

*FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT*

**COUNTY OF BANDERA,  
TEXAS**

*Bandera, Texas*

For the Year Ended  
September 30, 2022

COUNTY OF BANDERA, TEXAS

BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2022

COUNTY OF BANDERA, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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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, 2022, 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, 2022, 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 49), 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 50 through 57), 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 10, 2023, 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 10, 2023

BANDERA COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022. 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 \$29,345,969 (Net Position). Of this amount, \$10,330,682 (Unrestricted Net Position) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's Net Position increased by \$7,394,582 as a result of this year's operations.
- At September 30, 2022, the County's governmental funds reported combined ending fund balances of \$18,263,894, an increase of \$1,939,956 in comparison with the prior year.
- At September 30, 2022, the unassigned fund balance of the general fund was \$9,931,499 or 73% 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 47-57.

The combining statements for nonmajor funds and fiduciary funds beginning on page 58 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 increased from \$21,920,939 to \$29,345,969. 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 \$10,330,682 at September 30, 2022. This increase in governmental Net Position was the result of six factors. First, the County's revenues exceed the expenditures by \$1,939,956. Second, the County paid principal on long-term debt of \$714,073. Third; the County acquired capital assets in the amount of \$2,027,253. Fourth, the County recorded depreciation and amortization in the amount of \$1,511,136. Fifth, a net increase of \$3,856,689 due to required entries of GASB Statement No.68 accounting and financial reporting for pensions. Sixth, a net decrease of \$50,582 due to the required entries of GASB Statement No. 75 accounting and financial reporting for other post-employment benefits.

**Table I**  
**Bandera County, Texas**

	Governmental Activities	
	2022	2021
Cash and Current Investments	\$ 21,861	\$ 18,718
Receivables	1,915	1,518
Capital Assets	17,736	17,026
Total Assets	\$ 41,512	\$ 37,262
Deferred Outflow	2,551	3,235
Accounts Payable	544	395
Other Liabilities and Deferred Revenue	3,788	2,784
Net Pension Liability	744	8,778
OPEB Liability	657	627
Short-term Debt (Due Within One Year)	738	660
Long-term Debt	3,441	4,067
Total Liabilities	\$ 9,912	\$ 17,311
Deferred Inflow	4,805	1,265
Net Position:		
Invested in capital assets, net of debt	13,327	12,483
Restricted	5,688	5,839
Unrestricted	10,331	3,599
Total Net Position	\$ 29,346	\$ 21,921

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

in thousands

	Governmental Activities	
	2022	2021
<b>Revenues:</b>		
Program Revenues		
Charges For Services	\$ 4,300	\$ 4,551
Operating Grants & Contributions	1,857	474
Capital Grants & Contributions	394	344
General Revenues		
Property Taxes	15,851	14,855
Other Taxes	1,758	1,567
Grants & Contributions	36	86
Investment Earnings	184	21
Other General Revenues	576	799
Total Revenues:	\$ 24,956	\$ 22,697
<b>Expenditures:</b>		
General Administration	\$ 3,699	\$ 3,889
Law Enforcement	3,485	4,228
Corrections	1,618	2,087
Road & Bridge	1,725	2,248
Sanitation	383	346
Health & Human Services	2,300	2,914
Administration of Justice	2,950	3,613
Parks	281	320
Comm & Economic Development	922	926
Infrastructure & Environmental	11	274
Debt Service	187	137
Total Expenditures:	\$ 17,561	\$ 20,982
Change in Net Position	7,395	1,715
Beginning Net Position	21,951	20,206
Prior Period Adjustment	-	30
Net Position	\$ 29,346	\$ 21,951

The cost of all governmental activities this year was \$17,561,620. 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 \$15,851,407 because the other costs were paid by sales tax (\$1,147,845), grants and contributions (\$2,286,970), user charges (\$4,300,073), investment earnings (\$184,086) and other general revenue (\$1,185,821).

## 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 \$18,263,894, which is more than last year's total of \$16,323,938. Included in this year's total change in fund balance is an increase of \$880,560 in the County's General Fund.

The Commissioner's Court adopted the General Fund, Ambulance and Road & Bridge 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 \$354,324 expenditures were favorable to budget by \$3,804,108 and other financing sources and uses were favorable to budget by \$37,344; resulting in a net favorable variance of \$4,195,777. For the Ambulance Fund, actual revenues were more than budgeted amounts by \$269,768 and the expenditures were less than budgeted amounts by \$83,127. The net effect is a favorable variance of \$359,395. For the Road and Bridge Fund, the original and final budget anticipated expenditures to exceed revenues and other sources by \$716,925. Actual revenues were more than budgeted estimates by \$129,736. Actual expenditures were less than budgeted estimates by \$773,039. The net effect is a favorable variance of \$945,793.

## CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2022, the County had \$17,734,803 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements. This amount represents a net increase of \$511,627 or 3%.

### CAPITAL ASSETS

in thousands

	2022	2021
Land	\$ 736	\$ 736
Buildings	17,759	17,692
Equipment	12,943	12,135
Infrastructure	6,610	6,133
Construction in Progress	-	-
Right-to-Use Leased Assets	167	-
Total Capital Assets	\$ 38,215	\$ 36,696
Accumulated Depreciation	(20,426)	(19,671)
Accumulated Amortization	(55)	-
Capital Assets, Net	\$ 17,734	\$ 17,025

This year's major additions included:

Building Improvements	67,155
Infrastructure	477,167
Equipment	1,482,931
Total	\$ 2,027,253

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

DEBT

At September 30, 2022, the County had the following outstanding debt:

**OUTSTANDING DEBT**

in thousands

	Governmental Activities	
	2022	2021
Bonds Payable	\$ 3,790,000	\$ 4,450,000
Right-to-Use Lease Liability	112,873	
Total	\$ 3,902,873	\$ 4,450,000

At year-end the County had \$3,790,000 in refunding bonds outstanding; a decrease of \$660,000 or 15% from the prior year. The County paid \$660,000 in principal on the outstanding bond.

The County implemented GASB Statement No. 87 *Leases* at the beginning of the year. At year-end the County had \$112,873 in right-to-use lease liability. The County paid \$54,073 in principal on the outstanding right-to-use lease liability.

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

FUTURE ADOPTION OF ACCOUNTING POLICIES

The GASB has issued the following potentially significant statement which the County has not yet adopted, and which requires adoption subsequent to September 30, 2022.

<u>Statement No.</u>	<u>Title</u>	<u>Adoption Required</u>
96	Subscription-Based IT Arrangements	September 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2023 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 2023. Amounts available for appropriation in the General Fund budget are \$16,360,344 and expenditures are estimated to be \$20,082,185. If these estimates are realized, the County's budgetary General fund balance is expected to decrease by \$3,721,841 for fiscal year 2023. Amounts available for appropriation in the Road and Bridge Fund budget are \$2,132,449 and expenditures are estimated to be \$3,185,900. If these estimates are realized, the County's budgetary Road and Bridge Fund balance is expected to decrease by \$1,053,451 for fiscal year 2023. Amounts available for appropriation in the Ambulance Fund budget are \$2,749,671 and expenditures are estimated to be \$2,673,617. If these estimates are realized, the County's Ambulance Fund balance is expected to increase by \$76,054 for fiscal year 2023.

### **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, 2022

EXHIBIT A-1

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 21,861,424
Other Receivables	1,811,963
Due from Other Governments	103,420
Capital Assets:	
Land	736,228
Infrastructure, Net	2,364,211
Buildings, Net	11,067,813
Machinery and Equipment, Net	3,454,608
Right-to-Use Lease Assets, Net	111,943
Total Assets	41,511,610
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charge for Refunding	158,116
Deferred Resource Outflow Related to Pension Plan	2,263,415
Deferred Resource Outflow Related to OPEB Plan	129,526
Total Deferred Outflows of Resources	2,551,057
<b>LIABILITIES</b>	
Accounts Payable	543,576
Compensated Absences Payable	386,071
Accrued Interest Payable	17,619
Unearned Revenues	3,383,987
Noncurrent Liabilities:	
Due Within One Year	738,098
Due in More Than One Year:	
Bonds Payable - Noncurrent	3,441,299
Net Pension Liability	743,841
OPEB Liability	657,169
Total Liabilities	9,911,660
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Resource Inflow Related to Pension Plan	4,773,677
Deferred Resource Inflow Related to OPEB Plan	31,361
Total Deferred Inflows of Resources	4,805,038
<b>NET POSITION</b>	
Net Investment in Capital Assets and Lease Assets	13,327,451
Restricted:	
Restricted for Special Revenue	5,624,490
Restricted for Debt Service	63,346
Unrestricted Net Position	10,330,682
Total Net Position	\$ 29,345,969

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, 2022

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
General Administration	\$ 3,698,591	\$ 1,274,990	\$ 1,184,001
Law Enforcement	3,485,320	517,942	5,600
Corrections	1,618,395	-	-
Road and Bridge	1,724,657	597,345	65,593
Sanitation	382,784	333,660	-
Health & Human Services	2,299,799	1,000,979	98,443
Administration of Justice	2,950,303	302,163	503,038
Parks	280,550	272,994	-
Community & Economic Development	922,579	-	-
Infrastructure & Environmental	11,197	-	-
Interest on Debt and Right-to-Use Leases	187,045	-	-
Other Debt Service	400	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 17,561,620</b>	<b>\$ 4,300,073</b>	<b>\$ 1,856,675</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

