

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2018



**OFFICIAL ISSUING REPORT**

Matthew Weingardt, CPA

County Auditor



**VAL VERDE COUNTY, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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**TABLE OF CONTENTS**

	<u><b>Exhibit</b></u>	<u><b>Page Number</b></u>
<b><u>Introductory Section</u></b>		
Letter of Transmittal		1
Organizational Chart		8
List of Elected & Appointed Officials		9
<b><u>Financial Section</u></b>		
Independent Auditors' Report		10
Management's Discussion and Analysis		12
<b>Basic Financial Statements:</b>		
<i>Government-wide Financial Statements:</i>		
Statement of Net Position	A-1	21
Statement of Activities	B-1	22
<i>Governmental Fund Financial Statements:</i>		
Balance Sheet	C-1	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C-2	24
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	26
<i>Fiduciary Fund Financial Statement:</i>		
Statement of Fiduciary Net Position	D-1	27
Notes to Financial Statements		28
<b>Required Supplementary Information</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual - General Fund	G-1	52
Schedule of Changes In Net Pension Liability and Related Ratios	G-2	53
Schedule of Employer Contributions	G-3	54
Notes to Schedule of Employer Contributions	G-4	55
Schedule of Changes in Total OPEB Liability and Related Ratios	G-5	56
Schedule of Funding Progress for OPEB Liability	G-6	57
Notes to Budgetary Schedule		58

**VAL VERDE COUNTY, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**TABLE OF CONTENTS**

	<u><b>Exhibit</b></u>	<u><b>Page Number</b></u>
Other Supplementary Information		
<i>Budgetary Information:</i>		
Schedule of Revenues - Budget and Actual - General Fund	G-7	59
Schedule of Expenditures - Budget and Actual - General Fund	G-8	60
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Interest and Sinking	G-9	67
Schedule of Revenues and Expenditures - Budget and Actual - Road and Bridge Fund	G-10	68
<i>Nonmajor Governmental Funds:</i>		
Combining Balance Sheet	H-1	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-2	85
<i>Fiduciary Funds:</i>		
Combining Statement of Fiduciary Assets and Liabilities	H-3	101
Combining Statement of Changes in Fiduciary Assets and Liabilities	H-4	107
<u><b>Statistical Section</b></u>		
<i>Financial Trends:</i>		
Net Position by Component		115
Changes in Net Position		116
Governmental Activities - Tax Revenues by Source		117
Fund Balances of Governmental Funds		118
Changes in Fund Balances		119
<i>Revenue Capacity:</i>		
Assessed Value and Estimated Actual Value of Taxable Property		120
Property Tax Rates - Direct and Overlapping Governments		121
Principal Property Taxpayers		122
Property Tax Levies and Collections		123
<i>Debt Capacity:</i>		
Ratios of Outstanding Debt by Type		124
Ratios of General Bonded Debt Outstanding		125
Debt Limitations		126
Direct and Overlapping Governmental Activities Debt		127
Pledged-Revenue Coverage		128



**VAL VERDE COUNTY, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**TABLE OF CONTENTS**

	<b><u>Exhibit</u></b>	<b><u>Page</u></b> <b><u>Number</u></b>
<i>Demographic and Economic Information:</i>		
Demographic and Economic Statistics		129
Principal Employers		130
<i>Operating Information:</i>		
Full-Time Equivalent County Government Employees by Function		131
Operating Indicators by Function		132
Capital Asset Statistics by Function		133
<b><u>Federal Awards Section</u></b>		
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		134
Independent Auditors' Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance		136
Schedule of Expenditures of Federal Awards		138
Notes to the Schedule of Expenditures of Federal Awards		139
Schedule of Findings and Questioned Costs		140
Summary of Prior Year Audit Findings		142

## **INTRODUCTORY SECTION**



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## Val Verde County



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Del Rio, TX 78840

**Matthew S. Weingardt, CPA**  
*County Auditor*

Phone: (830) 774-7584  
Fax: (830) 775-9198

April 30<sup>th</sup> 2019

Honorable District Judges of Val Verde County, Honorable Members of the Val Verde County Commissioners Court and the Citizens of Val Verde County (County):

The County Auditor's Office proudly submits the Comprehensive Annual Financial Report (CAFR) of Val Verde County, Texas for the fiscal year ended September 30, 2018. This report is submitted in compliance with Texas Local Government Code §114.025

### Responsibility for Financial Statements

This report was prepared by the County Auditor's Office. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the county. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the county as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain a reasonable understanding of the County's financial affairs.

The County Auditor serves as the Chief Financial Officer of Val Verde County. By statute the County Auditor reports to the State District Judges who appoint the auditor every two years. This provides for an independent review of county financial operations separate from Commissioners Court, the legislative and executive branch of county government. The County Auditor is responsible for the accounting system design, audit functions required by law, general control of finances, revenue certification and ensuring that the county meets its fiduciary responsibilities to taxpayers with regard to county finances by strictly enforcing the statutes governing county finances as provided by Local Government Code. As an appointed official the County Auditor takes an oath to uphold the Constitution and the laws of the State of Texas.

### Reporting Standards

The accompanying financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for the establishing governmental accounting and financial reporting standards.



GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and it should be read in conjunction with it. The MD&A can be found in the Financial Section of this report.

#### Accounting System and Internal Controls

In developing and evaluating the accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the reliability of the financial reporting (2) the effectiveness and efficiency of operations and (3) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that (1) costs of a control should not exceed the benefits likely derived and (2) the evaluation of costs and benefits requires estimates and judgement by management.

All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

#### Independent Audit of Financials

Cascos & Associates, PC Certified Public Accountants, has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County, for the fiscal year ended September 30, 2018, are free of material misstatement. The examination was conducted in accordance with Generally Accepted Governmental Auditing Standards (GAAS). The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the County's financial statement for the fiscal year ended September 30, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

This firm was also engaged to perform an audit of the County's Federal and State Awards that was designed to meet the audit requirements of: Title 2 U.S. Code of Federal Requirements (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; the State of Texas Uniform Grant Management Standards; and the State of Texas Single Audit Circular. The audit reports on Federal and State Awards are issued separately in the back of this report, see table of contents for location.

## **Profile of Val Verde County**

### Geographic Information

Val Verde County is located along the Texas/Mexico border in the Southwestern Region of the state and sits above the Edwards Plateau. Val Verde County covers approximately 3,200 square miles of land approximately 62 square miles of water. The County is conveniently located approximately 150 miles south of San Angelo, 150 west of San Antonio and 150 miles north of Laredo.



### History

The formation of Val Verde County is directly linked to the arrival of the railroad line in Southwest Texas. Before the railroad, Del Rio was a small farming community on the western fringe of Kinney County. By coming to Del Rio in 1882, the railroad gave the town a huge boost in economic activity and population growth. Secondly, the railroad bypassed the Kinney County seat of Brackettville. The population growth of that town did not keep pace, and Del Rio quickly outgrew the county seat. As a result, from 1882 to 1885, there was a growing popular demand for the creation of a new county with Del Rio as its seat county.

There is a tradition in Texas (and in the rest of the South) of dedicating and naming things for Confederate Civil War figures. Many West Texas counties were named for Confederate leaders. Tom Green County was named for Confederate General Thomas Green who was one of the heroes at the Civil War Battle of Val Verde. It is easy to believe that the Civil War battle gave the County its name.

It is just as easy to believe that the Val Verde name is an environmental observation. Val Verde County has a wealth of water resources absent from so much of West Texas. With the Rio Grande, the Devil's River, the Pecos River, San Felipe Springs, California Springs, and others, a name reflecting the fertility of Del Rio's canal system and the valleys (or canyons) is perfectly reasonable.

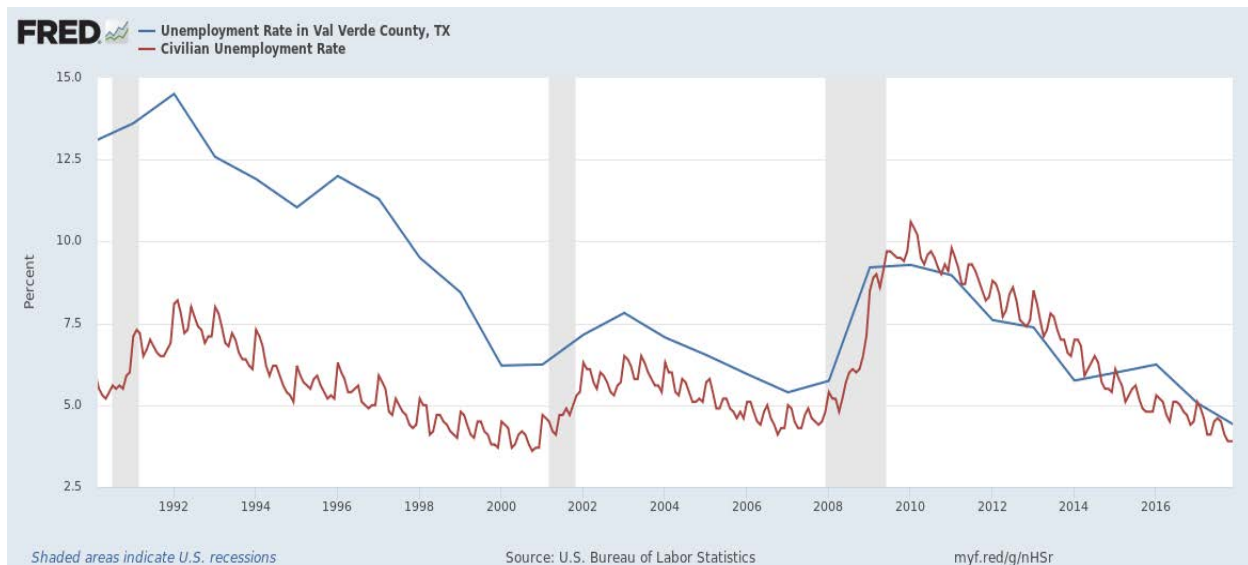
Neither argument is supported by contemporary documentation. And so the mystery of the naming of Val Verde County remains.

*~Val Verde County Historical Commission*



### Population, Unemployment rate, Income per Capita

The County's population has grown roughly 3.6% to 49,205 since the last recession and per capita income has risen 25% to \$34,732. During the prior decade the County's unemployment rate was running higher than the national average. Since the last recession the County's unemployment rate has continued to run on pace with the national average and ended at 4.0% and 3.9% respectively.



### County Structure

Val Verde County is a political subdivision of the State of Texas. The county seat is the city of Del Rio. The general governing body of the County is an elected five-member Commissioners' Court (Court) in accordance with Article 5, Paragraph 18 of the Texas Constitution. The Court is comprised of the County Judge, who is the presiding officer, and four Commissioners. The County Judge is elected at large to serve a four-year term. Commissioners serve four-year staggered terms, two members elected every two years. The Court, which generally meets two times per month, sets the calendar for regularly scheduled commissioners' court dates on an annual basis. This calendar is available from the County Judge's or the County Clerk's office.

The Court sets the tax rate, approves financial commitments, and adopts the County budget. The Court is also responsible for development of policies, approves contracts for the County, and makes appointments of various department heads. The management and leadership provided by members of the Court, and elected and appointed officials of other departments, are crucial to the success of the County's financial management and growth.

## Budget Process

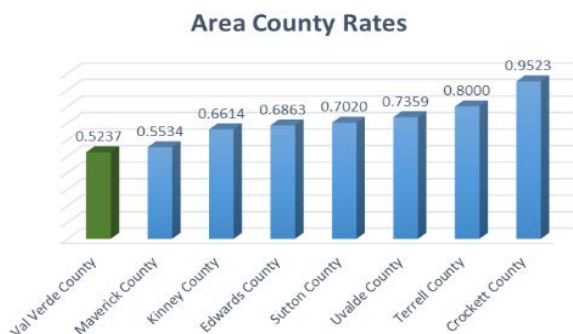
The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriations to the County Judge during the month of May of each year. The County Judge, whom is the budget officer for the County, then uses these requests as the starting point for developing the County Judge's proposed budget. This budget is presented to the County Commissioners for their review. From the County Judge's proposed budget, which is filed with the County Clerk. The County Commissioners work with the County Judge to prepare the Courts proposed budget, The Court then holds the public hearing on the Courts proposed budget which includes only the governmental funds of the county, as the county has no enterprise funds, internal service funds or component units. The County is required to adopt a final budget by the first day of the new fiscal year. The adopted budget is appropriated by fund, department and line item. The Court approves the budget on a departmental basis with any changes required to be approved by Commissioners' Court. Budget-to-actual comparisons are provided in this report for each major governmental fund for which an appropriated annual budget has been adopted.

The County follows an encumbrance accounting system along with purchasing laws and approved policies as a method to accomplish budgetary control. The County Auditor monitors expenditures of the various departments to prevent expenditures from exceeding budgeted appropriations and sends a monthly budget report to Commissioners Court for their review. The Court has the power to amend the budget by transferring an amount from one item to another with authorizing an emergency expenditure, as long as total adopted appropriations per fund do not exceed the adopted budget or supplemental budgets from additional revenue certification.

## **Economic Condition**

### Local Economy

The County of Val Verde is experiencing the same economic conditions as other Southwestern Texas Counties with the exception of having the benefit of an International bridge serving as a Port of Entry for goods flowing through the borders of the North American Free Trade Agreement (NAFTA). NAFTA which



concluded its 23<sup>rd</sup> year and some have credited this to bringing down the local unemployment rate from double digits. Also the County is home to Laughlin United States Air Force training base, training the world's best pilots. This combination does add significantly to the local economy. The Del Rio Chamber of Commerce estimates Laughlin Air Force Base economic impact of \$243 million and 4,725 direct and indirect jobs. The County maintains the lowest tax rate of all the surrounding counties.



### Long-Term Financing

For capital expenditures and projects the County remains utilizing a tier system of first trying to secure funding for projects with federal and state grants, program or user revenues, special assessments then finally General Fund revenues. The Court believes property taxes should be the last revenue stream to fund a capital project. The County maintains an A rating with stable outlook from S&P Global Ratings agency.

### Relevant Financial Policies

As sound financial management practice, members of the Court emphasize maintaining a sufficient unassigned fund balance to assist in maintaining financial stability, funding for emergencies and major capital projects, and retaining and enhancing the County's bond rating. The County includes a separate "Contingency" line item of approximately 3% of expenditures in the budget, which ensures that unexpected situations do not diminish our projected fund balances, keeping them at a safe and healthy level.

The county deposits idle cash into temporary investment vehicles in accordance with its formal investment policy. Temporary investments may include, among others, certificates of deposit, United States government agency securities, money market investment accounts, and local government investment pool facilities.

The County's goal in the subsequent year is to pass a formal; fund balance, structurally balanced budget and capital improvement policies.

### Major initiative

The long-term consolidated vision of the Court is to secure funding for a new Judicial Center which will house all the departments related to judicial duties. In bringing this project to realization the Court is following a multi-directional plan of increasing its bond rating and exploring financing alternatives and opportunities. Many factors are weighed when rating agencies rate any entity including population growth, economic climate, financial stability, tax base expansion and diversification, coupled with sound management practices, policies, and the balance of unreserved funds in the General Fund. The Court believes by adopting this campaign it will have a synergistic effect and save the county citizens millions of dollars in interest cost and reduce the amount of time to get the Judicial Center Project started.

## **Awards and Acknowledgements**

### Awards

The County has applied for Certificate of Distinguish Budget Presentation for its FY 2018-2019 Budget and is also applying for Certificate of Achievement for Excellence in Financial Reporting of Comprehensive Annual Financial Report, both awards are from the Government Finance Officers Association whose mission is to advance excellence in state and local government financial management.

### Acknowledgements

Clearly, preparing report of this dimension is not an easy task. The successful completion could not have been possible without the hard work, dedication and long hours willingly given by the County Auditors staff. The professional services provided by our Independent Auditors, Cascos and Associates, PC. I also wish to commend the county officials, department heads, and all members of the departments who assisted and contributed to the preparation of this report. It is important to recognize the members of the Commissioners Court for their vision and involvement in planning and conducting the financial operations of the County as a whole.

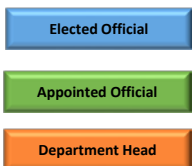
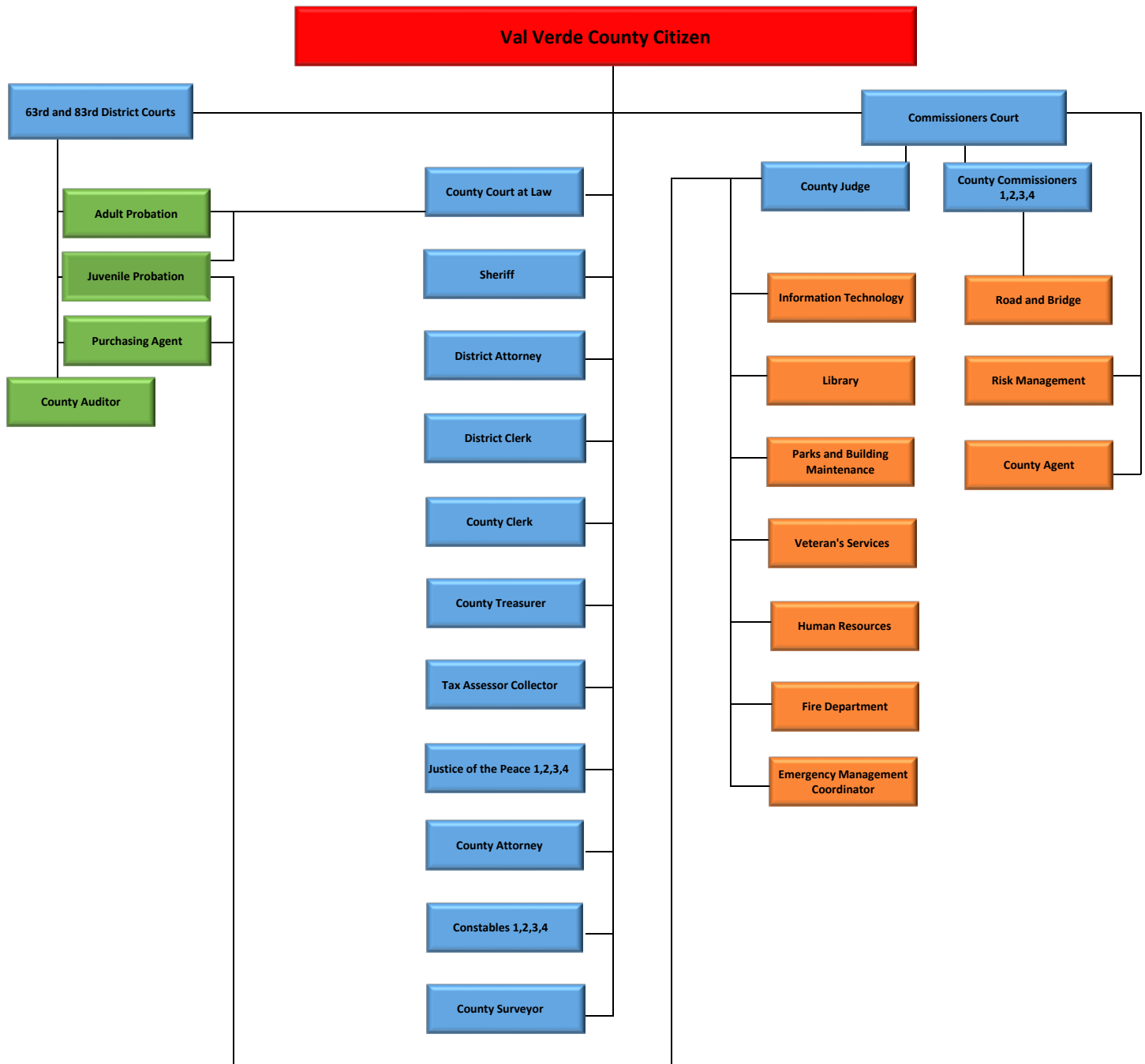
In addition, a sincere and grateful appreciation is extended to the District Judges of Val Verde County for their leadership role, unwavering support and enabling this office to perform its duties in a responsible and progressive manner. I am truly honored to work with the outstanding officials and employees that help make Val Verde County one of the best in Texas.

Respectfully submitted,

A handwritten signature in blue ink that reads "Matthew S. Weingardt". The signature is written in a cursive, flowing style.

