

VAL VERDE COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2017

VAL VERDE COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report of 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, 2017, and the related notes to the financial statements, which collectively comprise the 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, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary information, pension information, and the schedule of funding progress for the other post-employment benefit plans 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 Val Verde County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements and schedules, statistical section and the schedule of expenditures of federal and state awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Uniform Grant Management Standards*, are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards 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 and the schedule of expenditures of federal and state awards 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 June 29, 2018, 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 Val Verde County, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, LLP

Brownsville, Texas
June 29, 2018

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, 2017.

FINANCIAL HIGHLIGHTS

The net position of Val Verde County, Texas as of the close of fiscal year 2017 were \$13,857,622. Of this amount, \$1,714,274 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 \$399,818.

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	
	2017	2016
Current and Other Assets	\$ 29,687,714	\$ 34,995,092
Capital Assets	38,278,204	37,416,913
Total assets	67,965,918	72,412,005
Deferred Outflows Related to Pensions	3,631,471	4,328,472
Total Deferred Outflows of Resources	3,631,471	4,328,472
Long Term Liabilities	36,372,002	22,912,701
Other Liabilities	20,887,859	40,210,955
Total Liabilities	57,259,861	63,123,656
Deferred Inflow of Resources	479,906	159,017
Total Deferred Inflows of Resources	479,906	159,017
Net position:		
Net Investment in Capital Assets	6,799,328	1,815,085
Restricted	5,344,020	9,563,890
Unrestricted	1,714,274	2,078,829
Total Net position	\$ 13,857,622	\$ 13,457,804

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	
	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenue:		
Charges for Services	\$ 3,282,870	\$ 3,030,152
Operating Grants and Contributions	9,996,682	28,034,841
General Revenue:		
Property Taxes	11,859,443	10,752,923
Sales Taxes	2,302,830	2,129,606
Investment Earnings	30,907	31,094
Miscellaneous	91,039	301,545
Total revenues	<u>27,563,772</u>	<u>44,301,196</u>
General Government	7,935,051	29,198,134
Justice System	3,228,734	2,171,994
Public Safety	8,809,854	5,151,850
Infrastructure and environmental Services	2,018,114	807,394
Health and Human Services	710,504	1,095,067
Culture and Recreation	710,981	565,335
Public Facilities	1,629,189	1,978,411
Corrections and rehabilitation	148,583	97,153
Interest on long-term debt	1,030,875	1,139,619
Total expenditures	<u>26,221,885</u>	<u>42,204,957</u>
Change in net position	1,341,887	2,096,239
Net Position, beginning	13,457,804	10,614,795
Prior period adjustment	(942,069)	746,770
Net Position, ending	<u><u>\$ 13,857,622</u></u>	<u><u>\$ 13,457,804</u></u>

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 2017, the County's *governmental funds* reported combined ending fund balances of \$7,083,842 a decrease of \$3,435,868 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 2017, the General Fund had an ending fund balance of \$1,739,822. 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 \$2,450,356 during fiscal year 2017. The Road and Bridge Fund had an ending fund balance of \$0 an increase of \$82,742.

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 42 to 49 of this report.

Capital Assets. The County's investment in capital assets for its governmental type activities as of September 30, 2017, amounts to \$38,278,204 (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 2017, Val Verde County, Texas had total debt outstanding of \$36,372,002 which includes \$26,300,000 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 2017 on September 12, 2016. The budget was adopted based on anticipated resources and estimated uses in fiscal year 2017.

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, 2017

Primary Government

Governmental
Activities**ASSETS**

Cash and investments	\$ 7,883,334
Taxes receivable (net of allowances)	1,716,013
Accounts receivable	410,306
Due from other governments	19,678,061
Capital assets:	
Land	119,819
Buildings and improvements	10,341,001
Furniture and equipment	10,300,424
Infrastructure	47,542,042
Construction in progress	6,005,651
Less: accumulated depreciation	(36,030,733)
Total capital assets	<u>38,278,204</u>
Total assets	<u>67,965,918</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>3,631,471</u>
Total deferred outflows of resources	<u>3,631,471</u>

LIABILITIES

Accounts payable	2,216,901
Unearned revenues	18,670,958
Noncurrent liabilities:	
Due within one year	3,855,765
Due in more than one year	27,690,669
Net pension liability	<u>4,825,568</u>
Total liabilities	<u>57,259,861</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows of resources	<u>479,906</u>
Total deferred inflows of resources	<u>479,906</u>

NET POSITION

Net investment in capital assets	6,799,328
Restricted:	
Interest and sinking	2,728,531
Federal and state programs	319,750
Capital projects	2,295,739
Unrestricted	<u>1,714,274</u>
Total net position	<u>\$ 13,857,622</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, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 7,935,051	\$ 3,282,870	\$ 44,401	\$ (4,607,780)
Justice system	3,228,734	-	107,811	(3,120,923)
Public safety	8,809,854	-	4,861,591	(3,948,263)
Infrastructure and environmental services	2,018,114	-	3,750,000	1,731,886
Health and human services	710,504	-	481,815	(228,689)
Culture and recreation	710,981	-	103,506	(607,475)
Public facilities	1,629,189	-	498,975	(1,130,214)
Corrections and rehabilitation	148,583	-	148,583	-
Interest and fiscal charges	<u>1,030,875</u>	<u>-</u>	<u>-</u>	<u>(1,030,875)</u>
Net program (expenses) revenues	<u>\$ 26,221,885</u>	<u>\$ 3,282,870</u>	<u>\$ 9,996,682</u>	<u>(12,942,332)</u>
General revenues:				
Taxes:				
Property				11,859,443
Sales				2,302,830
Investment earnings				30,907
Miscellaneous				<u>91,039</u>
Total general revenue				<u>14,284,220</u>
Change in net position				1,341,887
Net position, beginning				13,457,804
Prior period adjustment				<u>(942,069)</u>
Net position, ending				<u>\$ 13,857,622</u>

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

VAL VERDE COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	General	Interest & Sinking	Capital Project SL 79 Loop	Defense Economic Adjustment Assistance Grant	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash in bank	\$ 745,349	\$ 1,894,710	\$ 160,288	\$ -	\$ 4,245,575	\$ 7,045,922
Investments	2,381	834,221	-	-	810	837,412
Taxes receivables (net of allowance)	1,484,665	163,566	-	-	67,782	1,716,013
Accounts receivable	410,306	-	-	-	-	410,306
Due from other funds	1,884,299	-	-	-	-	1,884,299
Due from other government	-	-	17,679,824	1,647,090	351,147	19,678,061
Total assets	<u>\$ 4,527,000</u>	<u>\$ 2,892,497</u>	<u>\$ 17,840,112</u>	<u>\$ 1,647,090</u>	<u>\$ 4,665,314</u>	<u>\$ 31,572,013</u>
LIABILITIES						
Accounts payable	\$ 1,302,513	\$ 400	\$ -	\$ -	\$ 913,988	\$ 2,216,901
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	1,647,090	237,209	1,884,299
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	17,679,824	-	991,134	18,670,958
Total liabilities	<u>1,302,513</u>	<u>400</u>	<u>17,679,824</u>	<u>1,647,090</u>	<u>2,142,331</u>	<u>22,772,158</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	<u>1,484,665</u>	<u>163,566</u>	<u>-</u>	<u>-</u>	<u>67,782</u>	<u>1,716,013</u>
Total deferred inflows of resources	<u>1,484,665</u>	<u>163,566</u>	<u>-</u>	<u>-</u>	<u>67,782</u>	<u>1,716,013</u>
FUND BALANCES						
Restricted:						
Retirement of long-term debt	-	2,728,531	-	-	-	2,728,531
Federal or state funds	-	-	-	-	319,750	319,750
Capital projects	-	-	160,288	-	2,135,451	2,295,739
Assigned :						
Other purposes	665,864	-	-	-	-	665,864
Unassigned	<u>1,073,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,073,958</u>
Total fund balances	<u>1,739,822</u>	<u>2,728,531</u>	<u>160,288</u>	<u>-</u>	<u>2,455,201</u>	<u>7,083,842</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,527,000</u>	<u>\$ 2,892,497</u>	<u>\$ 17,840,112</u>	<u>\$ 1,647,090</u>	<u>\$ 4,665,314</u>	<u>31,572,013</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.

38,278,204

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

1,716,013

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	\$ (26,300,000)
Tax note payable	(2,545,000)
Capital leases	(22,073)
Premium on bonds	(292,149)
Net OPEB obligation	(2,283,974)
Net pension liability	(4,825,568)
Deferred outflow related to pensions	3,631,471
Deferred inflow related to pensions	(479,906)
Compensated absences	(103,238)
Total long-term liabilities	(33,220,437)

Net position of governmental activities

\$ 13,857,622

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, 2017

	General	Interest & Sinking	Capital Project SL 79 Loop	Defense Economic Adjustment Assistance Grant	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 10,036,602	\$ 992,397	\$ -	\$ -	\$ 677,112	\$ 11,706,111
Sales taxes	2,302,830	-	-	-	-	2,302,830
Intergovernmental	135,927	-	3,750,000	3,973,112	2,137,643	9,996,682
Charges for services	981,676	-	-	-	929,139	1,910,815
License and permits	23,464	-	-	-	-	23,464
Fees and fines	1,324,452	-	-	-	24,139	1,348,591
Investment earnings	23,373	5,635	83	-	1,816	30,907
Miscellaneous	90,179	-	-	-	860	91,039
Total revenues	<u>14,918,503</u>	<u>998,032</u>	<u>3,750,083</u>	<u>3,973,112</u>	<u>3,770,710</u>	<u>27,410,440</u>
EXPENDITURES						
General government	6,960,180	-	-	-	2,504,314	9,464,494
Justice System	3,035,052	-	-	-	107,811	3,142,863
Public facilities	1,108,798	-	-	-	498,975	1,607,773
Public safety	3,840,976	-	-	3,973,112	888,479	8,702,567
Health and human services	164,234	-	-	-	481,815	646,049
Infrastructure and environmental services	-	-	11,950	-	1,748,758	1,760,708
Culture and recreation	564,436	-	-	-	103,506	667,942
Corrections and rehabilitation	-	-	-	-	148,583	148,583
Debt service:						
Principal	-	3,600,000	-	-	-	3,600,000
Interest and other charges	-	1,079,567	-	-	-	1,079,567
Capital leases	-	109,271	-	-	-	109,271
Total expenditures	<u>15,673,676</u>	<u>4,788,838</u>	<u>11,950</u>	<u>3,973,112</u>	<u>6,482,241</u>	<u>30,929,817</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(755,173)</u>	<u>(3,790,806)</u>	<u>3,738,133</u>	<u>-</u>	<u>(2,711,531)</u>	<u>(3,519,377)</u>
OTHER FINANCING SOURCES (USES)						
Transfer in	1,195,893	3,750,000	-	-	29,185	4,975,078
Transfer out (uses)	<u>(29,185)</u>	<u>-</u>	<u>(3,750,000)</u>	<u>-</u>	<u>(1,195,893)</u>	<u>(4,975,078)</u>
Total other financing sources (uses)	<u>1,166,708</u>	<u>3,750,000</u>	<u>(3,750,000)</u>	<u>-</u>	<u>(1,166,708)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	411,535	(40,806)	(11,867)	-	(3,878,239)	(3,519,377)
FUND BALANCE, BEGINNING	4,190,178	2,769,337	172,155	-	3,388,040	10,519,710
PRIOR PERIOD ADJUSTMENT	<u>(2,861,891)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,945,400</u>	<u>83,509</u>
FUND BALANCE, ENDING	<u>\$ 1,739,822</u>	<u>\$ 2,728,531</u>	<u>\$ 160,288</u>	<u>\$ -</u>	<u>\$ 2,455,201</u>	<u>\$ 7,083,842</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, 2017

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) \$(3,519,377)

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	\$ 3,851,957	
Adjustments to capital assets	(911,455)	
Depreciation expense	<u>(2,079,211)</u>	
Net adjustment		861,291

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	3,285,000	
Tax notes	315,000	
Capital lease	<u>109,271</u>	
Net adjustment		3,709,271

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, 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.

Compensated absences	(444,167)	
OPEB cost	511,725	
Pension cost	271,836	
Amortization of deferred loss on refunding bonds	<u>(48,692)</u>	
Net adjustment		<u>290,702</u>

Change in net position of governmental activities (page 9) \$ 1,341,887

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, 2017

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ <u>3,769,593</u>
Total assets	\$ <u><u>3,769,593</u></u>
LIABILITIES	
Due to others	\$ <u>3,769,593</u>
Total liabilities	\$ <u><u>3,769,593</u></u>

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

VAL VERDE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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.

As required by GAAP, the financial statements of the reporting entity consists of (a) the primary government (b) organizations for which the primary government is not accountable and (c) the organizations for which the primary government is not accountable, but for which the nature and significance of the relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. It has been determined, based on the above, that the reporting entity of Val Verde County, effective for the year ended September 30, 2017, includes all funds of the County with no component units. Additionally, the County is not a component unit of any other report.

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 activities) 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. Inter-fund services provided and used are not eliminated in the process of consolidation. Governmental activities' primary support is derived from taxes, fees 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) operational grants and contributions and 3) capital 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.

B. Government-wide Fund Financial Statements

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. 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 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, long-term debt principal, interest and related costs.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Capital Projects Fund is a special fund established by the County that are assigned to be used to account for capital asset expenditures, including construction of major facilities and other capital assets.

SL 79 Loop

Defense Economic Adjustment Assistance Grant – provides state funds to assist defense communities that have been or maybe adversely or positively impacted by an anticipated, planned, announced, or implemented action of the United States Department of Defense. To close, reduce, increase, or otherwise realign defense worker jobs or facilities.

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.

Capital Projects Fund is a special fund established by the County that are assigned to be used to account for capital asset expenditures, including construction of major facilities and other capital assets.

Tax Note 2013
Tax Note 2016
Library Project

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.

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 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.

D. Cash and Cash Investments

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.

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 acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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.

H. Fund Balance Classification

- **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.
- **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.

