

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



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

LLANO COUNTY, TEXAS
ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable County Judge and Members of the Commissioners Court
Llano County, Texas

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 Llano County, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Llano County, Texas's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Llano County, Texas, as of September 30, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and Road and Bridge Fund 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 Llano County, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment benefits liabilities related schedules following the notes to the financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included within the annual report. Our opinions on the basic financial statements do not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024 on our consideration of Llano County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Llano County, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Llano County, Texas's internal control over financial reporting and compliance.

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Cedar Park, Texas

January 19, 2024

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LLANO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

As management of Llano County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2023. Please read it in conjunction with the independent auditor's report on page 1 and the County's basic financial statements which follow this section.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$26,118,112 (net position). Of this amount, \$11,964,621 represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$24,192,232, an increase of \$4,571,971 in comparison with the prior year. Approximately 43% of this amount, or \$10,473,687 is available for spending at the County's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,473,687 or approximately 64% of total General Fund current year expenditures before transfers.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, judicial, highways and streets, public facilities, health and welfare, culture and recreation, and conservation and development. The County currently does not have any business-type activities.

LLANO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains forty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road & Bridge Fund, CARES Act Fund, the 2021 Tax Notes Projects Fund, Indigent Health Fund, and the 2023 Tax Projects Notes Fund, which are considered to be major funds. Data from the other thirty-five governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts an annual appropriated budget for its General Fund, Road & Bridge Fund and the Debt Service Fund. Budgetary comparison statements for the General Fund and Road & Bridge Fund have been provided within the basic financial statements section of this report. The budgetary comparison for the Debt Service Fund has been provided within the other supplementary information section.

Proprietary Funds. The County has the option of maintaining two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County does not currently utilize an enterprise fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a County's functions. Because the services provided by internal service funds predominantly benefit governmental rather than business-type functions, they are usually included within *governmental activities* in the government-wide financial statements. The County is not currently utilizing an internal service fund.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County maintains two different types of fiduciary funds. The *private-purpose trust fund* is used to report resources held in trust for Llano County School Land. The *custodial fund* reports resources held by the County in a custodial capacity for individuals, County offices, and other governments.

LLANO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's participation in the Texas County and District Retirement System (TCDRS) for its employees. The required supplementary information can be found immediately following the notes section of this report.

Combining and Individual Fund Financial Statements and Schedules. Other schedules supporting the basic financial statements are presented here, such as combining schedules of individual non-major governmental funds, custodial funds, and the budgetary comparison schedule for the Debt Service Fund.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial health. In the case of the County, assets exceeded liabilities by \$26,118,112 at the close of the most recent fiscal year.

Table I
LLANO COUNTY, TEXAS
NET POSITION

	Governmental Activities 2023	Governmental Activities 2022	Change
Current & Other Assets	\$ 31,815,637	\$ 31,962,951	\$ (147,314)
Capital Assets	10,571,380	8,919,573	1,651,807
Deferred Outflows	1,010,266	932,823	77,443
Total Assets & Deferred Outflows	43,397,283	41,815,347	1,581,936
Current Liabilities	4,536,871	4,786,085	(249,214)
Long-Term Liabilities	10,847,418	7,892,501	2,954,917
Deferred Inflows	1,894,882	6,559,585	(4,664,703)
Total Liabilities & Deferred Inflows	17,279,171	19,238,171	(1,959,000)
Net Position			
Net Investment in Capital Assets	7,525,627	5,653,700	1,871,927
Restricted	6,627,864	4,675,176	1,952,688
Unrestricted	11,964,621	12,248,300	(283,679)
Total Net Position	\$ 26,118,112	\$ 22,577,176	\$ 3,540,936

Of the total net position, 29% or \$7,525,627 comprises of investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

LLANO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

An additional portion of the County's net position, \$6,627,864 or 25%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,964,627, or 46%, is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position.

The County's overall net position increased by \$3,540,936 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased by \$3,540,936 from the prior fiscal year for an ending balance of \$26,118,112. The increase in overall net position of governmental activities is primarily due to an increase of operating grants and contributions in Public Safety and an increase investment income.

Table II
LLANO COUNTY, TEXAS
CHANGES IN NET POSITION

	Governmental Activities 2023	Governmental Activities 2022	Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 3,305,560	\$ 4,296,902	\$ (991,342)
Operating Grants & Contributions	1,842,848	737,941	1,104,907
General Revenues:			
Property Taxes	17,057,624	15,839,187	1,218,437
Other Taxes	623,915	664,933	(41,018)
Other	1,651,348	609,890	1,041,458
Total Revenue	<u>24,481,295</u>	<u>22,148,853</u>	<u>2,332,442</u>
Expenses:			
General Government	6,991,123	5,709,430	1,281,693
Public Safety	6,332,694	5,249,777	1,082,917
Justice System	1,675,979	1,470,527	205,452
Public Facilities	1,152,711	1,020,152	132,559
Culture and Recreation	401,523	414,686	(13,163)
Health and Human Services	1,045,601	2,037,711	(992,110)
Conservation and Development	791,181	496,888	294,293
Highways and Streets	2,826,601	2,486,743	339,858
Interest on Long-Term Debt	240,538	107,894	132,644
Total Expenses	<u>21,457,951</u>	<u>18,993,808</u>	<u>2,464,143</u>
Increase (Decrease) in Net Position before Transfers and Special Items:	<u>3,023,344</u>	<u>3,155,045</u>	<u>(131,701)</u>
Transfers and Special Items:			
Gain on Sale of Capital Assets	51,695	-	51,695
Insurance Proceeds	465,897	247,721	218,176
Total Transfers and Special Items	<u>517,592</u>	<u>247,721</u>	<u>269,871</u>
Increase (Decrease) in Net Position	<u>3,540,936</u>	<u>3,402,766</u>	<u>138,170</u>
Net position - Beginning	<u>22,577,176</u>	<u>19,174,410</u>	<u>3,402,766</u>
Net position - Ending	<u>\$ 26,118,112</u>	<u>\$ 22,577,176</u>	<u>\$ 3,540,936</u>

LLANO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Financial Analysis of Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the County itself.

At September 30, 2023, the County's governmental funds reported combined fund balances of \$24,192,232 an increase of \$4,571,971 in comparison with the prior year fund balance. Approximately 43% of this amount, or \$10,473,687 constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is currently reported as restricted for various purposes.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,473,687. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. The unassigned fund balance of the General Fund represents approximately 64% of total General Fund expenditures before transfers.

The fund balance of the County's General Fund increased by \$1,287,733 during the current fiscal year after other financing sources and uses. The increase was primarily due to overall revenues exceeding the final budget by 1.2 million dollars, final expenditures coming under the final budget by 2.68 million overall specifically attributed by the General Government and Public Safety line items, and the receipt of insurance proceeds at approximately 446 thousand contributing to the overall increase.

The Road & Bridge Fund, a major governmental fund, had a \$44,626 increase in fund balance during the current fiscal year, which resulted in an overall ending fund balance amount of \$1,066,659. The increase in fund balance was due to revenues exceeding originally budgeted amounts for the Investment Income and Other Revenue line items; and actual expenditures being lower than originally budgeted in the Highway and Streets line item.

The CARES Act Fund, a major governmental fund and federal grant, reported an ending fund balance of \$18,624. The purpose of this fund is to provide the County with necessary funds to support activities listed in the CARES Act and ARP Act. The residual fund balance in this fund is the result of interest earnings on pandemic funds which are expected to be expended soon.

The 2021 Tax Notes Projects Fund, a major governmental funds. had a \$881,679 decrease in fund balance during the current fiscal year which resulted in an overall ending fund balance amount of \$3,332,581. The County issued Tax Notes, Series 2021 for financing capital equipment and for building three Emergency Management Systems Stations for the County. This decrease is due to expenditures related to these planned capital projects.

The Indigent Health Fund, a major governmental fund, experienced a \$75,591 increase in fund balance during the current fiscal year resulting in an overall ending fund balance amount of \$737,457. Due to indigent health costs being difficult to predict each year, this fund is expected to have slight increases or decreases in fund balance each year.

LLANO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The 2023 Tax Notes Fund, a major governmental funds. had a \$3,977,861 increase in fund balance during the current fiscal year which resulted in an overall ending fund balance amount of \$3,977,861. This increase is attributed to the issuance of a \$4,000,000 2023 Tax Note during the current fiscal year for planned capital projects.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. During the year, significant amendments to increase the original budgeted appropriations were made to the public safety line item in the General Fund.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of September 30, 2023, amounts to \$10,571,380 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, and vehicles. Additional information on the County's capital assets can be found in the notes to the financial statements section of this report.

	Governmental Activities 2023	Governmental Activities 2022	Change
Land	\$ 162,378	\$ 162,378	\$ -
Construction in Progress	1,417,420	416,888	1,000,532
Buildings and Improvements	15,704,436	14,816,290	888,146
Infrastructure	2,367,298	1,952,822	414,476
Furniture and Equipment	12,026,748	11,456,890	569,858
Right to Use Leased Assets	378,426	289,924	88,502
Total	<u>32,056,706</u>	<u>29,095,192</u>	<u>2,961,514</u>
Less Accumulated Depreciation	<u>(21,485,326)</u>	<u>(20,175,619)</u>	<u>(1,309,707)</u>
Capital Assets, Net of Depreciation	<u>\$ 10,571,380</u>	<u>\$ 8,919,573</u>	<u>\$ 1,651,807</u>

Long-term Debt. At the end of the current fiscal year, the County had long-term obligations consisting of notes payable, right to use leases payable, and liabilities for compensated absences.

	Governmental Activities 2023	Governmental Activities 2022	Change
Notes Payable	\$ 10,171,993	\$ 6,845,000	\$ 3,326,993
Right to Use Leases Payable	186,117	738,919	(552,802)
Compensated Absences	378,025	308,582	69,443
Total	<u>\$ 10,736,135</u>	<u>\$ 7,892,501</u>	<u>\$ 2,843,634</u>

The County's total overall debt increased by \$2,843,634 during the current fiscal year mainly due to the issuance of a \$4,000,000 issuance of a 2023 Tax Note. Additional information on the County's long-term debt can be found in notes to the financial statements section of this report.

LLANO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Economic Factors and Next Year's Budgets and Rates

The adopted budget for fiscal year 2023-2024 for the County's General Fund is approximately \$21.27 million, which reflects an approximate increase of \$3.41 million from the fiscal year 2022-2023 General Fund adopted budget. The County adopted a tax rate of \$0.22037 for the General Fund, \$0.02700 for the Road and Bridge Fund and \$0.01884 for the Debt Service Fund for a combined total tax rate of \$0.26621 for fiscal year 2023-2024.