Prior Period Adjustment

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	
\$	364,879	\$	(874,721)
	5,082		(2,956,696)
	-		(1,618,395)
	-		(1,061,719)
	-		(49,124)
	-		(1,200,377)
	-		(2,145,102)
	-		(7,556)
	24,143		(898,436)
	-		(11,197)
	-		(187,045)
	-		(400)
\$	<u>394,104</u>		<u>(11,010,768)</u>

15,138,640
712,767
1,147,845
610,155
36,191
575,666
184,086
<u>18,405,350</u>
7,394,582
21,920,939
30,448
<u>\$ 29,345,969</u>

BANDERA COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

	General Fund	Ambulance Fund	Road and Bridge
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,043,113	\$ 1,002,664	\$ 4,088,444
Taxes Receivable	806,642	109,750	166,100
Allowance for Uncollectible Taxes (credit)	(40,332)	(5,488)	(8,305)
Other Receivables	48,553	142,276	26,310
Due from Other Governments	103,420	-	-
Total Assets	<u>\$ 10,961,396</u>	<u>\$ 1,249,202</u>	<u>\$ 4,272,549</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 253,455	\$ 30,325	\$ 65,449
Unearned Revenues	10,133	-	-
Total Liabilities	<u>263,588</u>	<u>30,325</u>	<u>65,449</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	766,309	104,263	157,794
Total Deferred Inflows of Resources	<u>766,309</u>	<u>104,263</u>	<u>157,794</u>
<b>FUND BALANCES</b>			
Restricted for Road & Bridge	-	-	4,049,306
Retirement of Long-Term Debt	-	-	-
Other Restricted Fund Balance	-	-	-
Ambulance Services	-	1,114,614	-
Other Committed Fund Balance	-	-	-
Unassigned Fund Balance	9,931,499	-	-
Total Fund Balances	<u>9,931,499</u>	<u>1,114,614</u>	<u>4,049,306</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 10,961,396</u>	<u>\$ 1,249,202</u>	<u>\$ 4,272,549</u>

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

Coronavirus Local Fiscal Recovery	Other Funds	Total Governmental Funds
\$ 3,527,526	\$ 3,199,677	\$ 21,861,424
-	86,144	1,168,636
-	(4,307)	(58,432)
-	9,474	226,613
-	-	103,420
<u>\$ 3,527,526</u>	<u>\$ 3,290,988</u>	<u>\$ 23,301,661</u>
\$ 153,672	\$ 40,675	\$ 543,576
3,373,854	-	3,383,987
<u>3,527,526</u>	<u>40,675</u>	<u>3,927,563</u>
-	81,838	1,110,204
-	81,838	1,110,204
-	-	4,049,306
-	63,346	63,346
-	1,575,184	1,575,184
-	-	1,114,614
-	1,529,945	1,529,945
-	-	9,931,499
-	3,168,475	18,263,894
<u>\$ 3,527,526</u>	<u>\$ 3,290,988</u>	<u>\$ 23,301,661</u>

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

<b>Total Fund Balances - Governmental Funds</b>	\$	18,263,894
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.		12,492,713
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 2022 capital outlays and debt principal payments is to increase net position.		2,715,929
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 \$743,841, a deferred resource outflow of \$2,263,415 and a deferred resource inflow of \$4,773,677. The net effect of these is to decrease net position \$3,254,103.		(3,254,103)
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 \$657,169, a deferred resource outflow of \$129,526 and a deferred resource inflow of \$31,361. The net effect of these is to decrease net position by \$559,004.		(559,004)
The 2022 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.		(1,511,136)
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.		1,197,676
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>29,345,969</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, 2022

	General Fund	Ambulance Fund	Road and Bridge
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 11,041,344	\$ 1,484,106	\$ 1,804,796
General Sales and Use Taxes	1,147,845	-	-
Other Taxes	43,942	-	-
Licenses and Permits	120,283	-	599,410
Intergovernmental Revenue and Grants	500,552	75,638	65,592
Charges for Services	1,178,735	1,171,691	1,183
Fines	183,335	-	-
Forfeits	-	-	-
Investment Earnings	107,629	9,273	37,903
Contributions & Donations from Private Sources	50	500	-
Other Revenue	131,610	142,737	951
Total Revenues	14,455,325	2,883,945	2,509,835
<b>EXPENDITURES:</b>			
Current:			
General Administration	3,294,187	-	-
Law Enforcement	4,471,443	-	-
Corrections	1,934,733	-	-
Road and Bridge	303,833	-	2,323,985
Sanitation	-	-	-
Health & Human Services	489,823	2,199,373	-
Administration of Justice	2,651,721	-	-
Parks	-	-	-
Community & Economic Development	463,352	-	-
Infrastructure & Environmental	-	-	-
Debt Service:			
Principal on Debt and Right-to-Use Leases	52,885	1,188	-
Interest on Debt and Right-to-Use Leases	478	7	-
Other Debt Service	-	-	-
Total Expenditures	13,662,455	2,200,568	2,323,985
Excess of Revenues Over Expenditures	792,870	683,377	185,850
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of Real and Personal Property	40,319	6,500	32,000
Transfers In	-	-	-
Other Resources	48,096	-	11,018
Transfers Out (Use)	(725)	-	-
Total Other Financing Sources (Uses)	87,690	6,500	43,018
Net Change in Fund Balances	880,560	689,877	228,868
Fund Balance - October 1 (Beginning)	9,050,939	424,737	3,820,438
Fund Balance - September 30 (Ending)	\$ 9,931,499	\$ 1,114,614	\$ 4,049,306

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

Coronavirus Local Fiscal Recovery	Other Funds	Total Governmental Funds
\$ -	\$ 1,199,862	\$ 15,530,108
-	-	1,147,845
-	566,213	610,155
-	-	719,693
1,115,381	527,797	2,284,960
-	681,662	3,033,271
-	-	183,335
-	363,776	363,776
-	29,281	184,086
-	1,460	2,010
-	18,763	294,061
<u>1,115,381</u>	<u>3,388,814</u>	<u>24,353,300</u>
1,115,381	426,181	4,835,749
-	24,704	4,496,147
-	-	1,934,733
-	-	2,627,818
-	384,840	384,840
-	76,852	2,766,048
-	755,485	3,407,206
-	322,040	322,040
-	423,836	887,188
-	10,500	10,500
-	660,000	714,073
-	164,050	164,535
-	400	400
<u>1,115,381</u>	<u>3,248,888</u>	<u>22,551,277</u>
-	139,926	1,802,023
-	-	78,819
-	725	725
-	-	59,114
-	-	(725)
-	725	137,933
-	140,651	1,939,956
-	3,027,824	16,323,938
<u>\$ -</u>	<u>\$ 3,168,475</u>	<u>\$ 18,263,894</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, 2022

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	1,939,956
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 2022 capital outlays and debt principal payments is to increase the change in net position.		2,715,929
The entries required by GASB Statement No. 68 did require that some expenses on Exhibit B-1 be adjusted. Total credits to expense were \$5,114,648 and total debits were \$1,257,959. The net effect on the change in net position on Exhibit B-1 is an increase of \$3,856,689.		3,856,689
The entries required by GASB Statement No. 75 did require that some expenses on Exhibit B-1 be adjusted. Total credits to expenses were \$23,507 and total debits were \$74,089. The net effect on the change in net position on Exhibit B-1 is a decrease of \$50,582.		(50,582)
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 amortization on right-to-use leased assets.		(1,511,136)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase the change in net position.		443,726
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>7,394,582</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, 2022

	Private Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 171,111	\$ 2,261,945
Investments - Current	-	7,555
Other Receivables	-	780
Total Assets	<u>171,111</u>	<u>2,270,280</u>
<b>LIABILITIES</b>		
Due to Other Governments	-	48,866
Total Liabilities	<u>-</u>	<u>48,866</u>
<b>NET POSITION</b>		
Restricted for Other Purposes	<u>171,111</u>	<u>2,221,414</u>
Total Net Position	<u>\$ 171,111</u>	<u>\$ 2,221,414</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, 2022

EXHIBIT E-2

	Private Purpose Trust Funds	Custodial Funds
<b>ADDITIONS:</b>		
Charges for Services	\$ -	\$ 255,492
Investment Earnings	1,438	-
Other Revenue	1,255	49,977,953
Total Additions	<u>2,693</u>	<u>50,233,445</u>
<b>DEDUCTIONS:</b>		
Other Operating Costs	70	48,961,693
Supplies	13	-
Total Deductions	<u>83</u>	<u>48,961,693</u>
Net Change in Fiduciary Net Position	2,610	1,271,752
Total Net Position - October 1 (Beginning)	<u>168,501</u>	<u>949,662</u>
Total Net Position - September 30 (Ending)	<u>\$ 171,111</u>	<u>\$ 2,221,414</u>

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

COUNTY OF BANDERA, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

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 \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Infrastructure assets include County owned roads, bridges, signs, and improvements to land. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

