74,588)	\$ 3,663,611	\$ 1,983,094	\$ 265,284	\$ 1,865,887
26,128,729	26,203,316	22,539,706	20,556,612	20,291,329	18,425,442
\$ 30,626,541	\$ 26,128,728	\$ 26,203,317	\$ 22,539,706	\$ 20,556,613	\$ 20,291,329
\$ 6,857,426	\$ 5,875,333	\$ 1,022,579	\$ 2,302,169	\$ 2,305,495	\$ 1,589,874
81.71%	81.64%	96.24%	90.73%	89.92%	92.73%
\$ 8,889,985	\$ 8,429,833	\$ 8,062,707	\$ 8,033,828	\$ 7,858,536	\$ 7,684,473
77.14%	69.70%	12.68%	28.66%	29.34%	20.69%

BANDERA COUNTY, TEXAS  
SCHEDULE OF CONTRIBUTIONS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE FISCAL YEAR 2023

	2023	2022	2021
Actuarially Determined Contribution	\$ 1,153,373	\$ 1,008,243	\$ 1,010,698
Contributions in Relation to the Actuarially Determined Contributions	1,164,171	1,031,137	1,010,698
Contribution Deficiency (Excess)	\$ (10,798)	\$ (22,894)	\$ -
Covered Employee Payroll	\$ 9,815,942	\$ 9,538,425	\$ 9,349,655
Contributions as a Percentage of Covered Employee Payroll	11.90%	10.80%	10.80%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

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

	2020	2019	2018	2017	2016	2015	2014
\$	900,555	\$ 844,668	\$ 764,343	\$ 756,593	\$ 743,418	\$ 742,320	\$ 671,036
	900,555	844,668	764,343	756,593	743,611	742,320	671,036
\$	-	\$ -	\$ -	\$ -	(193)	\$ -	-
\$	8,889,985	\$ 8,429,833	\$ 8,062,707	\$ 8,033,828	\$ 7,858,536	\$ 7,684,473	\$ 7,131,089
	10.10%	10.00%	9.50%	9.40%	9.50%	9.70%	9.40%

BANDERA COUNTY  
NOTES TO THE SCHEDULE OF CONTRIBUTIONS  
SEPTEMBER 30, 2023

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

**Methods and assumptions used to determine contribution rates:**

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	14.0 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% 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	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions reflected 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions 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. 2021: No changes in plan provisions were reflected in the Schedule. 2022: Employer contributions reflect that a 1% 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, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
<b>Total OPEB Liability</b>			
Service Cost	\$ 25,978	\$ 26,595	\$ 23,764
Interest on the Total OPEB Liability	13,942	13,721	14,931
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(9,248)	(10,997)	5,451
Changes of Assumptions	(172,268)	13,476	68,048
Benefit Payments*	(12,761)	(12,400)	(13,090)
Net Change in Total OPEB Liability	(154,375)	30,395	99,104
Total OPEB Liability - Beginning	657,169	626,774	527,670
Total OPEB Liability - Ending	\$ 502,794	\$ 657,169	\$ 626,774
<b>Covered Payroll</b>	\$ 9,815,942	\$ 9,538,725	\$ 9,349,655
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	5.12%	6.89%	6.70%

\*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.

	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
\$	17,368	\$ 19,588	\$ 17,872
	16,833	14,905	15,456
	-	-	-
	(3,377)	1,357	(19,460)
	109,484	(45,947)	17,879
	(11,557)	(9,273)	(8,869)
	<u>128,751</u>	<u>(19,370)</u>	<u>22,878</u>
	398,919	418,289	295,411
\$	<u>527,670</u>	\$ <u>398,919</u>	\$ <u>341,167</u>
\$	8,889,985	\$ 8,429,833	\$ 8,062,707
	5.94%	4.73%	5.19%

BANDERA COUNTY  
NOTES TO THE SCHEDULE OF CHANGES IN THE  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
SEPTEMBER 30, 2023

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 75.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method	
Recognition of economic /demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Salary increases do not affect benefits but are used in the allocation of costs under the actuarial cost method.
Investment Rate of Return (Discount Rate)	3.72%, 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2021.
Cost of Living Adjustment	Does not apply
Disability	Members who become disabled are eligible to commence benefit payments regardless of age.
Mortality	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Retirement	For all eligible members ages 75 and later, retirement is assumed to occur immediately
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, 2023