H. Fund Balance Classification

Fund Balances

Fund Balances by classification as of September 30, 2017, pursuant to GASB 54 are as follows:

	Major Funds				Nonmajor Funds		Total
	General Fund	Intest & Sinking	Capital Project SL 79 Loop	Defense Economic Adjustment Assitance Grant	Special Revenue Funds	Capital Projects Funds	Governmental Funds
Restricted for :							
Interst & Sinking	\$ -	\$2,728,531	\$ -	\$ -	\$ -	\$ -	\$ 2,728,531
Capital Project	-	-	160,288	-	-	2,135,451	2,295,739
Sheriff LEOSE	-	-	-	-	8,726	-	8,726
District Attorney Pre-Trial	-	-	-	-	2,501	-	2,501
Constable #3	-	-	-	-	2,657	-	2,657
District Clerk Records Management	-	-	-	-	35,386	-	35,386
District Clerk Archive	-	-	-	-	23,209	-	23,209
District Clerk Record Preservation	-	-	-	-	19,064	-	19,064
Court Reporter	-	-	-	-	12,622	-	12,622
Court House Security Fees	-	-	-	-	131,496	-	131,496
Justice of Peace Technology Funds	-	-	-	-	27,329	-	27,329
Other Special Revenue Funds	-	-	-	-	23,187	-	23,187
Family Protection	-	-	-	-	33,572	-	33,572
Assigned:							
Hail Damage	53,684	-	-	-	-	-	53,684
Accounting Software	50,000	-	-	-	-	-	50,000
Encumbrances	284,318	-	-	-	-	-	284,318
Encumbrances R&B	124,065	-	-	-	-	-	124,065
San Felipe Pastures	43,632	-	-	-	-	-	43,632
Hotel Tax	36,127	-	-	-	-	-	36,127
Information Technology	-	-	-	-	-	-	-
Phase I	74,038	-	-	-	-	-	74,038
Unassigned	1,073,958	-	-	-	-	-	1,073,958
Total Fund Balances	<u>\$1,739,822</u>	<u>\$2,728,531</u>	<u>\$ 160,288</u>	<u>\$ -</u>	<u>\$ 319,750</u>	<u>\$ 2,135,451</u>	<u>\$ 7,083,842</u>

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.

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. Federal and State Grants

Revenue from federal and state grants is recognized on the basis of actual expenditures incurred, limited to the amount of the total grant award. During the year ended September 30, 2017, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund and various special revenue funds. Most of these grants are reimbursement type grants, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. Federal grants are covered by the requirements of the Single Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 (Uniform Guidance) while state grants are covered by the State of Texas Single Audit Circular.

L. 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.

M. Compensated Absences

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 seventeen 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 is hired. Upon termination of employment, unused sick leave is cancelled without compensation. Sick leave may be accumulated up to 60 days.

N. 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.

O. 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.

P. 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.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. 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 \$861,291 is as follows:

Capital outlay-additions	\$ 1,401,382
Construction in progress	2,450,575
Adjustment to capital assets	(911,455)
Depreciation expense	<u>(2,079,211)</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</i> (Exhibit C-3)	<u>\$ 861,291</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and 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.

In fiscal year 2017, the County adopted GASB Statement No. 72 (“GASB 72”), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

At September 30, 2017, the carrying amount of the County’s deposits was \$7,045,922 and total bank balances equaled \$7,598,902.

The fair values of investments at September 30, 2017 are summarized as follows:

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. TexPool investments of the County are rated AAA 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.

A. Deposits and Investments

	Rate	WAM (Days)	Maturity	Fair Value
<u>General Fund</u>				
Tex Pool	1.01%	55		\$ 2,381
				<u>2,381</u>
<u>Road & Bridge Fund</u>				
Tex Pool	0.89%	55		810
				<u>810</u>
<u>Interest & Sinking Fund</u>				
Tex Pool	1.01%	55		4,177
The Bank & Trust (Certificate of Deposit)	0.45%		08/02/18	208,862
The Bank & Trust (Certificate of Deposit)	0.45%		08/02/18	207,612
The Bank & Trust (Certificate of Deposit)	0.25%		05/30/18	206,503
The Bank & Trust				<u>207,067</u>
				<u>834,221</u>
Total Investments				<u>\$ 837,412</u>

B. Receivables and Allowance for Uncollectible Accounts

Receivables as of year-end for the governmental activities, individual major governmental funds and other governmental funds, including the applicable allowances for uncollectible accounts are as follows:

	General	Interest and Sinking	Road and Bridge	Total
Taxes receivable:				
Property tax	\$ 1,533,426	\$ 170,381	\$ 70,606	\$ 1,774,413
Less: allowance for uncollectibles	(48,761)	(6,815)	(2,824)	(58,400)
Net accounts receivable	<u>\$ 1,484,665</u>	<u>\$ 163,566</u>	<u>\$ 67,782</u>	<u>\$ 1,716,013</u>

C. Inter Fund Balances and Transfers

In the fund financial statements, interfund balances are the result of normal transactions between funds that will be liquidated in the subsequent fiscal year. The following is a summary of amounts due from and due to other funds:

Receivable Fund	Payable Fund	Amount
General	Defense Economic Adjustment Assistance Grant	\$ 1,647,090
General	Non-major	<u>237,209</u>
		<u>\$ 1,884,299</u>

C. Inter Fund Balances and Transfers

Interfund transfers for the fiscal year ended September 30, 2017, are summarized below:

Transfer from	Amount	Transfer to	Purpose
Capital project SL 79 fund	\$ 3,750,000	Interst and sinking fund	Debt payment
Road and Bridge fund	<u>1,225,078</u>	Payroll fund	Payroll
Total transfers	<u>\$ 4,975,078</u>		

D. 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.

The County issued \$2,545,000 of Limited Tax Notes, Series 2016 on September 28, 2016. The tax notes have an interest rate of 1.97% and mature on August 15, 2023.

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, 2017 are as follows:

Equipment Description	Balance 9/30/2016	Decrease	Balance 9/30/2017
Vehicles	\$ 131,344	\$ 109,271	\$ 22,073
Total	<u>\$ 131,344</u>	<u>\$ 109,271</u>	<u>\$ 22,073</u>

D. Long-term Debt

General Obligations Annual Requirements to Amortize Long-Term Debt Including Interest

Year Ending September 30,	<u>General Obligations</u>		Total <u>Requirements</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 3,785,000	\$ 981,591	\$ 4,766,591
2019	3,905,000	865,060	4,770,060
2020	4,035,000	729,663	4,764,663
2021	4,175,000	588,693	4,763,693
2022	4,325,000	441,947	4,766,947
2023-2027	<u>8,620,000</u>	<u>460,622</u>	<u>9,080,622</u>
Totals	<u>\$ 28,845,000</u>	<u>\$ 4,067,576</u>	<u>\$ 32,912,576</u>

Capital Leases Annual Requirements to Amortize Long-Term Debt Including Interest

Year Ending September 30,	Capital <u>Leases</u>
2018	\$ 23,002
2019	-
2020	-
2021	-
2022	-
2023-2027	<u>-</u>
Total Minimum Payments	23,002
Less: Amount Representing Interest	<u>929</u>
Present Value of Net Minimum Payments	<u>\$ 22,073</u>

Changes in Long-term liabilities

	Balance <u>9/30/2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>Adjustment</u>	Balance <u>9/30/2017</u>	Due Within <u>One Year</u>
2011 Limited Tax Bond	\$ 24,705,000	\$ -	\$ 2,720,000	\$ -	\$ 21,985,000	\$ 2,800,000
2014 Limited Tax Bond	4,880,000	-	565,000	-	4,315,000	575,000
2013 Tax Note	315,000	-	315,000	-	-	-
2016 Tax Note	2,545,000	-	-	-	2,545,000	410,000
Capital Leases	131,344	-	109,271	-	22,073	22,073
Premium on Bonds	340,841	-	48,692	-	292,149	48,692
Net OPEB Obligation	1,772,249	397,602	178,361	292,484	2,283,974	-
Net Pension liability	4,974,116	927,613	1,076,161	-	4,825,568	-
Compensated Absences	<u>547,405</u>	<u>-</u>	<u>444,167</u>	<u>-</u>	<u>103,238</u>	<u>-</u>
Total	<u>\$ 40,210,955</u>	<u>\$ 1,325,215</u>	<u>\$ 5,456,652</u>	<u>\$ 292,484</u>	<u>\$ 36,372,002</u>	<u>\$ 3,855,765</u>

E. Capital Assets

Capital asset activity for the County for the year ended September 30, 2017, under governmental activities is as follows:

	Balance 9/30/2016	Additions	Deletions/ Adjustments	Balance 9/30/2017
Governmental activities				
Capital assets not depreciated:				
Land	\$ 140,898	\$ -	\$ 21,079	\$ 119,819
Construction in progress	<u>3,555,076</u>	<u>2,450,575</u>	<u>-</u>	<u>6,005,651</u>
Total capital assets not being depreciated	<u>3,695,974</u>	<u>2,450,575</u>	<u>21,079</u>	<u>6,125,470</u>
Capital assets being depreciated:				
Buildings & improvements	10,341,001	-	-	10,341,001
Furniture & equipment	9,983,203	1,401,382	1,084,161	10,300,424
Infrastructure	<u>47,542,042</u>	<u>-</u>	<u>-</u>	<u>47,542,042</u>
Total capital assets being depreciated	67,866,246	1,401,382	1,084,161	68,183,467
Less: accumulated depreciation:				
Buildings & improvements	26,928,808	1,408,462	-	28,337,270
Furniture & equipment	7,216,499	670,749	193,785	7,693,463
Total capital assets being depreciated	34,145,307	2,079,211	193,785	36,030,733
Total depreciable assets, net	<u>33,720,939</u>	<u>(677,829)</u>	<u>890,376</u>	<u>32,152,734</u>
Total capital assets	<u>\$ 37,416,913</u>	<u>\$ 1,772,746</u>	<u>\$ 911,455</u>	<u>\$ 38,278,204</u>

Depreciation expense for FY 2017 was charged to functions/programs of the County as follows:

General government	\$ 1,499,737
Justice system	85,871
Infrastructure and environmental services	257,406
Public facilities	214,161
Public safety	107,287
Health and human services	64,455
Culture and recreation	<u>43,039</u>
Totals	<u>\$ 2,079,211</u>

F. Expenditures Exceeding Budget

During the year ended September 30, 2017, expenditures exceeded the budget in the following departments:

<u>Fund</u>	<u>Department</u>	<u>Expenditures Over Budget</u>
General Fund	Commissioner's Office	\$ 400
General Fund	Purchasing	1,597
General Fund	District Attorney	4,813

G. 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 not have a material adverse effect on the accompanying financial statements.

H. 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.

I. Prior Period Adjustment

Adjustments to the fund balance and net position during the 2016-2017 year consisted of the following:

<u>Description</u>	<u>General Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
To close out balance sheet items that never materialized	\$ (342,746)	\$ 342,746	\$ -
Equity transfer	(2,602,654)	2,602,654	-
GEO payment	<u>83,509</u>	<u>-</u>	<u>83,509</u>
Total per Exhibit C-2	<u>\$ (2,861,891)</u>	<u>\$ 2,945,400</u>	<u>83,509</u>
Adjustments to capital assets and debt			<u>(1,025,578)</u>
Total per Exhibit B-1			<u>(942,069)</u>

IV. OTHER INFORMATION

A. Employees' Retirement Plan

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.

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 or on their website at www.tcdrs.org.

The plan provisions are adopted by the governing body of the County, and can be amended, 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, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit	121
Inactive employees entitled to but not yet receiving benefits	181
Active employees	<u>254</u>
Total	<u><u>556</u></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.

A. Employees' Retirement Plan

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 11.33% and 11.49% in calendar years 2015 and 2016, respectively.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2016, 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, 2016, 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	8.10%, net of 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 projected to 2014 with scale AA and then projected with 100% of the MP-2014 Ultimate scale after that.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

The actuarial assumptions that determined the total pension liability as of December 31, 2016, 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 8.1%. 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.

A. Employees' Retirement Plan

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 2017 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:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	4.70%
International Equities - Emerging	MSCI World EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLP)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

⁽¹⁾ Target asset allocation adopted at the April 2017 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 2.0% per Cliffwater's 2017 capital market assumption

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

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

A. Employees' Retirement Plan

Discount Rate

In order to determine the discount rate to be used by the employer, TCDRS has used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act: 1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods, 2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy, 3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less, when this point is reached the employer is still required to contribute at least the normal cost, 4) Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. The long term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses. The discount rate used to measure the Total Pension Liability was 8.10%.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2015	\$ 44,078,967	\$ 39,104,851	\$ 4,974,116
Changes for the year:			
Service cost	1,440,667	-	1,440,667
Interest on total pension liability ⁽¹⁾	3,538,940	-	3,538,940
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	(506,956)	-	(506,956)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(237,098)	(237,098)	-
Benefit payments	(1,995,687)	(1,995,687)	-
Administrative expenses	-	(31,464)	31,464
Member contributions	-	664,883	(664,883)
Net investment income	-	2,893,140	(2,893,140)
Employer contributions	-	1,076,161	(1,076,161)
Other ⁽³⁾	-	18,479	(18,479)
Balance at 12/31/2016	<u>\$ 46,318,833</u>	<u>\$ 41,493,265</u>	<u>\$ 4,825,568</u>

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

⁽²⁾ Relates new annuity purchase rates applicable to all TCDRS employers effective January 1,

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

A. Employees' Retirement Plan

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, 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 (7.10%) or 1-percentage-higher (9.10%) than the current rate:

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$ 51,999,538	\$ 46,318,832	\$ 41,566,661
Fiduciary net position	<u>41,493,264</u>	<u>41,493,264</u>	<u>41,493,264</u>
Net pension liability/(asset)	<u>\$ 10,506,274</u>	<u>\$ 4,825,568</u>	<u>\$ 73,397</u>

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, 2017, the County recognized pension expense of \$1,987,605.

