

*ANNUAL FINANCIAL REPORT*

**COUNTY OF KENDALL,  
TEXAS**

*Boerne, Texas*

**For the Year Ended  
September 30, 2024**

KENDALL COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2024

KENDALL COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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# NEFFENDORF & BLOCKER, P.C.

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## INDEPENDENT AUDITOR'S REPORT

Honorable Judge and County Commissioners  
County of Kendall  
Boerne, TX 78006

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kendall County, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Kendall County, Texas' 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 Kendall County, Texas, as of September 30, 2024, 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 Kendall 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in net pension liability and related ratios and the schedule of employer contributions on pages 4 through 10 and 44 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kendall County, Texas' basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state 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 and the State of Texas Uniform Grant Management Standards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the schedule of expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025, on our consideration of Kendall County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Kendall County'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 Kendall County's internal control over financial reporting and compliance.



Neffendorf & Blocker, P.C.  
Fredericksburg, Texas  
March 13, 2025

KENDALL COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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As management of Kendall 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, 2024. Please read it in conjunction with the independent auditors' report on page 1, and the County's Basic Financial Statements which begin on page 11.

#### FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$98,048,126 (Net Position). Of this amount, \$9,134,704 (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 \$15,385,811 as a result of this year's operations.
- At September 30, 2024, the County's governmental funds reported combined ending fund balances of \$60,495,288, an increase of \$348,561 in comparison with the prior year.
- At September 30, 2024, the unassigned fund balance of the general fund was \$27,493,242 or 64% percent of total general fund expenditures.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 11 - 13). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (on pages 14 - 23) 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 24) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules, the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of Employer Contributions are presented as required supplementary information on pages 44, 45, 46, 47 and 49 respectively.

The combining statements for nonmajor funds and fiduciary funds beginning on page 51 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 investment earnings finance most of these activities.

## **Reporting the County's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements on pages 14 - 23 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 \$82,662,315 to \$98,048,126. 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 \$9,134,704 at September 30, 2024. This increase in governmental Net Position was the result of five factors. First, the County's revenues exceed the expenditures by \$348,561. Second, the County paid principal on long-term debt of \$6,130,964. Third, the County acquired capital assets in the amount of \$11,351,177. Fourth, the County recorded depreciation in the amounts of \$3,474,169. Fifth, a net increase of \$788,862 due to the required entries of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**Table I**  
**Kendall County, Texas**

**NET POSITION**  
in thousands

	Governmental Activities	
	2024	2023
Current and Other Assets	\$ 67,382	\$ 67,697
Capital Assets	75,487	67,310
Total Assets	\$ 142,869	\$ 135,007
Deferred Outflow Related to Pension Plan	\$ 3,531	\$ 4,515
Noncurrent Liabilities	\$ 39,214	\$ 39,161
Net Pension Liability	1,923	3,688
Other Liabilities	7,208	13,996
Total Liabilities	\$ 48,345	\$ 56,845
Deferred Inflow Related to Pension Plan	\$ 7	\$ 15
Net Position		
Net Investment in Capital Assets	\$ 55,911	\$ 42,193
Restricted	33,002	35,550
Unrestricted	9,135	4,919
Total Net Position	\$ 98,048	\$ 82,662

**Table II**  
**Kendall County, Texas**

**CHANGES IN NET POSITION**  
in thousands

	Governmental Activities	
	2024	2023
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 9,088	\$ 9,030
Operating & Capital Grants	5,030	3,638
General Revenues:		
Property Taxes	37,609	32,873
Sales Tax	6,227	5,898
Other Taxes	225	27
Penalty & Interest	267	175
Investment Earnings	4,256	3,178
Miscellaneous	1,939	648
Grant and Contributions	127	126
<b>Total Revenues</b>	<b>\$ 64,768</b>	<b>\$ 55,593</b>
<b>Expenses</b>		
Financial Administration	\$ 1,388	\$ 1,338
General Administration	4,812	3,343
Tax Administration	1,144	1,063
Election Services	563	447
Facilities Management	1,542	1,506
Law Enforcement	7,982	7,807
Fire Protection	1,852	1,727
Corrections	4,340	3,856
Roads and Bridges	8,869	5,983
Sanitation	466	668
Justice System	6,736	6,192
Juvenile Services	340	240
Health and Human Services	5,386	4,865
Culture and Recreation	1,546	1,493
Conservation and Development	1,128	1,054
Debt Service	1,233	1,228
Capital Outlay	55	-
<b>Total Expenses</b>	<b>\$ 49,382</b>	<b>\$ 42,810</b>
Increase (Decrease) in Net Position	\$ 15,386	\$ 12,783
Net Position- Beginning of Year	82,662	69,879
Net Position- End of Year	\$ 98,048	\$ 82,662

The cost of all governmental activities this year was \$49,382,433. However, as shown in the Statement of Activities on pages 12 and 13, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$37,609,119 because the other costs were paid by sales tax (\$6,226,778), grants and contributions (\$5,158,438), user charges (\$9,087,699), investment earnings (\$4,255,507) and other general revenue (\$2,430,703).

## THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on pages 14-15) reported a combined fund balance of \$60,495,288, which is more than last year's total of \$60,146,727. Included in this year's total change in fund balance is an increase of \$2,896,879 in the County's General Fund. The primary reason for the General Fund's increase is property tax revenues.

The Commissioner's Court adopted budgets for the General Fund, Road and Bridge Fund and Coronavirus Local Fiscal Recovery Fund. For the General Fund, the original and final budget anticipated expenditures to exceed revenues and other sources. Revenues were favorable to budget by \$1,226,151; expenditures were favorable to budget by \$6,068,316 and other financing sources and uses were favorable to budget by \$375,895; resulting in a net favorable variance of \$7,670,362. For the Road and Bridge Fund, the original and final budget anticipated expenditures to exceed revenues and other sources by \$947,477. Actual revenues were more than budgeted estimates by \$73,467. Actual expenditures were less than budgeted estimates by \$1,660,300 and other financing sources were less than budgeted estimates by \$3,999. The net effect is a variance of \$1,729,768. For the Coronavirus Local Fiscal Recovery Fund, the original and final budget anticipated expenditures to exceed revenues by \$3,785,200. Actual revenues were more than budgeted estimates by \$1,671,817. Actual expenditures were less than budgeted estimates by \$2,279,441. The net effect is a variance of \$3,951,258.

## CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2024, the County had \$75,486,515 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements. This amount represents a net increase of \$8,176,586 or 12%.

### CAPITAL ASSETS in thousands

	Governmental Activities	
	2024	2023
Land	\$ 9,568	\$ 9,568
Construction in Progress	14,440	6,845
Buildings & Improvements	53,685	53,044
Infrastructure	83,723	83,476
Machinery & Equipment	11,761	11,503
Vehicles	7,924	6,420
Right-to-Use Lease Assets	18	86
SBITA Assets	324	31
Total Capital Assets	\$ 181,443	\$ 170,973
Accumulated Depreciation	(105,920)	(103,579)
Accumulated Amortization	(36)	(85)
Capital Assets, Net	<u>75,487</u>	<u>67,309</u>

This year's major additions included:

Building & Improvements	\$	641,172
Equipment		1,286,193
Vehicles		1,581,689
New Road Construction		247,068
Construction in Progress		7,595,055
Total	\$	<u>11,351,177</u>

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

#### DEBT

At September 30, 2024, the County had the following outstanding debt:

#### OUTSTANDING DEBT in thousands

	Governmental Activities	
	2024	2023
Bonds Payable	\$ 38,959,280	\$ 45,198,330
Right-to-Use Leases Payable	12,603	16,217
SBITA Payable	242,219	15,872
Total	<u>\$ 39,214,102</u>	<u>\$ 45,230,419</u>

At year-end the County had \$38,959,280 in general obligation bonds and tax notes; a decrease of \$6,239,050 or 14% from the prior year. The County paid \$6,050,000 in principal on the outstanding bonds and tax notes.

At year-end the County had \$12,603 in right-to-use lease liabilities outstanding; a decrease of \$3,614 or 22% from the prior year. At year-end, the County had \$242,219 in SBITA payable; an increase of \$226,347 from the prior year.

More detailed information about the County's debt is presented in Notes 3.F. - 3.I. 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 2025 budget and tax rates. The major factors are the economy, population growth, and assessed property valuation. These indicators were taken into account when adopting the General Fund and Road and Bridge Fund budgets for 2025. Amounts available for appropriation in the General Fund budget are \$46,321,032 and expenditures are estimated to be \$53,553,011. If these estimates are realized, the County's budgetary General fund balance is expected to decrease by \$7,231,979 for fiscal year 2025. Amounts available for appropriation in the Road and Bridge Fund budget are \$4,280,000 and expenditures are estimated to be \$5,367,315. If these estimates are realized, the County's budgetary Road and Bridge Fund balance is expected to decrease by \$1,087,315 for fiscal year 2025.

## 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 Auditor or Commissioners' Court, at Kendall County, Texas, Boerne, Texas.

## BASIC FINANCIAL STATEMENTS

KENDALL COUNTY, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

EXHIBIT A-1

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 6,756,650
Investments - Current	57,436,993
Accounts Receivable, Net	3,093,603
Due from Other Governments	95,082
Capital Assets:	
Land Purchase and Improvements	9,567,582
Infrastructure, Net	5,518,877
Buildings, Net	35,148,816
Improvements other than Buildings, Net	3,913,779
Furniture and Equipment, Net	3,976,531
Vehicles, Net	2,614,330
Right-to-Use Lease Assets	12,275
SBITA Assets	293,897
Construction in Progress	14,440,428
Total Assets	142,868,843
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflow Related to Pension Plan	3,531,601
Total Deferred Outflows of Resources	3,531,601
<b>LIABILITIES</b>	
Accounts Payable	4,101,734
Compensated Absences Payable	1,142,545
Due to Fiduciary Funds	1,323
Accrued Interest Payable	106,755
Unearned Revenues	1,855,152
Noncurrent Liabilities:	
Due Within One Year	6,429,689
Due in More Than One Year:	
Bonds Payable - Noncurrent	30,700,000
Unamortized Premiums (Discounts) on Bonds	1,894,280
Right-to-Use Lease Liabilities - Noncurrent	8,868
SBITA Liabilities - Noncurrent	181,265
Net Pension Liability	1,923,218
Total Liabilities	48,344,829
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflow Related to Pension Plan	7,489
Total Deferred Inflows of Resources	7,489
<b>NET POSITION</b>	
Net Investment in Capital Assets and Lease Assets	55,911,376
Restricted:	
Restricted for Enabling Legislation	8,733,304
Restricted for Capital Acquisition	22,458,785
Restricted for Debt Service	1,809,957
Unrestricted	9,134,704
Total Net Position	\$ 98,048,126

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

KENDALL COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
Financial Administration	\$ 1,387,829	\$ -	\$ -
General Administration	4,812,366	1,572,160	152,433
Tax Administration	1,143,684	-	-
Facilities Administration	1,542,208	-	-
Elections Department	563,462	-	-
Law Enforcement	7,981,851	565,346	244,463
Fire Protection	1,851,576	-	-
Corrections	4,340,075	-	-
Road and Bridge	8,869,159	3,847,194	2,358,319
Sanitation	466,335	316,274	-
Justice System	6,735,767	852,541	501,791
Juvenile Services	339,753	-	318,423
Health and Human Services	5,385,904	1,496,826	2,185
Culture and Recreation	1,546,412	-	-
Conservation and Development	1,127,730	437,358	-
Interest on Debt	1,232,788	-	-
Other Debt Service	400	-	-
Capital Outlay	55,134	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 49,382,433</b>	<b>\$ 9,087,699</b>	<b>\$ 3,577,614</b>