Matthew S. Weingardt, CPA  
Val Verde County Auditor

# Val Verde County Organizational Chart



VAL VERDE COUNTY, TEXAS  
LIST OF ELECTED AND APPOINTED OFFICIALS  
SEPTEMBER 30, 2018

**Val Verde County Elected Officials**

County Judge	Efrain V. Valdez
Commissioner Precinct 1	Martin Wardlaw
Commissioner Precinct 2	Lewis G. Owens
Commissioner Precinct 3	Robert Nettleton
Commissioner Precinct 4	Gustavo Flores
County Clerk	Generosa G. Ramon
63rd District Judge	Enrique Fernandez
83rd District Judge	Robert Cadena
District Clerk	Jo Ann Cervantes
Justice of the Peace Precinct 1	Jim B. Barrera
Justice of the Peace Precinct 2	Antonio Faz, III
Justice of the Peace Precinct 3	Pat Cole
Justice of the Peace Precinct 4	Hilda C. Lopez
County Court At Law Judge	Sergio Gonzalez
County Attorney	Ana M. Smith
County Treasurer	Aaron D. Rodriguez
Tax Assessor-Collector	Beatriz I Munoz
County Sheriff	Joe F. Martinez
Constable Precinct 1	Jesse J. Trevino
Constable Precinct 2	Barry West
Constable Precinct 3	Stephen Berg
Constable Precinct 4	Gerardo Hernandez
63rd/83rd District Attorney	Michael J. Bagley

**Val Verde County Appointed Officials**

County Auditor	Matthew S. Weingardt
Purchasing Agent	Rogelio Musquiz, Jr.
Adult Chief Probation Officer	Reginaldo Rangel
Juvenile Chief Probation Officer	Jesus R. Soto

**Val Verde County Department Heads**

County Agent	Emily Grant
Librarian	Maria G. Monday
Fire	Jerry Rust
Personnel	Juanita Barrera
Risk Management	Roger S. Cerny
Veterans Officer	Adrian Vitela

## **FINANCIAL SECTION**



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# Cascos & Associates, PC

Certified Public Accountants  
Audit/Accounting/Tax/Consulting

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## 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 (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

The County's 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 the County, as of September 30, 2018, 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.

### ***Change in Accounting Principle***

As discussed in the notes to the financial statements, in fiscal year 2018 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary information, pension and other post-employment benefits (OPEB) information 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 the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, statistical section and the schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes 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 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 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 April 29, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the County's internal control over financial reporting and compliance.



Brownsville, Texas  
April 29, 2019

**VAL VERDE COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

The following is a narrative overview and analysis of the financial activities of Val Verde County (County) for the fiscal year ended September 30, 2018. Please consider the information presented here in conjunction with the transmittal letter, financial statements, and related footnotes.

**FINANCIAL HIGHLIGHTS**

**Government-wide:**

- The County's assets and deferred outflow of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2018 by \$14,506,976 (total net position). Of the total amount \$3,069,118 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$647,354 or 4.67% from prior year.
- Governmental Accounting Standards Board (GASB) 75 was implemented this fiscal year as required. This required the County to recognize an increased liability of \$1,451,289.

**Fund Financial Statements:**

- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$7,805,548 an increase of \$721,706 or 10.2% from prior year.
- The County's General Fund which is the main operating fund of the County ended at \$5,403,894 an increase of \$3,664,072 or 211% from prior year. The unassigned fund balance for the general fund was \$3,041,216 or 17.23% of reoccurring revenues, slightly above the minimal recommend level by Government Finance Officer Association (GFOA) of 16.43%.

**Long-Term Debt:**

- Total bonds (including self-supporting bonds), tax notes and capital lease liabilities decreased by a net amount of \$3,587,073. At the close of the current fiscal year the County has outstanding \$6,095,000 in tax supported debt.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds statements* tell how *general government* services were financed in the *short term* as well as what remains for future spending.

*Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee* or *agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

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

The *statement of net position* presents information of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. 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 occurred, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). 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.

The government-wide financials statements can be found on pages 21-22 of this report.

**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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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.

The County 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.

The basic governmental fund financial statements can be found on pages 23-26 of this report.

**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.

The fiduciary fund financial statements can be found on pages 27 and 101-114 of this report

**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.

The notes to the financial statements can be found on pages 28-51 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 52 of this report. The combining



statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 69-100 of this report.

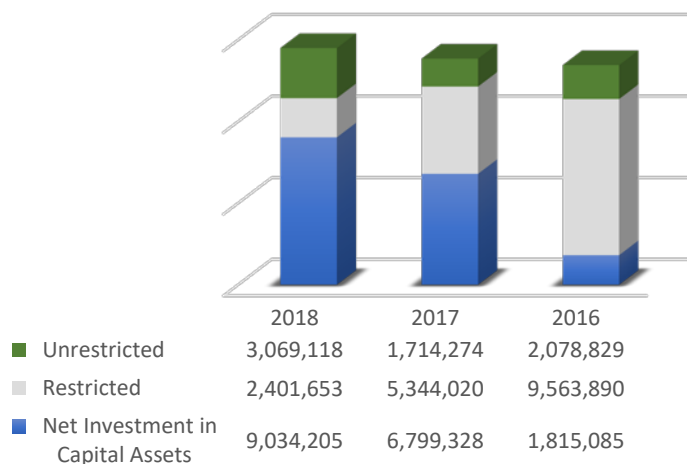
## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the County's, assets and deferred outflows of resources exceeded liabilities by \$14,504,976 at the close of the most recent fiscal year.

### VAL VERDE COUNTY'S NET POSITION

	Governmental Activities		
	2018	2017	2016
Current and Other Assets	\$ 30,957,938	\$ 29,687,714	\$ 34,995,092
Capital Assets	36,927,697	38,278,204	37,416,913
Total assets	<u>67,885,635</u>	<u>67,965,918</u>	<u>72,412,005</u>
Deferred Outflows Related to Pensions	1,415,489	3,631,471	4,328,472
Total Deferred Outflows of Resources	<u>1,415,489</u>	<u>3,631,471</u>	<u>4,328,472</u>
Long Term Liabilities	32,717,606	36,372,002	22,912,701
Other Liabilities	21,330,465	20,887,859	40,210,955
Total Liabilities	<u>54,048,071</u>	<u>57,259,861</u>	<u>63,123,656</u>
Deferred Inflow of Resources	748,077	479,906	159,017
Total Deferred Inflows of Resources	<u>748,077</u>	<u>479,906</u>	<u>159,017</u>
Net position:			
Net Investment in Capital Assets	9,034,205	6,799,328	1,815,085
Restricted	2,401,653	5,344,020	9,563,890
Unrestricted	3,069,118	1,714,274	2,078,829
Total Net position	<u>\$ 14,504,976</u>	<u>\$ 13,857,622</u>	<u>\$ 13,457,804</u>

### Composition of Net Position



The largest portion of the County's net position (62.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the majority of capital assets themselves cannot be used to liquidate these liabilities.

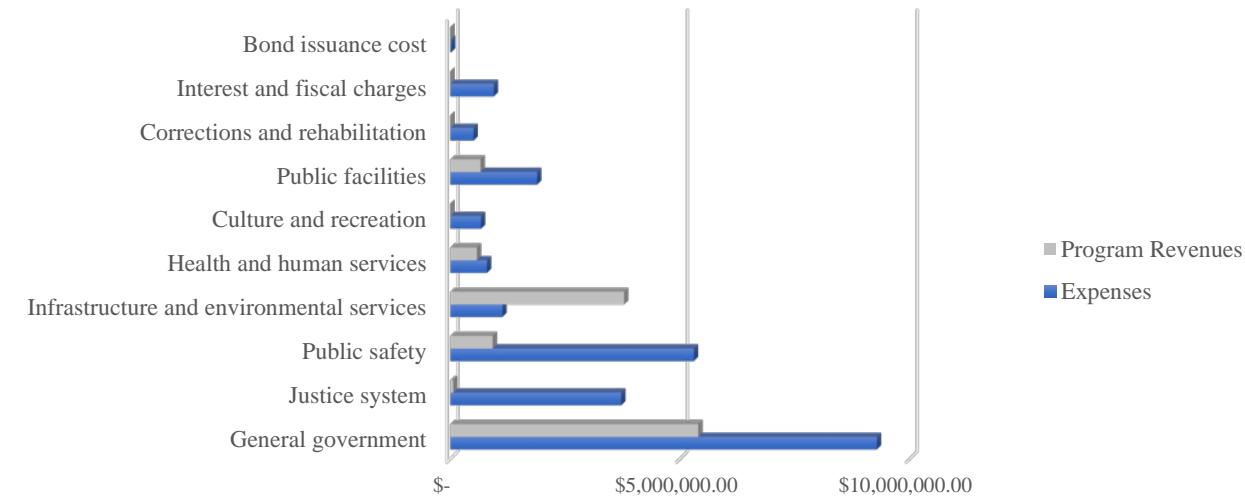
An additional portion of the County's net position (16.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (21.1%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

**VAL VERDE COUNTY'S STATEMENT OF ACTIVITIES  
CHANGES IN NET POSITION**

	Governmental Activities	
	2018	2017
Revenues:		
Program revenue:		
Charges for Services	\$ 5,113,905	\$ 3,282,870
Operating Grants and Contributions	6,334,905	9,996,682
General Revenue:		
Property Taxes	11,891,803	11,859,443
Sales Taxes	2,223,062	2,302,830
Non-recurring	668,807	-
Investment Earnings	43,966	30,907
Miscellaneous	14,267	91,039
Total revenues	<u>26,290,715</u>	<u>27,563,772</u>
 General Government	7,775,420	7,935,051
Justice System	3,618,699	3,228,734
Public Safety	5,562,573	8,809,854
Infrastructure and environmental Services	2,199,019	2,018,114
Health and Human Services	720,505	710,504
Culture and Recreation	616,137	710,981
Public Facilities	2,292,583	1,629,189
Corrections and rehabilitation	504,825	148,583
Interest on long-term debt	944,969	1,030,875
Bond issuance costs	19,642	-
Total expenditures	<u>24,254,372</u>	<u>26,221,885</u>
 Change in net position	2,036,343	1,341,887
 Net Position, beginning	13,857,622	13,457,804
Prior period adjustment	(1,388,989)	(942,069)
Net Position, ending	<u>\$ 14,504,976</u>	<u>\$ 13,857,622</u>

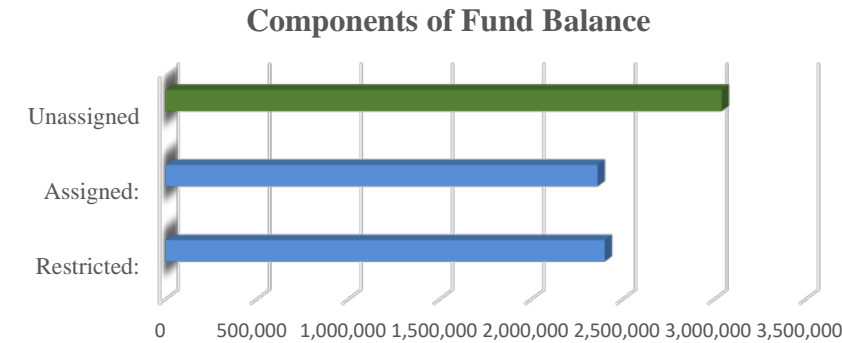
Governmental Activities. During the current fiscal year, net position for governmental activities increased by \$647,354 from the prior fiscal year for an ending balance of \$14,504,976. While the current inflow from grants decreased due to the completion of the West Gate Project at Laughlin Air Force Base. This revenue decrease was offset by expenditure decreases. The moderate increase in the overall net position of governmental activities is the result of a recently instituted GASB 75 statement which caused a \$(1,451,289) restatement. The Other Post-Employee Benefits (OPEB) plan provides health care benefits to current and future retirees during the life of the retiree until 65 years of age. This plan became effective during the current year and requires the County to record the full liability on the balance sheet using actuarial assumptions. OPEB is under the control of the County and can be extinguished at any time resulting in no liability. See pages 46-49 of the notes to the financial statements for more details about GASB 75 the newly adopted OPEB standards.

## Expenses and Program Revenues - Governmental Activities



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 near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by the County.

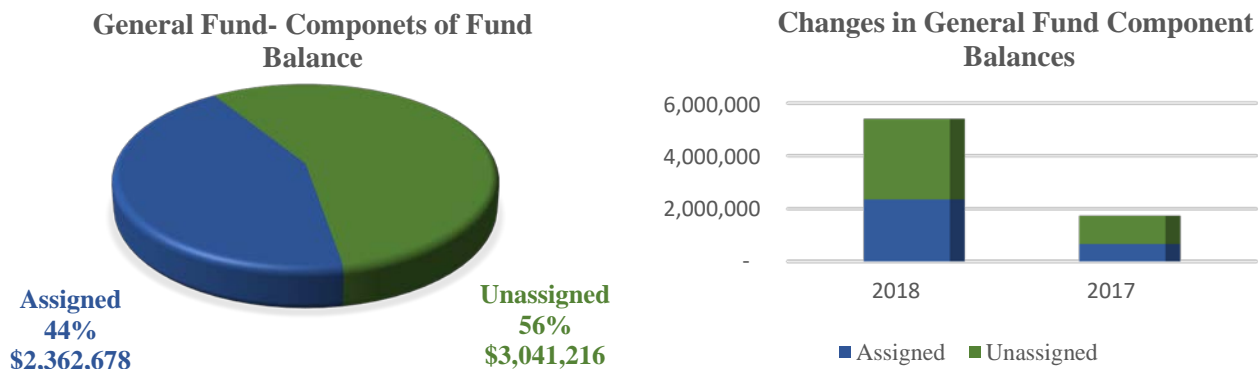


At the end of fiscal year 2018, the County’s *governmental funds* reported combined ending fund balances of \$7,805,548 an increase of \$721,706 in comparison with the prior year. Approximately 39.0% of this amount \$3,041,216 constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of the fund balance is either nonspendable, restricted,

committed, or assigned to indicate that it is 1) not in spendable form, 2) legally required to be maintained intact, 3) restricted for particular purposes, 4) committed for particular purposes, or 5) assigned for particular purposes.

The General Fund is the chief operating fund of the County. At the end of fiscal year 2018, the General Fund had an ending fund balance of \$5,403,894. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund reoccurring revenues or expenditures.

The fund balance of the County's General Fund increased by \$3,664,072 during fiscal year 2018.



### General Fund Budgetary Highlights

Budgetary constraints and monitoring have played a key role in financial management. A combination of increased service requests along with state and federal mandates all add up to the necessity of cutting costs where possible. It has been these efforts that have enabled Val Verde County to maintain sufficient fund balances in the County's operating funds while trying to keep the tax rates stable. The County is very dependent upon the actions of the state and federal governments to finance special capital projects and some operating and capital expenditure programs.

The position of the County continued to be sound over the past year with actual operating results generally better than originally estimated. Some of the factors which enabled the County to maintain this improved level were:

- Most departments and agencies operated well within their appropriated budgets which were cut during the budget process.
- Charges for Services revenues were collected at a higher percent.
- Collection of unanticipated non-reoccurring revenue.
- The Interest and Sinking Fund did not assess a tax rate and the portion was absorbed into the General Fund.

Looking ahead, Val Verde County must continue to monitor all financial resources and carefully plan for future years. While increased growth in some areas of the County offers hope for the future, some areas of the County are not experiencing sustaining economic growth. The Court will continue to work with a spirit of cooperation and fortitude to meet the future needs of governmental operations.

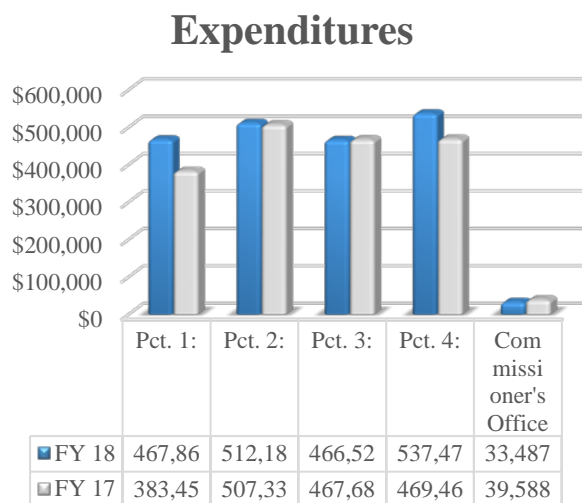
Differences between the original budget, final budget and actual amounts were not significant with the exception of Charges for Services.

	Original	Final	Actual Amounts
<b>REVENUES</b>			
Property taxes	\$ 11,084,901	\$ 11,084,901	\$ 11,013,743
Sales tax	2,310,000	2,310,000	2,223,062
Intergovernmental	291,454	291,454	332,209
Charges for services	1,021,601	1,021,601	2,575,467
License and permits	26,000	26,000	27,781
Fees and fines	1,521,000	1,521,000	1,433,947
Investment earnings	22,000	22,000	36,784
Miscellaneous	80,000	80,000	10,891
Total revenues	16,356,956	16,356,956	17,653,884
<b>EXPENDITURES</b>			
General government	7,514,996	8,139,778	7,100,177
Justice System	3,460,739	3,654,511	3,431,712
Public facilities	1,179,493	1,186,239	1,163,706
Public safety	4,111,171	4,449,649	4,083,883
Health and human services	136,940	140,047	138,230
Culture and recreation	591,719	598,513	562,878
Total expenditures	16,995,059	18,168,737	16,480,586

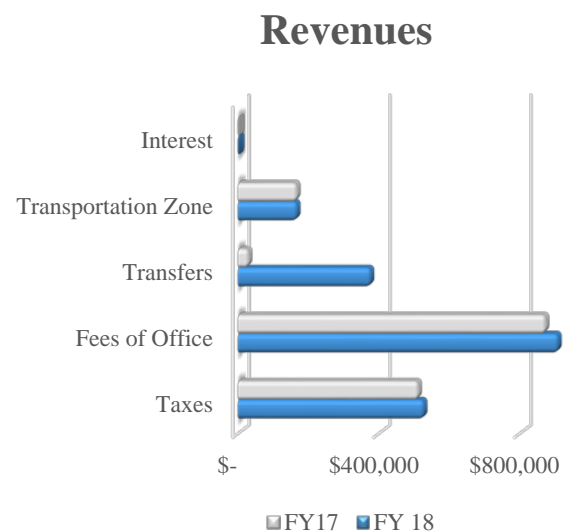
Additional budgetary information can be found on page 52 and 59-68 of this report.

#### Road and Bridge Fund Highlights

The Road and Bridge Fund accounts for the maintenance costs of highway and roads. Revenues are a combination using Property Taxes, Fees of Office, Interest and Transfers from the General Fund to finance the deficit. The Road and Bridge Fund had a beginning fund balance of zero and ended the fiscal year at zero.



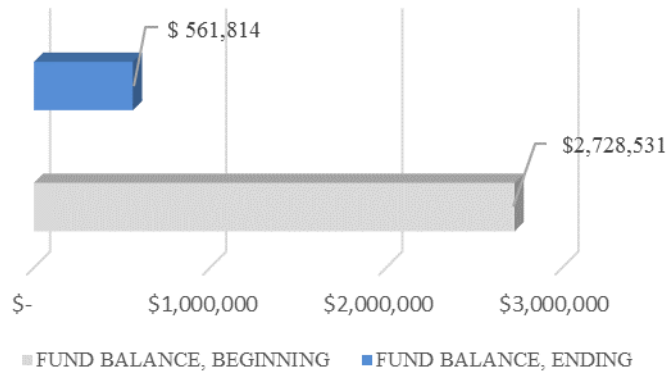
- Does not include health insurance costs per employee.



Additional budgetary information can be found on page 52 and 59-68 of this report.



## Interest and Sinking Fund



## Interest and Sinking Fund Highlights

Interest and Sinking fund is used to facilitate the County's debt. The fund balance was drawdown to required levels for the subsequent year's debt obligations. The County did not assess any taxes for this fund this year.

Additional budgetary information can be found on page 52 and 59-68 of this report.

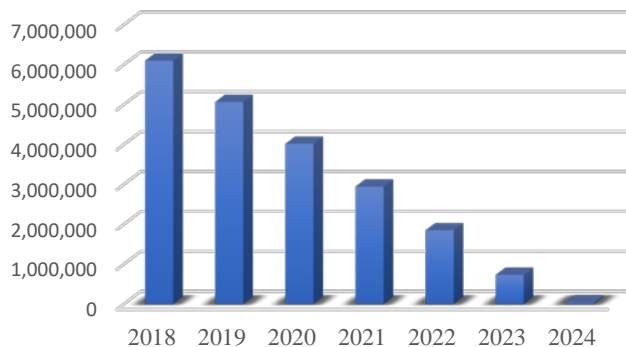
**Capital Assets.** The County's investment in capital assets for its governmental type activities as of September 30, 2018, amounts to \$36,927,696 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure. Additional information on the County's capital assets can be found in the notes to the financial statements on page 40.

**Long-term Debt Obligations.** At the end of the current fiscal year, the County had total debt outstanding of \$32,717,606. Of this amount, \$6,095,000 is debt backed by ad valorem taxes or property taxes of the County, \$19,185,000 is self-supporting debt for which the County receives payment from TxDOT to extinguish the liability. The remainder of the debt is long-term obligations comprised of pension-related liabilities (\$2,670,308), OPEB obligation (\$3,985,304), compensated absences (\$538,533) and premium on bond (\$243,460). The county maintains a credit rating of A and an outlook of stable from rating agency S&P Global.

The County is authorized under Article III, Section 52 of the State Constitution to issue bonds payable from ad valorem taxes. There is no constitutional or statutory limit as to the number of bonds issued pursuant to such constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the County.

The Attorney General of Texas has administratively by rule limited the amount of bonds the office will approve to an amount which produces debt service requirements not to exceed .40 cents of the foregoing .80 cents maximum tax rate, calculated at 90% of collections. Counties that have adopted the .30 cents per \$100 Farm-to-Market/Flood Control Tax may also pledge this tax for debt service for related projects.

## Tax Supported Debt



Ad valorem tax supported debt decreased by \$787,073 to \$6,095,000. This amount is well below the state statutory limit of \$538 million. The annual payment amount is also well below the Attorney General's limit of \$8.8 million. The County is scheduled to be debt free at the end of 2024.

