

VAL VERDE COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2015

VAL VERDE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page Number</u> |
|--|----------------|------------------------|
| <u>Financial Section</u> | | |
| Independent Auditors' Report | | 1 |
| Management's Discussion and Analysis | | 3 |
| Basic Financial Statements: | | |
| <i>Government-wide Financial Statements:</i> | | |
| Statement of Net Position | A-1 | 8 |
| Statement of Activities | B-1 | 9 |
| <i>Governmental Fund Financial Statements:</i> | | |
| Balance Sheet | C-1 | 10 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | C-2 | 11 |
| Reconciliation for Exhibit C-2 | C-3 | 12 |
| <i>Fiduciary Fund Financial Statement:</i> | | |
| Statement of Fiduciary Net Position | D-1 | 13 |
| Notes to Financial Statements | | 14 |
| Required Supplementary Information | | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual - General Fund | G-1 | 34 |
| Notes to Budgetary Information | | 35 |
| Schedule of Changes In Net Pension Liability and Relatee Ratios | G-2 | 36 |
| Schedule of Employer Contributions | G-3 | 37 |
| Notes to Schedule of Employer Contributions | G-4 | 38 |
| Schedule of Funding Progress For Other PostEmployment Benefits | G-5 | 39 |

VAL VERDE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page Number</u> |
|---|----------------|------------------------|
| Supplementary Information | | |
| <i>Budgetary Information:</i> | | |
| Schedule of Revenues - Budget and Actual - General Fund | G-6 | 40 |
| Schedule of Expenditures - Budget and Actual - General Fund | G-7 | 41 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Interest and Sinking | G-8 | 49 |
| Schedule of Revenues and Expenditures - Budget and Actual - Road and Bridge Fund | G-9 | 50 |
| <i>Nonmajor Governmental Funds:</i> | | |
| Combining Balance Sheet | H-1 | 51 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | H-2 | 52 |
| <i>Fiduciary Funds:</i> | | |
| Combining Statement of Fiduciary Assets and Liabilities | H-3 | 53 |
| Combining Statement of Changes in Fiduciary Assets and Liabilities | H-4 | 62 |
| <u>Statistical Section</u> | | |
| <i>Government-wide Information:</i> | | |
| Government-wide Expenses by Function - Last Seven Fiscal Years | | 71 |
| Government-wide Revenues - Last Seven Fiscal Years | | 72 |
| <i>Fund Information:</i> | | |
| Governmental Expenditures by Function - Last Ten Fiscal Years | | 73 |
| Governmental Funds Revenues by Sources - Last Ten Fiscal Years | | 75 |
| Property Tax Rates - Last Ten Fiscal Years | | 76 |
| Assessed Value of Taxable Property - Last Ten Fiscal Years | | 77 |

VAL VERDE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page Number</u> |
|--|-----------------------|-------------------------------|
| <u>Federal Awards Section</u> | | |
| Independent Auditors' 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 | | 78 |
| Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 | | 80 |
| Schedule of Expenditures of Federal Awards and State Awards | | 82 |
| Notes to the Schedule of Expenditures of Federal Awards | | 84 |
| Schedule of Findings and Questioned Costs | | 85 |
| Corrective Action Plan | | 89 |
| Summary Schedule of Prior Audit Findings | | 91 |

FINANCIAL SECTION



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Judge and
Members of the Commissioners' Court
Val Verde County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Val Verde County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise of Val Verde County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Opinions

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 Val Verde County, Texas, as of September 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note I to the financial statements, in 2015 the County adopted new accounting guidance, Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules and OPEB schedule of funding progress on pages 4–7 and 34–39 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Val Verde County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2016, on our consideration of Val Verde County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering of Val Verde County, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, C.P.

Brownsville, Texas
May 26, 2016

VAL VERDE COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Val Verde County, Texas (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Val Verde County, Texas for the fiscal year ended September 30, 2015.

FINANCIAL HIGHLIGHTS

The net position of Val Verde County, Texas as of the close of fiscal year 2015 were \$10,614,795. Of this amount, \$651,478 was reported as "unrestricted net position". Unrestricted net position represent the amount available to be used to meet the County's ongoing obligations.

- The County's total net position increased by \$4,204.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances.

The *statement of net position* presents information of the County's assets and liabilities, with the difference between the two reported as nets assets. The reported change in financial condition is a change in cash position and not a change in the economic condition of the County.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expense are reported in this statement for some items that will not result in cash flows until future fiscal periods. This statement also presents a comparison between direct expenses and program revenues for each function of the County.

The governmental activities on the government-wide financial statements of the County are principally supported by taxes and intergovernmental receipts. The governmental activities of County include general government, legal, health and welfare, judicial, public safety, culture and recreation, roads and bridges and interest on long-term debt.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of receipts, disbursements, and changes in cash basis fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Val Verde County, Texas adopts an annual appropriated budget for its General, Road and Bridge, and Interest and Sinking Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County’s own programs.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents combining fund statements that further support the information in the financial statements. The combining fund statements and schedules for non-major funds are presented immediately following the required supplementary schedule.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

VAL VERDE COUNTY’S NET POSITION

| | Governmental Activities | |
|---------------------------------------|----------------------------|----------------------|
| | 2015 | 2014 |
| Current and Other Assets | \$ 37,310,107 | \$ 33,312,090 |
| Capital Assets | 36,547,396 | 35,351,353 |
| Total assets | <u>73,857,503</u> | <u>68,663,443</u> |
| Deferred Outflows Related to Pensions | 1,214,940 | - |
| Total Deferred Outflows of Resources | <u>1,214,940</u> | <u>-</u> |
| Long Term Liabilities | 26,052,085 | 24,840,174 |
| Other Liabilities | 38,348,661 | 33,212,678 |
| Total Liabilities | <u>64,400,746</u> | <u>58,052,852</u> |
| Deferred Inflow of Resources | 56,902 | - |
| Total Deferred Inflows of Resources | <u>56,902</u> | <u>-</u> |
| Net position: | | |
| Net Investment in Capital Assets | 781,185 | 2,138,675 |
| Restricted | 9,182,132 | 5,232,796 |
| Unrestricted | 651,478 | 3,239,120 |
| Total Net position | <u>\$ 10,614,795</u> | <u>\$ 10,610,591</u> |

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors.

VAL VERDE COUNTY'S CHANGES IN NET POSITION

| | Governmental Activities | |
|------------------------------------|----------------------------|---------------|
| | 2015 | 2014 |
| Revenues: | | |
| Program revenue: | | |
| Charges for Services | \$ 2,636,145 | \$ 3,263,423 |
| Operating Grants and Contributions | 30,370,703 | 31,449,773 |
| General Revenue: | | |
| Property Taxes | 10,079,994 | 9,363,326 |
| Sales Taxes | 2,085,747 | 1,968,955 |
| Other | 23,435 | 20,012 |
| Investment Earnings | 27,690 | 21,454 |
| Miscellaneous | 413,784 | 1,195,217 |
| Total revenues | 45,637,498 | 47,282,160 |
| General Government | 31,812,165 | 32,199,908 |
| Judicial | 1,471,807 | 1,533,477 |
| Legal | 673,454 | 514,428 |
| Public Safety | 4,713,489 | 4,602,634 |
| Public Works | - | 24,176 |
| Highway and Streets | 3,517,124 | 2,767,175 |
| Health and Welfare | 1,143,242 | 2,279,491 |
| Culture and Recreation | 619,615 | 647,545 |
| Public Facilities | 1,187,430 | 1,297,788 |
| Interest on long-term debt | 1,321,745 | 1,256,458 |
| Total expenditures | 46,460,071 | 47,123,081 |
| Change in net position | (822,573) | 159,079 |
| Net Position, beginning | 10,610,591 | 10,438,697 |
| Prior period adjustment | 826,777 | 12,815 |
| Net Position, ending | \$ 10,614,795 | \$ 10,610,591 |

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds. The focus of the County's *governmental funds* is to provide information on cash revenues and expenditures.

At the end of fiscal year 2015, the County's *governmental funds* reported combined ending fund balances of \$9,708,175 an increase of \$2,791,211 in comparison with the prior year.

The General Fund is the chief operating fund of Val Verde County, Texas. At the end of fiscal year 2015, the General Fund had an ending fund balance of \$1,256,681. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures.

The fund balance of the County's General Fund decreased by \$394,837 during fiscal year 2015. The Road and Bridge Fund had an ending fund balance of \$254,950 a decrease of \$338,693.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were not significant. Additional budgetary information can be found on pages 40 to 48 of this report.

Capital Assets. The County's investment in capital assets for its governmental type activities as of September 30, 2015, amounts to \$36,547,396 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

Additional information on the County's capital assets can be found in the notes to the financial statements.

Long-term Debt. At the end of fiscal year 2015, Val Verde County, Texas had total debt outstanding of \$38,348,661 which includes \$32,775,000 in outstanding bonds.

Additional information on the County's long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Commissioners' Court adopted the County's budget for the fiscal year 2015 on September 16, 2014. The budget was adopted based on anticipated resources and estimated uses in fiscal year 2015.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Val Verde County Auditor
901 Bedell Avenue, Suite A
Del Rio, Texas 78841
Telephone: (830) 774-7584
Fax: (830) 775-9198

**BASIC
FINANCIAL STATEMENTS**

VAL VERDE COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

| | <u>Primary Government</u> |
|---|------------------------------------|
| | <u>Governmental Activities</u> |
| ASSETS | |
| Cash and investments | \$ 12,255,992 |
| Taxes receivable (net of allowances) | 1,549,847 |
| Due from other governments | 23,504,268 |
| Capital assets: | |
| Land | 140,898 |
| Buildings and improvements | 10,341,001 |
| Equipment | 9,070,897 |
| Infrastructure | 47,542,042 |
| Construction in progress | 1,343,136 |
| Less: accumulated depreciation | <u>(31,890,578)</u> |
| Total capital assets | <u>36,547,396</u> |
| Total assets | <u>73,857,503</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to pensions | <u>1,214,940</u> |
| Total deferred outflows of resources | <u>1,214,940</u> |
| LIABILITIES | |
| Accounts payable | 1,995,261 |
| Unearned revenues | 24,056,824 |
| Noncurrent liabilities: | |
| Due within one year | 3,640,748 |
| Due in more than one year | <u>34,707,913</u> |
| Total liabilities | <u>64,400,746</u> |
| DEFERRED INFLOW OF RESOURCES | |
| Deferred inflows of resources | <u>56,902</u> |
| Total deferred inflows of resources | <u>56,902</u> |
| NET POSITION | |
| Net investment in capital assets | 781,185 |
| Restricted: | |
| Debt service | 3,112,067 |
| Federal and state programs | 71,600 |
| San Felipe Pastures, security fees, law library & auditor special | 218,759 |
| Equipment and improvements | 256,829 |
| Capital projects | 5,012,877 |
| Subsequent year's budget | 510,000 |
| Unrestricted | <u>651,478</u> |
| Total net position | <u>\$ 10,614,795</u> |

The accompanying notes are an integral part of these financial statements.

VAL VERDE COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| Functions/Programs | Expenses | Program Revenues | | Net (Expenses) Revenue and Changes in Net Position |
|---------------------------------|----------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental activities: | | | | |
| General government | \$ 31,812,165 | \$ 2,636,145 | \$ 23,396,129 | \$ (5,779,891) |
| Judicial | 1,471,807 | - | | (1,471,807) |
| Legal | 673,454 | - | 46,641 | (626,813) |
| Public safety | 4,713,489 | - | 1,920,392 | (2,793,097) |
| Highway and streets | 3,517,124 | - | 3,798,848 | 281,724 |
| Health and welfare | 1,143,242 | - | 1,057,240 | (86,002) |
| Culture and recreation | 619,615 | - | 35,000 | (584,615) |
| Public facilities | 1,187,430 | - | 116,453 | (1,070,977) |
| Interest on long-term debt | 1,321,745 | - | - | (1,321,745) |
| Net program (expenses) revenues | <u>\$ 46,460,071</u> | <u>\$ 2,636,145</u> | <u>\$ 30,370,703</u> | <u>(13,453,223)</u> |
| General revenues: | | | | |
| Taxes: | | | | |
| Property | | | | 10,079,994 |
| Sales | | | | 2,085,747 |
| Other | | | | 23,435 |
| Investment earnings | | | | 27,690 |
| Miscellaneous | | | | 413,784 |
| Total general revenue | | | | <u>12,630,650</u> |
| Change in net position | | | | (822,573) |
| Net position, beginning | | | | 10,610,591 |
| Prior period adjustment | | | | <u>826,777</u> |
| Net position, ending | | | | <u>\$ 10,614,795</u> |

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

VAL VERDE COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

| | General | Interest and Sinking | Capital Project SL 79 Loop | Capital Project Library | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|-------------------------|-------------------------------|----------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash in bank | \$ 2,232,648 | \$ 2,285,163 | \$ 241,093 | \$ 4,913,110 | \$ 1,753,122 | \$ 11,425,136 |
| Investments | 2,360 | 827,694 | - | - | 802 | 830,856 |
| Taxes receivables (net of allowance) | 1,342,142 | 149,127 | - | - | 58,578 | 1,549,847 |
| Due from other funds | 341,822 | - | - | - | - | 341,822 |
| Due from other government | - | - | 23,039,824 | - | 464,444 | 23,504,268 |
| Total assets | <u>\$ 3,918,972</u> | <u>\$ 3,261,984</u> | <u>\$ 23,280,917</u> | <u>\$ 4,913,110</u> | <u>\$ 2,276,946</u> | <u>\$ 37,651,929</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 1,320,149 | \$ 790 | \$ - | \$ 141,326 | \$ 532,996 | \$ 1,995,261 |
| Due to other funds | - | - | - | - | 341,822 | 341,822 |
| Other liabilities | - | - | - | - | - | - |
| Accrued liabilities | - | - | - | - | - | - |
| Unearned revenue | - | - | 23,039,824 | - | 1,017,000 | 24,056,824 |
| Total liabilities | <u>1,320,149</u> | <u>790</u> | <u>23,039,824</u> | <u>141,326</u> | <u>1,891,818</u> | <u>26,393,907</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | <u>1,342,142</u> | <u>149,127</u> | <u>-</u> | <u>-</u> | <u>58,578</u> | <u>1,549,847</u> |
| Total deferred inflows of resources | <u>1,342,142</u> | <u>149,127</u> | <u>-</u> | <u>-</u> | <u>58,578</u> | <u>1,549,847</u> |
| FUND BALANCES | | | | | | |
| Restricted: | | | | | | |
| Retirement of long-term debt | - | 3,112,067 | - | - | - | 3,112,067 |
| Federal or state funds | - | - | - | - | 71,600 | 71,600 |
| San Felipe Pastures | 42,659 | - | - | - | - | 42,659 |
| Security fees | 114,674 | - | - | - | - | 114,674 |
| Law library | 56,051 | - | - | - | - | 56,051 |
| Auditor special account | 5,375 | - | - | - | - | 5,375 |
| 2013 tax note | 256,829 | - | - | - | - | 256,829 |
| Capital projects | - | - | 241,093 | 4,771,784 | - | 5,012,877 |
| Subsequent year's budget | 510,000 | - | - | - | - | 510,000 |
| Unassigned | <u>271,093</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>254,950</u> | <u>526,043</u> |
| Total fund balances | <u>1,256,681</u> | <u>3,112,067</u> | <u>241,093</u> | <u>4,771,784</u> | <u>326,550</u> | <u>9,708,175</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 3,918,972</u> | <u>\$ 3,261,984</u> | <u>\$ 23,280,917</u> | <u>\$ 4,913,110</u> | <u>\$ 2,276,946</u> | <u>\$ 37,651,929</u> |

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

| | |
|---|----------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 36,547,396 |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. | 1,549,847 |
| Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. | |
| Bonds payable | \$ (32,775,000) |
| Tax note payable | (630,000) |
| Capital leases | (130,310) |
| Premium on bonds | (389,533) |
| Net OPEB obligation | (1,772,249) |
| Net pension liability | (1,739,175) |
| Deferred outflow related to pensions | 1,214,940 |
| Deferred inflow related to pensions | (56,902) |
| Compensated absences | (912,394) |
| Total long-term liabilities | <u>(37,190,623)</u> |
| Net position of governmental activities | <u>\$ 10,614,795</u> |

