

*FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT*

**COUNTY OF BANDERA,
TEXAS**

Bandera, Texas

For the Year Ended
September 30, 2025

COUNTY OF BANDERA, TEXAS

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

COUNTY OF BANDERA, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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NEFFENDORF & BLOCKER, P.C.

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, 2025, 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, 2025, 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.

TEL: 830 997 3348

EMAIL: info@nb-cpa.com

P.O. Box 874 · 909 N Llano, 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 54 through 57), 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 58 through 65), 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, 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2026, 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

April 7, 2026

BANDERA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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, 2025. 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 \$36,372,410 (Net Position). Of this amount, \$6,483,581 (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 \$3,115,650 as a result of this year's operations.
- At September 30, 2025, the County's governmental funds reported combined ending fund balances of \$20,947,767, a decrease of \$4,360,560 in comparison with the prior year.
- At September 30, 2025, the unassigned fund balance of the general fund was \$14,643,711 or 63% 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 - 15). 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 16 - 25) 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 26) 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 54-65.

The combining statements for nonmajor funds and fiduciary funds beginning on page 66 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 11. 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 16 - 25 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 \$33,256,760 to \$36,372,410. 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 \$6,483,581 at September 30, 2025. This increase in governmental Net Position was the result of six factors. First, the County's expenditures exceeded the revenues by \$4,360,560. Second, the County paid principal on long-term debt of \$1,151,719. Third, the County acquired capital assets in the amount of \$8,374,071. Fourth, the County recorded depreciation and amortization in the amount of \$2,220,934. Fifth, a net increase of \$272,823 due to required entries of GASB Statement No. 68 accounting and financial reporting for pensions. Sixth, a net decrease of \$18,971 due to the required entries of GASB Statement No. 75 accounting and financial reporting for other post-employment benefits.

Table I
Bandera County, Texas

	NET POSITION	
	in thousands	
	Governmental Activities	
	2025	2024
Current Assets	\$ 25,436	\$ 29,570
Capital Assets	26,766	20,574
Total Assets	\$ 52,202	\$ 50,144
Deferred Outflow	1,594	1,682
Current Liabilities	\$ 2,689	\$ 3,290
Net Pension Liability	10,450	11,089
OPEB Liability	511	562
Noncurrent Liabilities	3,140	3,369
Total Liabilities	\$ 16,790	\$ 18,310
Deferred Inflow	\$ 634	\$ 259
Net Position:		
Invested in capital assets, net of debt	\$ 24,341	\$ 17,311
Restricted	5,548	7,186
Unrestricted	6,483	8,760
Total Net Position	\$ 36,372	\$ 33,257

Table II
Bandera County, Texas
CHANGES IN NET POSITION

in thousands

	Governmental Activities	
	<u>2025</u>	<u>2024</u>
Revenues:		
Program Revenues		
Charges For Services	\$ 4,551	\$ 4,172
Operating Grants & Contributions	1,619	1,302
Capital Grants & Contributions	157	1,903
General Revenues		
Property Taxes	20,008	19,868
Other Taxes	1,796	1,828
Grants & Contributions	2	16
Investment Earnings	1,343	1,658
Other General Revenues	962	939
Total Revenues:	<u>\$ 30,438</u>	<u>\$ 31,686</u>
Expenditures:		
General Administration	\$ 5,767	\$ 4,877
Law Enforcement	6,221	5,839
Corrections	2,973	2,868
Road & Bridge	2,575	2,328
Sanitation	324	321
Health & Human Services	3,931	3,541
Administration of Justice	2,171	2,125
Parks	193	183
Comm & Economic Development	558	480
Infrastructure & Environmental	476	468
Specific Purpose Expenditures	2,073	2,614
Debt Service	61	86
Total Expenditures:	<u>\$ 27,323</u>	<u>\$ 25,730</u>
Change in Net Position	3,115	5,956
Beginning Net Position	33,257	27,288
Prior Period Adjustment	-	13
Net Position	<u>\$ 36,372</u>	<u>\$ 33,257</u>

The cost of all governmental activities this year was \$27,323,282. However, as shown in the Statement of Activities on page 12, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$20,008,398 because the other costs were paid by sales tax (\$1,419,334), grants and contributions (\$1,777,635), user charges (\$4,551,576), investment earnings (\$1,343,407) and other general revenue (\$1,338,582).

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$20,947,767, which is less than last year's total of \$25,308,327. Included in this year's total change in fund balance is a decrease of \$2,794,758 in the County's General Fund.

The Commissioner's Court adopted the General Fund, EMS Fund, Road & Bridge Fund and Local Fiscal Recovery Fund Budgets. For the General Fund, the original budget and final budget anticipated expenditures to exceed revenues and other sources. Revenues were unfavorable to budget by \$339,571 expenditures were favorable to budget by \$4,453,723 and other financing sources and uses were favorable to budget by \$341,329; resulting in a net favorable variance of \$4,455,481. For the EMS Fund, actual revenues were more than budgeted amounts by \$316,296, the expenditures were less than budgeted amounts by \$290,611 and other financing sources were favorable by \$9,831; resulting in a net favorable variance of \$616,738. For the Road and Bridge Fund, actual revenues were less than budgeted estimates by \$154,883, actual expenditures were less than budgeted amounts by \$403,510 and other financing sources were more than budgeted amounts by \$7,204; the net effect is a favorable variance of \$255,831. For the Local Fiscal Recovery Fund, actual revenues were equal to budgeted amounts and actual expenditures were equal to budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2025, the County had \$26,765,919 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements. This amount represents a net increase of \$6,202,715 or 30%.

CAPITAL ASSETS

in thousands

	2025	2024
Land	\$ 750	\$ 750
Buildings	17,359	17,167
Improvements	1,420	1,433
Equipment	12,429	11,899
Infrastructure	7,021	5,984
Construction in Progress	8,376	2,562
Right-to-Use Leased Assets	180	239
SBITA	1,428	1,021
Total Capital Assets	\$ 48,963	\$ 41,055
Accumulated Depreciation	(21,312)	(20,061)
Accumulated Amortization	(885)	(431)
Capital Assets, Net	\$ 26,766	\$ 20,563

This year's major additions included:

Buildings & Improvements	30,837
Infrastructure	1,037,111
Equipment	1,283,434
Construction in Progress	6,022,689
<u>Total</u>	<u>\$ 8,374,071</u>

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

DEBT

At September 30, 2025, the County had the following outstanding debt:

OUTSTANDING DEBT

in thousands

	Governmental Activities	
	2025	2024
Bonds Payable	\$ 1,660,000	\$ 2,395,000
Right-to-Use Lease Liability	85,120	114,989
SBITA	593,541	638,690
Total	\$ 2,338,661	\$ 3,148,679

At year-end the County had \$1,660,000 in refunding bonds outstanding; a decrease of \$735,000 or 31% from the prior year.

At year-end, the County had \$85,120 in right-of-use lease liabilities. The County paid \$46,480 in principal on the outstanding lease liabilities. At year-end the County had \$593,541 in subscription liabilities. The County paid \$370,239 in principal on the outstanding subscription liabilities.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2026 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, EMS Fund, and Road and Bridge Fund budgets for 2026. Amounts available for appropriation in the General Fund budget are \$18,890,199 and expenditures are estimated to be \$24,105,248. If these estimates are realized, the County's budgetary General fund balance is expected to decrease by \$5,215,049 for fiscal year 2026. Amounts available for appropriation in the EMS Fund budget are \$3,407,088 and expenditures are estimated to be \$3,884,804. If these estimates are realized, the County's EMS Fund balance is expected to decrease by \$477,716 for fiscal year 2026. Amounts available for appropriation in the Road and Bridge Fund budget are \$3,522,015 and expenditures are estimated to be \$3,627,385. If these estimates are realized, the County's budgetary Road and Bridge Fund balance is expected to decrease by \$105,370 for fiscal year 2026.

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, 2025

EXHIBIT A-1

	Primary	Government
		Governmental Activities
ASSETS		
Cash and Cash Equivalents	\$	22,636,719
Investments - Current		499,124
Accounts Receivable, Net		2,294,422
Prepaid Items		5,929
Capital Assets:		
Land Purchase and Improvements		750,288
Infrastructure, Net		2,772,769
Buildings, Net		10,412,267
Improvements other than Buildings, Net		303,010
Furniture and Equipment, Net		3,429,515
Right-to-Use Lease Assets		80,610
SBITA Assets		641,483
Construction in Progress		8,375,977
Total Assets		52,202,113
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge for Refunding		79,057
Deferred Outflow Related to Pension Plan		1,464,979
Deferred Outflow Related to OPEB		50,021
Total Deferred Outflows of Resources		1,594,057
LIABILITIES		
Accounts Payable		2,120,502
Wages and Salaries Payable		543,977
Due to Others		5,700
Accrued Interest Payable		8,300
Unearned Revenues		11,008
Noncurrent Liabilities:		
Due Within One Year:		
Due Within One Year		1,448,962
Due in More Than One Year:		
Bonds, Leases, SBITA, etc. - Noncurrent		1,690,609
Net Pension Liability		10,450,218
Net OPEB Liability		510,543
Total Liabilities		16,789,819
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow Related to Pension Plan		471,224
Deferred Inflow Related to OPEB		162,717
Total Deferred Inflows of Resources		633,941
NET POSITION		
Net Investment in Capital Assets and Lease Assets		24,340,974
Restricted:		
Restricted for Special Revenue		5,515,825
Restricted for Debt Service		32,030
Unrestricted		6,483,581
Total Net Position	\$	36,372,410

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, 2025

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
County Judge	\$ 262,445	\$ -	\$ -
Commissioners	207,193	-	-
County Clerk	543,064	-	-
District Clerk	572,028	-	-
Veterans Service Officer	70,697	-	-
Non-Departmental	2,889,633	2,303,157	5,935
County Court	9,568	-	23,583
District Court	504,309	-	-
Justice of the Peace	836,227	-	-
County Attorney	541,629	-	50,162
County Auditor	597,082	-	-
County Treasurer	202,636	-	-
Elections	143,958	-	-
Tax Office	696,703	-	-
Information Technology	420,906	-	-
Custodial	253,103	-	-
Jail/Justice Custodial	103,500	54,264	-
Public Information Office	94,376	-	-
Wastewater Facility	97,802	72,955	-
Animal Control	243,837	-	-
1877 Courthouse-1881 Jail	6,281	-	-
Constable	323,375	-	-
Sheriff	4,052,559	810	307,616
Jail	2,491,504	-	-
Dispatch	987,070	-	-
Fire Marshal	119,194	-	-
Juvenile Probation	377,895	-	687,375
Garbage Stations	324,429	310,359	-
Engineer/Permits	378,449	-	-
Road & Bridge	2,575,236	683,675	-
Indigent Health Care	83,872	-	-
Emergency Management & Emergency Medical Services	3,727,677	1,125,529	67,053
Mansfield Park	192,528	827	-
Agrilife Extension	237,663	-	-
Game Wardens & Highway Patrol	21,377	-	-
Specific Purpose Expenditures	2,072,829	-	477,037
Interest on Debt	60,148	-	-
Other Debt Service	500	-	-
TOTAL PRIMARY GOVERNMENT	\$ 27,323,282	\$ 4,551,576	\$ 1,618,761