Additional information on the County's long-term debt can be found in the notes to the financial statements on pages 38-39.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Commissioners Court passed its budget on September 29, 2018. The annual budget is developed to provide efficient, effective, and economic uses of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Commissioners Court sets the direction of the County, allocates its resources, and establishes its priorities.

In calculating the taxes for the fiscal year ending 2019 budget, The County had a net taxable appraised value and freeze adjusted, of \$2.3 billion, which was \$242 million more than the previous year, an 11.7% increase. The increase is a combined effect of increased property values in residential property and new property added to the tax roll.

These indicators were taken into account when adopting the budget for 2019. The tax rate adopted by the Commissioners Court for the 2019 budget was set at \$.5237 per hundred-dollar valuation, which is the same as the prior year and 11.66% above the effective tax rate. Before the adjustment for newly added property, the effective tax rate adjusts to only allow the county to receive the same tax levy as the previous year. Therefore, additional property tax revenue is generated from new property and tax rate increases in accordance with the State of Texas' Truth-In Taxation laws.

Commissioners Court is going to draw down its unassigned fund balance by approximately \$2 million dollars. This will be used for funding of Capital Expenditures and Capital Projects which include upgrades on judicial software, installation of VOIP system and continuation of the Frontera road project. The remaining fund balance is still within the recommended minimum level by the Government Finance Officers Association (GFOA) of 16.4% or 60 days. The Auditor's Office has complied with the GFOA risk assessment to determine that that no unusual or infrequent conditions exist at this time, to warrant holding a higher balance.

The County's employer retirement contribution rate increased from 12.02% to 12.53% effective January 2018. The County is not mandated to pay this rate.

Substantial non-reoccurring Sales Tax revenue estimated at \$1.5 million will be captured by the County due to various pipeline companies invoking Texas State Comptroller Rule 3.291. This rule allows companies to use various locations to stage a place of business for the material and record the transaction in the County.

The County passed a Hotel Occupancy Tax for the hotels inside the municipality of two percent. Estimated revenues should be \$200k.

## **REQUEST FOR INFORMATION**

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

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

**BASIC  
FINANCIAL STATEMENTS**

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**VAL VERDE COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Primary Government Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 9,485,614
Taxes receivable (net of allowances)	1,821,925
Accounts receivable	255,511
Due from other governments	19,394,888
Capital assets:	
Land	119,819
Buildings and improvements	15,546,510
Furniture and equipment	11,938,259
Infrastructure	47,586,392
Construction in progress	168,681
Less: accumulated depreciation	( 38,431,964)
Total capital assets	<u>36,927,697</u>
Total assets	<u>67,885,635</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	1,415,489
Total deferred outflows of resources	<u>1,415,489</u>
<b>LIABILITIES</b>	
Accounts payable	1,163,139
Unearned revenues	20,167,326
Noncurrent liabilities:	
Due within one year	3,982,369
Due in more than one year	22,079,624
Net pension liability	2,670,309
Net OPEB liability	3,985,304
Total liabilities	<u>54,048,071</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred inflows of resources	748,077
Total deferred inflows of resources	<u>748,077</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,034,206
Restricted:	
Interest and sinking	561,813
Federal and state programs	615,316
Capital projects	1,224,525
Unrestricted	<u>3,069,116</u>
Total net position	<u>\$ 14,504,976</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, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 7,775,420	\$ 5,113,905	\$ 332,209	\$ (2,329,306)
Justice system	3,618,699	-	61,950	(3,556,749)
Public safety	5,562,573	-	920,798	(4,641,775)
Infrastructure and environmental services	2,199,019	-	3,783,550	1,584,531
Health and human services	720,505	-	578,631	(141,874)
Culture and recreation	616,137	-	-	(616,137)
Public facilities	2,292,583	-	655,744	(1,636,839)
Corrections and rehabilitation	504,825	-	2,023	(502,802)
Interest and fiscal charges	944,969	-	-	(944,969)
Bond issuance cost	19,642	-	-	(19,642)
Net program (expenses) revenues	<u>\$ 24,254,372</u>	<u>\$ 5,113,905</u>	<u>\$ 6,334,905</u>	<u>(12,805,562)</u>
General revenues:				
Taxes:				
Property				11,891,803
Sales				2,223,062
Investment earnings				43,966
Miscellaneous				14,267
Non-recurring				668,807
Total general revenue				<u>14,841,905</u>
Change in net position				2,036,343
Net position, beginning				13,857,622
Prior period adjustment				<u>(1,388,989)</u>
Net position, ending				<u>\$ 14,504,976</u>

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



## VAL VERDE COUNTY, TEXAS

## BALANCE SHEET

## GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General	Interest & Sinking	Capital Project SL 79 Loop	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash in bank	\$ 5,197,681	\$ 557,572	\$ 155,081	\$ 3,567,799	\$ 9,478,133
Investments	2,418	4,241	-	822	7,481
Taxes receivables (net of allowance)	1,572,396	174,711	-	74,818	1,821,925
Accounts receivable	255,511	-	-	-	255,511
Due from other funds	1,484,185	-	-	504,547	1,988,732
Due from other government	-	-	19,185,000	209,888	19,394,888
Total assets	<u>\$ 8,512,191</u>	<u>\$ 736,524</u>	<u>\$ 19,340,081</u>	<u>\$ 4,357,874</u>	<u>\$ 32,946,670</u>
<b>LIABILITIES</b>					
Accounts payable	875,633	-	-	287,506	1,163,139
Accrued liabilities	-	-	-	-	-
Due to other funds	660,268	-	-	1,328,464	1,988,732
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	19,185,000	982,326	20,167,326
Total liabilities	<u>1,535,901</u>	<u>-</u>	<u>19,185,000</u>	<u>2,598,296</u>	<u>23,319,197</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	<u>1,572,396</u>	<u>174,711</u>	<u>-</u>	<u>74,818</u>	<u>1,821,925</u>
Total deferred inflows of resources	<u>1,572,396</u>	<u>174,711</u>	<u>-</u>	<u>74,818</u>	<u>1,821,925</u>
<b>FUND BALANCES</b>					
Restricted:					
Retirement of long-term debt	-	561,813	-	-	561,813
Federal or state funds	-	-	-	615,316	615,316
Capital projects	-	-	155,081	1,069,444	1,224,525
Assigned:					
Other purposes	2,362,678	-	-	-	2,362,678
Unassigned	<u>3,041,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,041,216</u>
Total fund balances	<u>5,403,894</u>	<u>561,813</u>	<u>155,081</u>	<u>1,684,760</u>	<u>7,805,548</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,512,191</u>	<u>\$ 736,524</u>	<u>\$ 19,340,081</u>	<u>\$ 4,357,874</u>	<u>\$ 32,946,670</u>

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

## VAL VERDE COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Amounts reported for governmental activities in the statement of net position (page 21) are different because:

Fund Balances - Governmental Funds --- total governmental funds (page 23)	\$ 7,805,548
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	36,927,697
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	1,821,925
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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	\$ (23,145,000)	
Tax note payable	(2,135,000)	
Premium on bonds	(243,460)	
Net OPEB obligation	(3,985,304)	
Net pension liability	(2,670,309)	
Deferred outflow related to pensions	1,415,489	
Deferred inflow related to pensions	(748,077)	
Compensated absences	(538,533)	
Total long-term liabilities		<u>(32,050,194)</u>

Net position of governmental activities	<u>\$ 14,504,976</u>
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*The accompanying notes are an integral part of these financial statements.*

## VAL VERDE COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General	Interest & Sinking	Capital Project SL 79 Loop	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 11,013,743	\$ 78,782	\$ -	\$ 693,366	\$ 11,785,891
Sales taxes	2,223,062	-	-	-	2,223,062
Intergovernmental	332,209	-	3,750,000	2,252,696	6,334,905
Charges for services	2,575,467	-	-	1,039,891	3,615,358
License and permits	27,781	-	-	-	27,781
Fees and fines	1,433,947	-	-	36,819	1,470,766
Investment earnings	36,784	5,231	124	1,827	43,966
Miscellaneous	10,891	-	-	3,376	14,267
Total revenues	<u>17,653,884</u>	<u>84,013</u>	<u>3,750,124</u>	<u>4,027,975</u>	<u>25,515,996</u>
<b>EXPENDITURES</b>					
General government	7,100,177	-	-	364,407	7,464,584
Justice System	3,431,712	-	-	186,300	3,618,012
Public facilities	1,163,706	-	-	699,438	1,863,144
Public safety	4,083,883	-	-	1,092,330	5,176,213
Health and human services	138,230	-	-	582,275	720,505
Infrastructure and environmental services	-	-	5,331	826,781	832,112
Culture and recreation	562,878	-	-	53,259	616,137
Corrections and rehabilitation	-	-	-	504,825	504,825
Debt service:					
Principal	-	4,985,000	-	-	4,985,000
Interest and other charges	-	993,658	-	-	993,658
Capital leases	-	22,073	-	-	22,073
Total expenditures	<u>16,480,586</u>	<u>6,000,731</u>	<u>5,331</u>	<u>4,309,615</u>	<u>26,796,263</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>1,173,298</u>	<u>(5,916,718)</u>	<u>3,744,793</u>	<u>(281,640)</u>	<u>(1,280,267)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Settlements and insurance claims	668,807	-	-	-	668,807
Lease financing	220,000	-	-	-	220,000
Tax note proceeds	1,180,358	-	-	-	1,180,358
Transfer in	1,172,374	3,750,000	-	603,314	5,525,688
Transfer out (uses)	(603,314)	-	(3,750,000)	(1,172,374)	(5,525,688)
Total other financing sources (uses)	<u>2,638,225</u>	<u>3,750,000</u>	<u>(3,750,000)</u>	<u>(569,060)</u>	<u>2,069,165</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>3,811,523</u>	<u>(2,166,718)</u>	<u>(5,207)</u>	<u>(850,700)</u>	<u>788,898</u>
<b>FUND BALANCE, BEGINNING</b>	<u>1,739,822</u>	<u>2,728,531</u>	<u>160,288</u>	<u>2,455,201</u>	<u>7,083,842</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>(147,451)</u>	<u>-</u>	<u>-</u>	<u>80,259</u>	<u>(67,192)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 5,403,894</u>	<u>\$ 561,813</u>	<u>\$ 155,081</u>	<u>\$ 1,684,760</u>	<u>\$ 7,805,548</u>

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

## 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, 2018

Amounts reported for governmental activities in the statement of activities (page 22)  
are different because:

Net change in fund balances --- total governmental funds (page 25) \$ 788,898

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	\$ 936,732	
Depreciation expense	(2,416,731)	
Net adjustment		( 1,479,999)

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	3,375,000	
Tax notes	1,610,000	
Capital lease	22,073	
Bond and note proceeds	( 1,420,000)	
Net adjustment		3,587,073

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	(435,295)	
OPEB cost	(250,041)	
Pension cost	(328,894)	
Amortization of deferred loss on refunding bonds	48,689	
Net adjustment		( 965,541)

Revenues in the statement of activities that do not provide current financial resources  
are not reported as revenues in the funds.

	105,912	
Net adjustment		105,912

Change in net position of governmental activities (page 22) \$ 2,036,343

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

**FIDUCIARY FUND  
FINANCIAL STATEMENTS**

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**VAL VERDE COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ <u>3,454,412</u>
Total assets	\$ <u><u>3,454,412</u></u>
<b>LIABILITIES</b>	
Due to others	\$ <u>3,454,412</u>
Total liabilities	\$ <u><u>3,454,412</u></u>

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

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**VAL VERDE COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Val Verde County, Texas ("County") have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America for local governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

**A. Reporting Entity**

The County is a public corporation and a political subdivision of the State of Texas. The Commissioners' Court, comprised of the County Judge and four County Commissioners, all of whom are elected officials, is the governing body of the County. 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 County provides a vast array of services which include public safety, correctional facility, administration of justice, health and welfare services, construction and maintenance of roads, bridges and facilities, culture and recreation via libraries, and other various administrative services such as tax collection, recording records, etc.

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 County, effective for the year ended September 30, 2018, 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. Implementation of New Standards**

In the current fiscal year the County implemented the following new standards:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* ("GASB 74"), replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. Implementation of GASB 74 did not have an impact on the County's financial disclosures.

Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."* The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018. The County implemented the new accounting and reporting pronouncement in the current fiscal year.

GASB Statement No. 82, Pension Issues (“GASB 82”), addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, deviations from the guidance of the Actuarial Standards Board, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Implementation GASB 82 did not have an impact on the County’s financial disclosures.

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

### Government-wide 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 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 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. Miscellaneous general revenues contain non-program specific contributions.

Fiduciary funds are excluded from the government-wide presentation of financial statements.

### Fund Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. 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.

All fiduciary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using an economic resources measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included in the funds statement of net position. The agency funds are custodial in nature and involve no measurement of results of operations.

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

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.

Funds are classified into three categories: Governmental, Proprietary, and Fiduciary. The major funds of the County are noted within each category. The County currently has no proprietary funds.

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.

**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

Additionally, the County reports the following fund types:

**Road and Bridge Fund** is used to account for resources used in the construction and maintenance of County roads and bridges.

**Special Revenue Funds** 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. 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.

#### **E. Cash and Cash Investments**

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

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

#### **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.
- **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.

Fund Balances by classification as of September 30, 2018, pursuant to GASB 54 are as follows:

	Major Funds			Nonmajor Funds		Total
	General Fund	Interest & Sinking	Capital Project SL 79 Loop	Special Revenue Funds	Capital Projects Funds	Governmental Funds
Restricted for :						
Interest & Sinking	\$ -	\$ 561,813	\$ -	\$ -	\$ -	\$ 561,813
Capital Project	-	-	155,081	-	1,069,444	1,224,525
County Clerk Management & Preservation	-	-	-	(2,323)	-	(2,323)
County Management & Preservation	-	-	-	41,354	-	41,354
District Clerk Management & Preservation	-	-	-	22,517	-	22,517
District Clerk Records Archive	-	-	-	24,762	-	24,762
Court Reporter	-	-	-	21,566	-	21,566
Courthouse & Justice Courts Security Fees	-	-	-	155,218	-	155,218
Sheriff LEOSE	-	-	-	5,953	-	5,953
District Attorney Pre-Trial Diversion	-	-	-	23,500	-	23,500
County Court at Law DWI Program	-	-	-	6,228	-	6,228
Constable #3	-	-	-	3,336	-	3,336
Justice of the Peace Technology Funds	-	-	-	30,655	-	30,655
County Attorney Pre-Trial Diversion	-	-	-	59,799	-	59,799
County & District Clerk - Tech Fund	-	-	-	521	-	521
District Attorney Settlements	-	-	-	128,726	-	128,726
HOT Fund	-	-	-	60,201	-	60,201
Other Special Revenue Funds	-	-	-	1,872	-	1,872
Texas Department of Transportation Infrastructure	-	-	-	33,550	-	33,550
Law Library	-	-	-	(2,119)	-	(2,119)
Assigned:						
Financial Integrity Fund	50,000	-	-	-	-	50,000
Encumbrances	246,899	-	-	-	-	246,899
Fire Reserves Fund	1,342	-	-	-	-	1,342
San Felipe Pastures	31,288	-	-	-	-	31,288
Sheriff Reserves	2,728	-	-	-	-	2,728
Sheriff Settlement	42,743	-	-	-	-	42,743
Sheriff Tower	5,100	-	-	-	-	5,100
Subsequent Budget Year	1,982,578	-	-	-	-	1,982,578
Unassigned	3,041,216	-	-	-	-	3,041,216
Total Fund Balances	<u>\$ 5,403,894</u>	<u>\$ 561,813</u>	<u>\$ 155,081</u>	<u>\$ 615,315</u>	<u>\$ 1,069,444</u>	<u>\$ 7,805,548</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. Deferred outflows consist of, when applicable, deferred charges on refundings, the changes in fair value of the hedging derivative instruments that are applicable to future reporting periods, pension contributions after measurement date, the differences in projected and actual earnings on pension assets, and changes in pension assumptions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Pension contributions after measurement date are deferred and recognized in the following fiscal year. The difference in projected and actual earnings on pension assets are amortized over a closed five-year period. Pension assumption changes are recognized over the average remaining service life for all members.

Deferred outflows for other postemployment benefits (“OPEB”) other than Pensions include changes in the net OPEB liability that have not been included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEB.

In addition to liabilities, the statement of net 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. Deferred inflows consist of, when applicable, the changes in fair value of the hedging derivative instruments that are applicable to future reporting periods, differences in expected and actual pension experience, and unavailable revenue. 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 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, 2018, 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 Uniform Grant Management Standards (“UGMS”).

## **L. Property Taxes**

Property subject to taxation is real property and certain personal property situated in the County. The County’s property tax is levied by October 1 on the assessed value listed as of the preceding 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. Interest and penalties of 7% plus 2% a month are added for payments received in February, March, April, May, and June. The assessed valuation (not including freeze) of taxable property for the year 2017 was \$2,824,741,198 for the general and interest & sinking funds and \$2,772,309,484 for the road and bridge fund which represent 100% of appraised value. Tax rate per \$100 of taxable value is \$.4993 for the general and debt service funds and \$.0244 for the road and bridge fund. Taxes receivable are reduced by an allowance of 4% for estimated uncollectible taxes. Revenues from property taxes are recognized in the current year to the extent they are available to finance current year expenditures. The County is permitted to levy a tax rate up to \$.80 per \$100 valuation and the and the Court may levy the tax rate needed for its governmental services as long as the Court does not impair any outstanding bonds or other obligations or exceed the \$.80 per \$100 valuation for the year. The legislature may authorize an additional \$.15 ad valorem tax for maintenance of public roads and bridges or a \$.30 ad valorem tax to be levied for road and flood control provide the majority of the qualified voters of the County approve the additional taxes. Because of limitations imposed by state law, cases in which accumulated taxes exceed property value and other problems in tax collection, allowances have been provided for uncollectible accounts.

#### **M. Compensated Absences**

All full-time employees are eligible for twelve days of 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 \$(1,480,000) is as follows:

Capital outlay-additions	\$	897,543
Construction in progress		39,189
Depreciation expense		<u>(2,416,731)</u>
<i>Net adjustment to decrease net changes in fund balance--</i>		
<i>total government funds to arrive at change in net position</i>		
<i>of governmental activities (Exhibit C-4)</i>	\$	<u>(1,479,999)</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, 2018 the carrying amount of the County’s deposits was \$9,485,614 and total bank balances equaled \$8,810,926.

The fair values of investments at September 30, 2018 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.

	<u>Rate</u>	<u>WAM (Days)</u>	<u>Fair Value</u>
<u>General Fund</u>			
Text Pool	2.13%	33	\$ 2,418
			<u>2,418</u>
<u>Road &amp; Bridge Fund</u>			
Text Pool	2.13%	33	<u>822</u>
			<u>822</u>
<u>Interest &amp; Sinking Fund</u>			
Text Pool	2.13%	33	4,241
			<u>4,241</u>
Total Investments			<u>\$ 7,481</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:

	<u>General</u>	<u>Interest and Sinking</u>	<u>Road and Bridge</u>	<u>Total</u>
Taxes receivable:				
Property tax	\$ 1,637,913	\$ 181,990	\$ 77,936	\$ 1,897,839
Less: allowance for uncollectibles	( 65,517)	( 7,280)	( 3,117)	( 75,914)
Net accounts receivable	<u>\$ 1,572,396</u>	<u>\$ 174,710</u>	<u>\$ 74,819</u>	<u>\$ 1,821,925</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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Payroll	\$ 395,010
General	Road & Bridge	2,097
General	Grant Account	910,000
General	General	177,078
Non-major	Non-major	416,367
Road & Bridge	General	<u>88,180</u>
		<u>\$ 1,988,732</u>

Interfund transfers for the fiscal year ended September 30, 2018, 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	1,548,161	Payroll fund	Payroll
General fund	<u>227,527</u>	District attorney settlement fund	District Attorney portion of other counties contributions
Total transfers	<u>\$ 5,525,688</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.

The County issued \$1,200,000 of Tax and Revenue Anticipation Note, Series 2017, on October 4, 2018. This note was fully paid by September 30, 2018.