Requests for Information

This financial report is designed to provide a general overview of the County finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 100 W. Sandstone, Ste 200, Llano, Texas 78643 or by calling (325) 247-3783.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 7,259,544
Investments	21,039,720
Property Taxes Receivable	305,813
Allowance for Uncollectible Taxes	(30,581)
Accounts Receivable	1,081,117
Notes Receivable	1,850,918
Due from Others	309,106
Capital Assets not Being Depreciated:	
Land	162,378
Construction in Progress	1,417,420
Capital Assets, Being Depreciated:	
Buildings and Improvements	15,704,436
Infrastructure	2,367,298
Machinery, Equipment, and Vehicles	12,026,748
Right to Use Leased Assets	378,426
Accumulated Depreciation	(21,485,326)
Total Assets	42,387,017
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Pensions	1,010,266
Total Deferred Outflows of Resources	1,010,266
LIABILITIES	
Accounts Payable	591,990
Interest Payable	120,732
Accrued Salaries and Wages	218,868
Due to Others	82,191
Unearned Revenues	3,523,090
Long-Term Liabilities:	
Current Portion of Long-Term Debt	1,618,942
Notes Payable	8,797,908
Capital Leases Payable	130,273
Other Long-Term Debt	189,012
Net Pension Liability	111,283
Total Liabilities	15,384,289
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Unavailable Revenue	1,850,918
Deferred Inflows - Pensions	43,964
Total Deferred Inflows of Resources	1,894,882
NET POSITION	
Net Investment in Capital Assets	7,525,627
Restricted for State and Federal Programs	18,624
Restricted for Road and Bridge	1,095,183
Restricted for Debt Service	434,859
Restricted for Other Purposes	5,079,198
Unrestricted	11,964,621
Total Net Position	\$ 26,118,112

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

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

Functions/Programs:	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Primary Government:				
Governmental Activities:				
General Government	\$ 6,991,123	\$ 1,662,556	\$ 74,888	\$ (5,253,679)
Public Safety	6,332,694	101,906	1,169,517	(5,061,271)
Judicial System	1,675,979	640,167	56,247	(979,565)
Highways and Streets	2,826,601	863,489	223,953	(1,739,159)
Public Facilities	1,152,711	-	-	(1,152,711)
Health and Welfare	1,045,601	28,820	318,243	(698,538)
Culture and Recreation	401,523	8,622	-	(392,901)
Conservation and Development	791,181	-	-	(791,181)
Debt Interest	240,538	-	-	(240,538)
Total Governmental Activities:	<u>\$ 21,457,951</u>	<u>\$ 3,305,560</u>	<u>\$ 1,842,848</u>	<u>(16,309,543)</u>
General Revenues:				
				17,057,624
				623,915
				137,880
				1,351,227
				162,241
				<u>19,332,887</u>
				3,023,344
				465,897
				51,695
				<u>3,540,936</u>
				22,577,176
				<u>\$ 26,118,112</u>

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

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FUND BASIS FINANCIAL STATEMENTS

LLANO COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS ON SEPTEMBER 30, 2023

	General Fund	Road and Bridge Fund	CARES Act Fund
ASSETS			
Cash and Cash Equivalents	\$ 864,273	\$ 641,726	\$ 867,271
Investments	10,183,276	577,071	2,573,367
Property Taxes Receivable	252,134	31,693	-
Allowance for Uncollectible Taxes	(25,213)	(3,169)	-
Due from Other funds	75,275	-	-
Notes Receivable	113,362	-	-
Due from Others	93,132	28,735	-
Total Assets	<u>\$ 11,556,239</u>	<u>\$ 1,276,056</u>	<u>\$ 3,440,638</u>
LIABILITIES			
Accounts Payable	\$ 314,289	\$ 78,355	\$ -
Accrued Payroll	176,909	33,372	-
Due to Other Funds	20,827	69,146	-
Due to Others	82,191	-	-
Unearned Revenues	23,333	-	3,422,014
Total Liabilities	<u>617,549</u>	<u>180,873</u>	<u>3,422,014</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Property Taxes	226,921	28,524	-
Deferred Inflows - Unavailable Revenue	113,362	-	-
Total Deferred Inflows of Resources	<u>340,283</u>	<u>28,524</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted for:			
State and Federal Grants	-	-	18,624
Road & Bridge	-	1,066,659	-
Debt Service	-	-	-
Capital Projects	-	-	-
Specific Purposes	-	-	-
Assigned for:			
Stabilization Funds	124,720	-	-
Unassigned	10,473,687	-	-
Total Fund Balances	<u>10,598,407</u>	<u>1,066,659</u>	<u>18,624</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 11,556,239</u>	<u>\$ 1,276,056</u>	<u>\$ 3,440,638</u>

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

2021 Tax Notes Projects Fund	Indigent Health Fund	2023 Tax Notes Projects Fund	Total Non- Major Funds	Total Governmental Funds
\$ 225,510	\$ 739,993	\$ 100,004	\$ 3,820,767	\$ 7,259,544
3,205,321	-	3,877,857	622,828	21,039,720
-	-	-	21,986	305,813
-	-	-	(2,199)	(30,581)
-	-	-	14,698	89,973
-	1,737,556	-	-	1,850,918
-	-	-	187,239	309,106
<u>\$ 3,430,831</u>	<u>\$ 2,477,549</u>	<u>\$ 3,977,861</u>	<u>\$ 4,665,319</u>	<u>\$ 30,824,493</u>
\$ 98,250	\$ 2,310	\$ -	\$ 98,786	\$ 591,990
-	226	-	8,360	218,867
-	-	-	-	89,973
-	-	-	-	82,191
-	-	-	77,743	3,523,090
<u>98,250</u>	<u>2,536</u>	<u>-</u>	<u>184,889</u>	<u>4,506,111</u>
-	-	-	19,787	275,232
-	1,737,556	-	-	1,850,918
<u>-</u>	<u>1,737,556</u>	<u>-</u>	<u>19,787</u>	<u>2,126,150</u>
-	-	-	-	18,624
-	-	-	-	1,066,659
-	-	-	415,072	415,072
3,332,581	-	3,977,861	1,915	7,312,357
-	737,457	-	4,043,656	4,781,113
-	-	-	-	124,720
-	-	-	-	10,473,687
<u>3,332,581</u>	<u>737,457</u>	<u>3,977,861</u>	<u>4,460,643</u>	<u>24,192,232</u>
<u>\$ 3,430,831</u>	<u>\$ 2,477,549</u>	<u>\$ 3,977,861</u>	<u>\$ 4,665,319</u>	<u>\$ 30,824,493</u>

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

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances - Governmental Funds \$ 24,192,232

Capital assets used in governmental activities are not current financial resources, and therefore not reported in the funds.

Governmental activities capital assets	\$32,056,706	
Less accumulated depreciation	<u>(21,485,326)</u>	10,571,380

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Notes and right to use leases payable	(10,358,110)	
Compensated absences	(378,025)	
Net pension liability	<u>(111,283)</u>	(10,847,418)

The County recognizes pension expenditures in the governmental funds only as paid. However, pension expense and other pension related items are measured actuarially in the government-wide statements. Current differences reflected on the statement of net position are as follows:

Deferred outflows related to pensions	1,010,266	
Deferred inflows related to pensions	<u>(43,964)</u>	966,302

Uncollected property taxes are not available to pay for current operations and are therefore not recorded within the fund balance of the governmental funds. These amounts are however recorded in the statement of net position, net of an allowance for uncollectible amounts.

275,231

Other long-term receivables, such as those for outstanding fines and warrants, are not recognized in the governmental funds, but are recognized in the Statement of Net Position, net of an allowance for uncollectible amounts.

1,081,117

Accrued interest on long-term debt related to governmental fund activities is not due and payable in the current period and, therefore, not reported in the governmental funds.

(120,732)

Net Position of Governmental Activities \$26,118,112

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

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

	General Fund	Road and Bridge Fund	CARES Act Fund
REVENUES			
Property Taxes	\$ 13,860,080	\$ 1,721,849	\$ -
General Sales and Use Taxes	188,577	-	-
Fines and Fees	754,286	272	-
Charges for Services	150,092	720,633	-
Donations	-	-	-
Investment Income	856,988	83,425	150,659
Intergovernmental Revenues	1,269,375	64,772	276,341
Rent and Lease Revenue	19,834	-	-
Other Revenue	145,359	68,577	-
Total Revenues	17,244,591	2,659,528	427,000
EXPENDITURES			
Current:			
General Government	5,786,055	-	228,256
Public Safety	5,785,857	-	-
Judicial System	1,532,597	-	-
Highways and Streets	-	2,552,441	-
Public Facilities	1,060,685	-	-
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Conservation and Development	203,681	-	-
Debt Service:			
Principal	217,074	-	-
Interest	29,294	-	-
Fees	-	-	-
Capital Outlay	1,683,374	82,206	198,744
Total Expenditures	16,298,617	2,634,647	427,000
Excess (Deficiency) of Revenue Over Expenditures	945,974	24,881	-
OTHER FINANCING SOURCES (USES)			
Issuance of Tax Notes	-	-	-
Proceeds from Right to Use Leased Assets	88,502	-	-
Transfers In	159,183	-	-
Insurance Proceeds	446,152	19,745	-
Transfers Out	(352,078)	-	-
Total Other Financing Sources (Uses)	341,759	19,745	-
Net Change in Fund Balance	1,287,733	44,626	-
Fund Balance - Beginning	9,310,674	1,022,033	18,624
Fund Balance - Ending	\$ 10,598,407	\$ 1,066,659	\$ 18,624

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

2021 Tax Notes Projects Fund	Indigent Health Fund	2023 Tax Notes Projects Fund	Total Non- Major Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 1,402,919	\$ 16,984,848
-	-	-	435,338	623,915
-	-	-	554,972	1,309,530
-	-	-	24,983	895,708
-	-	-	137,880	137,880
179,760	-	19,511	60,884	1,351,227
-	-	-	232,360	1,842,848
-	1,033,000	-	-	1,052,834
-	-	-	-	213,936
<u>179,760</u>	<u>1,033,000</u>	<u>19,511</u>	<u>2,849,336</u>	<u>24,412,726</u>
-	-	-	423,153	6,437,464
-	-	-	61,097	5,846,954
-	-	-	12,984	1,545,581
-	-	-	51,316	2,603,757
-	-	-	-	1,060,685
-	957,409	-	-	957,409
-	-	-	371,661	371,661
-	-	-	521,774	725,455
-	-	-	1,097,237	1,314,311
-	-	-	75,017	104,311
-	-	41,650	400	42,050
1,061,439	-	-	359,753	3,385,516
<u>1,061,439</u>	<u>957,409</u>	<u>41,650</u>	<u>2,974,392</u>	<u>24,395,154</u>
<u>(881,679)</u>	<u>75,591</u>	<u>(22,139)</u>	<u>(125,056)</u>	<u>17,572</u>
-	-	4,000,000	-	4,000,000
-	-	-	-	88,502
-	-	-	1,512,449	1,671,632
-	-	-	-	465,897
-	-	-	(1,319,554)	(1,671,632)
-	-	4,000,000	192,895	4,554,399
<u>(881,679)</u>	<u>75,591</u>	<u>3,977,861</u>	<u>67,839</u>	<u>4,571,971</u>
<u>4,214,260</u>	<u>661,866</u>	<u>-</u>	<u>4,392,804</u>	<u>19,620,261</u>
<u>\$ 3,332,581</u>	<u>\$ 737,457</u>	<u>\$ 3,977,861</u>	<u>\$ 4,460,643</u>	<u>\$ 24,192,232</u>

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

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds \$ 4,571,971

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year depreciation exceeded current year capital expenditures.