	11 Hotel Motel Tax Fund	14 Mansfield Park Fund	15 Indigent Health Care Fund	16 Sanitary Landfill Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 107,189	\$ 27,307	\$ 284,326	\$ 284,382
Taxes Receivable	-	8,772	3,885	-
Allowance for Uncollectible Taxes (credit)	-	(2,866)	(1,270)	-
Other Receivables	6,227	516	84	4,348
Due from Other Governments	-	-	-	-
Prepaid Items	-	1,012	1,079	-
<b>Total Assets</b>	<b>\$ 113,416</b>	<b>\$ 34,741</b>	<b>\$ 288,104</b>	<b>\$ 288,730</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 4,448	\$ 6,095	\$ 975	\$ 15,878
Wages and Salaries Payable	-	3,463	1,662	3,804
Due to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>4,448</b>	<b>9,558</b>	<b>2,637</b>	<b>19,682</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	5,480	2,426	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>5,480</b>	<b>2,426</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	108,968	-	-	-
Committed Fund Balance:				
Other Committed Fund Balance	-	19,703	283,041	269,048
<b>Total Fund Balances</b>	<b>108,968</b>	<b>19,703</b>	<b>283,041</b>	<b>269,048</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 113,416</b>	<b>\$ 34,741</b>	<b>\$ 288,104</b>	<b>\$ 288,730</b>

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

EXHIBIT H-1 (Cont'd)

18 Sheriff's Tax Sale Fund	22 Child Abuse Prevention Fund	25 Juvenile Probation Fund	27 Sheriff's Special Inventory	28 Law Library Fund	30 Clerk Records Management & Preservation	31 Records Management & Preservation	32 Courthouse Security Fund
\$ 1,964	\$ 2,301	\$ 337,592	\$ 68,479	\$ 39,768	\$ 356,454	\$ 3,193	\$ 60,541
-	-	20,650	-	-	-	-	-
-	-	(6,747)	-	-	-	-	-
-	-	5,534	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	89	-	-	-	-	-
<u>\$ 1,964</u>	<u>\$ 2,301</u>	<u>\$ 357,118</u>	<u>\$ 68,479</u>	<u>\$ 39,768</u>	<u>\$ 356,454</u>	<u>\$ 3,193</u>	<u>\$ 60,541</u>
\$ -	\$ -	\$ 31,167	\$ -	\$ 650	\$ 7	\$ -	\$ -
-	-	16,461	-	-	1,074	-	-
-	-	-	-	-	-	-	-
-	-	47,628	-	650	1,081	-	-
-	-	12,900	-	-	-	-	-
-	-	12,900	-	-	-	-	-
-	-	-	-	-	-	-	-
1,964	2,301	296,590	68,479	39,118	355,373	3,193	60,541
-	-	-	-	-	-	-	-
<u>1,964</u>	<u>2,301</u>	<u>296,590</u>	<u>68,479</u>	<u>39,118</u>	<u>355,373</u>	<u>3,193</u>	<u>60,541</u>
<u>\$ 1,964</u>	<u>\$ 2,301</u>	<u>\$ 357,118</u>	<u>\$ 68,479</u>	<u>\$ 39,768</u>	<u>\$ 356,454</u>	<u>\$ 3,193</u>	<u>\$ 60,541</u>

BANDERA COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2023

	33 Juvenile Probation State Aide	34 Juvenile Probation Grant N	36 Title IV E Fund	37 TJJD P&I DSA Grant
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Other Receivables	-	7,000	-	25,600
Due from Other Governments	-	-	-	-
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 7,000</b>	<b>\$ -</b>	<b>\$ 25,600</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	7,000	-	25,600
<b>Total Liabilities</b>	<b>-</b>	<b>7,000</b>	<b>-</b>	<b>25,600</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ -</b>	<b>\$ 7,000</b>	<b>\$ -</b>	<b>\$ 25,600</b>

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

EXHIBIT H-1 (Cont'd)

38 Opioid Settlement Fund	45 Alternative Dispute Resolution	46 Appellate Judicial System	48 Guardianship Fee Fund	49 Co Attorney Hot Check Collection	51 Family Protection Fee Fund	52 Attorney Pre-Trial Diversion	55 District Clerk Records Archive Fund
\$ 27,253	\$ 17,709	\$ 1,219	\$ 26,781	\$ 560	\$ -	\$ 36,048	\$ 63,585
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 27,253</u>	<u>\$ 17,709</u>	<u>\$ 1,219</u>	<u>\$ 26,781</u>	<u>\$ 560</u>	<u>\$ -</u>	<u>\$ 36,048</u>	<u>\$ 63,585</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
27,253	17,709	1,219	26,781	560	-	36,048	63,585
-	-	-	-	-	-	-	-
<u>27,253</u>	<u>17,709</u>	<u>1,219</u>	<u>26,781</u>	<u>560</u>	<u>-</u>	<u>36,048</u>	<u>63,585</u>
<u>\$ 27,253</u>	<u>\$ 17,709</u>	<u>\$ 1,219</u>	<u>\$ 26,781</u>	<u>\$ 560</u>	<u>\$ -</u>	<u>\$ 36,048</u>	<u>\$ 63,585</u>