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, 2018 are as follows:

Equipment Description	Balance 9/30/2017	Decrease	Balance 9/30/2018
Vehicles	\$ 22,073	\$ 22,073	\$ -
Total	\$ 22,073	\$ 22,073	\$ -

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

Year Ending September 30,	General Obligations		Total
	Principal	Interest	Requirements
2019	\$ 3,933,679	\$ 871,741	\$ 4,805,420
2020	4,064,550	735,473	4,800,023
2021	4,205,448	593,605	4,799,053
2022	4,356,372	445,935	4,802,307
2023	4,492,325	308,412	4,800,737
2024-2028	4,227,626	158,343	4,385,969
Totals	\$ 25,280,000	\$ 3,113,509	\$ 28,393,509

**Changes in Long-term liabilities**

	Balance 9/30/2017	Increase	Decrease	Adjustment	Balance 9/30/2018	Due Within One Year
2011 Limited Tax Bond	\$ 21,985,000	\$ -	\$ 2,800,000	\$ -	\$ 19,185,000	\$ 2,900,000
2014 Limited Tax Bond	4,315,000	-	575,000	-	3,740,000	590,000
2016 Tax Note	2,545,000	-	410,000	-	2,135,000	415,000
Tax and Revenue Anticipation Notes, Series 2017	-	1,200,000	1,200,000	-	-	-
Government Capital Corporation	-	220,000	-	-	220,000	28,680
Capital Leases	22,073	-	22,073	-	-	-
Premium on Bonds	292,149	-	48,689	-	243,460	48,689
Net OPEB Obligation	2,283,974	442,363	192,322	1,451,289	3,985,304	-
Net Pension Liability	4,825,568	-	2,155,260	-	2,670,308	-
Compensated Absences	103,238	-	17,181	452,476	538,533	-
Total	\$ 36,372,002	\$ 1,862,363	\$ 7,420,525	\$ 1,903,765	\$ 32,717,605	\$ 3,982,369

## E. Capital Assets

Capital asset activity for the County for the year ended September 30, 2018, under governmental activities is as follows:

	Balance 9/30/2017	Additions	Deletions/ Adjustments	Balance 9/30/2018
Governmental activities				
Capital assets not depreciated:				
Land	\$ 119,819	\$ -	\$ -	\$ 119,819
Construction in progress	<u>6,005,651</u>	<u>39,189</u>	<u>(5,876,159)</u>	<u>168,681</u>
Total capital assets not being depreciated	<u>6,125,470</u>	<u>39,189</u>	<u>(5,876,159)</u>	<u>288,500</u>
Capital assets being depreciated:				
Buildings & improvements	10,341,001	-	5,205,509	15,546,510
Furniture & equipment	10,300,424	897,543	755,792	11,953,759
Infrastructure	<u>47,542,042</u>	<u>-</u>	<u>44,350</u>	<u>47,586,392</u>
Total capital assets being depreciated	68,183,467	897,543	6,005,651	75,086,661
Less: accumulated depreciation:				
Buildings & improvements	28,337,270	1,491,655	( 261,544)	29,567,381
Furniture & equipment	7,693,463	925,076	246,044	8,864,583
Total capital assets being depreciated	36,030,733	2,416,731	( 15,500)	38,431,964
Total depreciable assets, net	<u>32,152,734</u>	<u>( 1,519,188)</u>	<u>6,021,151</u>	<u>36,654,697</u>
Total capital assets	<u>\$ 38,278,204</u>	<u>\$(1,479,999)</u>	<u>\$ 144,992</u>	<u>\$ 36,943,197</u>

Depreciation expense for FY 2018 was charged to functions/programs of the County as follows:

General government	\$ 233,338
Justice system	687
Infrastructure and environmental services	1,366,907
Public facilities	429,439
Public safety	<u>386,360</u>
Totals	<u>\$2,416,731</u>

## F. 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.

## G. 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.

## H. Prior Period Adjustment

Adjustments to the fund balance and net position during the 2017-2018 year consisted of the following:

Description	General Fund	Other Nonmajor Funds	Total
To close out balance sheet items that never materialized	\$ (147,451)	\$ -	\$ (147,451)
Equity transfer	-	80,259	80,259
Total per Exhibit C-3	<u>\$ (147,451)</u>	<u>\$ 80,259</u>	<u>(67,192)</u>
Adjustments to capital assets and debt			<u>(1,321,797)</u>
Total per Exhibit B-1			<u>\$ (1,388,989)</u>

During fiscal year 2018, the County adopted GASB statement No.75 for Accounting and financial Reporting for Postemployment Benefits Other Than Pensions. With GASB 75, the County must assume their proportionate share of the Net OPEB liability of Texas Association of Counties. Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively. The prior adjustment totaled \$(1,451,289) and has been netted with other adjustments.

## 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](http://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, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit	128
Inactive employees entitled to but not yet receiving benefits	195
Active employees	<u>267</u>
Total	<u><u>590</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.

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, 2017, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Overall payroll growth	3.25% 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	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The actuarial assumptions that determined the total pension liability as of December 31, 2017, 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.

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:

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation <sup>(1)</sup></b>	<b>Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup></b>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	16.00%	7.55%
Global Equities	MSCI World (net) Index	1.50%	4.85%
Int'l Equities - Developed Markets	MSCI World Ex USA (net)	11.00%	4.55%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	8.00%	5.55%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Caped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	18.00%	4.10%

<sup>(1)</sup> Target asset allocation adopted at the April 2018 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.95%, per Cliffwater's 2018 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.



### ***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 as of 12/31/2016	\$ 46,318,832	\$ 41,493,264	\$ 4,825,568
Changes for the year:			
Service cost	1,382,827	-	1,382,827
Interest on total pension liability <sup>(1)</sup>	3,768,963	-	3,768,963
Effect of plan changes <sup>(2)</sup>	-	-	-
Effect of economic/demographic gains or losses	348,428	-	348,428
Effect of assumptions changes or inputs	194,962	-	194,962
Refund of contributions	( 82,410)	( 82,410)	-
Benefit payments	( 2,306,602)	( 2,306,602)	-
Administrative expenses	-	( 31,226)	31,226
Member contributions	-	697,174	( 697,174)
Net investment income	-	6,047,762	( 6,047,762)
Employer contributions	-	1,144,360	( 1,144,360)
Other <sup>(3)</sup>	-	( 7,631)	7,631
Balance as of 12/31/2017	<u>\$ 49,625,000</u>	<u>\$ 46,954,691</u>	<u>\$ 2,670,309</u>

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

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

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

### ***Sensitivity Analysis***

The following presents the net pension liability of the County, calculated using the discount rate of 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	\$ 55,730,656	\$ 49,625,000	\$ 44,452,511
Fiduciary net position	<u>46,954,691</u>	<u>46,954,691</u>	<u>46,954,691</u>
Net pension liability/(asset)	<u>\$ 8,775,965</u>	<u>\$ 2,670,309</u>	<u>\$ ( 2,502,180)</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](http://www.tcdrs.org).

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

For the year ended September 30, 2018, the County recognized pension expense of \$1,556,978.

At September 30, 2018, 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	\$ 293,839	\$ 261,321
Changes of assumptions	-	255,112
Net difference between projected and actual earnings	454,238	-
Contributions made subsequent to measurement date	<u>-</u>	<u>899,056</u>
Total	<u>\$ 748,077</u>	<u>\$ 1,415,489</u>

\$899,056 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, 2018. 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,	
2018	\$ 420,143
2019	245,541
2020	( 355,309)
2021	( 542,018)
	<u>\$( 231,643)</u>

## **B. Other Post-Retirement Health Care Benefits**

### **1. Plan Description**

In addition to the pension benefits described above, the Commissioners' Court established a medical insurance benefit plan for retirees.

Benefits provided - Eligible retirees will be provided 100% of the individual coverage contribution for medical & dental insurance benefits at a set premium rate equal to the County employees' rate. Eligible retirees may also cover their eligible dependents but are responsible for paying 100% of 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.

### **Summary of Significant Accounting Policies**

The plan's transactions are recorded using the accrual basis of accounting. Plan's members and employer's contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable. Investments, if any are reported in a fair value which is the amount the Plan could reasonably expect to receive for it in a current sale between a willing buyer and willing seller. Fair value, for financial reporting purposes, is measured by the market price unless such prices are not available in which case, fair is estimated.

The County is required by GASB Statement No. 75 to disclose additional information with regard to funding policy, the employers annual OPEB cost and contribution made, the funded status and funding progress for the employer's individual plan, and actuarial methods and assumptions used.

### **2. Funding Policy**

The County contributions to the Retiree Health Program consist of a pay-as-you-go monthly contribution rate of \$504 per participant. The County contributions to the plan for fiscal year 2018 were \$107,067. Current retirees contribute to the Retiree Health Program without adjustment for age and sex.

### **3. Annual OPEB Cost & Total OPEB Liability or (Asset)**

Employees covered by benefit terms. At September 30, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	20
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	217
Total	<u>237</u>

## Total OPEB Liability

The County's total OPEB liability of \$3,985,304 was measured as of September 30, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	September 30, 2018
Actuarial Valuation Date:	September 30, 2018
Inflation:	3.00%
Salary Increases:	3.50%
Discount Rate:	4.06%
Prior Year Discount Rate:	5.00%

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective.

Valuation Date:	September 30, 2018
Discount Rate:	4.06%
Inflation Rate:	3.00%
Salary Scale:	3.50%
Medical Plan Elections:	Current and future retirees that meet the following criteria: age 60 with 8 years of service; 20 years of service without regard to age; or the sum of age plus service equals 75, are eligible to enroll in the base plan.
Postretirement Contributions:	The retiree contributes the full contribution rate for dependent coverage.
Other Benefits:	Dental benefits are provided to eligible retirees at no cost for individual coverage. The retiree pays the full cost of dependent coverage. A life insurance benefit of \$2,500 on the life of the eligible retiree is provided at no cost to the retiree. These benefits continue to age 65.

**Claim Costs:**

Age	Medical
50	7,119
51	7,297
52	7,480
53	7,667
54	7,858
55	8,055
56	8,256
57	8,463
58	8,674
59	8,891
60	9,113
64	10,059

*The dental claims cost ranges from \$187 at age 50 to \$231 at age 64.*

**Mortality:**

RPH-2014 Employee Mortality Table, Generational with  
Projection Scale MP-2018

**Claim Cost Trend:**

Rate of Inflation:	3.00%
Medical	5.00%
Dental	1.50%

**Employee Turnover:** The termination rates were developed from the withdrawal assumption used in the 2017 actuarial report for the Texas County and District Retirement System ("TCDRS"). The rates are a 15 year select and ultimate table and are sex specific. The following are representative rates used in this valuation.

Entry Age/Gender	0 YOS	3 YOS	6 YOS	9 YOS	12 YOS	15+ YOS
20-29 Male	33.40%	13.50%	8.80%	6.20%	4.40%	3.00%
20-29 Female	36.20%	14.60%	9.50%	6.70%	4.70%	3.30%
30-39 Male	27.80%	11.50%	7.70%	5.60%	4.00%	2.90%
30-39 Female	30.20%	12.50%	8.30%	6.00%	4.40%	3.10%
40-49+ Male	23.70%	9.80%	6.50%	4.70%	3.40%	2.40%
40-49+ Female	25.60%	10.60%	7.10%	5.10%	3.70%	2.70%

**Retirement:** The retirement rates were developed from the assumption used in the 2017 actuarial report for the TCERS retirement plans. These rates are unisex. The following are representative rates used in this valuation.

Age	Rate
50	10.00%
55	10.00%
60	12.00%
62	20.00%
65	25.00%

## Changes in the Net OPEB Liability

	Total OPEB Liability
Balance at 9/30/2017	<u>\$ 3,735,263</u>
Changes for the year:	
Service Cost	283,121
Interest	159,242
Differences between expected and actual experience	-
Changes in Assumptions/Inputs	-
Change in Benefit Terms	-
Benefit payments	(192,322)
Administrative Expense	-
Net Changes	<u>\$ 250,041</u>
Balance at 9/30/2018	<u><u>\$ 3,985,304</u></u>

There were no changes to the benefit terms.

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the County as of September 30, 2018, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current	1% Increase
Discount Rate:	\$ 4,368,112	\$ 3,985,304	\$ 3,641,075
Healthcare Cost Trend Rates:	\$ 3,521,496	\$ 3,985,304	\$ 4,545,103

## OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the County recognized OPEB expense of \$442,363. At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>OPEB Expense</b>	
Service cost	\$ 283,121
Interest cost	159,242
Changes of benefit terms	-
Current recognized deferred outflows/(inflows)	-
Difference between expected and actual experience	-
Changes in assumptions or other inputs	-
(Other changes, if significant)	-
Difference of projected investment earnings	-
<b>Total OPEB Expense as of September 30, 2018</b>	<u><u>\$ 442,363</u></u>

The County reported no deferred outflows of resources and deferred inflows of resources related to OPEB expense.

### 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.

### D. Recent Accounting Pronouncements

Statement No. 81, "*Irrevocable Split-Interest Agreements.*" The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2017. GASB Statement No. 81 does not have an irrevocable split-interest transaction for inclusion for the County financial statements.

Statement No. 82, "*Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73.*" The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions will take effect for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The County implemented and incorporated the new pronouncement according to State's TCDRS actuarial annual report.

Statement No. 83, "*Certain Asset Retirement Obligations.*" The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2019. The impact to this new pronouncement has not yet been determined. The County does not have asset retirement obligation transaction that required this pronouncement implementation.

Statement No. 84, "*Fiduciary Activities.*" The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019. This new pronouncement will be implemented for fiscal year 2020.

Statement No. 85, "*Omnibus 2017.*" The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018. The practice issues impacting the identified topics in the 2017 Omnibus applicable to County's financial statements have been implemented.

Statement No. 86, "*Certain Debt Extinguishment Issues.*" The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018. The County will implement the new pronouncement during the certain debt extinguishment conditions are met. The County did not have debt extinguishment transactions for this fiscal year.

Statement No. 87, Leases ("GASB 87"), requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. GASB 87 will be implemented by the County in fiscal year 2020 and the impact has not yet been determined.

Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements (“GASB 88”), This Statement requires additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, it also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. GASB 88 will be implemented by the County in fiscal year 2019 and the impact has not yet been determined.

Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period (“GASB 89”), This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. GASB 89 will not impact the County as it currently does not have business-type activities.



## **REQUIRED SUPPLEMENTARY INFORMATION**

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## 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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 11,084,901	\$ 11,084,901	\$ 11,013,743	\$( 71,158)
Sales tax	2,310,000	2,310,000	2,223,062	( 86,938)
Intergovernmental	291,454	291,454	332,209	40,755
Charges for services	1,021,601	1,021,601	2,575,467	1,553,866
License and permits	26,000	26,000	27,781	1,781
Fees and fines	1,521,000	1,521,000	1,433,947	( 87,053)
Investment earnings	22,000	22,000	36,784	14,784
Miscellaneous	80,000	80,000	10,891	( 69,109)
Total revenues	<u>16,356,956</u>	<u>16,356,956</u>	<u>17,653,884</u>	<u>1,296,928</u>
<b>EXPENDITURES</b>				
General government	7,514,996	8,139,778	7,100,177	1,039,601
Justice System	3,460,739	3,654,511	3,431,712	222,799
Public facilities	1,179,493	1,186,239	1,163,706	22,533
Public safety	4,111,171	4,449,649	4,083,883	365,766
Health and human services	136,940	140,047	138,230	1,817
Culture and recreation	591,719	598,513	562,878	35,635
Total expenditures	<u>16,995,059</u>	<u>18,168,737</u>	<u>16,480,586</u>	<u>1,688,151</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(638,103)</u>	<u>( 1,811,781)</u>	<u>1,173,298</u>	<u>2,985,079</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Settlements and insurance claims	-	-	668,807	668,807
Lease financing	-	-	220,000	220,000
Tax note proceeds	1,178,000	1,178,000	1,180,358	2,358
Transfers in	-	-	1,172,374	1,172,374
Transfers out (uses)	-	-	( 603,314)	( 603,314)
Total other financing sources and (uses)	<u>1,178,000</u>	<u>1,178,000</u>	<u>2,638,225</u>	<u>1,460,225</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>539,897</u>	<u>( 633,781)</u>	<u>3,811,523</u>	<u>4,445,304</u>
<b>FUND BALANCE, BEGINNING</b>	<u>1,739,822</u>	<u>1,739,822</u>	<u>1,739,822</u>	<u>-</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>( 147,451)</u>	<u>( 147,451)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,279,719</u>	<u>\$ 1,106,041</u>	<u>\$ 5,403,894</u>	<u>\$ 4,297,853</u>

## VAL VERDE COUNTY, TEXAS

SCHEDULE OF CHANGES IN  
NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	December 31,			
	2017	2016	2015	2014
<b>Total Pension Liability</b>				
Service cost	\$ 1,382,826	\$ 1,440,667	\$ 1,220,164	\$ 1,204,990
Interest on total pension liability	3,768,963	3,538,940	3,331,584	3,123,845
Effect of plan changes	-	-	(209,209)	-
Effect of assumption changes or inputs	194,962	-	435,563	-
Effect of economic/demographic (gains) or losses	348,428	(506,956)	(161,443)	(75,870)
Benefit payments/refunds of contributions	<u>(2,389,012)</u>	<u>(2,232,786)</u>	<u>(1,881,722)</u>	<u>(1,734,541)</u>
Net change in pension liability	3,306,167	2,239,865	2,734,937	2,518,424
Total pension liability, beginning	<u>46,318,832</u>	<u>44,078,967</u>	<u>41,344,030</u>	<u>38,825,606</u>
Total pension liability, ending (a)	<u>\$49,624,999</u>	<u>\$46,318,832</u>	<u>\$ 44,078,967</u>	<u>\$41,344,030</u>
<b>Fiduciary Net Position</b>				
Employer contributions	\$ 1,144,360	\$ 1,076,161	\$ 1,075,748	\$ 1,023,076
Member contributions	697,174	664,883	657,689	612,096
Investment income net of investment expenses	6,047,762	2,893,140	(405,384)	2,507,651
Benefit payments/refunds of contributions	(2,389,012)	(2,232,786)	(1,881,722)	(1,734,541)
Administrative expenses	(31,226)	(31,464)	(28,326)	(29,587)
Other	<u>(7,631)</u>	<u>18,479</u>	<u>81,990</u>	<u>43,045</u>
Net change in fiduciary net position	5,461,427	2,388,413	(500,005)	2,421,740
Fiduciary net position, beginning	<u>41,493,264</u>	<u>39,104,851</u>	<u>39,604,855</u>	<u>37,183,116</u>
Fiduciary net position, ending (b)	<u>\$46,954,691</u>	<u>\$41,493,264</u>	<u>\$ 39,104,850</u>	<u>\$39,604,856</u>
Net pension liability / (assets), ending = (a) - (b)	<u>\$ 2,670,309</u>	<u>\$ 4,825,568</u>	<u>\$ 4,974,117</u>	<u>\$ 1,739,174</u>
Fiduciary net position as a % of total pension liability	94.62%	89.58%	88.72%	95.79%
Pensionable covered payroll	\$ 9,959,635	\$ 9,498,336	\$ 9,364,142	\$ 8,744,223
Net pension liability as a % of covered payroll	26.81%	50.80%	53.12%	19.89%

## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

## LAST TEN FISCAL YEARS

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contriburion	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2009	\$ 674,479	\$ 674,479	\$ -	\$ 7,452,802	9.1%
2010	801,485	801,485	-	7,706,583	10.4%
2011	821,885	821,885	-	7,910,361	10.4%
2012	888,403	888,403	-	8,210,745	10.8%
2013	922,737	922,737	-	8,335,455	11.1%
2014	1,023,076	1,023,076	-	8,744,223	11.7%
2015	1,075,748	1,075,748	-	9,364,142	11.5%
2016	1,076,161	1,076,161	-	9,498,336	11.3%
2017	1,144,360	1,144,360	-	9,959,635	11.5%
2018	1,217,925	1,217,925	-	10,311,283	11.8%

## VAL VERDE COUNTY, TEXAS

## NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

<b>Valuation Timing</b>	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.
<b>Actuarial Cost Method</b>	Entry age
<b>Amortization Method</b>	Level percentage of payroll, closed
<b>Remaining Amortization Period</b>	13.3 years (based on contribution rate calculated in 12/31/2017 valuation)
<b>Asset Valuation Method</b>	5-year smoothed market
<b>Inflation</b>	2.75%
<b>Salary Increases</b>	Varies by age and service. 4.9% average over career including inflation.
<b>Investment Rate of Return</b>	8%, net of investment expenses, including inflation
<b>Retirement Age</b>	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.
<b>Mortality</b>	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Table for females, both projected with 110% of the MP-2014 scale after 2014.
<b>Changes in Assumptions and Methods Reflected in the Schedule of Employer Contribution*</b>	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
<b>Changes in Plan Provisions Reflected in the Schedule</b>	2016: No changes in plan provisions are reflected in the Schedule of Employer Contributions. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

## VAL VERDE COUNTY, TEXAS

SCHEDULE OF CHANGES IN  
TOTAL OPEB LIABILITY AND RELATED RATIOS

SEPTEMBER 30, 2018

**Total OPEB Liability**

Service Cost	\$ 283,121
Interest on total OPEB liability	159,242
Effect of plan changes	-
Effect of assumption changes or inputs	-
Effect of economic/demographic (gains) or losses	-
Benefit payments	<u>(192,322)</u>
Net change in total OPEB liability	<u>\$ 250,041</u>
 Total OPEB liability, beginning (as restated)	 \$3,735,263
Total OPEB liability, ending	\$3,985,304
 Covered payroll	 \$8,399,944
 Total OPEB liability as a % of covered payroll	 47.44%

\*Fiscal year 2018 was the first year of implementation, therefore only one year is shown.

## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF FUNDING PROGRESS FOR OPEB LIABILITY

SEPTEMBER 30, 2018

Measurement Date	Fiduciary Net Position	Total OPEB Liability - Entry Age Normal Percentage of Salary	Net OPEB Liability	Funded Ratio	Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll
9/30/2018	\$ -	\$ 3,985,304	\$ 3,985,304	0.00%	\$ 8,399,944	47.44%

\*Fiscal year 2018 was the first year of implementation, therefore only one year is shown.