**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**

**Net Position - Ending**

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

Net (Expense) Revenue and Changes in Net Position	
Capital Grants and Contributions	Primary Government Governmental
\$ -	\$ (1,387,829)
1,453,326	(1,634,447)
-	(1,143,684)
-	(1,542,208)
-	(563,462)
-	(7,172,042)
-	(1,851,576)
-	(4,340,075)
-	(2,663,646)
-	(150,061)
-	(5,381,435)
-	(21,330)
-	(3,886,893)
-	(1,546,412)
-	(690,372)
-	(1,232,788)
-	(400)
-	(55,134)
<u>\$ 1,453,326</u>	<u>(35,263,794)</u>

30,095,289
7,513,830
6,226,778
224,731
267,299
127,498
1,938,673
4,255,507
<u>50,649,605</u>
15,385,811
<u>82,662,315</u>
<u>\$ 98,048,126</u>

KENDALL COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024

	General Fund	Road & Bridge Fund	Coronavirus Local Fiscal Recovery
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,120,138	\$ 262,039	\$ -
Investments - Current	22,430,007	5,878,567	2,250,632
Taxes Receivable	614,848	-	-
Allowance for Uncollectible Taxes (credit)	(12,297)	-	-
Accounts Receivable, Net	1,310,031	91,863	-
Due from Other Governments	31,882	-	-
Due from Other Funds	438,372	-	-
Total Assets	<u>\$ 29,932,981</u>	<u>\$ 6,232,469</u>	<u>\$ 2,250,632</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,826,198	\$ 845,341	\$ 100,567
Due to Other Funds	1,323	-	23,495
Unearned Revenues	9,667	-	1,654,873
Total Liabilities	<u>1,837,188</u>	<u>845,341</u>	<u>1,778,935</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	602,551	-	-
Total Deferred Inflows of Resources	<u>602,551</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Federal or State Funds Grant Restriction	-	-	471,697
Restricted for Special Revenue	-	5,387,128	-
Capital Acquisition and Contractual Obligation	-	-	-
Retirement of Long-Term Debt	-	-	-
Unassigned Fund Balance	27,493,242	-	-
Total Fund Balances	<u>27,493,242</u>	<u>5,387,128</u>	<u>471,697</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 29,932,981</u>	<u>\$ 6,232,469</u>	<u>\$ 2,250,632</u>

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

Capital Projects	Debt Service Fund	Other Funds	Total Governmental Funds
\$ 13,437	\$ 74,241	\$ 1,286,795	\$ 6,756,650
23,032,432	1,735,715	2,109,640	57,436,993
-	145,105	-	759,953
-	(2,901)	-	(15,198)
-	-	762,877	2,164,771
-	-	63,200	95,082
-	-	-	438,372
<u>\$ 23,045,869</u>	<u>\$ 1,952,160</u>	<u>\$ 4,222,512</u>	<u>\$ 67,636,623</u>
\$ 587,084	\$ -	\$ 742,544	\$ 4,101,734
-	-	414,877	439,695
-	-	190,612	1,855,152
<u>587,084</u>	<u>-</u>	<u>1,348,033</u>	<u>6,396,581</u>
-	142,203	-	744,754
-	142,203	-	744,754
-	-	494,429	966,126
-	-	2,380,050	7,767,178
22,458,785	-	-	22,458,785
-	1,809,957	-	1,809,957
-	-	-	27,493,242
<u>22,458,785</u>	<u>1,809,957</u>	<u>2,874,479</u>	<u>60,495,288</u>
<u>\$ 23,045,869</u>	<u>\$ 1,952,160</u>	<u>\$ 4,222,512</u>	<u>\$ 67,636,623</u>

KENDALL COUNTY, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	60,495,288
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.		20,931,401
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 2024 capital outlays and debt principal payments is to increase net position.		17,482,141
The County is required under GASB Statement No. 68 to report their net pension liability in the Government Wide Statement of Net Position. The items reported as a result of this requirement included a deferred resource outflow of \$3,531,601, a net pension liability of \$1,923,218, and a deferred resource inflow of \$7,489. The net effect of these is to increase net position by \$1,600,894.		1,600,894
The 2024 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. Please note this includes the amortization on right-to-use leased assets and SBITAs.		(3,474,169)
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 SBITAs as an increase in SBITAs payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		1,012,571
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>98,048,126</b>

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

KENDALL COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Road & Bridge Fund	Coronavirus Local Fiscal Recovery
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 29,980,320	\$ -	\$ -
General Sales and Use Taxes	6,226,778	-	-
Other Taxes	224,731	-	-
Penalty and Interest on Taxes	212,237	-	-
Licenses and Permits	437,357	3,847,194	-
Intergovernmental Revenue and Grants	281,830	-	1,605,759
Charges for Services	3,339,034	-	-
Fines	744,146	-	-
Forfeits	149,965	-	-
Special Assessments	20,115	-	-
Investment Earnings	2,118,672	271,367	166,058
Rents and Royalties	17,661	-	-
Contributions & Donations from Private Sources	127,497	-	-
Other Revenue	235,577	88,183	-
Total Revenues	<u>44,115,920</u>	<u>4,206,744</u>	<u>1,771,817</u>
<b>EXPENDITURES:</b>			
Current:			
General Government:			
Financial Administration	1,320,474	-	-
General Administration	6,727,546	-	1,605,759
Tax Administration	1,043,488	-	-
Facilities Administration	1,460,833	-	-
Elections Department	532,849	-	-
Public Safety:			
Law Enforcement	7,803,403	-	-
Fire Protection	1,744,908	-	-
Corrections	4,619,584	-	-
Public Works:			
Road and Bridge	3,601,829	3,435,454	-
Sanitation	469,087	-	-
Justice System	5,766,773	-	-
Juvenile Services	1,200	-	-
Health and Human Services	5,220,255	-	-
Culture and Recreation	1,481,073	-	-
Conservation and Development	1,056,613	-	-
Debt Service:			
Principal on Debt	80,964	-	-
Interest on Debt	1,202	-	-
Other Debt Service	-	-	-
Capital Outlay:			
Capital Outlay	-	-	-
Total Expenditures	<u>42,932,081</u>	<u>3,435,454</u>	<u>1,605,759</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,183,839</u>	<u>771,290</u>	<u>166,058</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of Real and Personal Property	70,162	11,001	-
Transfers In	81	-	-
Proceeds from SBITAs	303,697	-	-
Insurance Proceeds	1,427,984	-	-
Transfers Out	(88,884)	-	-
Total Other Financing Sources (Uses)	<u>1,713,040</u>	<u>11,001</u>	<u>-</u>

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

Capital Projects	Debt Service Fund	Other Funds	Total Governmental Funds
\$ -	\$ 7,469,748	\$ -	\$ 37,450,068
-	-	-	6,226,778
-	-	-	224,731
-	55,062	-	267,299
-	-	-	4,284,551
-	-	3,143,352	5,030,941
-	-	348,114	3,687,148
-	-	108,395	852,541
-	-	75,717	225,682
-	-	-	20,115
1,380,380	163,484	155,546	4,255,507
-	-	-	17,661
-	-	-	127,497
-	-	112,261	436,021
<u>1,380,380</u>	<u>7,688,294</u>	<u>3,943,385</u>	<u>63,106,540</u>
-	-	-	1,320,474
-	-	94,886	8,428,191
-	-	31,747	1,075,235
-	-	-	1,460,833
-	-	-	532,849
-	-	344,372	8,147,775
-	-	-	1,744,908
-	-	-	4,619,584
-	-	2,403,762	9,441,045
-	-	-	469,087
-	-	653,784	6,420,557
-	-	318,423	319,623
-	-	32,613	5,252,868
-	-	-	1,481,073
-	-	-	1,056,613
-	6,050,000	-	6,130,964
-	1,436,625	-	1,437,827
-	400	-	400
<u>5,230,917</u>	<u>-</u>	<u>-</u>	<u>5,230,917</u>
<u>5,230,917</u>	<u>7,487,025</u>	<u>3,879,587</u>	<u>64,570,823</u>
<u>(3,850,537)</u>	<u>201,269</u>	<u>63,798</u>	<u>(1,464,283)</u>
-	-	-	81,163
-	-	88,884	88,965
-	-	-	303,697
-	-	-	1,427,984
-	-	(81)	(88,965)
<u>-</u>	<u>-</u>	<u>88,803</u>	<u>1,812,844</u>

KENDALL COUNTY, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Road & Bridge Fund	Coronavirus Local Fiscal Recovery
Net Change in Fund Balances	2,896,879	782,291	166,058
Fund Balance - October 1 (Beginning)	<u>24,596,363</u>	<u>4,604,837</u>	<u>305,639</u>
Fund Balance - September 30 (Ending)	<u>\$ 27,493,242</u>	<u>\$ 5,387,128</u>	<u>\$ 471,697</u>

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

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Capital Projects	Debt Service Fund	Other Funds	Total Governmental Funds
(3,850,537)	201,269	152,601	348,561
<u>26,309,322</u>	<u>1,608,688</u>	<u>2,721,878</u>	<u>60,146,727</u>
<u>\$ 22,458,785</u>	<u>\$ 1,809,957</u>	<u>\$ 2,874,479</u>	<u>\$ 60,495,288</u>

KENDALL 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, 2024

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>348,561</b>
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 2024 capital outlays and debt principal payments is to increase the change in net position.		17,482,141
The entries required by GASB Statement No. 68 did require that some expenses on Exhibit B-1 be adjusted. The net effect on the change in net position on Exhibit B-1 is an increase in net position.		788,862
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.		(3,474,169)
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 SBITAs, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase the change in net position.		240,416
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>15,385,811</b>

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

KENDALL COUNTY, TEXAS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2024

EXHIBIT E-1

	Private Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 101,904	\$ 3,850,526
Investments - Current	-	2,631,801
Accounts Receivable, Net	115	102,238
Due from Other Funds	-	1,323
Total Assets	102,019	6,585,888
<b>LIABILITIES</b>		
Accounts Payable	10,114	242,461
Intergovernmental Payable	-	113,125
Total Liabilities	10,114	355,586
<b>NET POSITION</b>		
Restricted for Other Purposes	91,905	6,230,302
Total Net Position	\$ 91,905	\$ 6,230,302

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

KENDALL COUNTY, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

EXHIBIT E-2

	Private Purpose Trust Funds	Custodial Funds
<b>ADDITIONS:</b>		
Intergovernmental Revenue and Grants	\$ -	\$ 273,041
Charges for Services	-	1,251,650
Forfeits	-	22,237
Investment Earnings	-	25,347
Contributions & Donations from Private Sources	22,970	-
Other Revenue	2,300	115,271,963
<b>Total Additions</b>	<u>25,270</u>	<u>116,844,238</u>
<b>DEDUCTIONS:</b>		
Personnel Services - Salaries and Wages	-	538,292
Employee Benefits- Social Security	-	39,561
Employee Benefits- Retirement	-	52,977
Purchased Professional & Technical Services	333	36,112
Purchased Property Services	-	7,422
Other Operating Costs	13,742	121,120,123
Supplies	-	30,461
<b>Total Deductions</b>	<u>14,075</u>	<u>121,824,948</u>
Net Change in Fiduciary Net Position	11,195	(4,980,710)
Total Net Position - October 1 (Beginning)	80,710	10,508,049
Prior Period Adjustment	-	702,963
<b>Total Net Position - September 30 (Ending)</b>	<u>\$ 91,905</u>	<u>\$ 6,230,302</u>

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

KENDALL COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Kendall 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.