BANDERA COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2023

	56 County Clerk Records Archive Fund	57 County Attorney Forfeiture	58 Justice Court Technology Fund	60 Law Enforcement State Train
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 219,828	\$ 1	\$ 12,870	\$ 25,246
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Governments	-	-	-	-
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<b>\$ 219,828</b>	<b>\$ 1</b>	<b>\$ 12,870</b>	<b>\$ 25,246</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,965	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>1,965</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	217,863	1	12,870	25,246
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	-
<b>Total Fund Balances</b>	<b>217,863</b>	<b>1</b>	<b>12,870</b>	<b>25,246</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 219,828</b>	<b>\$ 1</b>	<b>\$ 12,870</b>	<b>\$ 25,246</b>

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

EXHIBIT H-1 (Cont'd)

63 Court Records Preservation Fund	65 District Clerk Record Archive Fund	68 Juv Grant R Noble Grant	69 Unclaimed Capital Credits	81 Court Reporter Service Fund	82 Court Facility Fee Fund	83 Language Access Fund	84 Elections Co Expenses Fund
\$ -	\$ 29,364	\$ -	\$ 41,095	\$ 11,296	\$ 5,180	\$ 2,360	\$ 11,510
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 29,364</u>	<u>\$ -</u>	<u>\$ 41,095</u>	<u>\$ 11,296</u>	<u>\$ 5,180</u>	<u>\$ 2,360</u>	<u>\$ 11,510</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	29,364	-	41,095	11,296	5,180	2,360	11,510
-	-	-	-	-	-	-	-
-	<u>29,364</u>	-	<u>41,095</u>	<u>11,296</u>	<u>5,180</u>	<u>2,360</u>	<u>11,510</u>
<u>\$ -</u>	<u>\$ 29,364</u>	<u>\$ -</u>	<u>\$ 41,095</u>	<u>\$ 11,296</u>	<u>\$ 5,180</u>	<u>\$ 2,360</u>	<u>\$ 11,510</u>

BANDERA COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2023

	85 Child Welfare Board	87 Veterans Service Officer Fund	88 Various Grants Fund	95 Medina Lake County Park Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,178	\$ 2,478	\$ 13,643	\$ 155,169
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Governments	-	-	31,906	-
Prepaid Items	-	-	-	2,016
<b>Total Assets</b>	<b>\$ 7,178</b>	<b>\$ 2,478</b>	<b>\$ 45,549</b>	<b>\$ 157,185</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 31,906	\$ 374
Wages and Salaries Payable	-	-	-	3,613
Due to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>31,906</b>	<b>3,987</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
<b>Restricted Fund Balance:</b>				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	7,178	2,478	13,643	-
<b>Committed Fund Balance:</b>				
Other Committed Fund Balance	-	-	-	153,198
<b>Total Fund Balances</b>	<b>7,178</b>	<b>2,478</b>	<b>13,643</b>	<b>153,198</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 7,178</b>	<b>\$ 2,478</b>	<b>\$ 45,549</b>	<b>\$ 157,185</b>

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



Total Nonmajor Special Revenue Funds	62 2007 Jail/ Justice Center I&S Fd	Total Nonmajor Governmental Funds
\$ 2,283,869	\$ 14,123	\$ 2,297,992
33,307	71,214	104,521
(10,883)	(32,902)	(43,785)
49,309	1,401	50,710
31,906	-	31,906
4,196	-	4,196
<u>\$ 2,391,704</u>	<u>\$ 53,836</u>	<u>\$ 2,445,540</u>
\$ 93,465	\$ -	\$ 93,465
30,077	-	30,077
32,600	-	32,600
<u>156,142</u>	<u>-</u>	<u>156,142</u>
20,806	35,389	56,195
<u>20,806</u>	<u>35,389</u>	<u>56,195</u>
-	18,447	18,447
1,489,766	-	1,489,766
724,990	-	724,990
<u>2,214,756</u>	<u>18,447</u>	<u>2,233,203</u>
<u>\$ 2,391,704</u>	<u>\$ 53,836</u>	<u>\$ 2,445,540</u>