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes
Property Taxes, Levied for Debt Service
General Sales and Use Taxes
Other Taxes
Penalty and Interest on Taxes
Grants and Contributions
Miscellaneous Revenue
Investment Earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

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

		Net (Expense) Revenue and	
		Changes in Net Position	
		Primary	Government
Capital	Grants and Contributions	Governmental	
\$	-	\$	(262,445)
	-		(207,193)
	-		(543,064)
	-		(572,028)
	-		(70,697)
	-		(580,541)
	-		14,015
	-		(504,309)
	-		(836,227)
	-		(491,467)
	-		(597,082)
	-		(202,636)
	-		(143,958)
	-		(696,703)
	-		(420,906)
	-		(253,103)
	-		(49,236)
	-		(94,376)
	-		(24,847)
	-		(243,837)
	-		(6,281)
	-		(323,375)
	52,018		(3,692,115)
	-		(2,491,504)
	-		(987,070)
	-		(119,194)
	-		309,480
	-		(14,070)
	-		(378,449)
	-		(1,891,561)
	-		(83,872)
	-		(2,535,095)
	-		(191,701)
	-		(237,663)
	-		(21,377)
	104,720		(1,491,072)
	-		(60,148)
	-		(500)
\$	156,738		(20,996,207)

19,277,898
 730,500
 1,419,334
 377,032
 342,341
 2,136
 619,209
 1,343,407

 24,111,857

 3,115,650
 33,256,760

BANDERA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Program Revenues	
	Charges for Services	Operating Grants and Contributions
Expenses		
Net Position - Ending		

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

	Net (Expense) Revenue and Changes in Net Position
	<u>Primary Government</u>
Capital Grants and Contributions	Governmental
	-
	<u>\$ 36,372,410</u>

BANDERA COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Major Fund- EMS Fund	Major Fund- Road & Bridge Fund
ASSETS			
Cash and Cash Equivalents	\$ 15,921,421	\$ 2,109,221	\$ 2,146,598
Investments - Current	471,918	-	-
Taxes Receivable	1,418,468	163,148	188,249
Allowance for Uncollectible Taxes (credit)	(384,052)	(44,172)	(72,957)
Accounts Receivable, Net	304,455	26,887	26,993
Prepaid Items	4,608	99	54
Total Assets	<u>\$ 17,736,818</u>	<u>\$ 2,255,183</u>	<u>\$ 2,288,937</u>
LIABILITIES			
Accounts Payable	\$ 1,769,321	\$ 50,148	\$ 245,735
Wages and Salaries Payable	370,721	93,501	49,897
Due to Others	2,340	-	-
Unearned Revenues	3,950	-	-
Total Liabilities	<u>2,146,332</u>	<u>143,649</u>	<u>295,632</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	942,167	108,366	106,025
Total Deferred Inflows of Resources	<u>942,167</u>	<u>108,366</u>	<u>106,025</u>
FUND BALANCES			
Prepaid Items	4,608	99	54
Retirement of Long-Term Debt	-	-	-
Other Restricted Fund Balance	-	2,003,069	1,887,226
Other Committed Fund Balance	-	-	-
Other Assigned Fund Balance	-	-	-
Unassigned Fund Balance	14,643,711	-	-
Total Fund Balances	<u>14,648,319</u>	<u>2,003,168</u>	<u>1,887,280</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 17,736,818</u>	<u>\$ 2,255,183</u>	<u>\$ 2,288,937</u>

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

Major Fund- Local Fiscal Recovery Fund	Other Funds	Total Governmental Funds
\$ -	\$ 2,459,479	\$ 22,636,719
-	27,206	499,124
-	140,378	1,910,243
-	(39,332)	(540,513)
-	1,393	359,728
-	1,168	5,929
<u>\$ -</u>	<u>\$ 2,590,292</u>	<u>\$ 24,871,230</u>
\$ -	\$ 55,298	\$ 2,120,502
-	29,858	543,977
-	3,360	5,700
-	7,058	11,008
<u>-</u>	<u>95,574</u>	<u>2,681,187</u>
-	85,718	1,242,276
<u>-</u>	<u>85,718</u>	<u>1,242,276</u>
-	1,168	5,929
-	32,030	32,030
-	1,625,530	5,515,825
-	691,127	691,127
-	59,145	59,145
-	-	14,643,711
<u>-</u>	<u>2,409,000</u>	<u>20,947,767</u>
<u>\$ -</u>	<u>\$ 2,590,292</u>	<u>\$ 24,871,230</u>

BANDERA COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds	\$	20,947,767
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.		17,299,030
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 2025 capital outlays and debt principal payments is to increase net position.		9,554,551
The County is required under GASB Statement No. 68 to report their net pension liability in the Government Wide Statement of Net Position. The items reported as a result of this implementation included a net pension liability of \$10,450,218, a deferred resource outflow of \$1,464,979 and a deferred resource inflow of \$471,224. The net effect of these is to decrease net position by \$9,456,463.		(9,456,463)
The County is required under GASB Statement No. 75 to report their OPEB benefit through TCDRS. The requirement resulted in an OPEB liability of \$510,543, a deferred resource outflow of \$50,021 and a deferred resource inflow of \$162,717. The net effect of these is to decrease net position by \$623,239.		(623,239)
The 2025 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(2,220,934)
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.		871,698
Net Position of Governmental Activities	\$	36,372,410

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, 2025

	General Fund	Major Fund- EMS Fund	Major Fund- Road & Bridge Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 15,334,482	\$ 1,722,725	\$ 1,402,738
General Sales and Use Taxes	1,419,334	-	-
Other Taxes	-	-	-
Licenses and Permits	193,274	-	683,675
Intergovernmental Revenue and Grants	490,042	16,325	-
Charges for Services	1,125,529	1,749,225	756
Fines	275,529	-	-
Forfeits	-	-	-
Investment Earnings	921,069	104,281	155,532
Rents and Royalties	-	-	-
Contributions & Donations from Private Sources	15	-	-
Other Revenue	293,204	34,190	25,522
Total Revenues	20,052,478	3,626,746	2,268,223
EXPENDITURES:			
County Judge	253,155	-	-
Commissioners	199,705	-	-
County Clerk	526,510	-	-
District Clerk	542,258	-	-
Veterans Service Officer	65,494	-	-
Non-Departmental	8,002,823	-	-
County Court	8,939	-	-
District Court	479,458	-	-
Justice of the Peace	806,076	-	-
County Attorney	518,593	-	-
County Auditor	573,809	-	-
County Treasurer	195,964	-	-
Elections	135,930	-	-
Tax Office	676,967	-	-
Information Technology	406,636	-	-
Custodial	240,718	-	-
Jail/Justice Custodial	99,345	-	-
Public Information Office	90,157	-	-
Wastewater Facility	93,187	-	-
Animal Control	231,094	-	-
1877 Courthouse-1881 Jail	5,969	-	-
Constable	424,582	-	-
Sheriff	4,174,121	-	-
Jail	2,499,979	-	-
Dispatch	948,933	-	-
Fire Marshal	111,118	-	-
Juvenile Probation	1,020	-	-
Garbage Stations	-	-	-
Engineer/Permits	406,698	-	-
Road & Bridge	-	-	3,881,765
Indigent Health Care	-	-	-
Emergency Management & Emergency Medical Services	222,273	3,448,077	-
Mansfield Park	-	-	-
Agrilife Extension	226,426	-	-
Game Wardens & Highway Patrol	20,628	-	-
Specific Purpose Expenditures	-	-	-
Debt Service:			
Principal on Debt	-	-	-
Interest on Debt	-	-	-
Other Debt Service	-	-	-
Total Expenditures	23,188,565	3,448,077	3,881,765
Excess (Deficiency) of Revenues Over (Under)	(3,136,087)	178,669	(1,613,542)
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	37,372	9,831	7,204
Transfers In	303,957	-	-
Transfers Out	-	-	-

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

Major Fund- Local Fiscal Recovery Fund	Other Funds	Total Governmental Funds
\$ -	\$ 1,315,052	\$ 19,774,997
-	-	1,419,334
-	377,032	377,032
-	5,876	882,825
578,257	690,875	1,775,499
-	516,378	3,391,888
-	525	276,054
-	810	810
-	162,525	1,343,407
-	35,173	35,173
-	2,121	2,136
-	331,085	684,001
578,257	3,437,452	29,963,156
-	-	253,155
-	-	199,705
-	-	526,510
-	-	542,258
-	-	65,494
-	-	8,002,823
-	-	8,939
-	-	479,458
-	-	806,076
-	-	518,593
-	-	573,809
-	-	195,964
-	-	135,930
-	-	676,967
-	-	406,636
-	-	240,718
-	-	99,345
-	-	90,157
-	-	93,187
-	-	231,094
-	-	5,969
-	-	424,582
-	-	4,174,121
-	-	2,499,979
-	-	948,933
-	-	111,118
-	381,389	382,409
-	309,261	309,261
-	-	406,698
-	-	3,881,765
-	81,204	81,204
-	-	3,670,350
-	184,624	184,624
-	-	226,426
-	-	20,628
578,257	1,504,965	2,083,222
-	735,000	735,000
-	92,125	92,125
-	500	500
578,257	3,289,068	34,385,732
-	148,384	(4,422,576)
-	7,609	62,016
-	-	303,957
-	(303,957)	(303,957)

BANDERA COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Major Fund- EMS Fund	Major Fund- Road & Bridge Fund
Total Other Financing Sources (Uses)	341,329	9,831	7,204
Net Change in Fund Balances	(2,794,758)	188,500	(1,606,338)
Fund Balance - October 1 (Beginning)	17,443,077	1,814,668	3,493,618
Fund Balance - September 30 (Ending)	\$ 14,648,319	\$ 2,003,168	\$ 1,887,280

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

Major Fund- Local Fiscal Recovery Fund	Other Funds	Total Governmental Funds
-	(296,348)	62,016
-	(147,964)	(4,360,560)
-	2,556,964	25,308,327
<u>\$ -</u>	<u>\$ 2,409,000</u>	<u>\$ 20,947,767</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, 2025

Total Net Change in Fund Balances - Governmental Funds	\$ (4,360,560)
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 2025 capital outlays and debt principal payments is to increase the change in net position.	9,554,551
The entries required by GASB Statement No. 68 did require that some expenses on Exhibit B-1 be adjusted. The net effect on the change in net position on Exhibit B-1 is an increase in net position.	272,823
The entries required by GASB Statement No. 75 did require that some expenses on Exhibit B-1 be adjusted. The net effect on the change in net position on Exhibit B-1 is a decrease in net position.	(18,971)
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.	(2,220,934)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.	(111,259)
Change in Net Position of Governmental Activities	\$ 3,115,650

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, 2025

EXHIBIT E-1

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 179,329	\$ 3,050,767
Investments - Current	-	31,065
Accounts Receivable, Net	121	-
Total Assets	179,450	3,081,832
LIABILITIES		
Accounts Payable	7,589	38,153
Total Liabilities	7,589	38,153
NET POSITION		
Restricted for Other Purposes	171,861	3,043,679
Total Net Position	\$ 171,861	\$ 3,043,679

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, 2025

EXHIBIT E-2

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Licenses and Permits	\$ -	\$ 4,691
Charges for Services	430	58,766,903
Investment Earnings	469	-
Contributions & Donations from Private Sources	2,751	1,171
Total Additions	<u>3,650</u>	<u>58,772,765</u>
DEDUCTIONS:		
Other Operating Costs	2,637	56,910,467
Total Deductions	<u>2,637</u>	<u>56,910,467</u>
Net Change in Fiduciary Net Position	1,013	1,862,298
Total Net Position - October 1 (Beginning)	<u>170,848</u>	<u>1,181,381</u>
Total Net Position - September 30 (Ending)	<u>\$ 171,861</u>	<u>\$ 3,043,679</u>

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

COUNTY OF BANDERA, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 three private purpose trust funds.