## **Compensated Absences**

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

## **Long-term Obligations**

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

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

## **Fund Equity**

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

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



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, 2022, the carrying amount of the County's deposits was \$2,335,666 and the bank balance was \$2,807,284. The County's cash deposits held at Texas Partners Bank at September 30, 2022 and during the year ended September 30, 2022 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	\$ 214,441	\$ 214,441	6/8/2023	\$ 214,441	\$ -
<u>Texas Partners Bank-</u>					
Certificate of Deposit	211,926	211,926	9/26/2023	211,926	-
<u>Hondo National Bank -</u>					
Certificate of Deposit	218,877	218,877	1/31/2023	218,877	-
<u>Liquid Asset Portfolio -</u>					
Logic	<u>21,313,570</u>	<u>21,313,570</u>	N/A	<u>*</u>	<u>*</u>
Total Governmental Activities	\$ <u>21,958,814</u>	\$ <u>21,958,814</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, 2022, Logic had a weighted average maturity of 19 days and a net asset value of \$0.999709. 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, 2022, 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 market (credit) risk due to restrictions on weighted average maturity and maximum maturity of any one investment. At September 30, 2022, 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	\$ 806,642	\$ 109,750	\$ 166,100	\$ 86,144	\$ 1,168,636
Other Receivables	48,553	142,276	26,310	9,474	226,613
Due from Other Governments	<u>103,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,420</u>
Gross Receivables	\$ 958,615	\$ 252,026	\$ 192,410	\$ 95,618	\$ 1,498,669
Less: Allowance for Uncollectibles	<u>40,332</u>	<u>5,488</u>	<u>8,305</u>	<u>4,307</u>	<u>58,432</u>
Net Total Receivables	<u>\$ 918,283</u>	<u>\$ 246,538</u>	<u>\$ 184,105</u>	<u>\$ 91,311</u>	<u>\$ 1,440,237</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, *unavailable revenues* reported in the governmental funds were as follows:

General Fund -	
Unavailable Revenue – Property Taxes	\$ 766,309
Ambulance Fund -	
Unavailable Revenue – Property Taxes	104,263
Road & Bridge Fund -	
Unavailable Revenue – Property Taxes	157,794
Other Governmental Funds -	
Unavailable Revenue – Property Taxes	<u>81,838</u>
	<u>\$ 1,110,204</u>

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

In accordance with GASB Statement Number 34, the County has determined the amount of court fines, fees and EMS billings receivable to be \$1,739,261 which represents amounts owed and outstanding for the last 5 years. Based on historical collection rates for the various courts and the EMS Department, the County has booked an allowance for uncollectible accounts of \$1,264,115, resulting in a net receivable of \$475,146.

### 3. D. CAPITAL ASSETS

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

#### Primary Government

	Balance 10/1/2021	Increase	Decrease	Balance 9/30/2022
<i>Governmental Activities:</i>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 736,228	\$ -	\$ -	\$ 736,228
Construction in Progress	-	-	-	-
Total Assets Not Being Depreciated	\$ 736,228	\$ -	\$ -	\$ 736,228
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	\$ 17,691,802	\$ 67,155	\$ -	\$ 17,758,957
Equipment and Machinery	12,166,753	1,482,931	(706,220)	12,943,464
Infrastructure	6,133,093	477,167	-	6,610,260
Total Assets Being Depreciated	\$ 35,991,648	\$ 2,027,253	\$ (706,220)	\$ 37,312,681
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	\$ (6,186,946)	\$ (504,198)	\$ -	\$ (6,691,144)
Equipment and Machinery	(9,552,325)	(638,261)	701,730	(9,488,856)
Infrastructure	(3,932,375)	(313,674)	-	(4,246,049)
Total Accumulated Depreciation	\$ (19,671,646)	\$ (1,456,133)	\$ 701,730	\$ (20,426,049)
Total Capital Assets Being Depreciated, Net	\$ 17,056,230	\$ 571,120	\$ (4,490)	\$ 17,622,860
<i>Right-to-Use Lease Assets being Amortized</i>				
Equipment	\$ 166,946	\$ -	\$ -	\$ 166,946
Total Right-to-Use Lease Assets	\$ 166,946	\$ -	\$ -	\$ 166,946
<i>Less Accumulated Amortization:</i>				
Equipment	\$ -	\$ (55,003)	\$ -	\$ (55,003)
Total Accumulated Amortization	\$ -	\$ (55,003)	\$ -	\$ (55,003)
Total Right-to-Use Assets Being Amortized, Net	\$ 166,946	\$ (55,003)	\$ -	\$ 111,943
Governmental Activities Capital Assets, Net	\$ 17,223,176	\$ 516,117	\$ (4,490)	\$ 17,734,803

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

<i>Governmental Activities:</i>	
General Administration	\$ 321,059
Law Enforcement	298,549
Corrections	128,451
Roads and Bridge	174,508
Sanitation	25,556
Health and Human Services	183,657
Administration of Justice	243,348
Parks	21,386
Community & Economic Development	58,922
Infrastructure & Environmental	697
Total Depreciation Expense-	
Governmental Activities	\$ 1,456,133

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

<i>Governmental Activities:</i>	
General Administration	\$ 35,573
Law Enforcement	5,549
Corrections	1,953
Health and Human Services	1,953
Administration of Justice	9,975
Total Amortization Expense-	
Governmental Activities	\$ 55,003

### 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, 2022.

	Balance 10/1/2021	Issued	Retired	Balance 9/30/2022	Due Within One Year
Texas General					
Obligation Refunding Bonds-					
Series 2015	\$ 4,450,000	\$ -	\$ 660,000	\$ 3,790,000	\$ 685,000
Premium on Bonds	277,478	-	954	276,524	-
Right-to-Use Lease Liability	166,946	-	54,073	112,873	53,098
SUBTOTAL	<u>\$ 4,894,424</u>	<u>\$ -</u>	<u>\$ 715,027</u>	<u>\$ 4,179,397</u>	<u>\$ 738,098</u>
Net Pension Liability	\$ 8,778,450	\$ 137,134	\$ 8,171,743	\$ 743,841	\$ -
OPEB Liability	626,774	51,593	21,198	657,169	-
Compensated Absences	361,941	24,130	-	386,071	-
TOTAL	<u>\$ 14,661,589</u>	<u>\$ 212,857</u>	<u>\$ 8,907,968</u>	<u>\$ 5,966,478</u>	<u>\$ 738,098</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 9/30/22
Bandera County General Obligation Bonds:		
Series 2007	\$ 5,790,000	\$ 3,205,000
Series 2008	1,140,000	855,000
TOTAL AMOUNT REFUNDED	<u>\$ 6,930,000</u>	<u>\$ 4,060,000</u>

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

Year Ending September 30,	Principal	Interest	Annual Requirements
2023	685,000	140,950	825,950
2024	710,000	116,975	826,975
2025	735,000	92,125	827,125
2026	765,000	66,400	831,400
2027	795,000	35,800	830,800
2028	100,000	4,000	104,000
TOTAL	<u>\$ 3,790,000</u>	<u>\$ 456,250</u>	<u>\$ 4,246,250</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, 2022, the value of the lease liability is \$56,162. 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, 2022, the value of the lease liability is \$32,093. 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 18 month lease as lessee for the use of a Xerox copier in the County Clerk's office. An initial lease liability was recorded in the amount of \$2,402. As of September 30, 2022, the value of the lease liability is \$800. The County is required to make monthly fixed payments of \$133.46. The lease has an interest rate of 0.00%.

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, 2022, the value of the lease liability is \$22,966. The County is required to make monthly fixed payments of \$793. The lease has an interest rate of 0.7120%.

As of October 1, 2021, the County had a 18 month lease as lessee for the use of a Xerox copier in the Treasurer's office. An initial lease liability was recorded in the amount of \$2,550. As of September 30, 2022, the value of the lease liability is \$850. The County is required to make monthly payments of \$142. The lease has an interest rate of 0.00%

Remaining obligations associated with leases are as follows:

<u>Year Ending</u> <u>September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual</u> <u>Requirements</u>
2023	53,098	335	53,433
2024	39,268	167	39,435
2025	16,286	61	16,347
2026	4,221	11	4,232
TOTAL	<u>\$ 112,873</u>	<u>\$ 574</u>	<u>\$ 113,447</u>

### 3. F. CONTINGENT LIABILITIES

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

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

### 3. G. RISK MANAGEMENT

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

### 3. H. HEALTH INSURANCE

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

### 3. I. EMPLOYEE RETIREMENT PLAN

#### Plan Description

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

- a. Bandera County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
  - 1) All full-and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
  - 2) The plan provides retirement, disability and survivor benefits.
  - 3) 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 2021 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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

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

## **Contributions**

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

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

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

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

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

The contribution rate payable by the employee members for calendar year 2021 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, 2022 were \$1,121,770, and exceed the required contributions.