BANDERA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	11 Hotel Motel Tax Fund	14 Mansfield Park Fund	15 Indigent Health Care Fund	16 Sanitary Landfill Fund
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ 122,359	\$ 55,754	\$ -
Other Taxes	515,098	-	-	-
Intergovernmental Revenue and Grants	-	-	23,598	-
Charges for Services	-	45,953	-	335,980
Forfeits	-	-	-	-
Investment Earnings	19,084	2,772	13,633	12,537
Contributions & Donations from Private Sources	-	-	-	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	50,000	941	-	-
Total Revenues	<u>584,182</u>	<u>172,025</u>	<u>92,985</u>	<u>348,517</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	-	-
Law Enforcement	-	-	-	-
Sanitation	-	-	-	313,813
Health & Human Services	-	-	114,522	-
Administration of Justice	-	-	-	-
Parks	-	188,865	-	-
Community & Economic Development	367,935	-	-	-
Infrastructure & Environmental	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Principal on Right-to-Use Leases	-	-	-	-
Principal on SBITAs	-	-	-	-
Interest on Debt	-	-	-	-
Interest on Right-to-Use Leases	-	-	-	-
Interest on SBITAs	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>367,935</u>	<u>188,865</u>	<u>114,522</u>	<u>313,813</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>216,247</u>	<u>(16,840)</u>	<u>(21,537)</u>	<u>34,704</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out (Use)	<u>(780,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(780,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(563,753)	(16,840)	(21,537)	34,704
Fund Balance - October 1 (Beginning)	<u>672,721</u>	<u>36,543</u>	<u>304,578</u>	<u>234,344</u>
Fund Balance - September 30 (Ending)	<u>\$ 108,968</u>	<u>\$ 19,703</u>	<u>\$ 283,041</u>	<u>\$ 269,048</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 Fund	27 Sheriff's Special Inventory	28 Law Library Fund	30 Clerk Records Management & Preservation	31 Records Management & Preservation	32 Courthouse Security Fund
\$ -	\$ -	\$ 288,086	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	63,545	-	-	-	-	-
332,303	-	275	-	14,398	61,043	-	22,166
-	104	17,373	3,095	1,730	15,503	-	2,601
-	-	1,000	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>332,303</u>	<u>104</u>	<u>370,279</u>	<u>3,095</u>	<u>16,128</u>	<u>76,546</u>	<u>-</u>	<u>24,767</u>
332,193	-	-	-	-	31,774	1,311	-
-	-	-	-	-	-	-	12,000
-	-	-	-	-	-	-	-
-	-	431,648	-	-	-	-	-
-	-	-	-	429	-	-	-
-	-	-	-	-	-	-	-
-	-	908	-	-	-	-	-
-	-	-	-	9,471	-	-	-
-	-	312	-	-	-	-	-
-	-	-	-	789	-	-	-
<u>332,193</u>	<u>-</u>	<u>432,868</u>	<u>-</u>	<u>10,689</u>	<u>31,774</u>	<u>1,311</u>	<u>12,000</u>
<u>110</u>	<u>104</u>	<u>(62,589)</u>	<u>3,095</u>	<u>5,439</u>	<u>44,772</u>	<u>(1,311)</u>	<u>12,767</u>
-	-	-	-	-	-	-	-
<u>110</u>	<u>104</u>	<u>(62,589)</u>	<u>3,095</u>	<u>5,439</u>	<u>44,772</u>	<u>(1,311)</u>	<u>12,767</u>
<u>1,854</u>	<u>2,197</u>	<u>359,179</u>	<u>65,384</u>	<u>33,679</u>	<u>310,601</u>	<u>4,504</u>	<u>47,774</u>
<u>\$ 1,964</u>	<u>\$ 2,301</u>	<u>\$ 296,590</u>	<u>\$ 68,479</u>	<u>\$ 39,118</u>	<u>\$ 355,373</u>	<u>\$ 3,193</u>	<u>\$ 60,541</u>