Major and Nonmajor Funds

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

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

Road and Bridge maintenance activity.

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

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

1. C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

1. D. ASSETS, LIABILITIES AND EQUITY

Cash and Cash Investments

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

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

Receivables and Payables

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

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

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

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure, are reported in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Infrastructure assets include County owned roads, bridges, signs, and improvements to land. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

Compensated Absences

Full time employees who work 30 hours per week average may be granted vacation benefits in varying amounts to specified maximums depending on tenure with the County. Accumulated vacation time may be taken in pay upon termination or retirement up to a maximum of twenty (20) days. Non-exempt full time employees who work over 40 hours per week may choose to accrue comp time in lieu of overtime payments. Accumulated comp time may be taken in pay upon termination or retirement up to a maximum of thirty (30) days. Sick leave accrues to full time employees to specified maximums; however employees will not be paid for unused sick leave at termination of employment. The liability for accrued compensated absences is not accrued in governmental funds using the modified accrual basis of accounting, but is reflected in the Government-Wide Statement of Net Position.

Long-term Obligations

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

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

Fund Equity

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

- Non-spendable fund balance – amounts that are in non-spendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e. County Commissioners). To be reported as committed,

amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.

- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the County Commissioners or by an official or body to which the County Commissioners delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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

Net Position

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

Pensions

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

Other Post-Employment Benefits

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

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

Deferred Inflows of Resources and Deferred Outflows of Resources

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

Revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Revenues not expected to be available for the current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria has been satisfied.

GASB Statement No. 87

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

GASB Statement No. 96

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

1. E. REVENUES, EXPENDITURES AND EXPENSES

Property Taxes

The County contracted with the County of Bandera Appraisal District for the appraisal of taxes. Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2024 tax roll, the total assessed valuation was \$4,299,024,035 and the taxes assessed amounted to \$19,845,020. The total tax rate was \$0.5195 per \$100 valuation and allocated \$0.4955 for Maintenance and Operations and \$0.0240 to the Debt Service Fund. In addition, for the 2024 tax roll, the total assessed valuation for Bandera County Roads was \$4,298,848,996 and the taxes assessed amount to \$1,532,846. The maximum tax levy allowed by State law for the above purposes is \$0.80 per \$100

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, 2025, the carrying amount of the County's deposits was \$3,148,596 and the bank balance was \$3,999,804. The County's cash deposits held at Texas Partners Bank at September 30, 2025 and during the year ended September 30, 2025 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:

Name	Carrying Amount	Fair Value	Maturity Date	FDIC Coverage	Pledged Securities
<u>Bandera Bank -</u>					
Certificate of Deposit	\$ 236,053	\$ 236,053	6/8/2026	\$ 236,053	\$ -
<u>Texas Partners Bank-</u>					
Certificate of Deposit	235,866	235,866	9/26/2026	235,866	-
Certificate of Deposit- Custodial	31,065	31,065	4/4/2026	14,134	16,931
<u>Liquid Asset Portfolio -</u>					
Logic	22,745,430	22,745,430	N/A	*	*
Total Governmental Activities	\$ 23,248,414	\$ 23,248,414			

*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, 2025, Logic had a weighted average maturity of 54 days and a net asset value of \$1.000264. 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, 2025, was covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

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

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, Logic Investment Pool invests only in investments authorized under the Public Funds Investment Act. Logic's portfolio has low marker (credit) risk due to restrictions on weighted average maturity and maximum maturity of any one investment. At September 30, 2025, 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	EMS Fund	Road & Bridge Fund	Other Governmental Funds	TOTAL
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Receivables:					
Property Taxes	\$ 1,418,468	\$ 163,148	\$ 188,249	\$ 140,378	\$ 1,910,243
Other Receivables	<u>304,455</u>	<u>26,887</u>	<u>26,993</u>	<u>1,393</u>	<u>359,728</u>
Gross Receivables	\$ 1,722,923	\$ 190,035	\$ 215,242	\$ 141,771	\$ 2,269,971
Less: Allowance for Uncollectibles	<u>384,052</u>	<u>44,172</u>	<u>72,957</u>	<u>39,332</u>	<u>540,513</u>
Net Total Receivables	<u>\$ 1,338,871</u>	<u>\$ 145,863</u>	<u>\$ 142,285</u>	<u>\$ 102,439</u>	<u>\$ 1,729,458</u>

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

General Fund -	
Unavailable Revenue – Property Taxes	\$ 942,167
Ueared Revenue	3,950
EMS Fund -	
Unavailable Revenue – Property Taxes	108,366
Road & Bridge Fund -	
Unavailable Revenue – Property Taxes	106,025
Other Governmental Funds -	
Unavailable Revenue – Property Taxes	85,718
Unearned Revenue	<u>7,058</u>
	<u>\$ 1,253,284</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 and fees receivable to be \$11,299,277 which represents amounts owed and outstanding. Based on historical collection rates for the various courts, the County has booked an allowance for uncollectible accounts of \$10,734,314, resulting in a net receivable of \$564,964.

3. D. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

Primary Government

	Balance 10/1/2024	Increase	Decrease	Balance 9/30/2025
<i>Governmental Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 750,288	\$ -	\$ -	\$ 750,288
Construction in Progress	2,561,963	6,132,539	(318,525)	8,375,977
Total Assets Not Being Depreciated	<u>\$ 3,312,251</u>	<u>\$ 6,132,539</u>	<u>\$ (318,525)</u>	<u>\$ 9,126,265</u>
Capital Assets, Being Depreciated:				
Infrastructure	\$ 5,983,785	\$ 1,037,111	\$ -	\$ 7,020,896
Buildings	17,167,388	342,041	(150,672)	17,358,757
Improvements	1,432,738	-	(12,602)	1,420,136
Equipment and Machinery	11,898,947	1,180,905	(650,459)	12,429,393
Total Assets Being Depreciated	<u>\$ 36,482,858</u>	<u>\$ 2,560,057</u>	<u>\$ (813,733)</u>	<u>\$ 38,229,182</u>
Less Accumulated Depreciation:				
Infrastructure	\$ (3,849,607)	\$ (398,520)	\$ -	\$ (4,248,127)
Buildings	(6,572,917)	(441,794)	68,221	(6,946,490)
Improvements	(1,111,027)	(49,487)	43,388	(1,117,126)
Equipment and Machinery	(8,526,990)	(865,435)	392,547	(8,999,878)
Total Accumulated Depreciation	<u>\$ (20,060,541)</u>	<u>\$ (1,755,236)</u>	<u>\$ 504,156</u>	<u>\$ (21,311,621)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 19,734,568</u>	<u>\$ 6,937,360</u>	<u>\$ (628,102)</u>	<u>\$ 26,043,826</u>
Right-to-Use Assets being Amortized				
Leases*	\$ 257,829	\$ -	\$ (78,200)	\$ 179,629
SBITA*	1,458,141	-	(30,232)	1,427,909
Total Right-to-Use Assets	<u>\$ 1,715,970</u>	<u>\$ -</u>	<u>\$ (108,432)</u>	<u>\$ 1,607,538</u>
Less Accumulated Amortization:				
Leases*	\$ (132,245)	\$ (44,974)	\$ 78,200	\$ (99,019)
SBITA*	(395,934)	(420,724)	30,232	(786,426)
Total Accumulated Amortization	<u>\$ (528,179)</u>	<u>\$ (465,698)</u>	<u>\$ 108,432</u>	<u>\$ (885,445)</u>
Total Right-to-Use Assets Being Amortized, Net	<u>\$ 1,187,791</u>	<u>\$ (465,698)</u>	<u>\$ -</u>	<u>\$ 722,093</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,922,359</u>	<u>\$ 6,471,662</u>	<u>\$ (628,102)</u>	<u>\$ 26,765,919</u>

*Beginning balances reflect re-evaluated lease and SBITA assets and accumulated amortization calculations.

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

Governmental Activities:

County Judge	\$ 13,241	Wastewater Facility	\$ 4,874
Commissioners	10,446	Animal Control	12,087
County Clerk	27,539	1877 Courthouse- 1881 Jail	312
District Clerk	28,363	Constable	22,208
Veterans Service Officer	3,426	Sheriff	218,330
Non-Departmental	418,592	Jail	130,782
County Court	468	Dispatch	49,634
District Court	25,078	Fire Marshal	5,812
Justice of the Peace	42,163	Juvenile Probation	20,002
County Attorney	27,125	Garbage Stations	16,176
County Auditor	30,013	Engineer/Permits	21,273
County Treasurer	10,250	Road & Bridge	203,038
Elections	7,110	Indigent Health Care	4,247
Tax Office	35,409	Emergency Management & Emergency Medical Services	191,922
Information Technology	21,269	Mansfield Park	9,657
Custodial	12,591	Agrilife Extension	11,843
Jail/Justice Custodial	5,196	Game Wardens & Highway Patrol	1,079
Public Information Office	4,716	Specifically Designated Expenditures	108,965
Governmental Activities	\$ <u>1,755,236</u>		

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

Governmental Activities:

County Judge	\$ 1,258	Information Technology	\$ 30,633
County Clerk	3,411	Public Information Office	280
District Clerk	2,472	Animal Control	280
Veterans Service Officer	280	Sheriff	3,339
Non-Departmental	123,625	Jail	2,098
County Court	1,538	Dispatch	1,834
District Court	1,258	Fire Marshal	630
Justice of the Peace	6,117	Engineer/Permits	630
County Attorney	1,258	Agrilife Extension	1,258
County Auditor	10,777	Emergency Management & Emergency Medical Services	1,818
County Treasurer	1,661	Road & Bridge	1,258
Elections	1,019	Juvenile Probation	1,258
Tax Office	3,481	Specifically Allocated Expenditures	262,227
Governmental Activities	\$ <u>465,698</u>		

3. E. LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions of the County for the year ended September 30, 2025.

	Balance 10/1/2024	Issued	Retired	Balance 9/30/2025	Due Within One Year
Texas General					
Obligation Refunding Bonds-					
Series 2015	\$ 2,395,000		735,000	\$ 1,660,000	\$ 765,000
Premium on Bonds	220,455		55,114	165,341	
SUBTOTAL	\$ 2,615,455	\$ -	\$ 790,114	\$ 1,825,341	\$ 765,000
Right-to-Use Lease Liability*	\$ 131,600		46,480	\$ 85,120	\$ 35,908
SBITA Liability*	963,780		370,239	593,541	374,759
Net Pension Liability	11,088,974		638,756	10,450,218	
OPEB Liability	561,593		51,050	510,543	
Compensated Absences	503,222	132,347		635,569	273,295
TOTAL	\$ 15,864,624	\$ 132,347	\$ 1,896,639	\$ 14,100,332	\$ 1,448,962

*Beginning balances reflect re-evaluated lease and SBITA liability calculations.