At September 30, 2017, 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
Differences between expected and actual economic experience	\$ 479,906	\$ -
Changes of assumptions	-	217,782
Net difference between projected and actual earnings	-	2,598,358
Contributions made subsequent to measurement date	-	815,331
Total	<u>\$ 479,906</u>	<u>\$ 3,631,471</u>

\$815,331 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, 2017. 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,	
2017	\$ 807,346
2018	826,314
2019	651,712
2020	50,862
2021	-
Thereafter	-
	<u>\$ 2,336,234</u>

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 \$470 per participant. The County contributions to the plan for fiscal year 2017 were \$108,741. 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, 2017, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

Annual required contribution (ARC)	\$ 425,442
Interest on net OPEB obligation	103,237
Adjustment to annual required contribution	<u>(131,077)</u>
Annual OPEB cost (expense)	397,602
Expected net OPEB contributions (contributions made \$108,741)	<u>(178,361)</u>
Change in OPEB	219,241
Net OPEB obligation (asset), beginning	<u>2,064,733</u>
Net OPEB obligation (asset), ending	<u><u>\$ 2,283,974</u></u>

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, 2017, 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
2015	\$ 426,727	\$ 134,250	31.46%	\$ 1,772,249
2016	426,727	134,250	31.46%	2,064,733
2017	397,602	178,350	44.86%	2,283,974

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)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	as a % of Covered Payroll ((b-a)/c)
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%
10/1/2016	-	3,480,088	3,480,088	0.00%	8,225,910	42.31%

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.

B. Post-Employment Health Care

The ARC for the current year was determined as part of the December 31, 2016 actuarial valuation using the following methods and assumptions:

Actuarial Methods and Assumptions

Actuarial Methods and Assumptions

Actuarial valuation date	10/1/2016
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

C. 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.

REQUIRED SUPPLEMENTARY INFORMATION

VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 10,100,190	\$ 10,100,190	\$ 10,036,602	\$(63,588)
Sales tax	2,235,000	2,235,000	2,302,830	67,830
Intergovernmental	280,704	280,704	135,927	(144,777)
Charges for services	23,130,500	1,093,500	981,676	(111,824)
License and permits	25,000	25,000	23,464	(1,536)
Fees and fines	1,768,000	1,768,000	1,324,452	(443,548)
Investment earnings	20,000	20,000	23,373	3,373
Miscellaneous	85,000	85,000	90,179	5,179
Total revenues	<u>37,644,394</u>	<u>15,607,394</u>	<u>14,918,503</u>	<u>(688,891)</u>
EXPENDITURES				
General government	8,752,398	8,743,898	6,960,180	1,783,718
Justice System	3,503,694	3,503,694	3,035,052	468,642
Public facilities	1,196,845	1,196,845	1,108,798	88,047
Public safety	26,183,089	4,146,089	3,840,976	305,113
Health and human services	173,200	173,200	164,234	8,966
Culture and recreation	609,189	609,189	564,436	44,753
Total expenditures	<u>40,418,415</u>	<u>18,372,915</u>	<u>15,673,676</u>	<u>2,699,239</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,774,021)</u>	<u>(2,765,521)</u>	<u>(755,173)</u>	<u>2,010,348</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,195,893	1,195,893
Transfers out (uses)	<u>-</u>	<u>-</u>	<u>(29,185)</u>	<u>(29,185)</u>
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>1,166,708</u>	<u>1,166,708</u>
NET CHANGE IN FUND BALANCE	<u>(2,774,021)</u>	<u>(2,765,521)</u>	<u>411,535</u>	<u>3,177,056</u>
FUND BALANCE, BEGINNING	<u>4,190,178</u>	<u>4,190,178</u>	<u>4,190,178</u>	<u>-</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>(2,861,891)</u>	<u>(2,861,891)</u>
FUND BALANCE, ENDING	<u>\$ 1,416,157</u>	<u>\$ 1,424,657</u>	<u>\$ 1,739,822</u>	<u>\$ 315,165</u>

VAL VERDE COUNTY, TEXAS
NOTES TO BUDGETARY SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017:

- (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, 2017

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 1,440,667	\$ 1,220,164	\$ 1,204,990
Interest on total pension liability	3,538,940	3,331,584	3,123,845
Effect of plan changes	-	(209,209)	-
Effect of assumption changes or inputs	-	435,563	-
Effect of economic/demographic (gains) or losses	(506,956)	(161,443)	(75,870)
Benefit payments/refunds of contributions	<u>(2,232,786)</u>	<u>(1,881,722)</u>	<u>(1,734,541)</u>
Net change in pension liability	2,239,865	2,734,937	2,518,424
Total pension liability, beginning	<u>44,078,967</u>	<u>41,344,030</u>	<u>38,825,606</u>
Total pension liability, ending (a)	<u>\$46,318,832</u>	<u>\$44,078,967</u>	<u>\$ 41,344,030</u>
Fiduciary Net Position			
Employer contributions	\$ 1,076,161	\$ 1,075,748	\$ 1,023,076
Member contributions	664,883	657,689	612,096
Investment income net of investment expenses	2,893,140	(405,384)	2,507,651
Benefit payments/refunds of contributions	(2,232,786)	(1,881,722)	(1,734,541)
Administrative expenses	(31,464)	(28,326)	(29,587)
Other	<u>18,479</u>	<u>81,990</u>	<u>43,045</u>
Net change in fiduciary net position	2,388,413	(500,005)	2,421,740
Fiduciary net position, beginning	<u>39,104,851</u>	<u>39,604,855</u>	<u>37,183,116</u>
Fiduciary net position, ending (b)	<u>\$41,493,264</u>	<u>\$39,104,850</u>	<u>\$ 39,604,856</u>
Net pension liability / (assets), ending = (a) - (b)	<u>\$ 4,825,568</u>	<u>\$ 4,974,117</u>	<u>\$ 1,739,174</u>
Fiduciary net position as a % of total pension liability	89.58%	88.72%	95.79%
Pensionable covered payroll	\$ 9,498,336	\$ 9,364,142	\$ 8,744,223
Net pension liability as a % of covered payroll	50.80%	53.12%	19.89%

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST FOUR FISCAL YEARS

Year Ending September 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	892,524	892,524	-	7,734,179	11.5%
2015	992,800	992,800	-	8,591,060	11.6%
2016	1,061,323	1,061,323	-	9,325,432	11.4%
2017	1,118,263	1,118,263	-	9,769,724	11.4%

VAL VERDE COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	13.7 years (based on contribution rate calculated in 12/31/2016 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

VAL VERDE COUNTY, TEXAS

SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS

SEPTEMBER 30, 2017

<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>
10/1/2012	\$ -	\$ 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%
10/1/2016	-	3,480,088	3,480,088	0.00%	8,225,910	42.31%

SUPPLEMENTARY INFORMATION

VAL VERDE COUNTY, TEXAS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Current tax	\$ 9,675,190	\$ 9,675,190	\$ 9,560,493	\$(114,697)
Delinquent tax	425,000	425,000	476,109	51,109
State comptroller	135,000	135,000	118,909	(16,091)
Environmental health	25,000	25,000	23,464	(1,536)
U.S. Marshall	23,000,000	963,000	861,534	(101,466)
County sheriff	140,000	140,000	88,869	(51,131)
County attorney	3,000	3,000	1,107	(1,893)
County clerk	200,000	200,000	213,981	13,981
Tax assessor collector	850,000	850,000	551,729	(298,271)
District clerk	135,000	135,000	89,633	(45,367)
Justice of the peace #1	55,000	55,000	57,309	2,309
Justice of the peace #2	105,000	105,000	69,139	(35,861)
Justice of the peace #3	120,000	120,000	113,956	(6,044)
Justice of the peace #4	35,000	35,000	42,456	7,456
Court at law	110,000	110,000	72,724	(37,276)
Interest	20,000	20,000	23,373	3,373
Fairground lease	80,000	80,000	58,680	(21,320)
Miscellaneous (Sundry)	85,000	85,000	90,179	5,179
County and district board	27,500	27,500	27,712	212
Sales tax revenue	2,100,000	2,100,000	2,183,921	83,921
Hot tax administration	3,875	3,875	-	(3,875)
Library revenue	15,000	15,000	23,549	8,549
Hotel tax	15,500	15,500	23,262	7,762
Court at law judge contribution	81,900	81,900	84,000	2,100
County judge supplement	25,200	25,200	20,292	(4,908)
County prosecutor supplement	23,333	23,333	-	(23,333)
District attorney grant	118,896	118,897	3,923	(114,974)
Lease of livestock pens	35,000	35,000	38,200	3,200
Total revenues	\$ 37,644,394	\$ 15,607,395	\$ 14,918,503	\$ (688,892)

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
EXPENDITURES				
General government:				
County Judge:				
Salaries	\$ 384,530	\$ 384,530	\$ 372,228	\$ 12,302
Office supplies	9,900	9,900	3,774	6,126
Copier expense	1,875	1,875	1,875	-
Travel and training	10,500	10,500	5,315	5,185
Emergency management	15,500	15,500	8,896	6,604
Total county judge:	422,305	422,305	392,088	30,217
Road Bridge				
Pct. 1				
Salaries	320,089	320,089	311,495	8,594
Total pct. 1:	320,089	320,089	311,495	8,594
Pct. 2				
Salaries	331,172	331,172	306,219	24,953
Total commissioner pct. 2:	331,172	331,172	306,219	24,953
Pct. 3				
Salaries	308,991	308,991	295,474	13,517
Total commissioner pct. 3:	308,991	308,991	295,474	13,517
Pct. 4				
Salaries	280,736	280,736	279,840	896
Total commissioner pct. 4:	280,736	280,736	279,840	896
Commissioner's Office				
Salaries	31,541	31,541	31,941	(400)
Total road and bridge:	31,541	31,541	31,941	(400)
County Clerk:				
Salaries	406,786	406,786	392,290	14,496
Office supplies	25,000	25,000	23,774	1,226
Copier expense	7,628	7,628	7,301	327
Travel and training	7,500	7,500	6,108	1,392
Computer maintenance	45,000	45,000	43,657	1,343
Total county clerk:	491,914	491,914	473,130	18,784
Veterans Office:				
Salaries	107,890	107,890	82,310	25,580
Office supplies	3,500	3,500	3,443	57
Copier expense	2,988	2,988	2,988	-
Travel and training	4,500	4,500	4,263	237
Current Rent	6,240	6,240	11,545	(5,305)
Total veterans office:	125,118	125,118	104,549	20,569
County Auditor:				
Salaries	311,867	311,867	302,926	8,941
Office supplies	15,000	15,000	13,307	1,693
Copier expense	5,912	5,912	5,912	-
Travel & training	11,500	11,500	8,452	3,048
Rent	18,000	18,000	18,000	-
Total county auditor:	362,279	362,279	348,597	13,682

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES(continued)				
General government: (continued)				
County Treasurer:				
Salaries	133,349	133,349	132,129	1,220
Office supplies	5,000	5,000	3,279	1,721
Copier expense	1,644	1,644	1,644	-
Travel & training	3,600	3,600	3,604	(4)
Rent	12,000	12,000	12,000	-
Total county treasurer:	155,593	155,593	152,656	2,937
Tax Collector:				
Salaries	438,776	438,776	431,383	7,393
Computer maintenance	25,550	25,550	25,334	216
Office supplies	23,000	23,000	20,939	2,061
Copier expense	3,315	3,315	2,963	352
Travel & training	10,265	10,265	8,811	1,454
Postage	31,000	22,500	19,260	3,240
Total tax collector:	531,906	523,406	508,690	14,716
Purchasing:				
Salaries	138,465	138,465	140,568	(2,103)
Office supplies	1,200	3,600	3,474	126
Copier expense	1,954	954	912	42
Travel & training	3,500	2,100	1,762	338
Total purchasing:	145,119	145,119	146,716	(1,597)
Agriculture: County Agent				
Salaries	148,102	148,102	121,696	26,406
Office supplies	2,000	2,000	1,954	46
1/2 Internet	725	725	725	-
Equipment maintenance	3,000	3,000	2,955	45
Copier expense	1,444	1,444	1,181	263
Travel - Agent	8,000	8,000	7,374	626
Travel - Agent -Nass	5,500	5,500	843	4,657
Total agriculture:	168,771	168,771	136,728	32,043
Risk Management:				
Salaries	137,832	137,832	137,811	21
Travel & training	7,000	7,000	794	6,206
Postage	1,500	100	98	2
Auto expense	5,000	5,000	2,912	2,088
Copier expense	1,408	1,408	1,408	-
Office supplies	2,500	3,900	3,673	227
Total risk management:	155,240	155,240	146,696	8,544
IT Department:				
Salaries	149,463	149,463	149,439	24
Travel & training	6,800	6,800	6,625	175
Office supplies	4,500	4,500	4,483	17
Auto Expense	3,000	3,000	982	2,018
Rent	5,400	5,400	5,400	-
Total IT department:	169,163	169,163	166,929	2,234