## **Net Pension Liability**

The County's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial assumptions:***

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2021 funding valuation (see Appendix C, following for details), except as noted below and throughout this report. Please see the Bandera County December 31, 2021 Summary Valuation Report for further details.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percent of pay) (1)
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smooth Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.
Investment Rate of Return	7.50% (Gross of administrative expenses)
Cost of Living Adjustments	Cost-of-Living Adjustments for Bandera County are not considered to be substantively automatic under GASB 68. Therefore, an annual 1% cost-of-living adjustment is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60; b) earliest retirement eligibility.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	Pub-2010 Mortality Tables
Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)option was available.	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

*(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 2022 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%	3.80%
Global Equities	MSCI World (Net) Index	2.50%	4.10%
International Equities – Developed Markets	MSCI World Ex USA (Net) Index	5.00%	3.80%
International Equities – Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.30%
Investment – Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/ LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (Net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

<sup>(1)</sup> Target asset allocation adopted at the March 2022 TCDRS Board meeting

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.6%, per Cliffwater's 2022 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%. 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, 2020	\$ 42,904,560	\$ 34,126,110	\$ 8,778,450
Changes for the Year:			-
Service Cost	1,543,446		1,543,446
Interest on Total Pension Liability <sup>(1)</sup>	3,327,622		3,327,622
Effect of Plan Changes <sup>(2)</sup>	(3,676,814)		(3,676,814)
Effects of Economic/Demographic- Gains or Losses	182,845		182,845
Effect of Assumptions Changes or Inputs	(172,811)		(172,811)
Refund of Contributions	(97,331)	(97,331)	-
Benefit Payments	(1,254,443)	(1,254,443)	-
Administrative Expenses		(22,730)	22,730
Member Contributions		674,556	(674,556)
Net Investment Income		7,536,508	(7,536,508)
Employer Contributions		1,031,137	(1,031,137)
Other <sup>(3)</sup>		19,425	(19,425)
Balances as of December 31, 2021	\$ 42,757,075	\$ 42,013,234	\$ 743,841

<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 2022. 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/district, calculated using the discount rate of 7.60%, as well as what the Bandera County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease <u>6.60%</u>	Current Discount Rate <u>7.60%</u>	1% Increase <u>8.60%</u>
Total Pension Liability	\$ 48,938,275	42,757,074	\$ 37,648,929
Fiduciary Net Position	<u>42,013,232</u>	<u>42,013,232</u>	<u>42,013,232</u>
Net Pension Liability/(Asset)	\$ <u>6,925,043</u>	\$ <u>743,842</u>	\$ <u>(4,364,303)</u>

**Pension Expense / (Income)**

Prepaid Expense/(Income)	January 1, 2021 to December 31, 2021
Service Cost	\$ 1,543,446
Interest on Total Pension Liability <sup>(1)</sup>	3,327,622
Effect of Plan Changes	(3,676,814)
Administrative Expenses	22,730
Member Contributions	(674,556)
Expected Investment Return Net of Investment Expenses	(2,606,664)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	7,386
Recognition of Assumption Changes or Inputs	661,351
Recognition of Investment Gains or Losses	(1,319,996)
Other <sup>(2)</sup>	(19,425)
Pension Expense/(Income)	\$ (2,734,920)

<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, 2021, 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	\$ 85,505	\$ 181,703
Changes of assumptions	-	1,220,424
Net difference between projected and actual earnings	4,688,172	-
Contributions made subsequent to measurement date	N/A	861,288

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	
2022	\$ (365,103)
2023	(902,902)
2024	(1,117,576)
2025	(985,969)
2026	-
Thereafter <sup>(4)</sup>	-

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

<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.

### 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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	94
Inactive employees entitled to but not yet receiving benefits	49
Active employees	<u>221</u>
	364

#### Contributions

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

The following table shows a breakdown of the employer's contributions to the GTL program for the

calendar year 2021. 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	2021 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.27%	25,755	No change from prior year
Retiree GTL Benefit	0.13%	12,400	GASB 75

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2021 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 31.70732%, allocated as follows:

Coverage Type	2022 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.27%	68.29268%	No change from prior year
Retiree GTL Benefit	0.13%	31.70732%	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, 2022 were \$39,413, and were equal to the required contributions.

### **Total OPEB Liability**

The County's Total OPEB Liability (NPL) was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

### **Actuarial assumptions:**

The Total OPEB Liability as of December 31, 2021 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 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
Investment Rate of Return (Discount Rate)	2.06% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2021.

Disability	Members who become disabled are eligible to commence benefit payments regardless of age.
Mortality	Pub-2010 Mortality Tables
Retirement	Deferred members are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility ** For all eligible members ages 75 and later, retirement is assumed to occur immediately.
Other Termination of Employment	For non-depositing members who are not vested, 100% are assumed to elect a withdrawal. No termination after eligibility for retirement is assumed.

### Discount Rate

The TCDRS GTL program is treated as an unfunded OPEB plan because the GTL trust covers both active and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on a 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.06% based on the 20 Year Bond Go Index published by bondbuyer.com is used as of the measurement date of December 31, 2021.

### Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2020	\$ 626,774
Changes for the year:	
Service Cost	26,595
Interest on total OPEB liability <sup>(1)</sup>	13,721
Changes of benefit terms <sup>(2)</sup>	-
Effect of economic/demographic experience	(10,997)
Effect of assumptions changes or inputs <sup>(3)</sup>	13,476
Benefit payments	(12,400)
Other	-
Balance as of December 31, 2021	\$ <u>657,169</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 2.12%, as well as what the Bandera County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.06%	2.06%	3.06%
Total OPEB Liability	\$ 802,701	\$ 657,169	\$ 546,433

<b>OPEB Expense/ (Income)</b>		<u>January 1, 2021 to December 31, 2021</u>
Service Cost	\$	26,595
Interest on total OPEB liability <sup>(1)</sup>		13,721
Effect of plan changes		-
Recognition of deferred inflows/outflows of resources		
Recognition of economic/demographic gains or losses		(4,407)
Recognition of assumption changes or inputs		27,179
Other		-
<b>OPEB expense/(income)</b>	<b>\$</b>	<b><u>63,088</u></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, 2021, the deferred inflows and outflows of resources are as follows:

<b>Deferred Inflows / Outflows of Resources</b>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 16,046	\$ 4,086
Changes of assumptions	15,315	115,999
Contributions made subsequent to measurement date	N/A	9,441

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:

<u>Year ended December 31</u>	
2022	\$ 22,772
2023	22,775
2024	30,433
2025	12,744
2026	-
Thereafter <sup>(3)</sup>	-

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

<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.

### 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, 2022, the participants had balances of \$818,020 in Nationwide and \$966,696 in VALIC.

### 3. L. UNEARNED REVENUES

Unspent U.S. Department of Treasury State and Local Fiscal Recovery Funds in the amount of \$3,373,854 are classified as unearned revenue in the Coronavirus Local Fiscal Recovery Fund. The funds are for response to the COVID-19 public health emergency.

Unspent HAVA grant proceeds in the amount of \$10,133 are classified as unearned revenue in the General Fund. The funds are to be used to improve the administration of elections for office.

### 3.M. PRIOR PERIOD ADJUSTMENT

The County recorded a prior period adjustment to correct the prior year Machinery and Equipment totals. The County added \$31,363 in machinery and equipment and \$915 in accumulated depreciation for the assets that were acquired in prior periods but not included in the County's depreciation schedule. The amount of the prior period adjustment in the governmental activities was an increase to net position in the Government-Wide Statement of Activities in the amount of \$30,448, which restated the beginning net position from \$21,920,939 to \$21,951,387.

### 3.N. SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 10, 2023, 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.

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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, 2022

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 11,437,813	\$ 11,437,813	\$ 11,041,344	\$ (396,469)
General Sales and Use Taxes	800,000	800,000	1,147,845	347,845
Other Taxes	25,568	25,568	43,942	18,374
Licenses and Permits	81,200	81,200	120,283	39,083
Intergovernmental Revenue and Grants	105,500	366,747	500,552	133,805
Charges for Services	1,020,270	1,026,175	1,178,735	152,560
Fines	217,600	217,600	183,335	(34,265)
Investment Earnings	30,000	30,000	107,629	77,629
Contributions & Donations from Private Sources	-	-	50	50
Other Revenue	53,060	115,897	131,610	15,713
Total Revenues	<u>13,771,011</u>	<u>14,101,001</u>	<u>14,455,325</u>	<u>354,324</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	6,124,608	6,464,130	3,294,187	3,169,943
Law Enforcement	4,621,619	4,630,046	4,471,443	158,603
Corrections	2,092,118	2,092,118	1,934,733	157,385
Road and Bridge	308,294	308,294	303,833	4,461
Health & Human Services	554,101	551,624	489,823	61,801
Administration of Justice	2,926,234	2,940,783	2,651,721	289,062
Community & Economic Development	479,954	479,568	463,352	16,216
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	52,885	(52,885)
Interest on Debt and Right-to-Use Leases	-	-	478	(478)
Total Expenditures	<u>17,106,928</u>	<u>17,466,563</u>	<u>13,662,455</u>	<u>3,804,108</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,335,917)</u>	<u>(3,365,562)</u>	<u>792,870</u>	<u>4,158,432</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	40,319	40,319	-
Other Resources	5,000	10,027	48,096	38,069
Transfers Out (Use)	-	-	(725)	(725)
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>50,346</u>	<u>87,690</u>	<u>37,344</u>
Net Change	<u>(3,330,917)</u>	<u>(3,315,217)</u>	<u>880,560</u>	<u>4,195,777</u>
Fund Balance - October 1 (Beginning)	<u>9,050,939</u>	<u>9,050,939</u>	<u>9,050,939</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 5,720,022</u>	<u>\$ 5,735,722</u>	<u>\$ 9,931,499</u>	<u>\$ 4,195,777</u>