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

VAL VERDE COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | General | Interest and Sinking | Capital Project SL 79 Loop | Capital Projects Library | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------|-------------------------------|-----------------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property taxes | \$ 7,844,977 | \$ 1,882,316 | \$ - | \$ - | \$ 357,806 | \$ 10,085,099 |
| Sales taxes | 2,085,747 | - | - | - | - | 2,085,747 |
| Intergovernmental | 23,183,120 | - | 3,750,000 | 551,308 | 2,665,065 | 30,149,493 |
| Fees of offices | 1,697,874 | - | - | - | 917,164 | 2,615,038 |
| Fines and forfeitures | 21,107 | - | - | - | - | 21,107 |
| Investment earnings | 21,864 | 4,939 | 462 | - | 425 | 27,690 |
| Grant receipts | 221,210 | - | - | - | - | 221,210 |
| Hotel tax | 23,435 | - | - | - | - | 23,435 |
| Miscellaneous | 413,784 | - | - | - | - | 413,784 |
| Total revenues | <u>35,513,118</u> | <u>1,887,255</u> | <u>3,750,462</u> | <u>551,308</u> | <u>3,940,460</u> | <u>45,642,603</u> |
| EXPENDITURES | | | | | | |
| General government | 31,184,169 | - | - | - | - | 31,184,169 |
| Judicial | 1,408,847 | - | - | - | - | 1,408,847 |
| Legal | 605,894 | - | - | - | 46,641 | 652,535 |
| Public safety | 3,239,608 | - | - | - | 1,369,084 | 4,608,692 |
| Highway and streets | - | - | 1,525,390 | - | 1,740,302 | 3,265,692 |
| Health and welfare | 23,042 | - | - | - | 1,057,240 | 1,080,282 |
| Culture and recreation | 542,574 | - | - | - | 35,000 | 577,574 |
| Public facilities | - | - | - | 1,050,059 | 116,453 | 1,166,512 |
| Debt service: | | | | | | |
| Principal | - | 3,445,000 | - | - | - | 3,445,000 |
| Interest and other charges | - | 1,206,315 | - | - | - | 1,206,315 |
| Issuance cost | - | - | - | 92,205 | - | 92,205 |
| Capital leases | - | 158,703 | - | - | - | 158,703 |
| Total expenditures | <u>37,004,134</u> | <u>4,810,018</u> | <u>1,525,390</u> | <u>1,142,264</u> | <u>4,364,720</u> | <u>48,846,526</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | <u>(1,491,016)</u> | <u>(2,922,763)</u> | <u>2,225,072</u> | <u>(590,956)</u> | <u>(424,260)</u> | <u>(3,203,923)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Issuance of short-term loan | 910,000 | - | - | - | - | 910,000 |
| Transfer out (uses) | (8,225,839) | - | (3,750,000) | (671,740) | - | (12,647,579) |
| Transfer in | 8,425,339 | 3,750,000 | - | 472,240 | - | 12,647,579 |
| Short-term loan payment | - | (910,000) | - | - | - | (910,000) |
| Bond proceeds | - | - | - | 6,000,000 | - | 6,000,000 |
| Total other financing sources (uses) | <u>1,109,500</u> | <u>2,840,000</u> | <u>(3,750,000)</u> | <u>5,800,500</u> | <u>-</u> | <u>6,000,000</u> |
| NET CHANGE IN FUND BALANCE | <u>(381,516)</u> | <u>(82,763)</u> | <u>(1,524,928)</u> | <u>5,209,544</u> | <u>(424,260)</u> | <u>2,796,077</u> |
| FUND BALANCE, BEGINNING | 1,651,518 | 3,274,832 | 1,766,021 | (437,760) | 662,353 | 6,916,964 |
| PRIOR PERIOD ADJUSTMENT | <u>(13,321)</u> | <u>(80,002)</u> | <u>-</u> | <u>-</u> | <u>88,457</u> | <u>(4,866)</u> |
| FUND BALANCE, ENDING | <u>\$ 1,256,681</u> | <u>\$ 3,112,067</u> | <u>\$ 241,093</u> | <u>\$ 4,771,784</u> | <u>\$ 326,550</u> | <u>\$ 9,708,175</u> |

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

VAL VERDE COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of activities (page 9)
are different because:

Net change in fund balances --- total governmental funds (page 11) \$ 2,796,077

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

| | | |
|-------------------------------|--------------------|-----------|
| Capital outlay | \$ 1,250,107 | |
| Adjustments to capital assets | 1,976,893 | |
| Depreciation expense | <u>(2,030,957)</u> | |
| Net adjustment | | 1,196,043 |

Governmental funds report long term debt principal payments as expenditures. However, in the statement of activities these payments are reductions in the long term liabilities in the statement of net position.

| | | |
|----------------|--------------------|--------------|
| Bond payments | 3,135,000 | |
| Tax notes | 310,000 | |
| Capital lease | 86,786 | |
| Bonus proceeds | <u>(6,134,000)</u> | |
| Net adjustment | | (2,602,214) |

Under the modified accrual basis of accounting used in the governmental funds, expenditures are recognized for transactions that are normally paid with expendable, available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized as an expenditure under the modified accrual basis of accounting until due, rather than as it accrues.

| | | |
|----------------|--|---------------------|
| Net adjustment | | <u>(2,212,479)</u> |
|----------------|--|---------------------|

Change in net position of governmental activities (page 9) \$(822,573)

The accompanying notes are an integral part of these financial statements.

**FIDUCIARY FUND
FINANCIAL STATEMENTS**

VAL VERDE COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

| | <u>Agency Fund</u> |
|----------------------|----------------------------|
| ASSETS | |
| Cash and investments | \$ <u>2,743,663</u> |
| Total assets | \$ <u><u>2,743,663</u></u> |
| LIABILITIES | |
| Due to others | \$ <u>2,743,663</u> |
| Total liabilities | \$ <u><u>2,743,663</u></u> |

The accompanying notes are an integral part of these financial statements.

VAL VERDE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The authority of the County governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution and V.A.C.S.

The financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to County governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Reporting Entity

The County's basic financial statements include the cash accounts of all funds handled by the Office of the County Treasurer/County Auditor. The County has no oversight responsibility for any other governmental entity since no other entities are considered financially accountable to the County. Financial accountability is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing body.

B. Government-wide Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

C. Measurement focus, basis of accounting, and financial statement presentation

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement focus, basis of accounting, and financial statement presentation

The County reports the following major governmental funds:

General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Interest and Sinking Fund is used to account for the accumulation of resources for, and the payment of, General long-term debt principal, interest and related costs.

Capital Project Fund – The capital projects fund of the County accounts for the proceeds from debt financing and revenues and expenditures related to authorized construction and related capital acquisitions

Additionally, the County reports the following fund types:

Road and Bridge – The Road and Bridge Fund accounts for resources used in the construction and maintenance of County roads and bridges.

Special Revenue Fund are used to account for funds that are restricted as to use by Federal or State governments and to account for the proceeds of specific revenue sources that are restricted by county ordinance to expenses for specified purposes.

Fiduciary Funds - Agency funds are used to account for the assets that are held for the benefit of others or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, balances between the funds included in governmental activities are eliminated in the preparation of government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. These transfers are reported in fund financial statements but are eliminated in the preparation of government-wide financial statements.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

D. Cash and Cash Investments

Cash includes amounts in demand deposits. Investments (invested cash) consist of short-term certificates of deposit and are stated at cost. Interest income pertaining to the certificates of deposit is recorded in the fiscal year end on an accrual basis.

In accordance with the State of Texas Statutes, County funds not immediately required to pay obligations may be invested in direct debt securities of the United States, fully collateralized security repurchase agreements purchased under a master contractual agreement that specifies the rights and obligations for which the principal and interest are guaranteed by the County depository, obligations for which the principal and interest are guaranteed by the United States and direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks, or Banks for Cooperatives.

E. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund, Road and Bridge Fund and Interest and Sinking Fund.

F. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Capital Assets

Capital assets, which include land, buildings and improvements and equipment, are reported in the government wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimate useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Property, plant and equipment of the primary government is depreciated using the straight-line method over the following useful lives:

| <u>Assets</u> | <u>Life in Years</u> |
|-----------------------|----------------------|
| Buildings | 50 |
| Improvements | 20 |
| Furniture & Equipment | 10 |
| Automotive | 8 |
| Computer Equipment | 5 |

H. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Fund Balance Classification

- Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners Court.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

I. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category:

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in this category:

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

K. Pensions

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

L. Use of Estimates

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

M. Net Position

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

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. Prior Period Adjustment

The GASB has issued Statement No. 68. “*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*,” which became effective for fiscal year 2015. This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer’s financial statements for any actuarially unfunded portion of pension benefits earned to date.

The implementation of Statement No. 68 resulted restatement of beginning net position for the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date. Prospectively applying these changes results in the adjustments below.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and government-wide statement of activities.

The governmental fund statement of revenue, expenditures, and change in fund balance includes reconciliation between *net changes in fund balance – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation indicates, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”.

The detail of this \$1,196,043 is as follows:

| | |
|---|--------------------|
| Capital outlay-additions | \$ 344,508 |
| Construction in progress | 905,599 |
| Adjustment to capital assets | 1,976,893 |
| Depreciation expense | <u>(2,030,957)</u> |
| Net adjustment to decrease <i>net changes in fund balance -- total governmental funds</i> to arrive at change in <i>net position of governmental activities (Exhibit C-3)</i> | <u>\$1,196,043</u> |

3. AUTHORIZED INVESTMENTS

The County is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

4. DEPOSITS AND INVESTMENTS

At September 30, 2015, the carrying amount of the County’s deposits was \$11,425,136 and total bank balances equaled \$11,477,514. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$52,378 was partially covered by collateral pledged in the County’s name.

4. DEPOSITS AND INVESTMENTS

The fair values of investments at September 30, 2015 are summarized as follows:

| | <u>Rate</u> | <u>WAM (Days)</u> | <u>Maturity</u> | <u>Fair Value</u> |
|---|-------------|-------------------|-----------------|-------------------|
| <u>General Fund</u> | | | | |
| Tex Pool | 0.04% | 55 | | \$ 2,360 |
| | | | | <u>2,360</u> |
| <u>Road & Bridge Fund</u> | | | | |
| Tex Pool | 0.04% | 55 | | 802 |
| | | | | <u>802</u> |
| <u>Debt Service</u> | | | | |
| Tex Pool | 0.04% | 55 | | 4,136 |
| The Bank & Trust (Certificate of Deposit) | 0.25% | | 09/02/14 | 205,486 |
| The Bank & Trust (Certificate of Deposit) | 0.45% | | 08/02/14 | 206,993 |
| The Bank & Trust (Certificate of Deposit) | 0.35% | | 05/02/14 | 205,608 |
| The Bank & Trust (Certificate of Deposit) | 0.25% | | 05/02/15 | 205,472 |
| | | | | <u>827,694</u> |
| Total Investments | | | | <u>\$ 830,856</u> |

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures. The County has the following risks related to deposits and investments:

Interest Rate Risk – In accordance with state law, the County does not purchase any investments with maturities greater than 10 years.

Credit Risk – In accordance with state law, investments in mutual funds and investment pools must be rated at least AAA, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A. Tex Pool investments of the County are rated AAAM by Standard & Poor’s rating services

Concentration of Credit Risk – The County places no limit on the amount the County may invest in any one issuer. The County is currently using the less risky pooled accounts.

5. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the County in accordance with enabling state legislation. 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.

6. EMPLOYEES’ RETIREMENT PLAN

A. Plan Description

The County provides retirement, disability, and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 575 nontraditional defined benefit pension plans.

6. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 102 |
| Inactive employees entitled to but not yet receiving benefits | 153 |
| Active employees | <u>234</u> |
| | <u>489</u> |

Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, 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. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 11.7% and 11.52% in calendar years 2014 and 2015, respectively. The County's contributions to TCDRS for the year ended September 30, 2015, were \$1,027,900, and were equal to the required contributions.

6. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|---|
| Inflation | 3.0% per year |
| Overall payroll growth | 3.5% per year |
| Investment rate of return | 8.1%, net of pension plan investment expense, including inflation |

Mortality rates for active members, retirees, and beneficiaries were based on the following:

| | |
|--|--|
| Depositing members | The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA. |
| Service retirees, beneficiaries and non-depositing members | The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females. |
| Disabled retirees | RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA. |

The actuarial assumptions that determined the total pension liability as of December 31, 2014, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

6. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2015 information for a 7 to 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

| <u>Asset Class</u> | <u>Benchmark</u> | <u>Target Allocation</u> ⁽¹⁾ | <u>Geometric Real Rate of Return (Expected minus Inflation)</u> ⁽²⁾ |
|------------------------------------|--|---|--|
| US Equities | Dow Jones U.S. Total Stock Market Index | 16.50% | 5.35% |
| Private Equity | Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾ | 12.00% | 8.35% |
| Global Equities | MSCI World (net) Index | 1.50% | 5.65% |
| International Equities - Developed | 50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index | 11.00% | 5.35% |
| International Equities - Emerging | 50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index | 9.00% | 6.35% |
| Investment-Grade Bonds | Barclays Capital Aggregate Bond Index | 3.00% | 0.55% |
| High-Yield Bonds | Citigroup High-Yield Cash-Pay Capped Index | 3.00% | 3.75% |
| Opportunistic Credit | Citigroup High-Yield Cash-Pay Capped Index | 5.00% | 5.54% |
| Direct Lending | Citigroup High-Yield Cash-Pay Capped Index | 2.00% | 5.80% |
| Distressed Debt | Citigroup High-Yield Cash-Pay Capped Index | 3.00% | 6.75% |
| REIT Equities | 67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index | 2.00% | 4.00% |
| Commodities | Bloomberg Commodities Index | 2.00% | -0.20% |
| Master Limited Partnerships (MLPs) | Alerian MLP Index | 2.00% | 5.30% |
| Private Real Estate Partnerships | Cambridge Associates Real Estate Index ⁽⁴⁾ | 3.00% | 7.20% |
| Hedge Funds | Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index | 25.00% | 5.15% |

⁽¹⁾ Target asset allocation adopted at the April 2015 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 1.7% per Cliffwater's 2015 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

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

6. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|--|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a) - (b) |
| Balance at 12/31/2013 | \$ 38,825,606 | \$ 37,183,116 | \$ 1,642,490 |
| Changes for the year: | | | |
| Service cost | 1,204,990 | - | 1,204,990 |
| Interest on total pension liability ⁽¹⁾ | 3,123,845 | - | 3,123,845 |
| Effect of economic/demographic gains or losses | (75,870) | - | (75,870) |
| | | | - |
| Refund of contributions | (219,838) | (219,838) | - |
| Benefit payments | (1,514,703) | (1,514,703) | - |
| Administrative expenses | - | (29,587) | 29,587 |
| Member contributions | - | 612,096 | (612,096) |
| Net investment income | - | 2,507,651 | (2,507,651) |
| Employer contributions | - | 1,023,076 | (1,023,076) |
| Other ⁽²⁾ | - | 43,044 | (43,044) |
| Balance at 12/31/2014 | <u>\$ 41,344,030</u> | <u>\$ 39,604,855</u> | <u>\$ 1,739,175</u> |

⁽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.

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-higher (9.1%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------------|---------------------|--------------------------|------------------------|
| | 7.1% | 8.1% | 9.1% |
| Total pension liability | \$ 46,484,540 | \$ 41,344,030 | \$ 37,089,757 |
| Fiduciary net position | <u>39,604,855</u> | <u>39,604,855</u> | <u>39,604,855</u> |
| Net pension liability/(asset) | <u>\$ 6,879,685</u> | <u>\$ 1,739,175</u> | <u>\$ (2,515,098)</u> |

6. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2015, the County recognized pension expense of \$752,377.

At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Inflows of Resources | Deferred Outflows of Resources |
|---|-------------------------------------|--------------------------------------|
| | <u> </u> | <u> </u> |
| Differences between expected and actual economic experience | \$ 56,902 | \$ - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings | - | 424,285 |
| Contributions made subsequent to measurement date | <u>-</u> | <u>790,655</u> |
| Total | <u>\$ 56,902</u> | <u>\$ 1,214,940</u> |

\$790,655 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

| Year Ended December 31, | |
|-----------------------------|-----------|
| <u> </u> | |
| 2015 | \$ 87,104 |
| 2016 | 87,104 |
| 2017 | 87,104 |
| 2018 | 106,071 |
| 2019 | - |
| Thereafter | - |

6. EMPLOYEES' RETIREMENT PLAN

B. Post-employment Health Care

Program Description

In addition to the pension benefits described above, the Commissioners' Court established a medical insurance benefit plan for retirees. Eligible retirees will be provided medical insurance benefits at a set premium rate equal to the County employees' rate. Dental insurance benefits for retirees have a set premium rate equal to the County employees' rate. Eligible retirees may also cover their eligible dependents. Retirees are responsible for paying the premiums. A retiree is defined as someone who is receiving lifetime monthly Texas County and District retirement pension benefit payments and who retired directly from active employment with Val Verde County. The County will stop insurance coverage on the retiree and dependent on the last day of the month when one of the following occurs:

1. The retiree reaches age 65; or
2. The retiree fails to submit the required set premium rate.

Current retirees in the health plan and at retirement, active employees that meet the conditions for retirement from TCDRS (age 60 and above with 8 years or more of service, 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more) are eligible to remain in the health plan at the flat contribution rate for active and retiree participants.

Funding Policy

The County contributions to the Retiree Health Program consist of a pay-as-you-go monthly contribution rate of \$506 per participant. The County contributions to the plan for fiscal year 2015 were \$81,105. Current retirees contribute to the Retiree Health Program without adjustment for age and sex.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-employment benefit (OPEB) cost (expense) for the Retiree Health Program is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the fiscal year ended September 30, 2015, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

| | |
|--|---------------------|
| Annual required contribution (ARC) | \$ 446,680 |
| Interest on net OPEB obligation | 73,988 |
| Adjustment to annual required contribution | <u>(93,941)</u> |
| Annual OPEB cost (expense) | 426,727 |
| Contributions made | <u>(134,243)</u> |
| Change in OPEB | 292,484 |
| Net OPEB obligation (asset), beginning | <u>1,479,765</u> |
| Net OPEB obligation (asset), ending | <u>\$ 1,772,249</u> |

6. EMPLOYEES' RETIREMENT PLAN

B. Post-employment Health Care

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended September 30, 2015, and the two preceding fiscal years were as follows:

| Fiscal Year | Annual OPEB Cost | Employer Amount Contributed | Percentage of OPEB Cost Contributed | Net OPEB Obligation |
|----------------|------------------------|--------------------------------|---|---------------------------|
| 2011 | \$ 400,068 | \$ 111,478 | 27.86% | \$ 1,191,175 |
| 2014 | 400,068 | 111,478 | 27.86% | 1,479,765 |
| 2015 | 426,727 | 134,243 | 31.46% | 1,772,249 |

Funded Status and Funding Progress

The funded status of the Retiree Health Program as of the most recent valuations date is as follows:

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a) /c) |
|--------------------------------|--|---|------------------------------------|--------------------------|-------------------------------------|--|
| 10/1/2010 | \$ - | \$ 3,063,637 | \$ 3,063,637 | 0.00% | \$ 6,404,748 | 47.83% |
| 10/1/2012 | - | 3,398,250 | 3,398,250 | 0.00% | 6,789,291 | 50.05% |
| 10/1/2014 | - | 3,560,462 | 3,560,462 | 0.00% | 7,543,390 | 47.20% |

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations use actuarial methods and assumptions that include techniques that are designed to reduce the effects of a short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The ARC for the current year was determined as part of the December 31, 2014 actuarial valuation using the following methods and assumptions:

6. EMPLOYEES' RETIREMENT PLAN

B. Post-employment Health Care

Actuarial Methods and Assumptions

Actuarial Methods and Assumptions

| | |
|--------------------------|---|
| Actuarial valuation date | 10/1/2012 |
| Actuarial cost method | Projected Unit Credit Cost Method |
| Amortization method | Level as a percentage of payroll |
| Amortization period | Open 30-year period |
| Inflation rate | 3.0% per year |
| Health care trend | Level 5% for medical and level 1.50% for dental |

7. VACATION AND SICK LEAVE POLICIES

All full-time employees are eligible for twelve days vacation upon the completion of their first year of employment and through year four of employment, five to ten years of employment earn fourteen days of vacation, eleven to fifteen years of employment earn eleven days of vacation and employees with fifteen or more years of employment earn twenty-two days of vacation. On the last day of the month following this first anniversary and each month thereafter, the employee shall accrue earned vacation leave at the rate of 8 to 14.66 hours per month depending on years of service.