The general obligation refunding bonds issued for governmental activity purposes is liquidated by the interest and sinking fund. The right to use lease liabilities and SBITA liabilities are liquidated by the general and special revenue funds.

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 9/30/25
Bandera County General Obligation Bonds:		
Series 2007	\$ 5,790,000	\$ 2,010,000
Series 2008	1,140,000	640,000
TOTAL AMOUNT REFUNDED	\$ 6,930,000	\$ 2,650,000

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

Year Ending September 30,	Principal	Interest	Annual Requirements
2026	765,000	66,400	831,400
2027	795,000	35,800	830,800
2028	100,000	4,000	104,000
TOTAL	\$ 1,660,000	\$ 106,200	\$ 1,766,200

Lease Liabilities

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 \$29,126. As of September 30, 2025, the value of the lease liability is \$4,220. The County is required to make monthly fixed payments of \$793. The lease has an interest rate of 0.7120%. The value of the right to use asset as of September 30, 2025 was \$29,126 with accumulated amortization of \$24,965.

On October 28, 2022, the County entered into a 60-month lease as lessee for the use of 17 Ricoh copiers. An initial lease liability was recorded in the amount of \$91,221. As of September 30, 2025, the value of the lease liability is \$40,707. The County is required to make monthly payments of \$2,715. The lease has an interest rate of 6.64%. The value of the right to use asset as of September 30, 2025 was \$91,221 with accumulated amortization of \$53,364.

On May 23, 2023, the County entered into a 60-month lease as lessee for the use of Xerox copiers in the County Clerk and Treasurer offices. An initial lease liability was recorded in the amount of \$8,140. The lease was re-evaluated during fiscal year 2025. The value of the leased asset increased \$2,342 and the accumulated amortization increased by \$167. The value of the leased asset increased. As of September 30, 2025 the value of the lease liability is \$5,651. The County is required to make monthly fixed payments of \$140. The lease has an interest rate of 0.7120%. The value of the right to use asset as of September 30, 2025 was \$10,482 with accumulated amortization of \$4,938.

On February 20, 2024, the County entered into a 60-month lease as lessee for the use of multiple copiers and printers with UBEO. An initial lease liability was recorded in the amount of \$30,437. The lease agreement was re-evaluated during fiscal year 2025. The value of the leased asset increased by \$16,108 and the accumulated amortization was increased by \$2,255. The value of the lease liability increased by \$16,611. As of September 30, 2025, the value of the lease liability is \$34,542. The County is required to make monthly fixed payments of \$820. The lease has an interest rate of 2.3120%. The value of the right to use asset as of September 30, 2025 was \$48,800 with accumulated amortization of \$15,752.

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>
2026	35,908	2,838	38,746
2027	33,273	1,242	34,515
2028	11,579	233	11,812
2029	4,360	25	4,385
TOTAL	<u>\$ 85,120</u>	<u>\$ 4,338</u>	<u>\$ 89,458</u>

Subscription-Based Information Technology Arrangements

On October 1, 2022, the County entered into a 36-month subscription for the use of DebtBook for debt management software. An initial subscription liability was recorded in the amount of \$19,699. As of September 30, 2025, the value of the subscription liability was \$0. The County was required to make annual fixed payments of \$5,500. The subscription had an interest rate of 2.5033%. The value of the subscription asset as of September 30, 2025 was \$19,699 with accumulated amortization of \$15,394.

On October 1, 2022, the County entered had a 62-month subscription for the use of Office 365 email archiving. An initial subscription liability was recorded in the amount of \$140,803. As of September 30, 2025, the value of the subscription liability was \$61,230. The County was required to make monthly fixed payments of \$2,422. The subscription has an interest rate of 2.5033%. The value of the subscription asset as of September 30, 2025 was \$140,803 with accumulated amortization of \$80,844.

On November 1, 2023, the County entered into a 36-month subscription for the use of justice system software from Tyler Technologies. An initial subscription liability was recorded in the amount of \$590,717. As of September 30, 2025, the value of the subscription liability was \$206,742. The County is required to make varying annual payment amounts. The subscription has an interest rate of 3.7643%. The value of the subscription asset as of September 30, 2025 was \$590,717 with accumulated amortization of \$377,403.

On November 1, 2023, the County entered into a 36-month subscription for the use of financial management software. An initial subscription liability was recorded in the amount of \$128,794. As of September 30, 2025, the value of the subscription liability was \$42,912. The County is required to make annual fixed payments of \$44,527. The subscription has an interest rate of 3.7643%. The value of the subscription asset as of September 30, 2025 was \$209,333 with accumulated amortization of \$133,740.

On November 1, 2023, the County entered into a 36-month subscription for the use of content management software with Tyler Technologies. An initial subscription liability was recorded in the amount of \$44,335. As of September 30, 2025, the value of the subscription liability was \$14,872. The County is required to make annual payments of \$15,432. The subscription has an interest rate of 3.7643%. The value of the subscription asset as of September 30, 2025 was \$44,335 with accumulated amortization of \$27,545.

On November 9, 2023, the County entered into a 60-month subscription for the use of Tyler Technologies Public Safety module. An initial subscription liability was recorded in the amount of \$318,379. As of September 30, 2025, the value of the subscription liability was \$191,551. The County is required to make annual fixed payments of \$68,717. The subscription has an interest rate of 3.7643%. The value of the subscription asset as of September 30, 2025 was \$318,379 with accumulated amortization of \$120,630.

On April 10, 2024, the County entered into a 60-month subscription for the use of Land Records Management Software. An initial subscription liability was recorded in the amount of \$104,643. As of September 30, 2025, the value of the subscription liability was \$76,234. The County is required to make monthly fixed payments of \$1,926. The subscription has an interest rate of 3.3467%. The value of the subscription asset as of September 30, 2025 was \$104,643 with accumulated amortization of \$30,870.

Remaining obligations associated with SBITAs are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2026	374,759	20,616	395,375
2027	113,963	6,928	120,891
2028	93,375	3,298	96,673
2029	11,444	112	11,556
TOTAL	<u>\$ 593,541</u>	<u>\$ 30,954</u>	<u>\$ 624,495</u>

3. F. COMMITMENTS AND CONTINGENCIES

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

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

In April of 2024, the County entered into a construction contract with Tegrity Contractors, Inc for a total of \$7,347,777. The remaining balance, including retainage, on September 30, 2025 was \$1,383,895.

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 2024 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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	136
Inactive employees entitled to but not yet receiving benefits	173
Active employees	<u>229</u>
	538

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 2024 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, 2025 were \$1,711,934, and exceed the required contributions.

Net Pension Liability

The County’s Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percent of pay) (1)
Amortization Method	
Recognition of Economic/Demographic 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 1.7% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost of Living Adjustments	Cost-of-Living Adjustments for Bandera County are considered to be substantively automatic under GASB 68. Therefore, an annual 2.5% cost-of-living adjustment is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scaled after 2010.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)option	The termination rate is 0% for the two years immediately prior to retirement eligibility. Rates are reduced at ages near retirement as it is anticipated that a member would be less likely to take a withdrawal if the partial lump-sum payment option was available.

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2025 information for a 10- year time horizon.

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

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (Net) Index	4.00%	5.15%
International Equities – Developed Markets	MSCI World Ex USA (Net) Index	6.00%	4.75%
International Equities – Emerging Markets	MSCI Emerging Markets (Net) Index	0.00%	4.75%
Investment – Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.80%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (Net) Index	2.00%	3.95%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	4.95%
Commodities	Bloomberg Commodities Index	2.00%	1.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	8.15%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U.S. Treasury	2.00%	1.10%

⁽¹⁾ Target asset allocation adopted at the March 2025 TCERS Board meeting

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.35%, per Cliffwater's 2025 capital market assumptions.

⁽³⁾ Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes 7.50%, increased by .10% to be gross of administrative expenses. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pensions plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Increase/(Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/ (Asset)
	(a)	(b)	(a)-(b)
Balances as of December 31, 2023	\$ 55,325,039	\$ 44,236,065	\$ 11,088,974
Changes for the Year:			
Service Cost	1,775,944		1,775,944
Interest on Total Pension Liability ⁽¹⁾	4,273,815		4,273,815
Effect of Plan Changes ⁽²⁾	86,387		86,387
Effects of Economic/Demographic- Gains or Losses	124,892		124,892
Effect of Assumptions Changes or Inputs	-		-
Refund of Contributions	(69,464)	(69,464)	-
Benefit Payments	(1,696,019)	(1,696,019)	-
Administrative Expenses		(26,875)	26,875
Member Contributions		840,432	(840,432)
Net Investment Income		4,521,682	(4,521,682)
Employer Contributions		1,518,780	(1,518,780)
Other ⁽³⁾		45,775	(45,775)
Balances as of December 31, 2024	\$ 59,820,594	\$ 49,370,376	\$ 10,450,218

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

⁽²⁾ Reflects that COLA adopted in 2025 was greater than the assumed substantively automatic COLA.

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

Sensitivity Analysis

The following presents the net pension liability of the County, 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 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$ 68,461,678	59,820,595	\$ 52,681,233
Fiduciary Net Position	49,370,377	49,370,377	49,370,377
Net Pension Liability/(Asset)	\$ 19,091,301	\$ 10,450,218	\$ 3,310,856

Pension Expense / (Income)

Prepaid Expense/(Income)	January 1, 2024 to December 31, 2024
Service Cost	\$ 1,775,944
Interest on Total Pension Liability ⁽¹⁾	4,273,815
Effect of Plan Changes	86,387
Administrative Expenses	26,875
Member Contributions	(840,432)
Expected Investment Return Net of Investment Expenses	(3,384,795)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	69,887
Recognition of Assumption Changes or Inputs	(43,202)
Recognition of Investment Gains or Losses	(479,631)
Other ⁽²⁾	(45,775)
Pension Expense/(Income)	\$ 1,439,072

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

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

As of September 30, 2025, 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	\$ 41,510	\$ 162,593
Changes of assumptions	-	-
Net difference between projected and actual earnings	429,714	-
Contributions made subsequent to measurement date	N/A	1,302,386

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	
2025	\$ (321,338)
2026	706,138
2027	(466,055)
2028	(227,376)
2029	-
Thereafter ⁽⁴⁾	-

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

Payables to the pension plan. None as of September 30, 2025.