Expenditures for capitalized assets	\$ 3,385,516	
Less current year depreciation	<u>(1,733,709)</u>	1,651,807

Long-term receivables, such as those for fines and warrants, are not recorded in the funds. Therefore, any change in these items during the year is not reflected in the change in fund balance of governmental funds. 47,488

Long-term liabilities, such as bonds and notes payable, are not recorded within the governmental funds due to them not representing current liabilities. When principal repayments are made on these obligations, they represent expenditures in the governmental funds and reduce long-term liabilities in the statement of activities.

Current year debt additions	(4,088,502)	
Payments on long-term debt	1,314,311	
Change in long-term liabilities for compensated absences	<u>(69,442)</u>	(2,843,633)

Accrued interest on long-term debt is not recorded in the governmental funds, and therefore any change in accrued interest does not affect fund balance. (94,177)

Revenues in the statements of activities for property taxes are recognized in the period levied, not collected. Therefore the uncollected property taxes of the current period increase the change in net position. 72,776

Governmental funds report pension contributions as current year expenditures for pensions. However, pension expense is measured actuarially in the statement of activities. These differences are as follows:

Actuarial current year pension (expense)/benefit	118,365	
Contributions made after the measurement date	<u>16,339</u>	<u>134,704</u>

Change in Net Position of Governmental Activities \$ 3,540,936

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

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LLANO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 13,773,027	\$ 13,773,027	\$ 13,860,080	\$ 87,053
General Sales and Use Taxes	100,000	100,000	188,577	88,577
Fines and Fees	809,731	809,731	754,286	(55,445)
Charges for Services	129,673	129,673	150,092	20,419
Investment Income	12,300	12,300	856,988	844,688
Intergovernmental Revenues	1,110,525	1,068,923	1,269,375	200,452
Rent and Lease Revenue	5,798.00	5,798	19,834	14,036
Other Revenue	60,000	101,602	145,359	43,757
Total Revenues	<u>16,001,054</u>	<u>16,001,054</u>	<u>17,244,591</u>	<u>1,243,537</u>
EXPENDITURES				
Current:				
General Government	6,672,526	6,575,541	5,786,055	789,486
Public Safety	5,700,727	6,864,564	5,785,857	1,078,707
Judicial System	1,697,035	1,697,435	1,532,597	164,838
Public Facilities	1,209,453	1,209,453	1,060,685	148,768
Conservation and Development	255,062	255,062	203,681	51,381
Debt Service:				
Principal	161,726	217,074	217,074	-
Interest	18,144	29,294	29,294	-
Capital Outlay	2,142,785	2,136,785	1,683,374	453,411
Total Expenditures	<u>17,857,458</u>	<u>18,985,208</u>	<u>16,298,617</u>	<u>2,686,591</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(1,856,404)</u>	<u>(2,984,154)</u>	<u>945,974</u>	<u>3,930,128</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Right to Use Leased Assets	-	-	88,502	88,502
Transfers In	-	-	159,183	159,183
Sale of Assets	20,000	20,000	-	(20,000)
Transfers Out	-	-	(352,078)	(352,078)
Insurance Proceeds	-	-	446,152	446,152
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>341,759</u>	<u>321,759</u>
Net Change in Fund Balance	<u>(1,836,404)</u>	<u>(2,964,154)</u>	<u>1,287,733</u>	<u>4,251,887</u>
Fund Balance - Beginning	<u>9,310,674</u>	<u>9,310,674</u>	<u>9,310,674</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 7,474,270</u>	<u>\$ 6,346,520</u>	<u>\$ 10,598,407</u>	<u>\$ 4,251,887</u>

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

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LLANO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$1,745,833	\$1,745,833	\$1,721,849	\$ (23,984)
Fines and Fees	38,608	38,608	272	(38,336)
Charges for Services	663,773	663,773	720,633	56,860
Investment Income	1,917	1,917	83,425	81,508
Intergovernmental Revenues	22,504	22,504	64,772	42,268
Other Revenue	2,185	2,185	68,577	66,392
Total Revenues	<u>2,474,820</u>	<u>2,474,820</u>	<u>2,659,528</u>	<u>184,708</u>
EXPENDITURES				
Current:				
Highways and Streets	2,737,045	2,702,652	2,552,441	150,211
Capital Outlay	55,000	109,138	82,206	26,932
Total Expenditures	<u>2,792,045</u>	<u>2,811,790</u>	<u>2,634,647</u>	<u>177,143</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(317,225)</u>	<u>(336,970)</u>	<u>24,881</u>	<u>361,851</u>
OTHER FINANCING SOURCES (USES)				
Sale of Assets	-	-	19,745	19,745
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>19,745</u>	<u>19,745</u>
Net Change in Fund Balance	(317,225)	(336,970)	44,626	381,596
Fund Balance - Beginning	1,022,033	1,022,033	1,022,033	-
Fund Balance - Ending	<u>\$ 704,808</u>	<u>\$ 685,063</u>	<u>\$1,066,659</u>	<u>\$ 381,596</u>

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

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

	Llano County School Fund	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 276,541	\$ 902,405
Investments	33,648	57,636
Due from Others	-	16,758
Total Assets	<u>310,189</u>	<u>976,799</u>
LIABILITIES		
Accounts Payable	263,149	50,586
Due to Others	-	2,226
Unearned Revenues	-	16
Total Liabilities	<u>263,149</u>	<u>52,828</u>
NET POSITION		
Restricted for:		
Individuals and Organization	47,040	923,971
Total Net Position	<u>\$ 47,040</u>	<u>\$ 923,971</u>

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

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

	Llano County School Fund	Custodial Funds
ADDITIONS		
Lease Revenue	\$ 297,910	\$ -
Intergovernmental Revenues	-	3,502
Fines and Fees	-	-
Other Income	-	95,054,453
Total Additions	297,910	95,057,955
DEDUCTIONS		
Trust Payments	290,802	-
Other Operating Costs	-	95,377,532
Total Deductions	290,802	95,377,532
Change in Net Position	7,108	(319,577)
Net Position - Beginning	39,932	1,243,548
Net Position - Ending	\$ 47,040	\$ 923,971

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

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NOTES TO THE FINANCIAL STATEMENTS

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LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE-1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting entity

Llano County, Texas (the “County”) is a public corporation governed by an elected county judge and four-member governing court (the “Court”). The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. Based on these criteria, no component units have been included within the financial statements of Llano County.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the County’s funds, including its fiduciary funds and blended component units. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The General Fund is the County’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Road & Bridge Fund is the County’s special revenue fund that is used to account for resources used by the County in connection with providing transportation services to its citizens. This fund met the criteria to be considered a major fund this year.

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The CARES Act Fund is the county's special revenue fund that is used to account for Cares Act grant and expenses related to COVID 19. This fund met the criteria to be considered a major fund this year.

The 2021 Tax Notes Projects Fund is used to account for the proceeds from long-term debt financing or other revenues and expenditures related to the County's capital projects.

The Indigent Health Fund is a special revenue fund used to account for expenditures under the Indigent Health Care Program.

The 2023 Tax Notes Projects Fund is used to account for the proceeds from long-term debt financing or other revenues and expenditures related to the County's capital projects.

Additionally, the County reports the following fund types:

Special revenue funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed to expenditures for specified purposes.

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The Private-Purpose Trust Fund accounts for contributions that both the principal and the income must be used for specific non-County related purposes in a private purpose trust fund.

The Capital Projects Fund is used to account for the construction, improvement, and renovation of County buildings in the County along with the acquisition of land and equipment. This fund is budgeted on a project basis rather than annually.

The Custodial Funds account for funds collected and held by the County departments on behalf of others that have yet to be remitted to those other individuals or the County Treasurer for County purposes.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

LLANO COUNTY, TEXAS
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The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

Custodial funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

Budgetary information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Road and Bridge Fund, and Debt Service Fund. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Commissioners Court. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

LLANO COUNTY, TEXAS
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Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Excess of expenditures over appropriations

For the year ended September 30, 2023, budgetary overages were noted in the General Fund for the transfer out line item with an amount that exceeded budgeted appropriations by \$352,078.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the County are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

3. Inventories and prepaid items

The County does not report inventories of supplies for consumable items due to the unused amount of these items being on hand any given time being deemed immaterial. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.

LLANO COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
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As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings & Improvements	5-22
Machinery and Equipment	3-15
Vehicles	7
Infrastructure	10-50

5. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. *Net position flow assumption*

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. *Fund balance flow assumptions*

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

8. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. Commissioners Court is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The court has by resolution authorized the County Judge to assign fund balance. The Commissioners Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll of January 1, 2022, upon which the levy for the 2022-2023 fiscal year was based, was \$6,386,227,414. Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2023, to finance General Fund, Road & Bridge Fund and Debt Service Fund operations were \$0.21718, \$0.02700 and \$0.02203 respectively, for a total tax rate of \$0.26621 per \$100 valuation. The total tax levy for the General Fund, Road & Bridge Fund and Debt Service Fund for the 2022-2023 fiscal year was \$17,000,776. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2023, were approximately 99% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates for the year of the levy. Allowances for uncollectible taxes within the General, Road & Bridge and Debt Service Funds are based on historical experience in collecting taxes.

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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3. *Compensated absences*

Vacation

The County's policy permits employees to accumulate earned, but unused, vacation benefits which are eligible for payment upon separation from County service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

The County's policy permits employees to accumulate sick leave which is eligible for payment upon separation from County service (subject to the following: maximum of 120 hours of sick leave provided a minimum of 10 years of employee service to the County). The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

4. *Pensions*

For purposes of measuring the net pension liability, the economic resources measurement focus and full accrual basis of accounting have been used. This includes deferred inflows and outflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from the net position of the pension plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE-2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of legal or contractual provisions

For the year ended September 30, 2023, there were no known violations of legal and contractual provisions.

B. Deficit fund equity

For the year ended September 30, 2023, there were no funds reported with deficit fund equity.

NOTE-3 CASH AND INVESTMENTS

Cash deposits with financial institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. However, as of September 30, 2023, and as of the highest cash balance during the year, the County's bank balance was covered by the Federal Deposit Insurance Corporation (FDIC) and pledged securities.