Sick leave is accrued by full-time employees at the rate of 8 hours per month beginning the last day of the month in which the new employee completes his/her first six months of employment. Upon termination of employment, unused sick leave is cancelled without compensation. Sick leave may be accumulated up to 60 days.

At September 30, 2015, compensated absences amounted to:

| | |
|-------------------------|------------|
| Compensation time | \$ 79,307 |
| Vacation and sick leave | \$ 833,087 |

8. DEFERRED COMPENSATION PLAN

The Val Verde County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them 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.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Val Verde County (without being restricted to the provisions of benefits under the plan), are subject only to the claims of the Val Verde County's general creditors. Participants' rights under the plan are equal to those general creditors of Val Verde County in the amount equal to the fair market value of the deferred account for each participant.

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

9. LONG-TERM DEBT

Series 2011 Pass Through Toll Revenue and Limited Tax Bonds were issued on September 26, 2011, payable in annual installments with interest at 2% to 4%. The repayment amount beginning August 13, 2013 will include principal and interest for a total payment of \$3,703,413. This bond repayment will come from funding provided by Texas Department of Transportation in the form of a pass-through toll agreement between Val Verde County and TxDOT. The payment from TxDOT will range from a minimum of \$3,750,000 a year to a maximum of \$7,500,000 a year to be based upon the number of vehicles miles traveled on the project. Any surplus money received by Val Verde County (reimbursed money from TxDOT in excess of the stated repayment amount of the bonds) will be used to pay down the outstanding bonds issued for the project.

The County issued \$6,000,000 of Limited Tax Bonds, Series 2014 on November 6, 2014. The tax bonds have an interest rate of 2.31% and mature on August 15, 2024.

Capital Lease Obligations are secured by leased equipment, payable in various monthly or quarterly installments with interest at 3.70% to 7.35%.

The County has entered into certain long-term lease-purchase agreements for the purpose of financing the purchase of equipment. In as much as the leases are financing arrangements, which transfer the ownership of the assets to the County at the end of the respective lease terms.

Capital Lease Obligations at September 30, 2015 are as follows:

| Equipment Description | Balance 9/30/2014 | Increase | Decrease | Balance 9/30/2015 |
|--------------------------|----------------------|-------------------|------------------|----------------------|
| Vehicles | \$ 83,085 | \$ 134,011 | \$ 86,786 | \$ 130,310 |
| Total | <u>\$ 83,085</u> | <u>\$ 134,011</u> | <u>\$ 86,786</u> | <u>\$ 130,310</u> |

Combined Annual Requirements to Amortize Long-Term Debt Including Interest

| Year Ending September 30, | Bond Payable | Capital Leases |
|---------------------------------------|----------------------|-------------------|
| 2016 | \$ 4,316,896 | \$ 91,700 |
| 2017 | 4,319,991 | 23,003 |
| 2018 | 4,315,340 | 23,003 |
| 2019 | 4,319,057 | - |
| 2020 | 5,607,715 | - |
| 2021-2025 | <u>17,262,283</u> | <u>-</u> |
| Total Minimum Payments | 40,141,282 | 137,706 |
| Less: Amount Representing Interest | <u>7,366,282</u> | <u>7,396</u> |
| Present Value of Net Minimum Payments | <u>\$ 32,775,000</u> | <u>\$ 130,310</u> |

9. LONG TERM DEBT

Changes in Long-term liabilities

| | Balance 9/30/2014 | Increase | Decrease | Adjustment | Balance 9/30/2015 | Due Within One Year |
|-----------------------|----------------------|---------------------|---------------------|-------------------|----------------------|------------------------|
| 2011 Limited Tax Bond | \$ 29,910,000 | \$ - | \$ 2,565,000 | \$ - | \$ 27,345,000 | \$ 2,640,000 |
| 2014 Limited Tax Bond | - | 6,000,000 | 570,000 | - | 5,430,000 | 550,000 |
| 2013 Tax Note | 940,000 | - | 310,000 | - | 630,000 | 315,000 |
| Capital Leases | 83,085 | 134,011 | 86,786 | - | 130,310 | 87,056 |
| Premium on Bonds | 438,225 | - | 48,692 | - | 389,533 | 48,692 |
| Net OPEB Obligation | 1,191,175 | 292,484 | - | 288,590 | 1,772,249 | - |
| Net Pension liability | - | 2,665,565 | 926,390 | - | 1,739,175 | - |
| Compensated Absences | 650,193 | 262,201 | - | - | 912,394 | - |
| Total | <u>\$ 33,212,678</u> | <u>\$ 9,354,261</u> | <u>\$ 4,506,868</u> | <u>\$ 288,590</u> | <u>\$ 38,348,661</u> | <u>\$ 3,640,748</u> |

Notes Payable

The note payable outstanding at September 30, 2015, was issued for the purpose of obtaining Road and Bridge equipment and improvements. The original principal amount is \$1,240,000 is payable in annual installments with a true interest rate of 1.25%. Final maturity of the note is August 15, 2017.

The annual debt service requirements to maturity for notes payable are as follows:

| Year ended <u>September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|-------------------|------------------|-------------------|
| 2016 | \$ 315,000 | \$ 7,875 | \$ 322,875 |
| 2017 | <u>315,000</u> | <u>3,938</u> | <u>318,938</u> |
| Total | <u>\$ 630,000</u> | <u>\$ 11,813</u> | <u>\$ 641,813</u> |

10. SHORT-TERM DEBT

Short-term debt provides financing for governmental activities. On August 13, 2015, the County obtained short-term notes in the amount of \$910,000. This debt was issued for interim financing for settlement and special projects. On September 23, 2015, the County repaid the note plus \$5,009 in interest at a rate of 4.90%.

11. CAPITAL ASSETS

Capital asset activity for the County for the year ended September 30, 2015, under governmental activities is as follows:

| | Balance 9/30/2014 | Changes During Year | | Balance 9/30/2015 |
|--------------------------------|----------------------|---------------------|---------------------|----------------------|
| | | Additions | Adjustments | |
| Land - nondepreciable | \$ 140,898 | \$ - | \$ - | \$ 140,898 |
| Buildings & improvements | 10,341,001 | - | - | 10,341,001 |
| Furniture & equipment | 8,726,389 | 344,508 | - | 9,070,897 |
| Infrastructure | 45,886,791 | - | 1,655,251 | 47,542,042 |
| Construction in progress | 437,537 | 905,599 | - | 1,343,136 |
| Total depreciable assets, cost | <u>65,391,718</u> | <u>1,250,107</u> | <u>1,655,251</u> | <u>68,297,076</u> |
| Less accumulated depreciation: | | | | |
| Buildings & improvements | 24,109,746 | 1,380,602 | - | 25,490,348 |
| Furniture & equipment | 6,071,517 | 650,355 | (321,642) | 6,400,230 |
| Total accum. depreciation | <u>30,181,263</u> | <u>2,030,957</u> | <u>(321,642)</u> | <u>31,890,578</u> |
| Total depreciable assets, net | <u>35,210,455</u> | <u>(780,850)</u> | <u>1,976,893</u> | <u>36,406,498</u> |
| Governmental activities | | | | |
| Capital assets, net | <u>\$ 35,351,353</u> | <u>\$ (780,850)</u> | <u>\$ 1,976,893</u> | <u>\$ 36,547,396</u> |

Depreciation expense for FY 2015 was charged to functions/programs of the County as follows:

| | |
|------------------------|---------------------|
| General government | \$ 1,464,930 |
| Judicial | 62,960 |
| Legal | 20,919 |
| Highways and streets | 251,432 |
| Public facilities | 20,919 |
| Public safety | 104,797 |
| Health and welfare | 62,960 |
| Culture and recreation | 42,041 |
| Totals | <u>\$ 2,030,957</u> |

12. EXPENDITURES EXCEEDING BUDGET

During the year ended September 30, 2015, expenditures exceeded the budget in the following departments:

| Fund | Department | Expenditures Over Budget |
|--------------|--------------------------------|--------------------------------|
| General Fund | Parks and Building Maintenance | \$ 32,527 |

13. LITIGATION

The county attorney reports some significant pending or threatened lawsuits, claims or assessments. While the outcome of the above noted proceedings cannot be predicted, the opinion of management of these lawsuits may not have a material adverse effect on the accompanying financial statements.

14. CONTINGENT LIABILITIES AND COMMITMENTS

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. A contingent liability was not established because potential reimbursements are considered immaterial.

15. PRIOR PERIOD ADJUSTMENT

The implementation of Statement No. 68 resulted restatement of beginning net position for the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date.

Adjustments to the fund balance and net position during the 2014-2015 year consisted of the following:

| Description | General Fund | Interest and Sinking | Other Nonmajor Funds | Total |
|---|--------------------|-------------------------|-------------------------|-------------------|
| To close out balance sheet items that never materialized | \$ (13,321) | \$ (80,002) | \$ 88,457 | \$ (4,866) |
| Total per Exhibit C-2 | <u>\$ (13,321)</u> | <u>\$ (80,002)</u> | <u>\$ 88,457</u> | <u>(4,866)</u> |
| Adjustments to capital assets | | | | 1,976,893 |
| Change in accounting principle GASB 68 | | | | (856,660) |
| Adjustment for OPEB | | | | <u>(288,590)</u> |
| Total per Exhibit B-1 | | | | <u>\$ 826,777</u> |

REQUIRED SUPPLEMENTARY INFORMATION

VAL VERDE COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property taxes | \$ 8,119,301 | \$ 8,119,301 | \$ 7,844,977 | \$(274,324) |
| Sales tax | 1,850,000 | 1,850,000 | 2,085,747 | 235,747 |
| Intergovernmental | 22,500,000 | 22,500,000 | 23,183,120 | 683,120 |
| Fee of offices | 1,672,500 | 1,672,500 | 1,697,874 | 25,374 |
| Fines and forfeiture | - | - | 21,107 | 21,107 |
| Investment earnings | 10,000 | 10,000 | 21,864 | 11,864 |
| Grant receipts | - | - | 221,210 | 221,210 |
| Hotel tax | 16,800 | 16,800 | 23,435 | 6,635 |
| Miscellaneous | 239,433 | 239,433 | 413,784 | 174,351 |
| Total revenues | <u>34,408,034</u> | <u>34,408,034</u> | <u>35,513,118</u> | <u>1,105,084</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 31,563,385 | 31,563,385 | 31,184,169 | 379,216 |
| Judicial | 1,472,434 | 1,472,434 | 1,408,847 | 63,587 |
| Legal | 640,021 | 640,021 | 605,894 | 34,127 |
| Public safety | 3,381,696 | 3,381,696 | 3,239,608 | 142,088 |
| Health and welfare | 20,200 | 20,200 | 23,042 | (2,842) |
| Culture and recreation | 596,698 | 596,698 | 542,574 | 54,124 |
| Total expenditures | <u>37,674,434</u> | <u>37,674,434</u> | <u>37,004,134</u> | <u>670,300</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(3,266,400)</u> | <u>(3,266,400)</u> | <u>(1,491,016)</u> | <u>1,775,384</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of short-term loan | 910,000 | 910,000 | 910,000 | - |
| Transfers out (uses) | 217,154 | 217,154 | (8,225,839) | (8,442,993) |
| Transfers in | 910,000 | 910,000 | 8,425,339 | 7,515,339 |
| Total other financing sources and (uses) | <u>2,037,154</u> | <u>2,037,154</u> | <u>1,109,500</u> | <u>(927,654)</u> |
| NET CHANGE IN FUND BALANCE | <u>(1,229,246)</u> | <u>(1,229,246)</u> | <u>(381,516)</u> | <u>847,730</u> |
| FUND BALANCE, BEGINNING | 1,651,518 | 1,651,518 | 1,651,518 | - |
| PRIOR PERIOD ADJUSTMENT | <u>(13,321)</u> | <u>(13,321)</u> | <u>(13,321)</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 408,951</u> | <u>\$ 408,951</u> | <u>\$ 1,256,681</u> | <u>\$ 847,730</u> |

VAL VERDE COUNTY, TEXAS
NOTES TO BUDGETARY SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

A. BUDGETARY INFORMATION

The County Judge is, by state statute, the Budget Officer of the County 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 Judge to assist him and the Commissioners' Court on budgetary matters. The County Judge reviews budget requests, holds informal hearings when needed, and fills in columns in budget preparation forms, setting out his budget recommendations to the Commissioners' Court.

The Commissioners' Court holds a public hearing on the budget and department heads may appear. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Expenditure amounts finally budgeted may not exceed the estimate of budgeted revenues and available fund balance.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. Level of control is on a line-item basis.

The following individual funds had adopted budgets for the fiscal year ended September 30, 2015:

- (a) General Fund
- (b) Road and Bridge Fund
- (c) Interest and Sinking Fund

VAL VERDE COUNTY, TEXAS

SCHEDULE OF CHANGES IN
NET PENSION LIABILITY AND RELATED RATIOS

SEPTEMBER 30, 2015

| | <u>2014</u> |
|--|----------------------|
| Total Pension Liability | |
| Service cost | \$ 1,204,990 |
| Interest on total pension liability | 3,123,845 |
| Effect of plan changes | - |
| Effect of assumption changes or inputs | - |
| Effect of economic/demographic (gains) or losses | (75,870) |
| Benefit payments/refunds of contributions | <u>(1,734,541)</u> |
| Net change in pension liability | 2,518,424 |
| Total pension liability, beginning | <u>38,825,606</u> |
| Total pension liability, ending (a) | <u>\$ 41,344,030</u> |
| Fiduciary Net Position | |
| Employes contributions | \$ 1,023,076 |
| Member contributions | 612,096 |
| Investment income net of investment expenses | 2,507,651 |
| Benefit payments/refunds of contributions | (1,734,541) |
| Administrative expenses | (29,587) |
| Other | <u>43,045</u> |
| Net change in fiduciary net position | 2,421,739 |
| Fiduciary net position, beginning | <u>37,183,116</u> |
| Fiduciary net position, ending (b) | <u>\$ 39,604,855</u> |
| Net pension liability / (assets), ending = (a) - (b) | <u>\$ 1,739,175</u> |
| Fiduciary net position as a % of total pension liability | 95.79% |
| Pensionable covered payroll | \$ 8,744,223 |
| Net pension liability as a % of covered payroll | 19.89% |

Note - fiscal 2015 is the year of implementation of GASB 68, and the first year that this information is available.

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN FISCAL YEARS

| Year Ending September 30, | Acturially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Pensionable Covered Payroll | Actual Contribution as a % of Covered Payroll |
|------------------------------|--|---------------------------------|--|-----------------------------------|---|
| 2014 | 1,004,185 | 1,004,185 | - | 8,688,989 | 11.6% |
| 2015 | 1,027,900 | 1,027,900 | - | 8,891,060 | 11.6% |

VAL VERDE COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

SEPTEMBER 30, 2015

| | |
|--|--|
| 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 Normal |
| Asset Valuation Method | |
| Smoothing period | 5 years |
| Recognition method | Non-asymptotic |
| Corridor | None |
| Inflation | 3.0% |
| Salary Increases | 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 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee. |
| Investment Rate of Return | 8.10% |
| Cost-of-Living Adjustments | Cost-of-Living Adjustments for Val Verde 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 | Experience-based table of rates based on a study of the period 2009-2012 |
| Turnover | New employees are assumed to replace any terminated members and have similar entry ages. |
| Mortality | |
| Depositing members | The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA. |
| Service retirees, beneficiaries and non-depositing members | The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females. |
| Disabled retirees | RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA. |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS

SEPTEMBER 30, 2015

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability (AAL)</u> | <u>Unfunded AAL (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a Percentage of Covered Payroll</u> |
|-------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|------------------------|--|
| 10/1/2010 | \$ - | \$ 3,063,637 | \$ 3,063,637 | 0.00% | \$ 6,404,748 | 47.83% |
| 10/1/2012 | - | 3,398,250 | 3,398,250 | 0.00% | 6,789,291 | 50.05% |
| 10/1/2014 | - | 3,560,462 | 3,560,462 | 0.00% | 7,543,390 | 47.20% |