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (continued)				
General Government: (continued)				
Human Resource:				
Salaries	95,051	95,051	94,979	72
Travel & training	7,000	5,500	3,473	2,027
Staff development/promotional	5,000	5,700	5,537	163
Office supplies	5,000	5,800	5,715	85
Total human resource department:	112,051	112,051	109,704	2,347
Animal Control:				
Salaries	33,435	33,435	-	33,435
Veterinarian	5,400	5,400	245	5,155
Feed	9,400	9,400	127	9,273.00
Travel	6,800	6,800	-	6,800
Fuel	2,100	2,100	-	2,100
Tools	4,800	4,800	-	4,800
Building	29,650	29,650	23,266	6,384
Total animal control:	91,585	91,585	23,638	34,512
Non-Departmental:				
Insurance - employee and other	2,100,000	2,100,000	1,575,730	524,270
Section 125 administration fees	6,000	6,000	6,531	(531)
Membership dues	35,000	35,000	24,887	10,113
Surveyor Rent	1,200	1,200	1,200	-
Air Life	42,000	42,000	32,015	9,985
Appraisal offices	270,000	270,000	273,539	(3,539)
Advertising	15,000	15,000	7,191	7,809
Election expense	70,000	70,000	69,843	157
Autopsy- mental	100,000	100,000	97,732	2,268
Trapper's salary	25,000	25,000	25,000	-
Audit	40,000	40,000	33,400	6,600
Contingencies	500,000	500,000	150,589	349,411
Computer expense	55,399	55,399	27,947	27,452
Tyler Annual Fee	39,628	39,628	38,244	1,384
San Felipe Pastures Improvements	-	-	1,907	(1,907)
Juvenile Board Salary	-	-	6,458	(6,458)
Election Salary	-	-	17,065	(17,065)
Inventory	5,000	5,000	3,989	1,011
Historical commission	3,000	3,000	-	3,000
Museum	65,000	65,000	65,000	-
GASB 45	4,000	4,000	-	4,000
Special events	10,000	10,000	9,610	390
Solid waste	5,000	5,000	-	5,000
Casa de la Cultura	2,500	2,500	2,500	-
Grant Administrator	50,000	50,000	39,654	10,346
Laughlin AFB Grant Administrator	75,000	75,000	32,250	42,750
Madison government affairs	42,000	42,000	42,000	-
Capital expenditures	540,000	540,000	120,433	419,567
IT Phase I	156,422	156,422	82,384	74,038
Hail Damage Building Repair	103,676	103,676	49,992	53,684
Amistad Acres TXDOT Repayment	188,000	188,000	188,000	-
Total non-departmental	4,548,825	4,548,825	3,025,090	1,523,735
Total general government	8,752,398	8,743,898	6,960,180	1,783,718

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (continued)				
Justice System:				
District Courts:				
Salaries	397,406	397,406	390,582	6,824
Supplies & staff travel	26,500	28,200	23,196	5,004
Judge insurance	4,000	4,000	1,160	2,840
Court reporter	2,400	2,400	1,093	1,307
Copier expense	5,155	5,455	4,898	557
Jurors	45,000	43,000	506	42,494
Total district courts	480,461	480,461	421,435	59,026
District Clerk:				
Salaries	371,796	371,796	367,974	3,822
Office supplies	20,000	20,000	17,847	2,153
Copier expense	11,032	11,032	10,813	219
Travel and training	6,000	6,000	3,937	2,063
Storage	1,060	1,060	900	160
Software maintenance	13,000	13,000	12,500	500
Total district clerk:	422,888	422,888	413,971	8,917
Justices of the Peace:				
Salaries	628,554	628,554	622,884	5,670
Office supplies	25,000	23,050	21,559	1,491
Computer/software maintenance	16,400	16,400	11,592	4,808
Copier expense	3,132	3,132	2,783	349.00
Travel & training	31,000	32,950	29,943	3,007
Total justices of the peace	704,086	704,086	688,761	15,325
County Court at Law:				
Salaries	426,254	426,254	334,044	92,210
Office supplies	9,000	9,000	8,001	999
Travel & training	6,500	6,500	2,608	3,892
Pitney Bowes	900	900	897	3
Water & coffee	615	615	481	134
Copier expense	3,104	3,104	2,187	917
Postage	2,250	2,250	1,500	750
Software maintenance	4,850	4,850	4,850	-
Total county court at law	453,473	453,473	354,568	98,905
County Attorney:				
Salaries	527,029	527,029	490,426	36,603
Office supplies	21,000	21,000	21,007	(7)
Travel & training	7,500	7,500	5,909	1,591
Copier expense	4,470	4,470	4,470	-
Civil litigation	5,000	5,000	5,000	-
Total county attorney	564,999	564,999	526,812	38,187
District Attorney:				
Salaries	47,807	47,807	69,644	(21,837)
Other fringe	7,330	7,330	-	7,330
Office supplies	1,650	2,604	563	2,041
Travel & training	11,000	10,046	2,393	7,653
Total district attorney	67,787	67,787	72,600	(4,813)

VAL VERDE COUNTY, TEXAS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (continued)				
Justice System: (continued)				
General County Courts:				
Attorneys	400,000	400,000	451,507	(51,507)
District attorney allocation	410,000	410,000	105,398	304,602
Total general county courts	810,000	810,000	556,905	253,095
Total justice system	3,503,694	3,503,694	3,035,052	468,642
Public safety:				
Rural Fire and EMS				
Salaries	173,066	173,066	172,267	799
Office supplies	60,000	66,100	65,124	976
Travel & training	12,060	5,960	5,875	85
Uniforms	3,000	3,000	2,957	43
Total Rural Fire and EMS	248,126	248,126	246,223	1,903
Sheriff:				
Salaries	2,804,165	2,804,165	2,566,500	237,665
Communications	33,000	33,000	29,924	3,076
Gun range	2,500	2,500	1,810	690
Auto expense	250,000	205,188	200,660	4,528
Ammunition	20,000	20,000	19,796	204
Uniforms	30,000	61,812	59,191	2,621
Operating supplies	50,000	80,000	79,073	927
Doctor and medications	10,000	10,000	6,514	3,486
Copier expense	11,922	11,922	11,922	-
Travel & training	50,000	45,000	40,658	4,342
Software Maintenance	59,645	47,645	32,266	15,379
Total sheriff	3,321,232	3,321,232	3,048,314	272,918
Constables:				
Salaries	223,231	223,231	222,244	987
Travel & training	5,500	6,160	3,942	2,218
Office supplies	5,000	4,340	2,253	2,087
Total constables	233,731	233,731	228,439	5,292
General County Expenditures:				
Juvenile center	250,000	250,000	250,000	-
Juvenile probation	33,000	33,000	33,000	-
Adult probation	35,000	35,000	35,000	-
GEO operational fee	21,700,000	-	-	-
Local prisoner cost	337,000	-	-	-
Fire Responders	25,000	25,000	-	25,000
Total general county expenditures	22,380,000	343,000	318,000	25,000
Total public safety	26,183,089	4,146,089	3,840,976	305,113

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (continued)				
Health and Human Services				
Welfare:				
Burials	2,500	2,500	1,590	910
Hospital, etc.	20,000	20,000	11,944	8,056
Child welfare	1,500	1,500	1,500	-
Family violence contract	130,000	130,000	130,000	-
Food bank	18,000	18,000	18,000	-
County welfare	1,200	1,200	1,200	-
Total welfare	173,200	173,200	164,234	8,966
Total health and human services	173,200	173,200	164,234	8,966
Culture and Recreation:				
Hot Tax:				
Val Verde County administration - 25%	3,875	3,875	-	3,875
Del Rio chamber of commerce - 40%	6,200	6,200	5,244	956
Hispanic chamber of commerce	1,550	1,550	1,311	239
Shumla school - 5%	775	775	656	119
Laughlin historic heritage - 2%	310	310	262	48
Prior year hot tax	9,290	9,290	4,800	4,490
Del Rio art league	155	155	131	24
Special events - 17%	2,635	2,635	483	2,152
Total hot tax	24,790	24,790	12,887	11,903
Library:				
Salaries	428,735	428,735	415,676	13,059
Office supplies	20,000	20,000	17,268	2,732
Computer maintenance	24,700	24,700	16,615	8,085
Travel & training	5,000	5,000	3,459	1,541
Copier maintenance	10,000	10,000	4,621	5,379
Copier expense	2,964	2,964	2,470	494
Books, publication and dues	93,000	93,000	91,440	1,560
Total library	584,399	584,399	551,549	32,850
Total culture and recreation	609,189	609,189	564,436	44,753
Public Facilities:				
Parks & Building Maintenance:				
Salaries	329,029	329,029	302,923	26,106
Contract services	50,000	50,000	52,088	(2,088)
Broadway repairs	10,000	10,000	5,679	4,321
Fairgrounds improvements	20,000	20,000	4,514	15,486
Materials	30,000	30,000	23,218	6,782
Fuel	25,000	25,000	21,207	3,793
Building repairs	35,000	35,000	28,450	6,550
Office supplies	1,000	1,000	773	227
Repairs	70,000	70,000	63,372	6,628
Equipment maintenance	80,000	80,000	75,051	4,949
Utilities	512,500	512,500	497,707	14,793
Total parks & building maintenance:	1,162,529	1,162,529	1,074,982	87,547

VAL VERDE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (continued)				
Public Facilities: (continued)				
Community Center:				
Salaries	29,776	29,776	29,776	-
Supplies	3,000	3,000	2,951	49
Copier expense	540	540	534	6
Fuel	1,000	1,000	555	445
Total community center:	34,316	34,316	33,816	49
Total public facilities	1,196,845	1,196,845	1,108,798	88,047
Total expenditures	40,418,415	18,372,915	15,673,676	2,699,239
EXCESS OF REVENUE OVER (UNDER)				
EXPENDITURES	\$ (2,774,021)	\$ (2,765,520)	\$ (755,173)	\$ 2,010,347
OTHER FINANCING SOURCES (USES)				
Issuance of short-term loan	910,000	910,000	-	(910,000)
Transfer in	-	-	1,195,893	1,195,893
Transfers out (uses)	-	9,400,000	(29,185)	(9,429,185)
Total other financing sources (uses)	910,000	10,310,000	1,166,708	(9,143,292)
NET CHANGE IN FUND BALANCE	(1,864,021)	7,544,480	411,535	(7,132,945)
FUND BALANCE, BEGINNING	4,190,178	4,190,178	4,190,178	-
PRIOR PERIOD ADJUSTMENT	-	-	(2,861,891)	(2,861,891)
FUND BALANCE, ENDING	\$ 2,326,157	\$ 11,734,658	\$ 1,739,822	\$ (9,994,836)

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, 2017

	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Current tax	\$ 862,448	\$ 862,448	\$ 894,954	\$ 32,506
Delinquent tax	110,000	110,000	97,443	(12,557)
Investment earnings	10,000	10,000	5,635	(4,365)
Total revenues	<u>982,448</u>	<u>982,448</u>	<u>998,032</u>	<u>15,584</u>
EXPENDITURES				
Debt service:				
Principal	3,600,000	3,600,000	3,600,000	-
Interest	1,099,320	1,099,320	1,077,031	22,289
Capital leases	109,271	109,271	109,271	-
Other fees	36,661	36,661	2,536	34,125
Total expenditures	<u>4,845,252</u>	<u>4,845,252</u>	<u>4,788,838</u>	<u>56,414</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,862,804)	(3,862,804)	(3,790,806)	71,998
OTHER FINANCING SOURCES				
Transfer in	3,750,000	3,750,000	3,750,000	-
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	910,000	910,000	-	910,000
Total other financing sources and (uses)	<u>2,840,000</u>	<u>2,840,000</u>	<u>3,750,000</u>	<u>910,000</u>
NET CHANGE IN FUND BALANCE	(1,022,804)	(1,022,804)	(40,806)	981,998
FUND BALANCE, BEGINNING	<u>2,769,337</u>	<u>2,769,337</u>	<u>2,769,337</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,746,533</u>	<u>\$ 1,746,533</u>	<u>\$ 2,728,531</u>	<u>\$ 981,998</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, 2017

	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Fee of offices	\$ 1,100,000	\$ 1,100,000	\$ 871,952	\$(228,048)
Taxes - Current Farm to Market	505,884	505,884	488,684	(17,200)
Taxes - Delinquent Farm to Market	20,000	20,000	22,428	2,428
TRIZ	138,683	138,683	166,000	27,317
Investment earnings	500	500	196	(304)
Total revenues	1,765,067	1,765,067	1,549,260	(215,807)
EXPENDITURES				
Pct. 1:				
Pct. 1 out of county travel	8,500	8,500	7,451	1,049
Pct. 1 operating expense	67,500	67,500	45,207	22,293
Pct. 1 paving	73,566	73,566	19,305	54,261
Total Pct. 1	149,566	149,566	71,963	77,603
Pct. 2:				
Pct. 2 out of county travel	8,500	8,500	2,589	5,911
Pct. 2 operating expense	101,000	101,000	92,564	8,436
Pct. 2 paving	122,611	122,611	105,964	16,647
Auction Reserve	1,050	1,050	-	1,050
Total Pct. 2	233,161	233,161	201,117	32,044
Pct. 3:				
Pct. 3 out of county travel	8,500	8,500	1,734	6,766
Pct. 3 operating expense	106,000	106,000	93,918	12,082
Pct. 3 paving	127,209	127,209	76,555	50,654
Auction Reserve	292	292	-	292
Total Pct. 3	242,001	242,001	172,207	69,794
Pct. 4:				
Pct. 4 out of county travel	8,500	8,500	5,784	2,716
Pct. 4 operating expense	106,000	114,500	108,793	5,707
Pct. 4 paving	154,797	146,297	75,045	71,252
Total Pct. 4	269,297	269,297	189,622	79,675
Commissioner's Office				
Commissioners office supplies	6,500	6,500	4,862	1,638
Right of way fencing - R & B	1,500	1,500	1,500	-
Copier expense	3,156	3,156	1,285	1,871
Total Road and Bridge	11,156	11,156	7,647	3,509
Total expenditures	905,181	905,181	642,556	262,625
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	859,886	859,886	906,704	(46,818)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	29,185	(29,185)
Transfer out (uses)	-	1,200,000	(1,195,893)	4,107
Total other financing sources and (uses)	-	1,200,000	(1,166,708)	(25,078)
NET CHANGE IN FUND BALANCE	859,886	(340,114)	(260,004)	(80,110)
FUND BALANCE, BEGINNING	(82,742)	(82,742)	(82,742)	-
PRIOR PERIOD ADJUSTMENT	-	-	342,746	(342,746)
FUND BALANCE, ENDING	\$ 777,144	\$(422,856)	\$ -	\$(422,856)

