OFFICIAL STATEMENT
Dated May 8, 2023

NEW ISSUE - Book-Entry-Only | RATING: Moody's - Aa1 (See "OTHER PERTINENT INFORMATION - Bond Rating" herein)

In the opinion of Bond Counsel (defined herein), assuming continuing compliance by the County (defined herein) after the date of initial delivery of the Bonds (defined herein) with certain covenants contained in the Order (defined herein) and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof for federal income tax purposes under section 103 of the Internal Revenue Code, as amended to the date of initial delivery of the Bonds, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. See "TAX MATTERS" herein.

$18,215,000
KENDALL COUNTY, TEXAS
LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2023

Dated Date: May 1, 2023 | **Due: March 1, as shown on page -ii- herein**

The "Kendall County, Texas Limited Tax General Obligation Bonds, Series 2023" (the "Bonds"), as shown on page -ii- of this Official Statement, are being issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including Chapter~~s~~ 1251, as amended, Texas Government Code, Chapter 331, as amended, Texas Local Government Code, an election held in the County on November 8, 2022 (the "Election"), and an order authorizing the Bonds (the "Order") adopted by the Commissioners Court (the "Court") of the County (the "Issuer" or the "County") on May 8, 2023. See "THE BONDS - Authority for Issuance" herein. The Bonds constitute direct obligations of the Issuer payable from the proceeds of an ad valorem tax levied against all taxable property in the County, within the limits prescribed by law, as provided in the Order. (See "THE BONDS – Security for Payment" herein.)

Interest on the Bonds will accrue from May 1, 2023 (the "Dated Date"), will be payable until stated maturity or prior redemption on March 1 and September 1 of each year, commencing September 1, 2023, and will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be issued as fully registered obligations in principal denominations of $5,000, or integral multiple thereof within a stated maturity. The Bonds will be issued in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository (the "Securities Depository"). Book-entry interests in the Bonds will be made available for purchase in the principal amount of $5,000 or any integral multiple thereof. Purchasers of the Bonds ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be payable by the Paying Agent/Registrar, initially Zions Bancorporation, National Association, Houston, Texas, to the Securities Depository, which will in turn remit such principal and interest to its participants, which will in turn remit such principal and interest to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Proceeds from the sale of the Bonds will be used to (i) acquire open space and conservation land and acquire conservation easements on land for any authorized purpose, and (ii) pay professional services related to the design, construction, project management, and financing of the aforementioned projects. See "THE BONDS - Use of Proceeds" herein.

SEE PAGE -ii- HEREIN FOR STATED MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS, AND REDEMPTION PROVISIONS FOR THE BONDS

The Bonds are offered for delivery when, as and if issued and received by the initial purchasers thereof (the "Purchasers") and are subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Austin, Texas, Bond Counsel. See "LEGAL MATTERS" herein for a discussion of Bond Counsel's opinion. It is expected that the Bonds will be available for delivery through the services of DTC, New York, New York, on or about June 1, 2023.

MATURITY SCHEDULE, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS AND REDEMPTION PROVISIONS

$18,215,000
KENDALL COUNTY, TEXAS
LIMITED TAX GENERAL OBLIGATION BONDS,
SERIES 2023

CUSIP No. Prefix 488725[(1)]

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MATURITY SCHEDULE

Principal Amount($)	Stated Maturity (March 1)	Interest Rate (%)	Initial Yield (%)	CUSIP No. Suffix [(1)]
350,000	2024	5.000	3.120	DU3
3,500,000	2025	5.000	2.810	DV1
3,500,000	2026	5.000	2.610	DW9
1,000,000	2027	5.000	2.480	DX7
1,000,000	2028	5.000	2.440	DY5
1,000,000	2029	5.000	2.410	DZ2
1,400,000	2030	5.000	2.410	EA6
1,385,000	2031	5.000	2.450	EB4
1,425,000	2032	5.000	2.500	EC2
1,405,000	2033	5.000	2.550[(2)]	ED0
1,135,000	2034	5.000	2.600[(2)]	EE8
1,115,000	2035	4.000	3.140[(2)]	EF5

(Interest to accrue from Dated Date)

Optional Redemption

The Bonds stated to mature on or after March 1, 2033 are subject to optional redemption prior to their scheduled maturities at the option of the County, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on March 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date fixed for redemption. See "THE BONDS - Redemption Provisions

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(1) CUSIP numbers are included solely for the convenience of the owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Purchasers, the County, or the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.

(2) Yield calculated based on the assumption that the Bonds denoted and sold at a premium will be redeemed on March 1, 2032, the first optional call date for the Bonds, at a redemption price of par, plus accrued interest to the redemption date.

KENDALL COUNTY, TEXAS
201 E. San Antonio Street, Suite 122
Boerne, Texas 78006

COMMISSIONERS COURT

Name	Position	Length of Service	Term Expires Dec 31
Shane Stolarczyk	County Judge	1st year	2026
Christina Bergmann	Commissioner, Precinct 1	7 years	2024
Andra M. Wisian	Commissioner, Precinct 2	1st year	2026
Richard Chapman	Commissioner, Precinct 3	5 years	2024
Chad Carpenter	Commissioner, Precinct 4	1 year	2026

COUNTY OFFICIALS

Name	Position	Years Served
Corinna Speer	County Auditor	11
Sheryl D'Spain	County Treasurer	12
Denise Maxwell	County Clerk	1
James Hudson	Tax Assessor-Collector	25

CONSULTANTS AND ADVISORS

SAMCO Capital Markets, Inc. San Antonio, Texas	Financial Advisor
Norton Rose Fulbright US LLP Austin, Texas	Bond Counsel
Neffendorf & Blocker, P.C. Fredericksburg, Texas	Certified Public Accountants

For additional information regarding the County, please contact:

The Honorable Shane Stolarczyk
County Judge
Kendall County
201 E. San Antonio Street, Suite 122
Boerne, Texas 78006
(830) 249-9343, Ext. 213
Fax (830) 249-9478
judge@co.kendall.tx.us

Mr. Duane L. Westerman
Senior Managing Director
SAMCO Capital Markets, Inc.
1020 N.E. Loop 410, Suite 640
San Antonio, Texas 78209
(210) 832-9760 - Telephone
(210) 832-9794 - Facsimile
dwesterman@samcocapital.com

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman, or other person has been authorized by the County to give any information or to make any representation with respect to the Bonds, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information set forth herein has been obtained from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Purchasers.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

The Purchasers have provided the following sentence for inclusion in this Official Statement. The Purchasers have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Purchasers do not guarantee the accuracy or completeness of such information.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE BONDS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION FOR THE PURCHASE THEREOF.

IN CONNECTION WITH THIS OFFERING, THE PURCHASERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THIS ISSUE AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

None of the County, the Financial Advisor, or the Purchasers makes any representation or warranty with respect to the information contained in this Official Statement regarding The Depository Trust Company or its "BOOK-ENTRY-ONLY SYSTEM."

The agreements of the County and others related to the Bonds are contained solely in the contracts described herein. Neither this Official Statement, nor any other statement made in connection with the offer or sale of the Bonds, is to be construed as constituting an agreement with the purchasers of the Bonds. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE SCHEDULE AND ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE BONDS.

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TABLE OF CONTENTS

The cover page, subsequent pages hereof, and appendices attached hereto, are part of this Official Statement.

OFFICIAL STATEMENT SUMMARY INFORMATION

The following information is qualified in its entirety by more detailed information and financial statements appearing elsewhere in this Official Statement:

THE ISSUER	Kendall County, Texas (the "County") is a political subdivision of the State of Texas and is governed by the Commissioners Court, which is composed of four County Commissioners and the County Judge. The County's 2022 population estimate was 47,851. See "APPENDIX B - GENERAL INFORMATION REGARDING KENDALL COUNTY - Economic and Demographic Characteristics" herein.
THE BONDS	$18,215,000 Kendall County, Texas Limited Tax General Obligation Bonds, Series 2023. The Bonds will mature on the dates indicated on page -ii- hereof. Interest shall accrue from the Dated Date and is payable initially on September 1, 2023 and semiannually on March 1 and September 1 thereafter until the earlier of stated maturity or prior redemption.
DATED DATE	May 1, 2023.
REDEMPTION	The Bonds stated to mature on and after March 1, 2033 are subject to optional redemption on March 1, 2032 or any date thereafter, at a price of par (100%) plus accrued interest to the date fixed for redemption. See "THE BONDS - Redemption Provisions of the Bonds" herein.
PAYING AGENT/REGISTRAR	Zions Bancorporation, National Association, Houston, Texas.
SECURITY FOR THE BONDS	The Bonds constitute direct obligations of the County payable, both as to principal and interest, from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the County. See "THE BONDS - Security for Payment" herein.
BOOK-ENTRY-ONLY SYSTEM	The County intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York, relating to the method and timing of payment as to principal and interest of the Bonds and the method of transfer.
TAX MATTERS	In the opinion of Bond Counsel, the interest on the Bonds is includable in the gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" and "APPENDIX D - Form of Opinion of Bond Counsel" herein.
USE OF BOND PROCEEDS	Proceeds from the sale of the Bonds will be used to (i) acquire open space and conservation land and acquire conservation easements on land for any authorized purpose, and (ii) pay professional services related to the design, construction, project management, and financing of the aforementioned projects. See "THE BONDS - Use of Proceeds" and "SOURCES AND USES OF FUNDS" herein.
BOND RATING	Moody's Investors Service, Inc. ("Moody's") has assigned its municipal bond rating of "Aa1" to the Bonds. See "OTHER PERTINENT INFORMATION - Municipal Bond Rating" herein.
FUTURE BOND ISSUES	The County does not anticipate the issuance of additional general obligation debt in 2023, except potentially refunding bonds for debt service savings.
PAYMENT RECORD	The County has never defaulted on the payment of its bonded indebtedness.
DELIVERY	When issued, anticipated on or about June 1, 2023.
LEGALITY	The Bonds are subject to the approval of legality by the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Austin, Texas, Bond Counsel. See "APPENDIX D - Form of Opinion of Bond Counsel" herein.

OFFICIAL STATEMENT

Relating to

$18,215,000
KENDALL COUNTY, TEXAS
LIMITED TAX GENERAL OBLIGATION BONDS,
SERIES 2023

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, provides certain information in connection with the issuance by Kendall County, Texas (the "County") of its Limited Tax General Obligation Bonds, Series 2023 (the "Bonds") in the aggregate principal amount of $18,215,000. Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Order (defined herein), except as otherwise indicated herein.

There follows in this Official Statement a description of the plan of financing, the Bonds and certain information about the Issuer and its finances. ***All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document***. Copies of such documents may be obtained from the County and, during the offering period from the Financial Advisor to the County upon payment of reasonable copying, handling, and delivery charges.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of the Final Official Statement will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Markets Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

INFECTIOUS DISEASE OUTBREAK – COVID-19

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. There are currently no COVID-19 related operating limits imposed by executive order of the Governor for any business or other establishment in the State. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. The County has not experienced any decrease in property values or unusual tax delinquencies as a result of COVID-19; however, the County cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and re-imposition of restrictions. For a discussion of the impact of COVID-19 on the County's financial condition and budget, see "APPENDIX A - Selected Financial Information of Kendall County" herein.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1251, as amended, Texas Government Code, Chapter 331, as amended, Texas Local Government Code, an election held in the County on November 8, 2022 (the "Election"), and an order authorizing the issuance of the Bonds (the "Order") adopted by the Commissioners Court (the "Court") of the County on May 8, 2023.

General Description

The Bonds will be dated May 1, 2023, and will mature on the dates and in the principal amounts and will bear interest at the rates set forth on page -ii- of this Official Statement. Principal and interest on the Bonds are payable in the manner described herein under "BOOK-ENTRY-ONLY SYSTEM" herein. In the event the Book-Entry-Only System is discontinued, the interest on the Bonds will be payable to the registered owner as shown on the security register maintained by Zions Bancorporation, National Association, Houston, Texas, as the initial Paying Agent/Registrar, as of the fifteenth day of the month next preceding such interest payment date, and such interest will be paid by check mailed first-class, postage prepaid, to the address of such person on the security register or by such other method acceptable to the Paying Agent/Registrar requested by and at the risk and expense of the registered owner. In the event the Book-Entry-Only System is discontinued, principal of the Bonds will be payable at stated maturity or prior redemption upon presentation and surrender thereof at the corporate trust office of the Paying Agent/Registrar.

Interest on the Bonds is payable to the registered owners appearing on the bond registration books of the Paying Agent/Registrar on the Record Date (defined below) and such interest shall be paid by the Paying Agent/Registrar (i) by check sent by United States mail, first class postage prepaid, to the address of the registered owner recorded in the bond register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. The principal of the Bonds is payable at maturity or redemption, upon their presentation and surrender to the Paying Agent/Registrar. The Bonds will be issued only in fully registered form in any integral multiple of $5,000 principal for any one maturity.

Initially the Bonds will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Notwithstanding the foregoing, as long as the Bonds are held in the Book-Entry-Only System, principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Use of Proceeds

Proceeds from the sale of the Bonds will be used to (i) acquire open space and conservation land and acquire conservation easements on land for any authorized purpose, and (ii) pay professional services related to the design, construction, project management, and financing of the aforementioned projects. See "SOURCES AND USES OF FUNDS" herein.

Security for Payment

In the opinion of Bond Counsel (hereinafter defined) the Bonds constitute direct obligations of the County payable from an annual ad valorem tax levied, within the limitations prescribed by law, on all taxable property located within the County.

Payment Record

The County has never defaulted on the payment of its bonded indebtedness.

Legality

The Bonds are subject to the approval of legality by the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Austin, Texas, Bond Counsel. The legal opinion of Bond Counsel will accompany the global Bonds deposited with DTC or be printed on the Bonds. A form of the legal opinion of Bond Counsel appears in APPENDIX D attached hereto. See "TAX MATTERS" herein.

Delivery

When issued; anticipated on or about June 1, 2023.

Future Issues

The County does not anticipate the issuance of additional general obligation debt in 2023, except potentially refunding bonds for debt service savings.

Redemption Provisions of the Bonds

The County reserves the right to redeem the Bonds maturing on and after March 1, 2033 in whole or in part, in the principal amount of $5,000 or any integral multiple thereof, on March 1, 2032 or any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption. The years of maturity of the Bonds called for redemption shall be selected by the County.

Selection of Bonds for Redemption

If less than all of the Bonds are to be redeemed, the County shall determine the amounts and maturities thereof to be redeemed and shall direct the Paying Agent/Registrar to select by lot the Bonds, or portions thereof, to be redeemed

Notice of Redemption

At least 30 days prior to the date fixed for any redemption of any Bonds or portions thereof prior to stated maturity, the Issuer shall cause notice of such redemption to be sent by United States mail, first-class postage prepaid, to the registered owner of each Bond or a portion thereof to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar on the day such notice of redemption is mailed. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

ANY NOTICE OF REDEMPTION SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE BONDHOLDERS FAILED TO RECEIVE SUCH NOTICE, AND, PROVIDED THAT PROVISION FOR PAYMENT OF THE REDEMPTION PRICE IS MADE AND ANY OTHER CONDITIONS TO REDEMPTION ARE SATISFIED, INTEREST ON THE REDEEMED BONDS SHALL CEASE TO

ACCRUE FROM AND AFTER SUCH REDEMPTION DATE NOTWITHSTANDING THAT A BOND HAS NOT BEEN PRESENTED FOR PAYMENT.

Bonds of a denomination larger than $5,000 may be redeemed in part ($5,000 or any integral multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same stated maturity and interest rate for the unredeemed portion of the principal. In the event of redemption of less than all of the Bonds of a particular stated maturity, the Paying Agent/Registrar is required to select the Bonds of such stated maturity to be redeemed by such random method as it deems fair and appropriate and which may provide for the selection for redemption of portions (equal to any authorized denomination) of the Bonds of a denomination larger than $5,000.

The Paying Agent/Registrar and the Issuer, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the Beneficial Owner, will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Issuer will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the Beneficial Owners. Any such selection of Bonds to be redeemed will not be governed by the Order and will not be conducted by the Issuer or the Paying Agent/Registrar. Neither the County or the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bonds or the providing of notice to DTC participants, indirect participants, or Beneficial Owners of the selection of portions of the Bonds for redemption. (See “BOOK-ENTRY-ONLY SYSTEM” herein.)