SUPPLEMENTARY INFORMATION

VAL VERDE COUNTY, TEXAS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance Positive (Negative) |
|---------------------------------|----------------------|----------------------|----------------------|------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Current tax | \$ 7,669,301 | \$ 7,669,301 | \$ 7,463,788 | \$(205,513) |
| Delinquent tax | 450,000 | 450,000 | 381,189 | (68,811) |
| State comptroller | 140,000 | 140,000 | 120,808 | (19,192) |
| Health inspector | 25,000 | 25,000 | 30,230 | 5,230 |
| US marshall | 22,500,000 | 22,500,000 | 23,183,120 | 683,120 |
| County sheriff | 70,000 | 70,000 | 91,748 | 21,748 |
| County attorney | 15,000 | 15,000 | 11,906 | (3,094) |
| County clerk | 200,000 | 200,000 | 197,824 | (2,176) |
| Tax collector | 450,000 | 450,000 | 413,829 | (36,171) |
| District clerk | 145,000 | 145,000 | 144,126 | (874) |
| Justice of the peace #1 | 50,000 | 50,000 | 37,312 | (12,688) |
| Justice of the peace #2 | 85,000 | 85,000 | 90,647 | 5,647 |
| Justice of the peace #3 | 150,000 | 150,000 | 141,903 | (8,097) |
| Justice of the peace #4 | 35,000 | 35,000 | 28,659 | (6,341) |
| Court at law | 100,000 | 100,000 | 123,566 | 23,566 |
| Interest | 10,000 | 10,000 | 21,864 | 11,864 |
| Fairground lease | 95,000 | 95,000 | 88,037 | (6,963) |
| Sundry | 85,000 | 85,000 | 149,628 | 64,628 |
| County and district board | 27,500 | 27,500 | 27,651 | 151 |
| Grant receipts | - | - | 221,210 | 221,210 |
| Sales tax revenue | 1,850,000 | 1,850,000 | 2,085,747 | 235,747 |
| Hot tax administration | 4,200 | 4,200 | - | (4,200) |
| Library fees | - | - | 21,107 | 21,107 |
| Hotel tax | 16,800 | 16,800 | 23,435 | 6,635 |
| Court at law judge contribution | 81,900 | 81,900 | 84,000 | 2,100 |
| County judge supplement | 15,000 | 15,000 | 17,167 | 2,167 |
| County prosecutor supplement | 23,333 | 23,333 | 23,660 | 327 |
| District attorney | 115,000 | 115,000 | 92,262 | (22,738) |
| Lease of livestock pens | - | - | 20,000 | 20,000 |
| Miscellaneous | - | - | 176,695 | 176,695 |
| Total revenues | <u>\$ 34,408,034</u> | <u>\$ 34,408,034</u> | <u>\$ 35,513,118</u> | <u>\$ 1,105,084</u> |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------|------------------|----------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES | | | | |
| General government: | | | | |
| County Judge: | | | | |
| Salaries | \$ 346,463 | \$ 346,463 | \$ 341,803 | \$ 4,660 |
| Office supplies | 9,500 | 9,500 | 8,137 | 1,363 |
| Travel and training | 9,500 | 9,500 | 10,202 | (702) |
| Emergency management | 15,500 | 15,500 | 3,929 | 11,571 |
| Total county judge | <u>380,963</u> | <u>380,963</u> | <u>364,071</u> | <u>16,892</u> |
| County Clerk: | | | | |
| Salaries | 364,454 | 364,454 | 363,268 | 1,186 |
| Office supplies | 25,000 | 25,000 | 24,548 | 452 |
| Travel and training | 7,500 | 7,500 | 5,384 | 2,116 |
| Computer maintenance | 45,000 | 45,000 | 35,653 | 9,347 |
| Total county clerk | <u>441,954</u> | <u>441,954</u> | <u>428,853</u> | <u>13,101</u> |
| Veterans Office: | | | | |
| Salaries | 73,452 | 73,452 | 73,666 | (214) |
| Office supplies | 4,000 | 3,500 | 3,332 | 168 |
| Travel and training | 1,500 | 2,000 | 1,948 | 52 |
| Current Rent | 6,240 | 6,240 | 6,240 | - |
| Total veterans office | <u>85,192</u> | <u>85,192</u> | <u>85,186</u> | <u>6</u> |
| District Clerk: | | | | |
| Salaries | 337,401 | 337,401 | 329,651 | 7,750 |
| Office supplies | 20,000 | 20,000 | 21,362 | (1,362) |
| Travel and training | 6,000 | 6,000 | 3,205 | 2,795 |
| Storage | 1,060 | 1,060 | 900 | 160 |
| Software maintenance | 10,000 | 10,000 | 10,000 | - |
| Total district clerk | <u>374,461</u> | <u>374,461</u> | <u>365,118</u> | <u>9,343</u> |
| County Auditor: | | | | |
| Salaries | 291,408 | 291,408 | 291,582 | (174) |
| Office supplies | 12,500 | 12,500 | 8,870 | 3,630 |
| Travel & training | 7,500 | 7,500 | 2,232 | 5,268 |
| Rent | 18,000 | 18,000 | 18,000 | - |
| Total county auditor | <u>329,408</u> | <u>329,408</u> | <u>320,684</u> | <u>8,724</u> |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| General government: (continued) | | | | |
| County Treasurer: | | | | |
| Salaries | \$ 123,999 | \$ 123,999 | \$ 124,718 | \$ (719) |
| Office supplies | 6,000 | 6,000 | 4,467 | 1,533 |
| Travel & training | 3,000 | 3,000 | 2,978 | 22 |
| Rent | 12,172 | 12,172 | 12,624 | (452) |
| Total county treasurer | 145,171 | 145,171 | 144,787 | 384 |
| Tax Collector: | | | | |
| Salaries | 414,000 | 414,000 | 410,990 | 3,010 |
| Computer maintenance | 23,775 | 23,775 | 23,626 | 149 |
| Office supplies | 23,000 | 26,000 | 21,622 | 4,378 |
| Travel & training | 11,800 | 11,800 | 11,306 | 494 |
| Postage | 31,000 | 28,000 | 18,859 | 9,141 |
| Total tax collector | 503,575 | 503,575 | 486,403 | 17,172 |
| Purchasing: | | | | |
| Salaries | 147,098 | 147,098 | 147,518 | (420) |
| Office supplies | 2,000 | 2,000 | 1,210 | 790 |
| Travel & training | 3,000 | 3,000 | 1,020 | 1,980 |
| Total purchasing | 152,098 | 152,098 | 149,748 | 2,350 |
| Agriculture: County Agent | | | | |
| Salaries | 131,209 | 131,209 | 125,501 | 5,708 |
| Office supplies | 2,500 | 2,500 | 2,089 | 411 |
| 1/2 Internet | 725 | 725 | 725 | - |
| Equipment maintenance | 2,500 | 2,500 | 2,201 | 299 |
| Travel | 13,500 | 13,500 | 11,423 | 2,077 |
| Total agriculture | 150,434 | 150,434 | 141,939 | 8,495 |
| Parks & Building Maintenance: | | | | |
| Salaries | 271,254 | 271,254 | 258,587 | 12,667 |
| Contract services | 50,000 | 50,000 | 47,895 | 2,105 |
| Broadway repairs | 10,000 | 10,000 | 7,933 | 2,067 |
| Fairgrounds improvements | 10,000 | 10,000 | 7,169 | 2,831 |
| Materials | 30,000 | 30,000 | 27,259 | 2,741 |
| Fuel | 25,000 | 25,000 | 16,625 | 8,375 |
| Building repairs | 35,000 | 35,000 | 34,086 | 914 |
| Office supplies | 2,000 | 2,000 | 1,519 | 481 |
| Repairs | 70,000 | 70,000 | 70,597 | (597) |
| Equipment maintenance | 80,000 | 80,000 | 61,946 | 18,054 |
| Utilities | 425,000 | 425,000 | 507,165 | (82,165) |
| Total parks & building maintenance | 1,008,254 | 1,008,254 | 1,040,781 | (32,527) |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| General Government: (continued) | | | | |
| Risk Management: | | | | |
| Salaries | \$ 123,969 | \$ 123,969 | \$ 124,513 | \$ (544) |
| Travel & training | 7,000 | 7,000 | 6,091 | 909 |
| Postage | 1,500 | 1,500 | - | 1,500 |
| Auto expense | 7,000 | 7,000 | 4,010 | 2,990 |
| Office supplies | 5,000 | 5,000 | 1,749 | 3,251 |
| Total risk management: | <u>144,469</u> | <u>144,469</u> | <u>136,363</u> | <u>8,106</u> |
| IT Department: | | | | |
| Salaries | 139,160 | 139,160 | 139,670 | (510) |
| Travel & training | 4,000 | 4,000 | 3,710 | 290 |
| Office supplies | 4,000 | 5,500 | 5,042 | 458 |
| Auto Expense | 3,000 | 1,500 | 146 | 1,354 |
| Rent | 5,400 | 5,400 | 5,400 | - |
| Total IT department : | <u>155,560</u> | <u>155,560</u> | <u>153,968</u> | <u>1,592</u> |
| Community Center: | | | | |
| Salaries | 24,265 | 24,265 | 24,359 | (94) |
| Supplies | 2,000 | 2,000 | 1,711 | 289 |
| Fuel | 1,000 | 1,000 | 890 | 110 |
| Total community center: | <u>27,265</u> | <u>27,265</u> | <u>26,960</u> | <u>195</u> |
| Human Resource: | | | | |
| Salaries | 79,693 | 86,164 | 84,632 | 1,532 |
| Travel & training | 1,450 | 889 | 889 | - |
| Office supplies | 3,500 | 4,061 | 4,151 | (90) |
| Total human resource department : | <u>84,643</u> | <u>91,114</u> | <u>89,672</u> | <u>1,442</u> |
| Non-Departmental: | | | | |
| Insurance - employee and other | 1,650,000 | 1,650,000 | 1,929,281 | (279,281) |
| Section 125 administration fees | 6,000 | 6,000 | 11,014 | (5,014) |
| Membership dues | 35,000 | 35,000 | 20,221 | 14,779 |
| Surveyor | 1,200 | 1,200 | 1,200 | - |
| Grant funds | 150,000 | 150,000 | - | 150,000 |
| Sub-total non-departmental | <u>1,842,200</u> | <u>1,842,200</u> | <u>1,961,716</u> | <u>(119,516)</u> |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| General Government: (continued) | | | | |
| Appraisal offices | \$ 244,624 | \$ 244,624 | \$ 262,939 | \$ (18,315) |
| Advertising | 15,000 | 15,000 | 8,152 | 6,848 |
| Election expense | 65,000 | 65,000 | 58,115 | 6,885 |
| Autopsy- mental | 75,000 | 75,000 | 86,940 | (11,940) |
| Trapper's salary | 25,000 | 25,000 | 25,000 | - |
| Attorneys | 450,000 | 450,000 | 392,902 | 57,098 |
| District attorney allocation | 402,101 | 402,101 | 402,101 | - |
| Audit | 32,500 | 32,500 | 31,400 | 1,100 |
| Juvenile center | 250,000 | 250,000 | 250,000 | - |
| Contingencies | 678,313 | 671,842 | 793,052 | (121,210) |
| Juvenile probation | 33,000 | 33,000 | 33,000 | - |
| Adult probation | 40,000 | 40,000 | 30,000 | 10,000 |
| Historical commission | 3,000 | 3,000 | 3,000 | - |
| Museum | 65,000 | 65,000 | 65,000 | - |
| Casa de la Cultura | 2,500 | 2,500 | 2,500 | - |
| Animal control | 2,000 | 2,000 | 155 | 1,845 |
| Food bank | 18,000 | 18,000 | 18,000 | - |
| Computer expense | 25,000 | 25,000 | 4,347 | 20,653 |
| Second international bridge study | 57,900 | 57,900 | 56,049 | 1,851 |
| Family violence contract | 130,000 | 130,000 | 128,846 | 1,154 |
| Inventory | 5,000 | 5,000 | 2,677 | 2,323 |
| GEO operational fee | 20,700,000 | 20,700,000 | 21,827,548 | (1,127,548) |
| Local prisoner cost | 225,000 | 225,000 | 111,730 | 113,270 |
| GASB 34 | 2,000 | 2,000 | - | 2,000 |
| GASB 45 | 1,000 | 1,000 | - | 1,000 |
| Special events | 10,000 | 10,000 | 6,640 | 3,360 |
| Frontera road match | 225,000 | 225,000 | 36,066 | 188,934 |
| 2013 tax note | - | - | 72,570 | (72,570) |
| Solid waste | 5,000 | 5,000 | 4,435 | 565 |
| Madison government affairs | 42,000 | 42,000 | 42,000 | - |
| Ground water study | 33,000 | 33,000 | - | 33,000 |
| Val Verde administration - 25% | 4,200 | 4,200 | - | 4,200 |
| Del Rio chamber of commerce | 6,720 | 6,720 | 5,056 | 1,664 |
| Hispanic chamber of commerce | 1,680 | 1,680 | 1,264 | 416 |
| Shula school - 5% | 840 | 840 | 632 | 208 |
| Laughlin historic heritage | 336 | 336 | 253 | 83 |
| Del Rio art league | 168 | 168 | 126 | 42 |
| Special events | 2,856 | 2,856 | 2,856 | - |
| Law library | - | - | 49,583 | (49,583) |
| Capital outlay | - | - | 300,153 | (300,153) |
| Prior year hot tax | 16,800 | 16,800 | 1,944 | 14,856 |
| Miscellaneous | - | - | 170,889 | (170,889) |
| Total Non-departmental | <u>25,737,738</u> | <u>25,731,267</u> | <u>27,249,636</u> | <u>(1,518,369)</u> |
| Total general government | <u>31,563,385</u> | <u>31,563,385</u> | <u>31,184,169</u> | <u>379,216</u> |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Judicial: | | | | |
| District Courts: | | | | |
| Salaries | \$ 364,986 | \$ 364,986 | \$ 350,971 | \$ 14,015 |
| Supplies & staff travel | 24,500 | 24,500 | 20,165 | 4,335 |
| Judge insurance | 4,000 | 4,000 | 1,343 | 2,657 |
| Court reporter | 2,400 | 2,400 | 853 | 1,547 |
| Jurors | 45,000 | 45,000 | 14,079 | 30,921 |
| Total district courts | 440,886 | 440,886 | 387,411 | 53,475 |
| Justices of the Peace: | | | | |
| Salaries | 574,595 | 574,595 | 580,397 | (5,802) |
| Office supplies | 25,500 | 25,000 | 20,997 | 4,003 |
| Computer/software maintenance | 16,800 | 15,600 | 11,463 | 4,137 |
| Capital outlay | - | (3,300) | - | (3,300) |
| Travel & training | 24,400 | 29,400 | 26,104 | 3,296 |
| Total justices of the peace | 641,295 | 641,295 | 638,961 | 2,334 |
| County Court at Law: | | | | |
| Salaries | 365,489 | 365,489 | 362,924 | 2,565 |
| Office supplies | 10,500 | 10,500 | 8,342 | 2,158 |
| Travel & training | 6,500 | 6,500 | 4,036 | 2,464 |
| Pitney Bowes | 900 | 900 | 800 | 100 |
| Water & coffee | 615 | 615 | 433 | 182 |
| Postage | 2,250 | 2,250 | 1,940 | 310 |
| Software maintenance | 4,000 | 4,000 | 4,000 | - |
| Total county court at law | 390,254 | 390,254 | 382,475 | 7,779 |
| Total judicial | 1,472,434 | 1,472,434 | 1,408,847 | 63,587 |
| Legal: | | | | |
| County Attorney: | | | | |
| Salaries | 497,521 | 497,521 | 483,032 | 14,489 |
| Office supplies | 17,500 | 17,500 | 17,470 | 30 |
| Travel & training | 5,000 | 5,000 | 5,198 | (198) |
| Civil litigation | 5,000 | 5,000 | 2,984 | 2,016 |
| Total county attorney | 525,021 | 525,021 | 508,684 | 16,337 |
| District Attorney: | | | | |
| Salaries | 95,018 | 95,018 | 95,348 | (330) |
| Other fringe | 7,331 | 7,331 | - | 7,331 |
| Office supplies | 1,651 | 1,651 | 1,649 | 2 |
| Travel & training | 11,000 | 11,000 | 213 | 10,787 |
| Total district attorney | 115,000 | 115,000 | 97,210 | 17,790 |
| Total legal | 640,021 | 640,021 | 605,894 | 34,127 |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Public safety: | | | | |
| Rural Fire and EMS | | | | |
| Salaries | \$ 57,898 | \$ 57,898 | \$ 59,045 | \$ (1,147) |
| Office supplies | 60,000 | 60,000 | 62,127 | (2,127) |
| Travel & training | 5,000 | 5,000 | 2,657 | 2,343 |
| Uniforms | 3,000 | 3,000 | 2,971 | 29 |
| Total Rural Fire and EMS | <u>125,898</u> | <u>125,898</u> | <u>126,800</u> | <u>(902)</u> |
| Sheriff: | | | | |
| Salaries | 2,565,893 | 2,565,893 | 2,507,219 | 58,674 |
| Communications | 53,000 | 65,000 | 50,592 | 14,408 |
| Gun range | 2,500 | 2,500 | 2,490 | 10 |
| Auto expense | 240,000 | 228,000 | 196,357 | 31,643 |
| Ammunition | 20,000 | 20,000 | 11,039 | 8,961 |
| Uniforms | 30,000 | 32,500 | 30,293 | 2,207 |
| Operating supplies | 50,000 | 50,000 | 48,175 | 1,825 |
| Doctor and medications | 10,000 | 7,500 | 6,465 | 1,035 |
| Travel & training | 50,000 | 50,000 | 52,082 | (2,082) |
| Software Maintenance | 20,160 | 20,160 | - | 20,160 |
| Total sheriff | <u>3,041,553</u> | <u>3,041,553</u> | <u>2,904,712</u> | <u>136,841</u> |
| Constables: | | | | |
| Salaries | 202,744 | 202,744 | 203,452 | (708) |
| Travel & training | 6,500 | 6,500 | 2,493 | 4,007 |
| Office supplies | 5,000 | 5,000 | 2,151 | 2,849 |
| Total constables | <u>214,244</u> | <u>214,244</u> | <u>208,096</u> | <u>6,148</u> |
| Total public safety | <u>3,381,696</u> | <u>3,381,696</u> | <u>3,239,608</u> | <u>142,088</u> |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Health and Welfare: (continued) | | | | |
| Welfare: | | | | |
| Burials | \$ 2,500 | \$ 2,500 | \$ - | \$ 2,500 |
| Hospital, etc. | 15,000 | 15,000 | 20,592 | (5,592) |
| Child welfare | 1,500 | 1,500 | 1,250 | - |
| County welfare | 1,200 | 1,200 | 1,200 | - |
| Total welfare | <u>20,200</u> | <u>20,200</u> | <u>23,042</u> | <u>(2,842)</u> |
| | | | | |
| Total health and welfare | <u>20,200</u> | <u>20,200</u> | <u>23,042</u> | <u>(2,842)</u> |
| | | | | |
| Library: | | | | |
| Salaries | 443,998 | 443,998 | 401,800 | 42,198 |
| Office supplies | 20,000 | 20,000 | 20,276 | (276) |
| Computer maintenance | 24,700 | 24,700 | 17,706 | 6,994 |
| Travel & training | 5,000 | 5,000 | 632 | 4,368 |
| Copier maintenance | 10,000 | 10,000 | 4,100 | 5,900 |
| Books, publication and dues | 93,000 | 93,000 | 98,060 | (5,060) |
| Total library | <u>596,698</u> | <u>596,698</u> | <u>542,574</u> | <u>54,124</u> |
| | | | | |
| Total culture and recreation | <u>596,698</u> | <u>596,698</u> | <u>542,574</u> | <u>54,124</u> |
| | | | | |
| Total expenditures | <u>37,674,434</u> | <u>37,674,434</u> | <u>37,004,134</u> | <u>670,300</u> |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND
(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | \$ (3,266,400) | \$ (3,266,400) | \$ (1,491,016) | \$ 1,775,384 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of short-term loan | 910,000 | 910,000 | 910,000 | - |
| Transfers out (uses) | 217,154 | 217,154 | (8,225,839) | (8,442,993) |
| Transfer in | <u>910,000</u> | <u>910,000</u> | <u>8,425,339</u> | <u>7,515,339</u> |
| Total other financing sources (uses) | <u>2,037,154</u> | <u>2,037,154</u> | <u>1,109,500</u> | <u>(927,654)</u> |
| NET CHANGE IN FUND BALANCE | (1,229,246) | (1,229,246) | (381,516) | 847,730 |
| FUND BALANCE, BEGINNING | 1,651,518 | 1,651,518 | 1,651,518 | - |
| PRIOR PERIOD ADJUSTMENT | <u>(13,321)</u> | <u>(13,321)</u> | <u>(13,321)</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 408,951</u> | <u>\$ 408,951</u> | <u>\$ 1,256,681</u> | <u>\$ 847,730</u> |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