**NON MAJOR
GOVERNMENTAL FUNDS**

VAL VERDE COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	<u>Special Revenue Funds</u>		
	<u>Road and Bridge</u>	<u>Water Development Board</u>	<u>District Clerk Records Management</u>
ASSETS			
Cash	\$ 148,661	942,000	\$ 35,386
Investments	810	-	-
Taxes receivable (net of allowance)	67,782	-	-
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 217,253</u>	<u>\$ 942,000</u>	<u>\$ 35,386</u>
LIABILITIES			
Accounts payable	\$ 148,628	\$ -	\$ -
Due to other funds	843	-	-
Unearned revenue	<u>-</u>	<u>942,000</u>	<u>-</u>
Total liabilities	<u>149,471</u>	<u>942,000</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>67,782</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>67,782</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	<u>-</u>	<u>-</u>	<u>35,386</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>35,386</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 217,253</u>	<u>\$ 942,000</u>	<u>\$ 35,386</u>

EXHIBIT H-1

District Clerk Records Preservation	District Clerk Records Archive	Court Reporter	Courthouse Security Fees
\$ 23,209	\$ 19,064	\$ 12,622	\$ 131,496
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 23,209</u>	<u>\$ 19,064</u>	<u>\$ 12,622</u>	<u>\$ 131,496</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>23,209</u>	<u>19,064</u>	<u>12,622</u>	<u>131,496</u>
<u>23,209</u>	<u>19,064</u>	<u>12,622</u>	<u>131,496</u>
\$ 23,209	\$ 19,064	\$ 12,622	\$ 131,496

VAL VERDE COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	Special Revenue Funds		
	Sheriff LEOSE	District Attorney Pre-Trial Diversion	Constable #3
ASSETS			
Cash	\$ 8,726	\$ 2,501	\$ 2,657
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other governments	-	-	-
Total assets	<u>\$ 8,726</u>	<u>\$ 2,501</u>	<u>\$ 2,657</u>
LIABILITIES			
Accounts payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	<u>8,726</u>	<u>2,501</u>	<u>2,657</u>
Total fund balances	<u>8,726</u>	<u>2,501</u>	<u>2,657</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 8,726</u>	<u>\$ 2,501</u>	<u>\$ 2,657</u>

EXHIBIT H-1

[illegible]

VAL VERDE COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	<u>Special Revenue Funds</u>		
	<u>HIDTA Del Rio Task Force 2015</u>	<u>HIDTA Del Rio Task Force 2016</u>	<u>HIDTA Del Rio Task Force 2017</u>
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other governments	<u>-</u>	<u>4,534</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 4,534</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	4,534	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>4,534</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ -</u>	<u>\$ 4,534</u>	<u>\$ -</u>

EXHIBIT H-1

HIDTA Eagle Pass Task Force 2016	HIDTA Eagle Pass Task Force 2017	HIDTA Amistad Intell 2016	HIDTA Amistad Intell 2017
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	5,076	5,470	3,618
<u>\$ -</u>	<u>\$ 5,076</u>	<u>\$ 5,470</u>	<u>\$ 3,618</u>
\$ -	\$ -	\$ -	\$ -
-	5,076	5,470	3,618
-	\$ -	-	\$ -
-	5,076	5,470	3,618
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ 5,076</u>	<u>\$ 5,470</u>	<u>\$ 3,618</u>

VAL VERDE COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	Special Revenue Funds		
	Operation Stone Garden	Operation Stone Garden 2016	Local Border Security 2017
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other governments	-	28,547	-
Total assets	\$ -	\$ 28,547	\$ -
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	28,547	-
Unearned revenue	-	-	-
Total liabilities	-	28,547	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCE			
Assigned	-	-	-
Restricted	-	-	-
Total fund balances	-	-	-
Total liabilities, deferred inflows, and fund balances	\$ -	\$ 28,547	\$ -

EXHIBIT H-1

Border Prosecution Unit 2537706		Border Prosecution Unit 2537707		National Park Service		Bulletproof Vest Grant	
\$	-	\$	-	\$	-	\$	-
	-		-		-		-
	-		-		-		-
	739		5,018		-		1,970
<hr/>		<hr/>		<hr/>		<hr/>	
\$	739	\$	5,018	\$	-	\$	1,970
<hr/>		<hr/>		<hr/>		<hr/>	
\$	-	\$	-	\$	-	\$	-
	739		5,018		-		1,970
	-		-		-		-
<hr/>		<hr/>		<hr/>		<hr/>	
	739		5,018		-		1,970
<hr/>		<hr/>		<hr/>		<hr/>	
	-		-		-		-
<hr/>		<hr/>		<hr/>		<hr/>	
	-		-		-		-
<hr/>		<hr/>		<hr/>		<hr/>	
	-		-		-		-
<hr/>		<hr/>		<hr/>		<hr/>	
\$	739	\$	5,018	\$	-	\$	1,970
<hr/>		<hr/>		<hr/>		<hr/>	

VAL VERDE COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	Special Revenue Funds		
	Southwest Border Initiative	T.C.D.B.G. 713125	T.C.D.B.G. 713076
ASSETS			
Cash	\$ 38,876	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other governments	-	-	3,500
Total assets	<u>\$ 38,876</u>	<u>\$ -</u>	<u>\$ 3,500</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 3,500
Due to other funds	-	-	-
Unearned revenue	38,876	-	-
Total liabilities	<u>38,876</u>	<u>-</u>	<u>3,500</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 38,876</u>	<u>\$ -</u>	<u>\$ 3,500</u>

EXHIBIT H-1

T.C.D.B.G. 7216075	TDHCA 7214013	T.C.D.B.G. 7215499	Other Special Revenue Funds
\$ -	\$ -	\$ -	33,445
-	-	-	-
-	-	-	-
<u>18,597</u>	<u>72,509</u>	<u>63,698</u>	<u>30,088</u>
<u>\$ 18,597</u>	<u>\$ 72,509</u>	<u>\$ 63,698</u>	<u>\$ 63,533</u>
\$ 18,597	\$ 69,475	\$ 2,925	\$ 6,252
-	3,034	60,773	23,836
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,258</u>
<u>18,597</u>	<u>72,509</u>	<u>63,698</u>	<u>40,346</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>23,187</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>23,187</u>
<u>\$ 18,597</u>	<u>\$ 72,509</u>	<u>\$ 63,698</u>	<u>\$ 63,533</u>

VAL VERDE COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	Special Revenue Funds		
	DWI/Drug Court Rehabilitation	NIBRS	Indigent Defense Formula
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other governments	<u>27,338</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 27,338</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 14,032	\$ -	\$ -
Due to other funds	13,306	-	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>27,338</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 27,338</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-1

Texas Department of Transportation Infrastructure	Law Library	Family Protection	Total Special Revenue Funds
\$ -	\$ 470	\$ 33,572	\$ 1,460,014
-	-	-	810
-	-	-	67,782
<u>80,445</u>	<u>-</u>	<u>-</u>	<u>351,147</u>
<u>\$ 80,445</u>	<u>\$ 470</u>	<u>\$ 33,572</u>	<u>\$ 1,879,753</u>
\$ -	\$ 470	\$ -	\$ 263,878
80,445	-	-	237,209
<u>-</u>	<u>-</u>	<u>-</u>	<u>991,134</u>
<u>80,445</u>	<u>470</u>	<u>-</u>	<u>1,492,221</u>
-	-	-	67,782
<u>-</u>	<u>-</u>	<u>-</u>	<u>67,782</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>33,572</u>	<u>319,750</u>
<u>-</u>	<u>-</u>	<u>33,572</u>	<u>319,750</u>
<u>\$ 80,445</u>	<u>\$ 470</u>	<u>\$ 33,572</u>	<u>\$ 1,879,753</u>

VAL VERDE COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	Capital Project Library	Capital Project Tax Note 2013	Capital Project Tax Note 2016
ASSETS			
Cash	\$ 1,294,370	\$ 57,242	1,433,949
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,294,370</u>	<u>\$ 57,242</u>	<u>\$ 1,433,949</u>
LIABILITIES			
Accounts payable	\$ 585,488	\$ -	\$ 64,622
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>585,488</u>	<u>-</u>	<u>64,622</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	<u>708,882</u>	<u>57,242</u>	<u>1,369,327</u>
Total fund balances	<u>708,882</u>	<u>57,242</u>	<u>1,369,327</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,294,370</u>	<u>\$ 57,242</u>	<u>\$ 1,433,949</u>

Total Nonmajor Governmental Funds	
<hr/>	
\$	4,245,575
	810
	67,782
	<hr/> 351,147
\$	<hr/> 4,665,314
\$	913,988
	-
	237,209
	<hr/> 991,134
	 <hr/> 2,142,331
	<hr/> 67,782
	<hr/> 67,782
	-
	<hr/> 2,455,201
	 <hr/> 2,455,201
\$	<hr/> 4,665,314

VAL VERDE COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Special Revenue Funds</u>		
	<u>Road and Bridge</u>	<u>Water Development Board</u>	<u>District Clerk Records Management</u>
REVENUES			
Taxes	\$ 677,112	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	871,952	-	-
Fees and fines	-	-	8,998
Investment earnings	196	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	1,549,260	-	8,998
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
General government	-	-	-
Infrastructure and environmental services	642,556	-	-
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	-	-	-
Public facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	642,556	-	-
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	906,704	-	8,998
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES			
Transfer in	29,185	-	-
Transfer out (uses)	(1,195,893)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(1,166,708)	-	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(260,004)	-	8,998
	<hr/>	<hr/>	<hr/>
FUND BALANCE, BEGINNING	(82,742)	-	26,388
	<hr/>	<hr/>	<hr/>
PRIOR PERIOD ADJUSTMENT	342,746	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE, ENDING	\$ -	\$ -	\$ 35,386
	<hr/>	<hr/>	<hr/>

EXHIBIT H-2

District Clerk Record Preservation		District Clerk Record Archive		Court Reporter		Courthouse Security Fees	
\$	-	\$	-	\$	-	\$	-
	-		-		-		-
	-		-		1,308		14,666
	271		1,109		-		-
	-		-		-		568
	-		-		7		-
	<u>271</u>		<u>1,109</u>		<u>1,315</u>		<u>15,234</u>
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		29,807		-
	-		-		-		-
	-		-		-		3,395
	<u>-</u>		<u>-</u>		<u>-</u>		<u>3,395</u>
	-		-		29,807		3,395
	<u>271</u>		<u>1,109</u>		<u>(28,492)</u>		<u>11,839</u>
	-		-		-		-
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	-		-		-		-
	<u>271</u>		<u>1,109</u>		<u>(28,492)</u>		<u>11,839</u>
	22,938		17,955		41,114		119,657
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
\$	<u>23,209</u>	\$	<u>19,064</u>	\$	<u>12,622</u>	\$	<u>131,496</u>

VAL VERDE COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds		
	Sheriff LEOSE	District Attorney Pre-Trial Diversion	Constable #3
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	8,726	2,501	2,657
Fees and fines	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	8,726	2,501	2,657
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
General government	-	-	-
Infrastructure and environmental services	-	-	-
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	-	-	-
Public facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,726	2,501	2,657
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	8,726	2,501	2,657
	<hr/>	<hr/>	<hr/>
FUND BALANCE, BEGINNING OF YEAR	-	-	-
	<hr/>	<hr/>	<hr/>
PRIOR PERIOD ADJUSTMENT	-	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ 8,726	\$ 2,501	\$ 2,657
	<hr/>	<hr/>	<hr/>

EXHIBIT H-2

Justice of Peace 1 Technology Fund	Justice of Peace 2 Technology Fund	Justice of Peace 3 Technology Fund	Justice of Peace 4 Technology Fund
\$ -	\$ -	\$ -	\$ -
-	-	-	-
8,781	7,661	6,365	4,522
-	-	-	-
-	-	-	-
-	-	-	-
8,781	7,661	6,365	4,522
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
8,781	7,661	6,365	4,522
-	-	-	-
-	-	-	-
-	-	-	-
8,781	7,661	6,365	4,522
-	-	-	-
-	-	-	-
\$ 8,781	\$ 7,661	\$ 6,365	\$ 4,522

VAL VERDE COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Special Revenue Funds</u>		
	<u>HIDTA Del Rio Task Force 2015</u>	<u>HIDTA Del Rio Task Force 2016</u>	<u>HIDTA Del Rio Task Force 2017</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	14,600	65,847	27,308
Charges for services	-	-	-
Fees and fines			
Investment earnings	-	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	<u>14,600</u>	<u>65,847</u>	<u>27,308</u>
EXPENDITURES			
General government	-	-	-
Infrastructure and environmental services	-	-	-
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	14,600	65,847	27,308
Public facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>14,600</u>	<u>65,847</u>	<u>27,308</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<hr/>	<hr/>	<hr/>
	-	-	-
OTHER FINANCING SOURCES			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
PRIOR PERIOD ADJUSTMENT	<hr/>	<hr/>	<hr/>
	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

HIDTA Eagle Pass Task Force 2016	HIDTA Eagle Pass Task Force 2017	HIDTA Amistad Intell 2016	HIDTA Amistad Intell 2017
\$ -	\$ -	\$ -	\$ -
43,811	27,647	117,248	4,156
-	-	-	-
-	-	-	-
-	-	-	-
43,811	27,647	117,248	4,156
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
43,811	27,647	117,248	4,156
-	-	-	-
43,811	27,647	117,248	4,156
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

VAL VERDE COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Special Revenue Funds</u>		
	Operation Stone Garden 2015	Operation Stone Garden 2016	Local Border Security 2017
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	250,264	98,531	64,985
Charges for services	-	-	-
Fees and fines			
Investment earnings	-	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	250,264	98,531	64,985
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
General government	-	-	-
Infrastructure and environmental services	-	-	-
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	250,264	98,531	64,985
Public facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	250,264	98,531	64,985
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
	<hr/>	<hr/>	<hr/>
PRIOR PERIOD ADJUSTMENT	-	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>

EXHIBIT H-2

Border Prosecution Unit 2537706	Border Prosecution Unit 2537707	National Park Service	Bulletproof Vest Grant
\$ -	\$ -	\$ -	\$ -
73,541	5,018	26,250	1,970
-	-	-	-
-	-	-	-
-	-	-	-
73,541	5,018	26,250	1,970
-	-	-	-
-	-	-	-
-	-	-	-
-	-	26,250	-
-	-	-	-
73,541	5,018	-	1,970
-	-	-	-
73,541	5,018	26,250	1,970
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