Defeasance

The Order provides for the defeasance of the Bonds when payment of the principal amount of the Bonds plus interest accrued on the Bonds to their due date (whether such due date be by reason of stated maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent (or financial institution permitted by applicable state law), in trust (1) money sufficient to make such payment, (2) Government Securities (defined below) of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, or (3) a combination of money and Government Securities together so certified sufficient to make such payment. The foregoing deposits shall be certified as to sufficiency by an independent accounting firm, the County’s Financial Advisor, the Paying Agent/Registrar, or such other qualified financial institution (as provided in the Order). The County has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the County moneys in excess of the amount required for such defeasance. The Order provides that “Government Securities” means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state 9 or an agency or a county, municipality, or other political subdivision of a state that on the date the governing body of the County adopts or approves the proceedings authorizing the financial arrangements have been refunded and are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any additional securities and obligations hereafter authorized by State law as eligible for use to accomplish the discharge of obligations such as the Bonds. There is no assurance that the ratings for U.S. Treasury securities acquired to defease any Bonds, or those for any other Government Securities, will be maintained at any particular rating category. Further, there is no assurance that current State law will not be amended in a manner that expands or contracts the list of permissible defeasance securities (such list consisting of these securities identified in clauses (a) through (c) above), or any rating requirement thereon, that may be purchased with defeasance proceeds relating to the Bonds (“Defeasance Proceeds”), though the County has reserved the right to utilize any additional securities for such purpose in the event the aforementioned list is expanded. Because the Order does not contractually limit such permissible defeasance securities and expressly recognizes the ability of the County to use lawfully available Defeasance Proceeds to defease all or any portion of the Bonds, registered owners of Bonds are deemed to have consented to the use of Defeasance Proceeds to purchase such other defeasance securities, notwithstanding the fact that such defeasance securities may not be of the same investment quality as those currently identified under State law as permissible defeasance securities. Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Bonds have been made as described above, all rights of the County to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, the County has the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption at an earlier date those Bonds which have been defeased to their maturity date, if the County (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption, (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Amendments

The County may amend the Order without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the County may, with the written consent of the holders of a majority in aggregate principal amount of the Bonds then outstanding, amend, add to, or rescind any of the provisions of the Order; except that, without the consent of all of the registered owners of the Bonds then outstanding, no such amendment, addition, or rescission may (1) change the date specified as the date on which the principal of, or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the percentage of the aggregate principal amount of Bonds required to be held for consent to any amendment, addition, or waiver.

Defaults and Remedies

If the County defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Order, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Bonds, if there is no other available remedy at law to compel performance of the Bonds or the Order and the County's Bonds are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the County to perform in accordance with the terms of the Order, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. The Texas Supreme Court (the "Court") ruled in Tooke v. City of Mexia, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas Legislature has effectively waived the County's sovereign immunity from a suit for money damages, bondholders may not be able to bring such a suit against the County for breach of the Bonds or Order covenants. If a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County's property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondholders of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Order and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors or general principles of equity which permit the exercise of judicial discretion.

SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds will be applied approximately as follows:

Sources	
Principal Amount of Bonds	$18,215,000.00
Reoffering Premium on the Bonds	2,001,030.30
Accrued Interest	74,966.67
Total Sources	$20,290,996.97
Uses	
Deposit to Project Fund	$20,000,000.00
Deposit to Bond Fund	74,966.67
Purchaser's Discount	60,473.80
Cost of Issuance	155,000.00
Contingency	556.50
Total Uses	$20,290,996.97

REGISTRATION, TRANSFER, AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar is Zions Bancorporation, National Association, Houston, Texas. The Bonds will be issued in fully registered form in multiples of $5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. If the Bonds are not held in the Book-Entry-Only System, interest on the Bonds will be paid by check or draft mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Paying Agent/Registrar's books on the Record Date (see "REGISTRATION, TRANSFER AND EXCHANGE - Record Date" herein) or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner, and principal of the Bonds will be paid to the registered owner at stated maturity or earlier redemption upon presentation to the Paying Agent/Registrar.

Successor Paying Agent/Registrar

The County covenants that until the Bonds are paid it will at all times maintain and provide a Paying Agent/Registrar. In the Order, the County retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the County, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the County shall be a bank, trust company, financial institution or other entity duly qualified and legally authorized to serve and perform the duties of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the County will promptly cause a notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall give the address of the new Paying Agent/Registrar.

Record Date

The record date ("Record Date") for determining the person entitled to the payment of interest on a Bond is the fifteenth day of the month next preceding each interest payment date.

If the date for the payment of the principal of or interest on the Bonds is a Saturday, a Sunday, a legal holiday or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment is the next succeeding day which is not such a day and payment on such date will have the same force and effect as if made on the original date payment was due.

Special Record Date for Interest Payment

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Registration, Transferability and Exchange

In the event the Book-Entry-Only System shall be discontinued, printed bonds will be issued to the registered owners of the Bonds and thereafter the Bonds may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar in lieu of the Bonds being transferred or exchanged at the designated office of the Paying Agent/Registrar, or sent by United States registered mail to the new registered owner at the registered owner's request, risk and expense. New Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in denominations of $5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and at the same maturity or maturities as the Bond or Bonds surrendered for exchange or transfer. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Limitation on Transferability of Bonds Called for Redemption

Neither the County nor the Paying Agent/Registrar shall be required to make any such transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, that such limitation shall not apply to uncalled portions of a Bond redeemed in part.

Replacement Bonds

If any Bond is mutilated, destroyed, stolen or lost, a new Bond of like kind and in the same amount as the Bond so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Bond, such new Bond will be delivered only upon surrender and cancellation of such mutilated Bond. In the case of any Bond issued in lieu of and in substitution for a Bond which has been destroyed, stolen, or lost, such new Bond will be delivered only (a) upon filing with the County and the Paying Agent/Registrar evidence satisfactory to establish to the County and the Paying Agent/Registrar that such Bond has been destroyed, stolen or lost and proof of the ownership thereof, and (b) upon furnishing the County and the Paying Agent/Registrar with Bond or indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond must comply with such other reasonable regulations as the Paying Agent/Registrar may prescribe and pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by the Depository Trust Company, New York, New York ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County, the Financial Advisor, and the Purchaser believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The County, the Financial Advisor, and the Purchaser cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or any notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the applicable series of Bonds), or any notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificated securities. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system 12 is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are jointly referred to as "Participants". DTC has a S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of Bonds ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Neither DTC or Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent/Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered to DTC Participants or the Beneficial Owners, as the case may be.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the Purchaser believe to be reliable, but the Issuer, the Financial Advisors and the Purchaser take no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Order will be given only to DTC.

Effect of Termination of Book-Entry-Only System

In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the County, printed certificates representing the Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Order and summarized under "REGISTRATION, TRANSFER AND EXCHANGE - Future Registration."

INVESTMENT POLICIES

Investments

The County invests its funds in investments authorized by Texas law in accordance with investment policies approved by the Commissioners Court of the County. Both state law and the County's investment policies are subject to change.

Legal Investments

Under Texas law and subject to certain limitations, the Issuer is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations issued and secured by a federal agency or instrumentality of the United States; (4) other obligations unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities; (5) "A" or better rated obligations of states, agencies, counties, cities, and other political subdivisions of any state; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) federally insured interest-bearing bank deposits, brokered pools of such deposits, and collateralized certificates of deposit and share certificates; (8) fully collateralized United States government securities repurchase agreements; (9) one-year or shorter securities lending agreements secured by obligations described in clauses (1) through (7) above or (11) through (14) below or an irrevocable letter of credit issued by an "A" or better rated state or national bank; (10) 270- day or shorter bankers' acceptances, if the short-term obligations of the accepting bank or its holding company are rated at least "A-1" or "P-1"; (11) commercial paper rated at least "A-1" or "P-1"; (12) SEC-registered no-load money market mutual funds that are subject to SEC Rule 2a-7; (13) SEC-registered no-load mutual funds that have an average weighted maturity of less than two years; (14) "AAA" or "AAAm"-rated investment pools that invest solely in investments described above; and (15) in the case of bond proceeds, guaranteed investment contracts that are secured by obligations described in clauses (1) through (7) above and, except for debt service funds and reserves, have a term of 5 years or less.

Under Texas law and subject to certain limitations, the Issuer is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations issued and secured by a federal agency or instrumentality of the United States; (4) other obligations unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities; (5) "A" or better rated obligations of states, agencies, counties, cities, and other political subdivisions of any state; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) federally insured interest-bearing bank deposits, brokered pools of such deposits, and collateralized certificates of deposit and share certificates; (8) fully collateralized United States government securities repurchase agreements; (9) one-year or shorter securities lending agreements secured by obligations described in clauses (1) through (7) above or (11) through (14) below or an irrevocable letter of credit issued by an "A" or better rated state or national bank; (10) 270- day or shorter bankers' acceptances, if the short-term obligations of the accepting bank or its holding company are rated at least "A-1" or "P-1"; (11) commercial paper rated at least "A-1" or "P-1"; (12) SEC-registered no-load money market mutual funds that are subject to SEC Rule 2a-7; (13) SEC-registered no-load mutual funds that have an average weighted maturity of less than two years; (14) "AAA" or "AAAm"-rated investment pools that invest solely in investments described above; and (15) in the case of bond proceeds, guaranteed investment contracts that are secured by obligations described in clauses (1) through (7) above and, except for debt service funds and reserves, have a term of 5 years or less.

Except as stated above or inconsistent with its investment policy, the Issuer may invest in obligations of any duration without regard to their credit rating, if any. If an obligation ceases to qualify as an eligible investment after it has been purchased, the Issuer is not required to liquidate the investment unless it no longer carries a required rating, in which case the Issuer is required to take prudent measures to liquidate the investment that are consistent with its investment policy.

Investment Policies

Under State law, the Issuer is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for Issuer funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups. All Issuer funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the Issuer's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the Issuer must submit an investment report to the Commissioners Court detailing: (1) the investment position of the County, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) the investment strategy expressed in the Issuer's investment policy, and (b) the Public Funds Investment Act. No person may invest Issuer funds without express written authority from the Commissioners Court.

Current Investments*

As of March 31, 2023, the following percentages of the County's investable funds from its Revenue Fund were invested as indicated below:

Category of Investments	Amount	Percentage	Term of Investments
Certificates of Deposit	$ 1,244,000.00	2.29%	Various
LOGIC - Investment Pool	53,032,621.88	97.71%	Daily liquidity
Total	$54,276,621.88	100.00%	

* *Unaudited.*

As of such date, the "fair" value of such investments (as determined by the County by reference to published quotations, dealer bids, and comparable information) was approximately 100% their book "balance." No funds of the County are invested in derivative securities, *i.e.*, securities whose rate of return is determined by reference to some other instrument, index, or commodity.

AD VALOREM PROPERTY TAXATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the County is the responsibility of the Kendall Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the County, in establishing their tax rolls and tax rates (see "AD VALOREM PROPERTY TAXATION – County and Taxpayer Remedies").

State Mandated Homestead Exemptions

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than $5,000) and (2) an additional exemption of at least $3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

Local Option Freeze for the Elderly and Disabled

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

Personal Property

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

Freeport and Goods-In-Transit Exemptions

Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer's motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

Other Exempt Property

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

Tax Increment Reinvestment Zones

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

Tax Abatement Agreements

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. For a discussion of how the various exemptions described above are applied by the County, see "COUNTY APPLICATION OF PROPERTY TAX CODE" herein.

County and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the County, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the County may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount was set at $57,216,456 for the 2023 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda that could result in the repeal of certain tax increases (see "AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operations Tax Rate Limitations"). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The County is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the County. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the County may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

County's Rights in the Event of Tax Delinquencies

Taxes levied by the County are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the County, having power to tax the property. The County's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the County is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the County may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the County must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Public Hearing and Maintenance and Operations Tax Rate Limitations

The following terms as used in this section have the meanings provided below:

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional $500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted). Certain counties for which certain expenditures for indigent legal defense or certain hospital expenditures exceed the amount for such expenditures for the preceding tax year, may increase their no-new-revenue tax rate proportionately with such expenditures in the manner provided by the Property Tax Code.

"special taxing unit" means a county for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value.

"unused increment rate" means the cumulative difference between a county's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a county's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the unused increment rate.

The County's tax rate consists of two components: (1) rates for funding of maintenance and operations expenditures in the current year, which may additionally include the Road and Bridge Maintenance Tax and the Farm-to-Market Road and Flood Control Tax, if levied (collectively, the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the County must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the County to the Commissioners Court by August 1 or as soon as practicable thereafter.

A county must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a county fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the county for the preceding tax year.

As described below, the Property Tax Code provides that if a county adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter- approval tax rate.

A county may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until the county appraisal district has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the county has held a public hearing on the proposed tax increase.

If a county's adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the county must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a county does not qualify as a special taxing unit, if a county's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the county's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the county would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any county located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such county's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the County's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the County's tax-supported debt obligations, including the Bonds. See "AD VALOREM PROPERTY TAXATION – Debt Tax Rate Limitations" for a description of the debt service tax rate limitations applicable to the Bonds.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Debt Tax Rate Limitations

Article VIII, Section 9 of the Texas Constitution imposes a limit of $0.80 per $100 assessed valuation for all purposes of a county's General Fund, Permanent Improvement Fund, Road and Bridge Fund and Jury Fund, including debt service on bonds or other debt issued against such funds. Administratively, the Attorney General of Texas will not approve limited tax obligations in an amount which produces debt service requirements exceeding that which can be paid from $0.40 of the foregoing $0.80 maximum tax rate, as calculated at the time of issuance. **The Bonds are limited tax-supported debt obligations payable from the $0.80 constitutional tax**.

Article III, Section 52 of the Texas Constitution authorizes the County to levy a direct, continuing ad valorem tax on all taxable property within the County, without limit as to rate or amount to pay the principal of and interest on the County's road bonds if approved by the voters in the County. The principal amount of unlimited tax road bonds issued by the County and outstanding at any point in time, aggregated with outstanding unlimited tax debt of certain road districts located within the County cannot exceed 25% of the assessed valuation of all real property located in the County.

Article VIII, Section 9 of the Texas Constitution and State statute authorize the County to levy a special Road and Bridge Fund Tax (the "Road and Bridge Maintenance Tax") in an amount not to exceed $0.15 per $100 assessed valuation, no part of which may be used for debt service, if approved by the voters.

Article VIII, Section 1-a of the Texas Constitution and State statute permit the County to levy a tax for Farm-to-Market Road and Flood Control purposes (the "Farm-to-Market Road and Flood Control Tax") in an amount not to exceed $0.30 per $100 assessed valuation after the mandatory $3,000 homestead exemption, if approved by the voters. There is no allocation prescribed by statutes between debt service and maintenance.

Section 1301.003, Texas Government Code, as amended, limits the amount of limited tax obligations of counties issue pursuant to such authority for those certain purposes as follows:

Courthouse	2% of Taxable Assessed Valuation
Jail	1 1/2% of Taxable Assessed Valuation
Courthouse and Jail	3 1/2% of Taxable Assessed Valuation
Bridge	1 1/2% of Taxable Assessed Valuation

However, courthouse, jail, and certain other types of bonds may be issued under the authority of Section 1431.101, Texas Government Code, as amended, which removes the above limitations.

The 88th Legislative Session

The 88th Texas Legislature convened on January 10, 2023 and will conclude on May 29, 2023 ("88th Regular Session"). When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. During the legislative session, the Legislature will consider a general appropriations act and may consider legislation affecting ad valorem taxation procedures affecting counties. The County can make no representations or predictions regarding any actions the Legislature may take during the 88th Texas Legislative Session concerning the substance or the effect of any legislation that may be passed during this session or a future session of the Legislature.

COUNTY APPLICATION OF THE PROPERTY TAX CODE

The County grants a local exemption of $10,000 to the market value of the residence homestead of persons 65 years of age or older and the disabled.

The County does not grant an additional exemption of up to 20% of the market value of residence homesteads.

The County does not tax nonbusiness personal property.
The County does allow discounts for the early payment of taxes with a 3% discount if paid in October, 2% if paid in November, and 1% if paid in December.

The County took action before January 1, 1990 to tax Article VIII, Section 1-j ("freeport") exempt property. The County took action on December 12, 2000 to grant freeport exemptions effective January 1, 2002.

The County does not grant an exemption for goods-in-transit.

The County does not participate in Tax Increment Reinvestment Zones.

The County has not entered into any other agreements that reduce property taxes.

LEGAL MATTERS

The County will furnish the Purchaser with a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of the State of Texas to the effect that the Initial Bond is a valid and legally binding obligation of the County, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Bond Counsel, to the effect that the Bonds, issued in compliance with the provisions of the Order, are valid and legally binding obligations of the County. Though it represents the Financial Advisor and the Purchaser from time to time in matters unrelated to the Bonds, Bond Counsel has been engaged by and only represents the County in connection with the issuance of the Bonds. With respect to this Official Statement, Bond Counsel has not assumed any responsibility with respect hereto or undertaken independently to verify any of the information contained herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under the caption "THE BONDS" (other than the information under the subcaptions "Payment Record," "Delivery," "Future Issues," and "Use of Proceeds," as to which no opinion is expressed), "REGISTRATION, TRANSFER AND EXCHANGE," "LEGAL MATTERS" (except for the last two sentences of the first paragraph thereof, as to which no opinion is expressed), "TAX MATTERS," "CONTINUING DISCLOSURE OF INFORMATION" (other than the information under the subcaption "Compliance with Prior Undertakings," as to which no opinion is expressed), and the subcaption "Legal Investments and Eligibility to Secure Public Funds in Texas" under the caption "OTHER PERTINENT INFORMATION" in the Official Statement and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the provisions of the Order. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Bonds will also be furnished. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of Bonds are contingent on the sale and delivery of the Bonds. The legal opinion of Bond Counsel will accompany the Bonds deposited with DTC or will be printed on the definitive Bonds in the event of the discontinuance of the Book-Entry-Only System.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

NO-LITIGATION

In the opinion of various officials of the County, there is no litigation or other proceeding pending against or, to their knowledge, threatened against the County in any court, agency, or administrative body (either state or federal) wherein an adverse decision would materially adversely affect the financial condition of the County.

