

BLANCO COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

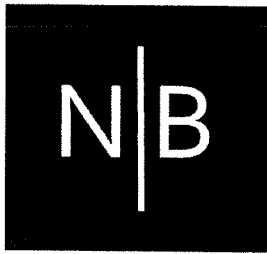
SEPTEMBER 30, 2023

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

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NEFFENDORF & BLOCKER, P.C.

Independent Auditor's Report

Honorable Judge and County Commissioners
Blanco County, Texas
Johnson City, TX 78636

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Blanco County, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Blanco County, Texas'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 Blanco County, Texas, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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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 Blanco County, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Blanco County, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blanco County, Texas's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 4-10 and 51-62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not

express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Blanco County, Texas's basic financial statements. The accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2024, on our consideration of Blanco County, Texas'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 solely 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 the effectiveness of Blanco County, Texas's 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 Blanco County, Texas's internal control over financial reporting and compliance.

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

June 11, 2024

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Blanco County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial statements of the County for the year ended September 30, 2023. Please read it in conjunction with the independent auditors' report on page 1, and 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 \$30,912,741 (net position). Of this amount, \$16,307,766 (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 \$3,959,254 as a result of this year's operations.
- At September 30, 2023, the County's governmental funds reported combined ending fund balances of \$18,557,968, an increase of \$1,224,302 in comparison with the prior year.
- At September 30, 2023, the unassigned fund balance of the general fund was \$10,219,304, or 99 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 and 13). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (on pages 15 & 18) 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 25) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules (operating fund), the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Changes in the Total OPEB Liability and Related Ratios are presented as required supplementary information on pages 51-62. The combining statements (starting on page 63) for nonmajor funds 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 the 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 other tax finance most of these activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements on pages 15 & 18 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 \$27,040,812 to \$30,912,741. 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 \$16,307,766 at September 30, 2023. This increase in governmental net position was the result of three factors. First, the County's revenues exceeded the expenditures by \$1,224,302. Second, the County issued new debt in the amount of \$5,017,933 and retired long-term debt in the amount of \$1,819,330 and third, the County acquired capital assets in the amount of \$7,836,380 and recorded depreciation and amortization in the amount of \$1,475,838.

Table I
Blanco County, Texas

NET POSITION in thousands

	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 21,148	\$ 21,243
Capital Assets	24,512	18,482
Total Assets	<u>\$ 45,660</u>	<u>\$ 39,725</u>
Deferred Outflow of Resources	\$ 1,111	\$ 1,099
Long-Term Liabilities	\$ 11,718	\$ 8,346
Other Liabilities	2,835	3,864
Total Liabilities	<u>\$ 14,553</u>	<u>\$ 12,210</u>
Deferred Inflow of Resources	<u>\$ 1,305</u>	<u>\$ 1,573</u>
Net Position:		
Invested in Capital Assets		
Net of Related Debt	\$ 12,088	\$ 9,255
Restricted	2,517	2,308
Unrestricted	16,308	15,478
Total Net Position	<u><u>\$ 30,913</u></u>	<u><u>\$ 27,041</u></u>

Table II
Blanco County, Texas

CHANGES IN NET POSITION
in thousands

	Governmental Activities	
	2023	2022
Revenues:		
Charges for Services	\$ 1,513	\$ 1,733
Property Taxes	9,248	8,362
Sales Tax	1,306	1,187
Other Taxes	46	45
Penalty and Interest	77	80
Investment Earnings	281	45
Miscellaneous	230	258
Grants	2,523	876
Total Revenue	\$ 15,224	\$ 12,586
Expenses:		
Financial Administration	\$ 264	\$ 214
Public Safety	4,019	3,317
Elections	23	
General Administration	1,340	1,086
Tax Administration	538	452
Facilities Management	502	264
Roads and Bridges	1,357	1,005
Sanitation	176	134
Justice System	2,213	1,683
Juvenile Services	43	60
Health and Human Services	194	156
Conservation and Development	143	111
Culture and Recreation	7	14
Debt Service	446	330
Total Expenses	\$ 11,265	\$ 8,826
Increase in Net Position	\$ 3,959	\$ 3,760
Net Position - Beginning of Year	27,041	23,196
Prior Period Adjustment	(87)	85
Net Position - End of Year	\$ 30,913	\$ 27,041

The cost of all governmental activities this year was \$11,265,428. However, as shown in the Statement of Activities on page 13, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$9,248,008 because the other costs were paid by sales tax (\$1,305,784), operating grants and capital grants (\$2,523,073), user charges (\$1,513,353), investment earnings (\$280,728) and other miscellaneous (\$230,205).

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 \$18,557,968, which is more than last year's total of \$17,420,991. Included in this year's total change in fund balance is a decrease of \$382,474 in the County's General Fund.

The Commissioner's Court adopted the General Fund Budget, the Road and Bridge Fund Budget and the Special Revenue Fund – American Rescue Plan Budget. Actual expenditures in the General Fund were less than the budgeted amount and less than the budgeted amount in the Road and Bridge Fund and the American Rescue Plan Fund. Actual revenues in the General Fund budget, the Road and Bridge Fund and the American Rescue Plan Fund were more than budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2023, the County had \$37,597,493 invested in a broad range of capital assets, including land, buildings, vehicles, equipment, other improvements and right-to-use leased assets. This amount represents a net increase of \$7,393,502, or 24 percent, more than last year.

CAPITAL ASSETS
in thousands

	Governmental Activities	
	2023	2022
Land	\$ 1,364	\$ 1,334
Buildings	12,149	11,597
Improvements	8,152	7,282
Machinery & Equipment	7,986	7,306
Vehicles	2,318	1,793
Right-to-Use Leased Assets	89	60
Construction in Progress	5,539	831
Total Capital Assets	<u>\$ 37,597</u>	<u>\$ 30,203</u>
Accumulated Depreciation and Amortization	<u>(13,085)</u>	<u>(11,721)</u>
Capital Assets, Net	<u><u>\$ 24,512</u></u>	<u><u>\$ 18,482</u></u>

This year's major additions included:

Precinct Projects	\$	870,046
South Annex Addition		129,555
Vehicles and Equipment		1,316,163
Construction in Progress		<u>5,068,283</u>
 TOTAL	\$	<u><u>7,384,047</u></u>

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

DEBT

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

OUTSTANDING DEBT

in thousands

	Governmental	
	Activities	
	<u>2023</u>	<u>2022</u>
Refunding Bonds	\$ 2,525	\$ 2,900
Certificates of Obligation	7,730	4,260
Limited Tax Notes	1,300	1,675
Financing Purchases	806	340
Leases	63	52
SBITAs	2	
Total Outstanding Debt	<u>\$ 12,426</u>	<u>\$ 9,227</u>

At year-end the County had \$12,425,989 in certificates of obligation, refunding bonds, Limited Tax Notes, Financing Purchase Agreements, Leases and SBITAs outstanding, an increase in total debt of \$3,198,603 from the previous year.

More detailed information about the County's long-term liabilities is presented in Note 3. I, J, K, L, M and N to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2024 budget and tax rates. The major factors are the economy and property tax valuations. These indicators were taken into account when adopting the General Fund and Road and Bridge Fund budgets for 2024. Amounts available for appropriation in the General Fund budget are \$10,330,807 and expenditures are estimated to be \$14,134,590. Estimated revenues for the Road and Bridge Fund are \$1,990,831 (including transfer from the general fund of \$1,454,831) and expenditures are estimated to be \$2,011,211.

If these estimates are realized, the County's budgetary General Fund balance and the Road and Bridge Fund balance will decrease by the close of 2023.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Judge's office, Johnson City, Texas.

BASIC FINANCIAL STATEMENTS

BLANCO COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

EXHIBIT A-1 (Cont'd)

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 11,719,113
Investments - Current	7,704,808
Taxes Receivable, Net	253,537
Accounts Receivable, Net	159,912
Lease Receivable, Net	1,236,191
Due from Other Funds	74,600
Capital Assets:	
Land Purchase and Improvements	1,363,739
Buildings, Net	7,492,713
Improvements other than Buildings, Net	5,836,915
Furniture and Equipment, Net	4,215,346
Right-to-Use Lease Assets	61,130
SBITA Assets	2,687
Construction in Progress	5,539,192
Total Assets	45,659,883
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge for Refunding	424,900
Deferred Outflow Related to Pension Plan	653,381
Deferred Outflow Related to OPEB	32,551
Total Deferred Outflows of Resources	1,110,832

BLANCO COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

EXHIBIT A-1

	Primary Government
	Governmental Activities
LIABILITIES	
Accounts Payable	516,901
Wages and Salaries Payable	14,046
Compensated Absences Payable	50,096
Retainage Payable	463,838
Accrued Interest Payable	65,848
Unearned Revenues	64,992
Notes Payable - Current	427,318
Bonds Payable - Current	1,210,000
Noncurrent Liabilities:	
Due Within One Year	19,137
Due in More Than One Year:	
Bonds Payable - Noncurrent	11,211,986
Net Pension Liability	307,273
Net OPEB Liability	201,786
Total Liabilities	14,553,221
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	40,261
Deferred Inflow Related to OPEB	47,570
Deferred Resource Inflow for Leases	1,216,922
Total Deferred Inflows of Resources	1,304,753
NET POSITION	
Net Investment in Capital Assets and Lease Assets	12,088,464
Restricted:	
Restricted for Special Revenue	2,064,737
Restricted for Debt Service	451,774
Unrestricted	16,307,766
Total Net Position	\$ 30,912,741

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

BLANCO COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
Elections	\$ 22,746	\$ -	\$ -
Financial Administration	264,439	-	22,879
General Administration	1,339,868	-	-
Tax Administration	538,285	5,728	255
Facilities Management	502,144	-	-
Public Safety	4,018,604	163,592	22,154
Roads and Bridges	1,356,849	567,024	15,955
Sanitation	175,825	-	34,698
Justice System	2,213,512	777,009	105,864
Juvenile Services	43,250	-	-
Health and Human Services	193,709	-	-
Culture and Recreation	7,395	-	-
Conservation and Development	143,583	-	-
Interest on Debt	309,093	-	-
Interest on SBITAs	140	-	-
Bond Interest	66,697	-	-
Fiscal Agent's Fees	2,325	-	-
Issuance Costs	66,964	-	-
Capital Outlay	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 11,265,428	\$ 1,513,353	\$ 201,805

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

Prior Period Adjustment

Net Position - Ending

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

		Net (Expense) Revenue and Changes in Net Position	
		Primary Government	
Capital Grants and Contributions		Governmental	
\$	-	\$	(22,746)
	-		(241,560)
	-		(1,339,868)
	-		(532,302)
	-		(502,144)
	118,318		(3,714,540)
	-		(773,870)
	-		(141,127)
	-		(1,330,639)
	-		(43,250)
	-		(193,709)
	-		(7,395)
	-		(143,583)
	-		(309,093)
	-		(140)
	-		(66,697)
	-		(2,325)
	-		(66,964)
	2,135,245		2,135,245
\$	2,253,563		(7,296,707)

7,675,847
1,572,161
1,305,784
46,240
77,291
67,705
230,205
280,728
<u>11,255,961</u>
3,959,254
27,040,812
(87,325)
<u>\$ 30,912,741</u>