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

BANDERA COUNTY, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - AMBULANCE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Property Taxes	\$ 1,555,600	\$ 1,555,600	\$ 1,484,106	\$ (71,494)
Intergovernmental Revenue and Grants	60,000	44,621	75,638	31,017
Charges for Services	841,000	848,429	1,171,691	323,262
Investment Earnings	500	500	9,273	8,773
Contributions & Donations from Private	-	-	500	500
Other Revenue	250	165,027	142,737	(22,290)
Total Revenues	<u>2,457,350</u>	<u>2,614,177</u>	<u>2,883,945</u>	<u>269,768</u>
<b>EXPENDITURES:</b>				
Health & Human Services	2,126,868	2,283,695	2,199,373	84,322
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	1,188	(1,188)
Interest on Debt and Right-to-Use Leases	-	-	7	(7)
Total Expenditures	<u>2,126,868</u>	<u>2,283,695</u>	<u>2,200,568</u>	<u>83,127</u>
Excess of Revenues Over Expenditures	<u>330,482</u>	<u>330,482</u>	<u>683,377</u>	<u>352,895</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	6,500	6,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,500</u>	<u>6,500</u>
Change in Fund Balance	330,482	330,482	689,877	359,395
Fund Balance - October 1 (Beginning)	424,737	424,737	424,737	-
Fund Balance - September 30 (Ending)	<u>\$ 755,219</u>	<u>\$ 755,219</u>	<u>\$ 1,114,614</u>	<u>\$ 359,395</u>

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

BANDERA COUNTY, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ROAD AND BRIDGE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Property Taxes	\$ 1,788,899	\$ 1,788,899	\$ 1,804,796	\$ 15,897
Licenses and Permits	526,000	526,000	599,410	73,410
Intergovernmental Revenue and Grants	28,400	28,400	65,592	37,192
Charges for Services	800	800	1,183	383
Investment Earnings	6,000	6,000	37,903	31,903
Other Revenue	30,000	30,000	951	(29,049)
Total Revenues	<u>2,380,099</u>	<u>2,380,099</u>	<u>2,509,835</u>	<u>129,736</u>
<b>EXPENDITURES:</b>				
Road and Bridge	3,097,024	3,097,024	2,323,985	773,039
Total Expenditures	<u>3,097,024</u>	<u>3,097,024</u>	<u>2,323,985</u>	<u>773,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(716,925)</u>	<u>(716,925)</u>	<u>185,850</u>	<u>902,775</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	32,000	32,000
Other Resources	-	-	11,018	11,018
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>43,018</u>	<u>43,018</u>
Change in Fund Balance	(716,925)	(716,925)	228,868	945,793
Fund Balance - October 1 (Beginning)	3,820,438	3,820,438	3,820,438	-
Fund Balance - September 30 (Ending)	<u>\$ 3,103,513</u>	<u>\$ 3,103,513</u>	<u>\$ 4,049,306</u>	<u>\$ 945,793</u>

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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
<b>A. Total Pension Liability</b>			
Service Cost	\$ 1,543,446	\$ 1,358,590	\$ 1,182,887
Interest (on the Total Pension Liability)	3,327,622	3,093,974	2,636,355
Changes of Benefit Terms	(3,676,814)	(244,693)	2,886,707
Difference between Expected and Actual Experience	182,845	(171,009)	78,052
Changes of Assumptions	(172,811)	2,700,066	-
Benefit Payments, Including Refunds of Employee Contributions	(1,351,774)	(1,316,335)	(1,304,095)
Net Change in Total Pension Liability	\$ (147,486)	\$ 5,420,593	\$ 5,479,906
Total Pension Liability - Beginning	42,904,560	37,483,967	32,004,061
Total Pension Liability - Ending	\$ 42,757,074	\$ 42,904,560	\$ 37,483,967
<b>B. Total Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,031,137	\$ 1,010,698	\$ 900,555
Contributions - Employee	674,556	654,476	622,299
Net Investment Income	7,536,508	3,164,635	4,290,636
Benefit Payments, Including Refunds of Employee Contributions	(1,351,774)	(1,316,335)	(1,304,095)
Administrative Expense	(22,730)	(24,971)	(23,339)
Other	19,426	11,066	11,756
Net Change in Plan Fiduciary Net Position	\$ 7,887,123	\$ 3,499,569	\$ 4,497,812
Plan Fiduciary Net Position - Beginning	34,126,110	30,626,540	26,128,729
Plan Fiduciary Net Position - Ending	\$ 42,013,233	\$ 34,126,109	\$ 30,626,541
<b>C. Net Pension Liability</b>	\$ 743,841	\$ 8,778,451	\$ 6,857,426
<b>D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	98.26%	79.54%	81.71%
<b>E. Covered Payroll</b>	\$ 9,538,725	\$ 9,349,655	\$ 8,889,985
<b>F. Net Pension Liability as a Percentage of Covered Payroll</b>	7.80%	93.89%	77.14%

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

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

	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$	1,085,351	\$ 1,106,668	\$ 1,173,888	\$ 1,114,399	\$ 1,072,594
	2,252,712	2,064,156	1,864,767	1,771,095	1,609,200
	2,393,186	136,901	-	(579,646)	23,438
	66,739	(122,651)	(210,760)	(757,891)	160,505
	-	147,693	-	275,178	-
	(1,019,823)	(948,746)	(848,128)	(842,230)	(615,726)
\$	4,778,165	\$ 2,384,021	\$ 1,979,767	\$ 980,905	\$ 2,250,011
	27,225,896	24,841,875	22,862,108	21,881,203	19,631,192
\$	32,004,061	\$ 27,225,896	\$ 24,841,875	\$ 22,862,108	\$ 21,881,203
\$	844,658	\$ 764,343	\$ 756,593	\$ 743,611	\$ 742,320
	590,088	564,390	562,368	550,098	537,913
	(483,528)	3,296,122	1,522,595	(219,880)	1,254,017
	(1,019,823)	(948,746)	(848,128)	(842,230)	(615,726)
	(20,987)	(17,426)	(16,571)	(14,728)	(14,934)
	15,004	4,928	6,237	48,413	(37,702)
\$	(74,588)	\$ 3,663,611	\$ 1,983,094	\$ 265,284	\$ 1,865,887
	26,203,316	22,539,706	20,556,612	20,291,329	18,425,442
\$	26,128,728	\$ 26,203,317	\$ 22,539,706	\$ 20,556,613	\$ 20,291,329
\$	5,875,333	\$ 1,022,579	\$ 2,302,169	\$ 2,305,495	\$ 1,589,874
	81.64%	96.24%	90.73%	89.92%	92.73%
\$	8,429,833	\$ 8,062,707	\$ 8,033,828	\$ 7,858,536	\$ 7,684,473
	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 2022

	2022	2021	2020
Actuarially Determined Contribution	\$ 1,008,243	\$ 1,010,698	\$ 900,555
Contributions in Relation to the Actuarially Determined Contributions	1,031,137	1,010,698	900,555
Contribution Deficiency (Excess)	\$ (22,894)	\$ -	\$ -
Covered Employee Payroll	\$ 9,538,425	\$ 9,349,655	\$ 8,889,985
Contributions as a Percentage of Covered Employee Payroll	10.80%	10.80%	10.10%

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.

	2019	2018	2017	2016	2015	2014	2013
\$	844,668	\$ 764,343	\$ 756,593	\$ 743,418	\$ 742,320	\$ 671,036	\$ 631,706
	844,668	764,343	756,593	743,611	742,320	671,036	631,706
\$	-	\$ -	\$ -	(193)	\$ -	\$ -	\$ -
\$	8,429,833	\$ 8,062,707	\$ 8,033,828	\$ 7,858,536	\$ 7,684,473	\$ 7,131,089	\$ 6,957,111
	10.00%	9.50%	9.40%	9.50%	9.70%	9.40%	9.10%

BANDERA COUNTY  
 NOTES TO THE SCHEDULE OF CONTRIBUTIONS  
 SEPTEMBER 30, 2022

**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which 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	14.7 years (based on contribution rate calculated in 12/31/2021 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*	<p>2015: New inflation, mortality and other assumptions reflected</p> <p>2017: New mortality assumptions were reflected</p> <p>2019: New inflation, mortality and other assumptions were reflected.</p>
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	<p>2015: Employer contributions reflect that a 1% flat COLA was adopted.</p> <p>2016: No changes in plan provisions were reflected in the Schedule.</p> <p>2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.</p> <p>2018: Employer contributions reflect that a 2% flat COLA was adopted.</p> <p>2019: Employer contributions reflect that a 2% flat COLA was adopted.</p> <p>2020: Employer contributions reflect that a 2% flat COLA was adopted.</p> <p>2021: No changes in plan provisions were reflected in the Schedule.</p>

\* 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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
<b>Total OPEB Liability</b>			
Service Cost	\$ 26,595	\$ 23,764	\$ 17,368
Interest on the Total OPEB Liability	13,721	14,931	16,833
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(10,997)	5,451	(3,377)
Changes of Assumptions	13,476	68,048	109,484
Benefit Payments*	(12,400)	(13,090)	(11,557)
Net Change in Total OPEB Liability	30,395	99,104	128,751
Total OPEB Liability - Beginning	626,774	527,670	398,919
Total OPEB Liability - Ending	\$ 657,169	\$ 626,774	\$ 527,670
<b>Covered Payroll</b>	\$ 9,538,725	\$ 9,349,655	\$ 8,889,985
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	6.89%	6.70%	5.94%

\*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.