INTEREST AND SINKING

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| REVENUES | | | | |
| Taxes | \$ 2,201,305 | \$ 2,201,305 | \$ 1,882,316 | \$(318,989) |
| Investment earnings | <u>10,000</u> | <u>10,000</u> | <u>4,939</u> | <u>(5,061)</u> |
| Total revenues | <u>2,211,305</u> | <u>2,211,305</u> | <u>1,887,255</u> | <u>(324,050)</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 3,305,000 | 3,305,000 | 3,445,000 | (140,000) |
| Interest | 1,501,305 | 1,501,305 | 1,206,315 | 294,990 |
| Capital leases | 225,000 | 225,000 | 158,703 | 66,297 |
| Other fees | <u>20,000</u> | <u>20,000</u> | <u>-</u> | <u>20,000</u> |
| Total expenditures | <u>5,051,305</u> | <u>5,051,305</u> | <u>4,810,018</u> | <u>241,287</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (2,840,000) | (2,840,000) | (2,922,763) | (82,763) |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | <u>3,750,000</u> | <u>3,750,000</u> | <u>3,750,000</u> | <u>-</u> |
| Total other financing sources | <u>3,750,000</u> | <u>3,750,000</u> | <u>3,750,000</u> | <u>-</u> |
| OTHER FINANCING (USES) | | | | |
| Short-term loan payment | <u>910,000</u> | <u>910,000</u> | <u>(910,000)</u> | <u>-</u> |
| Total other financing sources and (uses) | <u>4,660,000</u> | <u>4,660,000</u> | <u>2,840,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 1,820,000 | 1,820,000 | (82,763) | (1,902,763) |
| FUND BALANCE, BEGINNING | <u>3,274,832</u> | <u>3,274,832</u> | <u>3,274,832</u> | <u>-</u> |
| PRIOR PERIOD ADJUSTMENT | <u>(80,002)</u> | <u>(80,002)</u> | <u>(80,002)</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 5,014,830</u> | <u>\$ 5,014,830</u> | <u>\$ 3,112,067</u> | <u>\$(1,902,763)</u> |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ROAD AND BRIDGE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Original | Final | Actual | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| REVENUES | | | | |
| Fee of offices | \$ 1,400,000 | \$ 1,400,000 | \$ 917,164 | \$(482,836) |
| Taxes - Current Farm to Market | 358,933 | 358,933 | 339,748 | (19,185) |
| Taxes - Delinquent Farm to Market | 22,000 | 22,000 | 18,058 | (3,942) |
| Investment earnings | 500 | 500 | 425 | (75) |
| Total revenues | <u>1,781,433</u> | <u>1,781,433</u> | <u>1,275,395</u> | <u>(506,038)</u> |
| EXPENDITURES | | | | |
| Pct 1: | | | | |
| Pct 1 out of county travel | 8,500 | 13,000 | 10,262 | 2,738 |
| Pct 1 operating expense | 67,500 | 67,500 | 59,492 | 8,008 |
| Pct 1 paving | 48,000 | 43,500 | 43,787 | (287) |
| Salaries | 259,048 | 259,048 | 257,448 | 1,600 |
| Total Pct 1 | <u>383,048</u> | <u>383,048</u> | <u>370,989</u> | <u>12,059</u> |
| Pct 2: | | | | |
| Pct 2 out of county travel | 8,500 | 8,500 | 8,498 | 2 |
| Pct 2 operating expense | 101,000 | 101,000 | 98,565 | 2,435 |
| Pct 2 paving | 80,000 | 80,000 | 77,892 | 2,108 |
| Salaries | 269,878 | 269,878 | 271,050 | (1,172) |
| Total Pct 2 | <u>459,378</u> | <u>459,378</u> | <u>456,005</u> | <u>3,373</u> |
| Pct 3: | | | | |
| Pct 3 out of county travel | 8,500 | 8,500 | 5,097 | 3,403 |
| Pct 3 operating expense | 106,000 | 106,000 | 93,025 | 12,975 |
| Pct 3 paving | 83,000 | 83,000 | 82,463 | 537 |
| Salaries | 254,080 | 254,080 | 255,055 | (975) |
| Total Pct 3 | <u>451,580</u> | <u>451,580</u> | <u>435,640</u> | <u>15,940</u> |
| Pct 4: | | | | |
| Pct 4 out of county travel | 8,500 | 8,500 | 2,536 | 5,964 |
| Pct 4 operating expense | 106,000 | 106,000 | 86,537 | 19,463 |
| Pct 4 paving | 101,000 | 101,000 | 89,225 | 11,775 |
| Salaries | 236,930 | 236,930 | 221,655 | 15,275 |
| Total Pct 4 | <u>452,430</u> | <u>452,430</u> | <u>399,953</u> | <u>52,477</u> |
| Road and Bridge | | | | |
| Commissioners office expense | 6,500 | 6,500 | 1,857 | 4,643 |
| Right of way fencing - R & B | 1,500 | 1,145 | - | 1,145 |
| Salaries | 26,997 | 26,642 | 27,374 | (732) |
| Total Road and Bridge | <u>34,997</u> | <u>34,287</u> | <u>29,231</u> | <u>5,056</u> |
| Total expenditures | <u>1,781,433</u> | <u>1,780,723</u> | <u>1,691,818</u> | <u>88,905</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>710</u> | <u>(416,423)</u> | <u>83,117</u> |
| NET CHANGE IN FUND BALANCE | <u>-</u> | <u>710</u> | <u>(416,423)</u> | <u>417,133</u> |
| FUND BALANCE, BEGINNING | <u>593,643</u> | <u>593,643</u> | <u>593,643</u> | <u>-</u> |
| PRIOR PERIOD ADJUSTMENT | <u>-</u> | <u>-</u> | <u>77,730</u> | <u>(77,730)</u> |
| FUND BALANCE, ENDING | <u>\$ 593,643</u> | <u>\$ 594,353</u> | <u>\$ 254,950</u> | <u>\$ 339,403</u> |

**NON MAJOR
GOVERNMENTAL FUNDS**

VAL VERDE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

| | Road & Bridge | Special Revenue | Total Nonmajor Governmental Funds |
|--|-------------------|---------------------|--|
| ASSETS | | | |
| Cash in bank | \$ 716,061 | \$ 1,037,061 | \$ 1,753,122 |
| Investments | 802 | - | 802 |
| Taxes receivables (net of allowance) | 58,578 | - | 58,578 |
| Due from other governments | - | 464,444 | 464,444 |
| | <u>\$ 775,441</u> | <u>\$ 1,501,505</u> | <u>\$ 2,276,946</u> |
| LIABILITIES | | | |
| Accounts payable | 120,091 | 412,905 | \$ 532,996 |
| Due to other funds | 341,822 | - | 341,822 |
| Unearned revenue | - | 1,017,000 | 1,017,000 |
| | <u>461,913</u> | <u>1,429,905</u> | <u>1,891,818</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| | 58,578 | - | 58,578 |
| Total deferred inflows of resources | <u>58,578</u> | <u>-</u> | <u>58,578</u> |
| FUND BALANCES | | | |
| Restricted for: | | | |
| Federal or state funds | - | 71,600 | 71,600 |
| Capital projects | - | - | - |
| Unassigned | 254,950 | - | 254,950 |
| Total fund balances | <u>254,950</u> | <u>71,600</u> | <u>326,550</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 775,441</u> | <u>\$ 1,501,505</u> | <u>\$ 2,276,946</u> |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Road & Bridge | Special Revenue | Total Nonmajor Governmental Funds |
|--|-------------------|--------------------|--|
| REVENUES | | | |
| Property taxes | \$ 357,806 | \$ - | \$ 357,806 |
| Intergovernmental | - | 2,665,065 | 2,665,065 |
| Fees of offices | 917,164 | - | 917,164 |
| Investment earnings | 425 | - | 425 |
| Total revenues | <u>1,275,395</u> | <u>2,665,065</u> | <u>3,940,460</u> |
| EXPENDITURES | | | |
| Legal | - | 46,641 | 46,641 |
| Public safety | - | 1,369,084 | 1,369,084 |
| Culture and recreation | - | 35,000 | 35,000 |
| Highways and streets | 1,691,818 | 48,484 | 1,740,302 |
| Health and welfare | - | 1,057,240 | 1,057,240 |
| Public facilities | - | 116,453 | 116,453 |
| Total expenditures | <u>1,691,818</u> | <u>2,672,902</u> | <u>4,364,720</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(416,423)</u> | <u>(7,837)</u> | <u>(424,260)</u> |
| CHANGE IN FUND BALANCE | (416,423) | (7,837) | (424,260) |
| FUND BALANCE, BEGINNING | 593,643 | 68,710 | 662,353 |
| PRIOR PERIOD ADJUSTMENT | <u>77,730</u> | <u>10,727</u> | <u>88,457</u> |
| FUND BALANCE, ENDING | <u>\$ 254,950</u> | <u>\$ 71,600</u> | <u>326,550</u> |

FIDUCIARY FUNDS

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES

SEPTEMBER 30, 2015

| | <u>County Clerk</u> | <u>County Clerk Records Management</u> | <u>County Clerk Criminal Account</u> | <u>County Clerk Civil Account</u> |
|----------------------|-------------------------|--|--|---|
| ASSETS | | | | |
| Cash and investments | \$ 29,027 | \$ - | \$ 17,930 | \$ 3,919 |
| Total assets | <u>\$ 29,027</u> | <u>\$ -</u> | <u>\$ 17,930</u> | <u>\$ 3,919</u> |
| LIABILITIES | | | | |
| Liabilities: | | | | |
| Due to others | \$ 29,027 | \$ - | \$ 17,930 | \$ 3,919 |
| Total liabilities | <u>\$ 29,027</u> | <u>\$ -</u> | <u>\$ 17,930</u> | <u>\$ 3,919</u> |

| County Clerk Probate Account | County Clerk Generosa Ramon Record Management | County Clerk Generosa Ramon Record Archive | County Clerk Miscellaneous Account | Court At Law Escrow Account | Court At Law Civil Cases | Court At Law Criminal Account | Court At Law Justice Technology Fee | District Clerk Child Support Account |
|------------------------------------|---|--|--|-----------------------------------|--------------------------------|-------------------------------------|---|--|
| \$ 5,052 | \$ 302,170 | \$ 300,779 | \$ 30 | \$ 15,144 | \$ 34,421 | \$ 2,044 | \$ 2,361 | \$ - |
| <u>\$ 5,052</u> | <u>\$ 302,170</u> | <u>\$ 300,779</u> | <u>\$ 30</u> | <u>\$ 15,144</u> | <u>\$ 34,421</u> | <u>\$ 2,044</u> | <u>\$ 2,361</u> | <u>\$ -</u> |
| | | | | | | | | |
| \$ 5,052 | \$ 302,170 | \$ 300,779 | \$ 30 | \$ 15,144 | \$ 34,421 | \$ 2,044 | \$ 2,361 | \$ - |
| <u>\$ 5,052</u> | <u>\$ 302,170</u> | <u>\$ 300,779</u> | <u>\$ 30</u> | <u>\$ 15,144</u> | <u>\$ 34,421</u> | <u>\$ 2,044</u> | <u>\$ 2,361</u> | <u>\$ -</u> |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES
(Continued)
SEPTEMBER 30, 2015

| | District Clerk Court Reporter | District Clerk Court Costs | District Clerk Registry Accounts | District Clerk CD Minors | District Clerk MOP 2006 Court Costs | District Clerk MOP Registry Account |
|----------------------|-------------------------------------|----------------------------------|--|-----------------------------|---|---|
| ASSETS | | | | | | |
| Cash and investments | \$ 52,038 | \$ 135,974 | \$ 298,172 | \$ - | \$ 71,586 | \$ 65,028 |
| Total assets | <u>\$ 52,038</u> | <u>\$ 135,974</u> | <u>\$ 298,172</u> | <u>\$ -</u> | <u>\$ 71,586</u> | <u>\$ 65,028</u> |
| LIABILITIES | | | | | | |
| Liabilities: | | | | | | |
| Due to others | \$ 52,038 | \$ 135,974 | \$ 298,172 | \$ - | \$ 71,586 | \$ 65,028 |
| Total liabilities | <u>\$ 52,038</u> | <u>\$ 135,974</u> | <u>\$ 298,172</u> | <u>\$ -</u> | <u>\$ 71,586</u> | <u>\$ 65,028</u> |

EXHIBIT H-3

| <u>Justice of the Peace 1</u> | <u>Justice of the Peace 2</u> | <u>Justice of the Peace 3</u> | <u>Justice of the Peace 4</u> | <u>County Attorney Special Account</u> |
|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|
| \$ 11,891 | \$ 20,405 | \$ 33,829 | \$ 7,506 | \$ 8,914 |
| <u>\$ 11,891</u> | <u>\$ 20,405</u> | <u>\$ 33,829</u> | <u>\$ 7,506</u> | <u>\$ 8,914</u> |
| | | | | |
| \$ 11,891 | \$ 20,405 | \$ 33,829 | \$ 7,506 | \$ 8,914 |
| <u>\$ 11,891</u> | <u>\$ 20,405</u> | <u>\$ 33,829</u> | <u>\$ 7,506</u> | <u>\$ 8,914</u> |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES
(Continued)
SEPTEMBER 30, 2015

| | <u>County Attorney Collection Account</u> | <u>County Attorney Merchant Account</u> | <u>Tax Assessor Property Tax</u> | <u>Tax Assessor Escrow Account #2</u> | <u>Tax Assessor Vit Escrow Account</u> | <u>Tax Assessor Collector of Taxes</u> |
|----------------------|---|---|--------------------------------------|---|--|--|
| ASSETS | | | | | | |
| Cash and investments | \$ 24,344 | \$ 17,382 | \$ 485,939 | \$ 141,219 | \$ 233,991 | \$ 174,325 |
| Total assets | <u>\$ 24,344</u> | <u>\$ 17,382</u> | <u>\$ 485,939</u> | <u>\$ 141,219</u> | <u>\$ 233,991</u> | <u>\$ 174,325</u> |
| LIABILITIES | | | | | | |
| Liabilities: | | | | | | |
| Due to others | \$ 24,344 | \$ 17,382 | \$ 485,939 | \$ 141,219 | \$ 233,991 | \$ 174,325 |
| Total liabilities | <u>\$ 24,344</u> | <u>\$ 17,382</u> | <u>\$ 485,939</u> | <u>\$ 141,219</u> | <u>\$ 233,991</u> | <u>\$ 174,325</u> |

EXHIBIT H-3

| Library Memorial Account | Sheriff's Account | Sheriff's Account Eight Liners | Sheriff's Account Forfeiture DOJ Account | Sheriff's Account Texas Forfeiture Account | Sheriff's Account Cash bonds |
|--------------------------------|----------------------|--------------------------------------|--|--|---------------------------------|
| - | \$ 15,674 | \$ 63 | \$ 20,675 | \$ 45 | \$ 2,000 |
| <u>\$ -</u> | <u>\$ 15,674</u> | <u>\$ 63</u> | <u>\$ 20,675</u> | <u>\$ 45</u> | <u>\$ 2,000</u> |
| | | | | | |
| - | \$ 15,674 | \$ 63 | \$ 20,675 | \$ 45 | \$ 2,000 |
| <u>\$ -</u> | <u>\$ 15,674</u> | <u>\$ 63</u> | <u>\$ 20,675</u> | <u>\$ 45</u> | <u>\$ 2,000</u> |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES
(Continued)
SEPTEMBER 30, 2015

| | Sheriff's Account TUSC Account | Sheriff's Reserve Deputy Unit | County Welfare | District Clerk Record Preservation |
|----------------------|--------------------------------------|-------------------------------------|-------------------|--|
| ASSETS | | | | |
| Cash and investments | \$ 15,058 | \$ 9,008 | \$ 25,640 | \$ 24,696 |
| Total assets | <u>\$ 15,058</u> | <u>\$ 9,008</u> | <u>\$ 25,640</u> | <u>\$ 24,696</u> |
| LIABILITIES | | | | |
| Liabilities: | | | | |
| Due to others | \$ 15,058 | \$ 9,008 | \$ 25,640 | \$ 24,696 |
| Total liabilities | <u>\$ 15,058</u> | <u>\$ 9,008</u> | <u>\$ 25,640</u> | <u>\$ 24,696</u> |