On the date of delivery of the Bonds to the Purchaser, the County will execute and deliver to the Purchaser a certificate to the effect that, except as described herein, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Bonds or which would adversely affect the provisions made for their payment or security, or in any manner questioning the validity of the Bonds.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Norton Rose Fulbright US LLP, Austin, Texas, Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes (1) is excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), of the owners thereof pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The statute, regulations, rulings, and court decisions on which such opinion is based are subject to change. A form of Bond Counsel's opinion appears as APPENDIX D hereto.

In rendering the foregoing opinions, Bond Counsel will rely representations and certifications of the County made in certificates pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the County with the provisions of the Order subsequent to the issuance of the Bonds. The Order contains covenants by the County with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of the proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the County as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the County may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Tax Changes

Existing law may change to reduce or eliminate the benefit to Registered Owners of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Ancillary Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, corporations subject to the alternative minimum tax on adjusted financial statement income, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust (“FASIT”), individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Tax Accounting Treatment of Discount Bonds

The initial public offering price to be paid for certain Bonds may be less than the amount payable on such Bonds at maturity (the “Discount Bonds”). An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. A portion of such original issue discount, allocable to the holding period of a Discount Bond by the initial purchaser, will be treated as interest for federal income tax purposes, excludable from gross income on the same terms and conditions as those for other interest on the Bonds. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during his taxable year.

However, such accrued interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

However, In the event of the sale or other taxable disposition of a Discount Bond prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

Tax Accounting Treatment of Premium Bonds

The initial public offering price to be paid for certain Bonds may be greater than the stated redemption price on such Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and its stated redemption price at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium with respect to the Premium Bonds. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

CONTINUING DISCLOSURE OF INFORMATION

The County in the Order has made the following agreement for the benefit of the holders and Beneficial Owners of the Bonds. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the County will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available to the public free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org, as further described below under "Availability of Information from MSRB."

Annual Reports

The County will provide certain updated financial information and operating data to the MSRB annually. The information to be updated with respect to the County includes all quantitative financial information and operating data of the general type included in this Official Statement. The information is of the type included in APPENDIX A, exclusive of the table reflecting "Consolidated Overlapping Gross Funded Debt Payable from Ad Valorem Taxes," and in APPENDIX C. The County will update and provide this information within six months after the end of each of its fiscal years ending in and after 2023.

The County may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the United States Securities and Exchange Commission (the "SEC") Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements, if the County commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the County will provide unaudited financial statements by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX C or such other accounting principles as the County may be required to employ from time to time pursuant to state law or regulation.

The County's current fiscal year end is September 30. Accordingly, it must provide updated information by the last day of March in each year, unless it changes its fiscal year. If the County changes its fiscal year, it will notify the MSRB.

Notice of Certain Events

The County will file with the MSRB notice of any of the following events with respect to the Bonds in a timely manner (and not more than 10 business days after occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional Paying Agent/Registrar or the change of name of a Paying Agent/Registrar, if material; (15) incurrence of a financial obligation of the County (as defined by the Rule, which includes certain debt, debt-like, and debt-related obligations), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the County, any of which reflect financial difficulties. Neither the Bonds nor the Order make any provision for debt service reserves, credit enhancement, or liquidity enhancement. In the Order, the County adopted policies and procedures to ensure timely compliance of its continuing disclosure undertakings. In addition, the County will provide timely notice of any failure by the County to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports." The County will provide each notice described in this paragraph to the MSRB.

For these purposes, (a) any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur; the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County and (b) the County intends the words used in the immediately preceding clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

Availability of Information from MSRB

All information and documentation filing required to be made by the County in accordance with its undertaking made for the Bonds will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided, without charge to the general public, by the MSRB.

Limitations and Amendments

The County has agreed to update information and to provide notices of specified events only as described above. The County has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The County makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The County disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or Beneficial Owners of Bonds may seek a writ of mandamus to compel the County to comply with its agreement.

The County may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, if (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent or (b) any person unaffiliated with the County (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Beneficial Owners of the Bonds. The County may also repeal or amend these provisions if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the County amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Undertakings

The County has during the past five years complied in all material respects with continuing disclosure agreements made by it in accordance with the Rule.

OTHER PERTINENT INFORMATION

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from the County's records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Registration and Qualification of Bonds for Sale

No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, nor have the Bonds been registered or qualified under the securities act of any other jurisdiction. The County assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

It is the obligation of the Purchaser to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires. The County agrees to cooperate, at the Purchaser's written request and sole expense, in registering or qualifying the Bonds or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the County shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Securities Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "OTHER PERTINENT INFORMATION - Bond Rating" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with at least $1 million of capital, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

The County has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The County has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

Bond Rating

Moody's Investors Service, Inc. ("Moody's") has assigned its municipal bond rating of "Aa1" to the Bonds.

An explanation of the significance of such rating may be obtained from Moody's. The rating of the Bonds by Moody's reflects only the view of such company at the time the rating is given, and the County makes no representation as to the appropriateness of such rating. There is no assurance that the rating will continue for any given period of time, or that the rating will not be revised downward or withdrawn entirely by Moody's if, in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Initial Purchaser

After requesting bids for the Bonds, the County accepted the bid of BOK Financial Services (the "Purchaser") to purchase the Bonds at the interest rates shown on page ii of the Official Statement at a price of $20,155,556.50, which is exclusive of a Purchaser's discount of $60,473.80, plus accrued interest from their dated date through their date of initial delivery. The County can give no assurance that any trading market will be developed for the Bonds after their sale by the County to the Purchaser. The County has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the responsibility of the Purchaser.

Financial Advisor

SAMCO Capital Markets, Inc. (the "Financial Advisor") is employed as the Financial Advisor to the County in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. SAMCO Capital Markets, Inc., in its capacity as Financial Advisor, has relied on the opinions of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the bond documentation with respect to the federal income tax status of the Bonds. In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the County for the investment of bond proceeds or other funds of the County upon the request of the County.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward-looking statements. It is important to note that the County's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Certification of the Official Statement

At the time of payment for and delivery of the Bonds, the Purchaser will be furnished a certificate, executed by proper officers, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the description and statements of or pertaining to the County contained in its Official Statement, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of sale of said Bonds and the acceptance of the best bid therefor, and on the date of the initial delivery of the Bonds, were and are true and correct in all material respects; (b) insofar as the County and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they are made, not misleading; (c) insofar as the description and statements, including financial data, of or pertaining to entities, other than the County, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the County believes to be reliable and that the County has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the County since September 30, 2022, the date of the last audited financial statements of the County.

Information from External Sources

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

Authorization of the Official Statement

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County.

This Official Statement was approved by the Commissioners Court for distribution in accordance with provisions of the United States Securities and Exchange Commission's Rule codified at 17 C.F.R. Section 240.15c-12, as amended.

The Order also approved the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the reoffering of the Bonds by the Purchaser.

KENDALL COUNTY, TEXAS

/s/ Shane Stolarczyk
County Judge

ATTEST:

/s/ Denise Maxwell
County Clerk and Ex-Officio Clerk
of the Commissioners Court

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APPENDIX A

SELECTED FINANCIAL INFORMATION OF KENDALL COUNTY

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GENERAL PURPOSE BONDS

2022 Appraised Valuation of County @ 100%		$13,978,863,528
Less Exemptions and Exclusions:		
Local Optional Over 65 or Disabled	$ 48,035,432	
Disabled/Deceased Veterans - Homestead	229,823,575	
Productivity Value	4,103,215,715	
10% Appraisal Cap	888,812,299	
Tax Abatement	10,763,953	
Freeport	35,931,434	
Historical	499,040	
Disabled Persons	2,016,089	
Disabled Veterans	7,483,640	
Other	1,367,840	5,327,949,017
2022 Taxable Assessed Valuation		$ 8,650,914,511

Source: Kendall County Appraisal District.

County Funded Debt Payable from Ad Valorem Taxes: (as of 4-01-2023)	
Limited Tax General Obligation Bonds, Series 2016	$ 16,400,000
Tax Notes, Series 2022	8,500,000
Limited Tax General Obligation Bonds, Series 2023 (the "Bonds")	18,215,000
Total General Purpose Funded Debt Outstanding	43,115,000
Less Estimated Interest and Sinking Fund Balance (as of 4-01-2023)	2,113,663
Net Funded Debt Outstanding (as of 4-1-2023)	$41,001,337
Ratio Total Funded Debt to 2022 Taxable Assessed Valuation	0.50%
Ratio Net Funded Debt to 2022 Taxable Assessed Valuation	0.47%

2000 U.S. Census Population - 24,238 - 2022 Estimated Population - 47,851
Per Capita 2022 Taxable Assessed Valuation - $180,788.58
Per Capita Total General Purpose Funded Debt - $901.03
Area - 1,019 square Miles (652,160 acres)
Total General Purpose Funded Debt Per Acre - $66.11

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Election Date	Purpose	Amount Authorized	Issued To Date	Unissued
05/14/2011	Road	$10,000,000	$7,500,000	$ 2,500,000
11/08/2022	Land	$20,000,000	-	$ -0-

The issuance of the Bonds represents all of the bonds (par plus certain premium allocated to the voted authorization) approved by County voters at the November 8, 2022 bond election.

NON-FUNDED DEBT

Commitments Under Leases

Lease Liability

On October 1, 2021, the County had a 13-month lease as Lessee for the use of Apple ipads. An initial lease liability was recorded in the amount of $9,923. As of September 30, 2022, the value of the lease was $795. The County is required to make monthly fixed payments of $765. The lease has an interest rate of 0.3871%.

On October 1, 2021, the County had a 17-month lease as Lessee for the use of Xerox copiers. An initial lease liability was recorded in the amount of $57,655. As of September 30, 2022, the value of the lease liability was $16,987. The County is required to make monthly fixed payments of $3,401. The lease has an interest rate of 0.3871%.

Remaining obligations associated with leases are as follows: entered into a loan agreement with Nationwide Capital, LLC to purchase election equipment. The loan is due in three annual installments of $92, 811 until October 1, 2023, interest rate at 0.99%. The annual debt service requirements are as follows:

Year Ended September 30	Principal	Interest	Annual Requirements
2023	$17,752	$ 17	$17,769
Total	$17,752	$ 17	$17,769

ANTICIPATED ISSUANCE OF ADDITIONAL DEBT

The County does not anticipate the issuance of additional general obligation debt in 2023, except potentially refunding bonds for debt service savings.

AD VALOREM TAX RATE DISTRIBUTION

Tax Year	2022	2021	2020	2019	2018
Operating Fund	$0.2933	$0.3643	$0.3604	$0.3558	$0.3520
Interest & Sinking Fund	.0944	.0484	.0523	.0569	.0607
Total Tax Rate	$0.3877	$0.4127	$0.4127	$0.4127	$0.4127

* *Limited to $0.80 per $100 taxable assessed valuation.*

TAX RATES AND COLLECTIONS[1]

Year	Assessed Valuation	Tax Rate[2]	% Collections Current	% Collections Total	Year Ending
2011	$4,305,401,649	$0.3700	n.a.%	100.40%	9-30-12
2012	4,429,509,431	0.3950	97.63%	99.78%	9-30-13
2013	4,610,618,463	0.3940	98.92%	100.13%	9-30-14
2014	4,796,786,009	0.3940	99.00%	104.95%	9-30-15
2015	4,990,648,005	0.3867	n.a.%	99.54%	9-30-16
2016	5,294,702,079	0.4127	n.a.%	98.85%	9-30-17
2017	5,564,236,488	0.4127	n.a.%	97.92%	9-30-18
2018	5,945,157,334	0.4127	n.a.%	97.08%	9-30-19
2019	6,374,006,046	0.4127	n.a.%	99.20%	9-30-20
2020	6,818,418,514	0.4127	99.82%	100.51%	9-30-21
2021	7,349,395,475	0.0417	99.28%	99.90%	9-30-22
2022	8,650,914,511	0.3877	(In process of collection)		9-30-23

(1) *Unaudited.*
(2) *Does not include Farm-to-Market and Flood Control.*

TEN LARGEST TAXPAYERS AND THEIR VALUATIONS

Name	Type of Property	2022 Net Taxable Assessed Valuation	% of Total 2022 Assessed Valuation
LCRA Transmission Services Corp	Electric Utility	$ 98,545,990	1.14%
Zylstra Holdings at Boerne LLC	Real Estate	30,773,790	0.36%
CT 17 Herff Apartments LP	Apartment Complex	25,830,000	0.30%
Albany Engineered Composites	Engineered Composite Manufacturing	24,760,731	0.29%
Mission Pharmacal Co.	Vitamin Manufacturing	20,426,852	0.24%
Oasis Pipeline Co Texas LP	Pipeline	19,260,160	0.22%
VBM Acquisition LLC	Commercial	18,193,010	0.21%
RGH Real Estate Holdings LLC	Real Estate	17,696,020	0.20%
James Avery Craftsman Inc	Jewelry Manufacturer	13,959,419	0.16%
HEB Grocery Company LP	Grocery Store	13,043,350	0.15%
		$282,489,322	3.27%

Source: Kendall County Appraisal District.

TAXPAYERS BY CLASSIFICATION

Classification	2022 Assessed Valuation	Percent Of Total	2021 Assessed Valuation	Percent of Total	2020 Assessed Valuation	Percent of Total
Single Family Residential	$ 6,611,768,972	47.30%	$ 5,202,921,696	50.29%	$4,661,705,819	48.84%
Multi-Family Residential	149,630,052	1.07%	116,866,961	1.13%	104,424,311	1.09%
Vacant - Platted Lots/Tracts	398,399,597	2.85%	270,801,698	2.62%	259,219,779	2.72%
Rural Real Property	5,265,141,584	37.67%	3,515,543,093	33.98%	3,278,135,337	34.35%
Real Commercial & Industrial	902,331,483	6.46%	687,720,990	6.64%	680,085,041	7.13%
Oil, Gas & Other Minerals	-0-	1.21%	-0-	0.00%	-0-	0.00%
Utilities	169,284,230	1.34%	148,001,570	1.43%	144,586,480	1.51%
Personal Commercial	187,651,620	0.78%	182,663,790	1.77%	188,099,690	1.97%
Personal Industrial	109,693,300	0.08%	83,945,020	0.81%	83,995,730	0.88%
Mobile Homes	11,286,690	0.59%	10,127,560	0.10%	9,818,600	0.10%
Residential Inventory	83,151,360	0.65%	58,487,110	0.57%	68,087,520	0.71%
Special Inventory	90,524,640		68,345,950	0.66%	66,044,390	0.69%
Total Valuation	13,878m863,528	100.00%	$10,345,425,438	100.00%	$9,544,202,697	100.00%
Less Exemptions and Exclusions	5,327,949,017		2,996,029,963		2,725,784,183	
Net Taxable Assessed Valuation	$ 8,650,914,511		$ 7,349,395,475		$6,818,418,514	

Source: Kendall Appraisal District.