LLANO COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Investments

The state treasurer’s investment pool (the “Pool”) operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note I.G.2, *Investments*, for a discussion of how the shares in the Pool are valued. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state. The County utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the state treasurer’s investment pool.

As of September 30, 2023, the County had the following investments:

Investment Type	Maturity Time in Years		Recording Fund
		Less than 1	
Certificates of Deposit	\$	1,551,090	General Fund
LoneStar Investment Pool		9,832,669	General Fund, R&B Fund, 2021 Tax Notes Fund, CARES Act
Logic Investment Pool		5,869,388	HOT Fund, General Fund, R&B Fund, Debt Service Fund, Trust Fund
TexasCLASS		3,877,857	2023 Tax Projects Fund
Total Investments	\$	<u>21,131,004</u>	

The County had investments in three external local governmental investment pool at September 30, 2023, consisting of the Lone Star Investment Pool (“Lone Star”) and LOGIC Investment Pool.

LONE STAR INVESTMENT POOL (FIRST PUBLIC)

The Corporate Overnight Fund is a fund within the Lone Star Investment Pool. Its objective is to maintain a stable \$1.00 per share net asset value (NAV), while it provides the highest possible rate of return. The fund represents one of three Texas public investment funds sponsored by the Texas Association of School Boards (TASB). The other funds--Government Overnight Fund and Corporate Overnight Plus Fund—also maintain S&P Global ratings. The Lone Star Investment Pool was created pursuant to the Interlocal Cooperation Act of the State of Texas as an investment vehicle for local school districts and other public entities. The funds within Lone Star Investment Pool are not registered mutual funds under the Investment Company Act of 1940, and are not available to individual investors.

The Lone Star Investment Pool is sponsored by TASB. The investment advisers to the pool are American Beacon Advisors and Standish. First Public LLC provides administrative and distribution services to the pool and State Street Bank is the custodian for all pool assets. In addition, CAPTRUST Financial Advisors monitors the pool's operations and performance and reports its findings to First Public and the board of trustees for the Lone Star Investment Pools.

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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LOGIC

LOGIC is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created in April 1994 through a contract among its participating governments units, and it governed by a board of directors (the board) to provide for the joint investments of participant's public funds and funds under their control.

LOGIC's policy seeks to invest pooled assets in a manner that will provide for safety of principal liquidity in accordance with the operating requirements of the Participants, and a competitive rate of return by utilizing economies of scale and professional investment expertise.

Since September 2005, J.P. Morgan Investment Management Inc. (JPMIM) has served as investment advisor to LOGIC. JPMIM is an SEC registered investment adviser and an affiliate of J.P. Morgan Asset Management (JPMAM), which is the marketing name for the asset management business of JPMorgan Chase & Co. Hilltop Securities provides administrative, participant support, and marketing services. Hilltop Securities is a registered broker dealer, governmental entities across the country. JPMorgan Chase Bank N.A. provides custodial services.

Texas CLASS (Public Trust)

Texas CLASS is a local government investment pool created to meet the cash management and short-term investment needs of Texas governmental entities. Texas CLASS seeks to provide participants with a competitive market yield while maintaining daily liquidity and a stable net asset value. Fund management expects the fund to maintain a maximum dollar-weighted average maturity of 60 days or less, and all investments will have a maximum maturity of 397 days or less, except for variable rate securities issued by the U.S. Treasury or agencies in instrumentalities, which carry a maximum maturity of 762 days. Eligible investments include securities issued or guaranteed by the U.S. government, its agencies, or instrumentalities, and repurchase agreements.

Public Trust Advisors, LLC serves as the pool's administrator and investment adviser. The marketing and operation functions of the portfolio are also performed by Public Trust Advisors, LLC. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board, both of which are elected by the Texas CLASS Participants. Wells Fargo Bank, N.A. serves as custodian for the pool.

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the County's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2023, the County's investments in Lone Star Investment Pool, Logic Investment Pool, and Texas CLASS were rated AAAM by Standard & Poor's.

Concentration of credit risk. The County's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the County's total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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Custodial credit risk-investments. For an investment, 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.

NOTE-4 RECEIVABLES

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is a detail of receivables for the major and nonmajor funds of the governmental funds of the County, including the applicable allowances for uncollectible accounts:

Governmental Funds:

Receivables	General Fund	Road and Bridge Fund	Indigent Health Fund	Total Non-Major Funds	Total Governmental Funds
Property Taxes	\$ 252,134	\$ 31,693	\$ -	\$ 21,986	\$ 305,813
Due from Others	93,132	28,735	-	187,239	309,106
Notes Receivable	113,362	-	1,737,556	-	1,850,918
Gross Receivables	458,628	60,428	1,737,556	209,225	2,465,837
Less: Allowance for Uncollectibles	(25,213)	(3,169)	-	(2,199)	(30,581)
Net Receivables	\$ 433,415	\$ 57,259	\$ 1,737,556	\$ 207,026	\$ 2,435,256

NOTE-5 DUE FROM/TO OTHER GOVERNMENTS

The County receives some grants from federal and state programs to partially or fully fund certain activities. Grants and entitlements are recorded as revenue when earned, therefore at year end amounts earned but not yet received in cash may be recorded as due from the grantor government. Amounts already received in cash but not yet earned are recorded as due to the grantor government.

A summary of amounts recorded as Due From Other Governments in the basic financial statements as of September 30, 2023 are summarized below:

Fund	State Entitlements	Other Governments	Total
General Fund	\$ 15,852	\$ 15,574	\$ 31,426
Total	\$ 15,852	\$ 15,574	\$ 31,426

LLANO COUNTY, TEXAS
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NOTE-6 CAPITAL ASSETS

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

	Balance 10/1/22	Increases	Decreases	Adjustments	Balance 9/30/23
Capital Assets, Not Being Depreciated:					
Land	\$ 162,378	\$ -	\$ -	\$ -	\$ 162,378
Construction-in-progress	416,888	1,000,532	-	-	1,417,420
Total Capital Assets, Not Being Depreciated	579,266	1,000,532	-	-	1,579,798
Capital Assets, Being Depreciated:					
Buildings and Improvements	14,816,290	888,146	-	-	15,704,436
Infrastructure	1,952,822	414,476	-	-	2,367,298
Furniture and Equipment	11,456,890	993,860	(424,002)	-	12,026,748
Right to Use Leased Assets	289,924	88,502	-	-	378,426
Total Capital Assets, Being Depreciated	28,515,926	2,384,984	(424,002)	-	30,476,908
Less Accumulated Depreciation for:					
Buildings and Improvements	(11,183,088)	(718,594)	-	-	(11,901,682)
Infrastructure	(167,351)	(118,365)	-	-	(285,716)
Furniture and Equipment	(8,696,632)	(820,263)	424,002	-	(9,092,893)
Right to Use Leased Assets	(128,548)	(76,487)	-	-	(205,035)
Total Accumulated Depreciation	(20,175,619)	(1,733,709)	424,002	-	(21,485,326)
Total Capital Assets Being Depreciated, Net	8,340,307	651,275	-	-	8,991,582
Governmental Activities Capital Assets, Net	\$ 8,919,573	\$ 1,651,807	\$ -	\$ -	\$ 10,571,380

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental Activities:

General Government	\$ 570,910
Public Safety	518,540
Judicial System	137,071
Highways and Streets	230,915
Public Facilities	94,067
Health and Welfare	84,908
Culture and Recreation	32,961
Conservation and Development	64,337
Total Depreciation Expense - Governmental Activities	\$ 1,733,709

NOTE-7 PENSION OBLIGATIONS

Texas County & District Retirement System (TCDRS)

Plan Description

- a. Llano County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.

LLANO COUNTY, TEXAS
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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 160%) 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 Jan. 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 Llano County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2022 are shown in the Schedule of Employer Contributions.

e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org/employer.

Membership Information

Members	12/31/2021	12/31/2022
Number of inactive employees entitled to but not yet receiving benefits:	165	173
Number of active employees	154	155
Average monthly salary:*	\$ 3,364	\$ 3,431
Average age:*	50.47	50.01
Average length of service in years:*	10.24	9.96
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	138	143
Average monthly benefit:	\$ 874	\$ 936

*Averages reported for active employees.

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The following are the key assumptions and methods used in this GASB analysis.

Actuarial Assumptions

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (Level Percent of Pay)
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	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	7.6% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Llano County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Llano County specific table
Turnover	Llano County specific table
Mortality	Llano County specific table

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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Target Allocations

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.5%	4.95%
Global Equities	MSCI World (net) Index	2.5%	4.95%
International Equities-Developed Markets	MSCI World Ex USA (net) Index	5.0%	4.95%
International Equities-Emerging Markets	MSCI Emerging Markets (net) Index	6.0%	4.95%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.0%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.0%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.0%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.0%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.0%	4.15%
Master Limited Ptnrs (MLPs)	Alerian MLP Index	2.0%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.0%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.0%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.0%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.0%	0.20%
		100%	

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

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

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

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

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

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.6%. 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 pension 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.

The following presents the net pension liability of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6%) or 1-percentage-point higher (8.6%) than the current rate:

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Sensitivity of the net pension liability to changes in the discount rate

	1% Decrease in Discount Rate (6.6%)	Discount Rate 7.6%	1% Increase in Discount Rate (8.6%)
Total Pension Liability	\$ 31,216,391	\$ 28,039,290	\$ 25,336,467
Fiduciary Net Position	27,928,007	27,928,007	27,928,007
Net Pension Liability/(Asset)	\$ 3,288,384	\$ 111,283	\$ (2,591,540)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained online at www.tcdrs.org.

A detail of the changes in the Net Pension Liability/(Asset) of the County is as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
Balances as of December 31, 2021	\$ 26,785,938	\$ 30,305,063	\$ (3,519,125)
Changes for the year:			
Service cost	791,483	-	791,483
Interest on total pension liability	2,034,718	-	2,034,718
Effect of plan changes	-	-	-
Effect of econ./demo. gains/losses	66,800	-	66,800
Effect of assump. changes or inputs	-	-	-
Refund of contributions	(128,257)	(128,257)	-
Benefit payments	(1,511,392)	(1,511,392)	-
Administrative expenses	-	(16,366)	16,366
Member contributions	-	487,242	(487,242)
Net investment income	-	(1,727,286)	1,727,286
Employer contributions	-	574,976	(574,976)
Other	-	(55,972)	55,972
Balances as of December 31, 2022	\$ 28,039,290	\$ 27,928,007	\$ 111,283

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the County recognized pension expense of \$16,339.