**VAL VERDE COUNTY, TEXAS**  
**NOTES TO BUDGETARY SCHEDULE**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**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, 2018:

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

## **OTHER SUPPPLEMENTARY INFORMATION**

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## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF REVENUES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Current tax	\$ 10,754,639	\$ 10,754,639	10,519,859	\$( 234,780)
Delinquent tax	330,262	330,262	493,884	163,622
State comptroller	125,000	125,000	76,891	( 48,109)
Environmental health	26,000	26,000	27,781	1,781
U.S. marshall	923,001	923,001	1,131,034	208,033
County sheriff	85,000	85,000	78,792	( 6,208)
County attorney	2,000	2,000	-	( 2,000)
County clerk	220,000	220,000	186,735	( 33,265)
Tax assessor collector	700,000	700,000	580,426	( 119,574)
District clerk	120,000	120,000	188,851	68,851
Justice of the peace #1	47,000	47,000	71,695	24,695
Justice of the peace #2	80,000	80,000	87,839	7,839
Justice of the peace #3	120,000	120,000	118,111	( 1,889)
Justice of the peace #4	37,000	37,000	44,618	7,618
Court at law	90,000	90,000	40,349	( 49,651)
Interest	22,000	22,000	36,784	14,784
Fairground lease	65,000	65,000	47,257	( 17,743)
Miscellaneous (Sundry)	80,000	80,000	10,891	( 69,109)
County and district board	-	-	27,712	27,712
Sales tax revenue	2,185,000	2,185,000	2,146,171	( 38,829)
Hot tax administration	4,519	4,519	-	( 4,519)
Library revenue	20,000	20,000	36,531	16,531
Hotel tax	-	-	24,042	24,042
Court at law judge contribution	81,900	81,900	84,000	2,100
County judge supplement	25,200	25,200	25,226	26
County prosecutor supplement	23,333	23,333	46,666	23,333
County court at law specialty court	20,000	20,000	-	( 20,000)
District attorney grant	-	-	3,925	3,925
District attorney state contribution	22,500	22,500	22,500	-
District attorney - other counties	56,919	56,919	56,461	( 458)
District attorney contribution	57,082	57,082	60,319	3,237
Lease of livestock pens	33,600	33,600	33,600	-
Sales tax auto rebate	-	-	1,244,768	1,244,768
Sheriff settlements	-	-	90,000	90,000
Sheriff tower lease	-	-	5,400	5,400
Sheriff reserve	-	-	1,158	1,158
Fire reserves	-	-	3,608	3,608
Total revenues	\$ 16,356,956	\$ 16,356,956	\$ 17,653,884	\$ 1,296,928

## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>EXPENDITURES</b>				
General government:				
County Judge:				
Salaries	\$ 392,860	\$ 395,419	\$ 382,679	\$ 12,740
Office supplies	8,910	8,910	3,452	5,458
Copier expense	1,875	1,875	1,495	379.64
Travel and training	8,925	8,925	5,739	3,186
Emergency management	14,725	10,975	4,118	6,857
Capital outlay	-	3,750	3,750	-
Total county judge:	427,294	429,853	401,233	28,620
Road Bridge				
Pct. 1				
Salaries	314,472	332,433	332,433	-
Total pct. 1:	314,472	332,433	332,433	-
Pct. 2				
Salaries	319,515	322,682	275,063	47,619
Total commissioner pct. 2:	319,515	322,682	275,063	47,619
Pct. 3				
Salaries	306,187	309,806	300,647	9,159
Total commissioner pct. 3:	306,187	309,806	300,647	9,159
Pct. 4				
Salaries	279,216	282,317	275,441	6,876
Total commissioner pct. 4:	279,216	282,317	275,441	6,876
Commissioner's Office				
Salaries	28,670	29,112	29,112	-
Total road and bridge:	28,670	29,112	29,112	-
County Clerk:				
Salaries	407,781	412,653	406,070	6,583
Office supplies	22,500	22,500	17,635	4,865
Copier expense	7,628	7,628	8,414	(786)
Travel and training	6,375	6,375	3,085	3,290
Computer maintenance	42,750	42,750	18,593	24,157
Total county clerk:	487,034	491,907	453,797	38,110
Veterans Office:				
Salaries	108,217	112,955	113,717	(762)
Office supplies	3,150	3,150	2,876	274
Copier expense	2,988	3,021	3,254	(233)
Travel and training	3,825	3,825	3,104	721
Current Rent	6,240	10,800	10,800	-
Total veterans office:	124,420	133,751	133,751	-
County Auditor:				
Salaries	312,809	317,627	311,806	5,821
Office supplies	13,500	13,500	11,425	2,075
Copier expense	5,912	5,912	6,405	(493)
Travel & training	9,775	9,775	9,437	338
Rent	18,000	18,000	18,000	-
Total county auditor:	359,997	364,814	357,073	7,741

## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
<b>EXPENDITURES(continued)</b>				
General government: (continued)				
County Treasurer:				
Salaries	149,881	151,076	150,705	371
Office supplies	4,500	3,700	2,858	842
Copier expense	1,644	1,644	863	781
Travel & training	3,060	3,860	3,476	384
Rent	12,000	12,000	12,000	-
Total county treasurer:	171,085	172,281	169,902	2,379
Tax Collector:				
Salaries	436,799	463,183	463,183	-
Computer maintenance	26,508	26,508	26,269	239
Office supplies	20,700	26,700	25,375	1,325
Copier expense	3,315	3,315	3,210	105
Travel & training	8,725	10,725	9,870	855
Postage	29,450	21,450	17,514	3,936
Total tax collector:	525,496	551,881	545,421	6,460
Purchasing:				
Salaries	141,017	143,167	143,126	41
Office supplies	1,080	1,717	1,432	285
Copier expense	1,954	1,152	1,101	51
Travel & training	2,975	2,975	1,545	1,430
Total purchasing:	147,026	149,010	147,204	1,806
Agriculture: County Agent				
Salaries	132,966	134,229	98,816	35,413
Office supplies	1,800	1,800	1,727	73
1/2 Internet	725	725	723	2
Equipment maintenance	2,850	3,656	3,278	378
Capital outlay	-	953	953	-
Copier expense	1,444	1,389	886	503
Travel - Agent	6,800	7,550	6,448	1,102
Travel - Agent -Nass	4,675	5,286	5,109	177
Total agriculture:	151,260	155,587	117,940	37,647
Risk Management:				
Salaries	138,249	140,241	135,192	5,049
Travel & training	5,950	5,950	1,799	4,151
Capital outlay	-	30,496	30,496	-
Postage	1,425	1,425	499	926
Auto expense	4,750	4,750	1,664	3,086
Copier expense	1,408	1,278	1,424	(146)
Office supplies	2,250	2,250	1,149	1,101
Total risk management:	154,032	186,390	172,223	14,167
IT Department:				
Salaries	149,916	152,114	152,100	14
Travel & training	5,780	5,780	5,625	155
Capital outlay	-	1,590	1,590	-
Office supplies	4,050	4,050	3,981	69
Auto Expense	2,850	2,850	2,791	59
Rent	5,400	5,400	5,400	-
Total IT department:	167,996	171,784	171,487	297

## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>EXPENDITURES</b> (continued)				
General Government: (continued)				
Human Resource:				
Salaries	95,338	96,807	96,517	290
Copier expense	-	296	250	46
Travel & training	5,950	5,950	3,012	2,938
Staff development/promotional	4,750	4,750	4,648	102
Office supplies	4,500	4,500	4,163	337
Total human resource department:	110,538	112,303	108,590	3,713
Animal Control:				
Veterinarian	5,130	5,130	1,525	3,605
Feed	8,930	8,930	935	7,995
Travel	5,780	5,780	-	5,780
Fuel	1,995	1,995	-	1,995
Tools	4,560	4,560	-	4,560
Total animal control:	26,395	26,395	2,460	23,935
Non-Departmental:				
Insurance - employee and other	2,037,339	2,037,339	1,742,398	294,941
Section 125 administration fees	6,650	6,650	7,928	(1,278)
Membership dues	30,875	30,875	25,440	5,435
Surveyor Rent	1,200	1,200	1,200	-
Air Life	39,900	39,900	34,345	5,555
Appraisal offices	299,746	299,746	289,936	9,810
Advertising	11,875	22,875	20,563	2,312
Election expense	66,500	146,500	98,260	48,240
Autopsy- mental	90,250	90,250	90,300	(50)
Trapper's salary	25,000	25,000	25,000	-
Audit	38,000	38,000	38,000	-
Contingencies	475,000	766,086	305,365	460,721
Computer expense	65,399	65,399	58,953	6,446
Tyler Annual Fee	39,628	39,628	38,244	1,384
San Felipe Pastures Improvements	-	-	12,367	(12,367)
Juvenile Board Salary	-	-	6,458	(6,458)
Election Salary	-	-	18,462	(18,462)
Inventory	4,750	4,750	2,153	2,597
Historical commission	3,000	3,000	3,000	-
Museum	65,000	65,000	65,000	-
GASB 45	4,500	4,500	4,250	250
Special events	9,500	9,500	8,227	1,273
Solid waste	4,750	4,750	-	4,750
Casa de la Cultura	2,500	2,500	2,500	-
Grant Administrator	50,000	56,058	55,965	93
Madison government affairs	43,000	43,000	43,000	-
Capital expenditures	-	-	-	-
IT Phase I	-	74,038	74,038	-
Hail Damage Building Repair	-	40,929	35,048	5,881
Total non-departmental	3,414,362	3,917,473	3,106,400	811,073
Total general government	7,514,996	8,139,778	7,100,177	1,039,601

## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>EXPENDITURES</b> (continued)				
Justice System:				
District Courts:				
Salaries	403,385	409,549	401,322	8,227
Supplies & staff travel	23,575	20,212	11,729	8,483
Judge insurance	4,000	4,000	1,142	2,858
Court reporter	2,400	2,400	900	1,500
Copier expense	5,155	5,590	5,670	(80)
Jurors	42,750	42,750	893	41,857
Capital outlay	-	3,363	3,363	-
Total district courts	<u>481,265</u>	<u>487,864</u>	<u>425,019</u>	<u>62,845</u>
District Clerk:				
Salaries	368,154	372,416	362,576	9,840
Office supplies	18,000	18,000	14,973	3,027
Copier expense	11,032	11,200	11,119	81
Travel and training	5,100	5,100	2,500	2,600
Storage	1,060	1,060	828	232
Software maintenance	13,000	13,000	23,000	(10,000)
Total district clerk:	<u>416,345</u>	<u>420,776</u>	<u>414,996</u>	<u>5,780</u>
Justices of the Peace:				
Salaries	630,453	635,399	631,822	3,577
Office supplies	22,500	22,716	20,645	2,071
Copier expense	3,132	3,132	2,298	834
Travel & training	26,350	26,350	21,968	4,382
Total justices of the peace	<u>682,435</u>	<u>687,597</u>	<u>676,733</u>	<u>10,864</u>
County Court at Law:				
Salaries	400,921	403,894	399,329	4,565
Office supplies	8,100	8,100	6,369	1,731
Travel & training	5,525	5,525	2,550	2,975
Pitney Bowes	900	900	929	(29)
Water & coffee	584	584	231	353
Copier expense	3,104	3,104	2,056	1,048
Postage	2,138	2,138	750	1,388
Software maintenance	4,850	4,850	4,850	-
Total county court at law	<u>426,122</u>	<u>429,094</u>	<u>417,064</u>	<u>12,030</u>
County Attorney:				
Salaries	510,153	514,459	476,873	37,586
Office supplies	20,950	28,536	25,696	2,840
Travel & training	7,250	7,250	4,830	2,420
Copier expense	4,470	4,470	4,843	(373)
Civil litigation	1,825	1,825	481	1,344
Total county attorney	<u>544,649</u>	<u>556,540</u>	<u>512,723</u>	<u>43,817</u>
District Attorney:				
Salaries	444,753	607,469	535,089	72,380
Vehicle	4,450	4,450	2,110	2,340
Capital outlay	-	2,090	2,090	(0)
Consultants-Trial Expenses	11,970	6,970	2,280	4,690
Office supplies	35,000	32,910	20,071	12,839
Travel & training	10,000	15,000	10,206	4,794
Total district attorney	<u>506,174</u>	<u>668,889</u>	<u>571,846</u>	<u>97,043</u>



## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>EXPENDITURES</b> (continued)				
Justice System: (continued)				
General County Courts:				
Attorneys	403,750	403,750	413,331	(9,581)
Total general county courts	403,750	403,750	413,331	(9,581)
Total justice system	3,460,739	3,654,511	3,431,712	222,799
Public safety:				
Rural Fire and EMS				
Salaries	173,256	175,648	173,038	2,610
Office supplies	54,000	50,500	45,053	5,447
Travel & training	10,251	13,751	12,943	808
Capital outlay	-	220,000	220,000	-
Uniforms	2,850	2,850	1,103	1,747
Miscellaneous	-	-	879	(879)
Total Rural Fire and EMS	240,357	462,749	453,016	9,733
Sheriff:				
Salaries	2,835,423	2,877,372	2,585,396	291,976
Communications	31,350	33,578	2,608	30,970
Gun range	2,375	1,576	979	597
Auto expense	237,500	215,500	181,425	34,075
Ammunition	19,000	13,140	8,014	5,126
Uniforms	28,500	28,500	17,194	11,306
Operating supplies	45,000	63,891	54,643	9,248
Doctor and medications	9,500	32,267	30,201	2,066
Copier expense	11,922	11,922	11,593	329
Travel & training	42,500	51,485	40,587	10,898
Capital outlay	-	28,171	43,295	(15,124)
Software Maintenance	56,663	39,616	20,080	19,536
Sheriff settlement	-	-	48,356	(48,356)
Sheriff tower lease	-	-	300	(300)
Sheriff reserve	-	-	463	(463)
Total sheriff	3,319,732	3,397,018	3,045,134	351,884
Constables:				
Salaries	223,907	223,907	223,101	806
Travel & training	4,675	3,453	2,450	1,003
Office supplies	4,500	3,900	1,560	2,340
Capital outlay	-	622	622	(0)
Total constables	233,082	231,882	227,733	4,149
General County Expenditures:				
Juvenile center	250,000	290,000	290,000	-
Juvenile probation	33,000	33,000	33,000	-
Adult probation	35,000	35,000	35,000	-
Total general county expenditures	318,000	358,000	358,000	-
Total public safety	4,111,171	4,449,649	4,083,883	365,766

## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>EXPENDITURES (continued)</b>				
Health and Human Services				
Welfare:				
Burials	2,375	2,375	795	1,580
Hospital, etc.	19,000	22,107	22,107	-
Child welfare	1,425	1,425	1,188	-
Family violence contract	95,000	95,000	95,000	-
Food bank	18,000	18,000	18,000	-
County welfare	1,140	1,140	1,140	-
Total welfare	136,940	140,047	138,230	1,817
Total health and human services	136,940	140,047	138,230	1,817
Culture and Recreation:				
Hot Tax:				
Val Verde County administration - 25%	4,519	4,519	-	4,519
Del Rio chamber of commerce - 40%	7,230	7,230	-	7,230
Hispanic chamber of commerce 10%	1,808	1,808	1,597	211
Shumla school - 5%	904	904	-	904
Laughlin historic heritage - 2%	362	362	-	362
Prior year hot tax	8,365	8,365	4,800	3,565
Del Rio art league - 1%	181	181	-	181
Special events - 17%	3,073	3,073	-	3,073
Total hot tax	26,442	26,442	6,397	20,045
Library:				
Salaries	417,013	422,555	438,264	(15,709)
Office supplies	18,000	18,000	17,384	616
Computer maintenance	24,700	24,700	9,291	15,409
Travel & training	4,250	4,250	3,071	1,179
Copier maintenance	2,964	10,000	3,359	6,641
Copier expense	10,000	2,964	2,717	247
Books, publication and dues	88,350	89,602	82,395	7,207
Total library	565,277	572,071	556,481	15,590
Total culture and recreation	591,719	598,513	562,878	35,635
Public Facilities:				
Parks & Building Maintenance:				
Salaries	329,764	334,249	304,471	29,778
Contract services	71,500	73,300	69,693	3,607
Broadway repairs	9,500	9,500	2,931	6,569
Fairgrounds improvements	19,000	19,000	9,808	9,192
Materials	28,500	28,500	15,299	13,201
Fuel	23,750	23,750	23,112	638
Building repairs	33,250	26,250	3,138	23,112
Office supplies	900	900	775	125
Repairs	66,500	73,500	61,388	12,112
Auction reserve	-	-	(251)	251
Equipment maintenance	76,000	76,000	43,294	32,706
Capital outlay	-	-	61,500	(61,500)
Utilities	486,875	486,875	535,422	(48,547)
Total parks & building maintenance:	1,145,539	1,151,824	1,130,580	21,244

## VAL VERDE COUNTY, TEXAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>EXPENDITURES</b> (continued)				
Public Facilities: (continued)				
Community Center:				
Salaries	29,865	30,325	30,332	(7)
Supplies	2,700	2,700	2,512	188
Copier expense	540	540	282	258
Fuel	850	850	-	850
Total community center:	<u>33,955</u>	<u>34,415</u>	<u>33,126</u>	<u>1,289</u>
Total public facilities	<u>1,179,493</u>	<u>1,186,239</u>	<u>1,163,706</u>	<u>22,533</u>
Total expenditures	<u>16,995,059</u>	<u>18,168,737</u>	<u>16,480,586</u>	<u>1,688,151</u>
<b>EXCESS OF REVENUE OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>\$ (638,103)</u>	<u>\$ (1,811,781)</u>	<u>\$ 1,173,298</u>	<u>\$ 2,985,079</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease financing	-	220,000	220,000.00	-
Settlements and insurance claims	-	668,807	668,807.00	-
Tax note proceeds	1,178,000	1,178,000	1,180,358	2,358
Transfer in	-	-	1,172,374	1,172,374
Transfers out (uses)	<u>-</u>	<u>-</u>	<u>(603,314)</u>	<u>(603,314)</u>
Total other financing sources (uses)	<u>1,178,000</u>	<u>2,066,807</u>	<u>2,638,225</u>	<u>571,418</u>
<b>NET CHANGE IN FUND BALANCE</b>	539,897	255,026	3,811,523	3,556,497
<b>FUND BALANCE, BEGINNING</b>	1,739,822	1,739,822	1,739,822	-
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>(147,451)</u>	<u>(147,451)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,279,719</u>	<u>\$ 1,994,848</u>	<u>\$ 5,403,894</u>	<u>\$ 3,409,046</u>

## VAL VERDE COUNTY, TEXAS

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

## INTEREST AND SINKING

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Current tax	\$ -	\$ -	\$ 2,560	\$ 2,560
Delinquent tax	-	-	76,222	76,222
Investment earnings	5,250	5,250	5,232	( 18)
Total revenues	5,250	5,250	84,014	78,764
<b>EXPENDITURES</b>				
Debt service:				
Principal	5,034,838	5,034,838	4,985,000	49,838
Interest	922,056	922,056	983,658	( 61,602)
Capital leases	22,073	22,073	22,073	-
Other fees	10,000	10,000	10,000	-
Total expenditures	5,988,968	5,988,968	6,000,731	( 11,763)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 5,983,718)	( 5,983,718)	(5,916,717)	67,001
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	3,750,000	3,750,000	3,750,000	-
Total other financing sources and (uses)	3,750,000	3,750,000	3,750,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(2,233,718)	(2,233,718)	(2,166,717)	67,001
<b>FUND BALANCE, BEGINNING</b>	2,728,531	2,728,531	2,728,531	-
<b>FUND BALANCE, ENDING</b>	\$ 494,813	\$ 494,813	\$ 561,814	\$ 67,001

## 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, 2018

	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Fee of offices	\$ 900,000	\$ 900,000	\$ 907,483	\$ 7,483
Taxes - Current Farm to Market	513,811	513,811	502,788	( 11,023)
Taxes - Delinquent Farm to Market	16,000	16,000	24,193	8,193
TRIZ	166,183	166,183	166,386	203
Investment earnings	250	250	204	( 46)
Total revenues	<u>1,596,244</u>	<u>1,596,244</u>	<u>1,601,054</u>	<u>4,810</u>
<b>EXPENDITURES</b>				
Pct. 1:				
Pct. 1 out of county travel	7,225	7,225	1,189	6,036
Pct. 1 operating expense	60,750	95,750	87,427	8,323
Pct. 1 paving	44,322	54,171	55,114	( 943)
Auction reserve	-	1,650	(8,300)	9,950
Total Pct. 1	<u>112,297</u>	<u>158,796</u>	<u>135,430</u>	<u>23,366</u>
Pct. 2:				
Pct. 2 out of county travel	3,575	3,575	1,746	1,829
Pct. 2 operating expense	90,900	90,229	74,505	15,724
Pct. 2 paving	153,636	153,636	134,154	19,482
Auction Reserve	1,050	3,012	1,135	1,877
Total Pct. 2	<u>249,161</u>	<u>250,452</u>	<u>211,540</u>	<u>38,912</u>
Pct. 3:				
Pct. 3 out of county travel	7,225	7,225	663	6,562
Pct. 3 operating expense	95,400	95,400	89,287	6,113
Pct. 3 paving	163,055	163,055	110,988	52,067
Auction Reserve	292	1,817	(9,848)	11,665
Total Pct. 3	<u>265,972</u>	<u>267,497</u>	<u>191,090</u>	<u>76,407</u>
Pct. 4:				
Pct. 4 out of county travel	7,225	3,438	3,332	106
Pct. 4 operating expense	95,400	99,187	95,664	3,523
Pct. 4 paving	93,260	163,568	163,040	528
Total Pct. 4	<u>195,885</u>	<u>266,193</u>	<u>262,036</u>	<u>4,157</u>
Commissioner's Office				
Commissioners office supplies	5,850	4,538	2,238	2,300
Right of way fencing - R & B	1,425	1,425	-	1,425
Copier expense	3,156	3,156	821.00	2,335
Capital outlay	-	1,312	1,312	-
Total Road and Bridge	<u>10,431</u>	<u>10,431</u>	<u>4,371</u>	<u>6,060</u>
Total expenditures	<u>833,746</u>	<u>953,370</u>	<u>804,467</u>	<u>148,903</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>762,498</u>	<u>642,874</u>	<u>796,587.00</u>	<u>(153,713)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	458,063	458,063	375,787	( 82,276)
Transfer out (uses)	-	( 1,159,961)	( 1,172,374)	( 12,413)
Total other financing sources and (uses)	<u>458,063</u>	<u>( 701,899)</u>	<u>( 796,587)</u>	<u>( 94,688)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>1,220,561</u>	<u>(59,024)</u>	<u>-</u>	<u>(59,024)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,220,561</u>	<u>\$ ( 59,024)</u>	<u>\$ -</u>	<u>\$ ( 59,024)</u>