BANDERA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	33 Juvenile Probation State Aide	34 Juvenile Probation Grant N	36 Title IV E Fund	37 TJJD P&I DSA Grant
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	166,279	7,000	-	275,582
Charges for Services	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	166,279	7,000	-	275,582
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	-	-
Law Enforcement	-	-	-	-
Sanitation	-	-	-	-
Health & Human Services	-	-	-	-
Administration of Justice	166,279	7,781	67	275,582
Parks	-	-	-	-
Community & Economic Development	-	-	-	-
Infrastructure & Environmental	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Principal on Right-to-Use Leases	-	-	-	-
Principal on SBITAs	-	-	-	-
Interest on Debt	-	-	-	-
Interest on Right-to-Use Leases	-	-	-	-
Interest on SBITAs	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	166,279	7,781	67	275,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(781)	(67)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out (Use)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(781)	(67)	-
Fund Balance - October 1 (Beginning)	-	781	67	-
Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ -	\$ -

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

38 Opioid Settlement Fund	45 Alternative Dispute Resolution	46 Appellate Judicial System	48 Guardianship Fee Fund	49 Co Attorney Hot Check Collection	51 Family Protection Fee Fund	52 Attorney Pre-Trial Diversion	55 District Clerk Records Archive Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	7,848	2,067	3,630	390	-	16,700	12,231
-	745	37	-	-	-	1,560	1,687
27,253	-	-	-	-	-	-	-
<u>27,253</u>	<u>8,593</u>	<u>2,104</u>	<u>3,630</u>	<u>390</u>	<u>-</u>	<u>18,260</u>	<u>13,918</u>
-	-	-	-	-	-	-	6,172
-	-	-	-	-	-	11,070	-
-	6,000	2,085	1,391	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,000	2,085	1,391	-	-	11,070	6,172
<u>27,253</u>	<u>2,593</u>	<u>19</u>	<u>2,239</u>	<u>390</u>	<u>-</u>	<u>7,190</u>	<u>7,746</u>
-	-	-	-	-	-	-	46,964
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	46,964
27,253	2,593	19	2,239	390	-	7,190	54,710
-	15,116	1,200	24,542	170	-	28,858	8,875
<u>\$ 27,253</u>	<u>\$ 17,709</u>	<u>\$ 1,219</u>	<u>\$ 26,781</u>	<u>\$ 560</u>	<u>\$ -</u>	<u>\$ 36,048</u>	<u>\$ 63,585</u>

BANDERA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	56 County Clerk Records Archive Fund	57 County Attorney Forfeiture	58 Justice Court Technology Fund	60 Law Enforcement State Train
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	5,606
Charges for Services	62,412	-	6,164	-
Forfeits	-	-	-	-
Investment Earnings	11,293	-	482	1,322
Contributions & Donations from Private Sources	-	-	-	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>73,705</u>	<u>-</u>	<u>6,646</u>	<u>6,928</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	132,780	-	-	-
Law Enforcement	-	-	-	11,403
Sanitation	-	-	-	-
Health & Human Services	-	-	-	-
Administration of Justice	-	-	6,000	-
Parks	-	-	-	-
Community & Economic Development	-	-	-	-
Infrastructure & Environmental	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Principal on Right-to-Use Leases	-	-	-	-
Principal on SBITAs	-	-	-	-
Interest on Debt	-	-	-	-
Interest on Right-to-Use Leases	-	-	-	-
Interest on SBITAs	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>132,780</u>	<u>-</u>	<u>6,000</u>	<u>11,403</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(59,075)</u>	<u>-</u>	<u>646</u>	<u>(4,475)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out (Use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(59,075)	-	646	(4,475)
Fund Balance - October 1 (Beginning)	<u>276,938</u>	<u>1</u>	<u>12,224</u>	<u>29,721</u>
Fund Balance - September 30 (Ending)	<u>\$ 217,863</u>	<u>\$ 1</u>	<u>\$ 12,870</u>	<u>\$ 25,246</u>

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

63 Court Records Preservation Fund	65 District Clerk Record Archive Fund	68 Juv Grant R Noble Grant	69 Unclaimed Capital Credits	81 Court Reporter Service Fund	82 Court Facility Fee Fund	83 Language Access Fund	84 Elections Co Expenses Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,682	10,308	6,930	2,660	2,208	7,278
-	1,346	-	6,381	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,346	2,682	16,689	6,930	2,660	2,208	7,278
-	838	-	-	-	-	-	-
-	-	2,682	-	-	-	1,396	-
-	-	-	8,500	-	-	-	-
-	-	-	-	-	-	-	-
-	838	2,682	8,500	-	-	1,396	-
-	508	-	8,189	6,930	2,660	812	7,278
-	-	-	-	-	-	-	-
(46,964)	-	-	(210,000)	-	-	-	-
(46,964)	-	-	(210,000)	-	-	-	-
(46,964)	508	-	(201,811)	6,930	2,660	812	7,278
46,964	28,856	-	242,906	4,366	2,520	1,548	4,232
\$ -	\$ 29,364	\$ -	\$ 41,095	\$ 11,296	\$ 5,180	\$ 2,360	\$ 11,510