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 TCERS 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 TCERS 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 TCERS 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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	58
Active employees	<u>229</u>
	390

Contributions

Employers in the TCERS 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 2024. 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	2024 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.20%	24,012	No change from prior year
Retiree GTL Benefit	0.10%	12,006	GASB 75

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2024 should be reflected as a deferred outflow. As previously noted, only contributions to the GTL program for retiree coverage should be included under GASB 75. Therefore, once the total GTL contributions made subsequent to the measurement date have been determined, this amount should be multiplied by the portion attributable to retiree coverage to determine the OPEB contributions made subsequent to the measurement date that should be reported under GASB 75. This proportion is 32.25806%, allocated as follows:

Coverage Type	2025 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.21%	67.74194%	No change from prior year
Retiree GTL Benefit	0.10%	32.25806%	GASB 75

The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County's contributions to TCDRS for the year ended September 30, 2025 were \$39,698, and were equal to the required contributions.

Total OPEB Liability

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2024 were based on the results of an actuarial study for the period January 1, 2017- December 31, 2020, except where required to be different by GASB 75.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Salary Increases	Note that salary increases do not affect benefits but are used in the allocation of costs under the actuarial cost method.
Investment Rate of Return (Discount Rate)	4.08% 20 Year Bond GO Index published by bondbuyer.com as of December 26, 2024.
Disability	Members who become disabled are eligible to commence benefit payments regardless of age.
Mortality	135% of Pub-2010 General Employees Amount-Weighted Mortality Tables for males and 120% General Employees Amount-Weighted Mortality Tables for

females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Retirement	For all eligible members ages 75 and later, retirement is assumed to occur immediately.
Other Termination of Employment	For non-depositing members who are not vested, 100% are assumed to elect a withdrawal. No termination after eligibility for retirement is assumed.

Discount Rate

The TCDRS GTL program is treated as an unfunded OPEB plan because the GTL trust covers both active and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on a 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.72% based on the 20 Year Bond Go Index published by bondbuyer.com is used as of the measurement date of December 31, 2022.

Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2023	\$ 561,593
Changes for the year:	
Service Cost	22,687
Interest on total OPEB liability ⁽¹⁾	18,853
Changes of benefit terms ⁽²⁾	-
Effect of economic/demographic experience	(6,777)
Effect of assumptions changes or inputs ⁽³⁾	(73,807)
Benefit payments	(12,006)
Other	-
Balance as of December 31, 2024	\$ <u>510,543</u>

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

⁽²⁾ No plan changes are valued.

⁽³⁾ Reflects change in discount rate.

Sensitivity Analysis

The following presents the Total OPEB liability of the employer, calculated using the discount rate of 4.08 %, 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 (3.08%) or 1 percentage point higher (5.08%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease	Current Discount Rate	1% Increase
	3.08 %	4.08 %	5.08 %
Total OPEB Liability	\$602,687	\$ 510,543	\$438,240

OPEB Expense/ (Income)

	January 1, 2024 to December 31, 2024
Service Cost	\$ 22,687
Interest on total OPEB liability ⁽¹⁾	18,853
Effect of plan changes	-
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(6,508)
Recognition of assumption changes or inputs	(2,829)
Other	-
OPEB expense/(income)	\$ 32,203

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

As of September 30, 2025, 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	\$ 17,527	\$ 906
Changes of assumptions	145,190	39,120
Contributions made subsequent to measurement date	N/A	9,995

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

Year ended December 31		
2025	\$	(27,026)
2026		(39,770)
2027		(39,775)
2028		(16,120)
2029		-
Thereafter ⁽³⁾		-

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

Payables to the OPEB plan. None as of September 30, 2025.

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) through Corebridge Financial. 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, 2025, the participants had balances of \$1,160,159 in Nationwide and \$1,221,885 in VALIC.

3.L. INTERFUND TRANSFERS

The composition of interfund balances as of September 30, 2025 is as follows:

Interfund Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 303,957	\$ -
Nonmajor Governmental Funds	-	303,957
TOTAL	<u>\$ 303,957</u>	<u>\$ 303,957</u>

3.M. SUBSEQUENT EVENTS

The County has evaluated subsequent events through April 7, 2026, the date which the financial statements were available to be issued. The County is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BANDERA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 16,243,250	\$ 16,243,250	\$ 15,334,482	\$ (908,768)
General Sales and Use Taxes	1,255,000	1,255,000	1,419,334	164,334
Licenses and Permits	148,560	148,560	193,274	44,714
Intergovernmental Revenue and Grants	40,600	614,523	490,042	(124,481)
Charges for Services	1,002,420	1,002,420	1,125,529	123,109
Fines	224,820	224,820	275,529	50,709
Investment Earnings	600,000	718,950	921,069	202,119
Contributions & Donations from Private Sources	-	-	15	15
Other Revenue	134,600	184,526	293,204	108,678
Total Revenues	19,649,250	20,392,049	20,052,478	(339,571)
EXPENDITURES:				
County Judge	307,638	301,833	253,155	48,678
Commissioners	243,106	227,806	199,705	28,101
County Clerk	533,683	533,683	526,510	7,173
District Clerk	581,474	580,474	542,258	38,216
Veterans Service Officer	78,211	72,547	65,494	7,053
Non-Departmental	10,848,723	11,094,044	8,002,823	3,091,221
County Court	32,790	32,790	8,939	23,851
District Court	532,162	532,162	479,458	52,704
Justice of the Peace	877,814	862,571	806,076	56,495
County Attorney	485,177	661,177	518,593	142,584
County Auditor	611,531	593,242	573,809	19,433
County Treasurer	205,956	205,956	195,964	9,992
Elections	177,049	177,049	135,930	41,119
Tax Office	746,990	746,990	676,967	70,023
Information Technology	388,160	439,526	406,636	32,890
Custodial	260,731	260,731	240,718	20,013
Jail/Justice Custodial	110,486	110,486	99,345	11,141
Public Information Office	90,428	91,128	90,157	971
Wastewater Facility	102,594	102,594	93,187	9,407
Animal Control	263,803	263,803	231,094	32,709
1877 Courthouse-1881 Jail	6,500	6,500	5,969	531
Constable	455,239	455,239	424,582	30,657
Sheriff	4,281,769	4,597,473	4,174,121	423,352
Jail	2,688,418	2,661,441	2,499,979	161,462
Dispatch	970,537	981,848	948,933	32,915
Fire Marshal	116,802	116,802	111,118	5,684
Juvenile Probation	1,020	1,020	1,020	-
Engineer/Permits	411,665	411,665	406,698	4,967
Emergency Management	217,053	241,428	222,273	19,155
Agrilife Extension	239,147	239,147	226,426	12,721
Game Wardens & Highway Patrol	39,133	39,133	20,628	18,505
Total Expenditures	26,905,789	27,642,288	23,188,565	4,453,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,256,539)	(7,250,239)	(3,136,087)	4,114,152
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	37,372	37,372
Transfers In	-	-	303,957	303,957
Total Other Financing Sources (Uses)	-	-	341,329	341,329
Net Change in Fund Balances	(7,256,539)	(7,250,239)	(2,794,758)	4,455,481
Fund Balance - October 1 (Beginning)	17,443,077	17,443,077	17,443,077	-
Fund Balance - September 30 (Ending)	\$ 10,186,538	\$ 10,192,838	\$ 14,648,319	\$ 4,455,481

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

BANDERA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EMERGENCY MEDICAL SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Property Taxes	\$ 1,867,974	\$ 1,867,974	\$ 1,722,725	\$ (145,249)
Intergovernmental Revenue and Grants	-	16,325	16,325	-
Charges for Services	1,277,000	1,327,039	1,749,225	422,186
Investment Earnings	50,000	65,000	104,281	39,281
Other Revenue	26,500	34,112	34,190	78
Total Revenues	<u>3,221,474</u>	<u>3,310,450</u>	<u>3,626,746</u>	<u>316,296</u>
EXPENDITURES:				
Emergency Medical Services	3,647,312	3,738,688	3,448,077	290,611
Total Expenditures	<u>3,647,312</u>	<u>3,738,688</u>	<u>3,448,077</u>	<u>290,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(425,838)</u>	<u>(428,238)</u>	<u>178,669</u>	<u>606,907</u>
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	9,831	9,831
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9,831</u>	<u>9,831</u>
Change in Fund Balance	(425,838)	(428,238)	188,500	616,738
Fund Balance - October 1 (Beginning)	<u>1,814,668</u>	<u>1,814,668</u>	<u>1,814,668</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,388,830</u>	<u>\$ 1,386,430</u>	<u>\$ 2,003,168</u>	<u>\$ 616,738</u>

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

BANDERA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD & BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Property Taxes	\$ 1,634,256	\$ 1,634,256	\$ 1,402,738	\$ (231,518)
Licenses and Permits	633,000	633,000	683,675	50,675
Charges for Services	850	850	756	(94)
Investment Earnings	130,000	130,000	155,532	25,532
Other Revenue	25,000	25,000	25,522	522
Total Revenues	2,423,106	2,423,106	2,268,223	(154,883)
EXPENDITURES:				
Road & Bridge	4,285,275	4,285,275	3,881,765	403,510
Total Expenditures	4,285,275	4,285,275	3,881,765	403,510
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,862,169)	(1,862,169)	(1,613,542)	248,627
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	7,204	7,204
Total Other Financing Sources (Uses)	-	-	7,204	7,204
Change in Fund Balance	(1,862,169)	(1,862,169)	(1,606,338)	255,831
Fund Balance - October 1 (Beginning)	3,493,618	3,493,618	3,493,618	-
Fund Balance - September 30 (Ending)	\$ 1,631,449	\$ 1,631,449	\$ 1,887,280	\$ 255,831

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

BANDERA COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - LOCAL FISCAL RECOVERY FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 578,257	\$ 578,257	\$ -
Total Revenues	-	578,257	578,257	-
EXPENDITURES:				
Specific Purpose Expenditures	509,386	578,257	578,257	-
Total Expenditures	509,386	578,257	578,257	-
Change in Fund Balance	(509,386)	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	\$ (509,386)	\$ -	\$ -	\$ -