EXHIBIT H-3

| <u>Justice of Peace 1 Tech Fund</u> | <u>Justice of Peace 2 Tech Fund</u> | <u>Justice of Peace 3 Tech Fund</u> | <u>Justice of Peace 4 Tech Fund</u> | <u>County Clerk Trust Fund</u> | <u>Election Service Contract</u> |
|---|---|---|---|--|--|
| \$ 5,563 | \$ 10,037 | \$ 8,839 | \$ 6,576 | \$ 81,726 | \$ 6,195 |
| <u>\$ 5,563</u> | <u>\$ 10,037</u> | <u>\$ 8,839</u> | <u>\$ 6,576</u> | <u>\$ 81,726</u> | <u>\$ 6,195</u> |
| | | | | | |
| \$ 5,563 | \$ 10,037 | \$ 8,839 | \$ 6,576 | \$ 81,726 | \$ 6,195 |
| <u>\$ 5,563</u> | <u>\$ 10,037</u> | <u>\$ 8,839</u> | <u>\$ 6,576</u> | <u>\$ 81,726</u> | <u>\$ 6,195</u> |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES
(Continued)
SEPTEMBER 30, 2015

| | County Library Special Account | District Clerk Record Archive | District Clerk On Minors | Total Agency Funds | Debt Service Fund | Capital Projects Fund | Total Agency Funds |
|----------------------|--------------------------------------|-------------------------------------|--------------------------------|--------------------------|-------------------------|-----------------------------|--------------------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ - | \$ 16,445 | \$ - | \$ 2,743,663 | - | - | \$ 2,743,663 |
| Total assets | <u>\$ -</u> | <u>\$ 16,445</u> | <u>\$ -</u> | <u>\$ 2,743,663</u> | <u>-</u> | <u>-</u> | <u>\$ 2,743,663</u> |
| LIABILITIES | | | | | | | |
| Liabilities: | | | | | | | |
| Due to others | \$ - | \$ 16,445 | \$ - | \$ 2,743,663 | - | - | \$ 2,743,663 |
| Total liabilities | <u>\$ -</u> | <u>\$ 16,445</u> | <u>\$ -</u> | <u>\$ 2,743,663</u> | <u>-</u> | <u>-</u> | <u>\$ 2,743,663</u> |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES - ALL FIDUCIARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | 10/1/2014 | Additions | Deductions | Adjustments | 9/30/2015 |
|--|------------|------------|------------|-------------|------------|
| <u>COUNTY CLERK</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 25,232 | \$ 327,865 | \$ 324,070 | \$ - | \$ 29,027 |
| Due from others | - | - | - | - | - |
| Total Assets | \$ 25,232 | \$ 327,865 | \$ 324,070 | \$ - | \$ 29,027 |
| Liabilities: | | | | | |
| Due to others | \$ 25,232 | \$ 327,865 | \$ 324,070 | \$ - | \$ 29,027 |
| Bank overdraft | - | - | - | - | - |
| Total Liabilities | \$ 25,232 | \$ 327,865 | \$ 324,070 | \$ - | \$ 29,027 |
| <u>COUNTY CLERK RECORDS MANAGEMENT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 1 | \$ - | \$ - | \$ 1 | \$ - |
| Total Assets | \$ 1 | \$ - | \$ - | \$ 1 | \$ - |
| Liabilities: | | | | | |
| Due to others | \$ 1 | \$ - | \$ - | \$ 1 | \$ - |
| Total Liabilities | \$ 1 | \$ - | \$ - | \$ 1 | \$ - |
| <u>COUNTY CLERK CRIMINAL ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 16,213 | \$ 176,402 | \$ 174,685 | \$ - | \$ 17,930 |
| Total Assets | \$ 16,213 | \$ 176,402 | \$ 174,685 | \$ - | \$ 17,930 |
| Liabilities: | | | | | |
| Due to others | \$ 16,213 | \$ 176,402 | \$ 174,685 | \$ - | \$ 17,930 |
| Total Liabilities | \$ 16,213 | \$ 176,402 | \$ 174,685 | \$ - | \$ 17,930 |
| <u>COUNTY CLERK CIVIL ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 2,719 | \$ 42,234 | \$ 41,034 | \$ - | \$ 3,919 |
| Due from others | - | - | - | - | - |
| Total Assets | \$ 2,719 | \$ 42,234 | \$ 41,034 | \$ - | \$ 3,919 |
| Liabilities: | | | | | |
| Due to others | \$ 2,719 | \$ 42,234 | \$ 41,034 | \$ - | \$ 3,919 |
| Bank overdraft | - | - | - | - | - |
| Total Liabilities | \$ 2,719 | \$ 42,234 | \$ 41,034 | \$ - | \$ 3,919 |
| <u>COUNTY CLERK PROBATE ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 4,658 | \$ 21,597 | \$ 21,204 | \$ - | \$ 5,052 |
| Total Assets | \$ 4,658 | \$ 21,597 | \$ 21,204 | \$ - | \$ 5,052 |
| Liabilities: | | | | | |
| Due to others | \$ 4,658 | \$ 21,597 | \$ 21,204 | \$ - | \$ 5,052 |
| Total Liabilities | \$ 4,658 | \$ 21,597 | \$ 21,204 | \$ - | \$ 5,052 |
| <u>COUNTY CLERK - GENEROSA RAMON - RECORD MANAGEMENT FUND</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 273,989 | \$ 69,654 | \$ 41,473 | \$ - | \$ 302,170 |
| Total Assets | \$ 273,989 | \$ 69,654 | \$ 41,473 | \$ - | \$ 302,170 |
| Liabilities: | | | | | |
| Due to others | \$ 273,989 | \$ 69,654 | \$ 41,473 | \$ - | \$ 302,170 |
| Total Liabilities | \$ 273,989 | \$ 69,654 | \$ 41,473 | \$ - | \$ 302,170 |
| <u>COUNTY CLERK - GENEROSA RAMON - RECORD ARCHIVE FUND</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 258,768 | \$ 64,569 | \$ 22,558 | \$ - | \$ 300,779 |
| Total Assets | \$ 258,768 | \$ 64,569 | \$ 22,558 | \$ - | \$ 300,779 |
| Liabilities: | | | | | |
| Due to others | \$ 258,768 | \$ 64,569 | \$ 22,558 | \$ - | \$ 300,779 |
| Total Liabilities | \$ 258,768 | \$ 64,569 | \$ 22,558 | \$ - | \$ 300,779 |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL FIDUCIARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | 10/1/2014 | Additions | Deductions | Adjustments | 9/30/2015 |
|--|-----------|-----------|------------|-------------|-----------|
| <u>COUNTY CLERK MISCELLANEOUS ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 30 | \$ - | \$ - | \$ - | \$ 30 |
| Due from others | - | - | - | - | - |
| Total Assets | \$ 30 | \$ - | \$ - | \$ - | \$ 30 |
| Liabilities: | | | | | |
| Due to others | \$ 30 | \$ - | \$ - | \$ - | \$ 30 |
| Bank overdraft | - | - | - | - | - |
| Total Liabilities | \$ 30 | \$ - | \$ - | \$ - | \$ 30 |
| <u>COURT AT LAW ESCROW ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 15,144 | \$ - | \$ - | \$ - | \$ 15,144 |
| Total Assets | \$ 15,144 | \$ - | \$ - | \$ - | \$ 15,144 |
| Liabilities: | | | | | |
| Due to others | \$ 15,144 | \$ - | \$ - | \$ - | \$ 15,144 |
| Total Liabilities | \$ 15,144 | \$ - | \$ - | \$ - | \$ 15,144 |
| <u>COURT AT LAW CIVIL CASES</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 34,421 | \$ - | \$ - | \$ - | \$ 34,421 |
| Total Assets | \$ 34,421 | \$ - | \$ - | \$ - | \$ 34,421 |
| Liabilities: | | | | | |
| Due to others | \$ 34,421 | \$ - | \$ - | \$ - | \$ 34,421 |
| Total Liabilities | \$ 34,421 | \$ - | \$ - | \$ - | \$ 34,421 |
| <u>COURT AT LAW CRIMINAL ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 2,044 | \$ - | \$ - | \$ - | \$ 2,044 |
| Due from others | - | - | - | - | - |
| Total Assets | \$ 2,044 | \$ - | \$ - | \$ - | \$ 2,044 |
| Liabilities: | | | | | |
| Due to others | \$ 2,044 | \$ - | \$ - | \$ - | \$ 2,044 |
| Bank overdraft | - | - | - | - | - |
| Total Liabilities | \$ 2,044 | \$ - | \$ - | \$ - | \$ 2,044 |
| <u>COURT AT LAW JUSTICE TECHNOLOGY FEE</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 4,419 | \$ 949 | \$ 3,007 | \$ - | \$ 2,361 |
| Total Assets | \$ 4,419 | \$ 949 | \$ 3,007 | \$ - | \$ 2,361 |
| Liabilities: | | | | | |
| Due to others | \$ 4,419 | \$ 949 | \$ 3,007 | \$ - | \$ 2,361 |
| Total Liabilities | \$ 4,419 | \$ 949 | \$ 3,007 | \$ - | \$ 2,361 |
| <u>DISTRICT CLERK CHILD SUPPORT ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 996 | \$ - | \$ - | \$ 996 | \$ - |
| Total Assets | \$ 996 | \$ - | \$ - | \$ 996 | \$ - |
| Liabilities: | | | | | |
| Due to others | \$ 996 | \$ - | \$ - | \$ 996 | \$ - |
| Total Liabilities | \$ 996 | \$ - | \$ - | \$ 996 | \$ - |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL FIDUCIARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | 10/1/2014 | Additions | Deductions | Adjustments | 9/30/2015 |
|---|------------|------------|------------|-------------|------------|
| <u>DISTRICT CLERK COURT REPORTER</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 101,002 | \$ 4,999 | \$ 21,596 | \$ 32,367 | \$ 52,038 |
| Total Assets | \$ 101,002 | \$ 4,999 | \$ 21,596 | \$ 32,367 | \$ 52,038 |
| Liabilities: | | | | | |
| Due to others | \$ 101,002 | \$ 4,999 | \$ 21,596 | \$ 32,367 | \$ 52,038 |
| Total Liabilities | \$ 101,002 | \$ 4,999 | \$ 21,596 | \$ 32,367 | \$ 52,038 |
| <u>DISTRICT CLERK COURT COSTS</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 90,749 | \$ 412,066 | \$ 360,794 | \$ 6,047 | \$ 135,974 |
| Total Assets | \$ 90,749 | \$ 412,066 | \$ 360,794 | \$ 6,047 | \$ 135,974 |
| Liabilities: | | | | | |
| Due to others | \$ 90,749 | \$ 412,066 | \$ 360,794 | \$ 6,047 | \$ 135,974 |
| Total Liabilities | \$ 90,749 | \$ 412,066 | \$ 360,794 | \$ 6,047 | \$ 135,974 |
| <u>DISTRICT CLERK REGISTRY ACCOUNTS</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 180,827 | \$ 374,411 | \$ 167,825 | \$ 89,241 | \$ 298,172 |
| Total Assets | \$ 180,827 | \$ 374,411 | \$ 167,825 | \$ 89,241 | \$ 298,172 |
| Liabilities: | | | | | |
| Due to others | \$ 180,827 | \$ 374,411 | \$ 167,825 | \$ 89,241 | \$ 298,172 |
| Total Liabilities | \$ 180,827 | \$ 374,411 | \$ 167,825 | \$ 89,241 | \$ 298,172 |
| <u>DISTRICT CLERK CD MINORS</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 186,842 | \$ - | \$ - | \$ 186,842 | \$ - |
| Total Assets | \$ 186,842 | \$ - | \$ - | \$ 186,842 | \$ - |
| Liabilities: | | | | | |
| Due to others | \$ 186,842 | \$ - | \$ - | \$ 186,842 | \$ - |
| Total Liabilities | \$ 186,842 | \$ - | \$ - | \$ 186,842 | \$ - |
| <u>DISTRICT CLERK - MOP 2006 COURT COSTS</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 71,586 | \$ - | \$ - | \$ - | \$ 71,586 |
| Total Assets | \$ 71,586 | \$ - | \$ - | \$ - | \$ 71,586 |
| Liabilities: | | | | | |
| Due to others | \$ 71,586 | \$ - | \$ - | \$ - | \$ 71,586 |
| Total Liabilities | \$ 71,586 | \$ - | \$ - | \$ - | \$ 71,586 |
| <u>DISTRICT CLERK - MOP REGISRY ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ 65,028 | \$ 65,028 |
| Total Assets | \$ - | \$ - | \$ - | \$ 65,028 | \$ 65,028 |
| Liabilities: | | | | | |
| Due to others | \$ - | \$ - | \$ - | \$ 65,028 | \$ 65,028 |
| Total Liabilities | \$ - | \$ - | \$ - | \$ 65,028 | \$ 65,028 |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL FIDUCIARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | 10/1/2014 | Additions | Deductions | Adjustments | 9/30/2015 |
|---|-----------|------------|------------|-------------|-----------|
| <u>JUSTICE OF THE PEACE 1</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 3,759 | \$ 89,422 | \$ 81,290 | \$ - | \$ 11,891 |
| Total Assets | \$ 3,759 | \$ 89,422 | \$ 81,290 | \$ - | \$ 11,891 |
| Liabilities: | | | | | |
| Due to others | \$ 3,759 | \$ 89,422 | \$ 81,290 | \$ - | \$ 11,891 |
| Total Liabilities | \$ 3,759 | \$ 89,422 | \$ 81,290 | \$ - | \$ 11,891 |
| <u>JUSTICE OF THE PEACE 2</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 31,548 | \$ 220,530 | \$ 231,674 | \$ - | \$ 20,405 |
| Total Assets | \$ 31,548 | \$ 220,530 | \$ 231,674 | \$ - | \$ 20,405 |
| Liabilities: | | | | | |
| Due to others | \$ 31,548 | \$ 220,530 | \$ 231,674 | \$ - | \$ 20,405 |
| Total Liabilities | \$ 31,548 | \$ 220,530 | \$ 231,674 | \$ - | \$ 20,405 |
| <u>JUSTICE OF THE PEACE 3</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 38,245 | \$ 266,086 | \$ 270,503 | \$ - | \$ 33,829 |
| Total Assets | \$ 38,245 | \$ 266,086 | \$ 270,503 | \$ - | \$ 33,829 |
| Liabilities: | | | | | |
| Due to others | \$ 38,245 | \$ 266,086 | \$ 270,503 | \$ - | \$ 33,829 |
| Total Liabilities | \$ 38,245 | \$ 266,086 | \$ 270,503 | \$ - | \$ 33,829 |
| <u>JUSTICE OF THE PEACE 4</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 6,915 | \$ 61,208 | \$ 57,739 | \$ 2,878 | \$ 7,506 |
| Total Assets | \$ 6,915 | \$ 61,208 | \$ 57,739 | \$ 2,878 | \$ 7,506 |
| Liabilities: | | | | | |
| Due to others | \$ 6,915 | \$ 61,208 | \$ 57,739 | \$ 2,878 | \$ 7,506 |
| Total Liabilities | \$ 6,915 | \$ 61,208 | \$ 57,739 | \$ 2,878 | \$ 7,506 |
| <u>COUNTY ATTORNEY PRE-TRIAL DIVERSION</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 27 | \$ 11,017 | \$ 2,103 | \$ 27 | \$ 8,914 |
| Total Assets | \$ 27 | \$ 11,017 | \$ 2,103 | \$ 27 | \$ 8,914 |
| Liabilities: | | | | | |
| Due to others | \$ 27 | \$ 11,017 | \$ 2,103 | \$ 27 | \$ 8,914 |
| Total Liabilities | \$ 27 | \$ 11,017 | \$ 2,103 | \$ 27 | \$ 8,914 |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL FIDUCIARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | 10/1/2014 | Additions | Deductions | Adjustments | 9/30/2015 |
|--|-------------------|----------------------|----------------------|-------------------|-------------------|
| <u>COUNTY ATTORNEY COLLECTION ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 24,645 | \$ 2,207 | \$ 2,469 | \$ 39 | \$ 24,344 |
| Total Assets | <u>\$ 24,645</u> | <u>\$ 2,207</u> | <u>\$ 2,469</u> | <u>\$ 39</u> | <u>\$ 24,344</u> |
| Liabilities: | | | | | |
| Due to others | \$ 24,645 | \$ 2,207 | \$ 2,469 | \$ 39 | \$ 24,344 |
| Total Liabilities | <u>\$ 24,645</u> | <u>\$ 2,207</u> | <u>\$ 2,469</u> | <u>\$ 39</u> | <u>\$ 24,344</u> |
| <u>COUNTY ATTORNEY MERCHANT ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 16,605 | \$ 20,689 | \$ 19,911 | \$ - | \$ 17,382 |
| Total Assets | <u>\$ 16,605</u> | <u>\$ 20,689</u> | <u>\$ 19,911</u> | <u>\$ -</u> | <u>\$ 17,382</u> |
| Liabilities: | | | | | |
| Due to others | \$ 16,605 | \$ 20,689 | \$ 19,911 | \$ - | \$ 17,382 |
| Total Liabilities | <u>\$ 16,605</u> | <u>\$ 20,689</u> | <u>\$ 19,911</u> | <u>\$ -</u> | <u>\$ 17,382</u> |
| <u>TAX ASSESSOR PROPERTY TAX</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 423,384 | \$ 33,996,416 | \$ 33,933,861 | \$ - | \$ 485,939 |
| Total Assets | <u>\$ 423,384</u> | <u>\$ 33,996,416</u> | <u>\$ 33,933,861</u> | <u>\$ -</u> | <u>\$ 485,939</u> |
| Liabilities: | | | | | |
| Due to others | \$ 423,384 | \$ 33,996,416 | \$ 33,933,861 | \$ - | \$ 485,939 |
| Total Liabilities | <u>\$ 423,384</u> | <u>\$ 33,996,416</u> | <u>\$ 33,933,861</u> | <u>\$ -</u> | <u>\$ 485,939</u> |
| <u>TAX ASSESSOR ESCROW ACCOUNT #2</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 306,378 | \$ 35,053 | \$ 42,321 | \$ 157,891 | \$ 141,219 |
| Total Assets | <u>\$ 306,378</u> | <u>\$ 35,053</u> | <u>\$ 42,321</u> | <u>\$ 157,891</u> | <u>\$ 141,219</u> |
| Liabilities: | | | | | |
| Due to others | \$ 306,378 | \$ 35,053 | \$ 42,321 | \$ 157,891 | \$ 141,219 |
| Total Liabilities | <u>\$ 306,378</u> | <u>\$ 35,053</u> | <u>\$ 42,321</u> | <u>\$ 157,891</u> | <u>\$ 141,219</u> |
| <u>TAX ASSESSOR VIT ESCROW ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 186,856 | \$ 320,260 | \$ 273,125 | \$ - | \$ 233,991 |
| Total Assets | <u>\$ 186,856</u> | <u>\$ 320,260</u> | <u>\$ 273,125</u> | <u>\$ -</u> | <u>\$ 233,991</u> |
| Liabilities: | | | | | |
| Due to others | \$ 186,856 | \$ 320,260 | \$ 273,125 | \$ - | \$ 233,991 |
| Total Liabilities | <u>\$ 186,856</u> | <u>\$ 320,260</u> | <u>\$ 273,125</u> | <u>\$ -</u> | <u>\$ 233,991</u> |
| <u>TAX ASSESSOR COLLECTOR OF TAXES</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 208,755 | \$ 10,832,425 | \$ 10,866,855 | \$ - | \$ 174,325 |
| Total Assets | <u>\$ 208,755</u> | <u>\$ 10,832,425</u> | <u>\$ 10,866,855</u> | <u>\$ -</u> | <u>\$ 174,325</u> |
| Liabilities: | | | | | |
| Due to others | \$ 208,755 | \$ 10,832,425 | \$ 10,866,855 | \$ - | \$ 174,325 |
| Total Liabilities | <u>\$ 208,755</u> | <u>\$ 10,832,425</u> | <u>\$ 10,866,855</u> | <u>\$ -</u> | <u>\$ 174,325</u> |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL FIDUCIARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | 10/1/2014 | Additions | Deductions | Adjustments | 9/30/2015 |
|--|------------------|------------------|------------------|-----------------|------------------|
| <u>LIBRARY MEMORIAL ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 2,447 | \$ 400 | \$ 2,847 | \$ - | \$ - |
| Total Assets | <u>\$ 2,447</u> | <u>\$ 400</u> | <u>\$ 2,847</u> | <u>\$ -</u> | <u>\$ -</u> |
| Liabilities: | | | | | |
| Due to others | \$ 2,447 | \$ 400 | \$ 2,847 | \$ - | \$ - |
| Total Liabilities | <u>\$ 2,447</u> | <u>\$ 400</u> | <u>\$ 2,847</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>SHERIFF'S ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 14,310 | \$ 96,774 | \$ 95,410 | \$ - | \$ 15,674 |
| Total Assets | <u>\$ 14,310</u> | <u>\$ 96,774</u> | <u>\$ 95,410</u> | <u>\$ -</u> | <u>\$ 15,674</u> |
| Liabilities: | | | | | |
| Due to others | \$ 14,310 | \$ 96,774 | \$ 95,410 | \$ - | \$ 15,674 |
| Total Liabilities | <u>\$ 14,310</u> | <u>\$ 96,774</u> | <u>\$ 95,410</u> | <u>\$ -</u> | <u>\$ 15,674</u> |
| <u>SHERIFF'S ACCOUNT EIGHT LINERS</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 63 | | | \$ - | \$ 63 |
| Total Assets | <u>\$ 63</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 63</u> |
| Liabilities: | | | | | |
| Due to others | \$ 63 | \$ - | \$ - | \$ - | \$ 63 |
| Total Liabilities | <u>\$ 63</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 63</u> |
| <u>SHERIFF'S ACCOUNT FORFEITURE DOJ ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 25,639 | \$ 8,667 | \$ 13,632 | \$ - | \$ 20,675 |
| Total Assets | <u>\$ 25,639</u> | <u>\$ 8,667</u> | <u>\$ 13,632</u> | <u>\$ -</u> | <u>\$ 20,675</u> |
| Liabilities: | | | | | |
| Due to others | \$ 25,639 | \$ 8,667 | \$ 13,632 | \$ - | \$ 20,675 |
| Total Liabilities | <u>\$ 25,639</u> | <u>\$ 8,667</u> | <u>\$ 13,632</u> | <u>\$ -</u> | <u>\$ 20,675</u> |
| <u>SHERIFF'S ACCOUNT TEXAS FORFEITURE ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | 45 | \$ - | \$ - | \$ - | 45 |
| Total Assets | <u>\$ 45</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45</u> |
| Liabilities: | | | | | |
| Due to others | 45 | \$ - | \$ - | \$ - | 45 |
| Total Liabilities | <u>\$ 45</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45</u> |
| <u>SHERIFF'S ACCOUNT CASH BONDS</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | - | \$ 1,500 | \$ 2,300 | \$ 2,800 | 2,000 |
| Total Assets | <u>\$ -</u> | <u>\$ 1,500</u> | <u>\$ 2,300</u> | <u>\$ 2,800</u> | <u>\$ 2,000</u> |
| Liabilities: | | | | | |
| Due to others | - | \$ 1,500 | \$ 2,300 | \$ 2,800 | 2,000 |
| Total Liabilities | <u>\$ -</u> | <u>\$ 1,500</u> | <u>\$ 2,300</u> | <u>\$ 2,800</u> | <u>\$ 2,000</u> |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL FIDUCIARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | 10/1/2014 | Additions | Deductions | Adjustments | 9/30/2015 |
|--|------------------|-----------------|------------------|-----------------|------------------|
| <u>SHERIFF'S ACCOUNT TUSC ACCOUNT</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 23,894 | \$ 2,633 | \$ 11,469 | \$ - | \$ 15,058 |
| Total Assets | <u>\$ 23,894</u> | <u>\$ 2,633</u> | <u>\$ 11,469</u> | <u>\$ -</u> | <u>\$ 15,058</u> |
| Liabilities: | | | | | |
| Due to others | \$ 23,894 | \$ 2,633 | \$ 11,469 | \$ - | \$ 15,058 |
| Total Liabilities | <u>\$ 23,894</u> | <u>\$ 2,633</u> | <u>\$ 11,469</u> | <u>\$ -</u> | <u>\$ 15,058</u> |
| <u>SHERIFF'S RESERVE DEPUTY UNIT</u> | | | | | |
| Cash and investments | \$ 10,034 | \$ 2,550 | \$ 3,576 | \$ - | \$ 9,008 |
| Total Assets | <u>\$ 10,034</u> | <u>\$ 2,550</u> | <u>\$ 3,576</u> | <u>\$ -</u> | <u>\$ 9,008</u> |
| Liabilities: | | | | | |
| Due to others | \$ 10,034 | \$ 2,550 | \$ 3,576 | \$ - | \$ 9,008 |
| Total Liabilities | <u>\$ 10,034</u> | <u>\$ 2,550</u> | <u>\$ 3,576</u> | <u>\$ -</u> | <u>\$ 9,008</u> |
| <u>COUNTY WELFARE</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 29,386 | \$ 1,214 | \$ 4,959 | \$ - | \$ 25,640 |
| Total Assets | <u>\$ 29,386</u> | <u>\$ 1,214</u> | <u>\$ 4,959</u> | <u>\$ -</u> | <u>\$ 25,640</u> |
| Liabilities: | | | | | |
| Due to others | \$ 29,386 | \$ 1,214 | \$ 4,959 | \$ - | \$ 25,640 |
| Total Liabilities | <u>\$ 29,386</u> | <u>\$ 1,214</u> | <u>\$ 4,959</u> | <u>\$ -</u> | <u>\$ 25,640</u> |
| <u>DISTRICT CLERK RECORD PRESERVATION</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 13,341 | \$ 3,245 | \$ - | \$ 8,110 | \$ 24,696 |
| Total Assets | <u>\$ 13,341</u> | <u>\$ 3,245</u> | <u>\$ -</u> | <u>\$ 8,110</u> | <u>\$ 24,696</u> |
| Liabilities: | | | | | |
| Due to others | \$ 13,341 | \$ 3,245 | \$ - | \$ 8,110 | \$ 24,696 |
| Total Liabilities | <u>\$ 13,341</u> | <u>\$ 3,245</u> | <u>\$ -</u> | <u>\$ 8,110</u> | <u>\$ 24,696</u> |
| <u>JUSTICE OF PEACE 1 TECHNOLOGY FUND</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 4,240 | \$ 1,323 | \$ - | \$ - | \$ 5,563 |
| Total Assets | <u>\$ 4,240</u> | <u>\$ 1,323</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,563</u> |
| Liabilities: | | | | | |
| Due to others | \$ 4,240 | \$ 1,323 | \$ - | \$ - | \$ 5,563 |
| Total Liabilities | <u>\$ 4,240</u> | <u>\$ 1,323</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,563</u> |
| <u>JUSTICE OF PEACE 2 TECHNOLOGY FUND</u> | | | | | |
| Assets: | | | | | |
| Cash and investments | \$ 10,105 | \$ 4,792 | \$ 4,859 | \$ - | \$ 10,037 |
| Total Assets | <u>\$ 10,105</u> | <u>\$ 4,792</u> | <u>\$ 4,859</u> | <u>\$ -</u> | <u>\$ 10,037</u> |
| Liabilities: | | | | | |
| Due to others | \$ 10,105 | \$ 4,792 | \$ 4,859 | \$ - | \$ 10,037 |
| Total Liabilities | <u>\$ 10,105</u> | <u>\$ 4,792</u> | <u>\$ 4,859</u> | <u>\$ -</u> | <u>\$ 10,037</u> |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL FIDUCIARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