BANDERA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	85 Child Welfare Board	87 Veterans Service Officer Fund	88 Various Grants Fund	95 Medina Lake County Park Fund
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	-	334,406	-
Charges for Services	-	-	-	417
Forfeits	-	-	-	-
Investment Earnings	284	-	-	9,514
Contributions & Donations from Private Sources	2,209	1,903	-	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>2,493</u>	<u>1,903</u>	<u>334,406</u>	<u>9,931</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	-	-
Law Enforcement	-	-	-	-
Sanitation	-	-	-	-
Health & Human Services	1,224	-	-	-
Administration of Justice	-	-	-	-
Parks	-	-	-	138,492
Community & Economic Development	-	-	-	-
Infrastructure & Environmental	-	-	334,406	-
Debt Service:				
Principal on Debt	-	-	-	-
Principal on Right-to-Use Leases	-	-	-	-
Principal on SBITAs	-	-	-	-
Interest on Debt	-	-	-	-
Interest on Right-to-Use Leases	-	-	-	-
Interest on SBITAs	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>1,224</u>	<u>-</u>	<u>334,406</u>	<u>138,492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,269</u>	<u>1,903</u>	<u>-</u>	<u>(128,561)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out (Use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,269	1,903	-	(128,561)
Fund Balance - October 1 (Beginning)	<u>5,909</u>	<u>575</u>	<u>13,643</u>	<u>281,759</u>
Fund Balance - September 30 (Ending)	<u>\$ 7,178</u>	<u>\$ 2,478</u>	<u>\$ 13,643</u>	<u>\$ 153,198</u>

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



Total Nonmajor Special Revenue Funds	62 2007 Jail/ Justice Center I&S Fd	Total Nonmajor Governmental Funds
\$ 466,199	\$ 756,222	\$ 1,222,421
515,098	-	515,098
889,006	-	889,006
610,750	-	610,750
332,303	-	332,303
123,083	19,749	142,832
5,112	-	5,112
27,253	-	27,253
50,941	5,580	56,521
<u>3,019,745</u>	<u>781,551</u>	<u>3,801,296</u>
505,068	-	505,068
34,473	-	34,473
313,813	-	313,813
115,746	-	115,746
900,911	-	900,911
327,357	-	327,357
376,864	-	376,864
334,406	-	334,406
-	685,000	685,000
908	-	908
9,471	-	9,471
-	140,950	140,950
312	-	312
789	-	789
-	500	500
<u>2,920,118</u>	<u>826,450</u>	<u>3,746,568</u>
<u>99,627</u>	<u>(44,899)</u>	<u>54,728</u>
46,964	-	46,964
<u>(1,036,964)</u>	<u>-</u>	<u>(1,036,964)</u>
<u>(990,000)</u>	<u>-</u>	<u>(990,000)</u>
(890,373)	(44,899)	(935,272)
<u>3,105,129</u>	<u>63,346</u>	<u>3,168,475</u>
<u>\$ 2,214,756</u>	<u>\$ 18,447</u>	<u>\$ 2,233,203</u>

BANDERA COUNTY, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 SEPTEMBER 30, 2023

	64 Ambulance Sinking Fund	89 Historical Commission Fund	91 Available School Fund	92 Permanent School Fund	Total Private Purpose Trust Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ 8,515	\$ 9,336	\$ 160,492	\$ 178,343
Total Assets	<u>\$ -</u>	<u>\$ 8,515</u>	<u>\$ 9,336</u>	<u>\$ 160,492</u>	<u>\$ 178,343</u>
<b>LIABILITIES</b>					
Accounts Payable	-	967	-	-	967
Total Liabilities	<u>-</u>	<u>967</u>	<u>-</u>	<u>-</u>	<u>967</u>
<b>NET POSITION</b>					
Restricted for Other Purposes	-	7,548	9,336	160,492	177,376
Total Net Position	<u>\$ -</u>	<u>\$ 7,548</u>	<u>\$ 9,336</u>	<u>\$ 160,492</u>	<u>\$ 177,376</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, 2023