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, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
A. Total Pension Liability			
Service Cost	\$ 1,775,944	\$ 1,571,433	\$ 1,388,034
Interest (on the Total Pension Liability)	4,273,815	3,963,535	3,295,405
Changes of Benefit Terms	86,387	82,715	5,878,654
Difference between Expected and Actual Experience	124,892	137,850	(166,043)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,765,483)	(1,985,307)	(1,598,309)
Net Change in Total Pension Liability	\$ 4,495,555	\$ 3,770,226	\$ 8,797,741
Total Pension Liability - Beginning	55,325,040	51,554,814	42,757,074
Total Pension Liability - Ending	\$ 59,820,595	\$ 55,325,040	\$ 51,554,815
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 1,518,780	\$ 1,284,312	\$ 1,164,171
Contributions - Employee	840,432	735,694	687,116
Net Investment Income	4,521,682	4,377,609	(2,484,453)
Benefit Payments, Including Refunds of Employee Contributions	(1,765,483)	(1,985,307)	(1,598,309)
Administrative Expense	(26,875)	(23,099)	(23,341)
Other	45,776	17,713	70,727
Net Change in Plan Fiduciary Net Position	\$ 5,134,312	\$ 4,406,922	\$ (2,184,089)
Plan Fiduciary Net Position - Beginning	44,236,065	39,829,144	42,013,232
Plan Fiduciary Net Position - Ending	\$ 49,370,377	\$ 44,236,066	\$ 39,829,143
C. Net Pension Liability	\$ 10,450,218	\$ 11,088,974	\$ 11,725,672
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.53%	79.96%	77.26%
E. Covered Payroll	\$ 12,006,164	\$ 10,509,914	\$ 9,815,942
F. Net Pension Liability as a Percentage of Covered Payroll	87.04%	105.51%	119.46%

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.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015
\$ 1,543,446	\$ 1,358,590	\$ 1,182,887	\$ 1,085,351	\$ 1,106,668	\$ 1,173,888	\$ 1,114,399
3,327,622	3,093,974	2,636,355	2,252,712	2,064,156	1,864,767	1,771,095
(3,676,814)	(244,693)	2,886,707	2,393,186	136,901	-	(579,646)
182,845	(171,009)	78,052	66,739	(122,651)	(210,760)	(757,891)
(172,811)	2,700,066	-	-	147,693	-	275,178
(1,351,774)	(1,316,335)	(1,304,095)	(1,019,823)	(948,746)	(848,128)	(842,230)
\$ (147,486)	\$ 5,420,593	\$ 5,479,906	\$ 4,778,165	\$ 2,384,021	\$ 1,979,767	\$ 980,905
42,904,560	37,483,967	32,004,061	27,225,896	24,841,875	22,862,108	21,881,203
\$ 42,757,074	\$ 42,904,560	\$ 37,483,967	\$ 32,004,061	\$ 27,225,896	\$ 24,841,875	\$ 22,862,108
\$ 1,031,137	\$ 1,010,698	\$ 900,555	\$ 844,658	\$ 764,343	\$ 756,593	\$ 743,611
674,556	654,476	622,299	590,088	564,390	562,368	550,098
7,536,508	3,164,635	4,290,636	(483,528)	3,296,122	1,522,595	(219,880)
(1,351,774)	(1,316,335)	(1,304,095)	(1,019,823)	(948,746)	(848,128)	(842,230)
(22,730)	(24,971)	(23,339)	(20,987)	(17,426)	(16,571)	(14,728)
19,426	11,066	11,756	15,004	4,928	6,237	48,413
\$ 7,887,123	\$ 3,499,569	\$ 4,497,812	\$ (74,588)	\$ 3,663,611	\$ 1,983,094	\$ 265,284
34,126,110	30,626,540	26,128,729	26,203,316	22,539,706	20,556,612	20,291,329
\$ 42,013,233	\$ 34,126,109	\$ 30,626,541	\$ 26,128,728	\$ 26,203,317	\$ 22,539,706	\$ 20,556,613
\$ 743,841	\$ 8,778,451	\$ 6,857,426	\$ 5,875,333	\$ 1,022,579	\$ 2,302,169	\$ 2,305,495
98.26%	79.54%	81.71%	81.64%	96.24%	90.73%	89.92%
\$ 9,538,725	\$ 9,349,655	\$ 8,889,985	\$ 8,429,833	\$ 8,062,707	\$ 8,033,828	\$ 7,858,536
7.80%	93.89%	77.14%	69.70%	12.68%	28.66%	29.34%

BANDERA COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2025

	2025	2024	2023
Actuarially Determined Contribution	\$ 1,433,536	\$ 1,212,844	\$ 1,153,373
Contributions in Relation to the Actuarially Determined Contributions	1,518,780	1,284,312	1,164,171
Contribution Deficiency (Excess)	\$ (85,244)	\$ (71,468)	\$ (10,798)
Covered Employee Payroll	\$ 12,006,164	\$ 10,509,914	\$ 9,815,942
Contributions as a Percentage of Covered Employee Payroll	12.70%	12.20%	11.90%

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.

	2022	2021	2020	2019	2018	2017	2016
\$	1,008,243	\$ 1,010,698	\$ 900,555	\$ 844,668	\$ 764,343	\$ 756,593	\$ 743,418
	1,031,137	1,010,698	900,555	844,668	764,343	756,593	743,611
\$	(22,894)	\$ -	\$ -	\$ -	\$ -	\$ -	(193)
\$	9,538,425	\$ 9,349,655	\$ 8,889,985	\$ 8,429,833	\$ 8,062,707	\$ 8,033,828	\$ 7,858,536
	10.80%	10.80%	10.10%	10.00%	9.50%	9.40%	9.50%

BANDERA COUNTY
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2025

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	9.2 years (based on contribution rate calculated in 12/31/2024 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> <p>2022: New investment return and inflation 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> <p>2022: Employer contributions reflect that a 1% flat COLA was adopted.</p> <p>2023: Employer contributions reflect that a 3% flat COLA was adopted.</p> <p>2024: Employer contributions reflect that a 3% flat COLA was adopted.</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, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
Total OPEB Liability			
Service Cost	\$ 22,687	\$ 17,157	\$ 25,978
Interest on the Total OPEB Liability	18,853	19,148	13,942
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(6,777)	(8,799)	(9,248)
Changes of Assumptions	(73,807)	41,803	(172,268)
Benefit Payments*	(12,006)	(10,510)	(12,761)
Net Change in Total OPEB Liability	(51,050)	58,799	(154,375)
Total OPEB Liability - Beginning	561,593	502,794	657,169
Total OPEB Liability - Ending	\$ 510,543	\$ 561,593	\$ 502,794
Covered Payroll	\$ 12,006,164	\$ 10,509,914	\$ 9,815,942
Total OPEB Liability as a Percentage of Covered Payroll	4.25%	5.34%	5.12%

*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 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
\$	26,595	\$ 23,764	\$ 17,368	\$ 19,588	\$ 17,872
	13,721	14,931	16,833	14,905	15,456
	-	-	-	-	-
	(10,997)	5,451	(3,377)	1,357	(19,460)
	13,476	68,048	109,484	(45,947)	17,879
	(12,400)	(13,090)	(11,557)	(9,273)	(8,869)
	30,395	99,104	128,751	(19,370)	22,878
	626,774	527,670	398,919	418,289	295,411
\$	<u>657,169</u>	<u>\$ 626,774</u>	<u>\$ 527,670</u>	<u>\$ 398,919</u>	<u>\$ 318,289</u>
\$	9,538,725	\$ 9,349,655	\$ 8,889,985	\$ 8,429,833	\$ 8,062,707
	6.89%	6.70%	5.94%	4.73%	5.19%

BANDERA COUNTY
NOTES TO THE SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2025

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2024 were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 75.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method	
Recognition of economic /demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Salary increases do not affect benefits but are used in the allocation of costs under the actuarial cost method.
Investment Rate of Return (Discount Rate)	4.08%, 20 Year Bond GO Index published by bondbuyer.com as of December 26, 2024.
Cost of Living Adjustment	Does not apply
Disability	Members who become disabled are eligible to commence benefit payments regardless of age.
Mortality	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Retirement	For all eligible members ages 75 and later, retirement is assumed to occur immediately
Other Termination of Employment	The rate of assumed future termination from active participation in the plan vary. No termination after eligibility for retirement is assumed.

SUPPLEMENTARY INFORMATION

BANDERA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2025

	Hotel Motel Tax Fund	Mansfield Park Fund	Indigent Health Care Fund
ASSETS			
Cash and Cash Equivalents	\$ 36,123	\$ 115,114	\$ 275,882
Investments - Current	-	-	-
Taxes Receivable	-	14,223	3,433
Allowance for Uncollectible Taxes (credit)	-	(3,851)	(929)
Accounts Receivable, Net	1,149	-	-
Prepaid Items	-	-	1,079
Total Assets	<u>\$ 37,272</u>	<u>\$ 125,486</u>	<u>\$ 279,465</u>
LIABILITIES			
Accounts Payable	\$ -	\$ 7,201	\$ 76
Wages and Salaries Payable	-	3,979	1,978
Due to Others	-	1,350	-
Unearned Revenues	-	-	-
Total Liabilities	<u>-</u>	<u>12,530</u>	<u>2,054</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	9,447	2,280
Total Deferred Inflows of Resources	<u>-</u>	<u>9,447</u>	<u>2,280</u>
FUND BALANCES			
Nonspendable Fund Balance:			
Prepaid Items	-	-	1,079
Restricted Fund Balance:			
Retirement of Long-Term Debt	-	-	-
Other Restricted Fund Balance	37,272	-	-
Committed Fund Balance:			
Other Committed Fund Balance	-	103,509	274,052
Assigned Fund Balance:			
Other Assigned Fund Balance	-	-	-
Total Fund Balances	<u>37,272</u>	<u>103,509</u>	<u>275,131</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 37,272</u>	<u>\$ 125,486</u>	<u>\$ 279,465</u>

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

Garbage Stations Fund	Sheriff's Tax Sale Fund	Child Abuse Prevention Fd	Juvenile Probation Fund	Sheriff Seizure- Forfeiture Fd	Law Library Fund	Clerk's Record Mgmt & Preser	Records Mgmt & Preserv Fund
\$ 331,966	\$ -	\$ 2,543	\$ 388,509	\$ 50,535	\$ 56,844	\$ 438,362	\$ -
-	-	-	-	-	-	-	-
-	-	-	24,848	-	-	-	-
-	-	-	(6,728)	-	-	-	-
244	-	-	-	-	-	-	-
-	-	-	89	-	-	-	-
<u>\$ 332,210</u>	<u>\$ -</u>	<u>\$ 2,543</u>	<u>\$ 406,718</u>	<u>\$ 50,535</u>	<u>\$ 56,844</u>	<u>\$ 438,362</u>	<u>\$ -</u>
\$ 15,906	\$ -	\$ -	\$ 1,449	\$ 22,066	\$ 705	\$ 8	\$ -
3,115	-	-	17,535	-	-	1,149	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>19,021</u>	<u>-</u>	<u>-</u>	<u>18,984</u>	<u>22,066</u>	<u>705</u>	<u>1,157</u>	<u>-</u>
-	-	-	16,504	-	-	-	-
-	-	-	16,504	-	-	-	-
-	-	-	89	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2,543	371,141	28,469	56,139	437,205	-
313,189	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>313,189</u>	<u>-</u>	<u>2,543</u>	<u>371,230</u>	<u>28,469</u>	<u>56,139</u>	<u>437,205</u>	<u>-</u>
<u>\$ 332,210</u>	<u>\$ -</u>	<u>\$ 2,543</u>	<u>\$ 406,718</u>	<u>\$ 50,535</u>	<u>\$ 56,844</u>	<u>\$ 438,362</u>	<u>\$ -</u>