**NON MAJOR  
GOVERNMENTAL FUNDS**

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**VAL VERDE COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

Special Revenue Funds			
	Road and Bridge	Water Development Board	County Clerk Management & Preservation
<b>ASSETS</b>			
Cash	\$ 31,820	\$ 942,000	\$ -
Investments	822	-	-
Taxes receivable (net of allowance)	74,818	-	-
Due from other funds	88,180	-	-
Due from other governments	-	-	-
Total assets	<u>\$ 195,640</u>	<u>\$ 942,000</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 118,725	\$ -	\$ -
Due to other funds	2,097	-	2,323
Unearned revenue	-	942,000	-
Total liabilities	<u>120,822</u>	<u>942,000</u>	<u>2,323</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	74,818	-	-
Total deferred inflows of resources	<u>74,818</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Restricted	-	-	(2,323)
Total fund balances	<u>-</u>	<u>-</u>	<u>(2,323)</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 195,640</u>	<u>\$ 942,000</u>	<u>\$ -</u>



EXHIBIT H-1

County Management & Preservation	District Clerk Management & Preservation	District Clerk Records Archive	Court Reporter
\$ -	\$ -	\$ 24,762	\$ 857
-	-	-	-
-	-	-	-
41,354	22,517	-	20,709
-	-	-	-
<u>\$ 41,354</u>	<u>\$ 22,517</u>	<u>\$ 24,762</u>	<u>\$ 21,566</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
41,354	22,517	24,762	21,566
41,354	22,517	24,762	21,566
<u>\$ 41,354</u>	<u>\$ 22,517</u>	<u>\$ 24,762</u>	<u>\$ 21,566</u>

**VAL VERDE COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	Special Revenue Funds		
	Courthouse & Justice Courts Security Fees	Sheriff LEOSE	District Attorney Pre-Trial Diversion
<b>ASSETS</b>			
Cash	\$ 155,218	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other funds	-	5,953	23,500
Due from other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 155,218</u>	<u>\$ 5,953</u>	<u>\$ 23,500</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<hr/> -	<hr/> -	<hr/> -
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	-	-
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<hr/> -	<hr/> -	<hr/> -
<b>FUND BALANCE</b>			
Restricted	<hr/> 155,218	<hr/> 5,953	<hr/> 23,500
	<hr/>	<hr/>	<hr/>
Total fund balances	<hr/> 155,218	<hr/> 5,953	<hr/> 23,500
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows, and fund balances	<u>\$ 155,218</u>	<u>\$ 5,953</u>	<u>\$ 23,500</u>

EXHIBIT H-1

County Court at Law DWI Program	Constable #3	Justice of the Peace 1 Technology Fund	Justice of the Peace 2 Technology Fund
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
6,640	3,336	10,788	7,723
-	-	-	-
<u>\$ 6,640</u>	<u>\$ 3,336</u>	<u>\$ 10,788</u>	<u>\$ 7,723</u>
\$ -	\$ -	\$ -	\$ -
413	-	-	-
-	-	-	-
<u>413</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
6,227	3,336	10,788	7,723
6,227	3,336	10,788	7,723
<u>\$ 6,640</u>	<u>\$ 3,336</u>	<u>\$ 10,788</u>	<u>\$ 7,723</u>

**VAL VERDE COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	Special Revenue Funds		
	Justice of the Peace 3 Technology Fund	Justice of the Peace 4 Technology Fund	County Attorney Pre-Trial Diversion
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other funds	7,252	4,892	59,799
Due from other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	\$ 7,252	\$ 4,892	\$ 59,799
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	-	-
Total deferred inflows of resources	-	-	-
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE</b>			
Restricted	7,252	4,892	59,799
	<hr/>	<hr/>	<hr/>
Total fund balances	7,252	4,892	59,799
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows, and fund balances	\$ 7,252	\$ 4,892	\$ 59,799
	<hr/>	<hr/>	<hr/>

EXHIBIT H-1

County & District Clerk - Tech Fund	District Attorney Settlements	HOT Fund	HIDTA Del Rio Task Force 2016
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
521	128,726	60,201	-
-	-	-	-
<u>\$ 521</u>	<u>\$ 128,726</u>	<u>\$ 60,201</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
521	128,726	60,201	-
521	128,726	60,201	-
<u>\$ 521</u>	<u>\$ 128,726</u>	<u>\$ 60,201</u>	<u>\$ -</u>

**VAL VERDE COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	Special Revenue Funds		
	HIDTA Del Rio Task Force 2017	HIDTA Del Rio Task Force 2018	HIDTA Eagle Pass Task Force 2017
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other funds	-	-	-
Due from other governments	<u>1,277</u>	<u>13,046</u>	<u>1,301</u>
Total assets	<u>\$ 1,277</u>	<u>\$ 13,046</u>	<u>\$ 1,301</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	1,277	13,046	1,301
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,277</u>	<u>13,046</u>	<u>1,301</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,277</u>	<u>\$ 13,046</u>	<u>\$ 1,301</u>

EXHIBIT H-1

HIDTA Eagle Pass Task Force 2018	HIDTA Amistad Intell 2017	HIDTA Amistad Intell 2018	Operation Stone Garden 2016
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
9,726	4,197	14,814	-
<u>\$ 9,726</u>	<u>\$ 4,197</u>	<u>\$ 14,814</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -
9,726	4,197	14,814	-
-	-	-	-
9,726	4,197	14,814	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 9,726</u>	<u>\$ 4,197</u>	<u>\$ 14,814</u>	<u>\$ -</u>

**VAL VERDE COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	Special Revenue Funds		
	Operation Stone Garden 2017	Local Border Security 2995203	Border Prosecution Unit 2537707
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other funds	-	-	-
Due from other governments	38,845	-	20,811
	<hr/>	<hr/>	<hr/>
Total assets	\$ 38,845	\$ -	\$ 20,811
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	38,845	-	20,811
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	38,845	-	20,811
	<hr/>	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	-	-
Total deferred inflows of resources	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE</b>			
Restricted	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Total fund balances	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows, and fund balances	\$ 38,845	\$ -	\$ 20,811
	<hr/>	<hr/>	<hr/>



EXHIBIT H-1

Border Prosecution Unit 2537708		Bulletproof Vest Grant		Southwest Border Initiative		TDHCA 7214013	
\$	-	\$	-	\$	37,446	\$	-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	9,064		15,124		-		17,751
<u>\$</u>	<u>9,064</u>	<u>\$</u>	<u>15,124</u>	<u>\$</u>	<u>37,446</u>	<u>\$</u>	<u>17,751</u>
\$	-	\$	-	\$	-	\$	-
	9,064		15,124		-		17,751
	-		-		37,446		-
	9,064		15,124		37,446		17,751
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
<u>\$</u>	<u>9,064</u>	<u>\$</u>	<u>15,124</u>	<u>\$</u>	<u>37,446</u>	<u>\$</u>	<u>17,751</u>

**VAL VERDE COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	Special Revenue Funds		
	TDHCA 7217013	T.C.D.B.G. 7215499	T.C.D.B.G. 7216075
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other funds	-	-	-
Due from other governments	9,423	-	5,173
	<u>9,423</u>	<u>-</u>	<u>5,173</u>
Total assets	\$ <u>9,423</u>	\$ <u>-</u>	\$ <u>5,173</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	9,423	-	5,173
Unearned revenue	-	-	-
	<u>9,423</u>	<u>-</u>	<u>5,173</u>
Total liabilities	<u>9,423</u>	<u>-</u>	<u>5,173</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Restricted	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	\$ <u>9,423</u>	\$ <u>-</u>	\$ <u>5,173</u>

EXHIBIT H-1

T.C.D.B.G. 7218026	T.C.D.B.G. 7218075	Other Special Revenue Funds	DWI/Drug Court Rehabilitation
\$ -	\$ -	\$ 1,296,114	\$ -
-	-	-	-
-	-	-	-
-	-	8,653	-
-	4,125	-	149
<u>\$ -</u>	<u>\$ 4,125</u>	<u>\$ 1,304,767</u>	<u>\$ 149</u>
\$ -	\$ -	\$ 160,575	\$ -
-	4,125	1,139,439	149
-	-	2,880	-
-	4,125	1,302,894	149
-	-	-	-
-	-	-	-
-	-	1,873	-
-	-	1,873	-
<u>\$ -</u>	<u>\$ 4,125</u>	<u>\$ 1,304,767</u>	<u>\$ 149</u>

**VAL VERDE COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	<u>Special Revenue Funds</u>		
	<u>DWI Specialty Court</u>	<u>Rifle Resistant Armor</u>	<u>Indigent Defense Formula</u>
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other funds	-	-	-
Due from other governments	<u>2,023</u>	<u>-</u>	<u>9,489</u>
Total assets	<u>\$ 2,023</u>	<u>\$ -</u>	<u>\$ 9,489</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	2,023	-	9,489
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,023</u>	<u>-</u>	<u>9,489</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,023</u>	<u>\$ -</u>	<u>\$ 9,489</u>

EXHIBIT H-1

Texas Department of Transportation Infrastructure	Law Library	Family Protection	Total Special Revenue Funds
\$ -	\$ -	\$ 1,937	\$ 2,490,154
-	-	-	822
-	-	-	74,818
-	3,803	-	504,547
<u>33,550</u>	<u>-</u>	<u>-</u>	<u>209,888</u>
<u>\$ 33,550</u>	<u>\$ 3,803</u>	<u>\$ 1,937</u>	<u>\$ 3,280,229</u>
\$ -	\$ 5	\$ -	\$ 279,305
-	5,917	1,937	1,328,464
<u>-</u>	<u>-</u>	<u>-</u>	<u>982,326</u>
<u>-</u>	<u>5,922</u>	<u>1,937</u>	<u>2,590,095</u>
-	-	-	74,818
<u>-</u>	<u>-</u>	<u>-</u>	<u>74,818</u>
<u>33,550</u>	<u>(2,119)</u>	<u>-</u>	<u>615,316</u>
<u>33,550</u>	<u>(2,119)</u>	<u>-</u>	<u>615,316</u>
<u>\$ 33,550</u>	<u>\$ 3,803</u>	<u>\$ 1,937</u>	<u>\$ 3,280,229</u>

**VAL VERDE COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	<u>Special Revenue Funds</u>		
	<u>Capital Project Library</u>	<u>Capital Project Tax Note 2013</u>	<u>Capital Project Tax Note 2016</u>
<b>ASSETS</b>			
Cash	\$ 206,080	\$ 31,145	\$ 840,420
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 206,080</u>	<u>\$ 31,145</u>	<u>\$ 840,420</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 1,469	\$ 6,732
Due to other funds	-	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>1,469</u>	<u>6,732</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	-	-
Total deferred inflows of resources	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE</b>			
Restricted	<hr/>	<hr/>	<hr/>
	206,080	29,676	833,688
Total fund balances	<hr/>	<hr/>	<hr/>
	206,080	29,676	833,688
Total liabilities, deferred inflows, and fund balances	<u>\$ 206,080</u>	<u>\$ 31,145</u>	<u>\$ 840,420</u>

Total Nonmajor Governmental Funds	
\$	3,567,799
	822
	74,818
	504,547
	<u>209,888</u>
\$	<u>4,357,874</u>
\$	287,506
	1,328,464
	<u>982,326</u>
	<u>2,598,296</u>
	<u>74,818</u>
	<u>74,818</u>
	<u>1,684,760</u>
	<u>1,684,760</u>
\$	<u>4,357,874</u>

**VAL VERDE COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds		
	Road and Bridge	Water Development Board	County Clerk Management & Preservation
<b>REVENUES</b>			
Taxes	\$ 693,366	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	907,483	-	-
Fees and fines	-	-	-
Investment earnings	204	-	-
Miscellaneous	-	-	-
Total revenues	1,601,053	-	-
<b>EXPENDITURES</b>			
General government	-	-	2,323
Infrastructure and environmental services	804,466	-	-
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	-	-	-
Public facilities	-	-	-
Total expenditures	804,466	-	2,323
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	796,587	-	(2,323)
<b>OTHER FINANCING SOURCES</b>			
Transfer in	375,787	-	-
Transfer out (uses)	(1,172,374)	-	-
Total other financing sources (uses)	(796,587)	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(2,323)
<b>FUND BALANCE, BEGINNING</b>	-	-	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ (2,323)



EXHIBIT H-2

County Management & Preservation	District Clerk Management & Preservation	District Clerk Records Archive	Court Reporter
\$ -	\$ -	\$ -	\$ -
-	-	-	-
5,968	226	5,698	8,932
-	-	-	-
-	-	-	-
-	-	-	12
5,968	226	5,698	8,944
-	918	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	918	-	-
5,968	(692)	5,698	8,944
-	-	-	-
-	-	-	-
-	-	-	-
5,968	(692)	5,698	8,944
35,386	23,209	19,064	12,622
-	-	-	-
\$ 41,354	\$ 22,517	\$ 24,762	\$ 21,566

**VAL VERDE COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds		
	Courthouse & Justice Courts Security Fees	Sheriff LEOSE	District Attorney Pre-Trial Diversion
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	3,649	-
Charges for services	20,073	-	20,999
Fees and fines	-	-	-
Investment earnings	667	-	-
Miscellaneous	-	-	-
Total revenues	20,740	3,649	20,999
<b>EXPENDITURES</b>			
General government	-	-	-
Infrastructure and environmental services	-	-	-
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	3,078	-
Public safety	-	-	-
Public facilities	20,081	-	-
Total expenditures	20,081	3,078	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	659	571	20,999
<b>OTHER FINANCING SOURCES</b>			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
Total other financing sources (uses)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	659	571	20,999
<b>FUND BALANCE, BEGINNING OF YEAR</b>	131,496	8,726	2,501
<b>PRIOR PERIOD ADJUSTMENT</b>	23,063	(3,344)	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 155,218</u>	<u>\$ 5,953</u>	<u>\$ 23,500</u>

EXHIBIT H-2

County Court at Law DWI Program	Constable #3	Justice of the Peace 1 Technology Fund	Justice of the Peace 2 Technology Fund
\$ -	\$ -	\$ -	\$ -
-	679	-	-
-	-	2,097	3,184
7,581	-	-	-
-	-	-	-
-	-	-	-
<u>7,581</u>	<u>679</u>	<u>2,097</u>	<u>3,184</u>
-	-	90	3,122
-	-	-	-
-	-	-	-
-	-	-	-
1,354	-	-	-
-	-	-	-
-	-	-	-
<u>1,354</u>	<u>-</u>	<u>90</u>	<u>3,122</u>
6,227	679	2,007	62
-	-	-	-
-	-	-	-
-	-	-	-
6,227	679	2,007	62
-	2,657	8,781	7,661
-	-	-	-
<u>\$ 6,227</u>	<u>\$ 3,336</u>	<u>\$ 10,788</u>	<u>\$ 7,723</u>

**VAL VERDE COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds		
	Justice of the Peace 3 Technology Fund	Justice of the Peace 4 Technology Fund	County Attorney Pre-Trial Diversion
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	3,404	1,626	-
Fees and fines	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	3,404	1,626	-
<b>EXPENDITURES</b>			
General government	2,517	1,256	-
Infrastructure and environmental services	-	-	-
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	-	-	-
Public facilities	-	-	-
Total expenditures	2,517	1,256	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	887	370	-
<b>OTHER FINANCING SOURCES</b>			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
Total other financing sources (uses)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	887	370	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	6,365	4,522	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	59,799
<b>FUND BALANCE, END OF YEAR</b>	\$ 7,252	\$ 4,892	\$ 59,799

EXHIBIT H-2

County & District Clerk - Tech Fund	District Attorney Settlements	HOT Fund	HIDTA Del Rio Task Force 2016
\$ -	\$ -	\$ -	\$ -
-	-	-	3,713
-	-	60,201	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	60,201	3,713
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	98,801	-	-
-	-	-	3,713
-	-	-	-
-	98,801	-	3,713
-	-	-	-
-	(98,801)	60,201	-
-	227,527	-	-
-	-	-	-
-	227,527	-	-
-	128,726	60,201	-
-	-	-	-
521	-	-	-
\$ 521	\$ 128,726	\$ 60,201	\$ -

**VAL VERDE COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds		
	HIDTA Del Rio Task Force 2017	HIDTA Del Rio Task Force 2018	HIDTA Eagle Pass Task Force 2017
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	38,913	13,046	44,667
Charges for services	-	-	-
Fees and fines	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>38,913</u>	<u>13,046</u>	<u>44,667</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Infrastructure and environmental services	-	-	-
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	38,913	13,046	44,667
Public facilities	-	-	-
Total expenditures	<u>38,913</u>	<u>13,046</u>	<u>44,667</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## EXHIBIT H-2

HIDTA Eagle Pass Task Force 2018		HIDTA Amistad Intell 2017		HIDTA Amistad Intell 2018		Operation Stone Garden 2016	
\$ -		\$ -		\$ -		\$ -	
21,108		105,363		14,814		332,893	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
21,108		105,363		14,814		332,893	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
21,108		105,363		14,814		332,893	
-		-		-		-	
21,108		105,363		14,814		332,893	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
-		-		-		-	
\$ -		\$ -		\$ -		\$ -	

**VAL VERDE COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds		
	Operation Stone Garden 2017	Local Border Security 2995203	Border Prosecution Unit 2537707
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	88,659	53,750	152,896
Charges for services	-	-	-
Fees and fines	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>88,659</u>	<u>53,750</u>	<u>152,896</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Infrastructure and environmental services	-	-	-
Health and human services	-	-	-
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	88,659	53,750	152,896
Public facilities	-	-	-
Total expenditures	<u>88,659</u>	<u>53,750</u>	<u>152,896</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## EXHIBIT H-2

Border Prosecution Unit 2537708	Bulletproof Vest Grant	Southwest Border Initiative	TDHCA 7214013
\$ -	\$ -	\$ -	\$ -
9,064	15,124	1,430	348,345
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
9,064	15,124	1,430	348,345
-	-	-	-
-	-	-	-
-	-	-	348,345
-	-	-	-
-	-	-	-
9,064	15,124	1,430	-
-	-	-	-
9,064	15,124	1,430	348,345
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**VAL VERDE COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds		
	TDHCA 7217013	T.C.D.B.G. 7215499	T.C.D.B.G. 7216075
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	41,037	14,038	154,290
Charges for services	-	-	-
Fees and fines	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	41,037	14,038	154,290
<b>EXPENDITURES</b>			
General government	-	-	-
Infrastructure and environmental services	-	-	-
Health and human services	41,037	14,038	154,290
Corrections and rehabilitation	-	-	-
Culture and recreation	-	-	-
Justice system	-	-	-
Public safety	-	-	-
Public facilities	-	-	-
Total expenditures	41,037	14,038	154,290
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-
<b>OTHER FINANCING SOURCES</b>			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
Total other financing sources (uses)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	\$ -	\$ -	\$ -

EXHIBIT H-2

T.C.D.B.G. 7218026	T.C.D.B.G. 7218075	Other Special Revenue Funds	DWI/Drug Court Rehabilitation
\$ -	\$ -	\$ -	\$ -
4,046	16,875	655,744	-
-	-	-	-
-	-	143	-
-	-	-	-
4,046	16,875	655,887	-
-	-	-	-
-	-	-	-
4,046	16,875	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	679,357	-
4,046	16,875	679,357	-
-	-	(23,470)	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(23,470)	-
-	-	23,187	-
-	-	2,156	-
\$ -	\$ -	\$ 1,873	\$ -

**VAL VERDE COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds		
	DWI Specialty Court	Rifle Resistant Armor	Indigent Defense Formula
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	2,023	25,358	57,622
Charges for services	-	-	-
Fees and fines	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	2,023	25,358	57,622
<b>EXPENDITURES</b>			
General government	-	-	-
Infrastructure and environmental services	-	-	-
Health and human services	-	-	-
Corrections and rehabilitation	2,023	-	-
Culture and recreation	-	-	-
Justice system	-	-	57,622
Public safety	-	25,358	-
Public facilities	-	-	-
Total expenditures	2,023	25,358	57,622
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-
<b>OTHER FINANCING SOURCES</b>			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
Total other financing sources (uses)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	\$ -	\$ -	\$ -