CONSOLIDATED OVERLAPPING GROSS FUNDED DEBT PAYABLE FROM AD VALOREM TAXES

Expenditures of the various taxing bodies within the territory of the County are paid out of ad valorem taxes levied by these taxing bodies on properties within the County. These political taxing bodies are independent of the County and may incur borrowings to finance their expenditures. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in "*Texas Municipal Reports*" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the County, the County has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional debt since the date stated in the table, and such entities may have programs requiring the issuance of substantial amounts of additional debt, the amount of which cannot be determined. The following table reflects the County's estimated share of overlapping gross debt of these various taxing bodies:

Taxing Body	Net Debt Amount	Net Debt As Of	Percent Overlapping	Amount Overlapping
Blanco ISD	$ 43,150,000	3/31/2023	12.41%	$ 5,354,915
Boerne ISD	312,925,232	3/31/2023	66.09%	206,812,286
Boerne, City of	58,130,000	3/31/2023	100.00%	58,130,000
Comal ISD	1,016,250,214	3/31/2023	0.01%	101,625
Comfort ISD	44,040,000	3/31/2023	77.30%	34,042,920
Fair Oaks Ranch, City of	5,320,000	3/31/2023	23.02%	1,224,664
Fredericksburg ISD	85,720,000	3/31/2023	0.06%	51,432
Kendall County WC&ID No. 2A	19,875,000	3/31/2023	100.00%	19,875,000
Total Estimated Overlapping Funded Debt				$325,592,842
Kendall County	43,115,000	4/30/2023	100.00%	43,115,000
Total Direct and Estimated Overlapping Funded Debt				$368,707,842
Ratio of Direct and Overlapping Funded Debt to Net Taxable Assessed Valuation				4.26%
Per Capita Direct and Overlapping Funded Debt				$7,705.33

* *Preliminary, subject to change. Includes the Bonds.*

CONSOLIDATED DEBT SERVICE REQUIREMENTS

FISCAL YEAR 30-Sept	CURRENTLY OUTSTANDING DEBT SERVICE	PLUS: THE BONDS AT ACTUAL RATES PRINCIPAL DUE 3/1	INTEREST DUE 3/1	INTEREST DUE 9/1	TOTAL	GRAND TOTAL ALL ALL DEBT SERVICE
2023	$ 6,593,610.75			$ 299,866.67	$ 299,866.67	$ 6,893,477.42
2024	6,245,775.00	$ 350,000	$ 449,800.00	441,050.00	1,240,850.00	7,486,625.00
2025	3,283,757.75	3,500,000	441,050.00	353,550.00	4,294,600.00	7,578,357.75
2026	3,293,244.50	3,500,000	353,550.00	266,050.00	4,119,600.00	7,412,844.50
2027	3,314,384.00	1,000,000	266,050.00	241,050.00	1,507,100.00	4,821,484.00
2028	3,327,813.25	1,000,000	241,050.00	216,050.00	1,457,100.00	4,784,913.25
2029	3,348,166.00	1,000,000	216,050.00	191,050.00	1,407,100.00	4,755,266.00
2030	2,045,000.00	1,400,000	191,050.00	156,050.00	1,747,100.00	3,792,100.00
2031	2,015,000.00	1,385,000	156,050.00	121,425.00	1,662,475.00	3,677,475.00
2032		1,425,000	121,425.00	85,800.00	1,632,225.00	1,632,225.00
2033		1,405,000	85,800.00	50,675.00	1,541,475.00	1,541,475.00
2034		1,135,000	50,675.00	22,300.00	1,207,975.00	1,207,975.00
2035		1,115,000	22,300.00	-	1,137,300.00	1,137,300.00
	$33,466,751.25	$18,215,000	$2,594,850.00	$2,444,916.67	$23,254,766.67	$56,721,517.92

2023/2024 PRO FORMA INTEREST & SINKING FUND MANAGEMENT INDEX

Estimated Interest & Sinking Fund Balance at 9-30-2022	$ 871,403
Estimated Proceeds from $0.0944 Tax Using 2023 Estimated Taxable Assessed Valuation of $8,737,423,656 at 95% Collected	7,835,722
Estimated Interest Income and other revenue	113,686
Total Available Funds for 2022/2023 Debt Service	8,820,811
2022/2023 Debt Service Requirement	6,893,477
Estimated Interest and Sinking Fund Balance at 9-30-2023	$1,927,334

THE COUNTY

Administration of the County

The County is divided into a number of different departments, each with its own legally constituted duties as prescribed by the Constitution of 1876 and/or legislative acts and each headed by either an elected or appointed official. The State court system is intertwined in the operation of the County as an entity.

The County Judge and the four County Commissioners who comprise the Commissioners Court, the County Tax Assessor/Collector, and the County Treasurer, all of whom are elected officials, and the County Auditor have responsibility for the financial administration of the County.

The Commissioners Court is the governing body of the County. It has certain powers expressly granted to it by the legislature and powers necessarily implied from such grant. The functions of the Commissioners Court are to establish a courthouse and jail, appoint numerous minor officials, fill vacancies in certain county offices, let contracts in the County, build roads and bridges, administer the County's welfare services, perform numerous duties in regard to elections, set the County tax rate, issue bonds, adopt the County budget and serve as a board of equalization for tax assessments.

The County Judge is the presiding officer of the Commissioners Court and is elected for a four-year term by the voters of the County. Each Commissioner represents one of four Commissioner precincts into which the County is divided and is elected by the voters of such precinct for a four-year term.

The County Tax Assessor-Collector is elected by the voters of the County at large and is responsible for assessing the property within the County and for collecting certain State and County fees, and other taxes.

The County Treasurer is elected by the voters of the County at large and the duties are prescribed by the Legislature. The Treasurer's duties include receiving and investing all money collected by the County.
The County Auditor, the chief financial officer of the County, is appointed for a two-year term by the District Judges. The County Auditor serves as the chief accounting officer of the County and assists the County Judge in all areas of County finance. The County Auditor has general oversight of all financial records of the County. The County Auditor handles all accounts payable for the County.

The Criminal District Attorney is elected by the voters in the County and prosecutes all felonies and misdemeanors.

Budgeting and Capital Planning

The County Judge is, by statute, the budget officer and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Auditor and the County Judge. The County Auditor then prepares an estimate of revenues and a compilation of the requested departmental expenditures and submits it to the Commissioners Court.

The Commissioners Court invites a representative of each department to appear for a hearing concerning the department's budget request. Before finalizing the budget, Commissioners Court may increase or decrease the budget amounts requested by the various departments. The finalized budget cannot exceed the County Auditor's projected revenues and available cash.

When the budget has been approved by the Commissioners Court, the County Auditor is responsible for monitoring the expenditures of the various departments to prevent expenditures from exceeding budgeted appropriations as well as keeping the members of the Commissioners Court advised of the condition of the various appropriation accounts. Purchase orders and contracts are not valid until the County Auditor certifies that money is, or will be, available to make payment for same.

Each fund is budgeted on an annual basis with no carry-overs into the next year. If a fund has or shows a balance at the end of the year, the balance is included in making computation of available cash for the next year's budget. Trust and agency funds are not budgeted for.

County Services

As a subdivision of the State of Texas, the County provides only those services allowed by statute. This includes judicial, detention facilities, public safety, highways, flood control, health and limited social services, public improvements and general administrative services.

Pension Fund Liability and Other Post-Employment Benefits

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the "TCDRS"). The County has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate 9.34% for the months of the accounting year in 2022. Each qualified employee of the County contributed 7.00% of gross earnings. County employees are also covered by the United States Social Security Program.

Employees

The number of employees of the County in each of the years 2018 through 2023 is shown as follows:

2023	2022	2021	2020	2019	2018
320	313	290	292	282	280

Source: County Auditor's Office. Includes full-time and part-time positions.

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN GENERAL FUND BALANCE

	Fiscal Year Ended September 30				
	2022	**2021**	**2020**	**2019**	**2018**
REVENUES					
Ad Valorem Taxes	$25,599,254	$23,711,385	$21,975,593	$20,345,550	$19,056,187
Charges for Services	2,777,532	2,436,893	2,310,502	2,247,863	2,138,655
Other Taxes, Licenses & Permits	6,450,173	5,380,255	4,502,669	4,116,152	3,748,784
Fines and Forfeitures	899,010	632,697	694,669	380,804	351,259
Interest	218,743	30,628	296,471	603,797	432,209
Donations, Misc., & Intergovernmental	195,555	504,972	1,975,299	351,204	239,812
TOTAL REVENUES	36,140,267	32,696,830	31,755,203	28,045,370	25,966,906
EXPENDITURES					
General Administration	5,932,446	5,294,689	5,129,546	4,853,209	4,413,147
Judicial	5,073,288	4,282,166	3,923,601	3,499,502	3,069,686
Public and Safety	13,754,363	10,790,049	10,499,664	9,809,927	8,380,528
Road and Bridges	3,174,745	2,344,820	2,388,675	2,300,011	2,093,530
Health, EMS, and Veteran Services	3,865,898	3,399,384	3,076,277	3,196,401	3,122,135
Development Management, Environ-Mental Protection & Conservation	1,426,178	1,563,335	1,595,553	2,073,690	1,464,306
Culture and Recreation	1,339,283	1,255,178	1,186,365	1,127,214	1,165,836
Debt Service	324,845	-0-	-0-	-0-	-0-
Capital Outlay	-0-	-0-	-0-	-0-	-0-
TOTAL EXPENDITURES	34,891,046	28,929,621	27,799,681	26,859,954	23,709,168
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	1,249,221	3,767,209	3,955,522	1,185,416	2,257,738
OTHER SOURCES (Uses)	1,980,133	571,327	(175,407)	(3,953,799)	(691,758)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER (Under) EXPENDITURES AND OTHER USES	3,229,354	4,338,536	3,780,115	(2,768,783)	1,565,980
BEGINNING FUND BALANCE	$19,563,624	$15,225,088	$11,449,379	$14,217,762	$12,651,782
Prior Period Adjustment	-0-	-0-	-0-	-0-	-0-
ENDING FUND BALANCE	$22,792,978	$19,563,624	$15,225,088	$11,449,379	$14,217,762

Source: County's Annual Financial Reports.

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APPENDIX B

GENERAL INFORMATION REGARDING KENDALL COUNTY

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This Appendix contains a brief discussion of certain economic and demographic characteristics of the area in which the County is located. Information in this Appendix has been obtained from the sources noted. They are believed to be reliable, although no investigation has been made to verify the accuracy of such information. Much of the information was obtained from the Texas Almanac, the Municipal Advisory Council of Texas, Kendall County, and the City of Boerne.

ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

General Information

Kendall County, Texas (the "County") was organized in 1862, contains 662.9 square miles and is located in south central Texas.

The City of Boerne, Texas (the "City") is the county seat and principal commercial center of the County. The City is located approximately 30 miles north of downtown San Antonio on Interstate Highway 10 (U.S. Highway 87). The other incorporated city located within the County is Comfort (2010 census population 2,363; 2014 population estimate 3,208).

Population

Census Report	Kendall County	City of Boerne
1970	6,964	2,432
1980	10,635	3,229
1990	14,589	4,274
2000	23,743	6,178
2010	33,410	10,471
2020	44,279	17,850
2022 Est.	48,973	21,966

Source: U.S. Census Bureau

Economy

The area economy is diversified by light manufacturing, agribusiness, tourism, and outdoor recreation. Principal manufacturing industries include aerospace, oil field hydraulic motors, medical devices and pharmaceuticals, hunting equipment, food processing and aquatic filtration systems. Approximately 10% of the area workforce support these manufacturing businesses. Agricultural and ranching businesses in the area include cattle, sheep, goats, hay and other grains. Tourism is a primary economic generator in the City due to the close proximity to San Antonio, the nation's 7th largest city, and the availability of hunting, fishing, shopping, sports and recreation activities.

A new addition to the City's economic landscape is a twenty-four-hour emergency facility, the Boerne Methodist Emergency Center, and medical professional building. On the horizon is the construction of a new higher education campus within 5 miles of the City estimated to provide 200-300 additional jobs for Boerne area residents. Construction of commercial buildings and residential units, single and multifamily, continues to bring new residents to the City. Being only 30 miles from the San Antonio metropolitan area affords many Boerne residents the opportunity to work at major businesses such as the nationally recognized South Texas Medical Center and related medical research facilities, financial and insurance companies such as USAA, and local and federal government agencies

Major Employers in the Greater Boerne Area

Name	Type of Property	Employment
Boerne Independent School District	Public School	1,665
H E Butt Grocery Store	Grocery Store	506
Kendall County	Public Entity	310
City of Boerne	Public Entity	265
WalMart Super Center	Discount Store	231
Toyota of Boerne	Automobile Sales	225
Mission Pharmacal	Manufacturing	222
Albany Engineered Composites	Manufacturing	200
O. W. Lee	Manufacturing	190

Source: Boerne Kendall County Economic Development Corporation.

Labor Force Statistics - Kendall County

	Annual Average				
Annual Average	2022	2021	2020	2019	2018
Civilian Labor Force	23,745	22,972	22,123	22,132	21,497
Total Employed	23,004	22,077	21,007	21,533	20,863
Total Unemployed	741	895	1,116	599	628
% Unemployed	3.1%	3.9%	5.0%	2.7%	2.9%
% Unemployed (Texas)	3.9%	5.6%	7.6%	3.5%	3.9%
% Unemployed (United States)	3.6%	5.3%	8.1%	3.7%	3.9%

Source: US Department of Labor - Bureau of Labor Statistics

Employment and Wages by Industry - Kendall County

	Number of Employees				
	2nd Quarter 2022	4th Quarter 2021	4th Quarter 2020	4th Quarter 2019	4th Quarter 2018
Natural Resources and Mining	233	226	203	270	174
Construction	2,471	2,403	2,100	2,315	2,051
Manufacturing	1,197	1,224	1,058	1,134	1,064
Trade, Transportation and Utilities	4,363	4,111	3,832	3,849	3,735
Information	115	104	100	108	123
Financial Activities	1,065	1,007	992	1,072	1,182
Professional and Business Services	1,845	1,868	1,666	1,766	1,767
Education and Health Services	2,294	2,100	1,982	2,275	2,054
Leisure and Hospitality	2,272	2,116	1,983	2,116	1,849
Other Services	745	697	590	656	627
Non-classifiable	47	30	20	15	12
State Government	53	50	49	47	49
Local Government	2,320	2,302	2,212	2,195	1,848
Federal Government	148	147	134	119	88
Total Employment	19,167	18,383	16,922	17,938	16,623
Total Wages	$263,652,787	$294,009,536	$246,675,316	$238,482,814	$219,240,632

Source: Texas Workforce Commission - Labor Market and Career Information Department.

Interstate Highway 10 runs through Boerne, carrying heavy traffic from San Antonio to points east to Houston, and points west to El Paso. State Highway 46 runs east to west connecting Boerne with Bandera and New Braunfels. Other adequate state and county roads give access to the City and the surrounding area. San Antonio International Airport is about 35 miles from Boerne on interstate routes. In addition, an airport with a 3400-foot hard surface strip, hangers, fuel, maintenance, storage, instruction and rental facilities is located five miles southwest of Boerne.

Agriculture

Agriculture contributes an important source of income to the area. The *Texas Almanac* reports that most income is derived from cattle, sheep, Angora goats, swine, and poultry; some wheat, oats, hay, and other grains.

Educational Facilities

In addition to public schools afforded within the County, higher educational facilities located nearby include The University of Texas at San Antonio, located just off Interstate Highway 10 on Loop 1604 approximately 17 miles from Boerne with an enrollment of almost 30,000 students making it the third largest university in the University of Texas system. Other colleges located nearby are San Antonio College, St. Philips College, Northwest Vista College, University of Incarnate Word, Trinity University, Palo Alto College, all in San Antonio, and Schreiner University in Kerrville, 20 miles northwest of Boerne.

Other Growth Indices

Year	City of Boerne, Texas Utility Connections			
	Electric	Water	Gas	Sewer
2010	4,727	4,500	1,328	4,313
2011	4,807	4,612	1,386	4,403
2012	4,909	4,780	1,440	4,548
2013	4,984	4,947	1,508	4,696
2014	5,074	5,136	1,587	4,862
2015	5,202	5,390	1,587	5,056
2016	5,301	5,638	1,867	5,302
2017	5,394	5,943	2,088	5,465
2018	5,498	6,209	2,376	5,797
2019	5,628	6,680	2,699	6,047
2020	5,940	7,115	3,027	6,342
2021	6,194	7,598	3,290	6,715
2022	6,247	8,754	3,626	7,045

Source: City of Boerne Finance Office.

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APPENDIX C

KENDALL COUNTY, TEXAS
ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2022

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KENDALL COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2022

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

TABLE OF CONTENTS

NEFFENDORF & BLOCKER, P.C.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kendall County, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Kendall County, Texas, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

TEL: 830 997 3348 **EMAIL:** info@nb-cpa.com
P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in net pension liability and related ratios and the schedule of employer contributions on pages 4 through 10 and 42 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 16, 2023, on our consideration of Kendall County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kendall County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kendall County's internal control over financial reporting and compliance.

Neffendorf + Blocker, P.C.

Neffendorf & Blocker, P.C.
Fredericksburg, Texas
March 16, 2023

As management of Kendall County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial statements of the County for the year ended September 30, 2022. Please read it in conjunction with the independent auditors' report on page 1, and the County's Basic Financial Statements which begin on page 11.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by $69,878,933 (Net Position). Of this amount, $23,339,549 (Unrestricted Net Position) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's Net Position increased by $11,377,505 as a result of this year's operations.
- At September 30, 2022, the County's governmental funds reported combined ending fund balances of $41,485,069, an increase of $15,738,002 in comparison with the prior year.
- At September 30, 2022, the unassigned fund balance of the general fund was $22,792,978 or 65% percent of total general fund expenditures.

USING THIS ANNUAL REPORT

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

Fund financial statements (on pages 14 - 21) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the County.

The notes to the financial statements (starting on page 22) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules, the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of Employer Contributions are presented as required supplementary information on pages 42, 43, 44, 46 and 47 respectively.

The combining statements for nonmajor funds and fiduciary funds beginning on page 48 contain even more information about the County's individual funds.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins on page 11. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who pay for the costs of some programs and grants provided by the outside parties and agencies (program revenues), and revenues provided by the taxpayers or other unrestricted sources (general revenues). All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's Net Position and changes in them. The County's Net Position (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's Net Position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider other factors as well, such as changes in the County's customers or its property tax base and the condition of the County's facilities.

In the Statement of Net Position and the Statement of Activities, the County has one kind of activity:

- Governmental activity - Most of the County's basic services are reported here, including the public safety, roads and bridges, justice system, juvenile services, health and human services, culture and recreation, conservation and development and administration. Property taxes, grants, user charges, sales tax and investment earnings finance most of these activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements on pages 14 - 21 provide detailed information about the most significant funds - not the County as a whole. Laws and contracts require the County to establish some funds, such as grants received from a government agency. The County's administration establishes many other funds to help it control and manage money for particular purposes.

- Governmental funds - Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the Net Position (Table I) and changes in Net Position (Table II) of the County's governmental activities.