At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 89,930	\$ -
Changes of assumptions	-	43,964
Net Difference between projected and actual investment earnings	481,822	-
Contributions made subsequent to the measurement date	438,514	-
Total	\$ 1,010,266	\$ 43,964

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the pension plan year as follows:

Year Ended	Pension Expense
2023	\$ (349,871)
2024	(5,147)
2025	81,558
2026	801,248
2027	-
Thereafter	-

NOTE-8 ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at September 30, 2023, were as follows:

	General Fund	Road and Bridge Fund	Indigent Health Fund	Non-major Governmental Funds	Total Governmental Funds
Payroll Liabilities	\$ 176,909	\$ 33,372	\$ 226	\$ 8,360	\$ 218,867
Intergovernmental Payable	82,191	-	-	-	82,191
Total Accrued Liabilities	\$ 259,100	\$ 33,372	\$ 226	\$ 8,360	\$ 301,058

NOTE-9 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To reduce its risk exposure in these areas the County is a member of the Texas Association of Counties Risk Pool (the “Risk Pool”) for liability, property, and workers’ compensation. The Risk Pool is a public entity risk pool and was created based on the general objectives of formulation, developing and administering a program of self-insurance for the membership and obtaining lower costs for coverage. The Risk Pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the Risk Pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting as its members.

The Pool is governed by a Board of Directors made up of employees or officials of counties, which are members of the Pool. Member counties make contributions to the Pool, and the Pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the Pool are detailed in a separate document, which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin 78701. The County’s workers’ compensation claim expense for the year ended September 30, 2023 was \$75,584.

Health Insurance

During the year ended September 30, 2023, employees of Llano County, Texas were covered by a health insurance plan (the Plan) through the Texas Association of Counties. The County paid premiums of \$865 per month per employee for health insurance. In addition, the County paid \$19 for dental and \$2 for life insurance premiums per month per employee. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The total cost to the County for employee health insurance during the year ended September 30, 2023 was \$1,535,805.

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE-10 LEASE OBLIGATIONS

Right to Use Lease Payable

The County’s lease obligations for the year ending September 30, 2023 are as follows:

Year Ended September 30,	Principal	Interest	Total Requirements
2024	\$ 55,844	\$ 5,319	\$ 61,163
2025	46,107	3,653	49,760
2026	42,351	2,221	44,572
2027	31,962	876	32,838
2028	9,853	129	9,982
	<u>\$ 186,117</u>	<u>\$ 12,198</u>	<u>\$ 198,315</u>

NOTE-11 LONG-TERM LIABILITIES

The long-term liabilities of the County comprise of notes payable, right to use lease payables, and compensated absences. The details of notes payable and right to use lease payables is as follows:

Governmental Activities:

Type	Outstanding 9/30/23
Notes Payable:	
\$4,000,000 Maintenance Tax Notes, Series 2019 due in annual installments of \$555,000 to \$620,000 through February 1, 2026; interest at 1.57%.	\$ 1,810,000
\$5,000,000 Tax Notes, Series 2021 due in annual installments of \$525,000 to \$1,190,000 through February 1, 2028; interest at 0.6% to 1.21%.	3,940,000
\$4,000,000 Tax Notes, Series 2023 due in annual installments of \$200,000 to \$1,515,000 through February 1, 2030; interest at 4.00% to 4.65%.	4,000,000
\$904,380 HVAC Equipment Note, with Government Capital Corporation, issued 2014, due in annual installments of \$79,925 through January 10, 2029; interest at 3.75%.	421,993
Right to Use (RTU) Lease Payable:	
\$6,016 Phone Lease, with Vyve Business Solutions, issued in 2022, due in annual installments of \$1,896 to \$2,010, through August 1, 2025; interest at 3%.	3,905
\$6,528 RTU Copier Lease, with Benchmark Business Solutions, due in monthly installments of \$117 through December 2023 for a 60 month term; interest at 3%.	350
\$25,606 RTU Copier Leases (3), with Benchmark Business Solutions, due in monthly installments of \$460 through December 2023 for a 60 month term; interest at 3%.	3,640
\$15,089 RTU Copier Leases (2), with Benchmark Business Solutions, due in monthly installments of \$271 through January 2024 for a 60 month term; interest at 3%.	1,078
\$42,510 RTU Copier Leases (3), with Benchmark Business Solutions, due in monthly installments of \$764 through January 2025 for a 60 month term; interest at 3%.	11,966
\$45,757 RTU Copier Leases (4), with Benchmark Business Solutions, due in monthly installments of \$786 through March 2027 for a 63 month term; interest at 3%.	31,297

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Governmental Activities:

Type	Outstanding 9/30/23
Right to Use (RTU) Lease Payable (cont.):	
\$36,625 RTU Copier Leases (4), with Benchmark Business Solutions, due in monthly installments of \$639 through June 2027 for a 63 month term; interest at 3%.	26,742
\$33,240 RTU Copier Leases (3), with Benchmark Business Solutions, due in monthly installments of \$571 through March 2027 for a 63 month term; interest at 3%.	23,249
\$12,040 RTU Copier Lease , with Benchmark Business Solutions, due in monthly installments of \$207 through August 2026 for a 63 month term; interest at 3%.	6,922
\$34,471 RTU Copier Lease , with TLC Office Systems, due in monthly installments of \$604 through January 2028 for a 63 month term; interest at 3.9%.	28,461
\$41,482 RTU Copier Lease , with TLC Office Systems, due in monthly installments of \$720 through July 2028 for a 63 month term; interest at 3.52%.	37,866
\$12,549 RTU Copier Lease , with TLC Office Systems, due in monthly installments of \$215 through April 2028 for a 63 month term; interest at 4.27%.	10,641
Total General Long-Term Debt	\$ 10,358,110

Changes in long-term liabilities

Changes in the County’s long-term liabilities for the year ended September 30, 2023 are as follows:

Governmental Activities

Description	Balance 10/1/22	Additions	Deletions	Adjustments	Balance 9/30/23	Due in One Year
Notes Payable	\$ 6,845,000	\$4,000,000	\$(1,095,000)	\$ 421,993	\$ 10,171,993	\$ 1,374,085
Right to Use Leases Payable	738,919	88,502	(219,311)	(421,993)	186,117	55,844
Compensated Absences	308,582	-	-	69,443	378,025	189,013
Gov. Activities Long-Term Liabilities	\$ 7,892,501	\$4,088,502	\$(1,314,311)	\$ 69,443	\$ 10,736,135	\$ 1,618,942

Accumulated unpaid annual leave is not accrued in governmental funds using the modified accrual basis of accounting, but are reflected in the government-wide Statement of Net Position. At September 30, 2023, accrued employee benefits recorded as long-term liability were for annual vacation pay, holiday pay, and compensated pay and amounted to \$378,025.

LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Notes Payable

Annual principal installments for maintenance tax notes payable vary each year. The debt service requirements to maturity for maintenance tax notes as of September 30, 2023 are as follows:

Year Ended September 30,	Principal	Interest	Total Requirements
2024	\$ 1,374,085	\$ 225,326	\$ 1,599,411
2025	1,401,488	213,311	1,614,799
2026	1,423,981	187,509	1,611,490
2027	1,451,568	162,006	1,613,574
2028	1,479,252	136,672	1,615,924
2029-2030	3,041,619	123,167	3,164,786
	<u>\$ 10,171,993</u>	<u>\$ 1,047,991</u>	<u>\$ 11,219,984</u>

NOTE-12 FUND BALANCE

Minimum fund balance policy. It is the policy of this County to maintain at all times an overall Unrestricted Fund Balance (Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance) of not less than three months of regular General Fund operating expenditures, measured based on the most recently completed fiscal year. If it is determined that the County is below this minimum established fund balance level, the governing body will be informed of this condition and take necessary budgetary steps to bring the fund balance level into compliance with this policy through budgetary actions.

NOTE-13 INTERFUND RECEIVABLES AND PAYABLES

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	General Fund	\$ 20,679
General Fund	Road & Bridge Fund	65,386
Debt Service Fund	Road & Bridge Fund	3,760
Special Revenue Funds	General Fund	148
Total		<u>\$ 89,973</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balances of working capital loans made to several nonmajor governmental funds which the General Fund expects to collect in the subsequent year.

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LLANO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE-14 INTERFUND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2023 is as follows:

	Transfer in to:		
	General Fund	Special Revenue Funds	Total
Transfer out from:			
General Fund	\$ -	\$ 352,078	\$ 352,078
Capital Projects Fund	159,181	-	159,181
Special Revenue Funds	-	1,160,373	1,160,373
Total	\$ 159,181	\$ 1,512,451	\$ 1,671,632

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, and 2) move General Fund resources to provide subsidies to other funds as needs arise.

NOTE-15 UNEARNED REVENUE

Unearned revenue at September 30, 2023 consisted of the following:

Fund	Federal Grants	Other	Total
General Fund	\$ 23,333	\$ -	\$ 23,333
CARES Act Fund	3,422,013	-	3,422,013
Non-Major Gov. Funds	-	77,744	77,744
Total	\$ 3,445,346	\$ 77,744	\$ 3,523,090

NOTE-16 CONTINGENCIES

The County participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the County’s compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County anticipates such amounts, if any, will be immaterial.

NOTE-17 SUBSEQUENT EVENTS

The County has evaluated subsequent events through January 19, 2024, the date of the audit report. The County is not aware of any subsequent events that materially affect the financial statements as of that date.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Measurement Year		
	2022	2021	2020
Total Pension Liability			
Service cost	\$ 791,483	\$ 747,771	\$ 682,506
Interest on total pension liability	2,034,718	1,944,777	1,917,109
Effect of plan changes	-	-	-
Effect of assumption changes or inputs	-	(131,894)	1,259,559
Effect of economic/demographic (gains) or losses	66,800	136,193	(511,128)
Benefit payments/refunds of contributions	(1,639,648)	(1,477,571)	(1,504,482)
Net change in total pension liability	<u>1,253,353</u>	<u>1,219,276</u>	<u>1,843,564</u>
Total pension liability, beginning	<u>26,785,938</u>	<u>25,566,661</u>	<u>23,723,098</u>
Total pension liability, ending (a)	<u>\$ 28,039,291</u>	<u>\$ 26,785,938</u>	<u>\$ 25,566,661</u>
Fiduciary Net Position			
Employer contributions	\$ 574,976	\$ 546,022	\$ 535,196
Member contributions	487,242	446,514	436,641
Investment income net of investment expenses	(1,727,286)	5,502,720	2,421,784
Benefit payments/refunds of contributions	(1,639,648)	(1,477,571)	(1,504,482)
Administrative expenses	(16,366)	(16,395)	(18,513)
Other	(55,972)	2,627	(22,849)
Net change in fiduciary net position	<u>(2,377,056)</u>	<u>5,003,917</u>	<u>1,847,777</u>
Fiduciary net position, beginning	<u>30,305,063</u>	<u>25,301,147</u>	<u>23,453,371</u>
Fiduciary net position, ending (b)	<u>\$ 27,928,007</u>	<u>\$ 30,305,063</u>	<u>\$ 25,301,147</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 111,283</u>	<u>\$ (3,519,125)</u>	<u>\$ 265,514</u>
Fiduciary net position as a % of total pension liability	99.60%	113.14%	98.96%
Pension covered payroll	\$ 6,756,519	\$ 6,378,770	\$ 6,237,726
Net pension liability as a % of covered payroll	1.65%	-55.17%	4.26%