JUSTICE OF PEACE 3 TECHNOLOGY FUND

| | | | | | |
|----------------------|-----------|----------|----------|------|----------|
| Assets: | | | | | |
| Cash and investments | \$ 11,818 | \$ 3,625 | \$ 6,604 | \$ - | \$ 8,839 |
| Total Assets | \$ 11,818 | \$ 3,625 | \$ 6,604 | \$ - | \$ 8,839 |
| Liabilities: | | | | | |
| Due to others | \$ 11,818 | \$ 3,625 | \$ 6,604 | \$ - | \$ 8,839 |
| Total Liabilities | \$ 11,818 | \$ 3,625 | \$ 6,604 | \$ - | \$ 8,839 |

JUSTICE OF PEACE 4 TECHNOLOGY FUND

| | | | | | |
|----------------------|----------|--------|----------|------|----------|
| Assets: | | | | | |
| Cash and investments | \$ 8,060 | \$ 810 | \$ 2,294 | \$ - | \$ 6,576 |
| Total Assets | \$ 8,060 | \$ 810 | \$ 2,294 | \$ - | \$ 6,576 |
| Liabilities: | | | | | |
| Due to others | \$ 8,060 | \$ 810 | \$ 2,294 | \$ - | \$ 6,576 |
| Total Liabilities | \$ 8,060 | \$ 810 | \$ 2,294 | \$ - | \$ 6,576 |

COUNTY CLERK TRUST FUND

| | | | | | |
|----------------------|-----------|-----------|-----------|------|-----------|
| Assets: | | | | | |
| Cash and investments | \$ 83,841 | \$ 33,848 | \$ 35,963 | \$ - | \$ 81,726 |
| Total Assets | \$ 83,841 | \$ 33,848 | \$ 35,963 | \$ - | \$ 81,726 |
| Liabilities: | | | | | |
| Due to others | \$ 83,841 | \$ 33,848 | \$ 35,963 | \$ - | \$ 81,726 |
| Total Liabilities | \$ 83,841 | \$ 33,848 | \$ 35,963 | \$ - | \$ 81,726 |

ELECTION SERVICE CONTRACT

| | | | | | |
|----------------------|----------|------|----------|------|----------|
| Assets: | | | | | |
| Cash and investments | \$ 9,602 | \$ - | \$ 3,407 | \$ - | \$ 6,195 |
| Total Assets | \$ 9,602 | \$ - | \$ 3,407 | \$ - | \$ 6,195 |
| Liabilities: | | | | | |
| Due to others | \$ 9,602 | \$ - | \$ 3,407 | \$ - | \$ 6,195 |
| Total Liabilities | \$ 9,602 | \$ - | \$ 3,407 | \$ - | \$ 6,195 |

VAL VERDE COUNTY LIBRARY SPECIAL ACCOUNT

| | | | | | |
|----------------------|-----------|--------|-----------|------|------|
| Assets: | | | | | |
| Cash and investments | \$ 20,284 | \$ 672 | \$ 20,956 | \$ - | \$ - |
| Total Assets | \$ 20,284 | \$ 672 | \$ 20,956 | \$ - | \$ - |
| Liabilities: | | | | | |
| Due to others | \$ 20,284 | \$ 672 | \$ 20,956 | \$ - | \$ - |
| Total Liabilities | \$ 20,284 | \$ 672 | \$ 20,956 | \$ - | \$ - |

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL FIDUCIARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

DISTRICT CLERK RECORD ARCHIVE

| | | | | | |
|----------------------|------------------|-----------------|-------------|-------------|------------------|
| Assets: | | | | | |
| Cash and investments | \$ 12,589 | \$ 3,856 | \$ - | \$ - | \$ 16,445 |
| Total Assets | <u>\$ 12,589</u> | <u>\$ 3,856</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,445</u> |
| Liabilities: | | | | | |
| Due to others | \$ 12,589 | \$ 3,856 | \$ - | \$ - | \$ 16,445 |
| Total Liabilities | <u>\$ 12,589</u> | <u>\$ 3,856</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,445</u> |

DISTRICT CLERK SAVINGS ON MINORS

| | | | | | |
|----------------------|-----------------|-------------|-------------|-----------------|-------------|
| Assets: | | | | | |
| Cash and investments | \$ 7,589 | \$ - | \$ - | \$ 7,589 | \$ - |
| Total Assets | <u>\$ 7,589</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,589</u> | <u>\$ -</u> |
| Liabilities: | | | | | |
| Due to others | \$ 7,589 | \$ - | \$ - | \$ 7,589 | \$ - |
| Total Liabilities | <u>\$ 7,589</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,589</u> | <u>\$ -</u> |

TOTAL-AGENCY FUNDS

| | | | | | |
|----------------------|---------------------|----------------------|----------------------|-------------------|---------------------|
| Assets: | | | | | |
| Cash and investments | \$ 2,804,046 | \$ 47,515,969 | \$ 47,168,373 | \$ 559,856 | \$ 2,743,663 |
| Total assets | <u>\$ 2,804,046</u> | <u>\$ 47,515,969</u> | <u>\$ 47,168,373</u> | <u>\$ 559,856</u> | <u>\$ 2,743,663</u> |
| Liabilities: | | | | | |
| Due to others | \$ 2,804,046 | \$ 47,515,969 | \$ 47,168,373 | \$ 559,856 | \$ 2,743,663 |
| Total liabilities | <u>\$ 2,804,046</u> | <u>\$ 47,515,969</u> | <u>\$ 47,168,373</u> | <u>\$ 559,856</u> | <u>\$ 2,743,663</u> |

STATISTICAL SECTION

VAL VERDE COUNTY, TEXAS
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST SEVEN FISCAL YEARS

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---------------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General government | \$31,812,165 | \$32,199,908 | \$ 30,716,829 | \$ 32,388,331 | \$ 29,129,708 | \$ 28,464,724 | \$ 29,525,712 |
| Public safety | 4,713,489 | 4,602,634 | 3,794,558 | 4,275,125 | 5,814,134 | 3,944,982 | 5,013,805 |
| Judicial | 1,471,807 | 1,533,477 | 1,424,295 | 1,563,253 | 1,496,456 | 1,311,948 | 1,331,200 |
| Public works | - | 24,176 | 20,431 | 19,925 | 18,615 | 603,647 | 1,525,405 |
| Public facilities | 1,187,430 | 1,297,788 | 805,352 | 1,169,173 | 736,170 | 57,492 | 49,381 |
| Legal | 673,454 | 514,428 | 493,827 | 495,575 | 495,479 | 426,053 | 366,633 |
| Highways and streets | 3,517,124 | 2,767,175 | 2,878,894 | 13,310,130 | 1,945,640 | 1,519,546 | 1,627,446 |
| Health and welfare | 1,143,242 | 2,279,491 | 452,048 | 468,568 | 611,067 | 628,319 | 1,368,179 |
| Culture and recreation | 619,615 | 647,545 | 728,707 | 799,923 | 773,470 | 679,250 | 750,975 |
| Debt service - interest on debt | <u>1,321,745</u> | <u>1,256,458</u> | <u>1,230,133</u> | <u>1,103,435</u> | <u>62,328</u> | <u>67,447</u> | <u>67,013</u> |
| TOTAL | <u><u>\$ 46,460,071</u></u> | <u><u>\$ 47,123,081</u></u> | <u><u>\$42,545,074</u></u> | <u><u>\$55,593,438</u></u> | <u><u>\$41,083,067</u></u> | <u><u>\$37,703,408</u></u> | <u><u>\$41,625,749</u></u> |

Note: * GASB 34 was not in effect. No data available.