Net Position of the County's governmental activities increased from $58,501,428 to $69,878,933. Unrestricted Net Position - the part of Net Position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was $23,339,549 at September 30, 2022. This increase in governmental Net Position was the result of five factors. First, the County's revenues exceed the expenditures by $15,738,002. Second, the County paid principal on long-term debt of $2,672,836. Third, the County acquired capital assets in the amount of $6,595,255. Fourth, the County recorded depreciation in the amounts of $3,153,025. Fifth, a net increase of $872,978 due to the required entries of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions.*

Table I
Kendall County, Texas

NET POSITION
in thousands

		Governmental Activities		
		2022		2021
Current and Other Assets	$	49,522	$	33,170
Capital Assets		58,816		55,309
Net Pension Asset		3,403		-
Total Assets	$	111,741	$	88,479
Deferred Outflow Related to Pension Plan	$	3,651	$	3,552
Noncurrent Liabilities	$	25,058	$	19,144
Net Pension Liability		-		2,755
Other Liabilities		14,274		10,256
Total Liabilities	$	39,332	$	32,155
Deferred Inflow Related to Pension Plan	$	6,181	$	1,375
Net Position				
Net Investment in Capital Assets	$	27,847	$	33,724
Restricted		18,692		6,183
Unrestricted		23,340		18,594
Total Net Position	$	69,879	$	58,501

Table II
Kendall County, Texas

CHANGES IN NET POSITION
in thousands

	Governmental Activities	
	2022	2021
Revenues		
Charges for Services	$ 8,757	$ 7,298
Property Taxes	28,394	26,349
Sales Tax	5,257	4,729
Other Taxes	36	30
Penalty & Interest	149	185
Investment Earnings	224	32
Miscellaneous	291	519
Grant and Contributions	6,376	1,216
Total Assets	$ 49,484	$ 40,358
Expenses		
Financial Administration	$ 1,076	$ 1,008
General Administration	2,930	2,039
Tax Administration	950	939
Election Services	524	403
Facilities Management	1,585	1,524
Law Enforcement	6,680	6,694
Fire Protection	1,643	1,241
Corrections	3,566	4,062
Roads and Bridges	5,495	4,151
Sanitation	532	387
Justice System	5,935	5,259
Juvenile Services	243	254
Health and Human Services	3,915	3,493
Culture and Recreation	1,494	1,318
Conservation and Development	969	1,384
Debt Service	569	558
Total Liabilities	$ 38,106	$ 34,714
Increase (Decrease) in Net Position	$ 11,378	$ 5,644
Net Position- Beginning of Year	58,501	52,857
Net Position- End of Year	$ 69,879	$ 58,501

The cost of all governmental activities this year was $38,106,795. However, as shown in the Statement of Activities on pages 12 and 13, the amount that our taxpayers ultimately financed for these activities through County taxes was only $28,394,496 because the other costs were paid by sales tax ($5,257,248), grants and contributions ($6,376,031), user charges ($8,756,951), investment earnings ($224,197) and other general revenue ($290,693).

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 14) reported a combined fund balance of $41,485,069, which is more than last year's total of $25,747,067. Included in this year's total change in fund balance is an increase of $3,229,354 in the County's General Fund. The primary reason for the General Fund's increase is the transfer in of Coronavirus Local Fiscal Recovery Funds in the amount of $2,000,000.

The Commissioner's Court adopted the General Fund and Road and Bridge Budgets. For the General Fund, the original budget anticipated expenditures to exceed revenues and other sources, and the final budget anticipated expenditures and other financing uses to exceed revenues and other financing sources. Revenues were favorable to budget by $2,155,175; expenditures were favorable to budget by $4,773,231 and other financing sources and uses were unfavorable to budget by $729; resulting in a net favorable variance of $6,927,677. For the Road and Bridge Fund, the original and final budget anticipated expenditures to exceed revenues and other sources by $1,092,494. Actual revenues were more than budgeted estimates by $392,169. Actual expenditures were less than budgeted estimates by $1,161,060 and other financing sources were less than budgeted estimates by $16,870. The net effect is a variance of $1,536,359.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2022, the County had $58,815,754 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements. This amount represents a net increase of $3,506,951 or 6%.

CAPITAL ASSETS
in thousands

	Governmental Activities	
	2022	2021
Land	$ 9,068	$ 8,458
Construction in Progress	481	41
Buildings & Improvements	51,710	48,701
Infrastructure	83,338	82,748
Machinery & Equipment	9,185	8,780
Vehicles	6,228	5,329
Right-to-Use Lease Assets	68	-
Total Capital Assets	$ 160,078	$ 154,057
Accumulated Depreciation	(101,213)	(98,748)
Accumulated Amortization	(50)	-
Capital Assets, Net	58,815	55,309

This year's major additions included:

Kendall Co Youth Agriculture & Equestrian Center	$	2,609,468
Land		610,000
Building & Improvements		424,007
Equipment		441,076
Vehicles		1,480,407
New Road Construction		590,160
Construction in Progress		440,137
Total	$	6,595,255

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

DEBT

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

OUTSTANDING DEBT
in thousands

	Governmental Activities			
		2022		2021
Bonds & Leases Payable	$	30,960,569	$	21,584,577
Net Pension Liability		-		2,754,956
Compensated Absences		933,843		917,048
Total	$	31,894,412	$	25,256,581

At year-end the County had $30,960,569 in general obligation and refunding bonds outstanding and leases payable; an increase of $9,375,992 or 43% from the prior year. The County paid $2,672,836 in principal on the outstanding long-term debt. The County also issued a $12,000,000 Tax Note during the year.

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

FUTURE ADOPTION OF ACCOUNTING POLICIES

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2023 budget and tax rates. The major factors are the economy, population growth, and assessed property valuation. These indicators were taken into account when adopting the General Fund and Road and Bridge Fund budgets for 2023. Amounts available for appropriation in the General Fund budget are $36,236,375 and expenditures are estimated to be $42,656,305. If these estimates are realized, the County's budgetary General fund balance is expected to decrease by $6,419,930 for fiscal year 2023. Amounts available for appropriation in the Road and Bridge Fund budget are $3,900,865 and expenditures are estimated to be $5,127,923. If these estimates are realized, the County's budgetary Road and Bridge Fund balance is expected to decrease by $1,227,058 for fiscal year 2023.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

KENDALL COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 14,838,238
Investments - Current	31,938,158
Accounts Receivable, Net	2,588,482
Due from Other Governments	157,399
Capital Assets:	
Land	9,068,241
Infrastructure, Net	6,208,572
Buildings, Net	36,094,971
Improvements, Net	3,789,820
Machinery and Equipment, Net	3,155,078
Right-to-Use Lease Assets	17,905
Construction in Progress	481,167
Net Pension Asset	3,402,491
Total Assets	111,740,522
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	3,651,359
Total Deferred Outflows of Resources	3,651,359
LIABILITIES	
Accounts Payable	1,430,217
Compensated Absences Payable	933,842
Accrued Interest Payable	45,064
Unearned Revenues	5,962,384
Bonds Payable - Current	5,885,000
Right-to-Use Leases Payable - Current	17,752
Noncurrent Liabilities:	
Due in More Than One Year:	
Bonds Payable - Noncurrent	25,057,817
Total Liabilities	39,332,076
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	6,180,872
Total Deferred Inflows of Resources	6,180,872
NET POSITION	
Net Investment in Capital Assets and Lease Assets	27,847,293
Restricted:	
Restricted for Special Revenue	5,899,853
Restricted for Capital Acquisition	11,920,835
Restricted for Debt Service	871,403
Unrestricted	23,339,549
Total Net Position	$ 69,878,933

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

KENDALL COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
Judicial	$ 3,005	$ -	$ -
Financial Administration	1,075,946	52,562	-
General Administration	2,927,688	1,766,593	2,887,709
Tax Administration	950,332	-	-
Facilities Administration	1,584,628	-	-
Other General Government Functions	523,915	11,483	-
Law Enforcement	6,679,825	411,646	6,276
Fire Protection	1,643,419	-	-
Corrections	3,565,911	-	-
Road and Bridge	5,495,081	3,666,305	75,473
Sanitation	531,864	356,034	15,000
Justice System	5,934,531	881,127	418,343
Juvenile Services	242,534	-	230,100
Health and Human Services	3,914,537	979,809	12,647
Culture and Recreation	1,494,249	-	-
Conservation and Development	969,182	631,392	640
Interest on Debt and Right-to-Use Leases	489,092	-	-
Other Debt Service	81,056	-	-
TOTAL PRIMARY GOVERNMENT	$ 38,106,795	$ 8,756,951	$ 3,646,188

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

Change in Net Position
Net Position - Beginning

Net Position - Ending

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

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government — Governmental
$ -	$ (3,005)
-	(1,023,384)
70,126	1,796,740
-	(950,332)
-	(1,584,628)
-	(512,432)
-	(6,261,903)
-	(1,643,419)
-	(3,565,911)
-	(1,753,303)
-	(160,830)
-	(4,635,061)
-	(12,434)
-	(2,922,081)
-	(1,494,249)
-	(337,150)
-	(489,092)
-	(81,056)
$ 70,126	(25,633,530)
	25,646,636
	2,747,860
	5,257,248
	36,289
	148,395
	2,659,717
	290,693
	224,197
	37,011,035
	11,377,505
	58,501,428
	$ 69,878,933

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

	General Fund	Road & Bridge Fund	Coronavirus Local Fiscal Recovery Fund
ASSETS			
Cash and Cash Equivalents	$ 990,214	$ 245,291	$ -
Investments - Current	20,836,771	3,477,854	5,926,532
Taxes Receivable	428,690	-	-
Allowance for Uncollectible Taxes (credit)	(8,574)	-	-
Accounts Receivable, Net	1,234,410	169,577	500,000
Due from Other Governments	87,450	-	-
Due from Other Funds	481,589	-	-
Total Assets	$ 24,050,550	$ 3,892,722	$ 6,426,532
LIABILITIES			
Accounts Payable	$ 825,698	$ 355,579	$ 162
Due to Other Funds	-	-	425,781
Unearned Revenues	11,758	-	5,950,626
Total Liabilities	837,456	355,579	6,376,569
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	420,116	-	-
Total Deferred Inflows of Resources	420,116	-	-
FUND BALANCES			
Federal or State Funds Grant Restriction	-	-	49,963
Restricted for Special Revenue	-	3,537,143	-
Capital Acquisition and Contractual Obligation	-	-	-
Retirement of Long-Term Debt	-	-	-
Unassigned Fund Balance	22,792,978	-	-
Total Fund Balances	22,792,978	3,537,143	49,963
Total Liabilities, Deferred Inflows & Fund Balances	$ 24,050,550	$ 3,892,722	$ 6,426,532

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

	Debt Service Fund		Capital Projects		Other Funds		Total Governmental Funds
	$ 335,701		$ 11,920,835		$ 1,346,197		$ 14,838,238
	534,896		-		1,162,105		31,938,158
	62,600		-		-		491,290
	(1,252)		-		-		(9,826)
	807		-		39,082		1,943,876
	-		-		69,949		157,399
	-		-		-		481,589
	$ 932,752		$ 11,920,835		$ 2,617,333		$ 49,840,724
	$ -		$ -		$ 248,778		$ 1,430,217
	-		-		55,808		481,589
	-		-		-		5,962,384
	-		-		304,586		7,874,190
	61,349		-		-		481,465
	61,349		-		-		481,465
	-		-		580,160		630,123
	-		-		1,732,587		5,269,730
	-		11,920,835		-		11,920,835
	871,403		-		-		871,403
	-		-		-		22,792,978
	871,403		11,920,835		2,312,747		41,485,069
	$ 932,752		$ 11,920,835		$ 2,617,333		$ 49,840,724

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

Total Fund Balances - Governmental Funds	$	41,485,069
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		32,755,053
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements,but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2022 capital outlays and debt principal payments is to increase net position.		9,268,091
The County is required under GASB Statement No. 68 to report their net pension liability/asset in the Government Wide Statement of Net Position. The items reported as a result of this requirement included a net pension asset of $3,402,491, a deferred resource outflow of $3,651,359 and a deferred resource inflow of $6,180,872. The net effect of these is to increase net position by $872,978.		872,978
The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. Please note this includes the amortization on the right-to-use leased assets.		(3,153,025)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(11,349,233)
Net Position of Governmental Activities	$	69,878,933

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

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

	General Fund	Road & Bridge Fund	Coronavirus Local Fiscal Recovery Fund
REVENUES:			
Taxes:			
Property Taxes	$ 25,599,254	$ -	$ -
General Sales and Use Taxes	5,257,248	-	-
Other Taxes	36,289	-	-
Penalty and Interest on Taxes	131,106	-	-
Licenses and Permits	790,419	3,680,684	-
Intergovernmental Revenue and Grants	235,111	37,485	2,907,965
Charges for Services	2,777,532	-	-
Fines	701,455	-	-
Forfeits	180,050	-	-
Special Assessments	17,505	-	-
Investment Earnings	218,743	-	-
Rents and Royalties	15,261	-	-
Contributions & Donations from Private Sources	50,250	-	-
Other Revenue	130,044	-	49,689
Total Revenues	36,140,267	3,718,169	2,957,654
EXPENDITURES:			
Current:			
General Government:			
Judicial	-	-	-
Financial Administration	1,031,007	-	-
General Administration	1,913,211	-	907,965
Tax Administration	917,075	-	-
Facilities Administration	1,588,689	-	-
Other General Government Functions	482,464	-	-
Public Safety:			
Law Enforcement	7,438,025	-	-
Fire Protection	1,538,180	-	-
Corrections	4,778,158	-	-
Public Works:			
Road and Bridge	3,174,745	3,276,009	-
Sanitation	502,619	-	-
Justice System	5,073,288	-	-
Juvenile Services	1,200	-	-
Health and Human Services	3,864,698	-	-
Culture and Recreation	1,339,283	-	-
Conservation and Development	923,559	-	-
Debt Service:			
Principal on Debt and Right-to-Use Leases	321,416	1,420	-
Interest on Debt and Right-to-Use Leases	3,429	5	-
Other Debt Service	-	-	-
Total Expenditures	34,891,046	3,277,434	907,965
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,249,221	440,735	2,049,689
OTHER FINANCING SOURCES (USES):			
Issuance of Bonds	-	-	-
Sale of Real and Personal Property	33,588	3,130	-
Transfers In	2,000,000	-	-
Insurance Proceeds	14,710	-	-
Transfers Out	(68,165)	-	(2,000,000)
Other (Uses)	-	-	-
Total Other Financing Sources (Uses)	1,980,133	3,130	(2,000,000)
Net Change in Fund Balances	3,229,354	443,865	49,689
Fund Balance - October 1 (Beginning)	19,563,624	3,093,278	274
Fund Balance - September 30 (Ending)	$ 22,792,978	$ 3,537,143	$ 49,963

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

Debt Service Fund	Capital Projects	Other Funds	Total Governmental Funds
$ 2,742,895	$ -	$ -	$ 28,342,149
-	-	-	5,257,248
-	-	-	36,289
17,289	-	-	148,395
-	-	-	4,471,103
-	-	535,752	3,716,313
-	-	409,492	3,187,024
-	-	179,671	881,126
-	-	20,143	200,193
-	-	-	17,505
4,300	185	969	224,197
-	-	-	15,261
-	-	-	50,250
-	-	6,232	185,965
2,764,484	185	1,152,259	46,733,018
-	-	3,005	3,005
-	-	-	1,031,007
-	-	98,970	2,920,146
-	-	9,696	926,771
-	-	-	1,588,689
-	-	-	482,464
-	-	29,507	7,467,532
-	-	-	1,538,180
-	-	-	4,778,158
-	-	11,709	6,462,463
-	-	-	502,619
-	-	652,802	5,726,090
-	-	233,865	235,065
-	-	21,667	3,886,365
-	-	-	1,339,283
-	-	-	923,559
2,350,000	-	-	2,672,836
502,567	-	-	506,001
1,706	-	-	1,706
2,854,273	-	1,061,221	42,991,939
(89,789)	185	91,038	3,741,079
-	12,000,000	-	12,000,000
-	-	24,845	61,563
-	-	68,165	2,068,165
-	-	-	14,710
-	-	-	(2,068,165)
-	(79,350)	-	(79,350)
-	11,920,650	93,010	11,996,923
(89,789)	11,920,835	184,048	15,738,002
961,192	-	2,128,699	25,747,067
$ 871,403	$ 11,920,835	$ 2,312,747	$ 41,485,069

KENDALL COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Total Net Change in Fund Balances - Governmental Funds	$	15,738,002
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2022 capital outlays and debt principal payments is to increase the change in net position.		9,268,091
The entries required by GASB Statement No. 68 did require that some expenses on Exhibit B-1 be adjusted. Total credits to expense were \$3,915,648 and total debits were \$2,465,769. The net effect on the change in net position on Exhibit B-1 is an increase of \$1,449,879.		1,449,879
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position. Please note this includes amortization on right-to-use leased assets.		(3,153,025)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.		(11,925,442)
Change in Net Position of Governmental Activities	$	11,377,505

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

EXHIBIT E-1

KENDALL COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ 89,555	$ 13,366,008
Investments - Current	-	969
Accounts Receivable, Net	105	67,282
Total Assets	89,660	13,434,259
LIABILITIES		
Accounts Payable	1,275	259,136
Intergovernmental Payable	-	113,125
Total Liabilities	1,275	372,261
NET POSITION		
Restricted for Other Purposes	88,385	13,061,998
Total Net Position	$ 88,385	$ 13,061,998

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

KENDALL COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Charges for Services	$ -	$ 718,454
Investment Earnings	-	1,002
Contributions & Donations from Private Sources	27,952	-
Other Revenue	3,870	96,243,005
Total Additions	31,822	96,962,461
DEDUCTIONS:		
Other Operating Costs	66,422	93,990,670
Total Deductions	66,422	93,990,670
Net Change in Fiduciary Net Position	(34,600)	2,971,791
Total Net Position - October 1 (Beginning)	122,985	10,090,207
Total Net Position - September 30 (Ending)	$ 88,385	$ 13,061,998

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Kendall County have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

1.A. FINANCIAL REPORTING ENTITY

The County is an independent unit and is managed by a governing body of elected officials. The accompanying financial statements present the County's primary government.