Measurement Year					
2019	2018	2017	2016	2015	2014
\$ 678,378	\$ 687,947	\$ 672,698	\$ 694,022	\$ 630,281	\$ 628,372
1,827,764	1,742,046	1,661,268	1,555,023	1,477,841	1,397,673
-	-	-	-	(73,061)	-
-	-	112,765	-	217,696	-
21,444	(1,557)	(146,856)	(118,634)	(221,100)	(141,434)
(1,355,794)	(1,365,259)	(1,272,299)	(1,034,695)	(1,043,401)	(892,978)
1,171,792	1,063,178	1,027,576	1,095,716	988,256	991,633
22,551,305	21,488,128	20,460,552	19,364,836	18,376,580	17,384,947
\$23,723,097	\$22,551,306	\$21,488,128	\$20,460,552	\$19,364,835	\$18,376,580
\$ 479,840	\$ 495,010	\$ 472,641	\$ 487,191	\$ 481,016	\$ 446,428
421,443	411,528	397,180	382,502	370,013	357,552
3,376,996	(404,849)	2,780,918	1,325,986	122,838	1,179,023
(1,355,794)	(1,365,259)	(1,272,299)	(1,034,695)	(1,043,401)	(892,978)
(17,872)	(16,515)	(14,268)	(14,403)	(12,905)	(13,462)
(12,294)	(13,797)	(5,528)	31,151	28,210	(96,701)
2,892,319	(893,882)	2,358,644	1,177,732	(54,230)	979,862
20,561,051	21,454,933	19,096,289	17,918,557	17,972,787	16,992,923
\$23,453,371	\$20,561,051	\$21,454,933	\$19,096,290	\$17,918,556	\$17,972,784
\$ 269,726	\$ 1,990,255	\$ 33,195	\$ 1,364,263	\$ 1,446,279	\$ 403,796
98.86%	91.17%	99.85%	93.33%	92.53%	97.80%
\$ 6,020,618	\$ 5,878,976	\$ 5,673,994	\$ 5,365,558	\$ 5,285,900	\$ 5,107,891
4.48%	33.85%	0.59%	25.43%	27.36%	7.91%

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LLANO COUNTY, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS –
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Year	Actuarially Determined Contribution (1)	Actual Employer Contribution (1)	Contribution Deficiency (Excess)	Pensionable Covered Payroll (2)	Actual Contribution as a % of Covered Payroll
2023	\$ 591,319	\$ 591,319	\$ -	\$ 7,446,546	7.9%
2022	563,915	563,915	-	6,616,770	8.5%
2021	540,659	540,659	-	6,312,399	8.6%
2020	520,651	520,651	-	6,176,872	8.4%
2019	485,151	485,151	-	6,001,960	8.1%
2018	495,010	495,010	-	5,878,976	8.4%
2017	472,641	472,641	-	5,673,994	8.3%
2016	487,191	487,191	-	5,365,558	9.1%
2015	481,016	481,016	-	5,285,900	9.1%
2014	446,428	446,428	-	5,107,891	8.7%
2013	448,574	448,574	-	5,411,034	8.3%
2012	455,776	455,776	-	5,640,812	8.1%

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Hotel Occupancy Fund – to account for the hotel tax revenue used to promote tourism.

LCSO Seizure Fund – to account for the LCSO activities.

Library Fund – to account for the fees collected for library services and spend on library needs.

Guardianship Fund – to pay a guardian ad litem or an attorney ad litem appointed in a guardianship proceeding and to pay for guardianship programs for indigent incapacitated persons without family members to serve as guardians.

Court Reporter Service Fund – to account for district court reporter fees.

Language Access Fund – to provide language access services for individuals appearing before the court or receiving court services.

Pretrial Intervention Fund – to reimburse a county for expenses related to a defendant’s participation in a pretrial intervention program offered in the county.

Law Library Fund – to account for the fees collected pursuant to Local Government Code 323.023 for the operations of the law library.

Probate Training Fund – to pay the continuing education of the judge and staff of the probate court.

Courthouse Security Fund – to pay for security personnel, services and items related to a building housing a court.

JC Building Security Fund - to pay for security personnel, services and items related to a building housing a JP court not located in the county courthouse

Court Facility Fund – to fund construction, renovation or improvement of facilities that house the courts.

CC/DC Technology Fund – to pay the costs of training for county and district courts regarding technological enhancements; the purchase and maintenance of technological enhancements for county and district courts.

JP Technology Fund – to pay for court personnel, continuing education for justice court judges and court personnel, and purchase and maintain technological enhancements for justice courts.

Elections Administration Fund – to account for fees and expenses for election administration costs.

Election Chapter 19 Fund – to help defray the cost of voter registration.

Special Revenue Funds (cont.)

Sheriff Leose Fund – to pay for continuing education of licensed peace officers or training for full-time fully paid law enforcement support personnel for the Sheriff’s office.

Constable PCT#1 Leose – to pay for continuing education of licensed peace officers or training for full-time fully paid law enforcement officers and support personnel for the Constable’s office.

Constable PCT#2 Leose – to pay for continuing education of licensed peace officers or training for full-time fully paid law enforcement officers and support personnel for the Constable’s office.

Constable PCT#3 Leose – to pay for continuing education of licensed peace officers or training for full-time fully paid law enforcement officers and support personnel for the Constable’s office.

Constable PCT#4 Leose – to pay for continuing education of licensed peace officers or training for full-time fully paid law enforcement officers and support personnel for the Constable’s office.

County Records Management Fund – for records management and preservation, including for automation purposes of the county.

CC Records MGMT / PRSV Fund – for records management and preservation, including for automation purposes of the County Clerk’s office.

CC Archive Fund – for the preservation and restoration services performed by the County Clerk in connection with maintaining a County Clerk’s records archive on public documents.

DC Records MGMT / PRSV Fund – for records management and preservation, including for automation purposes of the District Clerk’s office.

DC Records Technology Fund – for the preservation and restoration services performed by the County Clerk in connection with maintaining a District Clerk’s records archive on public documents.

Opioid Settlement Fund – to help defray the cost of personnel associated with mental health disorders and opioid addiction.

Sheriff Commissary Fund – to pay for, staff and equip a social program for county prisoners, purchase clothing, writing materials, and hygiene supplies for county prisoners; to pay for jail improvements, technology and equipment.

Child Advocacy Fund – to account for grant and expenses related to prevention and treatment services to fight child abuse and neglect.

CCE Fund – to account for expenses related to the Community Collection Event that is a public/private sponsored event for the disposal of batteries, oil, paint, antifreeze, tires, and electronics.

Limited Access fund – to account for the fees collected from defendants in cases that the uses are restricted.

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Debt Service Fund

The Debt Service Fund – to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Capital Projects Fund

The Capital Projects Fund – to account for the proceeds from long-term debt financing or other revenues and expenditures related to the County’s capital projects.

Flood Recovery Fund – to account for clean-up and restoration costs for flood related damage.

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

	Hotel Occupancy Fund	LCSO Seizure Fund	Library Fund	Guardianship Fund
ASSETS				
Cash and Cash Equivalents	\$ 184,210	\$ 3,782	\$ 125,635	\$ 49,740
Investments	610,264	-	-	-
Property Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-
Due from Other funds	-	-	-	-
Due from Others	157,144	-	399	450
Total Assets	<u>\$ 951,618</u>	<u>\$ 3,782</u>	<u>\$ 126,034</u>	<u>\$ 50,190</u>
LIABILITIES				
Accounts Payable	\$ 17,751	\$ -	\$ 39,931	\$ -
Payroll Deductions and Withholdings	-	-	8,360	-
Due to Others	-	-	-	-
Unearned Revenues	-	-	77,743	-
Total Liabilities	<u>17,751</u>	<u>-</u>	<u>126,034</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted for:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Specific Purposes	933,867	3,782	-	50,190
Total Fund Balances	<u>933,867</u>	<u>3,782</u>	<u>-</u>	<u>50,190</u>
Total Liabilities and Fund Balances	<u>\$ 951,618</u>	<u>\$ 3,782</u>	<u>\$ 126,034</u>	<u>\$ 50,190</u>

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

Court Reporter Service Fund	Language Access Fund	Pretrial Intervention Fund	Law Library Fund	Probate Training Fund	Courthouse Security Fund	JC Building Security Fund
\$ 10,830	\$ 3,774	\$ 56,541	\$ 39,390	\$ 7,764	\$ 101,821	\$ 26,931
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,177	189	-	1,645	-	2,823	446
<u>\$ 12,007</u>	<u>\$ 3,963</u>	<u>\$ 56,541</u>	<u>\$ 41,035</u>	<u>\$ 7,764</u>	<u>\$ 104,644</u>	<u>\$ 27,377</u>
\$ 301	\$ -	\$ -	\$ 688	\$ -	\$ 239	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>301</u>	<u>-</u>	<u>-</u>	<u>688</u>	<u>-</u>	<u>239</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,706	3,963	56,541	40,347	7,764	104,405	27,377
<u>11,706</u>	<u>3,963</u>	<u>56,541</u>	<u>40,347</u>	<u>7,764</u>	<u>104,405</u>	<u>27,377</u>
<u>\$ 12,007</u>	<u>\$ 3,963</u>	<u>\$ 56,541</u>	<u>\$ 41,035</u>	<u>\$ 7,764</u>	<u>\$ 104,644</u>	<u>\$ 27,377</u>

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

	Court Facility Fund	CC/DC Technology Fund	JP Technology Fund	Elections Administration Fund
ASSETS				
Cash and Cash Equivalents	\$ 14,746	\$ 3,484	\$ 10,680	\$ 82,083
Investments	-	-	-	-
Property Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-
Due from Other funds	-	-	-	-
Due from Others	1,010	36	1,462	-
Total Assets	<u>\$ 15,756</u>	<u>\$ 3,520</u>	<u>\$ 12,142</u>	<u>\$ 82,083</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings	-	-	-	-
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted for:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Specific Purposes	15,756	3,520	12,142	82,083
Total Fund Balances	<u>15,756</u>	<u>3,520</u>	<u>12,142</u>	<u>82,083</u>
Total Liabilities and Fund Balances	<u>\$ 15,756</u>	<u>\$ 3,520</u>	<u>\$ 12,142</u>	<u>\$ 82,083</u>