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

	General Fund	Major Fund Road & Bridge Fund	Major Fund American Rescue Plan
ASSETS			
Cash and Cash Equivalents	\$ 2,676,555	\$ 1,096,893	\$ -
Investments - Current	7,704,808	-	-
Taxes Receivable	229,678	-	-
Allowance for Uncollectible Taxes (credit)	(11,484)	-	-
Accounts Receivable, Net	101,335	-	-
Due from Other Funds	75,798	-	-
Total Assets	\$ 10,776,690	\$ 1,096,893	\$ -
LIABILITIES			
Accounts Payable	\$ 192,021	\$ 127,584	\$ -
Wages and Salaries Payable	-	14,046	-
Retainage Payable	120,504	-	-
Due to Other Funds	1,198	-	-
Unearned Revenues	-	-	-
Total Liabilities	313,723	141,630	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	218,194	-	-
Total Deferred Inflows of Resources	218,194	-	-
FUND BALANCES			
Restricted Fund Balance:			
Restricted for Special Revenue	25,469	955,263	-
Capital Acquisition and Contractual Obligation	-	-	-
Retirement of Long-Term Debt	-	-	-
Unassigned Fund Balance	10,219,304	-	-
Total Fund Balances	10,244,773	955,263	-
Total Liabilities, Deferred Inflows & Fund Balances	\$ 10,776,690	\$ 1,096,893	\$ -

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

Major Fund Capital Projects	Other Funds	Total Governmental Funds
\$ 6,357,797	\$ 1,587,868	\$ 11,719,113
-	-	7,704,808
-	37,203	266,881
-	(1,860)	(13,344)
-	17,888	119,223
-	-	75,798
<u>\$ 6,357,797</u>	<u>\$ 1,641,099</u>	<u>\$ 19,872,479</u>
\$ 192,310	\$ 4,985	\$ 516,900
-	-	14,046
343,334	-	463,838
-	-	1,198
-	64,992	64,992
<u>535,644</u>	<u>69,977</u>	<u>1,060,974</u>
-	35,343	253,537
-	35,343	253,537
-	1,084,005	2,064,737
5,822,153	-	5,822,153
-	451,774	451,774
-	-	10,219,304
<u>5,822,153</u>	<u>1,535,779</u>	<u>18,557,968</u>
<u>\$ 6,357,797</u>	<u>\$ 1,641,099</u>	<u>\$ 19,872,479</u>

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

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	18,557,968
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.		9,368,178
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays and debt principal payments is to increase net position.		9,324,329
The County is required under GASB Statement No. 68 to report their net pension liability/asset in the Governmental Wide Statement of Net Position. The items reported as a result of this requirement included a net pension liability of \$307,273, a deferred resource outflow of \$653,381 and a deferred resource inflow of \$40,261. The net effect of these is to increase net position.		305,847
The County is required under GASB Statement No. 75 to report their OPEB benefit plan through TCDRS. The requirement resulted in an OPEB liability of \$201,786, a deferred resource outflow of \$32,551 and a deferred resource inflow of \$47,570. The net effect of these was to decrease net position.		(216,806)
The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(1,475,838)
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, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(4,950,937)
Net Position of Governmental Activities	\$	30,912,741

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

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

	General Fund	Major Fund Road & Bridge Fund	Major Fund American Rescue Plan
REVENUES:			
Taxes:			
Property Taxes	\$ 7,616,098	\$ -	\$ -
General Sales and Use Taxes	1,305,784	-	-
Other Taxes	46,240	-	-
Penalty and Interest on Taxes	77,291	-	-
Licenses and Permits	81,898	490,853	-
Intergovernmental Revenue and Grants	166,471	15,955	2,135,245
Charges for Services	640,767	-	-
Fines	43,901	116,851	-
Investment Earnings	280,729	-	-
Interest Revenue - Leases	44,443	-	-
Rents and Royalties	6,357	-	-
Contributions & Donations from Private Sources	2,704	-	-
Other Revenue	78,538	-	-
Total Revenues	10,391,221	623,659	2,135,245
EXPENDITURES:			
Current:			
General Government:			
Elections	20,000	-	-
Financial Administration	235,122	-	-
General Administration	1,087,773	-	-
Tax Administration	476,646	-	-
Facilities Management	686,424	-	-
Public Safety	3,571,739	-	-
Public Works:			
Roads and Bridges	10,952	1,920,482	-
Sanitation	155,466	-	-
Justice System	1,899,565	-	-
Juvenile Services	38,029	-	-
Health and Welfare:			
Health and Human Services	114,706	-	-
Culture and Recreation	6,365	-	-
Conservation and Development	126,808	-	-
Debt Service:			
Principal on Debt	601,911	-	-
Principal on SBITAs	3,183	-	-
Interest on Debt	29,245	-	-
Interest on SBITAs	140	-	-
Fiscal Agent's Fees	-	-	-
Issuance Costs	-	-	-
Capital Outlay:			
Capital Outlay	1,163,080	-	2,135,245
Total Expenditures	10,227,154	1,920,482	2,135,245
Excess (Deficiency) of Revenues Over (Under) Expenditures	164,067	(1,296,823)	-
OTHER FINANCING SOURCES (USES):			
Issuance of Bonds	-	-	-

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

Major Fund Capital Projects	Other Funds	Total Governmental Funds
\$ -	\$ 1,573,671	\$ 9,189,769
-	-	1,305,784
-	-	46,240
-	-	77,291
-	-	572,751
-	137,698	2,455,369
-	136,239	777,006
-	2,841	163,593
-	-	280,729
-	-	44,443
-	-	6,357
65,000	-	67,704
770	7,242	86,550
<u>65,770</u>	<u>1,857,691</u>	<u>15,073,586</u>
-	-	20,000
-	-	235,122
-	206,020	1,293,793
-	-	476,646
-	-	686,424
-	73,370	3,645,109
-	76,917	2,008,351
-	-	155,466
-	63,343	1,962,908
-	-	38,029
-	55,836	170,542
-	-	6,365
-	-	126,808
-	1,214,236	1,816,147
-	-	3,183
-	279,848	309,093
-	-	140
-	2,325	2,325
66,964	-	66,964
<u>2,766,406</u>	<u>41,247</u>	<u>6,105,978</u>
<u>2,833,370</u>	<u>2,013,142</u>	<u>19,129,393</u>
<u>(2,767,600)</u>	<u>(155,451)</u>	<u>(4,055,807)</u>
3,750,000	-	3,750,000

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

	General Fund	Major Fund Road & Bridge Fund	Major Fund American Rescue Plan
Sale of Real and Personal Property	38,831	-	-
Proceeds from Right-to-Use Leases	23,199	-	-
Noncurrent Loans	1,238,823	-	-
Transfers In	-	1,448,538	-
Premium or Discount on Issuance of Bonds	-	-	-
Proceeds from SBITAs	5,911	-	-
Transfers Out	(1,853,305)	-	-
Total Other Financing Sources (Uses)	(546,541)	1,448,538	-
Net Change in Fund Balances	(382,474)	151,715	-
Fund Balance - October 1 (Beginning)	10,509,135	1,092,613	-
Prior Period Adjustment	118,112	(289,065)	-
Fund Balance - September 30 (Ending)	<u>\$ 10,244,773</u>	<u>\$ 955,263</u>	<u>\$ -</u>

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

Major Fund Capital Projects	Other Funds	Total Governmental Funds
-	-	38,831
-	-	23,199
-	-	1,238,823
-	404,766	1,853,304
223,346	-	223,346
-	-	5,911
-	-	(1,853,305)
<u>3,973,346</u>	<u>404,766</u>	<u>5,280,109</u>
1,205,746	249,315	1,224,302
4,616,407	1,202,836	17,420,991
-	83,628	(87,325)
<u>\$ 5,822,153</u>	<u>\$ 1,535,779</u>	<u>\$ 18,557,968</u>

BLANCO COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	1,224,302
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays and debt principal payments is to increase the change in net position.		9,324,329
The entries required by GASB Statement No. 68 did require that some expenses on B-1 be adjusted. The net effect on the change in net position on Exhibit B-1 is an increase in net position.		84,209
The requirements of recording the OPEB liability under GASB Statement No. 75 resulted in a decrease in net position.		(5,982)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(1,475,838)
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, reclassifying the proceeds of bond sales, 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.		(5,191,766)
Change in Net Position of Governmental Activities	\$	3,959,254

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

BLANCO COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

EXHIBIT E-1

	Private Purpose Trust Fund	Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 160,091	\$ 9,787,204
Due from Other Governments	30,688	-
Total Assets	190,779	9,787,204
LIABILITIES		
Due to Other Funds	74,600	-
Total Liabilities	74,600	-
NET POSITION		
Restricted for Schools	116,179	-
Restricted for Other Purposes	-	9,787,204
Total Net Position	\$ 116,179	\$ 9,787,204

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

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

EXHIBIT E-2

	Private Purpose Trust Fund	Custodial Fund
ADDITIONS:		
Investment Earnings	\$ 83	\$ -
Rents and Royalties	12,000	-
Other Revenue	-	2,928,557
Total Additions	<u>12,083</u>	<u>2,928,557</u>
DEDUCTIONS:		
Other Operating Costs	1,838	3,609,990
Total Deductions	<u>1,838</u>	<u>3,609,990</u>
Net Change in Fiduciary Net Position	10,245	(681,433)
Total Net Position - October 1 (Beginning)	105,934	7,947,655
Prior Period Adjustment	-	2,520,982
Total Net Position - September 30 (Ending)	<u>\$ 116,179</u>	<u>\$ 9,787,204</u>

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

BLANCO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Blanco County have been prepared in accordance 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.

I.A. FINANCIAL 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.

I.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 are used for the payment of principal and interest on the County's debt.

Capital Projects Fund - To account for financial resources to be used for the acquisition and construction of major capital facilities.

Fiduciary Funds (Not included in government-wide statements)

Custodial Funds

The County accounts for resources held for others in a custodial capacity in custodial funds. The County's Custodial Fund is the officials fines and fees accounts.

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 one private purpose trust fund.

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 - Road & Bridge Fund	See above for description
Special Revenue Fund - American Rescue Fund	See above for description
Capital Projects Fund	See above for description

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

I.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. Agency 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.

I.D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Cash and Cash Investments

For the purpose of the Statement of Net Position, "Cash and Cash Equivalents" 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

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.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants, and other intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Fixed Assets

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable.

Donated assets are recorded at their estimated fair value at the date of donation.

Pursuant to GASB Statement Number 34, an extended period of deferral is available before the requirement to record and depreciate infrastructure assets (e.g., roads, bridges, and similar items) acquired before the implementation date becomes effective. Therefore, infrastructure assets acquired prior to October 1, 2002 have not yet been capitalized.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25 - 50 years
Improvements	10 - 50 years
Machinery and Equipment	3 - 20 years
Infrastructure	25 - 50 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term Debt

All long term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bond and note payables and capital lease transactions.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Vacation and Sick Leave - Vacation and sick leave expenses are charged to operations when taken by the employees of the County. After one year of service an employee is entitled to two weeks of vacation. If the employee does not take the vacation within the year, they will lose the benefit. If an employee is terminated for any reason they will be entitled to payment for the vacation they have earned.

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).

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 Municipal Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. 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 (OPEB)

The fiduciary net position of the Texas County & District Retirement System Group Term Life Program (GTLP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from GTLP's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 separate sections 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 are 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 have been satisfied.

Fair Value Measurements

The County adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement costs).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Implementation of 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 foundation 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.D. and 3.M.