VAL VERDE COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds		
	Southwest Border Initiative	T.C.D.B.G. 713125	T.C.D.B.G. 713076
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	3,663	55,775	97,263
Charges for services	-	-	-
Fees and fines			
Investment earnings	-	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	3,663	55,775	97,263
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
General government	42,539	-	-
Infrastructure and environmental services	-	-	-
Health and human services	-	55,775	97,263
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	3,663	-	-
Public facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	46,202	55,775	97,263
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(42,539)	-	-
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(42,539)	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE, BEGINNING OF YEAR	42,539	-	-
	<hr/>	<hr/>	<hr/>
PRIOR PERIOD ADJUSTMENT	-	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>

EXHIBIT H-2

T.C.D.B.G. 7216075	TDHCA 7214013	T.C.D.B.G. 7215499	Other Special Revenue Funds
\$ -	\$ -	\$ -	\$ -
40,600	199,280	88,897	535,515
-	-	-	-
-	-	-	-
-	-	-	-
40,600	199,280	88,897	535,515
-	-	-	-
-	-	-	-
40,600	199,280	88,897	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	495,580
40,600	199,280	88,897	495,580
-	-	-	39,935
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	39,935
-	-	-	(16,748)
-	-	-	-
\$ -	\$ -	\$ -	\$ 23,187

VAL VERDE COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds		
	DWI/Drug Court Rehabilitation	NIBRS	Indigent Defense Formula
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	148,583	26,972	39,474
Charges for services	-	-	-
Fees and fines	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	148,583	26,972	39,474
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
General government	-	-	-
Infrastructure and environmental services	-	-	-
Health and human services	-	-	-
Corrections and rehabilitation	148,583	-	-
Culture and recreation	-	-	-
Justice system	-	-	39,474
Public safety	-	26,972	-
Public facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	148,583	26,972	39,474
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<hr/>	<hr/>	<hr/>
	-	-	-
OTHER FINANCING SOURCES			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
PRIOR PERIOD ADJUSTMENT	<hr/>	<hr/>	<hr/>
	-	-	-
FUND BALANCE, END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ -

EXHIBIT H-2

Texas Department of Transportation Infrastructure	Law Library	Family Protection	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ 677,112
80,445	-	-	2,137,643
-	-	-	929,139
-	13,761	-	24,139
-	7	-	771
-	-	853	860
80,445	13,768	853	3,769,665
-	-	-	42,539
80,445	-	-	723,001
-	-	-	481,815
-	-	-	148,583
-	-	-	26,250
-	38,530	-	107,811
-	-	-	825,561
-	-	-	498,975
80,445	38,530	-	2,854,535
-	(24,762)	853	915,130
-	-	-	29,185
-	-	-	(1,195,893)
-	-	-	(1,166,708)
-	(24,762)	853	(251,578)
-	24,762	32,719	228,582
-	-	-	342,746
\$ -	\$ -	\$ 33,572	\$ 319,750

VAL VERDE COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Capital Project Library	Capital Project Tax Note 2013	Capital Project Tax Note 2016
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment earnings	-	38	1,007
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	38	1,007
EXPENDITURES			
General government	2,450,576	-	11,199
Infrastructure and environmental services	-	-	1,025,757
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	77,256
Justice system	-	-	-
Public safety	-	45,450	17,468
Public facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	2,450,576	45,450	1,131,680
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<hr/> (2,450,576)	<hr/> (45,412)	<hr/> (1,130,673)
OTHER FINANCING SOURCES			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
CHANGE IN FUND BALANCE	(2,450,576)	(45,412)	(1,130,673)
FUND BALANCE, BEGINNING	3,159,458	-	-
PRIOR PERIOD ADJUSTMENT	<hr/> -	<hr/> 102,654	<hr/> 2,500,000
FUND BALANCE, ENDING	<hr/> \$ 708,882	<hr/> \$ 57,242	<hr/> \$ 1,369,327

Total Nonmajor Governmental Funds	
<hr/>	
\$	677,112
	2,137,643
	929,139
	24,139
	1,816
	860
	<hr/>
	3,770,710
	<hr/>
	2,504,314
	1,748,758
	481,815
	148,583
	103,506
	107,811
	888,479
	<hr/>
	498,975
	<hr/>
	6,482,241
	<hr/>
	(2,711,531)
	<hr/>
	29,185
	<hr/>
	(1,195,893)
	<hr/>
	(1,166,708)
	<hr/>
	(3,878,239)
	<hr/>
	3,388,040
	<hr/>
	2,945,400
	<hr/>
\$	<u><u>2,455,201</u></u>

FIDUCIARY FUNDS

VAL VERDE COUNTY, TEXAS

**COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES**

SEPTEMBER 30, 2017

	<u>County Clerk</u>	<u>County Clerk Criminal Account</u>	<u>County Clerk Civil Account</u>	<u>County Clerk Probate Account</u>	<u>Court At Law Escrow Account</u>
ASSETS					
Cash and investments	\$ 23,584	\$ 11,041	\$ 6,993	\$ 6,573	\$ 15,144
Total assets	<u>\$ 23,584</u>	<u>\$ 11,041</u>	<u>\$ 6,993</u>	<u>\$ 6,573</u>	<u>\$ 15,144</u>
LIABILITIES					
Liabilities:					
Due to others	\$ 23,584	\$ 11,041	\$ 6,993	\$ 6,573	\$ 15,144
Total liabilities	<u>\$ 23,584</u>	<u>\$ 11,041</u>	<u>\$ 6,993</u>	<u>\$ 6,573</u>	<u>\$ 15,144</u>

EXHIBIT H-3

Court At Law Civil Cases	Court At Law Criminal Account	District Clerk Court Costs	District Clerk Registry Accounts	District Clerk MOP 2006 Court Costs	District Clerk MOP Registry Account
\$ 34,421	\$ 2,044	\$ 441,888	\$ 551,578	\$ 71,586	\$ 65,028
<u>\$ 34,421</u>	<u>\$ 2,044</u>	# <u>\$ 441,888</u>	<u>\$ 551,578</u>	<u>\$ 71,586</u>	<u>\$ 65,028</u>
\$ 34,421	\$ 2,044	\$ 441,888	\$ 551,578	\$ 71,586	\$ 65,028
<u>\$ 34,421</u>	<u>\$ 2,044</u>	# <u>\$ 441,888</u>	<u>\$ 551,578</u>	<u>\$ 71,586</u>	<u>\$ 65,028</u>

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES

(Continued)

SEPTEMBER 30, 2017

	Justice of the Peace 1	Justice of the Peace 2	Justice of the Peace 3	Justice of the Peace 4	County Attorney Collection Account
ASSETS					
Cash and investments	\$ 16,098	\$ 12,273	\$ 31,551	\$ 127	\$ 26,071
Total assets	<u>\$ 16,098</u>	<u>\$ 12,273</u>	<u>\$ 31,551</u>	<u>\$ 127</u>	<u>\$ 26,071</u>
LIABILITIES					
Liabilities:					
Due to others	\$ 16,098	\$ 12,273	\$ 31,551	\$ 127	\$ 26,071
Total liabilities	<u>\$ 16,098</u>	<u>\$ 12,273</u>	<u>\$ 31,551</u>	<u>\$ 127</u>	<u>\$ 26,071</u>

EXHIBIT H-3

County Attorney Merchant Account	Tax Assessor Property Tax	Tax Assessor Escrow Account #2	Sheriff's Account Cash bonds	County Clerk Trust Fund	County Clerk Records Management
\$ 16,766	\$ 448,709	\$ 143,969	\$ 2,500	\$ 96,839	\$ 314,948
<u>\$ 16,766</u>	<u>\$ 448,709</u>	<u>\$ 143,969</u>	<u>\$ 2,500</u>	<u>\$ 96,839</u>	<u>\$ 314,948</u>
\$ 16,766	\$ 448,709	\$ 143,969	\$ 2,500	\$ 96,839	\$ 314,948
<u>\$ 16,766</u>	<u>\$ 448,709</u>	<u>\$ 143,969</u>	<u>\$ 2,500</u>	<u>\$ 96,839</u>	<u>\$ 314,948</u>

VAL VERDE COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES

(Continued)

SEPTEMBER 30, 2017

	County Clerk Records Archive Fund	County Clerk Miscellaneous Account	Court at Law Justice Technology Fee	County Attorney Pre-Trial Diversion	Tax Assessor VIT Escrow Account
ASSETS					
Cash and investments	\$ 304,334	\$ 30	\$ 437	\$ 37,962	\$ 264,262
Total assets	<u>\$ 304,334</u>	<u>\$ 30</u>	<u>\$ 437</u>	<u>\$ 37,962</u>	<u>\$ 264,262</u>
LIABILITIES					
Liabilities:					
Due to others	\$ 304,334	\$ 30	\$ 437	\$ 37,962	\$ 264,262
Total liabilities	<u>\$ 304,334</u>	<u>\$ 30</u>	<u>\$ 437</u>	<u>\$ 37,962</u>	<u>\$ 264,262</u>

EXHIBIT H-3

<u>Tax Assessor Collector of Taxes</u>	<u>Sheriff's Account Forfeiture DOJ Accounts</u>	<u>Sheriff's Account Texas Forfeiture Account</u>	<u>Sheriff's Account TUSC Account</u>	<u>County Welfare</u>	<u>Total Agency Funds</u>
\$ 770,782	\$ 11,859	\$ 4,302	\$ 12,862	\$ 23,031	\$ 3,769,593
<u>\$ 770,782</u>	<u>\$ 11,859</u>	<u>\$ 4,302</u>	<u>\$ 12,862</u>	<u>\$ 23,031</u>	<u>\$ 3,769,593</u>
\$ 770,782	\$ 11,859	\$ 4,302	\$ 12,862	\$ 23,031	\$ 3,769,593
<u>\$ 770,782</u>	<u>\$ 11,859</u>	<u>\$ 4,302</u>	<u>\$ 12,862</u>	<u>\$ 23,031</u>	<u>\$ 3,769,593</u>

VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>10/1/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>9/30/2017</u>
<u>COUNTY CLERK</u>				
Assets:				
Cash and investments	\$ 25,462	\$ 315,665	\$ 317,543	\$ 23,584
Total Assets	<u>\$ 25,462</u>	<u>\$ 315,665</u>	<u>\$ 317,543</u>	<u>\$ 23,584</u>
Liabilities:				
Due to others	\$ 25,462	\$ 315,665	\$ 317,543	\$ 23,584
Total Liabilities	<u>\$ 25,462</u>	<u>\$ 315,665</u>	<u>\$ 317,543</u>	<u>\$ 23,584</u>
<u>COUNTY CLERK CRIMINAL ACCOUNT</u>				
Assets:				
Cash and investments	\$ 12,018	\$ 100,611	\$ 101,588	\$ 11,041
Total Assets	<u>\$ 12,018</u>	<u>\$ 100,611</u>	<u>\$ 101,588</u>	<u>\$ 11,041</u>
Liabilities:				
Due to others	\$ 12,018	\$ 100,611	\$ 101,588	\$ 11,041
Total Liabilities	<u>\$ 12,018</u>	<u>\$ 100,611</u>	<u>\$ 101,588</u>	<u>\$ 11,041</u>
<u>COUNTY CLERK CIVIL ACCOUNT</u>				
Assets:				
Cash and investments	\$ 8,189	\$ 64,001	\$ 65,197	\$ 6,993
Total Assets	<u>\$ 8,189</u>	<u>\$ 64,001</u>	<u>\$ 65,197</u>	<u>\$ 6,993</u>
Liabilities:				
Due to others	\$ 8,189	64,001	65,197	\$ 6,993
Total Liabilities	<u>\$ 8,189</u>	<u>\$ 64,001</u>	<u>\$ 65,197</u>	<u>\$ 6,993</u>
<u>COUNTY CLERK PROBATE ACCOUNT</u>				
Assets:				
Cash and investments	\$ 4,448	\$ 30,201	\$ 28,076	\$ 6,573
Total Assets	<u>\$ 4,448</u>	<u>\$ 30,201</u>	<u>\$ 28,076</u>	<u>\$ 6,573</u>
Liabilities:				
Due to others	\$ 4,448	\$ 30,201	\$ 28,076	\$ 6,573
Total Liabilities	<u>\$ 4,448</u>	<u>\$ 30,201</u>	<u>\$ 28,076</u>	<u>\$ 6,573</u>

VAL VERDE COUNTY, TEXAS

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	10/1/2016	Additions	Deductions	9/30/2017
<u>COURT AT LAW ESCROW ACCOUNT</u>				
Assets:				
Cash and investments	\$ 15,144	\$ -	\$ -	\$ 15,144
Total Assets	<u>\$ 15,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,144</u>
Liabilities:				
Due to others	\$ 15,144	\$ -	\$ -	\$ 15,144
Total Liabilities	<u>\$ 15,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,144</u>
<u>COURT AT LAW CIVIL CASES</u>				
Assets:				
Cash and investments	\$ 34,421	\$ -	\$ -	\$ 34,421
Total Assets	<u>\$ 34,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,421</u>
Liabilities:				
Due to others	\$ 34,421	\$ -	\$ -	\$ 34,421
Total Liabilities	<u>\$ 34,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,421</u>
<u>COURT AT LAW CRIMINAL ACCOUNT</u>				
Assets:				
Cash and investments	\$ 2,044	\$ -	\$ -	\$ 2,044
Total Assets	<u>\$ 2,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,044</u>
Liabilities:				
Due to others	\$ 2,044	\$ -	\$ -	\$ 2,044
Total Liabilities	<u>\$ 2,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,044</u>
<u>DISTRICT CLERK COURT COSTS</u>				
Assets:				
Cash and investments	\$ 276,093	\$ 337,219	\$ 171,424	\$ 441,888
Total Assets	<u>\$ 276,093</u>	<u>\$ 337,219</u>	<u>\$ 171,424</u>	<u>\$ 441,888</u>
Liabilities:				
Due to others	\$ 276,093	\$ 337,219	\$ 171,424	\$ 441,888
Total Liabilities	<u>\$ 276,093</u>	<u>\$ 337,219</u>	<u>\$ 171,424</u>	<u>\$ 441,888</u>