	FY 2019 Plan Year 2018		FY 2018 Plan Year 2017
\$	19,588	\$	17,872
	14,905		15,456
	-		-
	1,357		(19,460)
	(45,947)		17,879
	(9,273)		(8,869)
	(19,370)		22,878
	418,289		295,411
\$	398,919	\$	318,289
\$	8,429,833	\$	8,062,707
	4.73%		5.19%

BANDERA COUNTY  
 NOTES TO THE SCHEDULE OF CHANGES IN THE  
 TOTAL OPEB LIABILITY AND RELATED RATIOS  
 SEPTEMBER 30, 2022

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

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

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)	2.06%, 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	Pub-2010 General Mortality Tables
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, 2022

	11 Hotel Motel Tax Fund	14 Mansfield Park Fund	15 Indigent Health Care	16 Garbage Collection Stations
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 670,156	\$ 39,056	\$ 304,579	\$ 252,580
Taxes Receivable	-	8,831	3,244	-
Allowance for Uncollectible Taxes (credit)	-	(442)	(162)	-
Other Receivables	8,977	455	-	42
Total Assets	<u>\$ 679,133</u>	<u>\$ 47,900</u>	<u>\$ 307,661</u>	<u>\$ 252,622</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 6,412	\$ 2,968	\$ -	\$ 18,278
Total Liabilities	<u>6,412</u>	<u>2,968</u>	<u>-</u>	<u>18,278</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	8,389	3,083	-
Total Deferred Inflows of Resources	<u>-</u>	<u>8,389</u>	<u>3,083</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:				
Other Committed Fund Balance	672,721	36,543	304,578	234,344
Total Fund Balances	<u>672,721</u>	<u>36,543</u>	<u>304,578</u>	<u>234,344</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 679,133</u>	<u>\$ 47,900</u>	<u>\$ 307,661</u>	<u>\$ 252,622</u>

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

18 Sheriff's Tax Sale Fund	22 Child Abuse Prevention	25 Juvenile Probation Fund	27 Sheriff's Seizure Fund	28 Law Library Fund	30 County Clerk Records Mgmt Fund	31 Records Mgmt & Presrv Fund	32 Courthouse Security Fund
\$ 1,854	\$ 2,197	\$ 369,163	\$ 65,384	\$ 34,109	\$ 310,601	\$ 4,504	\$ 47,774
-	-	23,248	-	-	-	-	-
-	-	(1,162)	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,854</u>	<u>\$ 2,197</u>	<u>\$ 391,249</u>	<u>\$ 65,384</u>	<u>\$ 34,109</u>	<u>\$ 310,601</u>	<u>\$ 4,504</u>	<u>\$ 47,774</u>
\$ -	\$ -	\$ 9,984	\$ -	\$ 430	\$ -	\$ -	\$ -
-	-	9,984	-	430	-	-	-
-	-	22,086	-	-	-	-	-
-	-	22,086	-	-	-	-	-
-	-	-	-	-	-	-	-
1,854	2,197	359,179	65,384	33,679	310,601	4,504	47,774
-	-	-	-	-	-	-	-
<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>\$ 1,854</u>	<u>\$ 2,197</u>	<u>\$ 391,249</u>	<u>\$ 65,384</u>	<u>\$ 34,109</u>	<u>\$ 310,601</u>	<u>\$ 4,504</u>	<u>\$ 47,774</u>

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

	33 Juvenile Probation- State Aid	34 Grant N- Juv Probation Mental Health	36 Title IV-E Fund	37 TJJD P&I DSA Grant
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 781	\$ 67	\$ -
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Other Receivables	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 781</u>	<u>\$ 67</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	781	67	-
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	-
Total Fund Balances	<u>-</u>	<u>781</u>	<u>67</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 781</u>	<u>\$ 67</u>	<u>\$ -</u>

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

45 Alt. Dispute Resolution System Fund	46 Appellate Judicial System Fund	48 Guardianship Fee Fund	49 Attorney Hot Check Collections	51 Family Protection Fee	52 Attorney Pre-Trial Diversion	55 Dist Clerk Records Mgmt Fund	56 County Clerk Records Archive
\$ 15,116	\$ 1,200	\$ 24,542	\$ 170	\$ -	\$ 28,858	\$ 8,875	\$ 278,630
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 15,116</u>	<u>\$ 1,200</u>	<u>\$ 24,542</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ 28,858</u>	<u>\$ 8,875</u>	<u>\$ 278,630</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,692
-	-	-	-	-	-	-	1,692
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15,116	1,200	24,542	170	-	28,858	8,875	276,938
-	-	-	-	-	-	-	-
<u>15,116</u>	<u>1,200</u>	<u>24,542</u>	<u>170</u>	<u>-</u>	<u>28,858</u>	<u>8,875</u>	<u>276,938</u>
<u>\$ 15,116</u>	<u>\$ 1,200</u>	<u>\$ 24,542</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ 28,858</u>	<u>\$ 8,875</u>	<u>\$ 278,630</u>

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

	57 County Attorney Forfeiture	58 Justice Court Technology	60 State Funded Training-Law Enforcement	63 Court Records & Preservation
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1	\$ 12,224	\$ 29,721	\$ 46,964
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Other Receivables	-	-	-	-
Total Assets	<u>\$ 1</u>	<u>\$ 12,224</u>	<u>\$ 29,721</u>	<u>\$ 46,964</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	1	12,224	29,721	46,964
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	-
Total Fund Balances	<u>1</u>	<u>12,224</u>	<u>29,721</u>	<u>46,964</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 1</u>	<u>\$ 12,224</u>	<u>\$ 29,721</u>	<u>\$ 46,964</u>

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

65 District Clerk Records Archive	68 Juvenile Commitment RDCTN Grant	69 Unclaimed Capital Credits	81 Court Reporter Service Fund	82 Courts Facility Fund	83 Language Access Fund	84 Elections Co Expenses Fund	85 Child Welfare Board
\$ 28,856	\$ -	\$ 242,906	\$ 4,366	\$ 2,520	\$ 1,548	\$ 4,232	\$ 5,909
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 28,856</u>	<u>\$ -</u>	<u>\$ 242,906</u>	<u>\$ 4,366</u>	<u>\$ 2,520</u>	<u>\$ 1,548</u>	<u>\$ 4,232</u>	<u>\$ 5,909</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,856	-	242,906	4,366	2,520	1,548	4,232	5,909
-	-	-	-	-	-	-	-
<u>28,856</u>	<u>-</u>	<u>242,906</u>	<u>4,366</u>	<u>2,520</u>	<u>1,548</u>	<u>4,232</u>	<u>5,909</u>
<u>\$ 28,856</u>	<u>\$ -</u>	<u>\$ 242,906</u>	<u>\$ 4,366</u>	<u>\$ 2,520</u>	<u>\$ 1,548</u>	<u>\$ 4,232</u>	<u>\$ 5,909</u>

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

	87 Veterans Service Officer	88 Various Grants Fund	95 Medina Lake County Park Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 575	\$ 13,643	\$ 282,670	\$ 3,136,331
Taxes Receivable	-	-	-	35,323
Allowance for Uncollectible Taxes (credit)	-	-	-	(1,766)
Other Receivables	-	-	-	9,474
Total Assets	<u>\$ 575</u>	<u>\$ 13,643</u>	<u>\$ 282,670</u>	<u>\$ 3,179,362</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 911	\$ 40,675
Total Liabilities	<u>-</u>	<u>-</u>	<u>911</u>	<u>40,675</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	33,558
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,558</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	575	13,643	-	1,575,184
Committed Fund Balance:				
Other Committed Fund Balance	-	-	281,759	1,529,945
Total Fund Balances	<u>575</u>	<u>13,643</u>	<u>281,759</u>	<u>3,105,129</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 575</u>	<u>\$ 13,643</u>	<u>\$ 282,670</u>	<u>\$ 3,179,362</u>

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

62 2007 Jail/ Justice Int & Sinking	Total Nonmajor Governmental Funds
\$ 63,346	\$ 3,199,677
50,821	86,144
(2,541)	(4,307)
-	9,474
<u>\$ 111,626</u>	<u>\$ 3,290,988</u>
\$ -	\$ 40,675
-	40,675
48,280	81,838
<u style="text-align: center;">48,280</u>	<u style="text-align: center;">81,838</u>
63,346	63,346
-	1,575,184
-	1,529,945
<u style="text-align: center;">63,346</u>	<u style="text-align: center;">3,168,475</u>
<u>\$ 111,626</u>	<u>\$ 3,290,988</u>

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

	11 Hotel Motel Tax Fund	14 Mansfield Park Fund	15 Indigent Health Care	16 Garbage Collection Stations
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ 118,952	\$ 47,946	\$ -
Other Taxes	566,213	-	-	-
Intergovernmental Revenue and Grants	-	-	26,064	-
Charges for Services	-	34,529	-	344,485
Forfeits	-	-	-	-
Investment Earnings	5,458	538	2,699	2,230
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	984	-	-
Total Revenues	<u>571,671</u>	<u>155,003</u>	<u>76,709</u>	<u>346,715</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	-	-
Law Enforcement	-	-	-	-
Sanitation	-	-	-	384,840
Health & Human Services	-	-	75,252	-
Administration of Justice	-	-	-	-
Parks	-	164,493	-	-
Community & Economic Development	404,446	-	-	-
Infrastructure & Environmental	-	-	-	-
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	-	-
Interest on Debt and Right-to-Use Leases	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>404,446</u>	<u>164,493</u>	<u>75,252</u>	<u>384,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>167,225</u>	<u>(9,490)</u>	<u>1,457</u>	<u>(38,125)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	167,225	(9,490)	1,457	(38,125)
Fund Balance - October 1 (Beginning)	<u>505,496</u>	<u>46,033</u>	<u>303,121</u>	<u>272,469</u>
Fund Balance - September 30 (Ending)	<u>\$ 672,721</u>	<u>\$ 36,543</u>	<u>\$ 304,578</u>	<u>\$ 234,344</u>