1.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 was no component units identified that would require inclusion in this report.

1.B. BASIS OF PRESENTATION

***Government-wide Financial Statements:***

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

***Fund Financial Statements:***

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

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

The funds of the financial reporting entity are described below:

### **Governmental Funds**

#### General Fund

The General Fund is the primary operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

#### Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service of capital projects.

#### Debt Service Funds

Debt Service Fund are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for 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

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

### **Fiduciary Funds (Not included in government-wide statements)**

#### Custodial Funds

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

#### Private Purpose Trust Funds

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

### **Major and Nonmajor Funds**

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

<b>Major Fund</b>	<b>Brief Description</b>
General	See above for description.
Special Revenue Fund: Road and Bridge	Accounts for all road and bridge construction and maintenance activity.
Coronavirus Local Fiscal Recovery	Accounts for grant proceeds and related expenditures for funds appropriated from the American Rescue Plan Act.
Capital Projects Fund	Accounts for all activity concerning the law enforcement center expansion project and a new emergency medical services facility.
Debt Service Fund	Accounts for collection of taxes to pay principal and interest on bonds.

**Nonmajor funds** consist of special revenue funds, debt service funds and capital project funds and are detailed in the Combining and Individual Fund Statements - Nonmajor Funds.

#### 1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

##### **Measurement Focus**

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

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

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

##### **Basis of Accounting**

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

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

#### 1.D. ASSETS, LIABILITIES AND EQUITY

##### **Cash and Cash Investments**

For the purpose of the Statement of Net Position, "Cash and Cash 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, not all infrastructure assets acquired prior to October 1, 2002 have 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 is 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**

The County allows employees to accumulate vacation, sick leave, and comp time with certain limitations. Sick leave of twelve (12) days per year accumulates. Sick leave can accumulate up to (40) days to be paid only upon retirement and up to (20) days if the employee has at least 8 years of service with the County. Vacation leave accumulates up to twenty (20) days and is paid in full upon termination with at least one year of employment with Kendall County. Comp time accumulates up to (10) days and is paid in full upon termination. The County has adopted a policy of granting compensatory time off in lieu of cash payment for overtime work in compliance with the Fair Labor Standards Act. Comp-time is computed at one and one half (1 1/2) hours for every overtime hour worked and accumulated up to certain limits as defined by law. At September 30, 2024, the accumulated vacation, sick leave, and comp-time amounted to \$1,142,545. This amount will be liquidated in future years, and is reported as a liability in the government-wide statement of Net Position.

## **Equity Classifications**

### Government-wide Statements

Equity is classified as Net Position and displayed in three components:

- a. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position - Consists of Net Position with constraints placed on the use either by (1) external groups such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position - All other Net Position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

### Fund Statements

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" 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 County and District 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.



## **Interfund Transfers**

Permanent reallocations 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 original budget is adopted by the Commissioners Court and filed with the Kendall County Clerk. Amendments are made during the year on approval by the Commissioners Court. The final amended budget is used in this report.

Funds which have legally adopted annual budgets include the General, Special Revenue, Debt Service, and Capital Projects Funds. The budget should not be exceeded in any expenditure category under State law. However, the total of the budgets for the General and certain Special Revenue Funds can be increased once the budgets are adopted.

Budgets for the Governmental Funds are prepared using the modified accrual basis of accounting. Unexpended appropriations (including outstanding encumbrances) lapse at the end of the fiscal 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, 2024, the carrying amount of the County's deposits was \$10,707,555 and the bank balance was \$11,234,945. The County's cash deposits held at Frost National Bank at September 30, 2024 and during the year ended September 30, 2024 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

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

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

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>FDIC Coverage</u>	<u>Pledged Securities</u>
<u>Certificates of Deposits-</u>				
Security State Bank & Trust	\$ 3,500,000	\$ 3,500,000	\$ 250,000	3,250,000
 <u>Liquid Asset Portfolio-</u>				
LOGIC	\$ 55,417,046	\$ 55,417,046	*	*
TexSTAR	1,151,748	1,151,748		
<b>TOTAL INVESTMENTS</b>	<u><b>60,068,794</b></u>	<u><b>60,068,794</b></u>		

\*The County invests in Logic and TexSTAR (Local Government Investment Pools) to provide its primary liquidity needs. Logic and TexSTAR are 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. 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. Logic and TexSTAR are both rated AAAM and must maintain a weighted average maturity not to exceed 60 days. At September 30, 2024, Logic had a weighted average maturity of 46 days and a net asset value of \$1.00067 and TexSTAR had a weighted average maturity of 25 days and a net asset value of \$1.00041. The County considers the holdings in these funds to have a one-day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, short of a significant change in value.

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. That policy 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. The County's investments (certificates of deposit) were secured by FDIC insurance and pledged securities.

**Other Credit Risk:** There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2024, the County was not exposed to concentration of credit risk, interest rate risk or foreign currency risk.

### 3.B. AD VALOREM TAXES RECEIVABLE

The County contracted with the Kendall Appraisal District for the appraisal 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 2023 tax roll, the total assessed valuation was \$10,782,881,079 and the taxes assessed amounted to \$39,134,663. The total tax rate was \$0.382700 per \$100 valuation and allocated \$0.299406 to Maintenance and Operations and \$0.083294 to Debt Service. The maximum tax levy allowed by State law for the above purposes is \$.80 per \$100 valuation.

Ad Valorem taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Ad Valorem taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible within the General and Debt Service 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, 2024.

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	\$ 614,848	\$ (12,297)	\$ 602,551
Debt Service Fund	145,105	(2,901)	142,204
TOTAL- ALL FUNDS	<u>\$ 759,953</u>	<u>\$ (15,198)</u>	<u>\$ 744,755</u>

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

General Fund	
Unavailable Revenue- Property Taxes	\$ 602,551
Unearned Revenue	9,667
Coronavirus Local & Fiscal Recovery	
Unearned Revenue	1,654,873
Debt Service	
Unavailable Revenue- Property Taxes	142,203
Nonmajor Governmental Funds	
Unearned Revenue	190,612
Total Unavailable & Unearned Revenue	<u>\$ 2,599,906</u>

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

With the implementation of GASB Statement Number 34, the County has determined the amount of court fines and fees and EMS fees receivable to be \$736,308 which represents amounts owed and outstanding for the last 10 years. Based on historical collection rates for the various courts and departments, the County has booked an allowance for uncollectible court fines and fees and EMS fees of \$552,231 resulting in a net receivable of \$184,077.

### 3.D. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2024.

	Balance 09/30/23	Additions	Deletions	Balance 09/30/24
<i>Governmental Activities:</i>				
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 9,567,582	\$ -	-	\$ 9,567,582
Construction Work in Progress	6,845,373	7,595,055	-	14,440,428
<b>Total Assets Not Being Depreciated</b>	<b>16,412,955</b>	<b>7,595,055</b>	<b>-</b>	<b>24,008,010</b>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	46,300,192	-	-	46,300,192
Improvements	6,743,619	641,172	-	7,384,791
Machinery & Equipment	11,512,413	1,286,193	(1,037,779)	11,760,827
Vehicles	6,410,626	1,581,689	(68,743)	7,923,572
Infrastructure	83,476,362	247,068	-	83,723,430
<b>Total Capital Assets Being Depreciated</b>	<b>154,443,212</b>	<b>3,756,122</b>	<b>(1,106,522)</b>	<b>157,092,812</b>
<b>Less Accumulated Depreciation:</b>				
Buildings	(10,005,341)	(1,146,035)	-	(11,151,376)
Improvements	(3,158,579)	(312,433)	-	(3,471,012)
Machinery & Equipment	(8,067,088)	(750,868)	1,033,660	(7,784,296)
Vehicles	(4,644,080)	(733,905)	68,743	(5,309,242)
Infrastructure	(77,704,195)	(500,358)	-	(78,204,553)
<b>Total Accumulated Depreciation</b>	<b>(103,579,283)</b>	<b>(3,443,599)</b>	<b>1,102,403</b>	<b>(105,920,479)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>50,863,929</b>	<b>312,523</b>	<b>(4,119)</b>	<b>51,172,333</b>
<b>Right-to-Use Assets being Amortized</b>				
ROU Leased Equipment	86,478	-	(67,578)	18,900
SBITA	31,463	303,697	(11,608)	323,552
<b>Total Right-to-Use Assets</b>	<b>117,941</b>	<b>303,697</b>	<b>(79,186)</b>	<b>342,452</b>
<b>Less Accumulated Amortization:</b>				
ROU Leased Equipment	(70,423)	(3,780)	67,578	(6,625)
SBITA	(14,473)	(26,790)	11,608	(29,655)
<b>Total Accumulated Amortization</b>	<b>(84,896)</b>	<b>(30,570)</b>	<b>79,186</b>	<b>(36,280)</b>
<b>Total Right-to-Use Assets being Amortized, Net</b>	<b>33,045</b>	<b>273,127</b>	<b>-</b>	<b>306,172</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 67,309,929</b>	<b>\$ 8,180,705</b>	<b>\$ (4,119)</b>	<b>\$ 75,486,515</b>

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

<b>Governmental Activities:</b>	
Financial Administration	\$ 89,336
General Administration	551,868
Tax Administration	72,744
Facilities Management	98,831
Election Services	36,049
Law Enforcement	549,711
Fire Protection	118,050
Corrections	290,214
Roads & Bridges	622,687
Sanitation	31,736
Justice System	433,685
Juvenile Services	21,624
Health & Human Services	355,378
Culture and Recreation	100,201
Conservation & Development	71,485
<b>Total Depreciation Expense -</b>	
<b>Governmental Activities</b>	<b>\$ 3,443,599</b>

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

<b>Governmental Activities:</b>		
Financial Administration	\$	793
General Administration		4,899
Tax Administration		646
Facilities Administration		877
Election Services		320
Law Enforcement		4,880
Fire Protection		1,048
Corrections		2,576
Roads & Bridges		5,528
Sanitation		282
Justice System		3,850
Juvenile Services		192
Health & Human Services		3,155
Culture and Recreation		890
Conservation & Development		634
Total Amortization Expense - Governmental Activities	\$	<u>30,570</u>

### 3.E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2024, is as follows:

#### Interfund Receivables and Payables

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 438,372	\$ 1,323
Coronavirus Local Fiscal Recovery Fund	-	23,495
Nonmajor Governmental Funds	-	414,877
Fiduciary Fund	<u>1,323</u>	<u>-</u>
Total Interfund Balances	<u>\$ 439,695</u>	<u>\$ 439,695</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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 81	\$ 88,884
Nonmajor Governmental Funds	<u>88,884</u>	<u>81</u>
Total Transfers	<u>\$ 88,965</u>	<u>\$ 88,965</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

### 3.F. LONG-TERM LIABILITIES

As of September 30, 2024, the governmental long-term liabilities consisted of the following:

	Balance 10/1/2023	Increases	Decreases	Balance 9/30/2024	Due Within One Year
<i>Governmental Activities:</i>					
<b>Bonds Payable -</b>					
Series 2016	\$ 16,400,000	\$ -	\$ 2,200,000	\$ 14,200,000	\$ 2,200,000
Series 2022	8,500,000	-	3,500,000	5,000,000	665,000
Series 2023	18,215,000	-	350,000	17,865,000	3,500,000
Total Bonds Payable	<u>\$ 43,115,000</u>	<u>\$ -</u>	<u>\$ 6,050,000</u>	<u>\$ 37,065,000</u>	<u>\$ 6,365,000</u>
Premium on Bonds-Series 2016	\$ 139,067	\$ -	\$ 18,750	\$ 120,317	\$ -
Premium on Bonds-Series 2023	1,944,263	-	170,300	1,773,963	-
Total Net Bonds Payable	<u>\$ 45,198,330</u>	<u>\$ -</u>	<u>\$ 6,239,050</u>	<u>\$ 38,959,280</u>	<u>\$ 6,365,000</u>
Lease Liability	\$ 16,217	\$ -	\$ 3,614	\$ 12,603	\$ 3,735
SBITA Liability	15,872	303,697	77,350	242,219	60,954
Net Pension Liability	3,687,785	-	1,764,567	1,923,218	-
Compensated Absences	1,025,365	117,448	-	1,142,813	-
<b>TOTAL LONG TERM LIABILITIES</b>	<u><b>\$ 49,943,569</b></u>	<u><b>\$ 421,145</b></u>	<u><b>\$ 8,084,581</b></u>	<u><b>\$ 42,280,133</b></u>	<u><b>\$ 6,429,689</b></u>

### 3.G. BONDS PAYABLE

Bonds payable at September 30, 2024 consists of the following:

	Balance at 9/30/2024	Due Within One Year
\$22,000,000 Limited Tax General Obligation Bonds, Series 2016 due in annual installments of \$585,000 to \$2,200,000 through March 1, 2031; interest on remaining bonds at 1.50% to 4.00%.	14,200,000	2,200,000
\$12,000,000 Texas Tax Note, Series 2022 due in annual installments of \$665,000 to \$3,500,000 through March 1, 2029; interest on remaining bonds at 2.93%	5,000,000	665,000
\$18,215,000 Texas General Obligation Bonds, Series 2023 due in annual installments of \$350,000 to \$3,500,000 through March 1, 2035; interest on remaining bonds at 4.00% to 5.00%.	17,865,000	3,500,000
Total Bonds Payable	<u>\$ 37,065,000</u>	<u>\$ 6,365,000</u>

The annual requirements for principal and interest on the outstanding bonds are as follows:

Year Ended September 30	Principal	Interest	Total
2025	\$ 6,365,000	\$ 1,213,358	\$ 7,578,358
2026	6,440,000	972,845	7,412,845
2027	4,030,000	791,484	4,821,484
2028	4,125,000	659,913	4,784,913
2029	4,240,000	515,266	4,755,266
2030-2034	10,750,000	1,101,250	11,851,250
2035	1,115,000	22,300	1,137,300
Totals	<u>\$ 37,065,000</u>	<u>\$ 5,276,416</u>	<u>\$ 42,341,416</u>

### 3.H. LEASE LIABILITY

In December 2022, the County entered into a 60-month lease with Pitney Bowes for a postage machine. An initial lease liability was recorded in the amount of \$18,900. As of September 30, 2024, the value of the lease liability was \$12,603. The County is required to make monthly fixed payments of \$342. The lease has an interest rate of 3.3050%.

Remaining obligations associated with leases are as follows:

Year Ended September 30,	Principal	Interest	Annual Requirements
2025	\$ 3,735	\$ 371	\$ 4,106
2026	\$ 3,860	\$ 246	\$ 4,106
2027	\$ 3,990	\$ 116	\$ 4,106
2028	\$ 1,018	\$ 8	\$ 1,026
Total	<u>\$ 12,603</u>	<u>\$ 741</u>	<u>\$ 13,344</u>

### 3.I. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS PAYABLE

On October 1, 2022, the County had a 60-month subscription with Corrections Software Solutions, LP for a pre-trial case management system. An initial subscription liability was recorded in the amount of \$7,263.

During 2024, the lease liability was re-evaluated and another \$10,225 was added to the subscription liability. As of September 30, 2024, the value of the subscription liability was \$10,695. The County is required to make monthly fixed payments of \$312. The subscription has an interest rate of 3.2067%. The value of the right to use asset as of the end of the year was \$18,472 with accumulated amortization of \$7,096.

On October 1, 2022, the County had a 30-month subscription with DebtBook for debt management software. An initial subscription liability was recorded in the amount of \$12,592. As of September 30, 2024, the value of the lease liability was \$6,296. The County is required to make annual fixed payments of \$6,500. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of the end of the year was \$11,608 with accumulated amortization of \$10,074.

On October 1, 2023, the County entered into a 36-month subscription with Inspiron Logistics, LLC for use of WENS software. An initial subscription liability was recorded in the amount of \$13,657. As of September 30, 2024, the value of the subscription liability is \$9,467. The County is required to make annual fixed payments of \$4,190. The subscription has an interest rate of 3.5910%. The value of the right to use asset as of the end of the year was \$13,657 with accumulated amortization of \$4,552.

On August 9, 2024, the County entered into a 60-month subscription for the use of Motorola body worn camera software for the Sheriff's office. An initial subscription liability was recorded in the amount of \$271,007. As of September 30, 2024, the value of the subscription liability was \$213,545. The County is required to make annual fixed payments of \$57,462. The subscription has an interest rate of 2.9990%. The value of the right to use asset as of the end of the year was \$271,007 with accumulated amortization of \$7,909.

On September 26, 2024, the County entered into a 60-month subscription for the use of Motorola body worn camera software for Constable #2. An initial subscription liability was recorded in the amount of \$4,404. As of September 30, 2024, the value of the subscription liability was \$4,404. The County is required to make annual fixed payments of \$936. The subscription has an interest rate of 2.9990%. The value of the right to use asset as of the end of the year was \$4,404 with accumulated amortization of \$12.

On September 26, 2024, the County entered into a 60-month subscription for the use of Motorola body worn camera software for Constable #3. An initial subscription liability was recorded in the amount of \$4,404. As of September 30, 2024, the value of the subscription liability was \$4,404. The County is required to make annual fixed payments of \$936. The subscription has an interest rate of 2.9990%. The value of the right to use asset as of the end of the year was \$4,404 with accumulated amortization of \$12.

Remaining obligations associated with SBITAs are as follows:

Year Ended September 30,	Principal	Interest	Annual Requirements
2025	\$ 60,954	\$ 7,113	\$ 68,067
2026	\$ 62,632	\$ 5,437	\$ 68,069
2027	\$ 59,557	\$ 3,520	\$ 63,077
2028	\$ 57,553	\$ 1,780	\$ 59,333
2029	\$ 1,523	\$ 54	\$ 1,577
Total	\$ 242,219	\$ 17,904	\$ 260,123

NOTE 4 - OTHER NOTES

4.A. RETIREMENT PLAN

Plan Description

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

- a. Kendall 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 175%) 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 Kendall 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 2023 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, [TCDRS.org/Employer](https://www.tcdrs.org/Employer).

*Members covered by benefit terms.*

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	161
Inactive employees entitled to but not yet receiving benefits	208
Active employees	317
	686

**Contributions**

A combination of three elements funds each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.

- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

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

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

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

The contribution rate payable by the employee members for calendar year 2023 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, 2024, were \$2,199,457, and were equal to the required contributions.

### **Net Pension Liability**

The County's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023 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) <sup>(1)</sup>
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smooth period	5 years
Recognition method	Non-asymptotic
Corridor	None

Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Kendall 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
Mortality	135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scaled after 2010.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)	The termination rate is 0% for the two years immediately prior to retirement eligibility. Rates are reduced at ages near retirement as it is anticipated that a member would be less likely to take a withdrawal if the partial lump-sum payment option was available.

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 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 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 <sup>(1)</sup>	Geometric Real Rate of Return <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed	MSCI World EX USA (net) Index	5.00%	4.75%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment - Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

<sup>(1)</sup> Target asset allocation adopted at the March 2024 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 2.2%, per Cliffwater's 2024 capital market assumptions.

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

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

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

## Discount Rate

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

## Changes in Net Pension Liability/ (Asset)

	Increase/(Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of December 31, 2022	\$ 57,552,911	\$ 53,865,126	\$ 3,687,785
Changes for the year:			
Service cost	2,451,144		2,451,144
Interest on total pension liability <sup>(1)</sup>	4,476,994		4,476,994
Effect of plan changes <sup>(2)</sup>	-		-
Effects of economic/demographic gains or losses	806,812		806,812
Effect of assumptions changes or inputs	-		-
Refund of contributions	(112,209)	(112,209)	-
Benefit payments	(2,121,159)	(2,121,159)	-
Administrative expenses		(31,921)	31,921
Member contributions		1,456,921	(1,456,921)
Net investment income		5,932,499	(5,932,499)
Employer contributions		2,056,339	(2,056,339)
Other <sup>(3)</sup>	-	85,679	(85,679)
Balances as of December 31, 2023	\$ 63,054,493	\$ 61,131,275	\$ 1,923,218

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

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

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

### Sensitivity Analysis

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 72,377,310	\$ 63,054,493	\$ 55,340,960
Fiduciary net position	61,131,275	61,131,275	61,131,275
Net pension liability/(asset)	\$ 11,246,035	\$ 1,923,218	\$ (5,790,315)

### Pension Expense/ (Income)

Prepaid Expense / (Income)	January 1, 2023 to December 31, 2023
Service cost	\$ 2,451,144
Interest on total pension liability <sup>(1)</sup>	4,476,994
Effect of plan changes	-
Administrative expenses	31,921
Member contributions	(1,456,921)
Expected investment return net of investment expenses	(4,143,500)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	419,219
Recognition of assumption changes or inputs	559,778
Recognition of investment gains or losses	(842,361)
Other <sup>(2)</sup>	(85,679)
Pension expense/ (income)	\$ 1,410,595

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

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

As of September 30, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 885,349
Changes of assumptions	7,489	567,268
Net difference between projected and actual earnings	-	396,523
Contributions made subsequent to measurement date	N/A	1,682,461
	<b>\$ 7,489</b>	<b>\$ 3,531,601</b>

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:

2024	\$ 622,138
2025	56,758
2026	1,359,190
2027	(196,435)
2028	-
Thereafter <sup>(4)</sup>	-

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

Payables to pension plan. None as of September 30, 2024.

#### 4.B. RISK MANAGEMENT

Kendall 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 contracts in the form of interlocal agreements with the Texas Association of Counties (TAC) to provide the aforementioned types of insurance coverage through an intergovernmental risk pool. These multi-employer accounts provide for a combination of modified self-insurance and stop loss coverage. Contributions are set annually by Texas Association of Counties. Liability by the County is generally limited to the amounts calculated by the County interlocal agreements. Kendall County also provides accident and property and liability coverage for the Kendall County Volunteer Fire Departments and Kendall County Emergency Medical Services through commercial carriers.

#### 4.C. HEALTH INSURANCE

The County provides group health, dental and life insurance coverage for regular, full-time employees through United Healthcare, Ameritas, and Metlife. The County pays the premium for eligible employees. Employees, at their option, may authorize payroll withholdings to pay premiums for eligible family members.

#### 4.D. DEFERRED COMPENSATION PLAN

The County offers all its employees deferred compensation programs through the National Association of Counties administered by Nationwide Retirement Solutions, American United Life Insurance Company and One America. The plans, created in accordance with Internal Revenue Code Section 457, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The County does not contribute to this plan. All contributions are made by the employees who elect to participate in the plan. The County remits employee contributions to the plan trustee on a regular basis. The

County does not administer the Section 457 plan, nor does it provide the investment advice to the plan. Accordingly, the Section 457 plan is not part of the County's reporting entity.