In evaluating how to define the government, for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the foregoing criteria, there was no component units identified that would require inclusion in this report.

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements:

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

Fund Financial Statements:

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

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

b. Total assets, liabilities, revenues, or expenditure/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

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

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

Debt Service Funds
Debt Service Fund are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on general long-term debt of the County other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the County's debt.

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

Fiduciary Funds (Not included in government-wide statements)

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

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

Major and Nonmajor Funds

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

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

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

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b Custodial funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

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

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

1.D. ASSETS, LIABILITIES AND EQUITY

Cash and Cash Investments

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

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

Receivables

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

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

Fixed Assets

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

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

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

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

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

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

Long-term Debt

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

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

Compensated Absences

The County allows employees to accumulate vacation, sick leave, and comp time with certain limitations. Sick leave of twelve (12) days per year accumulates. Sick leave can accumulate up to (40) days to be paid only upon retirement and up to (20) days if the employee has at least 8 years of service with the County. Vacation leave accumulates up to twenty (20) days and is paid in full upon termination with at least one year of employment with Kendall County. Comp time accumulates up to (10) days and is paid in full upon termination. The County has adopted a policy of granting compensatory time off in lieu of cash payment for overtime work in compliance with the Fair Labor Standards Act. Comp-time is computed at one and one half (1 1/2) hours for every overtime hour worked and accumulated up to certain limits as defined by law. At September 30, 2022, the accumulated vacation, sick leave, and comp-time amounted to $933,843. This amount will be liquidated in future years, and is reported as a liability in the government-wide statement of Net Position.

Equity Classifications

Government-wide Statements

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

a. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted Net Position - Consists of Net Position with constraints placed on the use either by (1) external groups such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted Net Position - All other Net Position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

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

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

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

Pensions

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

Use of Estimates

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

Deferred Inflows of Resources and Deferred Outflows of Resources

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

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

Implementation of GASB Statement No. 87

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

1.E. REVENUES, EXPENDITURES AND EXPENSES

Revenues

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Budgetary Information

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

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

Budgets for the Governmental Funds are prepared using the modified accrual basis of accounting. Unexpended appropriations (including outstanding encumbrances) lapse at the end of the fiscal year.

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

3.A. DEPOSITS AND INVESTMENTS

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

At September 30, 2022, the carrying amount of the County's deposits was $19,328,588 and the bank balance was $20,152,936. The County's cash deposits held at Frost National Bank at September 30, 2022 and during the year ended September 30, 2022 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

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

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

Name		Carrying Amount	Market Value	FDIC Coverage	Pledged Securities
Certificates of Deposits-					
Texas Regional Bank	$	250,000 $	250,000 $	250,000 $	-
Texas Heritage		249,000	249,000	249,000	-
Security State Bank & Trust		250,000	250,000	250,000	-
TXN Bank		250,000	250,000	250,000	-
Randolph Brooks FCU		245,000	245,000	245,000	-
Security Service FCU		250,000	250,000	250,000	-
Liquid Asset Portfolio-					
LOGIC	$	30,445,126 $	30,445,126	*	*
TOTAL INVESTMENTS		**31,939,126**	**31,939,126**		

*The County invests in Logic (a Local Government Investment Pool) to provide its primary liquidity needs. Logic is established in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code and the Public Investment Act, Chapter 2256 of the Code. Logic is structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the fund seeks to maintain a constant net asset value of $1.00, although this cannot be guaranteed. Logic is rated AAAm and must maintain a weighted average maturity not to exceed 60 days. At September 30, 2022, Logic had a weighted average maturity of 19 days and a net asset value of $0.999709. The County considers the holdings in these funds to have a one-day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, short of a significant change in value.

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. That policy does address the following risks:

Custodial Credit Risk - Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end were covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investments (certificates of deposit) were secured by FDIC insurance and pledged securities.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2022, the County was not exposed to concentration of credit risk, interest rate risk or foreign currency risk.

3.B. AD VALOREM TAXES RECEIVABLE

The County contracted with the Kendall County Appraisal District for the appraisal of taxes. Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2021 tax roll, the total assessed valuation was $7,346,164,450 and the taxes assessed amounted to $28,934,931. The total tax rate was $0.4127 per $100 valuation and allocated $0.364269 to Maintenance and Operations and $0.048431 to Debt Service. The maximum tax levy allowed by State law for the above purposes is $.80 per $100 valuation.

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

Ad Valorem tax payments, received throughout the year, are recognized as revenue in the year received, except for those received within 60 days after year-end, which are recognized as revenue as of September 30, 2022.

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

	Taxes Receivable	Allowance for Uncollectible Taxes	Net Taxes Receivable
General Fund	$ 428,690	$ (8,574)	$ 420,116
Debt Service Fund	62,600	(1,252)	61,348
TOTAL- ALL FUNDS	$ 491,290	$ (9,826)	$ 481,464

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

General Fund	
Unavailable Revenue- Property Taxes	$ 420,116
Unearned Revenue	11,758
Coronavirus Local & Fiscal Recovery	
Unearned Revenue	5,950,626
Debt Service	
Unavailable Revenue- Property Taxes	61,349
Total Unavailable & Unearned Revenue	$ 6,443,849

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

With the implementation of GASB Statement Number 34, the County has determined the amount of court fines and fees and EMS fees receivable to be $652,566 which represents amounts owed and outstanding for the last 10 years. Based on historical collection rates for the various courts and departments, the County has booked an allowance for uncollectible court fines and fees and EMS fees of $489,424 resulting in a net receivable of $163,142.

3.D. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2022.

	Balance 09/30/21	Additions	Deletions	Balance 09/30/22
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 8,458,241	$ 610,000	-	$ 9,068,241
Construction Work in Progress	41,029	440,138	-	481,167
Total Assets Not Being Depreciated	8,499,270	1,050,138	-	9,549,408
Capital Assets, Being Depreciated:				
Buildings	42,331,165	2,717,581	-	45,048,746
Improvements	6,369,145	292,064	-	6,661,209
Machinery & Equipment	8,779,373	620,426	(215,135)	9,184,664
Vehicles	5,329,286	1,324,886	(425,903)	6,228,269
Infrastructure	82,748,263	590,160	-	83,338,423
Total Capital Assets Being Depreciated	145,557,232	5,545,117	(641,038)	150,461,311
Less Accumulated Depreciation:				
Buildings	(7,835,909)	(1,117,866)	-	(8,953,775)
Improvements	(2,603,992)	(275,928)	-	(2,879,920)
Machinery & Equipment	(7,875,245)	(399,686)	212,278	(8,062,653)
Vehicles	(3,950,562)	(662,012)	425,903	(4,186,671)
Infrastructure	(76,481,991)	(647,860)	-	(77,129,851)
Total Accumulated Depreciation	(98,747,699)	(3,103,352)	638,181	(101,212,870)
Total Capital Assets Being Depreciated, Net	46,809,533	2,441,765	(2,857)	49,248,441
Right-to-Use Lease Assets being Amortized				
Equipment	67,578	-	-	67,578
Total Right-to-Use Lease Assets	67,578	-	-	67,578
Less Accumulated Amortization:				
Equipment	-	(49,673)	-	(49,673)
Total Accumulated Amortization	-	(49,673)	-	(49,673)
Total Right-to-Use Assets being Amortized, Net	67,578	(49,673)	-	17,905
Governmental Activities Capital Assets, Net	$ 55,376,381	$ 3,442,230	$ (2,857)	$ 58,815,754

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

Governmental Activities:	
Financial Administration	$ 77,588
General Administration	149,291
Tax Administration	69,742
Facilities Management	119,553
Election Services	57,098
Law Enforcement	560,241
Fire Protection	115,752
Corrections	356,603
Roads & Bridges	486,318
Sanitation	37,823
Justice System	485,354
Juvenile Services	22,075
Health & Human Services	292,460
Culture and Recreation	199,333
Conservation & Development	74,121
Total Depreciation Expense - Governmental Activities	$ 3,103,352

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

Governmental Activities:		
Financial Administration	$	2,842
General Administration		11,949
Tax Administration		1,421
Election Services		1,421
Law Enforcement		4,263
Corrections		3,032
Roads & Bridges		4,263
Justice System		14,665
Health & Human Services		2,975
Culture and Recreation		1,421
Conservation & Development		1,421
Total Amortization Expense - Governmental Activities	$	49,673

3.E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2022, is as follows:

Interfund Receivables and Payables

		Receivable		Payable
General Fund	$	481,589	$	-
Coronavirus Local Fiscal Recovery Fund		-		425,781
Nonmajor Funds		-		55,808
TOTAL	$	481,589	$	481,589

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

Interfund Transfers

		Transfers In		Transfers Out
General Fund	$	2,000,000	$	
Coronavirus Local Fiscal Recovery				2,000,000
Nonmajor Funds		68,165		68,165
TOTAL	$	2,068,165	$	2,068,165

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

3.F. LONG-TERM DEBT

Governmental Activities Changes in Long-Term Debt

As of September 30, 2022, the governmental long-term debt consisted of the following:

	Balance 10/1/2021	Issued	Retired	Balance 9/30/2022	Due Within One Year
Bonds Payable -					
Series 2007	$ 250,000	$ -	$ 250,000	$ -	$ -
Series 2013	2,085,000	-	1,000,000	1,085,000	1,085,000
Series 2016	18,800,000	-	1,100,000	17,700,000	1,300,000
Series 2022	-	12,000,000		12,000,000	3,500,000
Total Bonds Payable	$ 21,135,000	$ 12,000,000	$ 2,350,000	$ 30,785,000	$ 5,885,000
Premium on Bonds	$ 176,567	$ -	$ 18,750	$ 157,817	$ -
Total Net Bonds Payable	$ 21,311,567	$ 12,000,000	$ 2,368,750	$ 30,942,817	$ 5,885,000
Note Payable - Nationwide Capital	$ 273,010	$ -	$ 273,010	$ -	$ -
Lease Liability	$ 67,578	$ -	$ 49,826	$ 17,752	$ 17,752
Compensated Absences	$ 925,950	$ 7,893	$ -	$ 933,843	$ -
TOTAL LONG TERM DEBT	**$ 22,578,105**	**$ 12,007,893**	**$ 2,691,586**	**$ 31,894,412**	**$ 5,902,752**

3.G. BONDS PAYABLE

Bonds payable at September 30, 2022 consists of the following:

	Balance at 9/30/2022	Due Within One Year
$7,500,000 Unlimited Texas Tax Road Bonds, Series 2013 due in annual installments of $595,000 to $1,085,000 through March 1, 2023; interest on remaining bonds at 1.99%.	1,085,000	1,085,000
$22,000,000 Limited Tax General Obligation Bonds, Series 2016 due in annual installments of $585,000 to $2,200,000 through March 1, 2031; interest on remaining bonds at 1.50% to 4.00%.	17,700,000	1,300,000
$12,000,000 Texas Tax Note, Series 2022 due in annual installments of $665,000 to $3,500,000 through March 1, 2029; interest on remaining bonds at 2.93%	12,000,000	3,500,000
Total Bonds Payable	$ 30,785,000	$ 5,885,000

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

Year Ended September 30	Principal	Interest	Total
2023	$ 5,885,000	$ 708,611	$ 6,593,611
2024	5,700,000	545,775	6,245,775
2025	2,865,000	418,758	3,283,758
2026	2,940,000	353,245	3,293,245
2027	3,030,000	284,384	3,314,384
2028-2031	10,365,000	370,979	10,735,979
Totals	$ 30,785,000	$ 2,681,752	$ 33,466,752

3.H. LEASE LIABILITY

On October 1, 2021, the County had a 13 month lease as Lessee for the use of Apple ipads. An initial lease liability was recorded in the amount of $9,923. As of September 30, 2022, the value of the lease liability was $765. The County is required to make monthly fixed payments of $765. The lease has an interest rate of 0.3871%.

On October 1, 2021, the County had a 17 month lease as Lessee for the use of Xerox copiers. An initial lease liability was recorded in the amount of $57,655. As of September 30, 2022, the value of the lease liability was $16,987. The County is required to make monthly fixed payments of $3,401. The lease has an interest rate of 0.3871%.

Remaining obligations associated with leases are as follows:

Year Ended September 30,	Prinicpal	Interest	Annual Requirements
2023	$ 17,752	$ 17	$ 17,769
Total	$ 17,752	$ 17	$ 17,769

NOTE 4 - OTHER NOTES

4.A. RETIREMENT PLAN

Plan Description

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

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

b. A brief description of benefit terms:
   1) All full-and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
   2) The plan provides retirement, disability and survivor benefits.
   3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 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 January 1 each year, but must remain in conformity with the Act.

c. Membership information is shown in the chart below.

d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Kendall County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2021 are shown in the Schedule of Employer Contributions.

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

Members covered by benefit terms.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	132
Inactive employees entitled to but not yet receiving benefits	163
Active employees	285
	580

Contributions

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

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

- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.

- Investment income funds a large part of the benefits employees earn.

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

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

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

The contribution rate payable by the employee members for calendar year 2021 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County's contributions to TCDRS for the year ended September 30, 2022, were $1,655,871, and were equal to the required contributions.

Net Pension Liability

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

Actuarial assumptions:

The Total Pension Liability in December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percent of pay) (1)
Amortization Method Recognition of	Straight-Line amortization over Expected Working Life

Economic/Demographic Gains or Losses	
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smooth period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Kendall County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of : a) age 60, b) earliest retirement eligibility.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	Pub-2010 Mortality Tables
Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)	The termination rate is 0% for the two years immediately prior to retirement eligibility. Rates are reduced at ages near retirement as it is anticipated that a member would be less likely to take a withdrawal if the partial lump-sum payment option was available.

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2022 information for a 10-year time horizon.

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

Asset Class	Benchmark	Target Allocation [1]	Geometric Real Rate of Return[2]
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed	MSCI World EX USA (net) Index	5.00%	3.80%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment - Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE Hight-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index[3]	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index [4]	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index [5]	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

[1] *Target asset allocation adopted at the March 2022 TCDRS Board meeting.*

[2] *Geometric real rates of return in addition to assumed inflation of 2.6%, per Cliffwater's 2022 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 year 2006-present of Quarter Pooled Horizon IRRs.*

Discount Rate

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

Changes in Net Pension Liability/ (Asset)

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
	Increase/(Decrease)		
Balances as of December 31, 2020	$ 47,543,209	$ 44,788,253	$ 2,754,956
Changes for the year:			
Service cost	2,049,790		2,049,790
Interest on total pension liability [1]	3,717,190		3,717,190
Effect of plan changes [2]	(81,975)		(81,975)
Effects of economic/demographic gains or losses	556,952		556,952
Effect of assumptions changes or inputs	(29,959)		(29,959)
Refund of contributions	(53,153)	(53,153)	-
Benefit payments	(1,337,520)	(1,337,520)	-
Administrative expenses		(30,171)	30,171
Member contributions		1,160,688	(1,160,688)
Net investment income		9,954,282	(9,954,282)
Employer contributions		1,243,595	(1,243,595)
Other [3]	-	41,051	(41,051)
Balances as of December 31, 2021	$ 52,364,534	$ 55,767,025	$ (3,402,491)

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

(2) *Reflects plan changes adopted effective in 2022.*

(3) *Relates to allcoation of system-wide items.*

Sensitivity Analysis

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	$ 60,080,885	$52,364,534	$ 45,966,413
Fiduciary net position	55,767,025	55,767,025	55,767,025
Net pension liability/(asset)	$ 4,313,860	$ (3,402,491)	$ (9,800,612)

Pension Expense/ (Income)

Prepaid Expense / (Income)		January 1, 2021 to December 31, 2021
Service cost	$	2,049,790
Interest on total pension liability [1]		3,717,190
Effect of plan changes		(81,975)
Administrative expenses		30,171
Member contributions		(1,160,688)
Expected investment return net of investment expenses		(3,442,125)
Recognition of deferred inflows/outflows of resources		
Recognition of economic/demographic gains or losses		231,186
Recognition of assumption changes or inputs		623,332
Recognition of investment gains or losses		(1,719,835)
Other [2]		(41,051)
Pension expense/ (income)	$	205,995

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

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

As of December 31, 2021, the deferred inflows and outflows of resources are as follows:

		Deferred Inflows of Resources		Deferred Outflows of Resources
Differences between expected and actual experience	$	8,463	$	649,239
Changes of assumptions		22,469		1,701,804
Net difference between projected and actual earnings		6,149,940		-
Contributions made subsequent to measurement date [3]		N/A		1,300,316
	$	6,180,872	$	3,651,359

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

Year ended December 31:		
2022	$	(567,788)
2023		(1,222,555)
2024		(737,053)
2025		(1,302,433)
2026		-
		-

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

4.B. RISK MANAGEMENT

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

4.C. HEALTH INSURANCE

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

4.D. DEFERRED COMPENSATION PLAN

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

The County does not contribute to this plan. All contributions are made by the employees who elect to participate in the plan. The County remits employee contributions to the plan trustee on a regular basis. The County does not administer the Section 457 plan, nor does it provide the investment advice to the plan. Accordingly, the Section 457 plan is not part of the County's reporting entity.