Implementation of GASB Statement No. 96

As of October 1, 2022, the County adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a 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.N.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt 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 are 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.

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.

Future Adoption of Accounting Principles

The GASB has issued the following potentially significant statements which the County has not yet adopted, and which require adoption subsequent to September 30, 2023.

Statement No.	Title	Adoption Required
	Accounting Changes and Error	
100	Corrections	September 30, 2024
101	Compensated Absences	September 30, 2025

I.E. REVENUES, EXPENDITURES AND EXPENSES

Property Taxes

The County contracted with the Blanco County Appraisal District for the appraisal of properties and collection of taxes. Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2022 tax roll, the total assessed valuation was \$2,288,988,240 and the taxes assessed amounted to \$9,294,587. The total tax rate was \$.34171 per \$100 valuation and allocated \$.2835 to the General Fund and \$.05821 to the Debt Service Fund. The maximum tax levy allowed by State law for the above purposes is \$0.80 per \$100 valuation.

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the County is subject to various federal, state and local laws and contractual regulations. An analysis of the County's compliance with significant laws and regulations and demonstration of its stewardship over County resources follows.

Budgetary Information

The County Judge and staff prepare the proposed budget, using revenue estimates furnished by the County Treasurer and submit the data to Commissioners Court. A public hearing is held on the budget by Commissioners Court. Before determining the final budget, Commissioners Court may increase or decrease the amounts requested by the various departments. In the final budget, which is usually adopted in September, expenditures for current operating funds cannot exceed the estimated available cash balances in such funds on October 1, plus the estimate of revenues for the ensuing year. At any time during the year, Commissioners Court may increase the budget for unexpected revenues. Commissioners Court may transfer amounts among individual budget line items within major expenditure categories during the year, but no such transfer may increase the overall total of the budget. Formal budgetary integration is employed for the General and Special Revenue operations. Budgets for these funds are prepared on a cash basis. Unused appropriations lapse at the end of each year.

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

3.A. Deposits and Investments

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At September 30, 2023, the carrying amount of the County's deposits was \$21,666,408 and the bank balance was \$22,150,669. The County's cash deposits held at Texas Regional Bank at September 30, 2023 and during the year ended September 30, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

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

The County's temporary investments at September 30, 2023 are shown below:

Name	Carrying Amount	Market Value	FDIC Coverage	Pledged Securities
Government Pool:				
Texpool *	\$ 5,683,383	\$ 5,683,383	\$ -	\$ -
Certificate of Deposit:				
Texas Regional Bank	2,021,425	2,021,425	-	2,021,425
	7,704,808	7,704,808		2,021,425

*TexPool is a Local Government Investment Pool 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. TexPool is structured similar to money market mutual funds. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the funds seek to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. TexPool is rated AAAM and must maintain a weighted average maturity not to exceed 60 days.

At September 30, 2023, TexPool had a weighted average maturity of 26 days. 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. The State Comptroller oversees TexPool with a third party managing the daily operations of the pool under contract.

Policies Governing Deposits and Investments

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. That policy does address 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 was not exposed to custodial credit risk since its deposits at year-end were 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, TexPool Investment Pool invests only in investments authorized under the Public Funds Investment Act. TexPool's portfolio has low market (credit) risk due to restrictions on weighted average maturity and maximum maturity of any one investment. At September 30, 2023, the County was not exposed to concentration of credit risk or foreign currency risk.

3.B. AD VALOREM TAXES RECEIVABLE

Ad Valorem taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Ad Valorem taxes are prorated between maintenance, debt service, and special revenues based on rates adopted for the year of the levy. Allowances for uncollectible within the General, Debt Service and Special Revenue Funds are based upon historical experience in collecting property taxes. The County is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

Ad Valorem tax payments, received throughout the year, are recognized as revenue in the year received, except for those received within 60 days after year-end, which are recognized as revenue as of September 30, 2023.

The following is a summary, by major and nonmajor funds, of the gross taxes, the allowance for uncollectible taxes, and net taxes receivable.

	Taxes Receivable	Allowance for Uncollectible Taxes	Net Taxes Receivable
General Fund	\$ 229,678	\$ 11,484	\$ 218,194
Debt Service	37,203	1,860	35,343
TOTAL - ALL FUNDS	\$ 266,881	\$ 13,344	\$ 253,537

3.C. COURT FINES AND FEES RECEIVABLE

With the implementation of GASB Statement Number 34, the County has determined the amount of court fines and fees receivable to be \$203,443 which represents amounts owed and outstanding at September 30, 2023. Based on historical collection rates for the various courts, the County has booked an allowance for uncollectible court fines and fees of \$162,755, resulting in a net receivable of \$40,689.

3.D. LEASE RECEIVABLE

On October 1, 2022 the County entered into a 720 month lease with Waste Connections Lone Star, Inc. as Lessor for the use of the solid waster transfer station located at 2021 US Hwy 281 S, Johnson City, Texas. An initial lease receivable in the amount of \$1,237,548 was recorded. As of September 30, 2023, the value of the lease receivable is \$1,236,191. The Lessee is required to make monthly fixed payments of \$4,000. The lease has an interest rate of 4.116%. The value of the deferred inflow of resources as of September 30, 2023 was \$1,216,922 and the County recognized lease revenue of \$20,626 during the fiscal year.

3.E. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2023.

	Balance 09/30/22	Additions	Deletions	Balance 09/30/23
<i>Governmental Activities:</i>				
Land	1,333,739	30,000	-	1,363,739
Buildings	11,597,385	551,888	-	12,149,273
Improvements	7,281,882	870,046	-	8,151,928
Machinery & Equipment	7,306,638	767,078	(87,892)	7,985,824
Vehicles	1,792,754	549,085	(23,604)	2,318,235
Construction in Progress	831,400	5,068,283	(360,491)	5,539,192
Total Capital Assets Being Depreciated	<u>30,143,797</u>	<u>7,836,380</u>	<u>(471,988)</u>	<u>37,508,190</u>
Less Accumulated Depreciation:				
Buildings	(4,323,924)	(199,784)	-	(4,523,708)
Improvements	(2,052,762)	(338,249)	-	(2,391,011)
Machinery & Equipment	(4,509,618)	(652,375)	87,892	(4,874,101)
Vehicles	(1,027,835)	(267,232)	23,604	(1,271,463)
Total Accumulated Depreciation	<u>(11,714,139)</u>	<u>(1,457,640)</u>	<u>111,496</u>	<u>(13,060,283)</u>
Total Capital Assets Being Depreciated, Net	<u>18,429,658</u>	<u>6,378,740</u>	<u>(360,491)</u>	<u>24,447,908</u>
Right-to-Use Lease Assets being Amortized				
Equipment	60,193	23,199	-	83,392
SBITA	-	5,911	-	5,911
Total Right-to-Use Lease Assets	<u>60,193</u>	<u>29,110</u>	<u>-</u>	<u>89,303</u>
Less Accumulated Amortization:				
Equipment	(7,288)	(14,974)	-	(22,262)
SBITA	-	(3,224)	-	(3,224)
Total Accumulated Amortization	<u>(7,288)</u>	<u>(18,198)</u>	<u>-</u>	<u>(25,486)</u>
Total Right-to-Use Assets being Amortized, Net	<u>52,905</u>	<u>10,912</u>	<u>-</u>	<u>63,817</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,482,563</u>	<u>\$ 6,389,652</u>	<u>\$ (360,491)</u>	<u>\$ 24,511,725</u>

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

Governmental Activities:		
Financial Administration	\$	32,393
General Administration		177,998
Tax Administration		65,667
Facilities Management		94,568
Elections		2,755
Public Safety		493,504
Roads & Bridges		252,543
Sanitation		21,419
Justice System		269,556
Juvenile Services		5,239
Health & Human Services		23,495
Culture and Recreation		1,033
Conservation & Development		17,470
Total Depreciation Expense - Governmental Activities	\$	<u>1,457,640</u>

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

Governmental Activities:		
General Administration	\$	18,198
Total Amortization Expense - Governmental Activities	\$	<u>18,198</u>

3.F. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue	\$ 1,198
General	Trust	74,600
TOTAL		<u>\$ 75,798</u>

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

Interfund Transfers:

	Transfers In	Transfers Out
General Fund	\$	\$ 1,853,305
Special Revenue Fund	404,767	
Road & Bridge Fund	1,448,538	
	\$ <u>1,853,305</u>	\$ <u>1,853,305</u>

3.G. UNEARNED REVENUES

As of the year ended September 30, 2023 the County had \$64,992 of unspent Local Assistance and Tribal Consistency funds.

3.H. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The financial statements report separate sections for deferred outflows and inflows of resources. Deferred outflows represent an acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources(expense/expenditure) until that time. Deferred inflows represent an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resource(revenue) until that time.

Deferred outflows on the Statement of Net Position consists of the deferred charge for refunding \$424,900, TCDRS pension deferred outflow of \$653,381(see note 4.A.) and the TCDRS OPEB deferred outflow of \$32,551(see note 4.B.)

Deferred inflows on the Statement of Net position consists of the TCDRS pension deferred inflow of \$40,261(see note 4.A.), the TCDRS OPEB deferred inflow of \$47,570(see note 4.B.) and the deferred inflow related to lease receivable \$1,216,922(see note 3.D.).

Deferred inflows on the Balance Sheet – Governmental Funds consist of:

	General Fund	Debt Service Fund	Total
Delinquent Property Tax	\$ 218,194	\$ 35,343	\$ 253,537
Deferred Inflows - Exhibit C-1	\$ 218,194	\$ 35,343	\$ 253,537

3.I. LONG-TERM DEBT

Governmental Activities

As of September 30, 2023, the governmental long-term debt consisted of the following:

Changes in Long-Term Debt

	Balance 10/1/2022	Issued	Retired	Balance 9/30/2023	Due Within One Year
Bonds Payable -					
Certificates of Obligation Payable -					
Series 2012	\$ 800,000	\$ -	\$ 105,000	\$ 695,000	\$ 110,000
General Obligation Refunding Bonds -					
Series 2012	2,900,000	-	375,000	2,525,000	385,000
Limited Tax Note -					
Series 2017	295,000	-	145,000	150,000	150,000
Limited Tax Note -					
Series 2021	1,380,000	-	230,000	1,150,000	230,000
Certificates of Obligation Payable -					
Series 2022	3,460,000	-	175,000	3,285,000	175,000
Certificates of Obligation Payable -					
Series 2023	-	3,750,000	-	3,750,000	160,000
Financing Purchases Payable					
Government Capital	339,624	1,238,823	772,821	805,626	427,318
Leases Payable	52,762	23,199	13,326	62,635	16,409
SBITA Payable	-	5,911	3,183	2,728	2,728
Subtotal	9,227,386	5,017,933	1,819,330	12,425,989	1,656,455
Premium on Refunding Bonds	249,297	223,346	30,191	442,452	-
Pension Liability	-	613,806	306,533	307,273	-
OPEB Liability	250,318	18,630	67,162	201,786	-
Comp Time	54,039	-	3,943	50,096	-
TOTAL LONG TERM DEBT	\$ 9,781,040	\$ 5,873,715	\$ 2,227,159	\$ 13,427,596	\$ 1,656,455

3.J. CERTIFICATES OF OBLIGATIONS, TAX REFUNDING BONDS AND LIMITED TAX NOTES

Certificates of Obligation payable at September 30, 2023 consists of the following:

\$4,020,000 General Obligation Refunding Bonds, Series 2012 due in annual installments of principal and interest through August 1, 2029; interest at 2% to 3.25%.	\$ 2,525,000
\$1,730,000 Combination and Tax Revenue Certificates of Obligation, Series 2012 due in annual installments of principal and interest through August 1, 2029; interest at 2.0% to 3.0%.	695,000
\$970,000 Limited Tax Note Series 2017 due in annual installments of principal and interest through August 15, 2024, interest at 1.170% to 1.870%	150,000
\$1,620,000 Limited Tax Note Series 2021 due in annual installments of principal and interest through February 15, 2028, interest at 1.060%	1,150,000
\$3,460,000 Combination Tax and Revenue Certificates of Obligation, Series 2022 due in annual installments of principal and interest through August 1, 2037, Interest at 5.0% to 3.5%	3,285,000

\$3,750,000 Combination Tax and Revenue Certificates of Obligation, Series 2023 due in annual installments of principal and interest through August 1, 2039, Interest at 4.0% to 5.0% 3,750,000

Total Long-Term Debt \$ 11,555,000

The annual requirements for principal and interest on the outstanding certificates of obligation are as follows:

Year Ended September 30	Principal	Interest	Total
2024	\$ 1,210,000	404,747	\$ 1,614,747
2025	1,095,000	366,045	1,461,045
2026	1,130,000	331,407	1,461,407
2027	1,165,000	296,381	1,461,381
2028	1,200,000	260,019	1,460,019
2029 - 2033	2,905,000	849,268	3,754,268
2034 - 2038	2,535,000	335,178	2,870,178
2039 - 2043	315,000	12,600	327,600
Totals	<u>\$ 11,555,000</u>	<u>\$ 2,855,645</u>	<u>\$ 14,410,645</u>

3.K. LONG-TERM DEBT ADVANCE REFUNDING

During 2013, the County advance refunded a portion of the Series 2009 Certificates of Obligation by issuing \$4,020,000 general obligation refunding bonds – Series 2012. The certificates of obligation were called and were redeemed by depositing \$5,656,057 into an escrow account on July 26, 2012 (including the County’s contribution of \$1,500,000). The certificates of obligation have been defeased and removed as a liability of the County. The Series 2012 refunding bonds mature on August 1, in each of the years 2014 through 2029. The refunding bonds resulted in a gross debt service savings of \$863,864 and the net present value savings of \$468,034. The following obligations are considered to be defeased and the liability removed from the accompanying financial statements:

Description	Refunded Amount	Balance 9/30/23
Certificates of Obligation - Series 2009	<u>\$ 4,340,000</u>	<u>\$ 2,920,000</u>

3.L. FINANCE PURCHASES PAYABLE

On December 16, 2022 the County executed a \$736,489 finance purchase obligation with Government Capital Corporation for the purchase of various equipment. The finance contract is due in 4 annual installments of \$205,534 ending June 16, 2026, with an interest rate of 5.72%.

On October 14, 2022 the County executed a \$502,334 finance purchase obligation with Government Capital Corporation for the purchase of various equipment. The finance contract is due in 2 annual installments of \$266,414 ending June 14, 2024, with an interest rate of 5.147%.

On May 25, 2021 the County executed a \$131,816 finance purchase obligation with Government Capital Corporation for the purchase of a trailer and a dump truck. The finance contract is due in 2 annual installments of \$68,786 ending May 26, 2023, with an interest rate of 2.897%.

On October 13, 2021 the County executed a \$542,837 finance purchase obligation with Government Capital Corporation for the purchase of various capital equipment. The finance contract is due in 2 annual installments of \$280,677 ending June 13,2023, with an interest rate of 2.897%.

Annual requirements to amortize the financing purchases payable and related interest as of September 30, 2023:

Year Ending September 30,	Principal	Interest	Annual Requirements
2024	\$ 427,318	\$ 44,630	\$ 471,948
2025	183,895	21,639	205,534
2026	194,413	11,120	205,533
	<u>\$ 805,626</u>	<u>\$ 77,389</u>	<u>\$ 883,015</u>

3.M. LEASE LIABILITY

The County entered into a right-to-use asset lease with Pitney Bowes for a mail machine. The lease term began February 28, 2023 and continues through February 28, 2028 (60 months). The monthly lease payments are \$341 and include interest at 3.5%.

The County entered into a right-to-use asset lease with Toshiba Business Solutions for a copier. The lease term began February 2022 and continues through February 2027 (60 months). The monthly lease payments are \$1,188 and include interest at 3.5%.

Annual requirements to amortize the leases payable and related interest are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2024	\$ 16,409	\$ 1,941	\$ 18,350
2025	16,992	1,358	18,350
2026	17,596	754	18,350
2027	8,620	226	8,846
2028	3,017	53	3,070
	<u>\$ 62,634</u>	<u>\$ 4,332</u>	<u>\$ 66,966</u>

3.N. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS PAYABLE

On October 1, 2022, the County entered into a 22 month subscription for the use of Criminal Case Management Software System. An initial subscription liability was recorded in the amount of \$5,911. As of September 30, 2023, the value of the subscription liability is \$2,727. The County is required to make monthly fixed payments of \$277. The subscription interest rate is 3.3467%.

Annual requirements to amortize the SBITA payable and related interest are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2024	\$ 2,727	\$ 42	\$ 2,769
	<u>\$ 2,727</u>	<u>\$ 42</u>	<u>\$ 2,769</u>

NOTE 4 - OTHER NOTES

4.A. EMPLOYEE RETIREMENT PLAN

Plan Description

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

- a. Blanco 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 150%) 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 Blanco County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2022 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org/Employer.

Members covered by benefit terms.

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

Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	73
Active employees	74
	<hr/>
	203

Contributions

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.

The contribution rate payable by the employee members for calendar year 2022 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County’s contributions to TCDRS for the year ended September 30, 2023 were \$329,647, and were equal to the required contributions.

Net Pension Liability

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

Actuarial assumptions:

The Total Pension Liability in December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	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.
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 .5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)

Cost of Living Adjustments	Cost-of-Living Adjustments for Blanco County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60; b) earliest retirement eligibility.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	Pub-2010 Mortality Tables
Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)	For employers who have elected this option, a .75% increase is applied to the TPL related to the member deposit portion of the estimated monthly benefit for future retirees.

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10 year time horizon.

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

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (Net) Index	2.50%	4.95%
International Equities - Developed Markets	MSCI World EX USA (Net) Index	5.00%	4.95%
International Equities - Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.95%
Investment Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	S&P 1.5TA Leveraged Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (Net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFR) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board meeting.

⁽²⁾ Economic real rates of return equal the expected return for the asset class minus the inflation rate of 2.3% per Cliffwater's 2022 capital market assumptions.

⁽³⁾ Includes vintage years 2003 - present of Quarter Pooled Horizon 100s.

⁽⁴⁾ Includes vintage years 2007 - present of Quarter Pooled Horizon 100s.

⁽⁵⁾ Includes vintage years 2006 - present of Quarter Pooled Horizon 100s.

Discount Rate

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

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Increase/(Decrease)		
	Total Pension	Fiduciary	Net Pension
	Liability	Net Position	Liability/ (Asset)
	(a)	(b)	(a)-(b)
Balances as of December 31, 2021	\$ 11,522,502	12,684,186	\$ (1,161,684)
Changes for the Year:			
Service Cost	400,603		400,603
Interest on Total Pension Liability (1)	883,253		883,253
Effect of Plan Changes ⁽²⁾			-
Effects of Economic/Demographic- Gains or Losses	(15,793)		(15,793)
Effect of Assumptions Changes or Inputs			-
Refund of Contributions	(13,406)	(13,406)	-
Benefit Payments	(600,540)	(600,540)	-
Administrative Expenses		(6,956)	6,956
Member Contributions		246,965	(246,965)
Net Investment Income		(737,513)	737,513
Employer Contributions		296,005	(296,005)
Other ⁽³⁾		607	(607)
Balances as of December 31, 2022	\$ <u>12,176,619</u>	\$ <u>11,869,347</u>	\$ <u>307,273</u>

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

⁽²⁾ No plan changes valued.

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

Sensitivity Analysis

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

	1% Decrease <u>6.60%</u>	Current Discount Rate <u>7.60%</u>	1% Increase <u>8.60%</u>
Total Pension Liability	\$ 13,569,780	12,176,619	10,994,760
Fiduciary Net Position	<u>11,869,347</u>	<u>11,869,347</u>	<u>11,869,347</u>
Net Pension Liability/ (Asset)	\$ <u>1,700,433</u>	\$ <u>307,273</u>	\$ <u>(874,587)</u>

Pension Expense / (Income)

	January 1, 2022 to December 31, 2022
Service Cost	10,282
Interest on total OPEB liability(1)	5,282
Effect of plan changes	
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(587)
Recognition of assumption changes or inputs	(998)
Other	
 OPEB expense/(income)	 <u><u>13,979</u></u>

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

As of December 31, 2022, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 14,159	\$ 26,241
Changes of assumptions	26,102	137,437
Net difference between projected and actual earnings	-	234,715
Contributions made subsequent to measurement date		254,988
	<u>\$ 40,261</u>	<u>\$ 653,381</u>

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

Year Ended December 31

2023	\$ (13,242)
2024	(8,598)
2025	40,245
2026	339,727
2027	-
Thereafter ⁽⁴⁾	-

⁽³⁾ Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as a deferred outflow of resources.

⁽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.

4.B. GROUP TERM LIFE FUND (OPEB)
Plan Description

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

- a. Blanco County participates in the retiree Group Term Life program for the Texas County & District

Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system.

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

Members covered by benefit terms.

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

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	14
Active employees	74
	132

Contributions

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

The following shows a breakdown of the employer's contributions to the GTL program for the calendar year 2022. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments used to calculate changes in total OPEB liability. The contributions for active coverage are not considered an OPEB benefit under GASB 75, so there should be no change in how these amounts are reported.

Coverage Type	2022 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.35%	12,348	No change from prior year
Retiree GTL Benefit	0.24%	8,467	GASB 75

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2022 should be reflected as a deferred outflow. As previously noted, only contributions to the GTL program for retiree coverage should be included under GASB 75. Therefore, once the total GTL contributions made subsequent to the measurement date have been determined, this amount should be multiplied by the portion attributable to retiree coverage to determine the OPEB contributions made subsequent to the measurement date that should be reported under GASB 75. This proportion is 37.50000%, allocated as follows:

Coverage Type	2023 GTL Rate	Proportion	Financial Reporting
Active Member GTL Benefit	0.30%	62.50000%	No change from prior year
Retiree GTL Benefit	0.18%	37.50000%	GASB 75

The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County's contributions to TCDRS for the year ended September 30, 2023 were \$20,882 and were equal to the required contributions.

Total OPEB Liability

The County's Total OPEB Liability (NPL) was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability as of December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Level of 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	Does not apply
Investment Rate of Return (Discount Rate)	3.72% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2022.
Cost of Living Adjustments	Does not apply
Disability	Members who become disabled are eligible to commence benefit payments regardless of age.
Mortality	Pub-2010 Mortality Tables
Retirement	Deferred members are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility ** For all eligible members ages 75 and later, retirement is assumed to occur immediately.