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

At September 30, 2024, the participants had a balance of \$447,319 in Nationwide Retirement Solutions, \$1,366,262 in American United Life Insurance Company and \$1,354,052 in One America.

#### 4.E. COMMITMENTS AND CONTINGENCIES

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

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

At September 30, 2024, the County had several uncompleted construction and engineering contracts. The remaining commitments on these contracts was approximately \$9,672,117.

#### 4.F. UNEARNED REVENUES

Unspent U.S. Department of Treasury State and Local Fiscal Recovery Funds in the amount of \$1,654,873 are classified as unearned revenue in the Coronavirus Local Fiscal Recovery Fund. The funds are for response to the COVID-19 public health emergency.

#### 4.G. PRIOR PERIOD ADJUSTMENT

The County recorded a prior period adjustment to record the county clerk's unclaimed funds in the amount of \$177,737. The County recorded a prior period adjustment to record the Kendall County Community Supervision and Corrections Department and the Criminal District Attorney's accounts in the amount of \$525,226. The total prior period adjustment restated the beginning net position of the custodial funds from \$10,508,049 to \$11,211,012.

#### 4.H. SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 13, 2025, the date which the financial statements were available to be issued. The County is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

KENDALL COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 29,861,230	\$ 29,861,230	\$ 29,980,320	\$ 119,090
General Sales and Use Taxes	5,650,000	5,650,000	6,226,778	576,778
Other Taxes	213,000	213,000	224,731	11,731
Penalty and Interest on Taxes	145,000	145,000	212,237	67,237
Licenses and Permits	510,000	510,000	437,357	(72,643)
Intergovernmental Revenue and Grants	272,380	272,380	281,830	9,450
Charges for Services	3,345,144	3,380,144	3,339,034	(41,110)
Fines	706,500	706,500	744,146	37,646
Forfeits	190,000	190,000	149,965	(40,035)
Special Assessments	25,000	25,000	20,115	(4,885)
Investment Earnings	1,350,000	1,600,000	2,118,672	518,672
Rents and Royalties	18,000	18,000	17,661	(339)
Contributions & Donations from Private Sources	30,000	37,935	127,497	89,562
Other Revenue	278,780	280,580	235,577	(45,003)
<b>Total Revenues</b>	<b>42,595,034</b>	<b>42,889,769</b>	<b>44,115,920</b>	<b>1,226,151</b>
<b>EXPENDITURES:</b>				
Current:				
Financial Administration	1,365,707	1,390,820	1,320,474	70,346
General Administration	8,530,668	9,516,327	6,727,546	2,788,781
Tax Administration	1,060,832	1,063,497	1,043,488	20,009
Facilities Administration	1,633,482	1,667,070	1,460,833	206,237
Elections Department	589,284	589,858	532,849	57,009
Law Enforcement	8,567,127	8,512,496	7,803,403	709,093
Fire Protection	2,139,337	1,997,885	1,744,908	252,977
Corrections	4,928,932	4,935,497	4,619,584	315,913
Road and Bridge	4,096,538	4,071,176	3,601,829	469,347
Sanitation	642,253	668,445	469,087	199,358
Justice System	6,383,613	6,485,013	5,766,773	718,240
Juvenile Services	1,200	1,200	1,200	-
Health and Human Services	4,795,847	5,435,468	5,220,255	215,213
Culture and Recreation	1,540,153	1,540,646	1,481,073	59,573
Conservation and Development	1,133,871	1,124,999	1,056,613	68,386
Debt Service:				
Principal on Debt	-	-	80,964	(80,964)
Interest on Debt	-	-	1,202	(1,202)
<b>Total Expenditures</b>	<b>47,408,844</b>	<b>49,000,397</b>	<b>42,932,081</b>	<b>6,068,316</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,813,810)</b>	<b>(6,110,628)</b>	<b>1,183,839</b>	<b>7,294,467</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	40,000	40,000	70,162	30,162
Transfers In	-	-	81	81
Proceeds from SBITAs	-	-	303,697	303,697
Insurance Proceeds	60,000	1,356,818	1,427,984	71,166
Transfers Out	(59,673)	(59,673)	(88,884)	(29,211)
<b>Total Other Financing Sources (Uses)</b>	<b>40,327</b>	<b>1,337,145</b>	<b>1,713,040</b>	<b>375,895</b>
<b>Net Change in Fund Balances</b>	<b>(4,773,483)</b>	<b>(4,773,483)</b>	<b>2,896,879</b>	<b>7,670,362</b>
<b>Fund Balance - October 1 (Beginning)</b>	<b>24,596,363</b>	<b>24,596,363</b>	<b>24,596,363</b>	<b>-</b>
<b>Fund Balance - September 30 (Ending)</b>	<b>\$ 19,822,880</b>	<b>\$ 19,822,880</b>	<b>\$ 27,493,242</b>	<b>\$ 7,670,362</b>

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

KENDALL COUNTY, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ROAD AND BRIDGE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual GAAP BASIS (See Note)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses and Permits	\$ 3,953,277	\$ 3,953,277	\$ 3,847,194	\$ (106,083)
Investment Earnings	115,000	115,000	271,367	156,367
Other Revenue	65,000	65,000	88,183	23,183
Total Revenues	4,133,277	4,133,277	4,206,744	73,467
<b>EXPENDITURES:</b>				
Road and Bridge	5,095,754	5,095,754	3,435,454	1,660,300
Total Expenditures	5,095,754	5,095,754	3,435,454	1,660,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(962,477)	(962,477)	771,290	1,733,767
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	15,000	15,000	11,001	(3,999)
Total Other Financing Sources (Uses)	15,000	15,000	11,001	(3,999)
Change in Fund Balance	(947,477)	(947,477)	782,291	1,729,768
Fund Balance - October 1 (Beginning)	4,604,837	4,604,837	4,604,837	-
Fund Balance - September 30 (Ending)	\$ 3,657,360	\$ 3,657,360	\$ 5,387,128	\$ 1,729,768

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

KENDALL COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 1,605,759	\$ 1,605,759
Investment Earnings	100,000	100,000	166,058	66,058
Total Revenues	100,000	100,000	1,771,817	1,671,817
<b>EXPENDITURES:</b>				
Current:				
General Administration	3,885,200	3,885,200	1,605,759	2,279,441
Total Expenditures	3,885,200	3,885,200	1,605,759	2,279,441
Change in Fund Balance	(3,785,200)	(3,785,200)	166,058	3,951,258
Fund Balance - October 1 (Beginning)	305,639	305,639	305,639	-
Fund Balance - September 30 (Ending)	\$ (3,479,561)	\$ (3,479,561)	\$ 471,697	\$ 3,951,258

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

KENDALL COUNTY, TEXAS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
<b>A. Total Pension Liability</b>			
Service Cost	\$ 2,451,144	\$ 2,181,352	\$ 2,049,790
Interest (on the Total Pension Liability)	4,476,994	4,079,914	3,717,190
Changes of Benefit Terms	-	578,530	(81,975)
Difference between Expected and Actual Experience	806,812	106,373	556,952
Changes of Assumptions	-	-	(29,959)
Benefit Payments, Including Refunds of Employee Contributions	(2,233,368)	(1,757,793)	(1,390,673)
Net Change in Total Pension Liability	\$ 5,501,582	\$ 5,188,376	\$ 4,821,325
Total Pension Liability - Beginning	57,552,911	52,364,533	47,543,208
Total Pension Liability - Ending	\$ 63,054,493	\$ 57,552,909	\$ 52,364,533
<b>B. Total Fiduciary Net Position</b>			
Contributions - Employer	\$ 2,056,339	\$ 1,737,028	\$ 1,243,595
Contributions - Employee	1,456,921	1,301,831	1,160,688
Net Investment Income	5,932,499	(3,378,398)	9,954,282
Benefit Payments, Including Refunds of Employee Contributions	(2,233,368)	(1,757,793)	(1,390,673)
Administrative Expense	(31,921)	(31,566)	(30,171)
Other	85,679	226,997	41,050
Net Change in Plan Fiduciary Net Position	\$ 7,266,149	\$ (1,901,901)	\$ 10,978,771
Plan Fiduciary Net Position - Beginning	53,865,126	55,767,025	44,788,253
Plan Fiduciary Net Position - Ending	\$ 61,131,275	\$ 53,865,124	\$ 55,767,024
<b>C. Net Pension Liability (Asset)</b>	<b>\$ 1,923,218</b>	<b>\$ 3,687,785</b>	<b>\$ (3,402,491)</b>
<b>D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	96.95%	93.59%	106.50%
<b>E. Covered Payroll</b>	<b>\$ 20,813,151</b>	<b>\$ 18,597,590</b>	<b>\$ 16,581,251</b>
<b>F. Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	9.24%	19.83%	(20.52%)

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

FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 1,773,811	\$ 1,620,120	\$ 1,414,049	\$ 1,341,780	\$ 1,308,420	\$ 1,173,891	\$ 1,113,274
3,389,116	3,074,826	2,808,842	2,524,822	2,259,198	2,109,062	1,896,754
-	-	-	244,116	-	(219,294)	-
184,186	302,531	(42,307)	15,337	(82,610)	(756,865)	207,443
2,836,340	-	-	317,774	-	286,366	-
(1,387,728)	(1,158,803)	(1,049,135)	(971,745)	(842,767)	(705,330)	(614,402)
\$ 6,795,725	\$ 3,838,674	\$ 3,131,449	\$ 3,472,084	\$ 2,642,241	\$ 1,887,830	\$ 2,603,068
40,747,483	36,908,810	33,777,361	30,305,277	27,663,036	25,775,206	23,172,138
\$ 47,543,208	\$ 40,747,484	\$ 36,908,810	\$ 33,777,361	\$ 30,305,277	\$ 27,663,036	\$ 25,775,206
\$ 1,194,714	\$ 1,109,155	\$ 979,636	\$ 795,716	\$ 820,085	\$ 777,746	\$ 782,906
1,112,095	1,040,764	930,404	833,837	778,916	726,864	719,206
4,109,489	5,466,602	(605,861)	4,135,192	1,896,749	(145,262)	1,548,686
(1,387,728)	(1,158,803)	(1,049,135)	(971,745)	(842,767)	(705,331)	(614,402)
(32,772)	(30,300)	(26,742)	(21,971)	(20,643)	(18,253)	(18,380)
31,135	39,472	28,968	8,609	34,451	(51,736)	(42,969)
\$ 5,026,933	\$ 6,466,890	\$ 257,270	\$ 4,779,638	\$ 2,666,791	\$ 584,028	\$ 2,375,048
39,761,319	33,294,429	33,037,159	28,257,521	25,590,731	25,006,702	22,631,654
\$ 44,788,252	\$ 39,761,319	\$ 33,294,429	\$ 33,037,159	\$ 28,257,522	\$ 25,590,730	\$ 25,006,702
\$ 2,754,956	\$ 986,165	\$ 3,614,381	\$ 740,202	\$ 2,047,755	\$ 2,072,306	\$ 768,504
94.21%	97.58%	90.21%	97.81%	93.24%	92.51%	97.02%
\$ 15,887,176	\$ 14,868,050	\$ 13,291,486	\$ 11,911,953	\$ 11,127,366	\$ 10,383,778	\$ 10,274,371
17.34%	6.63%	27.19%	6.21%	18.40%	19.96%	7.48%

KENDALL COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

Year Ending December 31	Actuarially Determined Contribution <sup>(1)</sup>	Actual Employer Contribution <sup>(1)</sup>	Contribution Deficiency (Excess)	Pensionable Covered Payroll <sup>(2)</sup>	Actual Contribution as a % of Covered Payroll
2014	782,906	782,906	-	10,274,371	7.60%
2015	777,746	777,746	-	10,383,778	7.50%
2016	820,085	820,085	-	11,127,366	7.40%
2017	795,716	795,716	-	11,911,953	6.70%
2018	979,583	979,636	(53.00)	13,291,486	7.40%
2019	1,109,155	1,109,155	-	14,868,050	7.50%
2020	1,194,714	1,194,714	-	15,887,076	7.50%
2021	1,243,595	1,243,595	-	16,581,251	7.50%
2022	1,737,028	1,737,028	-	18,597,590	9.30%
2023	2,056,339	2,056,339	-	20,813,151	9.90%

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

<sup>(2)</sup> Payroll is calculated based on contributions as reported to TCDRS.