EXHIBIT H-2

Texas Department of Transportation Infrastructure		Law Library	Family Protection	Total Special Revenue Funds	
\$	-	\$	-	\$	693,366
	33,550		-		2,252,696
	-		-		1,039,891
	-	29,238	-		36,819
	-	5	-		1,019
	-	-	3,364		3,376
	33,550	29,243	3,364		4,027,167
	-	5,917	35,000		51,143
	-	-	-		804,466
	-	-	-		578,631
	-	-	-		2,023
	-	-	-		-
	-	25,445	-		186,300
	-	-	-		920,798
	-	-	-		699,438
	-	31,362	35,000		3,242,799
	33,550	(2,119)	(31,636)		784,368
	-	-	-		603,314
	-	-	-		(1,172,374)
	-	-	-		(569,060)
	33,550	(2,119)	(31,636)		215,308
	-	-	33,572		319,749
	-	-	(1,936)		80,259
\$	33,550	\$ (2,119)	\$ -	\$	615,316

**VAL VERDE COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds		
	Capital Project Library	Capital Project Tax Note 2013	Capital Project Tax Note 2016
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Investment earnings	-	28	780
Miscellaneous	-	-	-
Total revenues	-	28	780
<b>EXPENDITURES</b>			
General government	-	-	313,263
Infrastructure and environmental services	-	22,315	-
Health and human services	-	3,644	-
Corrections and rehabilitation	502,802	-	-
Culture and recreation	-	1,635	51,624
Justice system	-	-	-
Public safety	-	-	171,532
Public facilities	-	-	-
Total expenditures	502,802	27,594	536,419
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(502,802)	(27,566)	(535,639)
<b>OTHER FINANCING SOURCES</b>			
Transfer in	-	-	-
Transfer out (uses)	-	-	-
Total other financing sources (uses)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(502,802)	(27,566)	(535,639)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	708,882	57,242	1,369,327
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 206,080</u>	<u>\$ 29,676</u>	<u>\$ 833,688</u>

Total Nonmajor Governmental Funds	
\$	693,366
	2,252,696
	1,039,891
	36,819
	1,827
	3,376
	<u>4,027,975</u>
	364,406
	826,781
	582,275
	504,825
	53,259
	186,300
	1,092,330
	<u>699,438</u>
	<u>4,309,614</u>
	<u>(281,639)</u>
	603,314
	<u>(1,172,374)</u>
	<u>(569,060)</u>
	(850,699)
	2,455,201
	<u>80,259</u>
\$	<u>1,684,761</u>

## **FIDUCIARY FUNDS**



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**VAL VERDE COUNTY, TEXAS**

**COMBINING STATEMENT OF FIDUCIARY ASSETS  
AND LIABILITIES**

SEPTEMBER 30, 2018

	<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>
<b>ASSETS</b>					
Cash and investments	\$ 15,778	\$ 5,929	\$ 21,341	\$ 7,158	\$ 15,144
Total assets	<u>\$ 15,778</u>	<u>\$ 5,929</u>	<u>\$ 21,341</u>	<u>\$ 7,158</u>	<u>\$ 15,144</u>
<b>LIABILITIES</b>					
Liabilities:					
Due to others	\$ 15,778	\$ 5,929	\$ 21,341	\$ 7,158	\$ 15,144
Total liabilities	<u>\$ 15,778</u>	<u>\$ 5,929</u>	<u>\$ 21,341</u>	<u>\$ 7,158</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	\$ 320,127	\$ 652,229	\$ 64,427	\$ 65,028
<u>\$ 34,421</u>	<u>\$ 2,044</u>	<u>\$ 320,127</u>	<u>\$ 652,229</u>	<u>\$ 64,427</u>	<u>\$ 65,028</u>
\$ 34,421	\$ 2,044	\$ 320,127	\$ 652,229	\$ 64,427	\$ 65,028
<u>\$ 34,421</u>	<u>\$ 2,044</u>	<u>\$ 320,127</u>	<u>\$ 652,229</u>	<u>\$ 64,427</u>	<u>\$ 65,028</u>

**VAL VERDE COUNTY, TEXAS**

**COMBINING STATEMENT OF FIDUCIARY ASSETS  
AND LIABILITIES**

(Continued)  
SEPTEMBER 30, 2018

	Justice of the Peace 1-4	County Attorney Collection Account	County Attorney Merchant Account	Tax Assessor Property Tax	Tax Assessor Escrow Account #2
<b>ASSETS</b>					
Cash and investments	\$ 139,945	\$ 24,344	\$ 16,666	\$ 503,221	\$ 161,937
Total assets	<u>\$ 139,945</u>	<u>\$ 24,344</u>	<u>\$ 16,666</u>	<u>\$ 503,221</u>	<u>\$ 161,937</u>
<b>LIABILITIES</b>					
Liabilities:					
Due to others	\$ 139,945	\$ 24,344	\$ 16,666	\$ 503,221	\$ 161,937
Total liabilities	<u>\$ 139,945</u>	<u>\$ 24,344</u>	<u>\$ 16,666</u>	<u>\$ 503,221</u>	<u>\$ 161,937</u>

EXHIBIT H-3

Sheriff's Account Cash bonds	County Clerk Trust Fund	County Clerk Records Management	County Clerk Records Archive Fund	County Clerk Miscellaneous Account	Court at Law Justice Technology Fee
\$ 3,200	\$ 92,631	\$ 346,878	\$ 168,214	\$ 30	\$ 741
<u>\$ 3,200</u>	<u>\$ 92,631</u>	<u>\$ 346,878</u>	<u>\$ 168,214</u>	<u>\$ 30</u>	<u>\$ 741</u>
\$ 3,200	\$ 92,631	\$ 346,878	\$ 168,214	\$ 30	\$ 741
<u>\$ 3,200</u>	<u>\$ 92,631</u>	<u>\$ 346,878</u>	<u>\$ 168,214</u>	<u>\$ 30</u>	<u>\$ 741</u>

**VAL VERDE COUNTY, TEXAS**

COMBINING STATEMENT OF FIDUCIARY ASSETS  
AND LIABILITIES  
(Continued)  
SEPTEMBER 30, 2018

	County Attorney Pre-Trial Diversion	Tax Assessor VIT Escrow Account	Tax Assessor Collector of Taxes	Sheriff's Account Forfeiture DOJ Accounts	Sheriff's Account Texas Forfeiture Account
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 219,832	\$ 525,277	\$ 10,526	\$ 12,763
Total assets	<u>\$ -</u>	<u>\$ 219,832</u>	<u>\$ 525,277</u>	<u>\$ 10,526</u>	<u>\$ 12,763</u>
<b>LIABILITIES</b>					
Liabilities:					
Due to others	\$ -	\$ 219,832	\$ 525,277	\$ 10,526	\$ 12,763
Total liabilities	<u>\$ -</u>	<u>\$ 219,832</u>	<u>\$ 525,277</u>	<u>\$ 10,526</u>	<u>\$ 12,763</u>

EXHIBIT H-3

Sheriff's Account TUSC Account	County Welfare	GEO	Total Agency Funds
\$ 7,871	\$ 16,710	\$ -	\$ 3,454,412
<u>\$ 7,871</u>	<u>\$ 16,710</u>	<u>\$ -</u>	<u>\$ 3,454,412</u>
\$ 7,871	\$ 16,710	\$ -	\$ 3,454,412
<u>\$ 7,871</u>	<u>\$ 16,710</u>	<u>\$ -</u>	<u>\$ 3,454,412</u>

## VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	10/1/2017	Additions	Deductions	9/30/2018
<b><u>COUNTY CLERK</u></b>				
Assets:				
Cash and investments	\$ 23,584	\$ 268,463	\$ 276,269	\$ 15,778
Total Assets	<u>\$ 23,584</u>	<u>\$ 268,463</u>	<u>\$ 276,269</u>	<u>\$ 15,778</u>
Liabilities:				
Due to others	\$ 23,584	\$ 268,463	\$ 276,269	\$ 15,778
Total Liabilities	<u>\$ 23,584</u>	<u>\$ 268,463</u>	<u>\$ 276,269</u>	<u>\$ 15,778</u>
<b><u>COUNTY CLERK CRIMINAL ACCOUNT</u></b>				
Assets:				
Cash and investments	\$ 11,041	\$ 56,285	\$ 61,397	\$ 5,929
Total Assets	<u>\$ 11,041</u>	<u>\$ 56,285</u>	<u>\$ 61,397</u>	<u>\$ 5,929</u>
Liabilities:				
Due to others	\$ 11,041	\$ 56,285	\$ 61,397	\$ 5,929
Total Liabilities	<u>\$ 11,041</u>	<u>\$ 56,285</u>	<u>\$ 61,397</u>	<u>\$ 5,929</u>
<b><u>COUNTY CLERK CIVIL ACCOUNT</u></b>				
Assets:				
Cash and investments	\$ 6,993	\$ 61,428	\$ 47,080	\$ 21,341
Total Assets	<u>\$ 6,993</u>	<u>\$ 61,428</u>	<u>\$ 47,080</u>	<u>\$ 21,341</u>
Liabilities:				
Due to others	\$ 6,993	61,428	47,080	\$ 21,341
Total Liabilities	<u>\$ 6,993</u>	<u>\$ 61,428</u>	<u>\$ 47,080</u>	<u>\$ 21,341</u>
<b><u>COUNTY CLERK PROBATE ACCOUNT</u></b>				
Assets:				
Cash and investments	\$ 6,573	\$ 24,424	\$ 23,839	\$ 7,158
Total Assets	<u>\$ 6,573</u>	<u>\$ 24,424</u>	<u>\$ 23,839</u>	<u>\$ 7,158</u>
Liabilities:				
Due to others	\$ 6,573	\$ 24,424	\$ 23,839	\$ 7,158
Total Liabilities	<u>\$ 6,573</u>	<u>\$ 24,424</u>	<u>\$ 23,839</u>	<u>\$ 7,158</u>



## VAL VERDE COUNTY, TEXAS

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	10/1/2017	Additions	Deductions	9/30/2018
<b><u>COURT AT LAW ESCROW ACCOUNT</u></b>				
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>
<b><u>COURT AT LAW CIVIL CASES</u></b>				
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>
<b><u>COURT AT LAW CRIMINAL ACCOUNT</u></b>				
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>
<b><u>DISTRICT CLERK COURT COSTS</u></b>				
Assets:				
Cash and investments	\$ 441,888	\$ 259,438	\$ 381,200	\$ 320,127
Total Assets	<u>\$ 441,888</u>	<u>\$ 259,438</u>	<u>\$ 381,200</u>	<u>\$ 320,127</u>
Liabilities:				
Due to others	\$ 441,888	\$ 259,438	\$ 381,200	\$ 320,127
Total Liabilities	<u>\$ 441,888</u>	<u>\$ 259,438</u>	<u>\$ 381,200</u>	<u>\$ 320,127</u>

## VAL VERDE COUNTY, TEXAS

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>10/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>9/30/2018</u>
<b><u>DISTRICT CLERK REGISTRY ACCOUNTS</u></b>				
Assets:				
Cash and investments	\$ 551,578	\$ 304,069	\$ 203,419	\$ 652,229
Total Assets	<u>\$ 551,578</u>	<u>\$ 304,069</u>	<u>\$ 203,419</u>	<u>\$ 652,229</u>
Liabilities:				
Due to others	\$ 551,578	\$ 304,069	\$ 203,419	\$ 652,229
Total Liabilities	<u>\$ 551,578</u>	<u>\$ 304,069</u>	<u>\$ 203,419</u>	<u>\$ 652,229</u>
<b><u>DISTRICT CLERK - MOP 2006 COURT COSTS</u></b>				
Assets:				
Cash and investments	\$ 71,586	\$ -	\$ 7,159	\$ 64,427
Total Assets	<u>\$ 71,586</u>	<u>\$ -</u>	<u>\$ 7,159</u>	<u>\$ 64,427</u>
Liabilities:				
Due to others	\$ 71,586	\$ -	\$ 7,159	\$ 64,427
Total Liabilities	<u>\$ 71,586</u>	<u>\$ -</u>	<u>\$ 7,159</u>	<u>\$ 64,427</u>
<b><u>DISTRICT CLERK - MOP REGISTRY ACCOUNT</u></b>				
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>
<b><u>JUSTICE OF THE PEACE COURTS 1-4</u></b>				
Assets:				
Cash and investments	\$ 113,193	\$ 673,305	\$ 646,553	\$ 139,945
Total Assets	<u>\$ 113,193</u>	<u>\$ 673,305</u>	<u>\$ 646,553</u>	<u>\$ 139,945</u>
Liabilities:				
Due to others	\$ 113,193	\$ 673,305	\$ 646,553	\$ 139,945
Total Liabilities	<u>\$ 113,193</u>	<u>\$ 673,305</u>	<u>\$ 646,553</u>	<u>\$ 139,945</u>

## VAL VERDE COUNTY, TEXAS

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>10/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>9/30/2018</u>
<b><u>COUNTY ATTORNEY COLLECTION ACCOUNT</u></b>				
Assets:				
Cash and investments	\$ 26,071	\$ 719	\$ 2,447	\$ 24,344
Total Assets	<u>\$ 26,071</u>	<u>\$ 719</u>	<u>\$ 2,447</u>	<u>\$ 24,344</u>
Liabilities:				
Due to others	\$ 26,071	\$ 719	\$ 2,447	\$ 24,344
Total Liabilities	<u>\$ 26,071</u>	<u>\$ 719</u>	<u>\$ 2,447</u>	<u>\$ 24,344</u>
<b><u>COUNTY ATTORNEY MERCHANT ACCOUNT</u></b>				
Assets:				
Cash and investments	\$ 16,766	\$ 6,935	\$ 7,036	\$ 16,666
Total Assets	<u>\$ 16,766</u>	<u>\$ 6,935</u>	<u>\$ 7,036</u>	<u>\$ 16,666</u>
Liabilities:				
Due to others	\$ 16,766	\$ 6,935	\$ 7,036	\$ 16,666
Total Liabilities	<u>\$ 16,766</u>	<u>\$ 6,935</u>	<u>\$ 7,036</u>	<u>\$ 16,666</u>
<b><u>TAX ASSESSOR PROPERTY TAX</u></b>				
Assets:				
Cash and investments	\$ 448,709	\$ 37,697,022	\$ 37,642,510	\$ 503,221
Total Assets	<u>\$ 448,709</u>	<u>\$ 37,697,022</u>	<u>\$ 37,642,510</u>	<u>\$ 503,221</u>
Liabilities:				
Due to others	\$ 448,709	\$ 37,697,022	\$ 37,642,510	\$ 503,221
Total Liabilities	<u>\$ 448,709</u>	<u>\$ 37,697,022</u>	<u>\$ 37,642,510</u>	<u>\$ 503,221</u>
<b><u>TAX ASSESSOR ESCROW ACCOUNT #2</u></b>				
Assets:				
Cash and investments	\$ 143,969	\$ 79,824	\$ 61,855	\$ 161,937
Total Assets	<u>\$ 143,969</u>	<u>\$ 79,824</u>	<u>\$ 61,855</u>	<u>\$ 161,937</u>
Liabilities:				
Due to others	\$ 143,969	\$ 79,824	\$ 61,855	\$ 161,937
Total Liabilities	<u>\$ 143,969</u>	<u>\$ 79,824</u>	<u>\$ 61,855</u>	<u>\$ 161,937</u>

## VAL VERDE COUNTY, TEXAS

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	10/1/2017	Additions	Deductions	9/30/2018
<b><u>SHERIFF'S ACCOUNT CASH BONDS</u></b>				
Assets:				
Cash and investments	\$ 2,500	\$ 1,200	\$ 500	\$ 3,200
Total Assets	<u>\$ 2,500</u>	<u>\$ 1,200</u>	<u>\$ 500</u>	<u>\$ 3,200</u>
Liabilities:				
Due to others	<u>2,500</u>	<u>\$ 1,200</u>	<u>\$ 500</u>	<u>3,200</u>
Total Liabilities	<u>\$ 2,500</u>	<u>\$ 1,200</u>	<u>\$ 500</u>	<u>\$ 3,200</u>
<b><u>COUNTY CLERK TRUST FUND</u></b>				
Assets:				
Cash and investments	\$ 96,839	\$ 132,617	\$ 136,825	\$ 92,631
Total Assets	<u>\$ 96,839</u>	<u>\$ 132,617</u>	<u>\$ 136,825</u>	<u>\$ 92,631</u>
Liabilities:				
Due to others	<u>\$ 96,839</u>	<u>\$ 132,617</u>	<u>\$ 136,825</u>	<u>\$ 92,631</u>
Total Liabilities	<u>\$ 96,839</u>	<u>\$ 132,617</u>	<u>\$ 136,825</u>	<u>\$ 92,631</u>
<b><u>COUNTY CLERK RECORDS MANAGEMENT</u></b>				
Assets:				
Cash and investments	\$ 314,948	\$ 57,262	\$ 25,332	\$ 346,878
Total Assets	<u>\$ 314,948</u>	<u>\$ 57,262</u>	<u>\$ 25,332</u>	<u>\$ 346,878</u>
Liabilities:				
Due to others	<u>\$ 314,948</u>	<u>\$ 57,262</u>	<u>\$ 25,332</u>	<u>\$ 346,878</u>
Total Liabilities	<u>\$ 314,948</u>	<u>\$ 57,262</u>	<u>\$ 25,332</u>	<u>\$ 346,878</u>
<b><u>COUNTY CLERK RECORDS ARCHIVE FUND</u></b>				
Assets:				
Cash and investments	\$ 304,334	\$ 54,852	\$ 190,972	\$ 168,214
Total Assets	<u>\$ 304,334</u>	<u>\$ 54,852</u>	<u>\$ 190,972</u>	<u>\$ 168,214</u>
Liabilities:				
Due to others	<u>\$ 304,334</u>	<u>\$ 54,852</u>	<u>\$ 190,972</u>	<u>\$ 168,214</u>
Total Liabilities	<u>\$ 304,334</u>	<u>\$ 54,852</u>	<u>\$ 190,972</u>	<u>\$ 168,214</u>

## VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>10/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>9/30/2018</u>
<b><u>COUNTY CLERK MISCELLANEOUS ACCOUNT</u></b>				
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>
<b><u>COURT AT LAW JUSTICE TECHNOLOGY FEE</u></b>				
Assets:				
Cash and investments	\$ 437	\$ 304	\$ -	\$ 741
Total Assets	<u>\$ 437</u>	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ 741</u>
Liabilities:				
Due to others	\$ 437	\$ 304	\$ -	\$ 741
Total Liabilities	<u>\$ 437</u>	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ 741</u>
<b><u>COUNTY ATTORNEY PRE-TRIAL DIVERSION</u></b>				
Assets:				
Cash and investments	\$ 37,962	\$ 28,783	\$ 66,745	\$ -
Total Assets	<u>\$ 37,962</u>	<u>\$ 28,783</u>	<u>\$ 66,745</u>	<u>\$ -</u>
Liabilities:				
Due to others	\$ 37,962	\$ 28,783	\$ 66,745	\$ -
Total Liabilities	<u>\$ 37,962</u>	<u>\$ 28,783</u>	<u>\$ 66,745</u>	<u>\$ -</u>
<b><u>TAX ASSESSOR VIT ESCROW ACCOUNT</u></b>				
Assets:				
Cash and investments	\$ 264,262	\$ 284,761	\$ 329,192	\$ 219,832
Total Assets	<u>\$ 264,262</u>	<u>\$ 284,761</u>	<u>\$ 329,192</u>	<u>\$ 219,832</u>
Liabilities:				
Due to others	\$ 264,262	\$ 284,761	\$ 329,192	\$ 219,832
Total Liabilities	<u>\$ 264,262</u>	<u>\$ 284,761</u>	<u>\$ 329,192</u>	<u>\$ 219,832</u>

## VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>10/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>9/30/2018</u>
<b><u>TAX ASSESSOR COLLECTOR OF TAXES</u></b>				
Assets:				
Cash and investments	\$ 770,782	\$ 10,158,644	\$ 10,404,150	\$ 525,277
Total Assets	<u>\$ 770,782</u>	<u>\$ 10,158,644</u>	<u>\$ 10,404,150</u>	<u>\$ 525,277</u>
Liabilities:				
Due to others	\$ 770,782	\$ 10,158,644	\$ 10,404,150	\$ 525,277
Total Liabilities	<u>\$ 770,782</u>	<u>\$ 10,158,644</u>	<u>\$ 10,404,150</u>	<u>\$ 525,277</u>
<b><u>SHERIFF'S ACCOUNT FORFEITURE DOJ ACCOUNTS</u></b>				
Assets:				
Cash and investments	\$ 11,859	\$ 519	\$ 1,853	\$ 10,526
Total Assets	<u>\$ 11,859</u>	<u>\$ 519</u>	<u>\$ 1,853</u>	<u>\$ 10,526</u>
Liabilities:				
Due to others	\$ 11,859	\$ 519	\$ 1,853	\$ 10,526
Total Liabilities	<u>\$ 11,859</u>	<u>\$ 519</u>	<u>\$ 1,853</u>	<u>\$ 10,526</u>
<b><u>SHERIFF'S ACCOUNT TEXAS FORFEITURE ACCOUNT</u></b>				
Assets:				
Cash and investments	\$ 4,302	\$ 30,427	\$ 21,965	\$ 12,763
Total Assets	<u>\$ 4,302</u>	<u>\$ 30,427</u>	<u>\$ 21,965</u>	<u>\$ 12,763</u>
Liabilities:				
Due to others	\$ 4,302	\$ 30,427	\$ 21,965	\$ 12,763
Total Liabilities	<u>\$ 4,302</u>	<u>\$ 30,427</u>	<u>\$ 21,965</u>	<u>\$ 12,763</u>
<b><u>SHERIFF'S ACCOUNT TUSC ACCOUNT</u></b>				
Assets:				
Cash and investments	\$ 12,862	\$ 7	\$ 4,999	\$ 7,871
Total Assets	<u>\$ 12,862</u>	<u>\$ 7</u>	<u>\$ 4,999</u>	<u>\$ 7,871</u>
Liabilities:				
Due to others	\$ 12,862	\$ 7	\$ 4,999	\$ 7,871
Total Liabilities	<u>\$ 12,862</u>	<u>\$ 7</u>	<u>\$ 4,999</u>	<u>\$ 7,871</u>