	64 Ambulance Sinking Fund	89 Historical Commission Fund	91 Available School Fund	92 Permanent School Fund	Total Private Purpose Trust Funds
<b>ADDITIONS:</b>					
Charges for Services	\$ -	\$ 270	\$ -	\$ -	\$ 270
Investment Earnings	-	384	7,676	-	8,060
Contributions & Donations from Private	-	1,220	-	-	1,220
Total Additions	-	1,874	7,676	-	9,550
<b>DEDUCTIONS:</b>					
Other Operating Costs	1,263	1,883	-	-	3,146
Supplies	-	139	-	-	139
Total Deductions	1,263	2,022	-	-	3,285
Change in Net Position	(1,263)	(148)	7,676	-	6,265
Total Net Position - October 1 (Beginning)	1,263	7,696	1,660	160,492	171,111
Total Net Position - September 30 (Ending)	\$ -	\$ 7,548	\$ 9,336	\$ 160,492	\$ 177,376

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, 2023

	47 State Fee & Fine Fund	96 EMS & Donations Fund	99 Officials' Fees & Accounts Fund	Total Custodial Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 48,843	\$ 942	\$ 1,886,543	\$ 1,936,328
Other Receivables	1,836	-	-	1,836
Total Assets	<u>50,679</u>	<u>942</u>	<u>1,886,543</u>	<u>1,938,164</u>
<b>LIABILITIES</b>				
Accounts Payable	50,679	-	-	50,679
Total Liabilities	<u>50,679</u>	<u>-</u>	<u>-</u>	<u>50,679</u>
<b>NET POSITION</b>				
Restricted for Other Purposes	-	942	1,886,543	1,887,485
Total Net Position	<u>\$ -</u>	<u>\$ 942</u>	<u>\$ 1,886,543</u>	<u>\$ 1,887,485</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, 2023

Data Control Codes	47 State Fee & Fine Fund	96 EMS & Donations Fund	99 Officials' Fees & Accounts Fund	Total Custodial Funds
<b>ADDITIONS:</b>				
Charges for Services	\$ 217,607	\$ -	\$ -	\$ 217,607
Contributions & Donations from Private	-	900	-	900
Other Revenue	-	-	56,623,632	56,623,632
Total Additions	<u>217,607</u>	<u>900</u>	<u>56,623,632</u>	<u>56,842,139</u>
<b>DEDUCTIONS:</b>				
Other Operating Costs	224,842	899	56,950,327	57,176,068
Total Deductions	<u>224,842</u>	<u>899</u>	<u>56,950,327</u>	<u>57,176,068</u>
Change in Net Position	(7,235)	1	(326,695)	(333,929)
Total Net Position - October 1 (Beginning)	<u>7,235</u>	<u>941</u>	<u>2,213,238</u>	<u>2,221,414</u>
Total Net Position - September 30 (Ending)	<u>\$ -</u>	<u>\$ 942</u>	<u>\$ 1,886,543</u>	<u>\$ 1,887,485</u>

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



# NEFFENDORF & BLOCKER, P.C.

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

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 25, 2024.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) 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 or significant deficiencies may exist that were not identified.

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TEL: 830 997 3348

EMAIL: [info@nb-cpa.com](mailto: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

## Report on 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

Sincerely,

*Neffendorf & Blocker, P.C.*

NEFFENDORF & BLOCKER, P.C.  
Fredericksburg, Texas

March 25, 2024



# NEFFENDORF & BLOCKER, P.C.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### **Report on Compliance for Each Major Federal Program**

#### *Opinion on Each Major Federal Program*

We have audited Bandera County, Texas' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Bandera County, Texas' major federal programs for the year ended September 30, 2023. Bandera County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bandera County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

#### *Basis for Opinion on Each Major Federal Program*

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

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

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Bandera County, Texas' federal programs.

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TEL: 830 997 3348

EMAIL: [info@nb-cpa.com](mailto: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



### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Neffendorf + Blocker, P.C.*

NEFFENDORF & BLOCKER, P.C.

Fredericksburg, Texas

March 25, 2024

BANDERA COUNTY, TEXAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

**I. Summary of the Auditor's Results:**

**I. Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting

Material Weakness(es) identified      Yes   X   No

Significant deficiencies identified that are not considered to be material weakness      Yes   X   No

Noncompliance material to financial statements noted?      Yes   X   No

**II. Federal and State Awards**

Type of auditor's report issued Unmodified

Internal control over financial reporting

Material Weakness(es) identified      Yes   X   No

Significant deficiencies identified that are not considered to be material weakness      Yes   X   No

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of Uniform Guidance?      Yes   X   No

Identification of major federal program:

<u>Assistance Listing</u> <u>Number</u>	<u>Name of the Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Fund

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

Auditee qualified as low-risk auditee?      Yes   X   No

**II. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with *Generally Accepted Government Auditing Standards*.**

-None-

**III. Findings and Questioned Costs for Federal Awards**

-None-

BANDERA COUNTY, TEXAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS/CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**Prior Year's Findings/Noncompliance and Status:**

2022-001

Condition: Accounting records for capital outlay items, capital asset additions and retirements, and related depreciation are incomplete. Multiple instances noted of failure to identify capital outlay or asset transactions, along with failure to properly record asset sales and trade ins.