KENDALL COUNTY, TEXAS  
 NOTES TO THE SCHEDULE OF CONTRIBUTIONS  
 SEPTEMBER 30, 2024

**Valuation Date:**

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

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

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	16.4 years (based on contribution rate calculated in 12/31/2023 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 benefits payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males, and 120% of the Pub-2010 General Retirees Tables for females, both projected with 100% of the MP-2021 Ultimate Scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	<p>2015: New inflation, mortality and other assumptions were reflected</p> <p>2017: New mortality assumptions were reflected.</p> <p>2019: New inflation, mortality and other assumptions were reflected.</p> <p>2022: New investment return and inflation assumptions were reflected.</p>
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions *	<p>2015: No changes in plan provisions were reflected in the Schedule.</p> <p>2016: No changes in plan provisions were reflected in the Schedule.</p> <p>2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.</p> <p>2018: Employer contributions reflect that the current service matching rate was increased to 160% for future benefits.</p> <p>2019: No changes in plan provisions were reflected in the Schedule.</p> <p>2020: No changes in plan provisions were reflected in the Schedule.</p> <p>2021: No changes in plan provisions were reflected in the Schedule.</p> <p>2022: No changes in plan provisions were reflected in the Schedule.</p> <p>2023: Employer contributions reflect that the current service matching rate was increased to 175% for future benefits)</p>

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

**SUPPLEMENTARY INFORMATION**

KENDALL COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2024

	13 Courthouse Security Fund	15 Lateral Road & Bridge Fund	16 Court Report Service Fund	19 County Clerk Records Mgmt Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 11,740	\$ 82,429	\$ 49,084	\$ 45,236
Investments - Current	109,033	235,742	-	559,226
Accounts Receivable, Net	3,808	-	2,072	9,317
Due from Other Governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 124,581</b>	<b>\$ 318,171</b>	<b>\$ 51,156</b>	<b>\$ 613,779</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,902	\$ 3,183	\$ -	\$ 8,921
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
<b>Total Liabilities</b>	<b>9,902</b>	<b>3,183</b>	<b>-</b>	<b>8,921</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	314,988	-	-
Restricted for Special Revenue	114,679	-	51,156	604,858
<b>Total Fund Balances</b>	<b>114,679</b>	<b>314,988</b>	<b>51,156</b>	<b>604,858</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 124,581</b>	<b>\$ 318,171</b>	<b>\$ 51,156</b>	<b>\$ 613,779</b>

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

EXHIBIT H-1 (Cont'd)

20 Law Library Fund	21 Justice Court Technology Fund	22 Justice Court Building Security Fund	23 County & Dist Technology Archive Fund	24 Alternative Dispute Resolution	25 District Clrk Records Mgmt Fund	26 County Clerk Records Archive Fund	27 Vital Statistics Records
\$ 107,644	\$ 52,231	\$ 38,460	\$ 25,270	\$ 2,160	\$ 13,412	\$ 51,141	\$ 1,328
-	-	-	-	-	-	494,044	-
2,800	1,554	11	130	1,460	2,802	8,460	59
-	-	-	-	-	-	-	-
<u>\$ 110,444</u>	<u>\$ 53,785</u>	<u>\$ 38,471</u>	<u>\$ 25,400</u>	<u>\$ 3,620</u>	<u>\$ 16,214</u>	<u>\$ 553,645</u>	<u>\$ 1,387</u>
\$ 34,485	\$ 62	\$ -	\$ -	\$ 3,588	\$ 4,013	\$ 59,584	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>34,485</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>3,588</u>	<u>4,013</u>	<u>59,584</u>	<u>-</u>
-	-	-	-	-	-	-	-
75,959	53,723	38,471	25,400	32	12,201	494,061	1,387
<u>75,959</u>	<u>53,723</u>	<u>38,471</u>	<u>25,400</u>	<u>32</u>	<u>12,201</u>	<u>494,061</u>	<u>1,387</u>
<u>\$ 110,444</u>	<u>\$ 53,785</u>	<u>\$ 38,471</u>	<u>\$ 25,400</u>	<u>\$ 3,620</u>	<u>\$ 16,214</u>	<u>\$ 553,645</u>	<u>\$ 1,387</u>

KENDALL COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2024

	28 Pre-Trial Intervention Fund	29 LEOSE Training Allocation Fd	30 County Jury Fund	31 County Record Mgmt & Presrv Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 49,895	\$ 68,170	\$ 7,446	\$ 48,466
Investments - Current	-	-	-	-
Accounts Receivable, Net	1,304	-	980	-
Due from Other Governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 51,199</b>	<b>\$ 68,170</b>	<b>\$ 8,426</b>	<b>\$ 48,466</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 76	\$ -	\$ -
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>76</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	-	-
Restricted for Special Revenue	51,199	68,094	8,426	48,466
<b>Total Fund Balances</b>	<b>51,199</b>	<b>68,094</b>	<b>8,426</b>	<b>48,466</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 51,199</b>	<b>\$ 68,170</b>	<b>\$ 8,426</b>	<b>\$ 48,466</b>

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

EXHIBIT H-1 (Cont'd)

32 Appellate Judicial System Fund	33 Juvenile Board State Grants Fund	36 Local Truancy Prev & Diversion Fd	37 Court Initiated Guardianship	41 MVDIT Interest Fun	42 Special Election Fund	43 Fire Inspection Fund	50 Crime Victims Grant Fund
\$ 600	\$ -	\$ 84,875	\$ 17,910	\$ 84,767	\$ 38,852	\$ 9,057	\$ -
-	-	-	-	-	-	207,278	-
400	-	1,880	300	5,336	-	40	-
-	34,282	-	-	-	-	-	28,918
<u>\$ 1,000</u>	<u>\$ 34,282</u>	<u>\$ 86,755</u>	<u>\$ 18,210</u>	<u>\$ 90,103</u>	<u>\$ 38,852</u>	<u>\$ 216,375</u>	<u>\$ 28,918</u>
\$ 1,000	\$ 14,429	\$ -	\$ -	\$ -	\$ 2,519	\$ 279	\$ 999
-	17,087	-	-	-	-	-	27,919
-	-	-	-	-	-	-	-
<u>1,000</u>	<u>31,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,519</u>	<u>279</u>	<u>28,918</u>
-	2,766	-	-	-	-	-	-
-	-	86,755	18,210	90,103	36,333	216,096	-
-	2,766	86,755	18,210	90,103	36,333	216,096	-
<u>\$ 1,000</u>	<u>\$ 34,282</u>	<u>\$ 86,755</u>	<u>\$ 18,210</u>	<u>\$ 90,103</u>	<u>\$ 38,852</u>	<u>\$ 216,375</u>	<u>\$ 28,918</u>

KENDALL COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2024

	56 Senate Bill (SB) 22- Sheriff	57 Senate Bill (SB) 22- Prosecutor	80 Tobacco Settlement Fund	83 Opioid Abatement Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 90,883	\$ 6,147
Investments - Current	119,514	179,482	34,572	34,268
Accounts Receivable, Net	-	-	-	-
Due from Other Governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 119,514</b>	<b>\$ 179,482</b>	<b>\$ 125,455</b>	<b>\$ 40,415</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 13,977	\$ -	\$ -	\$ -
Due to Other Funds	-	94,407	-	-
Unearned Revenues	105,537	85,075	-	-
<b>Total Liabilities</b>	<b>119,514</b>	<b>179,482</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	-	-
Restricted for Special Revenue	-	-	125,455	40,415
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>125,455</b>	<b>40,415</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 119,514</b>	<b>\$ 179,482</b>	<b>\$ 125,455</b>	<b>\$ 40,415</b>

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

84 Sheriff Abandoned Vehicles Fund	85 Sheriff Local Asset Forfeiture Fd	87 Sheriff Federal Asset Forfeiture Fd	96 Public Grant Account	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 2,943	\$ 115,628	\$ 41,943	\$ 139,078	\$ 1,286,795	\$ 1,286,795
-	-	136,481	-	2,109,640	2,109,640
-	-	-	720,164	762,877	762,877
-	-	-	-	63,200	63,200
<u>\$ 2,943</u>	<u>\$ 115,628</u>	<u>\$ 178,424</u>	<u>\$ 859,242</u>	<u>\$ 4,222,512</u>	<u>\$ 4,222,512</u>
\$ -	\$ -	\$ 1,749	\$ 583,778	\$ 742,544	\$ 742,544
-	-	-	275,464	414,877	414,877
-	-	-	-	190,612	190,612
-	-	1,749	859,242	1,348,033	1,348,033
-	-	176,675	-	494,429	494,429
2,943	115,628	-	-	2,380,050	2,380,050
<u>2,943</u>	<u>115,628</u>	<u>176,675</u>	<u>-</u>	<u>2,874,479</u>	<u>2,874,479</u>
<u>\$ 2,943</u>	<u>\$ 115,628</u>	<u>\$ 178,424</u>	<u>\$ 859,242</u>	<u>\$ 4,222,512</u>	<u>\$ 4,222,512</u>

KENDALL COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	13 Courthouse Security Fund	15 Lateral Road & Bridge Fund	16 Court Report Service Fund	19 County Clerk Records Mgmt Fund
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -
Charges for Services	36,058	-	20,244	6,239
Fines	6,271	-	-	94,310
Forfeits	-	-	-	-
Investment Earnings	5,786	12,511	-	29,679
Other Revenue	-	27,053	-	-
Total Revenues	<u>48,115</u>	<u>39,564</u>	<u>20,244</u>	<u>130,228</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
General Administration	-	-	-	-
Tax Administration	-	-	-	-
Public Safety:				
Law Enforcement	75,268	-	-	-
Public Works:				
Road and Bridge	-	3,182	-	-
Justice System	-	-	18,978	83,774
Juvenile Services	-	-	-	-
Health and Human Services	-	-	-	-
Total Expenditures	<u>75,268</u>	<u>3,182</u>	<u>18,978</u>	<u>83,774</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(27,153)</u>	<u>36,382</u>	<u>1,266</u>	<u>46,454</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(27,153)	36,382	1,266	46,454
Fund Balance - October 1 (Beginning)	<u>141,832</u>	<u>278,606</u>	<u>49,890</u>	<u>558,404</u>
Fund Balance - September 30 (Ending)	<u>\$ 114,679</u>	<u>\$ 314,988</u>	<u>\$ 51,156</u>	<u>\$ 604,858</u>