Other Termination of
Employment

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

Discount Rate

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

Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2021	\$ <u>250,318</u>
Changes for the year:	
Service Cost	10,282
Interest on total OPEB liability(1)	5,282
Changes of benefit terms(2)	
Effect of economic/demographic experience	3,833
Effect of assumptions changes or inputs	(59,462)
Benefit payments	(8,467)
Other	
Balance as of December 31, 2022	\$ <u><u>201,786</u></u>

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

⁽²⁾ No plan changes are valued.

⁽³⁾ Reflects change in discount rate.

Sensitivity Analysis

The following presents the Total OPEB liability of the employer, calculated using the discount rate of 3.72%, as well as what the Blanco County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.72%) or 1 percentage point higher (4.72%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease	Current Discount Rate	1% Increase
	2.72%	3.72%	4.72%
Total OPEB Liability	\$ 234,716	\$ 201,786	\$ 175,626

OPEB Expense/ (Income)

	January 1, 2022 to December 31, 2022
Service Cost	10,282
Interest on total OPEB liability(1)	5,282
Effect of plan changes	
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(587)
Recognition of assumption changes or inputs	(998)
Other	
OPEB expense/(income)	<u>13,979</u>

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

As of December 31, 2022, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/ Outflows of Resources	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,899
Changes of assumptions	47,570	19,790
Contributions made subsequent to measurement date ⁽²⁾		5,862
	<u>\$ 47,570</u>	<u>\$ 32,551</u>

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

Year ended December 31:

2023	\$ 3,372
2024	(4,138)
2025	(8,986)
2026	(11,129)
2027	-
Thereafter ⁽¹⁾	-

⁽¹⁾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.

⁽²⁾Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as deferred outflows of resources.

4.C. RISK MANAGEMENT

The County 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 carries commercial insurance through the Texas Association of Counties in order to manage the above listed risks. The County also provides group health insurance coverage for full time employees through the Texas Association of Counties Insurance Trust (Blue Cross - Blue Shield).

4.D. PERMANENT SCHOOL TRUST FUND

The Blanco County Permanent School Fund was established by State statute to receive and disburse funds earned from State lands and other investments granted to the County for educational purposes. Administration of the Fund vests in the office of the County Judge. Allocation of available funds to the County's independent school districts is according to the scholastic population of each district. The land owned by the Fund (738.96 acres located in Bailey County, Texas) was patented to Blanco County by certificate issued by the Commissioner of the General Land Office on January 4, 1906.

On December 31, 1978, the effective date of the abolition of the County School Administrative Offices, the "corpus" of the nature amounted to \$36,416. The remaining fund balance at September 30, 2023 in excess of the permanent portion is carried forward to the subsequent fiscal periods as a State required reserve of sufficient amount to pay the ad valorem taxes.

In addition to the regular distribution of annual net revenues to the school districts each year, distributions of previously undistributed funds in excess of the permanent corpus and reserved ad valorem tax money may be distributed to each district.

4.E. CONTINGENT LIABILITIES

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 agency cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

4.F. EXCESS EXPENDITURES OVER APPROPRIATIONS

Expenditures in several line items in the General Fund exceeded appropriations but not in total.

4.G. PRIOR PERIOD ADJUSTMENT

Prior period adjustments were necessary in the General Fund, the Road and Bridge Fund, and the LATCF Fund to correct payables and transfers from previous years.

Prior period adjustment was necessary in the Custodial Fund to include the trust accounts in accordance with GASB 84.

	General Fund	Road & Bridge Fund	LATCF Fund	Custodial Fund	Governmental Activities
Fund Balance and Net Position as previously reported	\$ 10,509,135	\$ 1,092,613	\$ 291,454	\$ 7,947,655	\$ 27,040,812
General Fund corrections	118,112				118,112
Road & Bridge Fund Corrections		(289,065)			(289,065)
LATCF Fund corrections			83,628		83,628
Custodial Fund Corrections				2,520,982	
Fund Balance and Net Position at October 1, 2022 restated	\$ <u>10,627,247</u>	\$ <u>803,548</u>	\$ <u>375,082</u>	\$ <u>10,468,637</u>	\$ <u>26,953,487</u>

4.H. SUBSEQUENT EVENTS

The County has evaluated subsequent events through June 11, 2024, the date which the financial statements were available to be issued. The County entered into a finance purchase agreement with Government Capital Corporation on October 5, 2023 for the purchase of various capital equipment in the amount of \$799,128. The County is not aware of any other subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BLANCO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 7,963,182	\$ 7,963,182	\$ 7,616,098	\$ (347,084)
General Sales and Use Taxes	800,000	800,000	1,305,784	505,784
Other Taxes	15,000	15,000	46,240	31,240
Penalty and Interest on Taxes	35,000	35,000	77,291	42,291
Licenses and Permits	42,000	42,000	81,898	39,898
Intergovernmental Revenue and Grants	81,231	81,231	166,471	85,240
Charges for Services	336,571	336,571	640,767	304,196
Fines	42,600	42,600	43,901	1,301
Investment Earnings	2,000	2,000	280,729	278,729
Interest Revenue - Leases	-	-	44,443	44,443
Rents and Royalties	48,000	48,000	6,357	(41,643)
Contributions & Donations from Private Sources	-	-	2,704	2,704
Other Revenue	5,831	5,831	78,538	72,707
Total Revenues	9,371,415	9,371,415	10,391,221	1,019,806
EXPENDITURES:				
Current:				
Elections	-	-	20,000	(20,000)
Financial Administration	279,336	279,336	235,122	44,214
General Administration	1,519,461	1,438,948	1,087,773	351,175
Tax Administration	590,691	590,691	476,646	114,045
Facilities Management	682,421	763,621	686,424	77,197
Public Safety	4,576,780	4,595,380	3,571,739	1,023,641
Roads and Bridges	17,000	17,000	10,952	6,048
Sanitation	265,767	265,767	155,466	110,301
Justice System	2,193,619	2,139,132	1,899,565	239,567
Juvenile Services	57,044	57,044	38,029	19,015
Health and Human Services	262,316	302,716	114,706	188,010
Culture and Recreation	86,200	13,500	6,365	7,135
Conservation and Development	119,059	122,559	126,808	(4,249)
Debt Service:				
Principal on Debt	552,266	552,266	601,911	(49,645)
Principal on SBITAs	-	-	3,183	(3,183)
Interest on Debt	-	-	29,245	(29,245)
Interest on SBITAs	-	-	140	(140)
Capital Outlay:				
Capital Outlay	1,402,393	1,406,393	1,163,080	243,313
Total Expenditures	12,604,353	12,544,353	10,227,154	2,317,199
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,232,938)	(3,172,938)	164,067	3,337,005
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	38,831	38,831
Proceeds from Right-to-Use Leases	1,462,679	1,462,679	23,199	(1,439,480)
Noncurrent Loans	-	-	1,238,823	1,238,823
Proceeds from SBITAs	-	-	5,911	5,911
Transfers Out	(1,448,538)	(1,448,538)	(1,853,305)	(404,767)
Total Other Financing Sources (Uses)	14,141	14,141	(546,541)	(560,682)

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

BLANCO COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
Net Change in Fund Balances	(3,218,797)	(3,158,797)	(382,474)	2,776,323
Fund Balance - October 1 (Beginning)	10,509,135	10,509,135	10,509,135	-
Prior Period Adjustment	-	-	118,112	118,112
Fund Balance - September 30 (Ending)	<u>\$ 7,290,338</u>	<u>\$ 7,350,338</u>	<u>\$ 10,244,773</u>	<u>\$ 2,894,435</u>

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

BLANCO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE - ROAD & BRIDGE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Licenses and Permits	\$ 420,000	\$ 420,000	\$ 490,853	\$ 70,853
Intergovernmental Revenue and Grants	16,000	16,000	15,955	(45)
Fines	100,000	100,000	116,851	16,851
Total Revenues	536,000	536,000	623,659	87,659
EXPENDITURES:				
Roads and Bridges	2,023,901	2,083,901	1,920,482	163,419
Total Expenditures	2,023,901	2,083,901	1,920,482	163,419
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,487,901)	(1,547,901)	(1,296,823)	251,078
OTHER FINANCING SOURCES (USES):				
Transfers In	1,448,538	1,448,538	1,448,538	-
Total Other Financing Sources (Uses)	1,448,538	1,448,538	1,448,538	-
Change in Fund Balance	(39,363)	(99,363)	151,715	251,078
Fund Balance - October 1 (Beginning)	1,092,613	1,092,613	1,092,613	-
Prior Period Adjustment	-	-	(289,065)	(289,065)
Fund Balance - September 30 (Ending)	\$ 1,053,250	\$ 993,250	\$ 955,263	\$ (37,987)

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

BLANCO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AMERICAN RESCUE PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Intergovernmental Revenue and Grants	\$ 1,158,728	\$ 1,158,728	\$ 2,135,245	\$ 976,517
Total Revenues	1,158,728	1,158,728	2,135,245	976,517
EXPENDITURES:				
Capital Outlay:				
Capital Outlay	2,300,000	2,300,000	2,135,245	164,755
Total Expenditures	2,300,000	2,300,000	2,135,245	164,755
Change in Fund Balance	(1,141,272)	(1,141,272)	-	1,141,272
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	\$ (1,141,272)	\$ (1,141,272)	\$ -	\$ 1,141,272

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

BLANCO COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
A. Total Pension Liability			
Service Cost	\$ 400,603	\$ 392,076	\$ 358,545
Interest (on the Total Pension Liability)	883,253	832,575	791,382
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(15,793)	78,725	(14,526)
Changes of Assumptions	-	(78,308)	549,745
Benefit Payments, Including Refunds of Employee Contributions	(613,946)	(521,307)	(545,384)
Net Change in Total Pension Liability	\$ 654,117	\$ 703,761	\$ 1,139,762
Total Pension Liability - Beginning	11,522,502	10,818,742	9,678,980
Total Pension Liability - Ending	\$ 12,176,619	\$ 11,522,503	\$ 10,818,742
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 296,005	\$ 243,856	\$ 229,972
Contributions - Employee	246,965	228,513	210,707
Net Investment Income	(737,513)	2,289,505	988,857
Benefit Payments, Including Refunds of Employee Contributions	(613,946)	(521,307)	(545,384)
Administrative Expense	(6,956)	(6,862)	(7,646)
Other	607	1,491	(1,621)
Net Change in Plan Fiduciary Net Position	\$ (814,838)	\$ 2,235,196	\$ 874,885
Plan Fiduciary Net Position - Beginning	12,684,186	10,448,992	9,574,107
Plan Fiduciary Net Position - Ending	\$ 11,869,348	\$ 12,684,188	\$ 10,448,992
C. Net Pension Liability (Asset)	\$ 307,271	\$ (1,161,685)	\$ 369,750
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.48%	110.08%	96.58%
E. Covered Payroll	\$ 3,528,066	\$ 3,264,465	\$ 3,010,105
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll	8.71%	(35.59%)	12.28%