Criteria: Procedures should be in place to ensure capitalization policies are uniformly applied.

Cause of Condition: The County's capitalization policy was not uniformly implemented.

Potential Effect of Condition: Net effect is an understatement of assets in the financial statements.

Recommendation: Implement capitalization procedures to ensure asset records are complete.

Current Year Status: The County completed corrective action plan.

2022-002

Condition: Year-end closing procedures are not in place.

Criteria: Year-end closing procedures should be in place to ensure the trial balance is complete and all accruals have been made.

Cause of Condition: Management failed to accurately post all year end accrual adjustments.

Potential Effect of Condition: Financial statements were incomplete.

Recommendation: Design and implement closing policies and controls to ensure the trial balance is complete.

Current Year Status: The County completed corrective action plan.

2022-003

Condition: The County approved a subrecipient's use of Coronavirus State and Local Fiscal Recovery Funds for a debt service payment.

Criteria: Department of Treasury 31 CFR Part 35 Coronavirus State and Local Fiscal Recovery Funds. The final rule provided that debt service is not an eligible use of funds.

Cause of Condition: Management failed to monitor subrecipient compliance with Federal Regulations.

Potential Effect of Condition: The County could be liable to return the funds.

Questioned Costs: \$14,039

Recommendation: The County should review the allowable costs for federal programs for compliance and monitor subrecipient use of funds for federal compliance.

Current Year Status: The County completed corrective action plan.

**Statement of Corrective Action- Current Year Disclosures**

-None-

BANDERA COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>			
<u>Direct Programs</u>			
COVID 19 Coronavirus State and Local Fiscal Recovery Fund	21.027		\$ 841,487
Total Direct Programs			<u>841,487</u>
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<u>841,487</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<u>Passed Through State Office of Governor- Criminal Justice Division</u>			
DJ-Edward Byrne Memorial Justice Assistance Grant	16.738	4227301	66,531
Total Passed Through State Office of Governor- Criminal Justice Division			<u>66,531</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u>66,531</u>
<b><u>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>			
<u>Passed Through State Department of Agriculture</u>			
Community Development Block Grant	14.228	7219020	334,405
Total Passed Through State Department of Agriculture			<u>334,405</u>
<u>Passed Through State General Land Office</u>			
Community Development Block Grant Mitigation	14.228	22-130-012-D785	15,750
Total Passed Through State General Land Office			<u>15,750</u>
<b>TOTAL DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			<u>350,155</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,258,173</u>

BANDERA COUNTY, TEXAS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2023

Basis of Presentation

The accompanying schedule of expenditures of federal awards (“the schedule”) includes the federal award activity of Bandera County, Texas under programs of the federal government for the year ended September 30, 2023. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Federal and State financial assistance was accounted for in the Governmental Fund types.

Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The period of availability for federal grant funds for the purpose of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Uniform Guidance.

Indirect Cost Rate

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



# NEFFENDORF & BLOCKER, P.C.

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March 25, 2024

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, 2023. 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 August 17, 2023. 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. 96 *Subscription-Based Information Technology Arrangements* was adopted and the application of existing policies was not changed during 2023. 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.

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TEL: 830 997 3348

EMAIL: [info@nb-cpa.com](mailto: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 25, 2024.

### *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 - Ambulance Fund; Budgetary Comparison Schedule - Road and Bridge Fund; Budgetary Comparison Schedule - COVID Fiscal Recovery Fund; the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of Employer Contributions; and the Schedule of Changes in the Total OPEB Liability and Related Ratios, 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 Fiduciary Net Position - Private Purpose Trust Funds; Combining Statement of Additions, Deductions and Changes in Net Position - Private Purpose Trust Funds; Combining Statements of Fiduciary Net Position-Custodial Funds and Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Custodial Funds and the Schedule of Expenditures 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.

### Recommendations

#### *Tax Commissions*

The County records property tax receipts net of the tax commissions paid to the Tax Assessor-Collector for collection fees. We recommend that the County recorded the property tax receipts in total as revenue and record the commissions paid to the Tax Assessor-Collector as an expenditure.



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.

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 25, 2024