BANDERA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2025

	Courthouse Security Fund	Juvenile Probation State Aid	Juvenile DSA Mental Health Grant	Juvenile Probation Fund
ASSETS				
Cash and Cash Equivalents	\$ 45,369	\$ -	\$ -	\$ -
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 45,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable Fund Balance:				
Prepaid Items	-	-	-	-
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	45,369	-	-	-
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:				
Other Assigned Fund Balance	-	-	-	-
Total Fund Balances	<u>45,369</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 45,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Juvenile Probation TJJD Directed	Juv Probation TJJD P&I DSA Grant	Opioid Settlement Fund	Alternative Dispute Resolution	Appellate Judicial System	Guardianship Fund	Attorney Hot Check Fund	Attorney Pre-Trial Diversion
\$ -	\$ -	\$ 52,472	\$ 25,718	\$ 148	\$ 32,121	\$ 1,045	\$ 33,651
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,472</u>	<u>\$ 25,718</u>	<u>\$ 148</u>	<u>\$ 32,121</u>	<u>\$ 1,045</u>	<u>\$ 33,651</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,010
-	-	-	-	-	-	-	-
-	-	-	-	-	1,400	-	2,010
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	52,472	25,718	148	30,721	1,045	31,641
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	52,472	25,718	148	30,721	1,045	31,641
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,472</u>	<u>\$ 25,718</u>	<u>\$ 148</u>	<u>\$ 32,121</u>	<u>\$ 1,045</u>	<u>\$ 33,651</u>

BANDERA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2025

	District Clrk Records Management	County Record Archive	County Attorney Forfeiture	Justice Court Technology
ASSETS				
Cash and Cash Equivalents	\$ 113,499	\$ 303,244	\$ 1	\$ 5,806
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 113,499</u>	<u>\$ 303,244</u>	<u>\$ 1</u>	<u>\$ 5,806</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 2,274	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>2,274</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable Fund Balance:				
Prepaid Items	-	-	-	-
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	113,499	300,970	1	5,806
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:				
Other Assigned Fund Balance	-	-	-	-
Total Fund Balances	<u>113,499</u>	<u>300,970</u>	<u>1</u>	<u>5,806</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 113,499</u>	<u>\$ 303,244</u>	<u>\$ 1</u>	<u>\$ 5,806</u>

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

LE State Funded Training	Juv Prob Noble Pact Grant	Unclaimed Capital Credits	Court Reporter Service Fund	Courts Facility Fund	Language Access Fund	Election County Expenses	Child Welfare Board
\$ 41,264	\$ -	\$ 377	\$ 16,103	\$ 17,321	\$ 2,986	\$ 6,265	\$ 8,520
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 41,264</u>	<u>\$ -</u>	<u>\$ 377</u>	<u>\$ 16,103</u>	<u>\$ 17,321</u>	<u>\$ 2,986</u>	<u>\$ 6,265</u>	<u>\$ 8,520</u>
\$ 223	\$ -	\$ -	\$ 3,056	\$ -	\$ 467	\$ -	\$ 51
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>223</u>	<u>-</u>	<u>-</u>	<u>3,056</u>	<u>-</u>	<u>467</u>	<u>-</u>	<u>51</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
41,041	-	-	13,047	17,321	2,519	6,265	-
-	-	377	-	-	-	-	-
-	-	-	-	-	-	-	8,469
<u>41,041</u>	<u>-</u>	<u>377</u>	<u>13,047</u>	<u>17,321</u>	<u>2,519</u>	<u>6,265</u>	<u>8,469</u>
<u>\$ 41,264</u>	<u>\$ -</u>	<u>\$ 377</u>	<u>\$ 16,103</u>	<u>\$ 17,321</u>	<u>\$ 2,986</u>	<u>\$ 6,265</u>	<u>\$ 8,520</u>

BANDERA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2025

	Veterans Service Officer Fund	Various Grants Fund	Medina Lake County Park Fund	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and Cash Equivalents	\$ 5,178	\$ -	\$ 52,503	\$ 2,459,469
Investments - Current	-	-	-	-
Taxes Receivable	-	-	10,626	53,130
Allowance for Uncollectible Taxes (credit)	-	-	(2,877)	(14,385)
Accounts Receivable, Net	-	-	-	1,393
Prepaid Items	-	-	-	1,168
Total Assets	<u>\$ 5,178</u>	<u>\$ -</u>	<u>\$ 60,252</u>	<u>\$ 2,500,775</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 416	\$ 55,298
Wages and Salaries Payable	-	-	2,102	29,858
Due to Others	-	-	-	3,360
Unearned Revenues	-	-	7,058	7,058
Total Liabilities	<u>-</u>	<u>-</u>	<u>9,576</u>	<u>95,574</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	28,231
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,231</u>
FUND BALANCES				
Nonspendable Fund Balance:				
Prepaid Items	-	-	-	1,168
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	5,178	-	-	1,625,530
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	691,127
Assigned Fund Balance:				
Other Assigned Fund Balance	-	-	50,676	59,145
Total Fund Balances	<u>5,178</u>	<u>-</u>	<u>50,676</u>	<u>2,376,970</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 5,178</u>	<u>\$ -</u>	<u>\$ 60,252</u>	<u>\$ 2,500,775</u>

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

Jail/Justice Interest & Sinking Fund	Total Nonmajor Governmental Funds
\$ 10	\$ 2,459,479
27,206	27,206
87,248	140,378
(24,947)	(39,332)
-	1,393
-	1,168
<u>\$ 89,517</u>	<u>\$ 2,590,292</u>
\$ -	\$ 55,298
-	29,858
-	3,360
-	7,058
<u>-</u>	<u>95,574</u>
57,487	85,718
<u>57,487</u>	<u>85,718</u>
-	1,168
32,030	32,030
-	1,625,530
-	691,127
-	59,145
<u>32,030</u>	<u>2,409,000</u>
<u>\$ 89,517</u>	<u>\$ 2,590,292</u>

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Hotel Motel Tax Fund	Mansfield Park Fund	Indigent Health Care Fund
REVENUES:			
Taxes:			
Property Taxes	\$ -	\$ 159,250	\$ 38,282
Other Taxes	377,032	-	-
Licenses and Permits	-	1,100	-
Intergovernmental Revenue and Grants	-	-	-
Charges for Services	-	827	-
Fines	-	525	-
Forfeits	-	-	-
Investment Earnings	10,391	5,808	11,372
Rents and Royalties	-	35,059	-
Contributions & Donations from Private Sources	-	-	-
Other Revenue	-	-	44,228
Total Revenues	387,423	202,569	93,882
EXPENDITURES:			
Juvenile Probation	-	-	-
Garbage Stations	-	-	-
Indigent Health Care	-	-	81,204
Mansfield Park	-	184,624	-
Specific Purpose Expenditures	227,804	-	-
Debt Service:			
Principal on Debt	-	-	-
Interest on Debt	-	-	-
Other Debt Service	-	-	-
Total Expenditures	227,804	184,624	81,204
Excess (Deficiency) of Revenues Over (Under) Expenditures	159,619	17,945	12,678
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	-	-	-
Transfers Out	(300,000)	-	-
Total Other Financing Sources (Uses)	(300,000)	-	-
Net Change in Fund Balance	(140,381)	17,945	12,678
Fund Balance - October 1 (Beginning)	177,653	85,564	262,453
Fund Balance - September 30 (Ending)	\$ 37,272	\$ 103,509	\$ 275,131

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

Garbage Stations Fund	Sheriff's Tax Sale Fund	Child Abuse Prevention Fd	Juvenile Probation Fund	Sheriff Seizure- Forfeiture Fd	Law Library Fund	Clerk's Record Mgmt & Preser	Records Mgmt & Preserv Fund
\$ -	\$ -	\$ -	\$ 292,400	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
310,359	-	-	2,100	-	17,494	54,055	-
-	-	-	-	-	-	-	-
15,891	-	-	21,125	810	2,410	19,375	-
-	-	114	-	2,427	-	-	-
-	-	-	-	-	-	-	-
-	263,142	-	95	-	-	-	-
<u>326,250</u>	<u>263,142</u>	<u>114</u>	<u>315,720</u>	<u>3,237</u>	<u>19,904</u>	<u>73,430</u>	<u>-</u>
-	-	-	381,389	-	-	-	-
309,261	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	263,142	-	-	40,789	10,715	35,573	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>309,261</u>	<u>263,142</u>	<u>-</u>	<u>381,389</u>	<u>40,789</u>	<u>10,715</u>	<u>35,573</u>	<u>-</u>
16,989	-	114	(65,669)	(37,552)	9,189	37,857	-
-	-	-	-	7,609	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,609	-	-	-
16,989	-	114	(65,669)	(29,943)	9,189	37,857	-
<u>296,200</u>	<u>-</u>	<u>2,429</u>	<u>436,899</u>	<u>58,412</u>	<u>46,950</u>	<u>399,348</u>	<u>-</u>
<u>\$ 313,189</u>	<u>\$ -</u>	<u>\$ 2,543</u>	<u>\$ 371,230</u>	<u>\$ 28,469</u>	<u>\$ 56,139</u>	<u>\$ 437,205</u>	<u>\$ -</u>

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Courthouse Security Fund	Juvenile Probation State Aid	Juvenile DSA Mental Health Grant	Juvenile Probation Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	218,587	250,000	4,347
Charges for Services	15,380	-	-	-
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	2,233	-	-	-
Rents and Royalties	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	17,613	218,587	250,000	4,347
EXPENDITURES:				
Juvenile Probation	-	-	-	-
Garbage Stations	-	-	-	-
Indigent Health Care	-	-	-	-
Mansfield Park	-	-	-	-
Specific Purpose Expenditures	40,540	218,587	250,000	4,347
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	40,540	218,587	250,000	4,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,927)	-	-	-
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(22,927)	-	-	-
Fund Balance - October 1 (Beginning)	68,296	-	-	-
Fund Balance - September 30 (Ending)	\$ 45,369	\$ -	\$ -	\$ -

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

Juvenile Probation TJJJ Directed	Juv Probation TJJJ P&I DSA Grant	Opioid Settlement Fund	Alternative Dispute Resolution	Appellate Judicial System	Guardianship Fund	Attorney Hot Check Fund	Attorney Pre-Trial Diversion
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,776	185,665	-	-	-	-	-	-
-	-	-	9,639	2,493	-	140	6,650
-	-	-	-	-	-	-	-
-	-	25,865	1,036	36	-	-	1,598
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	3,930	-	-
<u>28,776</u>	<u>185,665</u>	<u>25,865</u>	<u>10,675</u>	<u>2,529</u>	<u>3,930</u>	<u>140</u>	<u>8,248</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,776	185,665	5,948	6,000	2,548	1,830	-	11,533
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>28,776</u>	<u>185,665</u>	<u>5,948</u>	<u>6,000</u>	<u>2,548</u>	<u>1,830</u>	<u>-</u>	<u>11,533</u>
-	-	19,917	4,675	(19)	2,100	140	(3,285)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	19,917	4,675	(19)	2,100	140	(3,285)
-	-	32,555	21,043	167	28,621	905	34,926
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,472</u>	<u>\$ 25,718</u>	<u>\$ 148</u>	<u>\$ 30,721</u>	<u>\$ 1,045</u>	<u>\$ 31,641</u>