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

At September 30, 2022, the participants had a balance of $406,231 in Nationwide Retirement Solutions and $1,841,980 in One America - American United Life Insurance Company.

4.E. CONTINGENT LIABILITIES

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

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

4.F. LETTERS OF CREDIT

The County is the beneficiary of several letters of credit issued by banks for developers. The developer must complete the required improvements before the expiration date of the letter of credit. The following is a summary of the letters of credit:

Developer/Purpose	Issuing Bank	Amount	Issue Date	Expiration Date
CR/KWW Partnership, Ltd.				
Streets & Drainage Improvements	Southside	$ 1,927,149	12/7/2021	12/3/2023
Water & Sewer Improvements	Bank	$ 711,636	12/7/2021	12/3/2023
CR/KWW Partnership, Ltd. Streets & Drainage Improvements	Southside Bank	$ 524,049	5/18/2022	5/6/2024
CR/KWW Partnership, Ltd. Water & Sewer Improvements	Southside Bank	$ 16,535	5/23/2022	5/6/2024
Bergheim Business Park I Water, Streets & Drainage	Vantage Bank	$ 375,629	7/25/2022	6/30/2024
Tapatio Springs The Hearland Road & Drainage Improvements	Bank of America	$ 936,617	9/6/2022	6/27/2023

4.G. UNEARNED REVNEUES

Unspent U.S. Department of Treasury State and Local Fiscal Recovery Funds in the amount of $5,950,626 are classified as unearned revenue in the Coronavirus Local Fiscal Recovery Fund. The funds are for response to the COVID-19 public health emergency.

4. H. SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 16, 2023, the date which the financial statements were available to be issued. The County issued General Obligation Bonds in the amount of $20,000,000 in November of 2022 for acquiring open space and conservation land and acquiring conservation easements on land. The County is not aware of any other subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT G-1

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

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	$ 25,320,000	$ 25,320,000	$ 25,599,254	$ 279,254
General Sales and Use Taxes	4,300,000	4,300,000	5,257,248	957,248
Other Taxes	31,000	31,000	36,289	5,289
Penalty and Interest on Taxes	130,000	130,000	131,106	1,106
Licenses and Permits	562,000	562,000	790,419	228,419
Intergovernmental Revenue and Grants	282,170	297,170	235,111	(62,059)
Charges for Services	2,430,742	2,405,742	2,777,532	371,790
Fines	504,000	504,000	701,455	197,455
Forfeits	70,000	70,000	180,050	110,050
Special Assessments	25,155	25,155	17,505	(7,650)
Investment Earnings	75,000	75,000	218,743	143,743
Rents and Royalties	10,000	10,000	15,261	5,261
Contributions & Donations from Private Sources	10,000	60,000	50,250	(9,750)
Other Revenue	170,025	195,025	130,044	(64,981)
Total Revenues	33,920,092	33,985,092	36,140,267	2,155,175
EXPENDITURES:				
Current:				
Financial Administration	731,008	1,056,392	1,031,007	25,385
General Administration	5,758,898	2,600,776	1,913,211	687,565
Tax Administration	928,799	937,717	917,075	20,642
Facilities Administration	1,755,118	1,756,318	1,588,689	167,629
Other General Government Functions	797,116	801,693	482,464	319,229
Law Enforcement	7,572,639	8,210,171	7,438,025	772,146
Fire Protection	1,568,682	1,590,932	1,538,180	52,752
Corrections	4,017,075	6,067,205	4,778,158	1,289,047
Road and Bridge	3,526,452	3,542,896	3,174,745	368,151
Sanitation	1,203,209	1,065,649	502,619	563,030
Justice System	5,238,114	5,441,078	5,073,288	367,790
Juvenile Services	1,200	1,200	1,200	-
Health and Human Services	4,156,292	4,229,714	3,864,698	365,016
Culture and Recreation	1,395,843	1,410,704	1,339,283	71,421
Conservation and Development	948,832	951,832	923,559	28,273
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	321,416	(321,416)
Interest on Debt and Right-to-Use Leases	-	-	3,429	(3,429)
Total Expenditures	39,599,277	39,664,277	34,891,046	4,773,231
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,679,185)	(5,679,185)	1,249,221	6,928,406
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	30,000	30,000	33,588	3,588
Transfers In	2,000,000	2,000,000	2,000,000	-
Insurance Proceeds	30,000	30,000	14,710	(15,290)
Transfers Out	(79,138)	(79,138)	(68,165)	10,973
Total Other Financing Sources (Uses)	1,980,862	1,980,862	1,980,133	(729)
Net Change in Fund Balances	(3,698,323)	(3,698,323)	3,229,354	6,927,677
Fund Balance - October 1 (Beginning)	19,563,624	19,563,624	19,563,624	-
Fund Balance - September 30 (Ending)	$ 15,865,301	$ 15,865,301	$ 22,792,978	$ 6,927,677

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

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	GAAP BASIS (See Note)	Positive or (Negative)
REVENUES:				
Licenses and Permits	$ 3,280,000	$ 3,280,000	$ 3,680,684	$ 400,684
Intergovernmental Revenue and Grants	41,000	41,000	37,485	(3,515)
Other Revenue	5,000	5,000	-	(5,000)
Total Revenues	3,326,000	3,326,000	3,718,169	392,169
EXPENDITURES:				
Public Works:				
Road and Bridge	4,438,494	4,438,494	3,276,009	1,162,485
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	1,420	(1,420)
Interest on Debt and Right-to-Use Leases	-	-	5	(5)
Total Expenditures	4,438,494	4,438,494	3,277,434	1,161,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,112,494)	(1,112,494)	440,735	1,553,229
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	20,000	20,000	3,130	(16,870)
Total Other Financing Sources (Uses)	20,000	20,000	3,130	(16,870)
Change in Fund Balance	(1,092,494)	(1,092,494)	443,865	1,536,359
Fund Balance - October 1 (Beginning)	3,093,278	3,093,278	3,093,278	-
Fund Balance - September 30 (Ending)	$ 2,000,784	$ 2,000,784	$ 3,537,143	$ 1,536,359

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

KENDALL COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
A. Total Pension Liability			
Service Cost	$ 2,049,790	$ 1,773,811	$ 1,620,120
Interest (on the Total Pension Liability)	3,717,190	3,389,116	3,074,826
Changes of Benefit Terms	(81,975)	-	-
Difference between Expected and Actual Experience	556,952	184,186	302,531
Changes of Assumptions	(29,959)	2,836,340	-
Benefit Payments, Including Refunds of Employee Contributions	(1,390,673)	(1,387,728)	(1,158,803)
Net Change in Total Pension Liability	$ 4,821,325	$ 6,795,725	$ 3,838,674
Total Pension Liability - Beginning	47,543,208	40,747,483	36,908,810
Total Pension Liability - Ending	$ 52,364,533	$ 47,543,208	$ 40,747,484
B. Total Fiduciary Net Position			
Contributions - Employer	$ 1,243,595	$ 1,194,714	$ 1,109,155
Contributions - Employee	1,160,688	1,112,095	1,040,764
Net Investment Income	9,954,282	4,109,489	5,466,602
Benefit Payments, Including Refunds of Employee Contributions	(1,390,673)	(1,387,728)	(1,158,803)
Administrative Expense	(30,171)	(32,772)	(30,300)
Other	41,050	31,135	39,472
Net Change in Plan Fiduciary Net Position	$ 10,978,771	$ 5,026,933	$ 6,466,890
Plan Fiduciary Net Position - Beginning	44,788,253	39,761,319	33,294,429
Plan Fiduciary Net Position - Ending	$ 55,767,024	$ 44,788,252	$ 39,761,319
C. Net Pension Liability (Asset)	$ (3,402,491)	$ 2,754,956	$ 986,165
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.50%	94.21%	97.58%
E. Covered Payroll	$ 16,581,251	$ 15,887,176	$ 14,868,050
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll	(20.52%)	17.34%	6.63%

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

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

FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
$ 1,414,049	$ 1,341,780	$ 1,308,420	$ 1,173,891	$ 1,113,274
2,808,842	2,524,822	2,259,198	2,109,062	1,896,754
-	244,116	-	(219,294)	-
(42,307)	15,337	(82,610)	(756,865)	207,443
-	317,774	-	286,366	-
(1,049,135)	(971,745)	(842,767)	(705,330)	(614,402)
$ 3,131,449	$ 3,472,084	$ 2,642,241	$ 1,887,830	$ 2,603,068
33,777,361	30,305,277	27,663,036	25,775,206	23,172,138
$ 36,908,810	$ 33,777,361	$ 30,305,277	$ 27,663,036	$ 25,775,206
$ 979,636	$ 795,716	$ 820,085	$ 777,746	$ 782,906
930,404	833,837	778,916	726,864	719,206
(605,861)	4,135,192	1,896,749	(145,262)	1,548,686
(1,049,135)	(971,745)	(842,767)	(705,331)	(614,402)
(26,742)	(21,971)	(20,643)	(18,253)	(18,380)
28,968	8,609	34,451	(51,736)	(42,969)
$ 257,270	$ 4,779,638	$ 2,666,791	$ 584,028	$ 2,375,048
33,037,159	28,257,521	25,590,731	25,006,702	22,631,654
$ 33,294,429	$ 33,037,159	$ 28,257,522	$ 25,590,730	$ 25,006,702
$ 3,614,381	$ 740,202	$ 2,047,755	$ 2,072,306	$ 768,504
90.21%	97.81%	93.24%	92.51%	97.02%
$ 13,291,486	$ 11,911,953	$ 11,127,366	$ 10,383,778	$ 10,274,371
27.19%	6.21%	18.40%	19.96%	7.48%

EXHIBIT G-4

KENDALL COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Year Ending December 31	Actuarially Determined Contribution [1]	Actual Employer Contribution [1]	Contribution Deficiency (Excess)	Pensionable Covered Payroll [2]	Actual Contribution as a % of Covered Payroll
2012	692,064	692,064	-	9,428,733	7.30%
2013	720,988	720,988	-	9,690,764	7.40%
2014	782,906	782,906	-	10,274,371	7.60%
2015	777,746	777,746	-	10,383,778	7.50%
2016	820,085	820,085	-	11,127,366	7.40%
2017	795,716	795,716	-	11,911,953	6.70%
2018	979,583	979,636	(53)	13,291,486	7.40%
2019	1,109,155	1,109,155	-	14,868,050	7.50%
2020	1,194,714	1,194,714	-	15,887,076	7.50%
2021	1,243,595	1,243,595	-	16,581,251	7.50%

[1] *TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis. If additional assistance is needed, please contact TCDRS.*

[2] *Payroll is calculated based on contributions as reported to TCDRS.*

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18.8 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefits payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Tables for females, both projected with 100% of the MP-2021 Ultimate Scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions *	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: Employer contributions reflect that the current service matching rate was increased to 160% for future benefits. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule.

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

SUPPLEMENTARY INFORMATION

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

	13 Courthouse Security Fund	15 Lateral Road & Bridge Fund	16 Court Reporter Service Fund	17 Attorney Hot Checks Fund
ASSETS				
Cash and Cash Equivalents	$ 85,017	$ 63,570	$ 33,293	$ -
Investments - Current	26,804	212,861	-	-
Accounts Receivable, Net	4,548	-	1,545	-
Due from Other Governments	-	-	-	-
Total Assets	$ 116,369	$ 276,431	$ 34,838	$ -
LIABILITIES				
Accounts Payable	$ 6,994	$ -	$ 5,097	$ -
Due to Other Funds	-	-	-	-
Total Liabilities	6,994	-	5,097	-
FUND BALANCES				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	276,431	-	-
Restricted for Special Revenue	109,375	-	29,741	-
Total Fund Balances	109,375	276,431	29,741	-
Total Liabilities and Fund Balances	$ 116,369	$ 276,431	$ 34,838	$ -

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

	19 County Clerk Records Management	20 Law Library Fund	21 Justice Court Technology	22 Justice Court Building Security	23 County & District Tech Archive Fund	24 Alternative Dispute Resolution	25 District Clerk Records Management	26 County Clerk Records Archive
	$ 177,162	$ 85,609	$ 49,276	$ 38,231	$ 22,599	$ 2,260	$ 22,689	$ 324,984
	352,104	-	-	-	-	-	-	274,142
	9,820	2,065	1,661	15	152	1,020	961	9,750
	-	-	-	-	-	-	-	-
	$ 539,086	$ 87,674	$ 50,937	$ 38,246	$ 22,751	$ 3,280	$ 23,650	$ 608,876
	$ 12,426	$ -	$ -	$ -	$ 462	$ 3,280	$ -	$ 205,922
	-	-	-	-	-	-	-	-
	12,426	-	-	-	462	3,280	-	205,922
	-	-	-	-	-	-	-	-
	526,660	87,674	50,937	38,246	22,289	-	23,650	402,954
	526,660	87,674	50,937	38,246	22,289	-	23,650	402,954
	$ 539,086	$ 87,674	$ 50,937	$ 38,246	$ 22,751	$ 3,280	$ 23,650	$ 608,876

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

	27 Vital Statistics Fund	28 Pre-Trial Intervention Fund	29 LEOSE Training Allocation	30 County Jury Fund
ASSETS				
Cash and Cash Equivalents	$ 725	$ 18,111	$ 51,675	$ 7,169
Investments - Current	-	-	-	-
Accounts Receivable, Net	53	758	-	668
Due from Other Governments	-	-	-	-
Total Assets	$ 778	$ 18,869	$ 51,675	$ 7,837
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ -
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
FUND BALANCES				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	51,675	-
Restricted for Special Revenue	778	18,869	-	7,837
Total Fund Balances	778	18,869	51,675	7,837
Total Liabilities and Fund Balances	$ 778	$ 18,869	$ 51,675	$ 7,837

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

31 County Record Management & Preservation	32 Appellate Judicial System	33 Juvenile Board State Grants	34 Juvenile Board Title IV-E	35 County Juvenile Probation	36 Local Truancy Prev & Diversion	37 Court Initiated Guardianship	41 MVDIT Interest Fund
$ 16,430	$ 655	$ -	$ 81	$ -	$ 44,997	$ 4,620	$ 23,345
-	-	-	-	-	-	-	-
1,820	295	-	-	-	1,999	420	1,532
-	-	16,003	-	-	-	-	-
$ 18,250	$ 950	$ 16,003	$ 81	$ -	$ 46,996	$ 5,040	$ 24,877
$ -	$ 950	$ 11,335	$ 81	$ -	$ -	$ -	$ -
-	-	3,405	-	-	-	-	-
-	950	14,740	81	-	-	-	-
-	-	1,263	-	-	-	-	-
18,250	-	-	-	-	46,996	5,040	24,877
18,250	-	1,263	-	-	46,996	5,040	24,877
$ 18,250	$ 950	$ 16,003	$ 81	$ -	$ 46,996	$ 5,040	$ 24,877

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

	42 Special Election Fund	43 Fire Inspection & Permit Fund	50 Crime Victims Grant	51 VAWA Grant Fund
ASSETS				
Cash and Cash Equivalents	$ 24,107	$ 60,856	$ -	$ -
Investments - Current	-	187,161	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Governments	-	-	36,041	13,831
Total Assets	$ 24,107	$ 248,017	$ 36,041	$ 13,831
LIABILITIES				
Accounts Payable	$ -	$ 173	$ 81	$ -
Due to Other Funds	-	-	35,960	13,831
Total Liabilities	-	173	36,041	13,831
FUND BALANCES				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	-	-
Restricted for Special Revenue	24,107	247,844	-	-
Total Fund Balances	24,107	247,844	-	-
Total Liabilities and Fund Balances	$ 24,107	$ 248,017	$ 36,041	$ 13,831

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

80 Tobacco Settlement Fund	84 Sheriff Abandoned Vehicles	85 Sheriff Local Asset Forfeiture	87 Sheriff Federal Asset Forfeiture	96 Public Grant Fund	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
$ 70,088	$ 4,163	$ 42,300	$ 72,104	$ 81	$ 1,346,197	$ 1,346,197
31,216	-	-	77,817	-	1,162,105	1,162,105
-	-	-	-	-	39,082	39,082
-	-	-	-	4,074	69,949	69,949
$ 101,304	$ 4,163	$ 42,300	$ 149,921	$ 4,155	$ 2,617,333	$ 2,617,333
$ 185	$ -	$ -	$ 330	$ 1,462	$ 248,778	$ 248,778
-	-	-	-	2,612	55,808	55,808
185	-	-	330	4,074	304,586	304,586
101,119	-	-	149,591	81	580,160	580,160
-	4,163	42,300	-	-	1,732,587	1,732,587
101,119	4,163	42,300	149,591	81	2,312,747	2,312,747
$ 101,304	$ 4,163	$ 42,300	$ 149,921	$ 4,155	$ 2,617,333	$ 2,617,333