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

Election Chapter 19 Fund	Sheriff Lease Fund	Constable PCT#1 Lease	Constable PCT#2 Lease	Constable PCT#3 Lease	Constable PCT#4 Lease	County Records Management Fund
\$ 339	\$ -	\$ 7,284	\$ 1,219	\$ 2,192	\$ 4,704	\$ 23,489
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	148	-	-	-	-	-
-	-	-	-	-	-	305
<u>\$ 339</u>	<u>\$ 148</u>	<u>\$ 7,284</u>	<u>\$ 1,219</u>	<u>\$ 2,192</u>	<u>\$ 4,704</u>	<u>\$ 23,794</u>
\$ -	\$ 148	\$ -	\$ -	\$ 325	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	148	-	-	325	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
339	-	7,284	1,219	1,867	4,704	23,794
<u>339</u>	<u>-</u>	<u>7,284</u>	<u>1,219</u>	<u>1,867</u>	<u>4,704</u>	<u>23,794</u>
<u>\$ 339</u>	<u>\$ 148</u>	<u>\$ 7,284</u>	<u>\$ 1,219</u>	<u>\$ 2,192</u>	<u>\$ 4,704</u>	<u>\$ 23,794</u>

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

	CC Records MGMT/ PRSV Fund	CC Archive Fund	DC Records MGMT/PR SV Fund	DC Records Technology Fund
ASSETS				
Cash and Cash Equivalents	\$ 192,703	\$ 238,031	\$ 19,376	\$ 18,260
Investments	-	-	-	-
Property Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-
Due from Other funds	-	-	-	-
Due from Others	5,448	5,390	1,132	-
Total Assets	<u>\$ 198,151</u>	<u>\$ 243,421</u>	<u>\$ 20,508</u>	<u>\$ 18,260</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings	-	-	-	-
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted for:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Specific Purposes	198,151	243,421	20,508	18,260
Total Fund Balances	<u>198,151</u>	<u>243,421</u>	<u>20,508</u>	<u>18,260</u>
Total Liabilities and Fund Balances	<u>\$ 198,151</u>	<u>\$ 243,421</u>	<u>\$ 20,508</u>	<u>\$ 18,260</u>

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

Opioid Settlement Fund	Sheriff Donation Fund	Sheriff Comissary Fund	Child Advocacy Fund	CCE Fund	Limited Access Fund	Debt Service Fund
\$ 29,377	\$ 48,427	\$ 19,276	\$ 571,482	\$ 59,385	\$ 190,677	\$ 387,543
-	-	-	-	-	-	12,564
-	-	-	-	-	-	21,986
-	-	-	-	-	-	(2,199)
-	-	-	-	-	-	14,550
-	-	-	764	500	6,504	415
<u>\$ 29,377</u>	<u>\$ 48,427</u>	<u>\$ 19,276</u>	<u>\$ 572,246</u>	<u>\$ 59,885</u>	<u>\$ 197,181</u>	<u>\$ 434,859</u>
\$ 3,085	\$ 1,317	\$ 1,325	\$ 9,801	\$ -	\$ 23,875	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,085</u>	<u>1,317</u>	<u>1,325</u>	<u>9,801</u>	<u>-</u>	<u>23,875</u>	<u>-</u>
-	-	-	-	-	-	19,787
-	-	-	-	-	-	19,787
-	-	-	-	-	-	415,072
-	-	-	-	-	-	-
26,292	47,110	17,951	562,445	59,885	173,306	-
<u>26,292</u>	<u>47,110</u>	<u>17,951</u>	<u>562,445</u>	<u>59,885</u>	<u>173,306</u>	<u>415,072</u>
<u>\$ 29,377</u>	<u>\$ 48,427</u>	<u>\$ 19,276</u>	<u>\$ 572,246</u>	<u>\$ 59,885</u>	<u>\$ 197,181</u>	<u>\$ 434,859</u>

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

	Capital Projects Fund	Flood Recovery Fund	Total Non- Major Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,915	\$ 1,283,677	\$ 3,820,767
Investments	-	-	622,828
Property Taxes Receivable	-	-	21,986
Allowance for Uncollectible Taxes	-	-	(2,199)
Due from Other funds	-	-	14,698
Due from Others	-	-	187,239
Total Assets	<u>\$ 1,915</u>	<u>\$ 1,283,677</u>	<u>\$ 4,665,319</u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 98,786
Payroll Deductions and Withholdings	-	-	8,360
Due to Others	-	-	-
Unearned Revenues	-	-	77,743
Total Liabilities	<u>-</u>	<u>-</u>	<u>184,889</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Property Taxes	-	-	19,787
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>19,787</u>
FUND BALANCES (DEFICITS)			
Restricted for:			
Debt Service	-	-	415,072
Capital Projects	1,915	-	1,915
Specific Purposes	-	1,283,677	4,043,656
Total Fund Balances	<u>1,915</u>	<u>1,283,677</u>	<u>4,460,643</u>
Total Liabilities and Fund Balances	<u>\$ 1,915</u>	<u>\$ 1,283,677</u>	<u>\$ 4,665,319</u>

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

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

	Hotel Occupancy Fund	LCSO Seizure Fund	Library Fund	Guardianship Fund
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	435,338	-	-	-
Fines and Fees	-	-	1,239	5,220
Charges for Services	-	-	7,383	-
Donations	-	-	13,605	-
Investment Income	39,961	-	-	-
Intergovernmental Revenues	-	-	-	-
Total Revenues	475,299	-	22,227	5,220
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Judicial System	-	-	-	-
Highways and Streets	-	-	-	-
Culture and Recreation	-	-	371,661	-
Conservation and Development	521,774	-	-	-
Debt Service:				
Principal	-	-	2,237	-
Interest	-	-	244	-
Fees	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	521,774	-	374,142	-
Excess (Deficiency) of Revenue Over Expenditures	(46,475)	-	(351,915)	5,220
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	351,915	44,970
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	351,915	44,970
Net Change in Fund Balance	(46,475)	-	-	50,190
Fund Balance - Beginning	980,342	3,782	-	-
Fund Balance - Ending	\$ 933,867	\$ 3,782	\$ -	\$ 50,190

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

Court Reporter Service Fund	Language Access Fund	Pretrial Intervention Fund	Law Library Fund	Probate Training Fund	Courthouse Security Fund	JC Building Security Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
11,187	2,256	9,520	15,715	780	29,378	1,218
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,187	2,256	9,520	15,715	780	29,378	1,218
-	-	-	6,012	-	-	-
-	-	-	-	-	-	-
8,700	-	-	-	-	270	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,305
8,700	-	-	6,012	-	270	1,305
2,487	2,256	9,520	9,703	780	29,108	(87)
9,219	1,707	47,021	-	6,984	75,297	27,464
-	-	-	-	-	-	-
9,219	1,707	47,021	-	6,984	75,297	27,464
11,706	3,963	56,541	9,703	7,764	104,405	27,377
-	-	-	30,644	-	-	-
\$ 11,706	\$ 3,963	\$ 56,541	\$ 40,347	\$ 7,764	\$ 104,405	\$ 27,377

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

	Court Facility Fund	CC/DC Technology Fund	JP Technology Fund	Elections Administration Fund
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Fines and Fees	9,010	379	7,478	8,804
Charges for Services	-	-	-	-
Donations	-	-	-	-
Investment Income	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Total Revenues	9,010	379	7,478	8,804
EXPENDITURES				
Current:				
General Government	-	-	-	26,622
Public Safety	-	-	-	-
Judicial System	-	-	4,014	-
Highways and Streets	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation and Development	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fees	-	-	-	-
Capital Outlay	-	-	-	5,495
Total Expenditures	-	-	4,014	32,117
Excess (Deficiency) of Revenue Over Expenditures	9,010	379	3,464	(23,313)
OTHER FINANCING SOURCES (USES)				
Transfers In	6,746	3,141	8,678	105,396
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	6,746	3,141	8,678	105,396
Net Change in Fund Balance	15,756	3,520	12,142	82,083
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ 15,756	\$ 3,520	\$ 12,142	\$ 82,083

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

Election Chapter 19 Fund	Sheriff Lease Fund	Constable PCT#1 Lease	Constable PCT#2 Lease	Constable PCT#3 Lease	Constable PCT#4 Lease	County Records Management Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	7,030
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,545	260	564	240	565	-
-	2,545	260	564	240	565	7,030
720	-	-	-	-	-	8,500
-	9,483	1,177	-	991	961	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
720	9,483	1,177	-	991	961	8,500
(720)	(6,938)	(917)	564	(751)	(396)	(1,470)
1,059	6,938	8,201	655	2,618	5,100	25,264
-	-	-	-	-	-	-
1,059	6,938	8,201	655	2,618	5,100	25,264
339	-	7,284	1,219	1,867	4,704	23,794
-	-	-	-	-	-	-
\$ 339	\$ -	\$ 7,284	\$ 1,219	\$ 1,867	\$ 4,704	\$ 23,794

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

	CC Records MGMT/ PRSV Fund	CC Archive Fund	DC Records MGMT/PRS V Fund	DC Records Technology Fund
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Fines and Fees	66,099	71,613	6,066	69
Charges for Services	-	-	-	-
Donations	-	-	-	-
Investment Income	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Total Revenues	66,099	71,613	6,066	69
EXPENDITURES				
Current:				
General Government	30,389	46,266	-	-
Public Safety	-	-	-	-
Judicial System	-	-	-	-
Highways and Streets	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation and Development	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fees	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	30,389	46,266	-	-
Excess (Deficiency) of Revenue Over Expenditures	35,710	25,347	6,066	69
OTHER FINANCING SOURCES (USES)				
Transfers In	162,441	218,074	14,442	18,191
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	162,441	218,074	14,442	18,191
Net Change in Fund Balance	198,151	243,421	20,508	18,260
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ 198,151	\$ 243,421	\$ 20,508	\$ 18,260

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

Opioid Settlement Fund	Sheriff Donation Fund	Sheriff Comissary Fund	Child Advocacy Fund	CCE Fund	Limited Access Fund	Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,402,919
-	-	-	-	-	-	-
-	-	-	46,997	-	254,914	-
-	-	16,991	-	-	609	-
-	35,000	-	77,114	12,161	-	-
-	-	-	-	-	-	17,301
36,304	-	-	-	32,701	-	-
<u>36,304</u>	<u>35,000</u>	<u>16,991</u>	<u>124,111</u>	<u>44,862</u>	<u>255,523</u>	<u>1,420,220</u>
-	-	-	20,000	26,011	258,633	-
10,012	25,375	11,766	-	-	1,332	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,095,000
-	-	-	-	-	-	74,773
-	-	-	-	-	-	400
-	10,854	-	-	-	222,181	-
<u>10,012</u>	<u>36,229</u>	<u>11,766</u>	<u>20,000</u>	<u>26,011</u>	<u>482,146</u>	<u>1,170,173</u>
<u>26,292</u>	<u>(1,229)</u>	<u>5,225</u>	<u>104,111</u>	<u>18,851</u>	<u>(226,623)</u>	<u>250,047</u>
-	48,339	12,726	258,829	41,034	-	-
-	-	-	-	-	(1,160,373)	-
<u>-</u>	<u>48,339</u>	<u>12,726</u>	<u>258,829</u>	<u>41,034</u>	<u>(1,160,373)</u>	<u>-</u>
<u>26,292</u>	<u>47,110</u>	<u>17,951</u>	<u>362,940</u>	<u>59,885</u>	<u>(1,386,996)</u>	<u>250,047</u>
-	-	-	199,505	-	1,560,302	165,025
<u>\$ 26,292</u>	<u>\$ 47,110</u>	<u>\$ 17,951</u>	<u>\$ 562,445</u>	<u>\$ 59,885</u>	<u>\$ 173,306</u>	<u>\$ 415,072</u>