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

18 Sheriff's Tax Sale Fund	22 Child Abuse Prevention	25 Juvenile Probation Fund	27 Sheriff's Seizure Fund	28 Law Library Fund	30 County Clerk Records Mgmt Fund	31 Records Mgmt & Presrv Fund	32 Courthouse Security Fund
\$ -	\$ -	\$ 318,625	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	280	-	-	-	-	-
-	451	1,079	-	14,592	78,130	477	22,907
363,776	-	-	-	-	-	-	-
-	19	3,392	558	286	2,606	16	378
-	-	-	-	-	-	-	-
-	-	14,372	-	-	26	-	-
<u>363,776</u>	<u>470</u>	<u>337,748</u>	<u>558</u>	<u>14,878</u>	<u>80,762</u>	<u>493</u>	<u>23,285</u>
363,776	-	-	-	-	34,621	3,152	-
-	-	-	987	-	-	-	10,000
-	-	-	-	-	-	-	-
-	-	303,363	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	10,090	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>363,776</u>	<u>-</u>	<u>303,363</u>	<u>987</u>	<u>10,090</u>	<u>34,621</u>	<u>3,152</u>	<u>10,000</u>
-	470	34,385	(429)	4,788	46,141	(2,659)	13,285
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	470	34,385	(429)	4,788	46,141	(2,659)	13,285
1,854	1,727	324,794	65,813	28,891	264,460	7,163	34,489
<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>

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

	33 Juvenile Probation- State Aid	34 Grant N- Juv Probation Mental Health	36 Title IV-E Fund	37 TJJD P&I DSA Grant
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	170,340	14,523	-	249,982
Charges for Services	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>170,340</u>	<u>14,523</u>	<u>-</u>	<u>249,982</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	-	-
Law Enforcement	-	-	-	-
Sanitation	-	-	-	-
Health & Human Services	-	-	-	-
Administration of Justice	170,340	14,523	-	249,982
Parks	-	-	-	-
Community & Economic Development	-	-	-	-
Infrastructure & Environmental	-	-	-	-
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	-	-
Interest on Debt and Right-to-Use Leases	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>170,340</u>	<u>14,523</u>	<u>-</u>	<u>249,982</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	-	781	67	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 781</u>	<u>\$ 67</u>	<u>\$ -</u>

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

45 Alt. Dispute Resolution System Fund	46 Appellate Judicial System Fund	48 Guardianship Fee Fund	49 Attorney Hot Check Collections	51 Family Protection Fee	52 Attorney Pre-Trial Diversion	55 Dist Clerk Records Mgmt Fund	56 County Clerk Records Archive
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
7,718	2,085	3,750	170	345	9,655	9,829	79,280
-	-	-	-	-	-	-	-
126	8	-	-	-	252	67	2,291
-	-	-	-	-	-	-	-
<u>7,844</u>	<u>2,093</u>	<u>3,750</u>	<u>170</u>	<u>345</u>	<u>9,907</u>	<u>9,896</u>	<u>81,571</u>
-	-	-	-	-	-	5,951	17,877
-	-	-	-	-	10,434	-	-
-	-	-	-	-	-	-	-
6,000	1,095	-	-	1,500	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>6,000</u>	<u>1,095</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>10,434</u>	<u>5,951</u>	<u>17,877</u>
<u>1,844</u>	<u>998</u>	<u>3,750</u>	<u>170</u>	<u>(1,155)</u>	<u>(527)</u>	<u>3,945</u>	<u>63,694</u>
-	-	-	-	725	-	-	-
-	-	-	-	725	-	-	-
1,844	998	3,750	170	(430)	(527)	3,945	63,694
<u>13,272</u>	<u>202</u>	<u>20,792</u>	<u>-</u>	<u>430</u>	<u>29,385</u>	<u>4,930</u>	<u>213,244</u>
<u>\$ 15,116</u>	<u>\$ 1,200</u>	<u>\$ 24,542</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ 28,858</u>	<u>\$ 8,875</u>	<u>\$ 276,938</u>

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

	57 County Attorney Forfeiture	58 Justice Court Technology	60 State Funded Training-Law Enforcement	63 Court Records & Preservation
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	-	5,599	-
Charges for Services	-	6,833	-	947
Forfeits	-	-	-	-
Investment Earnings	-	95	259	127
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>6,928</u>	<u>5,858</u>	<u>1,074</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	-	-
Law Enforcement	-	-	3,283	-
Sanitation	-	-	-	-
Health & Human Services	-	-	-	-
Administration of Justice	-	6,000	-	-
Parks	-	-	-	-
Community & Economic Development	-	-	-	-
Infrastructure & Environmental	-	-	-	-
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	-	-
Interest on Debt and Right-to-Use Leases	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>-</u>	<u>6,000</u>	<u>3,283</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>928</u>	<u>2,575</u>	<u>1,074</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	928	2,575	1,074
Fund Balance - October 1 (Beginning)	<u>1</u>	<u>11,296</u>	<u>27,146</u>	<u>45,890</u>
Fund Balance - September 30 (Ending)	<u>\$ 1</u>	<u>\$ 12,224</u>	<u>\$ 29,721</u>	<u>\$ 46,964</u>

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

65 District Clerk Records Archive	68 Juvenile Commitment RDCTN Grant	69 Unclaimed Capital Credits	81 Court Reporter Service Fund	82 Courts Facility Fund	83 Language Access Fund	84 Elections Co Expenses Fund	85 Child Welfare Board
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
939	2,682	34,184	4,366	2,520	1,548	4,232	-
282	-	1,847	-	-	-	-	48
-	-	-	-	-	-	-	785
-	-	-	-	-	-	-	-
<u>1,221</u>	<u>2,682</u>	<u>36,031</u>	<u>4,366</u>	<u>2,520</u>	<u>1,548</u>	<u>4,232</u>	<u>833</u>
804	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,682	-	-	-	-	-	1,600
-	-	9,300	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>804</u>	<u>2,682</u>	<u>9,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,600</u>
<u>417</u>	<u>-</u>	<u>26,731</u>	<u>4,366</u>	<u>2,520</u>	<u>1,548</u>	<u>4,232</u>	<u>(767)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
417	-	26,731	4,366	2,520	1,548	4,232	(767)
28,439	-	216,175	-	-	-	-	6,676
<u>\$ 28,856</u>	<u>\$ -</u>	<u>\$ 242,906</u>	<u>\$ 4,366</u>	<u>\$ 2,520</u>	<u>\$ 1,548</u>	<u>\$ 4,232</u>	<u>\$ 5,909</u>

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

	87 Veterans Service Officer	88 Various Grants Fund	95 Medina Lake County Park Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ 485,523
Other Taxes	-	-	-	566,213
Intergovernmental Revenue and Grants	-	24,143	-	527,797
Charges for Services	-	-	50,795	681,662
Forfeits	-	-	-	363,776
Investment Earnings	-	-	2,599	26,181
Contributions & Donations from Private Sources	575	-	100	1,460
Other Revenue	-	-	-	15,382
Total Revenues	<u>575</u>	<u>24,143</u>	<u>53,494</u>	<u>2,667,994</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	-	426,181
Law Enforcement	-	-	-	24,704
Sanitation	-	-	-	384,840
Health & Human Services	-	-	-	76,852
Administration of Justice	-	-	-	755,485
Parks	-	-	157,547	322,040
Community & Economic Development	-	-	-	423,836
Infrastructure & Environmental	-	10,500	-	10,500
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	-	-
Interest on Debt and Right-to-Use Leases	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>-</u>	<u>10,500</u>	<u>157,547</u>	<u>2,424,438</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>575</u>	<u>13,643</u>	<u>(104,053)</u>	<u>243,556</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	725
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>725</u>
Net Change in Fund Balance	575	13,643	(104,053)	244,281
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>-</u>	<u>385,812</u>	<u>2,860,848</u>
Fund Balance - September 30 (Ending)	<u>\$ 575</u>	<u>\$ 13,643</u>	<u>\$ 281,759</u>	<u>\$ 3,105,129</u>

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

62	Total
2007 Jail/ Justice Int & Sinking	Nonmajor Governmental Funds
\$ 714,339	\$ 1,199,862
-	566,213
-	527,797
-	681,662
-	363,776
3,100	29,281
-	1,460
3,381	18,763
<u>720,820</u>	<u>3,388,814</u>
-	426,181
-	24,704
-	384,840
-	76,852
-	755,485
-	322,040
-	423,836
-	10,500
660,000	660,000
164,050	164,050
400	400
<u>824,450</u>	<u>3,248,888</u>
<u>(103,630)</u>	<u>139,926</u>
-	725
-	725
(103,630)	140,651
<u>166,976</u>	<u>3,027,824</u>
<u>\$ 63,346</u>	<u>\$ 3,168,475</u>

BANDERA COUNTY, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 SEPTEMBER 30, 2022

	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	\$ 1,263	\$ 7,696	\$ 1,660	\$ 160,492	\$ 171,111
Total Assets	<u>\$ 1,263</u>	<u>\$ 7,696</u>	<u>\$ 1,660</u>	<u>\$ 160,492</u>	<u>\$ 171,111</u>
<b>NET POSITION</b>					
Restricted for Other Purposes	1,263	7,696	1,660	160,492	171,111
Total Net Position	<u>\$ 1,263</u>	<u>\$ 7,696</u>	<u>\$ 1,660</u>	<u>\$ 160,492</u>	<u>\$ 171,111</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, 2022