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

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

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$	320,269	\$ 320,071	\$ 308,115	\$ 298,580	\$ 277,626	\$ 266,960
	741,094	695,871	664,095	616,075	580,585	537,964
	-	-	70,234	-	(26,977)	-
	27,355	19,694	(175,305)	(37,860)	(66,371)	32,334
	-	-	-	-	92,199	-
	(468,422)	(486,288)	(487,285)	(405,683)	(389,059)	(309,055)
\$	620,296	\$ 549,348	\$ 379,854	\$ 471,112	\$ 468,003	\$ 528,203
	9,058,685	8,509,338	8,129,485	7,658,373	7,190,371	6,662,168
\$	9,678,981	\$ 9,058,686	\$ 8,509,339	\$ 8,129,485	\$ 7,658,374	\$ 7,190,371
\$	202,322	\$ 209,846	\$ 195,825	\$ 205,809	\$ 203,480	\$ 198,429
	197,801	188,323	176,419	169,291	166,982	157,842
	1,361,347	(160,196)	1,102,509	520,443	21,582	448,322
	(468,422)	(486,288)	(487,285)	(405,683)	(389,059)	(309,055)
	(7,296)	(6,658)	(5,683)	(5,692)	(5,075)	(5,214)
	(1,005)	(1,767)	(1,595)	7,229	49,865	24,255
\$	1,284,747	\$ (256,740)	\$ 980,190	\$ 491,397	\$ 47,775	\$ 514,580
	8,289,359	8,546,099	7,565,911	7,074,514	7,026,738	6,512,159
\$	9,574,106	\$ 8,289,359	\$ 8,546,101	\$ 7,565,911	\$ 7,074,513	\$ 7,026,739
\$	104,875	\$ 769,327	\$ (36,762)	\$ 563,574	\$ 583,861	\$ 163,633
	98.92%	91.51%	100.43%	93.07%	92.38%	97.72%
\$	2,825,730	\$ 2,690,335	\$ 2,520,267	\$ 2,418,441	\$ 2,385,462	\$ 2,254,881
	3.71%	28.60%	(1.46%)	23.30%	24.48%	7.26%

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

	2023	2022	2021
Actuarially Determined Contribution	\$ 329,647	\$ 289,072	\$ 242,491
Contributions in Relation to the Actuarially Determined Contributions	329,647	289,072	242,491
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 4,146,414	\$ 3,468,601	\$ 3,226,469
Contributions as a Percentage of Covered Employee Payroll	7.90%	8.30%	7.50%

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

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

	2020	2019	2018	2017	2016	2015	2014
\$	219,079	\$ 204,742	\$ 206,622	\$ 197,800	\$ 201,155	\$ 203,480	198,429
	219,079	204,742	206,622	197,800	201,155	203,480	198,429
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
\$	2,916,077	\$ 2,793,487	\$ 2,651,694	\$ 2,482,744	\$ 2,362,325	\$ 2,385,462	2,254,881
	7.50%	7.33%	7.80%	7.97%	8.52%	8.50%	8.80%

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

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of payroll, closed
Remaining Amortization Period	18.0 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and 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 RP-2010 General Retirees Table for males and 120% of the RP-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New Investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule.

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

BLANCO COUNTY, TEXAS
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
Total OPEB Liability			
Service Cost	\$ 10,282	\$ 10,252	\$ 9,458
Interest on the Total OPEB Liability	5,282	5,049	5,620
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(59,462)	5,789	22,120
Changes of Assumptions	3,833	4,906	2,124
Benefit Payments*	(8,467)	(7,182)	(6,923)
Net Change in Total OPEB Liability	(48,532)	18,814	32,399
Total OPEB Liability - Beginning	250,318	231,504	199,105
Total OPEB Liability - Ending	\$ 201,786	\$ 250,318	\$ 231,504
Covered Payroll	\$ 3,528,066	\$ 3,264,465	\$ 3,010,105
Total OPEB Liability as a Percentage of Covered Payroll	5.72%	7.67%	7.69%

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

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

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

	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
\$	5.479	\$ 6.675	\$ 6,265
	6.487	5.850	6,562
	-	-	-
	37,341	(15,818)	6,031
	208	(760)	(15,896)
	(6,217)	(6,995)	(6,805)
	<u>43,298</u>	<u>(11,048)</u>	<u>(3,843)</u>
	155,807	166,855	170,698
\$	<u>199,105</u>	<u>\$ 155,807</u>	<u>\$ 163,012</u>
\$	2,825,730	\$ 2,690,335	\$ 2,520,267
	7.05%	5.79%	6.62%

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

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method	Straight-Line amortization over Expected Working Life
Recognition of economic /demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Salary increases do not affect benefits but are used in the allocation of costs under the actuarial cost method.
Investment Rate of Return (Discount Rate)	3.72% 20 Year Bond GO Index published by bondbuyer.com as of December 30, 2022
Cost of Living Adjustment	Does not apply
Disability	Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a custom table based on TCDRS experience.
Mortality	RP-2010 General Employees Mortality Table
Retirement	Deferred member are assumed to retire (100% probability at the later of: a) age 60 b) earliest retirement eligibility
Other Termination of Employment	The rate of assumed future termination from active participation in the plan vary. No termination after eligibility for retirement is assumed.

SUPPLEMENTARY INFORMATION

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

	Hot Check Fund	Records Management County Clerk	Records Preservation	Courthouse Security
ASSETS				
Cash and Cash Equivalents	\$ 6,866	\$ 122,386	\$ 112,529	\$ 59,733
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Total Assets	<u>\$ 6,866</u>	<u>\$ 122,386</u>	<u>\$ 112,529</u>	<u>\$ 59,733</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 1,180	\$ -
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,180</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Special Revenue	6,866	122,386	111,349	59,733
Retirement of Long-Term Debt	-	-	-	-
Total Fund Balances	<u>6,866</u>	<u>122,386</u>	<u>111,349</u>	<u>59,733</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 6,866</u>	<u>\$ 122,386</u>	<u>\$ 112,529</u>	<u>\$ 59,733</u>

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

Child Safety Program	Constable Pct. 1	Hazard Mitigation Plan Grant	Records Management District Clrk	JP#1 Technology	JP #4 Technology	County Clerk Archive	Vital Statistics Preservation
\$ 41,974	\$ -	\$ -	\$ 8,391	\$ 8,232	\$ 9,493	\$ 102,979	\$ 1,736
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	17,888	-	-	-	-	-	-
<u>\$ 41,974</u>	<u>\$ 17,888</u>	<u>\$ -</u>	<u>\$ 8,391</u>	<u>\$ 8,232</u>	<u>\$ 9,493</u>	<u>\$ 102,979</u>	<u>\$ 1,736</u>
\$ 3,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>3,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
38,569	17,888	-	8,391	8,232	9,493	102,979	1,736
-	-	-	-	-	-	-	-
<u>38,569</u>	<u>17,888</u>	<u>-</u>	<u>8,391</u>	<u>8,232</u>	<u>9,493</u>	<u>102,979</u>	<u>1,736</u>
<u>\$ 41,974</u>	<u>\$ 17,888</u>	<u>\$ -</u>	<u>\$ 8,391</u>	<u>\$ 8,232</u>	<u>\$ 9,493</u>	<u>\$ 102,979</u>	<u>\$ 1,736</u>

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

	Third Court of Appeals	Family Protection Plan	Chapter 19 Funds	LATCF Funds
ASSETS				
Cash and Cash Equivalents	\$ 4,365	\$ 10,716	\$ 1,339	\$ 440,420
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Total Assets	<u>\$ 4,365</u>	<u>\$ 10,716</u>	<u>\$ 1,339</u>	<u>\$ 440,420</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	-	-	64,992
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,992</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Special Revenue	4,365	10,716	1,339	375,428
Retirement of Long-Term Debt	-	-	-	-
Total Fund Balances	<u>4,365</u>	<u>10,716</u>	<u>1,339</u>	<u>375,428</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 4,365</u>	<u>\$ 10,716</u>	<u>\$ 1,339</u>	<u>\$ 440,420</u>

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

Supplemental Guardianship Fees	Child Abuse Prevention	District Court Technology	County Clerk Technology	District Court Record Preservation	County Court Record Preservation	District Court Civil Tech Fee	Blanco County Historical Commission
\$ 9,085	\$ 543	\$ 429	\$ 1,348	\$ 3,091	\$ 7,443	\$ 10,002	\$ 4,856
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 9,085</u>	<u>\$ 543</u>	<u>\$ 429</u>	<u>\$ 1,348</u>	<u>\$ 3,091</u>	<u>\$ 7,443</u>	<u>\$ 10,002</u>	<u>\$ 4,856</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,085	543	429	1,348	3,091	7,443	10,002	4,856
-	-	-	-	-	-	-	-
<u>9,085</u>	<u>543</u>	<u>429</u>	<u>1,348</u>	<u>3,091</u>	<u>7,443</u>	<u>10,002</u>	<u>4,856</u>
<u>\$ 9,085</u>	<u>\$ 543</u>	<u>\$ 429</u>	<u>\$ 1,348</u>	<u>\$ 3,091</u>	<u>\$ 7,443</u>	<u>\$ 10,002</u>	<u>\$ 4,856</u>

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

	County Wide Road & Bridge Improvement	E-Filing Service Fee	VHF Trunking Improvement Replacement	Truancy Prevention
ASSETS				
Cash and Cash Equivalents	\$ 1,596	\$ 1,039	\$ 74,744	\$ 19,052
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Total Assets	<u>\$ 1,596</u>	<u>\$ 1,039</u>	<u>\$ 74,744</u>	<u>\$ 19,052</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
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				
Restricted Fund Balance:				
Restricted for Special Revenue	1,596	1,039	74,744	19,052
Retirement of Long-Term Debt	-	-	-	-
Total Fund Balances	<u>1,596</u>	<u>1,039</u>	<u>74,744</u>	<u>19,052</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 1,596</u>	<u>\$ 1,039</u>	<u>\$ 74,744</u>	<u>\$ 19,052</u>

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

District Clerk	Specialty Court	Sheriff Special	TxDot Grant Fund	Language Access Fund	Justice Court Support	Clerk Of the Court	Court Facility Fee Fund
\$ 2,968	\$ 1,778	\$ 43,540	\$ -	\$ 1,736	\$ 2,870	\$ 11,330	\$ 7,085
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 2,968</u>	<u>\$ 1,778</u>	<u>\$ 43,540</u>	<u>\$ -</u>	<u>\$ 1,736</u>	<u>\$ 2,870</u>	<u>\$ 11,330</u>	<u>\$ 7,085</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,968	1,778	43,540	-	1,736	2,870	11,330	7,085
-	-	-	-	-	-	-	-
<u>2,968</u>	<u>1,778</u>	<u>43,540</u>	<u>-</u>	<u>1,736</u>	<u>2,870</u>	<u>11,330</u>	<u>7,085</u>
<u>\$ 2,968</u>	<u>\$ 1,778</u>	<u>\$ 43,540</u>	<u>\$ -</u>	<u>\$ 1,736</u>	<u>\$ 2,870</u>	<u>\$ 11,330</u>	<u>\$ 7,085</u>

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

	Total Nonmajor Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,135,694	\$ 452,174	\$ 1,587,868
Taxes Receivable	-	37,203	37,203
Allowance for Uncollectible Taxes (credit)	-	(1,860)	(1,860)
Accounts Receivable, Net	17,888	-	17,888
Total Assets	<u>\$ 1,153,582</u>	<u>\$ 487,517</u>	<u>\$ 1,641,099</u>
LIABILITIES			
Accounts Payable	\$ 4,585	\$ 400	\$ 4,985
Unearned Revenues	64,992	-	64,992
Total Liabilities	<u>69,577</u>	<u>400</u>	<u>69,977</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	35,343	35,343
Total Deferred Inflows of Resources	<u>-</u>	<u>35,343</u>	<u>35,343</u>
FUND BALANCES			
Restricted Fund Balance:			
Restricted for Special Revenue	1,084,005	-	1,084,005
Retirement of Long-Term Debt	-	451,774	451,774
Total Fund Balances	<u>1,084,005</u>	<u>451,774</u>	<u>1,535,779</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 1,153,582</u>	<u>\$ 487,517</u>	<u>\$ 1,641,099</u>