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

	13 Courthouse Security Fund	15 Lateral Road & Bridge Fund	16 Court Reporter Service Fund	17 Attorney Hot Checks Fund
REVENUES:				
Intergovernmental Revenue and Grants	$ -	$ 26,279	$ -	$ -
Charges for Services	32,506	-	16,017	-
Fines	19,897	-	2,880	-
Forfeits	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	52,403	26,279	18,897	-
EXPENDITURES:				
Current:				
General Government:				
Judicial	-	-	-	-
General Administration	-	-	-	-
Tax Administration	-	-	-	-
Public Safety:				
Law Enforcement	20,423	-	-	-
Public Works:				
Road and Bridge	-	-	-	-
Justice System	-	-	10,883	38
Juvenile Services	-	-	-	-
Health and Human Services	-	-	-	-
Total Expenditures	20,423	-	10,883	38
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,980	26,279	8,014	(38)
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	-	-
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	31,980	26,279	8,014	(38)
Fund Balance - October 1 (Beginning)	77,395	250,152	21,727	38
Fund Balance - September 30 (Ending)	$ 109,375	$ 276,431	$ 29,741	$ -

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

19 County Clerk Records Management	20 Law Library Fund	21 Justice Court Technology	22 Justice Court Building Security	23 County & District Tech Archive Fund	24 Alternative Dispute Resolution	25 District Clerk Records Management	26 County Clerk Records Archive
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	21,035	17,950	-	2,499	9,015	1,460	130,990
131,250	6,720	-	280	-	4,545	14,099	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
131,250	27,755	17,950	280	2,499	13,560	15,559	130,990
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
87,588	16,936	19,882	-	1,218	13,560	18,000	206,372
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
87,588	16,936	19,882	-	1,218	13,560	18,000	206,372
43,662	10,819	(1,932)	280	1,281	-	(2,441)	(75,382)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
43,662	10,819	(1,932)	280	1,281	-	(2,441)	(75,382)
482,998	76,855	52,869	37,966	21,008	-	26,091	478,336
$ 526,660	$ 87,674	$ 50,937	$ 38,246	$ 22,289	$ -	$ 23,650	$ 402,954

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

	27 Vital Statistics Fund	28 Pre-Trial Intervention Fund	29 LEOSE Training Allocation	30 County Jury Fund
REVENUES:				
Intergovernmental Revenue and Grants	$ -	$ -	$ 6,915	$ -
Charges for Services	(718)	18,239	-	6,912
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	(718)	18,239	6,915	6,912
EXPENDITURES:				
Current:				
General Government:				
Judicial	-	-	-	-
General Administration	-	-	-	-
Tax Administration	-	-	-	-
Law Enforcement	-	-	5,891	-
Public Works:				
Road and Bridge	-	-	-	-
Justice System	-	-	-	-
Juvenile Services	-	-	-	-
Health and Human Services	-	-	-	-
Total Expenditures	-	-	5,891	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(718)	18,239	1,024	6,912
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	-	-
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(718)	18,239	1,024	6,912
Fund Balance - October 1 (Beginning)	1,496	630	50,651	925
Fund Balance - September 30 (Ending)	$ 778	$ 18,869	$ 51,675	$ 7,837

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

31 County Record Management & Preservation	32 Appellate Judicial System	33 Juvenile Board State Grants	34 Juvenile Board Title IV-E	35 County Juvenile Probation	36 Local Truancy Prev & Diversion	37 Court Initiated Guardianship	41 MVDIT Interest Fund
$ -	$ -	$ 230,100	$ -	$ -	$ -	$ -	$ -
18,250	3,005	-	-	-	20,949	5,040	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	5	-	-	-	-	115
-	-	-	-	-	-	-	6,232
18,250	3,005	230,105	-	-	20,949	5,040	6,347
-	3,005	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,696
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	230,100	3,765	-	-	-	-
-	-	-	-	-	-	-	-
-	3,005	230,100	3,765	-	-	-	9,696
18,250	-	5	(3,765)	-	20,949	5,040	(3,349)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
18,250	-	5	(3,765)	-	20,949	5,040	(3,349)
-	-	1,258	3,765	-	26,047	-	28,226
$ 18,250	$ -	$ 1,263	$ -	$ -	$ 46,996	$ 5,040	$ 24,877

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

	42 Special Election Fund	43 Fire Inspection & Permit Fund	50 Crime Victims Grant	51 VAWA Grant Fund
REVENUES:				
Intergovernmental Revenue and Grants	$ 10,250	$ -	$ 135,160	$ 75,000
Charges for Services	11,483	94,860	-	-
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	21,733	94,860	135,160	75,000
EXPENDITURES:				
Current:				
General Government:				
Judicial	-	-	-	-
General Administration	20,650	78,320	-	-
Tax Administration	-	-	-	-
Public Safety:				
Law Enforcement	-	-	-	-
Public Works:				
Road and Bridge	-	-	-	-
Justice System	-	-	171,182	107,143
Juvenile Services	-	-	-	-
Health and Human Services	-	-	-	-
Total Expenditures	20,650	78,320	171,182	107,143
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,083	16,540	(36,022)	(32,143)
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	-	-
Transfers In	-	-	36,022	32,143
Total Other Financing Sources (Uses)	-	-	36,022	32,143
Net Change in Fund Balance	1,083	16,540	-	-
Fund Balance - October 1 (Beginning)	23,024	231,304	-	-
Fund Balance - September 30 (Ending)	$ 24,107	$ 247,844	$ -	$ -

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

80 Tobacco Settlement Fund	84 Sheriff Abandoned Vehicles	85 Sheriff Local Asset Forfeiture	87 Sheriff Federal Asset Forfeiture	96 Public Grant Fund	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
$ 40,339	$ -	$ -	$ -	$ 11,709	$ 535,752	$ 535,752
-	-	-	-	-	409,492	409,492
-	-	-	-	-	179,671	179,671
-	-	20,143	-	-	20,143	20,143
241	-	2	606	-	969	969
-	-	-	-	-	6,232	6,232
40,580	-	20,145	606	11,709	1,152,259	1,152,259
-	-	-	-	-	3,005	3,005
-	-	-	-	-	98,970	98,970
-	-	-	-	-	9,696	9,696
-	360	440	2,393	-	29,507	29,507
-	-	-	-	11,709	11,709	11,709
-	-	-	-	-	652,802	652,802
-	-	-	-	-	233,865	233,865
21,667	-	-	-	-	21,667	21,667
21,667	360	440	2,393	11,709	1,061,221	1,061,221
18,913	(360)	19,705	(1,787)	-	91,038	91,038
-	-	-	24,845	-	24,845	24,845
-	-	-	-	-	68,165	68,165
-	-	-	24,845	-	93,010	93,010
18,913	(360)	19,705	23,058	-	184,048	184,048
82,206	4,523	22,595	126,533	81	2,128,699	2,128,699
$ 101,119	$ 4,163	$ 42,300	$ 149,591	$ 81	$ 2,312,747	$ 2,312,747

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

	81 Historical Commission Fund	82 County Donation Fund	Total Private Purpose Trust Funds
ASSETS			
Cash and Cash Equivalents	$ 7,562	$ 81,993	$ 89,555
Accounts Receivable, Net	-	105	105
Total Assets	7,562	82,098	89,660
LIABILITIES			
Accounts Payable	-	1,275	1,275
Total Liabilities	-	1,275	1,275
NET POSITION			
Restricted for Other Purposes	7,562	80,823	88,385
Total Net Position	$ 7,562	$ 80,823	$ 88,385

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

KENDALL COUNTY, TEXAS
COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Data Control Codes	81 Historical Commission Fund	82 County Donation Fund	Total Private Purpose Trust Funds
ADDITIONS:			
Contributions & Donations from Private	$ -	$ 27,952	$ 27,952
Other Revenue	3,870	-	3,870
Total Additions	3,870	27,952	31,822
DEDUCTIONS:			
Other Operating Costs	5,016	61,406	66,422
Total Deductions	5,016	61,406	66,422
Change in Net Position	(1,146)	(33,454)	(34,600)
Total Net Position - October 1 (Beginning)	8,708	114,277	122,985
Total Net Position - September 30 (Ending)	$ 7,562	$ 80,823	$ 88,385

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

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

	90 Trust Account	92 Officials' Fee Accounts	93 State Fees & Special Tax	Total Custodial Funds
ASSETS				
Cash and Cash Equivalents	$ 4,049,900	$ 8,964,688	$ 351,420	$ 13,366,008
Investments - Current	969	-	-	969
Accounts Receivable, Net	-	-	67,282	67,282
Total Assets	4,050,869	8,964,688	418,702	13,434,259
LIABILITIES				
Accounts Payable	-	-	259,136	259,136
Intergovernmental Payable	5,515	-	107,610	113,125
Total Liabilities	5,515	-	366,746	372,261
NET POSITION				
Restricted for Other Purposes	4,045,354	8,964,688	51,956	13,061,998
Total Net Position	$ 4,045,354	$ 8,964,688	$ 51,956	$ 13,061,998

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

KENDALL COUNTY, TEXAS
COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Data Control Codes	90 Trust Account	92 Officials' Fee Accounts	93 State Fees & Special Tax	Total Custodial Funds
ADDITIONS:				
Charges for Services	$ -	$ -	$ 718,454	$ 718,454
Investment Earnings	1,002	-	-	1,002
Other Revenue	1,314,726	94,928,279	-	96,243,005
Total Additions	1,315,728	94,928,279	718,454	96,962,461
DEDUCTIONS:				
Other Operating Costs	1,303,126	91,966,834	720,710	93,990,670
Total Deductions	1,303,126	91,966,834	720,710	93,990,670
Change in Net Position	12,602	2,961,445	(2,256)	2,971,791
Total Net Position - October 1 (Beginning)	4,032,752	6,003,243	54,212	10,090,207
Total Net Position - September 30 (Ending)	$ 4,045,354	$ 8,964,688	$ 51,956	$ 13,061,998

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

N|B NEFFENDORF & BLOCKER, P.C.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kendall County, Texas (the "County"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 16, 2023.

Report on Internal Control over Financial Reporting

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

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

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

TEL: 830 997 3348 **EMAIL:** info@nb-cpa.com
P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

Report on Compliance and Other Matters

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

Purpose of This Report

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

Neffendorf + Blocker, P.C.

Neffendorf & Blocker, P.C.
Fredericksburg, Texas

March 16, 2023

NEFFENDORF & BLOCKER, P.C.

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kendall County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kendall County's major federal programs for the year ended September 30, 2022. Kendall County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kendall County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

TEL: 830 997 3348 **EMAIL:** info@nb-cpa.com
P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Kendall County, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Kendall County, Texas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Kendall County, Texas' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Neffendorf & Blocker, P.C.

Neffendorf & Blocker, P.C.

Fredericksburg, Texas
March 16, 2023

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

I. Summary of the Auditor's Results:

I. Financial Statements

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

II. Federal and State Awards

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material Weakness(es) identified	___ Yes _X_ No
Significant deficiencies identified that are not considered to be material weakness	___ Yes _X_ No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of Uniform Guidance?	___ Yes _X_ No

Identification of major federal program:

Assistance Listing Number	Name of the Federal Program or Cluster
21.027	**Coronavirus State and Local Fiscal Recovery Fund**

Dollar threshold used to distinguish between type A and type B federal programs:	$750,000
Auditee qualified as low-risk auditee?	_X_ Yes __No

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

-None-

III. Findings and Questioned Costs for Federal Awards

-None-

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

STATEMENT OF CORRECTIVE ACTION -
CURRENT YEAR DISCLOSURES

-None-

STATEMENT OF CORRECTIVE ACTION -
PRIOR YEAR DISCLOSURES

-None-

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

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
Direct Programs			
Coronavirus State and Local Fiscal Recovery Funds	21.027		$ 2,907,965
Total Direct Programs			2,907,965
TOTAL U.S. DEPARTMENT OF TREASURY			2,907,965
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Health and Human Service Commission			
Cities Readiness Initiative Grant	93.069	HHS000145800001	2,274
Total Passed Through Texas Health and Human Services Commission			2,274
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,274
U.S. DEPARTMENT OF JUSTICE			
Direct Programs			
Equitable Sharing Program	16.922	TX1300000	2,393
Total Direct Programs			2,393
Passed Through Texas Office of the Governor			
Victims of Crimes Grant	16.575	2772206	135,160
Violence Against Women Act Justice & Training Prog	16.588	3562704	75,000
Justice Assistance Grant Program	16.738	4210201	75,000
Total Passed Through Texas Office of the Governor			285,160
TOTAL U.S. DEPARTMENT OF JUSTICE			287,553
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,197,792

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

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the schedule") includes the federal award activity of Kendall County, Texas under programs of the federal government for the year ended September 30, 2022. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Federal and State financial assistance was accounted for in the Governmental Fund types.

Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

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

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

Indirect Cost Rate

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

NEFFENDORF & BLOCKER, P.C.

March 16, 2023

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kendall County, Texas for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 31, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kendall County, Texas are described in Note I to the financial statements. GASB Statement No. 87 *Leases* was adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by Kendall County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 16, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restrictions on Use

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

Prior Year Recommendations

Grants Manual

Since the County receives grants fund from both state and federal sources, we recommend the County adopt a grants manual to establish written internal controls and processes over accounting for grants and compliance. The County Auditor's office is in the process of developing a grants manual.

Officials' Accounts

As in prior year audits, balances in the County Clerk account had accumulated over the years without a complete listing of items which comprise the balances being maintained. Again, we recommend that the office mentioned above develop a complete and detailed listing to account for the balances maintained in their bank account. When this is completed, a determination can be made with the assistance from other County Officials, if these balances need to be maintained as is, or if they should be remitted to the County or the State Comptroller or refunded to an individual. The County Clerk's Office has been working to resolve these issues and have made some progress in accounting for the balances in question but the listings are not complete.

Sincerely,

Neffendorf + Blocker, P.C.

Neffendorf & Blocker, P.C.
Fredericksburg, Texas
March 16, 2023

APPENDIX D

Form of Opinion of Bond Counsel

NORTON ROSE FULBRIGHT

Norton Rose Fulbright US LLP
98 San Jacinto Blvd., Suite 1100
Austin, Texas 78701
United States

Tel +1 512 474 5201
Fax +1 512 536 4598
nortonrosefulbright.com

June 1, 2023

FINAL

IN REGARD to the authorization and issuance of the "Kendall County, Texas Limited Tax General Obligation Bonds, Series 2023" (the *Bonds*), dated May 1, 2023, in the aggregate principal amount of $18,215,000, we have reviewed the legality and validity of the issuance thereof by the Commissioners Court of Kendall County, Texas (the *County*). The Bonds are issuable in fully registered form only, in denominations of $5,000 or any integral multiple thereof (within a Stated Maturity), and have Stated Maturities of March 1 in each of the years 2024 through 2035, unless redeemed prior to Stated Maturity in accordance with the terms stated on the face of the Bonds. Interest on the Bonds accrues from the dates, at the rates, in the manner, and is payable on the dates, all as provided in the order (the *Order*) authorizing the issuance of the Bonds. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Order.

WE HAVE SERVED AS BOND COUNSEL for the County solely to pass upon the legality and validity of the issuance of the Bonds under the laws of the State of Texas and with respect to the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes and for no other purpose. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the County. We have not assumed any responsibility with respect to the financial condition or capabilities of the County or the disclosure thereof in connection with the sale of the Bonds. We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Bonds. Our role in connection with the County's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

WE HAVE EXAMINED the applicable and pertinent laws of the State of Texas and the United States of America. In rendering the opinions herein we rely upon (1) original or certified copies of the proceedings of the Commissioners Court of the County in connection with the issuance of the Bonds, including the Order; (2) customary certifications and opinions of officials of the County; (3) certificates executed by officers of the County relating to the expected use and investment of proceeds of the Bonds and certain other funds of the County, and to certain other facts solely within the knowledge and control of the County; and (4) such other documentation, including an examination of the Bond executed and delivered initially by the County, and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements and information contained in such certificates. We express no opinion concerning any effect on the following opinions which may result from changes in law effected after the date hereof.

Legal Opinion of Norton Rose Fulbright US LLP, Austin, Texas, in connection with the authorization and issuance of "KENDALL COUNTY, TEXAS LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2023"

BASED ON OUR EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized and issued in conformity with the laws of the State of Texas now in force and that the Bonds are valid and legally binding obligations of the County enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County.

BASED ON OUR EXAMINATION, IT IS FURTHER OUR OPINION that, assuming continuing compliance after the date hereof by the County with the provisions of the Order and in reliance upon the representations and certifications of the County made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, under existing statutes, regulations, published rulings, and court decisions (1) interest on the Bonds will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the *Code*), of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code and (2) interest on the Bonds will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

WE EXPRESS NO OTHER OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Legal Opinion of Norton Rose Fulbright US LLP, Austin, Texas, in connection with the authorization and issuance of "KENDALL COUNTY, TEXAS LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2023"

Norton Rose Fulbright US LLP

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Financial Advisory Services
Provided By:

SAMCO Capital