	64 Ambulance Sinking Fund	89 Historical Commission Fund	91 Available School Fund	92 Permanent School Fund	Total Private Purpose Trust Funds
ADDITIONS:					
Investment Earnings	\$ 3	\$ 58	\$ 1,377	\$ -	\$ 1,438
Other Revenue	-	1,255	-	-	1,255
Total Additions	<u>3</u>	<u>1,313</u>	<u>1,377</u>	<u>-</u>	<u>2,693</u>
DEDUCTIONS:					
Other Operating Costs	-	70	-	-	70
Supplies	-	13	-	-	13
Total Deductions	<u>-</u>	<u>83</u>	<u>-</u>	<u>-</u>	<u>83</u>
Change in Net Position	3	1,230	1,377	-	2,610
Total Net Position - October 1 (Beginning)	<u>1,260</u>	<u>6,466</u>	<u>283</u>	<u>160,492</u>	<u>168,501</u>
Total Net Position - September 30 (Ending)	<u>\$ 1,263</u>	<u>\$ 7,696</u>	<u>\$ 1,660</u>	<u>\$ 160,492</u>	<u>\$ 171,111</u>

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

BANDERA COUNTY, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 SEPTEMBER 30, 2022

	47 State Fee & Fine Fund	96 EMS Memorials & Donations	99 Officials' Fee Accounts	Total Custodial Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 55,321	\$ 941	\$ 2,205,683	\$ 2,261,945
Investments - Current	-	-	7,555	7,555
Other Receivables	780	-	-	780
Total Assets	<u>56,101</u>	<u>941</u>	<u>2,213,238</u>	<u>2,270,280</u>
<b>LIABILITIES</b>				
Due to Other Governments	48,866	-	-	48,866
Total Liabilities	<u>48,866</u>	<u>-</u>	<u>-</u>	<u>48,866</u>
<b>NET POSITION</b>				
Restricted for Other Purposes	7,235	941	2,213,238	2,221,414
Total Net Position	<u>\$ 7,235</u>	<u>\$ 941</u>	<u>\$ 2,213,238</u>	<u>\$ 2,221,414</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, 2022

Data Control Codes	47 State Fee & Fine Fund	96 EMS Memorials & Donations	99 Officials' Fee Accounts	Total Custodial Funds
<b>ADDITIONS:</b>				
Charges for Services	\$ 255,492	\$ -	\$ -	\$ 255,492
Other Revenue	-	-	49,977,953	49,977,953
Total Additions	<u>255,492</u>	<u>-</u>	<u>49,977,953</u>	<u>50,233,445</u>
<b>DEDUCTIONS:</b>				
Other Operating Costs	<u>257,336</u>	<u>1,662</u>	<u>48,702,695</u>	<u>48,961,693</u>
Total Deductions	<u>257,336</u>	<u>1,662</u>	<u>48,702,695</u>	<u>48,961,693</u>
Change in Net Position	(1,844)	(1,662)	1,275,258	1,271,752
Total Net Position - October 1 (Beginning)	<u>9,079</u>	<u>2,603</u>	<u>937,980</u>	<u>949,662</u>
Total Net Position - September 30 (Ending)	<u>\$ 7,235</u>	<u>\$ 941</u>	<u>\$ 2,213,238</u>	<u>\$ 2,221,414</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, 2022, 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 10, 2023.

### 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

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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*.

## **Bandera County's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Bandera County, Texas' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Bandera County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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

We noted certain matters that we reported to management of the County of Bandera, Texas, in a separate letter dated March 10, 2023.

Sincerely,



NEFFENDORF & BLOCKER, P.C.  
Fredericksburg, Texas

March 10, 2023



# 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, 2022. 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, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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

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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Bandera County, Texas' response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Bandera County, Texas' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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.

*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 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 10, 2023

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

**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  X  Yes   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 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.**

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.

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.

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

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.

BANDERA COUNTY, TEXAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS/CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Finding 2022-001

*Finding Summary:* Neffendorf & Blocker, P.C. prepared our draft financial statements and accompanying notes to the financial statements. They found that the County's capitalization policy was not uniformly implemented resulting in less assets being stated in our financial statements which could result in an understatement of assets in the financial statements.

*Responsible Individuals:* Darryl Sadler, Bandera County Auditor

*Corrective Action Plan:* Capturing Capital Assets that should be depreciated and added to our financial statements is assigned to the Auditor Office. Our new procedures have already been implemented to ensure all invoices for capital items are immediately copied and given to the employee in charge of capital assets. As invoices come in, the employee will input them into the capital asset software and only hold those where extra receipts are expected to complete a single purchase (such as vehicles and all items to be installed). Around November 1st, the employee will run reports for all department capital asset budget account lines, any budget lines used for grant expenditures, and any other budget lines where a capital asset potentially could have been purchased from. The employee will input any missing assets and verify with the budgeted capital outlay tab in the previous budget to ensure all assets have been correctly input.

*Anticipated Completion Date:* Already implemented

Finding 2022-002

*Finding Summary:* Year-end closing procedures are not in place which have the potential effect of financial statements being incomplete.

*Responsible Individuals:* Darryl Sadler, Bandera County Auditor

*Corrective Action Plan:* Spreadsheets that will close out the year are being created for the new fiscal year that will allow the Auditor Office to do all year-end entries to ensure trial balance is complete and all year-end accruals have been made.

*Anticipated Completion Date:* 04/20/2023

Finding 2022-003

*Finding Summary:* County approved COVID State and Local Fiscal Recovery Funds for a debt service payment. Federal regulations do not allow funds to be used for debt service and the county could be liable to return the funds.

*Responsible Individuals:* Darryl Sadler, Bandera County Auditor

*Corrective Action Plan:* Subrecipient has been contacted and a request for qualified expenses is being made. If subrecipient does not have enough qualified expenses, per signed county agreement with subrecipient, any non-qualified funds will be returned to county.

*Anticipated Completion Date:* 04/13/2023

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

None

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

(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>			
Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 1,115,381
Total Direct Programs			<u>1,115,381</u>
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<u>1,115,381</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<u>Passed Through Texas Health &amp; Human Services Commission</u>			
Public Health Emergency Preparedness	93.069	HHS000145600001	3,319
Total Passed Through the Texas Health & Human Service Commission			<u>3,319</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>3,319</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<u>Passed Through the Texas Office of the Governor</u>			
DJ-Edward Bryne Memorial Justice Assistance Grant	16.738	4227301	5,082
Total Passed Through the Texas Office of the Governor			<u>5,082</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u>5,082</u>
<b><u>U.S. ELECTION ASSISTANCE COMMISSION</u></b>			
<u>Passed Through the Texas Secretary of State</u>			
HAVA Election Security Grant	90.404	TX18101001-01-0	104,771
Total Passed Through the Texas Secretary of State			<u>104,771</u>
<b>TOTAL U.S. ELECTION ASSISTANCE COMMISSION</b>			<u>104,771</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<u>Passed Through the Texas Office of the Governor</u>			
Homeland Security Grant Program	97.067	4305301	22,805
Total Passed Through the Texas Office of the Governor			<u>22,805</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>22,805</u>
<b><u>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>			
<u>Passed Through the Texas Department of Agriculture</u>			
Community Development Block Grant	14.228	7219020	10,500
Total Passed Through the Texas Department of Agriculture			<u>10,500</u>
<b>TOTAL DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			<u>10,500</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,261,858</u>

BANDERA COUNTY, TEXAS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2022

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, 2022. 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 10, 2023

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, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 18, 2022. 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. 87 *Leases* was adopted and the application of existing policies was not changed during 2022. 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

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### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 10, 2023.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Matters

We applied certain limited procedures to the Management Discussion and Analysis; Budgetary Comparison Schedule - General Fund; Budgetary Comparison Schedule - Road and Bridge Fund; the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of Employer Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

### Restriction on Use

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

### Other Comments and Recommendations

#### *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.

#### *Tax Assessor-Collector- Accounting for Cash*

The Tax-Assessor Collector does not perform an accounting for cash of balances in the Tax Assessor-Collector bank accounts. We recommend the Tax Assessor-Collector perform an accounting for cash monthly for the balances in the accounts at month end. Per discussion with the tax assessor-collector, the accounting for cash will be completed in the current fiscal year.

*Bank Reconciliations*

Differences were noted on the Tax Assessor-Collector bank reconciliations from the book balance to the reconciled balance. We recommend the Tax Assessor-Collector reconcile these differences.

*Property Tax Reconciliation*

During our audit procedures for the tax collections, we noted there is no reconciliation being performed to reconcile the tax collections reports to the software reports. We recommend that the totals per the tax collection reports be reconciled to the amount on the software reports on a monthly and annual basis. Per discussion with the tax assessor-collector, the reconciliations will be done in the current fiscal year.

Prior Year Recommendations

*OCA Reports- Justice of the Peace*

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

*Bank Reconciling Items*

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

- District Clerk Registry Fund- \$615
- Sheriff's Old Commissary Account- \$1,176.26
- Sheriff's Commissary Account- \$317.56
- Sheriff Department Fund- \$8,150
- Tax Assessor Collector Tax Bank Account:
  - Outstanding Deposits- \$320.30
  - Outstanding Checks- \$22,779.78
- Tax Assessor Collector MV Division Account:
  - Outstanding Deposits- \$294.90
  - Outstanding Wires- \$25,313.54
  - Outstanding Checks- \$1,438.94

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

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

Sincerely,

*Neffendorf & Blocker, P.C.*

NEFFENDORF & BLOCKER, P.C.  
Fredericksburg, Texas

March 10, 2023