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

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

	Hot Check Fund	Records Management County Clerk	Records Preservation	Courthouse Security
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	9,064	42,411	14,832
Fines	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	-	9,064	42,411	14,832
EXPENDITURES:				
Current:				
General Government:				
General Administration	-	593	65,537	-
Public Safety	-	-	-	20,559
Public Works:				
Roads and Bridges	-	-	-	-
Justice System	410	-	-	-
Health and Welfare:				
Health and Human Services	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Fiscal Agent's Fees	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	410	593	65,537	20,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	(410)	8,471	(23,126)	(5,727)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(410)	8,471	(23,126)	(5,727)
Fund Balance - October 1 (Beginning)	7,276	113,915	134,475	65,460
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	\$ 6,866	\$ 122,386	\$ 111,349	\$ 59,733

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

Child Safety Program	Constable Pct. 1	Hazard Mitigation Plan Grant	Records Management District Clrk	JP#1 Technology	JP #4 Technology	County Clerk Archive	Vital Statistics Preservation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	83,310	19,380	-	-	-	-	-
22,989	-	-	1,971	2,896	1,896	21,105	652
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>22,989</u>	<u>83,310</u>	<u>19,380</u>	<u>1,971</u>	<u>2,896</u>	<u>1,896</u>	<u>21,105</u>	<u>652</u>
-	139,945	-	(55)	-	-	-	-
-	-	19,380	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,738	895	53,376	1,317
55,836	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,239	-	-	-	-	-	-
<u>55,836</u>	<u>146,184</u>	<u>19,380</u>	<u>(55)</u>	<u>2,738</u>	<u>895</u>	<u>53,376</u>	<u>1,317</u>
<u>(32,847)</u>	<u>(62,874)</u>	-	<u>2,026</u>	<u>158</u>	<u>1,001</u>	<u>(32,271)</u>	<u>(665)</u>
-	80,762	-	-	-	-	-	-
-	80,762	-	-	-	-	-	-
<u>(32,847)</u>	<u>17,888</u>	-	<u>2,026</u>	<u>158</u>	<u>1,001</u>	<u>(32,271)</u>	<u>(665)</u>
71,416	-	-	6,365	8,074	8,492	135,250	2,401
-	-	-	-	-	-	-	-
<u>\$ 38,569</u>	<u>\$ 17,888</u>	<u>\$ -</u>	<u>\$ 8,391</u>	<u>\$ 8,232</u>	<u>\$ 9,493</u>	<u>\$ 102,979</u>	<u>\$ 1,736</u>

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

	Third Court of Appeals	Family Protection Plan	Chapter 19 Funds	LATCF Funds
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	35,008
Charges for Services	1,080	-	2,696	-
Fines	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	1,080	-	2,696	35,008
EXPENDITURES:				
Current:				
General Government:				
General Administration	-	-	-	-
Public Safety	-	-	-	-
Public Works:				
Roads and Bridges	-	-	-	-
Justice System	-	-	-	-
Health and Welfare:				
Health and Human Services	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Fiscal Agent's Fees	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	35,008
Total Expenditures	-	-	-	35,008
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,080	-	2,696	-
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	291,454
Total Other Financing Sources (Uses)	-	-	-	291,454
Net Change in Fund Balance	1,080	-	2,696	291,454
Fund Balance - October 1 (Beginning)	3,285	10,716	(1,357)	-
Prior Period Adjustment	-	-	-	83,974
Fund Balance - September 30 (Ending)	\$ 4,365	\$ 10,716	\$ 1,339	\$ 375,428

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

Supplemental Guardianship Fees	Child Abuse Prevention	District Court Technology	County Clerk Technology	District Court Record Preservation	County Court Record Preservation	District Court Civil Tech Fee	Blanco County Historical Commission
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,800	24	104	24	1,590	182	40	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,800</u>	<u>24</u>	<u>104</u>	<u>24</u>	<u>1,590</u>	<u>182</u>	<u>40</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,775	-	-	-	2,418	414	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,418</u>	<u>414</u>	<u>-</u>	<u>-</u>
<u>25</u>	<u>24</u>	<u>104</u>	<u>24</u>	<u>(828)</u>	<u>(232)</u>	<u>40</u>	<u>-</u>
-	-	-	-	-	-	-	1,135
-	-	-	-	-	-	-	<u>1,135</u>
25	24	104	24	(828)	(232)	40	1,135
9,060	519	325	1,324	3,919	7,675	9,962	3,721
-	-	-	-	-	-	-	-
<u>\$ 9,085</u>	<u>\$ 543</u>	<u>\$ 429</u>	<u>\$ 1,348</u>	<u>\$ 3,091</u>	<u>\$ 7,443</u>	<u>\$ 10,002</u>	<u>\$ 4,856</u>

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

	County Wide Road & Bridge Improvement	E-Filing Service Fee	VHF Trunking Improvement Replacement	Truancy Prevention
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	15	-	-
Fines	-	-	-	-
Other Revenue	-	-	-	5,551
Total Revenues	<u>-</u>	<u>15</u>	<u>-</u>	<u>5,551</u>
EXPENDITURES:				
Current:				
General Government:				
General Administration	-	-	-	-
Public Safety	33,431	-	-	-
Public Works:				
Roads and Bridges	76,917	-	-	-
Justice System	-	-	-	-
Health and Welfare:				
Health and Human Services	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Fiscal Agent's Fees	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>110,348</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(110,348)</u>	<u>15</u>	<u>-</u>	<u>5,551</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	31,415	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>31,415</u>	<u>-</u>
Net Change in Fund Balance	(110,348)	15	31,415	5,551
Fund Balance - October 1 (Beginning)	112,290	1,024	43,329	13,501
Prior Period Adjustment	(346)	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ 1,596</u>	<u>\$ 1,039</u>	<u>\$ 74,744</u>	<u>\$ 19,052</u>

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

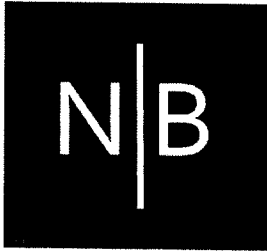
District Clerk	Specialty Court	Sheriff Special	TxDot Grant Fund	Language Access Fund	Justice Court Support	Clerk Of the Court	Court Facility Fee Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	6,988	3,880
-	-	-	-	1,011	1,830	-	-
<u>1,093</u>	<u>598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,093</u>	<u>598</u>	<u>-</u>	<u>-</u>	<u>1,011</u>	<u>1,830</u>	<u>6,988</u>	<u>3,880</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,093</u>	<u>598</u>	<u>-</u>	<u>-</u>	<u>1,011</u>	<u>1,830</u>	<u>6,988</u>	<u>3,880</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,093</u>	<u>598</u>	<u>-</u>	<u>-</u>	<u>1,011</u>	<u>1,830</u>	<u>6,988</u>	<u>3,880</u>
1,875	1,180	43,540	-	725	1,040	4,342	3,205
-	-	-	-	-	-	-	-
<u>\$ 2,968</u>	<u>\$ 1,778</u>	<u>\$ 43,540</u>	<u>\$ -</u>	<u>\$ 1,736</u>	<u>\$ 2,870</u>	<u>\$ 11,330</u>	<u>\$ 7,085</u>

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

	Total Nonmajor Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES:			
Taxes:			
Property Taxes	\$ -	\$ 1,573,671	\$ 1,573,671
Intergovernmental Revenue and Grants	137,698	-	137,698
Charges for Services	136,239	-	136,239
Fines	2,841	-	2,841
Other Revenue	7,242	-	7,242
Total Revenues	<u>284,020</u>	<u>1,573,671</u>	<u>1,857,691</u>
EXPENDITURES:			
Current:			
General Government:			
General Administration	206,020	-	206,020
Public Safety	73,370	-	73,370
Public Works:			
Roads and Bridges	76,917	-	76,917
Justice System	63,343	-	63,343
Health and Welfare:			
Health and Human Services	55,836	-	55,836
Debt Service:			
Principal on Debt	-	1,214,236	1,214,236
Interest on Debt	-	279,848	279,848
Fiscal Agent's Fees	-	2,325	2,325
Capital Outlay:			
Capital Outlay	41,247	-	41,247
Total Expenditures	<u>516,733</u>	<u>1,496,409</u>	<u>2,013,142</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(232,713)</u>	<u>77,262</u>	<u>(155,451)</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	404,766	-	404,766
Total Other Financing Sources (Uses)	<u>404,766</u>	<u>-</u>	<u>404,766</u>
Net Change in Fund Balance	172,053	77,262	249,315
Fund Balance - October 1 (Beginning)	828,324	374,512	1,202,836
Prior Period Adjustment	83,628	-	83,628
Fund Balance - September 30 (Ending)	<u>\$ 1,084,005</u>	<u>\$ 451,774</u>	<u>\$ 1,535,779</u>

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

REPORTS ON INTERNAL CONTROL,
COMPLIANCE AND FEDERAL AWARDS



**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
Blanco County, Texas
Johnson City, TX 78636

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 Blanco County, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Blanco County, Texas'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 Blanco County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of Blanco County, Texas's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2023-001 to be a material weakness.

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.

Report on Compliance and Other Matters

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

Blanco County, Texas's Response to Findings

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

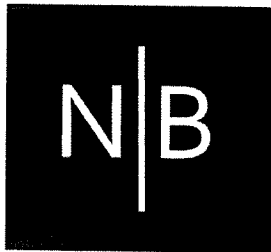
Purpose of this Report

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

Sincerely,

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

June 11, 2024



NEFFENDORF & BLOCKER, P.C.

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

Honorable Judge and County Commissioners
Blanco County, Texas
Johnson City, Texas 78636

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 to be material weaknesses.

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

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

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

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

June 11, 2024

BLANCO COUNTY, TEXAS

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

A. Section I - Summary of Auditor's Results

1 Financial Statements

Type of auditor's report issued	<u>Unmodified</u>	
Internal control over financial reporting		
Material weakness(es) identified	<u> X </u> yes	_____ no
Significant deficiencies identified that are not considered to be material weaknesses	_____ yes	<u> X </u> no
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

2 Federal and State Awards

Internal control over major programs:		
Material weakness(es) identified	<u> X </u> yes	_____ no
Significant deficiency identified that are not considered to be material weaknesses?	_____ yes	<u> X </u> no
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of Uniform Guidance and Texas Uniform Grant Management Standards?	<u> X </u> yes	_____ no

Identification of major federal programs:

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

Dollar threshold used to distinguish between type A and type B federal programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	_____ yes <u> X </u> no

B. Section II - Findings Related to the Financial Statements

2023-001

Type of Finding: Material Weakness

Criteria: For governmental funds, generally accepted accounting principles require the adoption of the modified accrual basis of accounting.

Condition: The County failed to record retainage payable in the amount of \$463,838 for the construction projects.

Cause: The County failed to comply with generally accepted accounting principles.

Effect: The County's payables and expenditures were materially understated at year-end.

Questioned Costs: None

Recommendation: The County should comply with generally accepted accounting principles.

Views of responsible officials and planned corrective action: This information is in the attached responses.