VAL VERDE COUNTY

GOVERNMENT-WIDE REVENUES

LAST SEVEN FISCAL YEARS

| Fiscal Year | PROGRAM REVENUES | | GENERAL REVENUES | | |
|----------------|----------------------------|---|------------------|-----------|---------------|
| | Charges for Services | Operating Grants and Contributions | Taxes | Interest | Miscellaneous |
| 2015 | \$ 2,636,145 | \$ 30,370,703 | \$ 12,189,176 | \$ 27,690 | \$ 413,784 |
| 2014 | 3,263,423 | 31,449,773 | 11,352,293 | 21,454 | 1,195,217 |
| 2013 | 2,665,576 | 27,875,151 | 10,706,043 | 12,130 | 997,068 |
| 2012 | 2,870,191 | 38,353,529 | 10,488,345 | 14,372 | 151,533 |
| 2011 | 3,214,399 | 27,955,547 | 9,968,683 | 100 | 310,352 |
| 2010 | 3,096,100 | 23,958,527 | 9,559,667 | 13,975 | 66,169 |
| 2009 | 8,703,473 | 23,291,666 | 9,758,138 | 21,255 | 474,814 |

Note: * GASB 34 was not in effect for years prior to 2009. No data available

VAL VERDE COUNTY, TEXAS

**EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES**

LAST TEN FISCAL YEARS
(Unaudited)

| FUNCTION | 2015 | 2014 | 2013 | 2012 | 2011 |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General government | \$ 31,184,169 | \$ 31,397,040 | \$ 29,201,513 | \$ 31,074,205 | \$ 28,536,710 |
| Judicial | 1,408,847 | 1,460,950 | 1,363,005 | 1,503,480 | 1,440,612 |
| Legal | 652,535 | 490,252 | 473,396 | 475,650 | 476,864 |
| Public safety | 4,608,692 | 4,312,524 | 4,557,005 | 4,323,502 | 6,367,742 |
| Health and welfare | 1,080,282 | 2,206,964 | 390,758 | 408,795 | 147,825 |
| Highway and streets | 3,265,692 | 2,646,296 | 2,776,743 | 13,210,508 | 2,204,121 |
| Culture and recreation | 577,574 | 599,194 | 687,848 | 760,074 | 736,241 |
| Public facilities | 1,166,512 | 1,297,788 | 805,352 | 1,169,173 | 736,170 |
| Redemption of principal | 3,445,000 | 2,800,000 | 2,500,000 | 910,000 | 185,000 |
| Debt service interest other | 1,298,520 | 1,177,803 | 1,204,440 | 1,087,160 | 3,904 |
| Capital leases | 158,703 | 115,936 | 125,105 | 153,209 | 209,129 |
| Totals | <u>\$ 48,846,526</u> | <u>\$ 48,504,747</u> | <u>\$ 44,085,165</u> | <u>\$ 55,075,756</u> | <u>\$ 41,044,318</u> |

| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|----|-------------------|----------------------|----------------------|----------------------|----------------------|
| \$ | 26,871,092 | \$ 28,377,690 | \$ 25,778,151 | \$ 25,277,697 | \$ 21,459,526 |
| | 1,311,948 | 1,274,281 | 1,306,886 | 1,321,520 | 1,253,944 |
| | 426,053 | 350,957 | 364,137 | 388,541 | 350,848 |
| | 4,179,771 | 5,015,161 | 3,059,597 | 3,125,504 | 2,569,834 |
| | 628,319 | 1,309,679 | 66,195 | 64,276 | 143,396 |
| | 2,192,061 | 3,581,693 | 1,435,452 | 1,376,125 | 2,026,244 |
| | 679,250 | 718,865 | 690,455 | 869,718 | 670,488 |
| | 57,492 | 47,270 | - | - | - |
| | 345,000 | 335,000 | 615,000 | 615,000 | 484,489 |
| | 67,447 | 67,013 | 53,545 | 65,883 | 109,442 |
| | <u>173,340</u> | <u>132,759</u> | <u>95,032</u> | <u>71,738</u> | <u>36,808</u> |
| \$ | <u>36,931,773</u> | <u>\$ 41,210,368</u> | <u>\$ 33,464,450</u> | <u>\$ 33,176,002</u> | <u>\$ 29,105,019</u> |

VAL VERDE COUNTY, TEXAS

REVENUES BY SOURCES
ALL GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year Ended | Taxes | Intergovernmental | Fee of Offices | Fines and Forfeitures | Interest | Miscellaneous | Total |
|----------------------|---------------|-------------------|-------------------|--------------------------|-----------|---------------|---------------|
| 2015 | \$ 12,170,846 | \$ 30,149,493 | \$ 2,615,038 | \$ 21,107 | \$ 27,690 | \$ 658,429 | \$ 45,642,603 |
| 2014 | 11,186,858 | 31,430,735 | 3,204,060 | 19,976 | 21,454 | 1,215,229 | 47,078,312 |
| 2013 | 10,780,903 | 27,875,151 | 2,645,057 | 20,518 | 12,130 | 1,032,484 | 42,366,243 |
| 2012 | 10,488,345 | 38,802,568 | 2,850,104 | 20,086 | 14,372 | 151,533 | 52,327,008 |
| 2011 | 10,102,502 | 27,955,547 | 2,945,371 | - | 20,706 | 579,379 | 41,603,505 |
| 2010 | 9,559,667 | 23,958,527 | 2,668,936 | - | 13,975 | 493,333 | 36,694,438 |
| 2009 | 9,758,138 | 23,291,666 | 1,947,225 | 422,628 | 21,255 | 6,658,711 | 42,099,623 |
| 2008 | 8,636,346 | 19,712,321 | 2,331,272 | 585,396 | 103,101 | 2,385,253 | 33,753,689 |
| 2007 | 8,615,564 | 22,068,990 | 2,236,879 | 506,513 | 110,603 | 278,978 | 33,817,527 |
| 2006 | 7,764,971 | 17,303,822 | 2,120,460 | 484,054 | 57,787 | 534,713 | 28,265,807 |

VAL VERDE COUNTY, TEXAS

PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(Unaudited)

| <u>Fiscal Year</u> | <u>General Fund</u> | <u>Interest & Sinking Fund</u> | <u>Farm to Market Fund</u> | <u>Hospital</u> | <u>Total Tax Rate</u> |
|--------------------|---------------------|------------------------------------|----------------------------|-----------------|-----------------------|
| 2015 | \$ 0.3888 | \$ 0.0930 | \$ 0.0180 | \$ - | \$ 0.4998 |
| 2014 | 0.3657 | 0.0800 | 0.0180 | - | 0.4637 |
| 2013 | 0.3657 | 0.0800 | 0.0180 | - | 0.4637 |
| 2012 | 0.3657 | 0.0800 | 0.0180 | - | 0.4637 |
| 2011 | 0.3657 | 0.0800 | 0.0180 | - | 0.4637 |
| 2010 | 0.3657 | 0.0800 | 0.0180 | - | 0.4637 |
| 2009 | 0.3657 | 0.0800 | 0.0180 | - | 0.4637 |
| 2008 | 0.3680 | 0.0800 | 0.0180 | - | 0.4660 |
| 2007 | 0.3680 | 0.0800 | 0.0180 | - | 0.4660 |
| 2006 | 0.3680 | 0.0800 | 0.0180 | - | 0.4660 |

VAL VERDE COUNTY, TEXAS

ASSESSED VALUE OF TAXABLE PROPERTY

**LAST TEN FISCAL YEARS
(Unaudited)**

| <u>Fiscal Year Ended September 30,</u> | <u>Real Property</u> | <u>Total</u> |
|--|----------------------|------------------|
| 2015 | \$ 2,105,180,781 | \$ 2,105,180,781 |
| 2014 | 2,042,432,896 | 2,042,432,896 |
| 2013 | 1,921,668,780 | 1,921,668,780 |
| 2012 | 1,904,886,027 | 1,904,886,027 |
| 2011 | 1,842,766,566 | 1,842,766,566 |
| 2010 | 1,710,477,503 | 1,710,477,503 |
| 2009 | 1,574,948,215 | 1,574,948,215 |
| 2008 | 1,630,746,974 | 1,630,746,974 |
| 2007 | 1,411,261,756 | 1,411,261,756 |
| 2006 | 1,338,658,598 | 1,338,658,598 |

FEDERAL AWARDS SECTION



P A T T I L L O , B R O W N & H I L L , L . L . P .
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' 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
Val Verde County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Val Verde County, Texas ("the County"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise of the County's basic financial statements, and have issued our report thereon dated May 26, 2016.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be significant deficiencies. See *Items 2015-01-2015-04*.

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.

Compliance and Other Matters

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

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.

Pattillo, Brown & Hill, C.P.

Brownsville, Texas
May 26, 2016



PATTILLO, BROWN & HILL, L.L.P.
 CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR
 EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
 OMB CIRCULAR A-133**

To the Honorable Judge and
 Members of the Commissioners’ Court
 Val Verde County, Texas

Report on Compliance for Each Major Federal

We have audited the Val Verde County, Texas’ (“the County”), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County’s major federal and state programs for the year ended September 30, 2015. The County’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors’ Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*;. Those standards, OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County’s compliance.

Opinion on Each Major Federal

In our opinion, the 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, 2015.

Report on Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's, internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Val Verde County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Val Verde County, Texas' basic financial statements. We issued our report thereon dated May 26, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 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 schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Pattillo, Brown & Hill, C.P.

Brownsville, Texas
May 26, 2016

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2015

| Federal Grantor/Pass-Through Grant/ Program Title | Federal CFDA Number | Grant Number | Federal Expenditures |
|---|------------------------------------|-------------------------|---------------------------------|
| <u>U.S. Department of Housing & Urban Development</u> | | | |
| <i>Pass Through Texas Department of Agriculture:</i> | | | |
| Community Development Block Grant - Comstock | 14.228 | 712085 | \$ 22,160 |
| Community Development Block Grant - Comstock | 14.228 | 711385 | 30,625 |
| Community Development Block Grant - Comstock | 14.228 | 713076 | 19,938 |
| Community Development Block Grant - Comstock | 14.228 | 713157 | 281,677 |
| Community Development Block Grant - Comstock | 14.228 | 712379 | 355,308 |
| Community Development Block Grant - Comstock | 14.228 | 713479 | 129,142 |
| Community Development Block Grant - Selp Help Center | 14.228 | 7214013 | <u>235,738</u> |
| Total U.S. Department of Housing & Urban Development | | | <u>1,074,588</u> |
| <u>U.S. Elections Assistance Commission</u> | | | |
| <i>Pass Through State of Texas, Office of the Secretary of State:</i> | | | |
| Polling Place Accessibility 2012 | 93.617 | 78078 | <u>2,590</u> |
| Total U.S. Election Assistance Commission | | | <u>2,590</u> |
| <u>U.S. Department of Homeland Security</u> | | | |
| <i>Pass Through Office of the Governor - Emergency Management Division:</i> | | | |
| Homeland Security Grants (Operation Stonegarden 2013) | 97.067 | EMW-2013-SS-0045 | 507,447 |
| Homeland Security Grants (Operation Stonegarden 2014) | 97.067 | 15-DRTDRT-12-001 | <u>335,120</u> |
| Total U.S. Department of Homeland Security | | | <u>842,567</u> |
| <u>Executive Office of the President</u> | | | |
| <i>Pass Through Office of the National Drug Control Policy & Through the South Texas HIDTA Assistance Center:</i> | | | |
| HIDTA-13 Eagle Pass Task Force | 95.001 | G13SS0008A | 834 |
| HIDTA Intel '14 Amistad Intelligence Center | 95.001 | G14SS0008A | 105,397 |
| HIDTA Intel '15 Amistad Intelligence Center | 95.001 | G14SS0008A | 17,406 |
| HIDTA - 14 Del Rio Task Force | 95.001 | G14SS0008A | 43,787 |
| HIDTA - 2014 Eagle Pass Task Force | 95.001 | G14SS0008A | 47,033 |
| HIDTA Del Rio Task Force 2015 | 95.001 | G15SS0008A | 16,322 |
| HIDTA Eagle Pass Task Force 2015 | 95.001 | G15SS0008A | <u>22,324</u> |
| Total Executive Office of the President | | | <u>253,103</u> |
| Total Federal Awards | | | <u>\$ 2,172,848</u> |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS

YEAR ENDED SEPTEMBER 30, 2015

| State Grantor/Pass-Through Grant/ Program Title | Grant Number | State Expenditures |
|---|---|-------------------------------|
| <u>STATE OF TEXAS</u> | | |
| <i>Texas Department of Transportation:</i> | | |
| Grant Amistad Acres | 0922-11-038 | \$ 48,484 |
| Total Texas Department of Transportation | | <u>48,484</u> |
| <i>Texas Department of State Health Services:</i> | | |
| Discretionary Indigent Defense Fund | FY 2013 | <u>46,641</u> |
| Total Texas Department of State Health Services | | <u>46,641</u> |
| <i>National Park Service:</i> | | |
| National Park Service | H7100100001 | |
| Grant | (FBMC No. P10AC00145) | <u>35,000</u> |
| Total National Park Service | | <u>35,000</u> |
| <i>Office of the Governor - Division of Emergency Management:</i> | | |
| Local Border Security FY 12 (LBSP 12) | Local Border Security Program (LBSP-14) | <u>76,617</u> |
| Local Border Security FY 12 (LBSP 12) | Local Border Security Program (LBSP-15) | <u>76,319</u> |
| Administered by Texas Border Sherriff's Coalition | | |
| Total Office of the Governor Division of Emergency Management | | <u>152,936</u> |
| <i>Bureau of Justice Assistance (BJA):</i> | | |
| Bullet Proof Vest Grant (BVP) | FY -2013 Bullet Proof Vest | <u>2,380</u> |
| Total Bureau of Justice Assistance (BJA) | | <u>2,380</u> |
| <i>Office of the Governor - Criminal Justice Division</i> | | |
| <i>Passed through El Paso County:</i> | | |
| Border Prosecution Unit | 2537704 | <u>96,987</u> |
| Total Bureau of Justice Assistance (BJA) | | <u>96,987</u> |
| Total State Awards | | <u>\$ 382,428</u> |

VAL VERDE COUNTY, TEXAS

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Val Verde County, Texas for the year ended September 30, 2015. The County's reporting entity is defined in Note 1 of the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

VAL VERDE COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

I. Summary of Auditors' Results

| | |
|--|--------------------------------------|
| a. Type of auditors' report on financial statements: | Unmodified |
| b. Internal control over financial reporting: Material weakness(es) identified: | None |
| Significant deficiency(ies) identified that are not considered to be material weaknesses: | 2015-01 to 2015-04 |
| c. Noncompliance, which is material to the financial statements: | No |
| d. Internal control over major programs Material weakness(es) identified: | No |
| Significant deficiency(ies) identified that are not considered to be material weaknesses: | None reported |
| e. Type of auditors' report on compliance for major programs: | Unmodified |
| f. Findings, which are required to be reported in accordance with OMB Circular A-133, Sec. 510(a), OMB Circular A-133: | None |
| g. Dollar threshold used to distinguish between Type A and Type B programs for federal | \$300,000 |
| h. Low risk auditee: | Yes |
| i. Major federal programs include: | Operation Stonegarden CFDA 97.067 |

VAL VERDE COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

Item 2015-01

Bank Reconciliations

- Criteria: The County did not properly reconcile bank accounts to the general ledger at year end. The County had outstanding transactions that were not reconciled.
- Condition: Bank reconciliations for bank accounts were not properly reconciled to the general ledger. However, after several journal entries the accounts were reconciled to reflect appropriate balances at year end.
- Effect: The County's general ledger did not reflect an accurate cash balance at year end and there is a possibility that errors went undetected for periods of time.
- Recommendation: Bank reconciliations should be prepared and reviewed in a timely manner in order to ensure that errors or irregularities are detected and corrected.

Item 2015-02

Interfund Receivables and Payables

- Condition: The County has numerous transactions between funds which involve receipts and disbursements by one fund for amounts for another. Those transactions which require one fund to reimburse another are classified in the balance sheets of the various funds as "due to/due from other funds," as appropriate.
- Criteria: The County has not engaged in a formal process to assess interfund payables and receivables.
- Effect: Transactions that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County, are accounted for as revenues, expenditures, or expenses in the funds involved.
- Recommendation: We recommend that a formal assessment of interfund balances occur on a quarterly basis.

VAL VERDE COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

Item 2015-03

Closing of Financial Statements

- Criteria: Controls relative to timely close-out of financial statements at year-end should be in place, in order to provide management and other third-party stakeholders with the necessary financial information to make appropriate decisions, and to ensure compliance with state reporting deadlines.
- Condition: Time lapsed after year-end before the financial statements were properly closed-out. Additionally, significant adjustments were necessary across various financial statement accounts in order for the financial statements to be presented in accordance with generally accepted accounting principles (GAAP).
- Effect: Financial statements prepared on a monthly basis and at year-end were not closed-out properly and did not present the County's financial position, or operations in accordance with GAAP.
- Recommendation: The County should review its internal controls relating to financial statement accounting and reporting to ensure that timely financial statements in accordance with GAAP are prepared and available for management use, as well as for audit purposes.

Item 2015-04

Unrecorded Bank Account

- Condition: The County has been receiving a monthly bank statement with a \$942,000 balance for six months, however the balance was not reflected on the County's financial records. The account is to pay for grant related expenses which have not been brought to the County for payment. Subsequent to year-end a journal entry was posted to reflect monies at hand at year-end.
- Criteria: The County should record cash accounts owned by the County in the general ledger in a timely basis.
- Effect: The County does not have proper controls over its bank accounts and the financial information is not properly stated if they are not properly recorded in the general ledger.
- Recommendation: The County should record the bank account in the general ledger and reconcile the account on a monthly basis.

VAL VERDE COUNTY, TEXAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

III. Findings and Questioned Costs for Federal Awards

None.

VAL VERDE COUNTY
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Finding 2015-01 ***Bank Reconciliation***

Individual responsible for corrective action: Aaron Rodriguez, Val Verde County Treasurer

Date corrective action will be implemented: Effective immediately

Corrective Action Planned: The corrective action planned will be efficient communication between offices and bi-weekly cross-checking of account activity so as to know that we are up to date with activity.

Finding 2015-02 ***Interfund Receivables and Payables***

Individual responsible for corrective action: Frank L. Lowe, Val Verde County Auditor

Date corrective action will be implemented: June 1, 2016

Corrective Action Planned: Val Verde County has acquired a new accounting software program, which was put in operation July 13, 2015. Since that time the new system automatically records interfund receivables and payables. By June 1, 2016 the system is functioning properly and all interfund transactions will be recorded.

VAL VERDE COUNTY
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Finding 2015-03 Closing of Financial Statements

Individual responsible for corrective action: Frank L Lowe, Val Verde County Auditor

Date corrective action will be implemented: June 1, 2016

Corrective Action Planned: Beginning June 1, 2016 Val Verde County Auditor will take all steps necessary to insure the financial statements are closed and balances will be presented accurately.

Finding 2015-04 Unrecorded Bank Account

Individual responsible for corrective action: Frank L. Lowe, Val Verde County Auditor

Date corrective action will be implemented: September 30, 2016

Corrective Action Planned: During the 2014-2015 fiscal year, Val Verde County received an advance of funds from the State of Texas for a water line project. Since the funds were sent directly to The Bank and Trust and held in trust for Val Verde County, the funds were not recorded on the books. Once the County learned that legally the funds were considered Val Verde County's the funds were recorded on the books.

VAL VERDE COUNTY, TEXAS
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

None reported.