VAL VERDE COUNTY, TEXAS

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>10/1/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>9/30/2017</u>
<u>DISTRICT CLERK REGISTRY ACCOUNTS</u>				
Assets:				
Cash and investments	\$ 605,108	\$ 442,058	\$ 495,588	\$ 551,578
Total Assets	<u>\$ 605,108</u>	<u>\$ 442,058</u>	<u>\$ 495,588</u>	<u>\$ 551,578</u>
Liabilities:				
Due to others	\$ 605,108	\$ 442,058	\$ 495,588	\$ 551,578
Total Liabilities	<u>\$ 605,108</u>	<u>\$ 442,058</u>	<u>\$ 495,588</u>	<u>\$ 551,578</u>
	-			-
<u>DISTRICT CLERK - MOP 2006 COURT COSTS</u>				
Assets:				
Cash and investments	\$ 71,586	\$ -	\$ -	\$ 71,586
Total Assets	<u>\$ 71,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,586</u>
Liabilities:				
Due to others	\$ 71,586	\$ -	\$ -	\$ 71,586
Total Liabilities	<u>\$ 71,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,586</u>
<u>DISTRICT CLERK - MOP REGISTRY ACCOUNT</u>				
Assets:				
Cash and investments	\$ 65,028	\$ -	\$ -	\$ 65,028
Total Assets	<u>\$ 65,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,028</u>
Liabilities:				
Due to others	\$ 65,028	\$ -	\$ -	\$ 65,028
Total Liabilities	<u>\$ 65,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,028</u>
<u>JUSTICE OF THE PEACE 1</u>				
Assets:				
Cash and investments	\$ 9,866	\$ 111,173	\$ 104,941	\$ 16,098
Total Assets	<u>\$ 9,866</u>	<u>\$ 111,173</u>	<u>\$ 104,941</u>	<u>\$ 16,098</u>
Liabilities:				
Due to others	\$ 9,866	\$ 111,173	\$ 104,941	\$ 16,098
Total Liabilities	<u>\$ 9,866</u>	<u>\$ 111,173</u>	<u>\$ 104,941</u>	<u>\$ 16,098</u>

VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	10/1/2016	Additions	Deductions	9/30/2017
<u>JUSTICE OF THE PEACE 2</u>				
Assets:				
Cash and investments	\$ 9,210	\$ 134,170	\$ 131,107	\$ 12,273
Total Assets	<u>\$ 9,210</u>	<u>\$ 134,170</u>	<u>\$ 131,107</u>	<u>\$ 12,273</u>
Liabilities:				
Due to others	\$ 9,210	\$ 134,170	\$ 131,107	\$ 12,273
Total Liabilities	<u>\$ 9,210</u>	<u>\$ 134,170</u>	<u>\$ 131,107</u>	<u>\$ 12,273</u>
<u>JUSTICE OF THE PEACE 3</u>				
Assets:				
Cash and investments	\$ 29,231	\$ 177,836	\$ 175,516	\$ 31,551
Total Assets	<u>\$ 29,231</u>	<u>\$ 177,836</u>	<u>\$ 175,516</u>	<u>\$ 31,551</u>
Liabilities:				
Due to others	\$ 29,231	\$ 177,836	\$ 175,516	\$ 31,551
Total Liabilities	<u>\$ 29,231</u>	<u>\$ 177,836</u>	<u>\$ 175,516</u>	<u>\$ 31,551</u>
<u>JUSTICE OF THE PEACE 4</u>				
Assets:				
Cash and investments	\$ 4,403	\$ 86,294	\$ 90,570	\$ 127
Total Assets	<u>\$ 4,403</u>	<u>\$ 86,294</u>	<u>\$ 90,570</u>	<u>\$ 127</u>
Liabilities:				
Due to others	\$ 4,403	\$ 86,294	\$ 90,570	\$ 127
Total Liabilities	<u>\$ 4,403</u>	<u>\$ 86,294</u>	<u>\$ 90,570</u>	<u>\$ 127</u>
<u>COUNTY ATTORNEY COLLECTION ACCOUNT</u>				
Assets:				
Cash and investments	\$ 25,518	\$ 1,262	\$ 709	\$ 26,071
Total Assets	<u>\$ 25,518</u>	<u>\$ 1,262</u>	<u>\$ 709</u>	<u>\$ 26,071</u>
Liabilities:				
Due to others	\$ 25,518	\$ 1,262	\$ 709	\$ 26,071
Total Liabilities	<u>\$ 25,518</u>	<u>\$ 1,262</u>	<u>\$ 709</u>	<u>\$ 26,071</u>

VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>10/1/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>9/30/2017</u>
<u>COUNTY ATTORNEY MERCHANT ACCOUNT</u>				
Assets:				
Cash and investments	\$ 17,196	\$ 11,677	\$ 12,107	\$ 16,766
Total Assets	<u>\$ 17,196</u>	<u>\$ 11,677</u>	<u>\$ 12,107</u>	<u>\$ 16,766</u>
Liabilities:				
Due to others	\$ 17,196	\$ 11,677	\$ 12,107	\$ 16,766
Total Liabilities	<u>\$ 17,196</u>	<u>\$ 11,677</u>	<u>\$ 12,107</u>	<u>\$ 16,766</u>
<u>TAX ASSESSOR PROPERTY TAX</u>				
Assets:				
Cash and investments	\$ 438,868	\$ 37,989,413	\$ 37,979,572	\$ 448,709
Total Assets	<u>\$ 438,868</u>	<u>\$ 37,989,413</u>	<u>\$ 37,979,572</u>	<u>\$ 448,709</u>
Liabilities:				
Due to others	\$ 438,868	\$ 37,989,413	\$ 37,979,572	\$ 448,709
Total Liabilities	<u>\$ 438,868</u>	<u>\$ 37,989,413</u>	<u>\$ 37,979,572</u>	<u>\$ 448,709</u>
<u>TAX ASSESSOR ESCROW ACCOUNT #2</u>				
Assets:				
Cash and investments	\$ 142,504	\$ 28,183	\$ 26,718	\$ 143,969
Total Assets	<u>\$ 142,504</u>	<u>\$ 28,183</u>	<u>\$ 26,718</u>	<u>\$ 143,969</u>
Liabilities:				
Due to others	\$ 142,504	\$ 28,183	\$ 26,718	\$ 143,969
Total Liabilities	<u>\$ 142,504</u>	<u>\$ 28,183</u>	<u>\$ 26,718</u>	<u>\$ 143,969</u>
<u>SHERIFF'S ACCOUNT CASH BONDS</u>				
Assets:				
Cash and investments	\$ 2,000	\$ 2,500	\$ 2,000	\$ 2,500
Total Assets	<u>\$ 2,000</u>	<u>\$ 2,500</u>	<u>\$ 2,000</u>	<u>\$ 2,500</u>
Liabilities:				
Due to others	2,000	\$ 2,500	\$ 2,000	2,500
Total Liabilities	<u>\$ 2,000</u>	<u>\$ 2,500</u>	<u>\$ 2,000</u>	<u>\$ 2,500</u>

VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	10/1/2016	Additions	Deductions	9/30/2017
<u>COUNTY CLERK TRUST FUND</u>				
Assets:				
Cash and investments	\$ 97,242	\$ 15,816	\$ 16,219	\$ 96,839
Total Assets	<u>\$ 97,242</u>	<u>\$ 15,816</u>	<u>\$ 16,219</u>	<u>\$ 96,839</u>
Liabilities:				
Due to others	\$ 97,242	\$ 15,816	\$ 16,219	\$ 96,839
Total Liabilities	<u>\$ 97,242</u>	<u>\$ 15,816</u>	<u>\$ 16,219</u>	<u>\$ 96,839</u>
<u>COUNTY CLERK RECORDS MANAGEMENT</u>				
Assets:				
Cash and investments	\$ 362,877	\$ 68,882	\$ 116,811	\$ 314,948
Total Assets	<u>\$ 362,877</u>	<u>\$ 68,882</u>	<u>\$ 116,811</u>	<u>\$ 314,948</u>
Liabilities:				
Due to others	\$ 362,877	\$ 68,882	\$ 116,811	\$ 314,948
Total Liabilities	<u>\$ 362,877</u>	<u>\$ 68,882</u>	<u>\$ 116,811</u>	<u>\$ 314,948</u>
<u>COUNTY CLERK RECORDS ARCHIVE FUND</u>				
Assets:				
Cash and investments	\$ 282,460	\$ 65,884	\$ 44,010	\$ 304,334
Total Assets	<u>\$ 282,460</u>	<u>\$ 65,884</u>	<u>\$ 44,010</u>	<u>\$ 304,334</u>
Liabilities:				
Due to others	\$ 282,460	\$ 65,884	\$ 44,010	\$ 304,334
Total Liabilities	<u>\$ 282,460</u>	<u>\$ 65,884</u>	<u>\$ 44,010</u>	<u>\$ 304,334</u>
<u>COUNTY CLERK MISCELLANEOUS ACCOUNT</u>				
Assets:				
Cash and investments	\$ 30	\$ -	\$ -	\$ 30
Total Assets	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>
Liabilities:				
Due to others	\$ 30	\$ -	\$ -	\$ 30
Total Liabilities	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>

VAL VERDE COUNTY, TEXAS

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	10/1/2016	Additions	Deductions	9/30/2017
<u>COURT AT LAW JUSTICE TECHNOLOGY FEE</u>				
Assets:				
Cash and investments	\$ 1,331	\$ 521	\$ 1,415	\$ 437
Total Assets	<u>\$ 1,331</u>	<u>\$ 521</u>	<u>\$ 1,415</u>	<u>\$ 437</u>
Liabilities:				
Due to others	\$ 1,331	\$ 521	\$ 1,415	\$ 437
Total Liabilities	<u>\$ 1,331</u>	<u>\$ 521</u>	<u>\$ 1,415</u>	<u>\$ 437</u>
<u>COUNTY ATTORNEY PRE-TRIAL DIVERSION</u>				
Assets:				
Cash and investments	\$ 28,125	\$ 11,518	\$ 1,681	\$ 37,962
Total Assets	<u>\$ 28,125</u>	<u>\$ 11,518</u>	<u>\$ 1,681</u>	<u>\$ 37,962</u>
Liabilities:				
Due to others	\$ 28,125	\$ 11,518	\$ 1,681	\$ 37,962
Total Liabilities	<u>\$ 28,125</u>	<u>\$ 11,518</u>	<u>\$ 1,681</u>	<u>\$ 37,962</u>
<u>TAX ASSESSOR VIT ESCROW ACCOUNT</u>				
Assets:				
Cash and investments	\$ 228,936	\$ 310,985	\$ 275,659	\$ 264,262
Total Assets	<u>\$ 228,936</u>	<u>\$ 310,985</u>	<u>\$ 275,659</u>	<u>\$ 264,262</u>
Liabilities:				
Due to others	\$ 228,936	\$ 310,985	\$ 275,659	\$ 264,262
Total Liabilities	<u>\$ 228,936</u>	<u>\$ 310,985</u>	<u>\$ 275,659</u>	<u>\$ 264,262</u>
<u>TAX ASSESSOR COLLECTOR OF TAXES</u>				
Assets:				
Cash and investments	\$ 285,147	\$ 10,289,250	\$ 9,803,615	\$ 770,782
Total Assets	<u>\$ 285,147</u>	<u>\$ 10,289,250</u>	<u>\$ 9,803,615</u>	<u>\$ 770,782</u>
Liabilities:				
Due to others	\$ 285,147	\$ 10,289,250	\$ 9,803,615	\$ 770,782
Total Liabilities	<u>\$ 285,147</u>	<u>\$ 10,289,250</u>	<u>\$ 9,803,615</u>	<u>\$ 770,782</u>

VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	10/1/2016	Additions	Deductions	9/30/2017
<u>SHERIFF'S ACCOUNT FORFEITURE DOJ ACCOUNTS</u>				
Assets:				
Cash and investments	\$ 9,074	\$ 7,768	\$ 4,982	\$ 11,859
Total Assets	<u>\$ 9,074</u>	<u>\$ 7,768</u>	<u>\$ 4,982</u>	<u>\$ 11,859</u>
Liabilities:				
Due to others	\$ 9,074	\$ 7,768	\$ 4,982	\$ 11,859
Total Liabilities	<u>\$ 9,074</u>	<u>\$ 7,768</u>	<u>\$ 4,982</u>	<u>\$ 11,859</u>
<u>SHERIFF'S ACCOUNT TEXAS FORFEITURE ACCOUNT</u>				
Assets:				
Cash and investments	\$ 45	\$ 4,633	\$ 375	\$ 4,302
Total Assets	<u>\$ 45</u>	<u>\$ 4,633</u>	<u>\$ 375</u>	<u>\$ 4,302</u>
Liabilities:				
Due to others	\$ 45	\$ 4,633	\$ 375	\$ 4,302
Total Liabilities	<u>\$ 45</u>	<u>\$ 4,633</u>	<u>\$ 375</u>	<u>\$ 4,302</u>
<u>SHERIFF'S ACCOUNT TUSC ACCOUNT</u>				
Assets:				
Cash and investments	\$ 9,908	\$ 16,485	\$ 13,530	\$ 12,862
Total Assets	<u>\$ 9,908</u>	<u>\$ 16,485</u>	<u>\$ 13,530</u>	<u>\$ 12,862</u>
Liabilities:				
Due to others	\$ 9,908	\$ 16,485	\$ 13,530	\$ 12,862
Total Liabilities	<u>\$ 9,908</u>	<u>\$ 16,485</u>	<u>\$ 13,530</u>	<u>\$ 12,862</u>
<u>COUNTY WELFARE</u>				
Assets:				
Cash and investments	\$ 24,341	\$ 1,807	\$ 3,117	\$ 23,031
Total Assets	<u>\$ 24,341</u>	<u>\$ 1,807</u>	<u>\$ 3,117</u>	<u>\$ 23,031</u>
Liabilities:				
Due to others	\$ 24,341	\$ 1,807	\$ 3,117	\$ 23,031
Total Liabilities	<u>\$ 24,341</u>	<u>\$ 1,807</u>	<u>\$ 3,117</u>	<u>\$ 23,031</u>
<u>TOTAL-AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$ 1,895,579	\$ 39,848,079	\$ 39,718,875	\$ 3,769,593
Total assets	<u>\$ 1,895,579</u>	<u>\$ 39,848,079</u>	<u>\$ 39,718,875</u>	<u>\$ 3,769,593</u>
Liabilities:				
Due to others	\$ 1,895,579	\$ 39,848,079	\$ 39,718,875	\$ 3,769,593
Total liabilities	<u>\$ 1,895,579</u>	<u>\$ 39,848,079</u>	<u>\$ 39,718,875</u>	<u>\$ 3,769,593</u>