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

20 Law Library Fund	21 Justice Court Technology Fund	22 Justice Court Building Security Fund	23 County & Dist Technology Archive Fund	24 Alternative Dispute Resolution	25 District Clrk Records Mgmt Fund	26 County Clerk Records Archive Fund	27 Vital Statistics Records
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27,376	17,166	-	1,476	11,732	17,105	93,140	570
-	-	100	-	2,450	5,264	-	-
-	-	-	-	-	-	26,219	-
-	-	-	-	-	-	-	-
<u>27,376</u>	<u>17,166</u>	<u>100</u>	<u>1,476</u>	<u>14,182</u>	<u>22,369</u>	<u>119,359</u>	<u>570</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
51,723	20,181	-	-	14,150	22,012	139,844	39
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>51,723</u>	<u>20,181</u>	<u>-</u>	<u>-</u>	<u>14,150</u>	<u>22,012</u>	<u>139,844</u>	<u>39</u>
<u>(24,347)</u>	<u>(3,015)</u>	<u>100</u>	<u>1,476</u>	<u>32</u>	<u>357</u>	<u>(20,485)</u>	<u>531</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(24,347)</u>	<u>(3,015)</u>	<u>100</u>	<u>1,476</u>	<u>32</u>	<u>357</u>	<u>(20,485)</u>	<u>531</u>
<u>100,306</u>	<u>56,738</u>	<u>38,371</u>	<u>23,924</u>	<u>-</u>	<u>11,844</u>	<u>514,546</u>	<u>856</u>
<u>\$ 75,959</u>	<u>\$ 53,723</u>	<u>\$ 38,471</u>	<u>\$ 25,400</u>	<u>\$ 32</u>	<u>\$ 12,201</u>	<u>\$ 494,061</u>	<u>\$ 1,387</u>

KENDALL COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

	28 Pre-Trial Intervention Fund	29 LEOSE Training Allocation Fd	30 County Jury Fund	31 County Record Mgmt & Presrv Fund
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -
Charges for Services	16,139	17,763	9,553	5,160
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	7,634	-
Total Revenues	16,139	17,763	17,187	5,160
<b>EXPENDITURES:</b>				
Current:				
General Government:				
General Administration	-	-	-	-
Tax Administration	-	-	-	-
Law Enforcement	-	2,557	-	-
Public Works:				
Road and Bridge	-	-	-	-
Justice System	-	-	25,920	-
Juvenile Services	-	-	-	-
Health and Human Services	-	-	-	-
Total Expenditures	-	2,557	25,920	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,139	15,206	(8,733)	5,160
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	16,139	15,206	(8,733)	5,160
Fund Balance - October 1 (Beginning)	35,060	52,888	17,159	43,306
Fund Balance - September 30 (Ending)	\$ 51,199	\$ 68,094	\$ 8,426	\$ 48,466

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

32 Appellate Judicial System Fund	33 Juvenile Board State Grants Fund	36 Local Truancy Prev & Diversion Fd	37 Court Initiated Guardianship	41 MVDIT Interest Fun	42 Special Election Fund	43 Fire Inspection Fund	50 Crime Victims Grant Fund
\$ -	\$ 318,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,222
3,911	-	20,942	6,270	-	-	37,270	-
-	-	-	-	-	-	-	-
-	775	-	-	44,423	-	11,000	-
-	-	-	-	3,423	2,404	-	-
<u>3,911</u>	<u>319,198</u>	<u>20,942</u>	<u>6,270</u>	<u>47,846</u>	<u>2,404</u>	<u>48,270</u>	<u>132,222</u>
-	-	-	-	-	8,287	86,599	-
-	-	-	-	31,747	-	-	-
-	-	-	-	-	-	-	-
3,911	-	-	-	-	-	-	178,845
-	318,423	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,911</u>	<u>318,423</u>	<u>-</u>	<u>-</u>	<u>31,747</u>	<u>8,287</u>	<u>86,599</u>	<u>178,845</u>
-	775	20,942	6,270	16,099	(5,883)	(38,329)	(46,623)
-	-	-	-	-	-	-	46,623
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	<u>46,623</u>
-	775	20,942	6,270	16,099	(5,883)	(38,329)	-
-	1,991	65,813	11,940	74,004	42,216	254,425	-
<u>\$ -</u>	<u>\$ 2,766</u>	<u>\$ 86,755</u>	<u>\$ 18,210</u>	<u>\$ 90,103</u>	<u>\$ 36,333</u>	<u>\$ 216,096</u>	<u>\$ -</u>

KENDALL COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

	56 Senate Bill (SB) 22- Sheriff	57 Senate Bill (SB) 22- Prosecutor	80 Tobacco Settlement Fund	83 Opioid Abatement Fund
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 244,463	\$ 89,925	\$ -	\$ -
Charges for Services	-	-	-	-
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	8,213	4,482	1,835	1,819
Other Revenue	-	-	65,601	6,146
Total Revenues	<u>252,676</u>	<u>94,407</u>	<u>67,436</u>	<u>7,965</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
General Administration	-	-	-	-
Tax Administration	-	-	-	-
Public Safety:				
Law Enforcement	252,676	-	-	-
Public Works:				
Road and Bridge	-	-	-	-
Justice System	-	94,407	-	-
Juvenile Services	-	-	-	-
Health and Human Services	-	-	32,613	-
Total Expenditures	<u>252,676</u>	<u>94,407</u>	<u>32,613</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>34,823</u>	<u>7,965</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	34,823	7,965
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>-</u>	<u>90,632</u>	<u>32,450</u>
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,455</u>	<u>\$ 40,415</u>

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

84 Sheriff Abandoned Vehicles Fund	85 Sheriff Local Asset Forfeiture Fd	87 Sheriff Federal Asset Forfeiture Fd	96 Public Grant Account	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 2,358,319	\$ 3,143,352	\$ 3,143,352
-	-	-	-	348,114	348,114
-	-	-	-	108,395	108,395
-	55,787	19,930	-	75,717	75,717
-	1,148	7,656	-	155,546	155,546
-	-	-	-	112,261	112,261
-	56,935	27,586	2,358,319	3,943,385	3,943,385
-	-	-	-	94,886	94,886
-	-	-	-	31,747	31,747
1,220	1,095	11,556	-	344,372	344,372
-	-	-	2,400,580	2,403,762	2,403,762
-	-	-	-	653,784	653,784
-	-	-	-	318,423	318,423
-	-	-	-	32,613	32,613
1,220	1,095	11,556	2,400,580	3,879,587	3,879,587
(1,220)	55,840	16,030	(42,261)	63,798	63,798
-	-	-	42,261	88,884	88,884
-	-	-	(81)	(81)	(81)
-	-	-	42,180	88,803	88,803
(1,220)	55,840	16,030	(81)	152,601	152,601
4,163	59,788	160,645	81	2,721,878	2,721,878
\$ 2,943	\$ 115,628	\$ 176,675	\$ -	\$ 2,874,479	\$ 2,874,479

KENDALL COUNTY, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 SEPTEMBER 30, 2024

	81 Historical Commission Fund	82 Trust Donation Account	Total Private Purpose Trust Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,015	\$ 94,889	\$ 101,904
Accounts Receivable, Net	-	115	115
Total Assets	7,015	95,004	102,019
<b>LIABILITIES</b>			
Accounts Payable	-	10,114	10,114
Total Liabilities	-	10,114	10,114
<b>NET POSITION</b>			
Restricted for Other Purposes	7,015	84,890	91,905
Total Net Position	\$ 7,015	\$ 84,890	\$ 91,905

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

KENDALL COUNTY, TEXAS  
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

Data Control Codes	81 Historical Commission Fund	82 Trust Donation Account	Total Private Purpose Trust Funds
<b>ADDITIONS:</b>			
Contributions & Donations from Private	\$ -	\$ 22,970	\$ 22,970
Other Revenue	2,300	-	2,300
Total Additions	<u>2,300</u>	<u>22,970</u>	<u>25,270</u>
<b>DEDUCTIONS:</b>			
Purchased Professional & Technical Services	333	-	333
Other Operating Costs	-	13,742	13,742
Total Deductions	<u>333</u>	<u>13,742</u>	<u>14,075</u>
 Change in Net Position	 1,967	 9,228	 11,195
 Total Net Position - October 1 (Beginning)	 <u>5,048</u>	 <u>75,662</u>	 <u>80,710</u>
 Total Net Position - September 30 (Ending)	 <u>\$ 7,015</u>	 <u>\$ 84,890</u>	 <u>\$ 91,905</u>

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

KENDALL COUNTY, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 SEPTEMBER 30, 2024

	CSCD Bond Supervision	CSCD Adult Probation	CDA Forfeiture Fund	Bond Forfeiture Commission
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 36,461	\$ 61,208	\$ 130,615	\$ 64,217
Investments - Current	54,129	230,742	-	-
Accounts Receivable, Net Due from Other Funds	683	45,151	-	118
	-	-	-	-
Total Assets	<u>91,273</u>	<u>337,101</u>	<u>130,615</u>	<u>64,335</u>
<b>LIABILITIES</b>				
Accounts Payable	-	-	-	-
Intergovernmental Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Restricted for Other Purposes	91,273	337,101	130,615	64,335
Total Net Position	<u>\$ 91,273</u>	<u>\$ 337,101</u>	<u>\$ 130,615</u>	<u>\$ 64,335</u>

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

Treasurer Escrow/Trust Funds	Officials' Fee Accounts Fund	State Fees & Special Tax Fund	Total Custodial Funds
\$ 7,690	\$ 3,212,874	\$ 337,461	\$ 3,850,526
1,195,183	1,151,747	-	2,631,801
-	-	56,286	102,238
-	1,323	-	1,323
<u>1,202,873</u>	<u>4,365,944</u>	<u>393,747</u>	<u>6,585,888</u>
-	-	242,461	242,461
5,515	-	107,610	113,125
<u>5,515</u>	<u>-</u>	<u>350,071</u>	<u>355,586</u>
1,197,358	4,365,944	43,676	6,230,302
<u>\$ 1,197,358</u>	<u>\$ 4,365,944</u>	<u>\$ 43,676</u>	<u>\$ 6,230,302</u>

KENDALL COUNTY, TEXAS  
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

Data Control Codes	CSCD Bond Supervision	CSCD Adult Probation	CDA Forfeiture Fund	Bond Forfeiture Commission
<b>ADDITIONS:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 273,041	\$ -	\$ -
Charges for Services	5,669	567,114	-	-
Forfeits	-	-	22,237	-
Investment Earnings	3,375	14,810	1,819	-
Other Revenue	-	47	-	10,749
Total Additions	<u>9,044</u>	<u>855,012</u>	<u>24,056</u>	<u>10,749</u>
<b>DEDUCTIONS:</b>				
Personnel Services - Salaries and Wages	-	538,292	-	-
Employee Benefits- Social Security	-	39,561	-	-
Employee Benefits- Retirement	-	52,977	-	-
Purchased Professional & Technical Services	-	36,112	-	-
Purchased Property Services	-	7,422	-	-
Other Operating Costs	2,888	79,661	13,389	-
Supplies	-	30,461	-	-
Total Deductions	<u>2,888</u>	<u>784,486</u>	<u>13,389</u>	<u>-</u>
Change in Net Position	6,156	70,526	10,667	10,749
Total Net Position - October 1 (Beginning)	-	-	-	-
Prior Period Adjustment	85,117	266,575	119,948	53,586
Total Net Position - September 30 (Ending)	<u>\$ 91,273</u>	<u>\$ 337,101</u>	<u>\$ 130,615</u>	<u>\$ 64,335</u>