C. Section III - Findings and Questioned Costs Related to the Federal Awards

2023-002

Type of Finding: Material Weakness - Internal Control

Criteria: Uniform Guidance states recipients of Coronavirus State and Local Fiscal Recovery Funds (CLFRF) are responsible for ensuring any procurement using CLFRF funds are consistent with the procurement standards set forth in the Uniform Guidance (2 CFR 200.214).

Condition: The County failed to implement and monitor suspension and debarment procedures to comply with the Uniform Guidance (2 CFR 200.214).

Cause: Procedures were not put in place to monitor the procurement procedures conducted by the independent contractor to assure compliance with the Uniform Guidance standards.

Effect: Contracts may have been awarded to ineligible vendors.

Questioned Costs: None

Recommendation: Procedures should be put in place to monitor and comply with the Uniform Guidance procurement standards.

Views of responsible officials and planned corrective action: This information is in the attached responses.

2023-003

Type of Finding: Material Non-compliance

Criteria: Uniform Guidance procurement standards (2 CFR 200.214) state recipients of Coronavirus State and Local Fiscal Recovery Funds are prohibited from entering into subawards and contracts with parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal Assistance programs.

Condition: The County failed to comply with the Uniform Guidance procurement standards (2 CFR 200.214) regarding suspension and debarment.

Cause: The County's procurement procedures did not include procedures for vetting vendors with regard to suspension and debarment from participating in federal assistance programs.

Effect: Contracts may have been awarded to vendors ineligible to participate in the federal assistance program.

Questioned Cost: None

Recommendation: Procedures should be put in place to comply with the Uniform Guidance procurement standards regarding suspension and debarment.

Views of responsible officials and planned corrective action: This information is in the attached responses.

BLANCO COUNTY, TEXAS
**SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS/
CORRECTIVE ACTION PLAN**
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Current Year's Findings/Noncompliance and Corrective Action Plan:

See County's response to findings after the Notes to The Supplementary Schedule of Expenditures of Federal Awards

Prior Year's Finding/Noncompliance and Status:

2022-001

Type of Finding: Material Weakness

Criteria: The County was required to adopt and implement GASB Statement No. 87 *Leases* for the fiscal year ended September 30, 2022. The statement 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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the governments' leasing activities.

Condition: The County did not evaluate correctly the County's leases for the requirement to implement GASB Statement No. 87, *Leases*. The County incorrectly classified the leases as immaterial and did not implement GASB Statement No. 87, *Leases*. The County was not in compliance with Governmental Accounting Standards.

Cause: The evaluation of the leases prepared by the County was incomplete. The County classified the leases as immaterial without a calculation of materiality and the lease receivable was not included.

Effect: Audit procedures were performed with regard to the County's lease agreements that met the definition of the Standard. The result of the procedures determined the County had agreements as a lessee and as a lessor that were material to the financial statements.

Questioned Costs: None

Recommendation: The County should review all possible lessee and lessor agreements for compliance with GASB Statement No. 87, *Leases* and compute and document a materiality amount to determine if the agreements are material to the financial statements.

Current Year Status: Corrective action was taken by the County.

2022-002

Type of Finding: Material Weakness

Criteria: The County was required to adopt and implement GASB Statement No. 84 *Fiduciary Activities* in the prior year. The statement required recognition of revenues and expenses for custodial funds.

Condition: The County did not record the custodial funds in accordance with GASB Statement No. 84 *Fiduciary Activities*. The County was not in compliance with Governmental Accounting Standards.

Cause: The County failed to record the custodial funds (Officials Fines and Fees bank accounts) in accordance with GASB Statement No. 84 *Fiduciary Activities*.

Effect: The County was not in compliance with Governmental Accounting Standards. The custodial fund financial statements were overstated.

Questioned Costs: None

Recommendation: The County should review and comply with the requirements of GASB Statement No. 84 *Fiduciary Activities*.

Current Year Status: Corrective action was taken by the County.

2022-003

Type of Finding: Material Weakness

Criteria: Compliance with the assertion that all transactions have been recorded, classified and fairly presented in the financial statements.

Condition: Financing purchase agreement was not identified and recorded in the financial statements.

Cause: Procedures were not in place to identify new debt agreements and the County failed to record a financing purchase agreement.

Effect: Debt principal and interest expense accounts were understated and other sources revenue was understated.

Questioned Cost: None

Recommendation: Controls should be implemented to make sure the County Treasurer receives documentation regarding new debt agreements and the agreements are properly accounted for.

Current Year Status: Corrective action was taken by the County.

2022-004

Type of Finding: Material Weakness

Criteria: Compliance with the assertion that all transactions have been recorded, classified and fairly presented in the financial statements.

Condition: Audit procedures revealed the payroll bank account reconciliation did not agree with the general ledger cash accounts.

Cause: Controls and procedures were not performed to agree the payroll bank account reconciliation to the general ledger cash accounts.

Effect: Risk that the financial statements could be materially misstated due to the accounts not containing all the transactions.

Questioned Cost: None

Recommendation: Controls and procedures should be implemented to agree the reconciliation prepared for the payroll bank account to the general ledger cash accounts on a timely basis.

Current Year Status: Corrective action was taken by the County.

2022-005

Type of Finding: Significant Deficiency

Criteria: Compliance with the assertion that all transactions have been recorded, classified and fairly presented in the financial statements.

Condition: Year end accounts payable liability post to cash accounts.

Cause: The County's software post the year end accounts payable liabilities to the cash accounts instead of the accounts payable liability account.

Effect: The general ledger cash accounts do not agree with the bank reconciliations. The general ledger cash accounts are understated and the accounts payable liability accounts are understated.

Questioned Cost: None

Recommendation: If it is not possible to correct the software, the County should prepare a journal entry to reclassify the payables to the accounts payable liability accounts.

Current Year Status: Corrective action was taken by the County.

2022-006

Type of Finding: Material Weakness

Criteria: Compliance with the assertion of completeness of the pension and OPEB retirement plan and valuation of the retirement expenditures for the County's portion of the retirement.

Condition: An eligible employee's retirement was not being withheld or paid to TCDRS and the County's portion of the retirement was not paid to TCDRS from September of 2020 until March of 2022.

Cause: The County failed to review and reconcile the County's personnel to the TCDRS website on an annual basis to comply with GASB Statement No.68 procedures.

Effect: The eligible employee was overpaid and the County's expense was understated. The County paid both the eligible employees portion and the County's portion to correct the error.

Questioned Cost: None

Recommendation: Procedures should be implemented to comply with GASB Statement No. 68 requirements to review and agree the personnel information to TCDRS at least annually.

Current Year Status: Corrective action was taken by the County.

2022-007

Type of Finding: Material Weakness

Criteria: Compliance with the assertion that all transactions have been recorded, classified and fairly presented in the financial statements.

Condition: Accounting records for grant receipts and related documents was incomplete. Audit procedures noted failure to identify new grants and failure to properly record grants.

Cause: The County does not have specific grant policies and procedures implemented.

Effect: Grant revenue and expenditures were improperly recorded.

Questioned Cost: None

Recommendation: The County should adopt and implement grant policies and procedures to ensure all grants are properly accounted for and recorded.

Current Year Status: Corrective action was taken by the County.

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

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF TREASURY</u>			
<u>Direct Programs:</u>			
Coronavirus State and Local Fiscal Recovery Fund	21.027		\$ 2,135,245
Total Direct Programs			<u>2,135,245</u>
<u>Passed Through - Texas Division of Emergency Mgmt</u>			
Local Assistance and Tribal Consistency Fund	21.032		35,008
Total Passed Through - Texas Division of Emergency Mgmt			<u>35,008</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u>2,170,253</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<u>Passed Through - Office of The Governor</u>			
DJ-Edward Byrne Memorial Justice Assistance Grant	16.738	4478401	83,310
Total Passed Through - Office of The Governor			<u>83,310</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>83,310</u>
<u>ELECTION ASSISTANCE COMMISSION</u>			
<u>Passed Through - Texas Secretary of State</u>			
2020 Help America Vote Act Election Security Grant	90.404	TX18101001-01-0	16,616
Total Passed Through - Texas Secretary of State			<u>16,616</u>
TOTAL ELECTION ASSISTANCE COMMISSION			<u>16,616</u>
<u>DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
<u>Passed Through - General Land Office</u>			
Community Development Block Grant - Hazard Mitigat	14.228	22-130-005-D662	19,380
Total Passed Through - General Land Office			<u>19,380</u>
TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			<u>19,380</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,289,559</u>

BLANCO COUNTY, TEXAS

NOTES TO THE SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Basis of Presentation

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

Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

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

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

Indirect Cost Rate

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

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Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings and
Corrective Action Plan
September 30, 2023
Prepared by
Blanco County

Blanco County - Corrective Action Plan

Finding 2023-001

Finding Summary: County should record retainage payable in accordance with generally accepted accounting principles.

Responsible Individuals: County Auditor and County Treasurer

Corrective Action Plan: Retainage payable will be recorded on material construction projects going forward.

Anticipated Completion Date: Ongoing

Finding 2023-002

Finding Summary: County should comply with Uniform Guidance regarding procurement.

Responsible Individuals: County Attorney and County Judge

Corrective Action Plan: Recent developments have resulted in a change in personnel. Individuals now involved in any grant funded procurement will be tasked with monitoring our procurement procedures for compliance with Uniform Guidance principles. Additionally, a follow-up with the project contractor revealed that no ineligible vendors were, in fact, selected or used.

Anticipated Completion Date: Ongoing

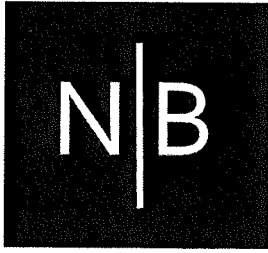
Finding 2023-003

Finding Summary: The County's procurement procedures do not include procedures for vetting vendors with regard to suspension and debarment from participating in federal assistance programs.

Responsible Individuals: County Attorney and County Judge

Corrective Action Plan: Any future relevant procurement will include vetting procedures to prevent those who are suspended and / or debarred from participating in the project.

Anticipated Completion Date: Ongoing



NEFFENDORF & BLOCKER, P.C.

June 11, 2024

Honorable Judge and Commissioners
Blanco County, Texas
Johnson City, TX 78636

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Blanco County for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *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 November 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Blanco County, Texas are described in Note I to the financial statements. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* was adopted. The application of existing policies was not changed during the year ended September 30, 2023. We noted no transactions entered into by the governmental unit 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.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. 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. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to

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be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. The following material misstatements detected as a result of audit procedures were corrected by management: Retainage payable for the ongoing construction projects in the amount of \$463,838 was not recorded.

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.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 11, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit'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 governmental unit'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's discussion and analysis (pages 4 through 10), budgetary comparison information (pages 51 and 54) and the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 55-62 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 non-major fund financial statements 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

Debt Payments

The County did not record the split between principal and interest for the debt payments. We recommend the debt payments be recorded correctly into principal and interest accounts.

The County did not record the split between principal and interest for the GASB 87 *Leases* and GASB 96 *SBITA* payments. We recommend the principal and interest for the GASB 87 *Leases* and the GASB 96 *SBITA* be recorded in compliance with the GASB statements.

GASB 87 Leases

The County did not record the asset and other source for a new right-to-use lease. We recommend the County record new right-to-use leases in compliance with GASB 87 *Leases*.

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

Sincerely,

Neffendorf & Blocker, P.C.

NEFFENDORF & BLOCKER, P.C.

Fredericksburg, Texas