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

	Capital Projects Fund	Flood Recovery Fund	Total Non- Major Funds
REVENUES			
Property Taxes	\$ -	\$ -	\$ 1,402,919
General Sales and Use Taxes	-	-	435,338
Fines and Fees	-	-	554,972
Charges for Services	-	-	24,983
Donations	-	-	137,880
Investment Income	3,622	-	60,884
Intergovernmental Revenues	-	159,181	232,360
Total Revenues	3,622	159,181	2,849,336
EXPENDITURES			
Current:			
General Government	-	-	423,153
Public Safety	-	-	61,097
Judicial System	-	-	12,984
Highways and Streets	-	51,316	51,316
Culture and Recreation	-	-	371,661
Conservation and Development	-	-	521,774
Debt Service:			
Principal	-	-	1,097,237
Interest	-	-	75,017
Fees	-	-	400
Capital Outlay	105,493	14,425	359,753
Total Expenditures	105,493	65,741	2,974,392
Excess (Deficiency) of Revenue Over Expenditures	(101,871)	93,440	(125,056)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	1,512,449
Transfers Out	-	(159,181)	(1,319,554)
Total Other Financing Sources (Uses)	-	(159,181)	192,895
Net Change in Fund Balance	(101,871)	(65,741)	67,839
Fund Balance - Beginning	103,786	1,349,418	4,392,804
Fund Balance - Ending	\$ 1,915	\$ 1,283,677	\$ 4,460,643

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

LLANO COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Jury Clearing	Hot Check	Sheriff's Seizure	Lateral Road Fund	State Fees Fund
ASSETS					
Cash and Temporary Investments	\$ 34,083	\$ 13,442	\$ 1,018	\$ 22,765	\$ 34,925
Investments	-	-	-	57,636	-
Due from Others	507	-	-	-	16,251
Total Assets	<u>\$ 34,590</u>	<u>\$ 13,442</u>	<u>\$ 1,018</u>	<u>\$ 80,401</u>	<u>\$ 51,176</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 50,586
Due to Others	1,030	622	-	-	574
Unearned Revenues	-	-	-	-	16
Total Liabilities	<u>1,030</u>	<u>622</u>	<u>-</u>	<u>-</u>	<u>51,176</u>
NET POSITION					
Restricted for:					
Individuals and Organization	33,560	12,820	1,018	80,401	-
Total Net Position	<u>\$ 33,560</u>	<u>\$ 12,820</u>	<u>\$ 1,018</u>	<u>\$ 80,401</u>	<u>\$ -</u>

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

District Clerk Fines/Fees	District Clerk Trust	County Clerk Court Registry	Sales and Use Tax	Auto Tax	Ad Valorem	Liquor & Beer
\$ 28,661	\$ 342,029	\$ 91,622	\$ 140,030	\$ 35,175	\$ 116,243	\$ 2,865
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 28,661</u>	<u>\$ 342,029</u>	<u>\$ 91,622</u>	<u>\$ 140,030</u>	<u>\$ 35,175</u>	<u>\$ 116,243</u>	<u>\$ 2,865</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
28,661	342,029	91,622	140,030	35,175	116,243	2,865
<u>\$ 28,661</u>	<u>\$ 342,029</u>	<u>\$ 91,622</u>	<u>\$ 140,030</u>	<u>\$ 35,175</u>	<u>\$ 116,243</u>	<u>\$ 2,865</u>

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LLANO COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	VIT Interest	Inmate Trust	Total Custodial Funds
ASSETS			
Cash and Temporary Investments	\$ 33,822	\$ 5,725	\$ 902,405
Investments	-	-	57,636
Due from Others	-	-	16,758
Total Assets	<u>\$ 33,822</u>	<u>\$ 5,725</u>	<u>\$ 976,799</u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 50,586
Due to Others	-	-	2,226
Unearned Revenues	-	-	16
Total Liabilities	<u>-</u>	<u>-</u>	<u>52,828</u>
NET POSITION			
Restricted for:			
Individuals and Organization	33,822	5,725	923,971
Total Net Position	<u>\$ 33,822</u>	<u>\$ 5,725</u>	<u>\$ 923,971</u>

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

LLANO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 CUSTODIAL FUNDS
 AS ON SEPTEMBER 30, 2023

	Jury Clearing	Hot Check	Sheriff's Seizure	Lateral Road Fund	State Fees Fund
ADDITIONS					
Intergovernmental Revenues	\$ 3,502	\$ -	\$ -	\$ -	\$ -
Other Contributions	37,877	363	468	6,109	-
Total Additions	<u>41,379</u>	<u>363</u>	<u>468</u>	<u>6,109</u>	<u>-</u>
DEDUCTIONS					
Other Operating Costs	11,840	11,637	18,124	-	-
Total Deductions	<u>11,840</u>	<u>11,637</u>	<u>18,124</u>	<u>-</u>	<u>-</u>
Change in Net Position	29,539	(11,274)	(17,656)	6,109	-
Net Position - Beginning	4,021	24,094	18,674	74,292	-
Net Position - Ending	<u>\$ 33,560</u>	<u>\$ 12,820</u>	<u>\$ 1,018</u>	<u>\$ 80,401</u>	<u>\$ -</u>

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

District Clerk Fines/Fees	District Clerk Trust	County Clerk Court Registry	Sales and Use Tax	Auto Tax	Ad Valorem	Liquor & Beer
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183,457	401,821	104,219	2,139,658	4,343,883	87,640,912	8,639
183,457	401,821	104,219	2,139,658	4,343,883	87,640,912	8,639
181,809	629,241	129,067	2,117,687	4,323,193	87,755,977	8,627
181,809	629,241	129,067	2,117,687	4,323,193	87,755,977	8,627
1,648	(227,420)	(24,848)	21,971	20,690	(115,065)	12
27,013	569,449	116,470	118,059	14,485	231,308	2,853
\$ 28,661	\$ 342,029	\$ 91,622	\$ 140,030	\$ 35,175	\$ 116,243	\$ 2,865

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LLANO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	VIT Interest	Inmate Trust	Total Custodial Funds
ADDITIONS			
Intergovernmental Revenues	\$ -	\$ -	\$ 3,502
Other Income	40,574	146,473	95,054,453
Total Additions	<u>40,574</u>	<u>146,473</u>	<u>95,057,955</u>
DEDUCTIONS			
Other Operating Costs	45,302	145,028	95,377,532
Total Deductions	<u>45,302</u>	<u>145,028</u>	<u>95,377,532</u>
Change in Net Position	(4,728)	1,445	(319,577)
Net Position - Beginning	38,550	4,280	1,243,548
Net Position - Ending	<u>\$ 33,822</u>	<u>\$ 5,725</u>	<u>\$ 923,971</u>

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

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LLANO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 1,348,782	\$ 1,384,782	\$ 1,402,919	\$ 18,137
Investment Income	150	150	17,301	17,151
Total Revenues	<u>1,348,932</u>	<u>1,384,932</u>	<u>1,420,220</u>	<u>35,288</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal	1,095,000	1,095,000	1,095,000	-
Interest	74,774	74,774	74,773	1
Fees	400	400	400	-
Total Expenditures	<u>1,170,174</u>	<u>1,170,174</u>	<u>1,170,173</u>	<u>1</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>178,758</u>	<u>214,758</u>	<u>250,047</u>	<u>35,287</u>
Net Change in Fund Balance	178,758	214,758	250,047	35,289
Fund Balance - Beginning	165,025	165,025	165,025	-
Fund Balance - Ending	<u>\$ 343,783</u>	<u>\$ 379,783</u>	<u>\$ 415,072</u>	<u>\$ 35,289</u>

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

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OTHER SUPPLEMENTARY INFORMATION SECTION

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

Honorable County Judge and Members of the Commissioners Court
Llano County, Texas

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 Llano County, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Llano County, Texas's basic financial statements and have issued our report thereon dated January 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Llano County, Texas's internal control over financial reporting (internal control) as a basis for designing 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 Llano County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of Llano County, Texas's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify a deficiency in internal control that we consider to be a material weakness.

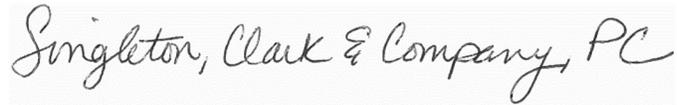
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Llano County, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, described in the accompanying schedule of findings and questioned costs as 2023-001.

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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.

A handwritten signature in black ink that reads "Singleton, Clark & Company, PC". The signature is written in a cursive, flowing style and is centered within a light gray rectangular background.

Singleton, Clark & Company, PC.
Cedar Park, Texas

January 19, 2024

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

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

2023-001 Budgetary Compliance

FEDERAL AWARDS

Under the guidelines of the Federal Uniform Guidance, a Single Audit was not required for the year ended September 30, 2023 due to expenditures of federal awards being below \$750,000.

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

2023-001 Budgetary Compliance

Criteria: Each year the County’s Commissioners Court adopts an appropriations budget which limits expenditure amounts within specific line items that can be made by management.

Condition Found: As of year-end, actual expenditure amounts in the General Fund exceeded budgeted appropriations in the Transfers Out line item by \$352,078.

Cause: The needed budget amendments were either not known by year-end or not brought timely for approval.

Effect: The effect of this condition is a technical noncompliance with the legally adopted appropriations budget.

Recommendation: We recommend the budget-to-actual expenditure amounts be closely monitored during the year and needed budget amendments be brought to the Commissioners Court as needed to be considered for approval.

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LLANO COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023 (CONTINUED)

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended September 30, 2022.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Findings Related to Federal Awards Which are Required to be Reported in Accordance with federal Uniform Guidance:

Not applicable for the year ended September 30, 2023

No findings or questioned costs required to be reported in accordance with federal Uniform Guidance for the year ended September 30, 2022.

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Llano County Auditor
1447 E State Hwy. 71, Unit B
Llano, Texas 78643
Office: 325-247-2783
Fax: 325-247-3162

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Current Year Audit Findings:

2023-001 Budgetary Compliance

Corrective Action Planned:

The FY 2024 budget was corrected to include a budget transfer between the General Fund and the Library Fund.

Anticipated Completion Date: October 01, 2023

Contact Person(s): Kelly Eckhardt