STATISTICAL SECTION

VAL VERDE COUNTY, TEXAS

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST NINE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General government	\$ 7,935,051	\$ 29,198,134	\$31,812,165	\$32,199,908
Public safety	8,809,854	5,151,850	4,713,489	4,602,634
Justice system	3,228,734	2,171,994	2,145,261	2,047,905
Public works	-	-	-	24,176
Public facilities	1,629,189	1,978,411	1,187,430	1,297,788
Infrastructure and environmental services	2,018,114	807,394	3,517,124	2,767,175
Health and human services	710,504	1,095,067	1,143,242	2,279,491
Culture and recreation	710,981	565,335	619,615	647,545
Corrections and rehabilitation	148,583	97,153	-	-
Interest on long term debt	<u>1,030,875</u>	<u>1,139,619</u>	<u>1,321,745</u>	<u>1,256,458</u>
 TOTAL	 <u>\$ 26,221,885</u>	 <u>\$ 42,204,957</u>	 <u>\$ 46,460,071</u>	 <u>\$ 47,123,081</u>

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 30,716,829	\$ 32,388,331	\$ 29,129,708	\$ 28,464,724	\$ 29,525,712
3,794,558	4,770,700	5,814,134	3,944,982	5,013,805
1,918,122	1,563,253	1,991,935	1,738,001	1,697,833
20,431	19,925	18,615	603,647	1,525,405
805,352	1,169,173	736,170	57,492	49,381
2,878,894	13,310,130	1,945,640	1,519,546	1,627,446
452,048	468,568	611,067	628,319	1,368,179
728,707	799,923	773,470	679,250	750,975
-	-	-	-	-
<u>1,230,133</u>	<u>1,103,435</u>	<u>62,328</u>	<u>67,447</u>	<u>67,013</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>

VAL VERDE COUNTY
GOVERNMENT-WIDE REVENUES
LAST NINE FISCAL YEARS

PROGRAM REVENUES			GENERAL REVENUES		
Fiscal Year	Charges for Services	Operating Grants and Contributions	Taxes	Interest	Miscellaneous
2017	\$ 3,282,870	\$ 9,996,682	\$ 14,162,273	\$ 30,907	\$ 91,039
2016	3,030,152	28,034,841	12,903,564	31,094	301,545.00
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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General government	\$ 9,464,494	\$ 30,363,648	\$ 31,184,169	\$ 31,397,040
Justice system	3,142,863	2,092,069	2,061,382	1,951,202
Public safety	8,702,567	4,912,269	4,608,692	4,312,524
Health and human services	646,049	1,075,134	1,080,282	2,206,964
Infrastructure and environmental services	1,760,708	707,536	3,265,692	2,646,296
Culture and recreation	667,942	525,276	577,574	599,194
Public facilities	1,607,773	1,918,419	1,166,512	1,297,788
Corrections and rehabilitation	148,583	97,153	-	-
Redemption of principal	3,600,000	3,505,000	3,445,000	2,800,000
Debt service interest other charges	1,079,567	1,188,122	1,298,520	1,177,803
Capital leases	<u>109,271</u>	<u>176,175</u>	<u>158,703</u>	<u>115,936</u>
Totals	<u>\$ 30,929,817</u>	<u>\$ 46,560,801</u>	<u>\$ 48,846,526</u>	<u>\$ 48,504,747</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 29,201,513	\$ 31,074,205	\$ 28,536,710	\$ 26,871,092	\$ 28,377,690	\$ 25,778,151
1,836,401	1,979,130	1,917,476	1,738,001	1,625,238	1,671,023
4,557,005	4,323,502	6,367,742	4,179,771	5,015,161	3,059,597
390,758	408,795	147,825	628,319	1,309,679	66,195
2,776,743	13,210,508	2,204,121	2,192,061	3,581,693	1,435,452
687,848	760,074	736,241	679,250	718,865	690,455
805,352	1,169,173	736,170	57,492	47,270	-
-	-	-	-	-	-
2,500,000	910,000	185,000	345,000	335,000	615,000
1,204,440	1,087,160	3,904	67,447	67,013	53,545
<u>125,105</u>	<u>153,209</u>	<u>209,129</u>	<u>173,340</u>	<u>132,759</u>	<u>95,032</u>
<u>\$ 44,085,165</u>	<u>\$ 55,075,756</u>	<u>\$ 41,044,318</u>	<u>\$ 36,931,773</u>	<u>\$ 41,210,368</u>	<u>\$ 33,464,450</u>

VAL VERDE COUNTY, TEXAS

REVENUES BY SOURCES
ALL GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended	Taxes		Intergovernmental		Charges for Services		Fines and Forfeitures		Interest		Miscellaneous		Total	
2017	\$	14,008,941	\$	9,996,682	\$	1,910,815	\$	1,372,055	\$	30,907	\$	91,039	\$	27,410,440
2016		12,869,695		28,034,841		3,015,399		14,753		31,094		322,580		44,288,362
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

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>
2017	\$ 0.4544	\$ 0.0411	\$ 0.0243		\$ 0.5198
2016	0.3888	0.0930	0.0180	-	0.4998
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

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>
2017	\$ 2,293,773,515	\$ 2,293,773,515
2016	2,233,444,048	2,233,444,048
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

FEDERAL AWARDS SECTION



PATILLO, BROWN & HILL, 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***

The Honorable County Judge and
Commissioners' Court
Val Verde County, Texas

We have audited, 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, 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, 2017, and the related notes to the financial statements, which collectively comprise Val Verde County, Texas' basic financial statements, and have issued our report thereon dated June 29, 2018.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness item 2017-01.

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.

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**Governmental Audit
Quality Center**

Our consideration of internal control over financial reporting 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 financial reporting 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 material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Val Verde County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which we have reported to management of the County in a separate letter dated June 29, 2018.

Val Verde County, Texas' Response to Findings

Val Verde County, Texas' response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Val Verde County, Texas' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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, LLP

Brownsville, Texas
June 29, 2018



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND THE STATE
OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

To the Honorable County Judge and
the Honorable County Commissioners
Val Verde County, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Val Verde County, Texas' ("the County's") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* and the State of Texas *Uniform Grants Management Standards* 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, 2017. The County's major federal and state 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 and state 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State of Texas *Uniform Grant Management Standards* ("UGMS"). Those standards, the Uniform Guidance, and UGMS 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 or state 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.

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**Governmental Audit
Quality Center**

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Val Verde County, Texas' compliance.

Opinion on Each Major Federal and State Program

In our opinion, Val Verde County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2017.


Report on Internal Control over Compliance

Management of Val Verde County, Texas 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 and state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, 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.

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


Patricia, Brown Hill, C.P.A.
Brownsville, Texas
June 29, 2018

VAL VERDE COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2017

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 Housing & Community Affairs:</i>			
Community Development Block Grant - Selp Help Center	14.228	7214013	\$ 199,280
<i>Pass Through Texas Department of Agriculture:</i>			
Community Development Block Grant - Comstock	14.228	713125	55,775
Community Development Block Grant - Comstock	14.228	713076	97,263
Community Development Block Grant - Comstock and San Felipe Water Line Project	14.228	7215499	88,897
Community Development Block Grant - Vega Verde Road Water Line Project	14.228	7216075	40,600
Total U.S. Department of Housing & Urban Development			481,815
<u>U.S. Department of the Interior</u>			
<i>Pass Through the Natioanl Park Service</i>			
National Resource Stewardship	15.944	P16AC000035	26,250
Total U.S. Department of the Interior			26,250
<u>U.S. Department of Homeland Security</u>			
<i>Pass Through Office of the Governor - Emergency Management Division:</i>			
Homeland Security Grants (Operation Stonegarden 2015)	97.067	16-DRTDRT-12-005-V0	250,264
Homeland Security Grants (Operation Stonegarden 2016)	97.067	17-DRTDRT-10-004-V1	98,531
Total U.S. Department of Homeland Security			348,795
<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 Del Rio Task Force 2015	95.001	G15SS0008A	14,600
HIDTA Intel '16 Amistad Intelligence Center	95.001	G16SS0008A	117,248
HIDTA Del Rio Task Force 2016	95.001	G16SS0008A	65,847
HIDTA Eagle Pass Task Force 2016	95.001	G16SS0008A	43,811
HIDTA Intel '17 Amistad Intelligence Center	95.001	G17SS0008A	4,156
HIDTA Del Rio Task Force 2017	95.001	G17SS0008A	27,308
HIDTA Eagle Pass Task Force 2017	95.001	G17SS0008A	27,647
Total Executive Office of the President			300,617
Total Federal Awards			\$ 1,157,477

VAL VERDE COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2017

State Grantor/Pass-Through Grant/ Program Title	Grant Number	State Expenditures
<u>STATE OF TEXAS</u>		
<i>Texas Department of Transportation:</i>		
County Transportation Infrastructure Fund Grant	CTIF 01-233	\$ 80,445
Total Texas Department of Transportation		<u>80,445</u>
<i>Texas Department of State Health Services:</i>		
Discretionary Indigent Defense Fund	FY 2016	10,411
Discretionary Indigent Defense Fund	FY 2017	29,063
Total Texas Department of State Health Services		<u>39,474</u>
<i>Office of the Governor - Criminal Justice Division:</i>		
DWI/Drug Court Grant	2881202	148,583
Total Office of the Governor - Criminal Justice Division		<u>148,583</u>
National Incident Based Reporting System (NIBRS)	3200601	26,972
Total National Incident Based Reporting System		<u>26,972</u>
<i>Office of the Governor:</i>		
Defense Economic Adjustment Assistance - West Gate Grant	DEAAG-01	3,973,112
Total Office of the Governor		<u>3,973,112</u>
<i>Office of the Governor - Homeland Security Grant Division:</i>		
Local Border Security FY 17 (LBSP 17)	Local Border Security Program (LBSP-17)	64,985
Administered by Texas Border Sheriff's Coalition		
Total Office of the Governor Homeland Security Grant Division		<u>64,985</u>
<i>Bureau of Justice Assistance (BJA):</i>		
Bullet Proof Vest Partnership Grant (BVP)	FY -2017 Bullet Proof Vest	1,970
Total Bureau of Justice Assistance (BJA)		<u>1,970</u>
<i>Office of the Governor - Homeland Security Division</i>		
Border Prosecution Unit	2537706	73,541
Border Prosecution Unit	2537707	5,018
Total Office of the Governor - Homeland Security Division		<u>78,559</u>
Total State Awards		<u>\$ 4,414,100</u>

VAL VERDE COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2017

1. GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial assistance programs of Val Verde County, Texas, for the year ended September 30, 2017. The County's reporting entity is defined in Note 1 to the County's financial statements. Federal financial assistance received directly from federal agencies and other agencies are included in the Schedule of Expenditures of Federal and State Awards.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's financial statements.

3. INDIRECT COSTS

The County did not elect to use a de minimis cost rate of 10% as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

VAL VERDE COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

I. Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	2017-01
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

Federal and State Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major federal and state programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2CFR 200.516(a)?

None

Identification of major federal and state programs:

CFDA Number:

97.067

Name of Federal or State Program:

Operation Stone Garden

State

Defense Economic Adjustment Assistance Grant

Dollar threshold used to distinguish between type A and type B federal programs

\$ 750,000

Dollar threshold used to distinguish between type A and B type state programs

\$ 300,000

Auditee qualified as low-risk auditee:

Uniform Guidance	Yes
Texas Uniform Grant Management Standards	Yes

VAL VERDE COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

Item 2017-01

Capital Assets Records

Condition:	The County does not update capital asset records.
Criteria:	Proper accounting of capital assets is a necessary control.
Cause:	The County did not have a complete listing of capital asset additions which leads to an increase of misstatements.
Effect:	County decision makers are not informed of the County's accounting system until well into the year end. Accounting records may not accurately reflect actual capital assets maintained by the County.
Recommendation:	A complete inventory of capital assets should be taken on a regular and timely basis and the accounting records should be adjusted to reflect actual inventory on hand.
Management's Response:	The County will contract with a firm that specializes in documenting and recording capital assets.
Contact Person Responsible For Corrective Action:	Matt Weingardt, County Auditor

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

None.

IV. **Findings and Questioned Costs for State Awards**

None.

Val Verde County



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Matthew S. Weingardt, CPA
County Auditor

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**VAL VERDE COUNTY
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Finding 2017-01 *Capital Asset Records*

Item 2017-01

Capital Assets Records

Condition:	The County does not update capital asset records.
Criteria:	Proper accounting of capital assets is a necessary control.
Cause:	The County did not have a complete listing of capital asset additions which leads to an increase of misstatements.
Effect:	County decision makers are not informed of the County's accounting system until well into the year end. Accounting records may not accurately reflect actual capital assets maintained by the County.
Recommendation:	A complete inventory of capital assets should be taken on a regular and timely basis and the accounting records should be adjusted to reflect actual inventory on hand.
Individual responsible for corrective action:	Matthew Weingardt, Val Verde County Auditor
Date corrective action will be implemented:	The first quarter of the new fiscal year.
Corrective Action Planned:	The County will contract with a firm that specializes in documenting and recording capital assets.