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	District Clrk Records Management	County Record Archive	County Attorney Forfeiture	Justice Court Technology
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Licenses and Permits	-	-	-	4,776
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	14,175	55,224	-	-
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	4,948	13,028	-	200
Rents and Royalties	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>19,123</u>	<u>68,252</u>	<u>-</u>	<u>4,976</u>
EXPENDITURES:				
Juvenile Probation	-	-	-	-
Garbage Stations	-	-	-	-
Engineer/Permits:				
Indigent Health Care	-	-	-	-
Mansfield Park	-	-	-	-
Specific Purpose Expenditures	9,184	24,590	-	12,000
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>9,184</u>	<u>24,590</u>	<u>-</u>	<u>12,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,939</u>	<u>43,662</u>	<u>-</u>	<u>(7,024)</u>
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	9,939	43,662	-	(7,024)
Fund Balance - October 1 (Beginning)	<u>103,560</u>	<u>257,308</u>	<u>1</u>	<u>12,830</u>
Fund Balance - September 30 (Ending)	<u>\$ 113,499</u>	<u>\$ 300,970</u>	<u>\$ 1</u>	<u>\$ 5,806</u>

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

LE State Funded Training	Juv Prob Noble Pact Grant	Unclaimed Capital Credits	Court Reporter Service Fund	Courts Facility Fund	Language Access Fund	Election County Expenses	Child Welfare Board
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	11,443	9,061	2,830	4,508	-
-	-	-	-	-	-	-	-
1,218	-	176	-	-	-	-	369
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	933
13,428	-	6,262	-	-	-	-	-
<u>14,646</u>	<u>-</u>	<u>6,438</u>	<u>11,443</u>	<u>9,061</u>	<u>2,830</u>	<u>4,508</u>	<u>1,302</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,274	-	11,000	10,404	-	2,832	11,011	687
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>7,274</u>	<u>-</u>	<u>11,000</u>	<u>10,404</u>	<u>-</u>	<u>2,832</u>	<u>11,011</u>	<u>687</u>
<u>7,372</u>	<u>-</u>	<u>(4,562)</u>	<u>1,039</u>	<u>9,061</u>	<u>(2)</u>	<u>(6,503)</u>	<u>615</u>
-	-	-	-	-	-	-	-
-	-	(3,957)	-	-	-	-	-
-	-	(3,957)	-	-	-	-	-
<u>7,372</u>	<u>-</u>	<u>(8,519)</u>	<u>1,039</u>	<u>9,061</u>	<u>(2)</u>	<u>(6,503)</u>	<u>615</u>
<u>33,669</u>	<u>-</u>	<u>8,896</u>	<u>12,008</u>	<u>8,260</u>	<u>2,521</u>	<u>12,768</u>	<u>7,854</u>
<u>\$ 41,041</u>	<u>\$ -</u>	<u>\$ 377</u>	<u>\$ 13,047</u>	<u>\$ 17,321</u>	<u>\$ 2,519</u>	<u>\$ 6,265</u>	<u>\$ 8,469</u>

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Veterans Service Officer Fund	Various Grants Fund	Medina Lake County Park Fund	Total Nonmajor Special Revenue Funds
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ 100,692	\$ 590,624
Other Taxes	-	-	-	377,032
Licenses and Permits	-	-	-	5,876
Intergovernmental Revenue and Grants	-	3,500	-	690,875
Charges for Services	-	-	-	516,378
Fines	-	-	-	525
Forfeits	-	-	-	810
Investment Earnings	-	-	2,490	141,996
Rents and Royalties	-	-	-	35,173
Contributions & Donations from Private Sources	1,188	-	-	2,121
Other Revenue	-	-	-	331,085
Total Revenues	<u>1,188</u>	<u>3,500</u>	<u>103,182</u>	<u>2,692,495</u>
EXPENDITURES:				
Juvenile Probation	-	-	-	381,389
Garbage Stations	-	-	-	309,261
Engineer/Permits:				
Indigent Health Care	-	-	-	81,204
Mansfield Park	-	-	-	184,624
Specific Purpose Expenditures	-	3,500	78,686	1,504,965
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,500</u>	<u>78,686</u>	<u>2,461,443</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,188</u>	<u>-</u>	<u>24,496</u>	<u>231,052</u>
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	-	7,609
Transfers Out	-	-	-	(303,957)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(296,348)</u>
Net Change in Fund Balance	1,188	-	24,496	(65,296)
Fund Balance - October 1 (Beginning)	<u>3,990</u>	<u>-</u>	<u>26,180</u>	<u>2,442,266</u>
Fund Balance - September 30 (Ending)	<u>\$ 5,178</u>	<u>\$ -</u>	<u>\$ 50,676</u>	<u>\$ 2,376,970</u>

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

Jail/Justice Interest & Sinking Fund	Total Nonmajor Governmental Funds
\$ 724,428	\$ 1,315,052
-	377,032
-	5,876
-	690,875
-	516,378
-	525
-	810
20,529	162,525
-	35,173
-	2,121
-	331,085
744,957	3,437,452
-	381,389
-	309,261
-	81,204
-	184,624
-	1,504,965
735,000	735,000
92,125	92,125
500	500
827,625	3,289,068
(82,668)	148,384
-	7,609
-	(303,957)
-	(296,348)
(82,668)	(147,964)
114,698	2,556,964
\$ 32,030	\$ 2,409,000

BANDERA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 SEPTEMBER 30, 2025

	Historical Commission Fund	Available School Fund	Permanent School Fund	Total Private Purpose Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 11,248	\$ 7,589	\$ 160,492	\$ 179,329
Accounts Receivable, Net	121	-	-	121
Total Assets	<u>11,369</u>	<u>7,589</u>	<u>160,492</u>	<u>179,450</u>
LIABILITIES				
Accounts Payable	-	7,589	-	7,589
Total Liabilities	<u>-</u>	<u>7,589</u>	<u>-</u>	<u>7,589</u>
NET POSITION				
Restricted for Other Purposes	11,369	-	160,492	171,861
Total Net Position	<u>\$ 11,369</u>	<u>\$ -</u>	<u>\$ 160,492</u>	<u>\$ 171,861</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, 2025

Data Control Codes	Historical Commission Fund	Available School Fund	Permanent School Fund	Total Private Purpose Trust Funds
ADDITIONS:				
Charges for Services	\$ 430	\$ -	\$ -	\$ 430
Investment Earnings	469	-	-	469
Contributions & Donations from Private	2,751	-	-	2,751
Total Additions	<u>3,650</u>	<u>-</u>	<u>-</u>	<u>3,650</u>
DEDUCTIONS:				
Other Operating Costs	2,637	-	-	2,637
Total Deductions	<u>2,637</u>	<u>-</u>	<u>-</u>	<u>2,637</u>
Change in Net Position	1,013	-	-	1,013
Total Net Position - October 1 (Beginning)	<u>10,356</u>	<u>-</u>	<u>160,492</u>	<u>170,848</u>
Total Net Position - September 30 (Ending)	<u>\$ 11,369</u>	<u>\$ -</u>	<u>\$ 160,492</u>	<u>\$ 171,861</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, 2024

	State Fee & Fine Fund	EMS Memorials & Donations	Officials' Fee Accounts	Total Custodial Funds
ASSETS				
Cash and Cash Equivalents	\$ 38,153	\$ 1,561	\$ 3,011,053	\$ 3,050,767
Investments - Current	-	-	31,065	31,065
Total Assets	<u>38,153</u>	<u>1,561</u>	<u>3,042,118</u>	<u>3,081,832</u>
LIABILITIES				
Accounts Payable	38,153	-	-	38,153
Total Liabilities	<u>38,153</u>	<u>-</u>	<u>-</u>	<u>38,153</u>
NET POSITION				
Restricted for Other Purposes	-	1,561	3,042,118	3,043,679
Total Net Position	<u>\$ -</u>	<u>\$ 1,561</u>	<u>\$ 3,042,118</u>	<u>\$ 3,043,679</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, 2025

Data Control Codes	State Fee & Fine Fund	EMS Memorials & Donations	Officials' Fee Accounts	Total Custodial Funds
ADDITIONS:				
Licenses and Permits	\$ 4,691	\$ -	\$ -	\$ 4,691
Charges for Services	172,712	-	58,594,191	58,766,903
Contributions & Donations from Private	-	1,171	-	1,171
Total Additions	<u>177,403</u>	<u>1,171</u>	<u>58,594,191</u>	<u>58,772,765</u>
DEDUCTIONS:				
Other Operating Costs	177,403	881	56,732,183	56,910,467
Total Deductions	<u>177,403</u>	<u>881</u>	<u>56,732,183</u>	<u>56,910,467</u>
Change in Net Position	-	290	1,862,008	1,862,298
Total Net Position - October 1 (Beginning)	<u>-</u>	<u>1,271</u>	<u>1,180,110</u>	<u>1,181,381</u>
Total Net Position - September 30 (Ending)	<u>\$ -</u>	<u>\$ 1,561</u>	<u>\$ 3,042,118</u>	<u>\$ 3,043,679</u>

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



NEFFENDORF & BLOCKER, P.C.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bandera County, Texas (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 7, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

TEL: 830 997 3348 EMAIL: info@nb-cpa.com
P.O. Box 874 · 909 N Llano, Fredericksburg, TX 78624
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bandera County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Sincerely,



NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas

April 7, 2026



NEFFENDORF & BLOCKER, P.C.

April 7, 2026

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, 2025. 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 21, 2025. 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. Governmental Accounting Standards Board 101, *Compensated Absences* was adopted and the application of existing policies was not changed during 2025. 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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EMAIL: info@nb-cpa.com

P.O. Box 874 · 909 N Llano, 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 April 7, 2026.

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

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

Recommendations

Cash & Investments Classification

The pooled cash LOGIC investment account is presented as cash and cash equivalents. These accounts should be recorded and tracked separately from the pooled cash accounts with the correct classification as an investment account.

Tax Assessor Collector Bank Reconciliations

The Tax Assessor Collector bank reconciliations for the tax collections account have outstanding old items from when the Tax Assessor Collector switched bank accounts. There are several differences listed due to change of bank accounts that improperly posted to the wrong cash account in the accounting software. We recommend the Tax Assessor Collector research these items and reissue or void old outstanding items.

Tax Commissions

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

paid to the Tax Assessor-Collector as an expenditure.

Restriction on Use

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

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

Sincerely,

Neffendorf & Blocker, P.C.
NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas

April 7, 2026