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

Treasurer Escrow/Trust Funds	Officials' Fee Accounts Fund	State Fees & Special Tax Fund	Total Custodial Funds
\$ -	\$ -	\$ -	\$ 273,041
42,558	-	636,309	1,251,650
-	-	-	22,237
5,343	-	-	25,347
592,036	114,669,131	-	115,271,963
<u>639,937</u>	<u>114,669,131</u>	<u>636,309</u>	<u>116,844,238</u>
-	-	-	538,292
-	-	-	39,561
-	-	-	52,977
-	-	-	36,112
-	-	-	7,422
4,688,982	115,688,359	646,844	121,120,123
-	-	-	30,461
<u>4,688,982</u>	<u>115,688,359</u>	<u>646,844</u>	<u>121,824,948</u>
(4,049,045)	(1,019,228)	(10,535)	(4,980,710)
5,246,403	5,207,435	54,211	10,508,049
-	177,737	-	702,963
<u>\$ 1,197,358</u>	<u>\$ 4,365,944</u>	<u>\$ 43,676</u>	<u>\$ 6,230,302</u>



# NEFFENDORF & BLOCKER, P.C.

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

To the Honorable Judge and Members  
of the Commissioners' Court  
Kendall County, Texas  
Boerne, TX 78006

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 Kendall County, Texas (the "County"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 13, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

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## Report on Compliance and Other Matters

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

### Purpose of This Report

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



Neffendorf & Blocker, P.C.  
Fredericksburg, Texas

March 13, 2025



# NEFFENDORF & BLOCKER, P.C.

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

Honorable Judge and Commissioners  
County of Kendall, Texas  
Boerne, TX 78006

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

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

We have audited Kendall County, Texas' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kendall County's major federal programs for the year ended September 30, 2024. Kendall County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kendall County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

#### ***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 Kendall 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 Kendall County, Texas' compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

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

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

*Neffendorf & Blocker, P.C.*

Neffendorf & Blocker, P.C.

Fredericksburg, Texas

March 13, 2025



# NEFFENDORF & BLOCKER, P.C.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

Honorable Judge and Commissioners  
County of Kendall, Texas  
Boerne, TX 78006

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

#### ***Opinion on Each Major State Program***

We have audited Kendall County, Texas' compliance with the types of compliance requirements identified as subject to audit in the State of Texas Uniform Grant Management Standards ("UGMS) that could have a direct and material effect on each of Kendall County's major state programs for the year ended September 30, 2024. Kendall County, Texas' major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kendall County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2024.

#### ***Basis for Opinion on Each Major State 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 UGMS. Our responsibilities under those standards and UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Kendall 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 state program. Our audit does not provide a legal determination of Kendall County, Texas' compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

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### ***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 Kendall County, Texas' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and UGMS 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 Kendall County, Texas' compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and UGMS, 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 Kendall County, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Kendall County, Texas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with UGMS, but not for the purpose of expressing an opinion on the effectiveness of Kendall County, Texas' internal control over compliance. Accordingly, no such opinion is expressed.

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state 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 state 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Neffendorf & Blocker, P.C.*  
Neffendorf & Blocker, P.C.

Fredericksburg, Texas  
March 13, 2025

KENDALL COUNTY, TEXAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

**I. Financial Statements**

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

**II. Federal Awards**

Internal control over major programs:	
Material Weakness(es) identified?	___ Yes <u> X </u> No
Significant deficiencies 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?	___ Yes <u> X </u> No

Identification of major federal program:

Assistance  
Listing Number  
**21.027**

Name of the Federal Program  
or Cluster  
**ARPA Coronavirus State and Local Fiscal Recovery Fund**

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

**III. State Awards**

Internal Control over major programs:	
Material Weakness(es) identified?	___ Yes <u> X </u> No
Significant deficiencies 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 UGMS	___ Yes <u> X </u> No

Identification of major state program:

Name of State Program or Cluster  
**Flood Control Structural Repair Grant Program**

Dollar threshold used to distinguish between type A and type B federal programs: \$750,000  
Auditee qualified as low-risk auditee?  Yes  No

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

-None-

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

-None-

**IV. Findings and Questioned Costs Related to the State Awards**

-None-

KENDALL COUNTY, TEXAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS/CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

STATEMENT OF CORRECTIVE ACTION -  
CURRENT YEAR DISCLOSURES

-None-

STATEMENT OF CORRECTIVE ACTION -  
PRIOR YEAR DISCLOSURES

-None-

KENDALL COUNTY, TEXAS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<b><u>Passed Through State Department of Health Services</u></b>			
Cities Readiness Initiative Grant Program	93.069	HHS001312700003	\$ 1,995
Cities Readiness Initiative Grant Program	93.069	HHS001441400003	190
Total CFDA Number 93.069			<u>2,185</u>
Total Passed Through State Department of Health Services			<u>2,185</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><u>2,185</u></u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<b><u>Direct Programs</u></b>			
Equitable Sharing Program	16.922		<u>11,556</u>
Total Direct Programs			<u>11,556</u>
<b><u>Passed Through State Office of Governor</u></b>			
Victims of Crime Act Formula Grant Program	16.575	27772208	132,222
Violence Against Women Act Justice & Training Prog	16.588	3562706	72,380
State Criminal Alien Assistance Program	16.606	15PBJA-22-RR-05	38,677
State Criminal Alien Assistance Program	16.606	15PBJA-23-RR-05	39,231
Total CFDA Number 16.606			<u>77,908</u>
2024 JAG Program	16.738	4210203	<u>75,000</u>
Total Passed Through State Office of Governor			<u>357,510</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u><u>369,066</u></u>
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>			
<b><u>Direct Programs</u></b>			
COVID-19 APRA Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>1,605,759</u>
Total Direct Programs			<u>1,605,759</u>
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<u><u>1,605,759</u></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 1,977,010</u></u>

KENDALL COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

(1)	(2)	(3)	(4)
STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or GRANT TITLE	State Grant Number	Contract Number	State Expenditures
<b><u>TEXAS INDIGENT DEFENSE COMMISSION</u></b>			
<b><u>Direct Programs</u></b>			
Indigent Defense Formula Grant Program		212-24-130	\$ 30,950
Indigent Defense Coordinator Program FY24 Improvement		212-24-C10	24,317
Total Direct Programs			<u>55,267</u>
<b>TOTAL TEXAS INDIGENT DEFENSE COMMISSION</b>			<u>55,267</u>
<b><u>TEXAS STATE SOIL AND WATER CONSERVATION BOARD</u></b>			
<b><u>Direct Programs</u></b>			
Flood Control Structural Repair Grant Program		UCIBOLO4-UG-ESF	2,398,279
Total Direct Programs			<u>2,398,279</u>
<b>TOTAL TEXAS STATE SOIL AND WATER CONSERVATION BOARD</b>			<u>2,398,279</u>
<b><u>TEXAS COMPTROLLER OF PUBLIC ACCOUNTS</u></b>			
<b><u>Direct Programs</u></b>			
Rural Law Enforcement Grants Senate Bill (SB) 22- Sheriff			244,463
Rural Law Enforcement Grants Senate Bill (SB) 22- Prosecutor			89,925
Total Direct Programs			<u>334,388</u>
<b>TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS</b>			<u>334,388</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u>\$ 2,787,934</u>

KENDALL COUNTY, TEXAS  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL & STATE AWARDS  
YEAR ENDED SEPTEMBER 30, 2024

Basis of Presentation

The accompanying schedule of expenditures of federal awards and the schedule of expenditures of state awards ("the schedules") includes the federal and state award activity of Kendall County. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the requirements of the State of Texas Uniform Grants Management Standards ("UGMS"). Federal and State financial assistance was accounted for in the Governmental Fund types.

Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. All federal and state 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 and UGMS, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

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

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

Indirect Cost Rate

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

Grant funding from the Texas Juvenile Justice Department was reported in a separate regulatory audit for the year ended August 31, 2024. This report was submitted to the agency by the required timeline.

KENDALL COUNTY, TEXAS  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
SEPTEMBER 30, 2024

Reference	Results/ Comments	Amounts	
		FY 2024	FY 2023
Pages 1-3	Unqualified Opinion		
	<b>BASIC FINANCIAL STATEMENTS</b>		
EXHIBIT A-1	GASB #34 Statements (Business-Type Model)		
Page 11	TOTAL ASSETS	146,400,444	139,521,98
GASB 68	Net Pension Liability(Asset)	1,923,218	3,687,785
	Bonds Payable	38,959,280	45,198,330
	TOTAL LIABILITIES	48,352,318	56,859,669
	Unrestricted Net Position	9,134,704	4,918,242
	TOTAL NET POSITION	98,048,126	82,662,315
EXHIBIT B-1			
Page 12	Total Revenues	64,768,244	55,592,925
	Total Expenses	49,382,433	42,809,543
	Net Change	15,385,811	12,783,382
EXHIBIT C-1	Fund Financial Statements		
Page 14	General Fund	27,493,242	24,596,363
	Road & Bridge Fund	5,387,128	4,604,837
	Debt Service Fund	1,809,957	1,608,688
	Capital Projects Fund	22,458,785	26,309,322
	Other Funds	3,346,176	3,027,517
	TOTAL Governmental Fund Balances	60,495,288	60,146,727
EXHIBIT C-2	Reconciliation- Balance Sheet to Net Position		
Page 16	Capital Assets, Net	20,931,401	26,876,278
	Capital Outlay And Debt Principal Payments	17,482,141	17,778,962
GASB 68	TCDRS Pension- Increase in Net Position	1,600,894	812,032
	Depreciation	(3,474,169)	(3,265,840)
EXHIBIT C-3			
Page 17	Revenues- Funding Sources		
	Local	92.0%	93.4%
	State/Federal	8.0%	6.6%
	Total Revenues	100%	100%
	General Fund	2,896,879	1,803,385
	Road & Bridge fund	782,291	1,067,694
	Debt Service Fund	201,269	737,285
	Capital Projects Fund	(3,850,537)	14,388,487
	Other Funds	318,659	664,807
	TOTAL Change- Governmental Funds	348,561	18,661,658
EXHIBIT C-4	Reconciliation- Changes in Fund Balance to Net Position		
Page 21			
GASB 68	GASB 68- Net Pension Expense	788,862	(60,946)
	Capital Outlay and Debt Principal Payments	17,482,141	17,778,962
	Depreciation	(3,474,169)	(3,265,840)

Reference	Results/Comments	FY 2024	FY 2023
<b>NOTES TO FINANCIAL STATEMENTS</b>			
NOTE 3.A. Page 30	Deposits & Investments Comply with Public Fund Investment Act		
NOTES F,G,H, & I Pages 35-37	Payments made in accordance with debt service requirements		
NOTE 4.A. Page 37	GASB #68 Pension Disclosure		
<b>SUPPLEMENTAL SCHEDULES</b>			
EXHIBIT G-1 Page 44	General Fund- Revenues Positive Variance to Budget Expenditures Positive Variance to Budget		
EXHIBIT G-2 Page 45	Road & Bridge Fund- Revenues Positive Variance to Budget Expenditures Positive Variance to Budget		
EXHIBIT G-3 Page 46	CLFR Fund Revenues Negative Variance to Budget Expenditures Positive Variance to Budget		
EXHIBIT G-2 & G-3 Pages 47-50	GASB 68- County's Share Percentage Funded	1,923,218 96.95%	3,687,785 93.59%
<b>REPORT ON INTERNAL CONTROLS, COMPLIANCE &amp; FEDERAL STATE AWARDS</b>			
Pages 69-82	No Material Weaknesses In Compliance		
<b>LETTER TO THOSE CHARGED WITH GOVERNANCE</b>			
Recommendations	Federal and State Grants Manual		