## VAL VERDE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	10/1/2017	Additions	Deductions	9/30/2018
<b><u>COUNTY WELFARE</u></b>				
Assets:				
Cash and investments	\$ 23,031	\$ 1,230	\$ 7,551	\$ 16,710
Total Assets	<u>\$ 23,031</u>	<u>\$ 1,230</u>	<u>\$ 7,551</u>	<u>\$ 16,710</u>
Liabilities:				
Due to others	\$ 23,031	\$ 1,230	\$ 7,551	\$ 16,710
Total Liabilities	<u>\$ 23,031</u>	<u>\$ 1,230</u>	<u>\$ 7,551</u>	<u>\$ 16,710</u>
<b><u>GEO</u></b>				
Assets:	\$ -	\$ 27,235,870	\$ 27,235,870	\$ -
Cash and investments	<u>\$ -</u>	<u>\$ 27,235,870</u>	<u>\$ 27,235,870</u>	<u>\$ -</u>
Total Assets				
Liabilities:	\$ -	\$ 27,235,870	\$ 27,235,870	\$ -
Due to others	<u>\$ -</u>	<u>\$ 27,235,870</u>	<u>\$ 27,235,870</u>	<u>\$ -</u>
Total Liabilities				
<b><u>TOTAL-AGENCY FUNDS</u></b>				
Assets:				
Cash and investments	\$ 3,822,737	\$ 77,418,390	\$ 77,786,716	\$ 3,454,412
Total assets	<u>\$ 3,822,737</u>	<u>\$ 77,418,390</u>	<u>\$ 77,786,716</u>	<u>\$ 3,454,412</u>
Liabilities:				
Due to others	\$ 3,822,737	\$ 77,418,390	\$ 77,786,716	\$ 3,454,412
Total liabilities	<u>\$ 3,822,737</u>	<u>\$ 77,418,390</u>	<u>\$ 77,786,716</u>	<u>\$ 3,454,412</u>

## **STATISTICAL SECTION**



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**Val Verde County, Texas**  
Net Position by Component  
Last Ten Fiscal Years (Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Net Position:</b>										
Net Investment in Capital Assets	\$ 9,034,205	\$ 6,799,328	\$ 1,815,085	\$ 781,185	\$ 2,138,675	\$ 1,990,157	\$ 1,382,964	\$ 31,364,508	\$ 38,606,180	\$ 39,021,039
Restricted	2,401,653	5,344,020	9,563,890	9,182,132	5,232,796	6,486,912	6,269,317	9,109,231	1,303,584	1,514,464
Unrestricted	3,069,118	1,714,274	2,078,829	651,478	3,239,120	1,961,628	3,992,063	2,990,897	2,933,568	1,883,882
Total Net position	<u>\$ 14,504,976</u>	<u>\$ 13,857,622</u>	<u>\$ 13,457,804</u>	<u>\$ 10,614,795</u>	<u>\$ 10,610,591</u>	<u>\$ 10,438,697</u>	<u>\$ 11,644,344</u>	<u>\$ 43,464,636</u>	<u>\$ 42,843,332</u>	<u>\$ 42,419,385</u>

Source: Val Verde County Financial Records

**Val Verde County, Texas**  
Changes in Net Position  
Last Ten Fiscal Years (Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues:</b>										
Program Revenue:										
Charges for Services	\$ 5,064,046	\$ 3,282,870	\$ 3,030,152	\$ 2,636,145	\$ 3,263,423	\$ 2,665,576	\$ 2,870,191	\$ 3,214,399	\$ 3,096,100	\$ 8,703,473
Operating Grants and Contributions	6,334,905	9,996,682	28,034,841	30,370,703	31,449,773	27,875,151	38,802,568	27,955,547	23,958,527	23,291,666
General Revenue:										
Property Taxes	11,891,803	11,859,443	10,752,923	10,079,994	9,363,326	8,669,887	8,666,545	8,262,641	8,958,636	7,749,058
Sales Taxes	2,223,062	2,302,830	2,129,606	2,085,747	1,968,955	2,036,156	1,821,800	1,706,042	1,624,418	1,618,443
Other	-	-	-	23,435	20,012	35,416	-	290,772	304,049	390,637
Non-Recurring	668,807	-	-	-	-	-	-	-	-	-
Investment Earnings	43,966	30,907	31,094	27,690	21,454	12,130	14,372	20,706	13,975	21,255
Miscellaneous	14,267	91,039	322,580	413,784	1,195,217	997,068	151,533	310,352	66,169	474,814
Total Revenues	26,240,856	27,563,771	44,301,196	45,637,498	47,282,160	42,291,384	52,327,009	41,760,459	38,021,874	42,249,346
<b>Expenses:</b>										
General Government	9,285,414	7,935,051	29,198,134	31,812,165	32,199,908	30,214,511	32,468,695	29,129,708	28,464,724	29,525,712
Justice System	3,717,822	3,228,734	2,171,994	1,471,807	1,533,477	1,424,295	1,563,253	1,496,456	1,311,948	1,331,200
Legal	-	-	-	673,454	514,428	493,827	495,575	495,479	426,053	366,633
Public Safety	5,300,916	8,809,854	5,151,850	4,713,489	4,602,634	4,302,576	4,275,125	5,814,134	3,944,982	5,013,805
Infrastructure and Environmental Services	1,131,304	2,018,114	807,394	3,517,124	2,791,351	2,899,325	13,330,110	259,513	603,647	1,525,405
Health and Human Services	795,423	710,504	1,095,067	1,143,242	2,279,491	452,048	468,568	611,067	628,319	1,368,179
Culture and Recreation	666,162	710,981	565,335	619,615	647,545	723,007	799,923	773,470	679,250	750,975
Road & Bridge	-	-	-	-	-	-	-	1,704,742	1,519,546	1,627,446
Public Facilities	1,888,038	1,629,189	1,978,411	1,187,430	1,297,788	805,352	1,119,645	736,170	57,492	49,381
Corrections and Rehabilitation	504,825	148,583	97,153	-	-	-	-	-	-	-
Interest on Long-Term Debt	944,969	1,030,875	1,139,619	1,321,745	1,256,458	1,270,133	1,103,435	62,328	67,447	67,013
Bond Issuance Costs	19,642	-	-	-	-	-	-	-	-	-
Total Expenses	24,254,515	26,221,885	42,204,957	46,460,071	47,123,080	42,585,074	55,624,329	41,083,067	37,703,408	41,625,749
<b>Change in Net Position</b>	1,986,341	1,341,886	2,096,239	(822,573)	159,080	(293,690)	(3,297,320)	677,392	318,466	623,597
<b>Net Position, Beginning</b>	13,857,622	13,457,804	10,614,795	10,610,591	10,438,697	11,644,344	43,464,636	42,843,332	42,419,325	2,218,618
<b>Prior Period Adjustment</b>	(1,338,990)	(942,069)	746,770	826,777	12,815	(911,957)	(28,522,972)	(56,087)	105,541	39,577,112
<b>Net Position, Ending</b>	\$ 14,504,973	\$ 13,857,621	\$ 13,457,804	\$ 10,614,795	\$ 10,610,592	\$ 10,438,697	\$ 11,644,344	\$ 43,464,637	\$ 42,843,332	\$ 42,419,327

Source: Val Verde County Financial Records

**Val Verde County, Texas**  
Governmental Activities Tax Revenues by Source  
Last Ten Fiscal Years (Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund Property Tax	\$ 11,013,743	\$ 10,036,602	\$ 8,728,611	\$ 7,844,977	\$ 7,279,890	\$ 7,010,778	\$ 6,979,223	\$ 6,744,687	\$ 6,349,226	\$ 6,470,293
Road & Bridge Property Tax	693,367	677,112	380,415	357,806	347,720	330,033	315,606	-	-	-
Debt Service Property Tax	78,782	992,397	1,631,063	1,882,316	1,590,293	1,403,936	1,371,716	1,361,001	1,281,974	1,278,765
Sales Tax	2,223,062	2,302,830	2,129,606	2,085,747	1,968,955	2,036,156	1,821,800	1,706,042	1,624,418	1,618,443
Hotel Motel Occupancy Tax	24,042	36,127	21,035	23,435	20,012	35,416	-	-	-	-
Total Taxes	<u>\$ 14,032,996</u>	<u>\$ 14,045,068</u>	<u>\$ 12,890,730</u>	<u>\$ 12,194,281</u>	<u>\$ 11,206,870</u>	<u>\$ 10,816,319</u>	<u>\$ 10,488,345</u>	<u>\$ 9,811,730</u>	<u>\$ 9,255,618</u>	<u>\$ 9,367,501</u>

Source: Val Verde County Financial Records

**Val Verde County, Texas**  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years (Unaudited)

<b>General Fund</b>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Restricted	\$ -	\$ -	\$ 3,151,616	\$ 985,588	\$ 560,993	\$ 864,807	\$ -	\$ -	\$ -	\$ -
Assigned	2,362,678	665,864	652,005	-	-	-	-	-	-	-
Unassigned	3,041,216	1,073,958	386,557	271,093	1,090,525	1,140,242	1,755,699	1,543,087	1,693,747	1,647,943
	<u>\$ 5,403,894</u>	<u>\$ 1,739,822</u>	<u>\$ 4,190,178</u>	<u>\$ 1,256,681</u>	<u>\$ 1,651,518</u>	<u>\$ 2,005,049</u>	<u>\$ 1,755,699</u>	<u>\$ 1,543,087</u>	<u>\$ 1,693,747</u>	<u>\$ 1,647,943</u>
<b>All Other Funds</b>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Restricted	\$ 2,401,653	\$ 5,344,020	\$ 6,412,274	\$ 8,196,544	\$ 4,671,803	\$ 5,622,105	\$ 6,269,317	\$ 9,109,231	\$ 1,303,584	\$ 1,330,466
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(82,742)	254,950	593,643	603,032	751,975	(36,579)	(67,217)	183,998
	<u>\$ 2,401,653</u>	<u>\$ 5,344,020</u>	<u>\$ 6,329,532</u>	<u>\$ 8,451,494</u>	<u>\$ 5,265,446</u>	<u>\$ 6,225,137</u>	<u>\$ 7,021,292</u>	<u>\$ 9,072,652</u>	<u>\$ 1,236,367</u>	<u>\$ 1,514,464</u>
<b>Total Fund Balances</b>	<u>\$ 7,805,547</u>	<u>\$ 7,083,842</u>	<u>\$ 10,519,710</u>	<u>\$ 9,708,175</u>	<u>\$ 6,916,964</u>	<u>\$ 8,230,186</u>	<u>\$ 8,776,991</u>	<u>\$ 10,615,739</u>	<u>\$ 2,930,114</u>	<u>\$ 3,162,407</u>

Source: Val Verde County Financial Records

**Val Verde County, Texas**  
Changes in Fund Balances  
Last Ten Fiscal Years (Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>REVENUES</b>										
Property Taxes	\$ 11,013,743	\$ 11,706,111	\$ 10,740,089	\$ 10,085,099	\$ 9,217,903	\$ 8,744,747	\$ 8,666,545	\$ 8,105,688	\$ 7,631,200	\$ 7,749,058
Sales Tax	2,223,062	2,302,830	2,129,606	2,085,747	1,968,955	2,036,156	1,821,800	1,706,042	1,624,418	1,618,443
Other Taxes	-	-	-	-	-	-	-	290,772	304,049	390,637
Intergovernmental	332,209	9,996,682	28,034,841	30,149,493	31,430,735	27,875,151	38,802,568	27,955,547	23,958,527	23,291,666
Charges for Services	2,575,467	1,910,815	-	-	-	-	-	-	-	-
License and Permits	27,781	23,464	-	-	-	-	-	-	-	-
Fees and Fines	1,433,947	1,348,591	3,015,399	2,615,038	3,204,060	2,645,057	2,850,104	2,945,371	2,668,936	1,947,225
Fines and Forfeitures	-	-	14,753	21,107	19,976	20,518	20,086	-	-	422,628
Other Jail Fees	-	-	-	-	-	-	-	269,027	427,164	6,333,620
Investment Earnings	36,784	30,907	31,094	27,690	21,454	12,130	14,372	20,706	13,975	21,255
Grant Receipts	-	-	-	221,210	-	-	-	-	-	-
Hotel Tax	-	-	21,035	23,435	20,012	35,416	-	-	-	-
Miscellaneous	10,891	91,039	301,545	413,784	1,195,217	997,068	151,533	310,352	66,169	325,091
Total Revenues	17,653,884	27,410,439	44,288,362	45,642,603	47,078,312	42,366,243	52,327,008	41,603,505	36,694,438	42,099,623
<b>EXPENDITURES</b>										
General Government	7,100,177	9,464,494	30,363,648	31,184,169	31,397,040	29,201,513	31,154,569	28,536,710	26,871,092	28,377,690
Justice System	3,431,712	3,142,863	1,449,890	1,408,847	1,460,950	1,363,005	1,503,480	1,440,612	1,311,948	1,274,281
Legal	-	-	642,179	652,535	490,252	473,396	475,650	476,864	426,053	350,957
Public Facilities	1,163,706	1,607,773	1,918,419	1,166,512	1,297,788	805,352	1,119,645	736,170	57,492	47,270
Public Safety	4,083,883	8,702,567	4,912,269	4,608,692	4,312,524	4,557,005	4,323,502	6,367,742	4,179,771	5,015,161
Health and Human Services	138,230	646,049	1,075,134	1,080,282	2,206,964	390,758	408,795	555,223	628,319	1,309,679
Infrastructure and Environmental Services	-	1,760,708	707,536	3,265,692	2,646,296	2,776,743	13,210,563	147,825	603,647	2,023,833
Culture and Recreation	562,878	667,942	525,276	577,574	599,194	687,848	760,074	736,241	679,250	718,865
Road and Bridge	-	-	-	-	-	-	-	1,648,898	1,588,414	1,557,860
Corrections and Rehabilitation	-	148,583	97,153	-	-	-	-	-	-	-
Debt Service:	-	-	-	-	-	-	-	-	-	-
Principal	-	3,600,000	3,505,000	3,445,000	2,800,000	2,500,000	-	185,000	345,000	335,000
Interest and Other Charges	-	1,079,567	1,143,122	1,206,315	1,177,803	1,204,440	1,087,160	3,904	67,447	67,013
Issuance Cost	-	-	45,000	92,205	-	-	-	-	-	-
Capital Leases	-	109,271	176,175	158,703	115,936	125,105	153,209	209,129	173,340	132,759
Total Expenditures	16,480,586	30,929,817	46,560,801	48,846,526	48,504,747	44,085,165	54,196,647	41,044,318	36,931,773	41,210,368
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	1,173,298	(3,519,378)	(2,272,439)	(3,203,923)	(1,426,435)	(1,718,922)	(1,869,639)	559,187	(237,335)	889,255
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of Short-Term Loan	-	-	910,000	910,000	910,000	910,000	910,000	-	-	-
Bank Interim-Financing	-	-	-	-	-	-	-	(28,689,125)	750,000	-
Proceeds from Capital Leases	-	-	-	-	-	-	-	-	234,789	225,372
Settlement and Insurance Claims	668,807	-	-	-	-	-	-	-	-	-
Lease Financing	220,000	-	-	-	-	-	-	-	-	-
Tax Note Proceeds	1,180,358	-	2,545,000	-	-	1,240,000	-	-	-	-
Tax Note Issuance Cost	-	-	-	-	-	(40,000)	-	-	-	-
Transfer In	1,172,374	4,975,078	12,871,358	12,647,579	12,750,446	11,915,077	8,898,249	8,187,471	8,621,871	4,451,995
Transfer Out (uses)	(603,314)	(4,975,078)	(12,871,358)	(12,647,579)	(12,750,446)	(11,915,077)	(8,898,249)	(8,187,471)	(8,621,871)	(4,302,272)
Short-Term Loan Payment	-	-	(910,000)	(910,000)	(910,000)	(910,000)	(910,000)	-	(750,000)	-
Bond Proceeds	-	-	-	6,000,000	-	-	-	34,910,000	-	-
Premium or Discount on Issuance of Bonds	-	-	-	-	-	-	-	584,301	-	-
Total other Financing Sources (Uses)	2,638,225	-	2,545,000	6,000,000	-	1,200,000	-	6,805,176	234,789	375,095
<b>NET CHANGE IN FUND BALANCE</b>	3,811,523	(3,519,377)	272,561	2,796,077	(1,426,435)	(518,922)	(1,869,639)	7,364,363	(2,546)	1,264,350
<b>FUND BALANCE, BEGINNING</b>	1,739,822	10,519,710	9,708,175	6,916,964	8,230,186	8,776,991	10,615,739	2,930,114	3,162,407	2,218,618
<b>PRIOR PERIOD ADJUSTMENT</b>	(147,451)	83,509	538,974	(4,866)	113,213	(27,883)	30,891	321,262	(229,747)	(320,561)
<b>FUND BALANCE, ENDING</b>	\$ 5,403,894	\$ 7,083,842	\$ 10,519,710	\$ 9,708,175	\$ 6,916,964	\$ 8,230,186	\$ 8,776,991	\$ 10,615,739	\$ 2,930,114	\$ 3,162,407

Source: Val Verde County Financial Records

**Val Verde County, Texas**  
Assessed Value and Estimted Actual Value of Taxable Property  
Last Ten Fiscal Years (Unaudited)

Fiscal Years	Market Valuation	Less Exemptions	Net Taxable Assessed Valuation	Tax Rates
2009	\$ 2,198,446,014	\$ 448,077,072	\$ 1,750,368,942	0.4637
2010	2,345,008,011	488,049,207	1,856,958,804	0.4637
2011	2,409,203,473	502,944,635	1,906,258,838	0.4637
2012	2,407,333,323	502,438,946	1,904,894,377	0.4637
2013	3,051,528,863	1,120,326,530	1,931,202,333	0.4637
2014	3,333,894,162	1,290,891,466	2,043,002,696	0.4637
2015	3,429,297,858	1,323,662,097	2,105,635,761	0.4998
2016	3,551,191,948	1,317,747,900	2,233,444,048	0.4998
2017	3,744,090,419	1,376,273,120	2,367,817,299	0.5198
2018	3,730,232,657	1,355,538,701	2,374,693,956	0.5237

Source: First Southwest

Note: Property in the county is reassessed each year.

**Val Verde County, Texas**  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years (Unaudited)

Tax Rates*										
Name	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>County Direct Rates</b>										
General Fund	0.499300	0.454400	0.388800	0.388800	0.365700	0.365700	0.365700	0.365700	0.365700	0.365700
Farm to Market	0.024400	0.024300	0.018000	0.018000	0.018000	0.018000	0.018000	0.018000	0.018000	0.018000
Interest and Sinking	0.000000	0.041100	0.093000	0.093000	0.080000	0.080000	0.080000	0.080000	0.080000	0.080000
Total Direct Rate	0.523700	0.519800	0.499800	0.499800	0.463700	0.463700	0.463700	0.463700	0.463700	0.463700
<b>School District Rates</b>										
San Felipe ISD	1.159800	1.159800	1.160300	1.167900	1.172400	1.179500	1.188720	1.185000	1.199415	1.166700
Comstock ISD	1.320000	1.320000	1.320000	1.215000	1.205000	1.215000	1.200000	1.200000	1.170000	1.170000
Rocksprings ISD	1.150100	1.150050	1.150640	1.136830	1.158750	1.040000	1.040000	1.040000	1.040000	1.040000
<b>Cities and Towns Rates</b>										
City of Del Rio	0.684576	0.684576	0.640000	0.588810	0.578808	0.575550	0.575550	0.575550	0.557550	0.560550

\*Per \$100 of Assessed Value

Source: Val Verde County Appraisal District



**Val Verde County, Texas**  
Principal Property Taxpayers  
Current Year and Nine Years Ago (Unaudited)

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentages of Total Taxable Assessed Value
Electric Transmission of Texas	\$ 152,725,360	1	5.84 %	\$ -		- %
Rocksprings Val Verde Wind LLC	101,400,000	2	3.88	-		-
Union Pacific Railroad Co.	76,086,890	3	2.91	33,927,640	1	1.98
Plains Pipeline LP	60,631,170	4	2.32	-		-
AEP Texas Central Co.	35,992,120	5	1.38	14,294,720	6	0.84
The Geo Group Inc.	22,134,210	6	0.85	18,121,050	4	1.06
Lone Star NGL Pipeline LLC	16,877,640	7	0.65	-		-
Plaza-Al LLC	13,044,930	8	0.50	-		-
USGP Del Rio CH LP	9,539,370	9	0.36	-		-
San Antonio Shoe Inc.	9,193,890	10	0.35	-		-
Conoco Phillips Co.	-		-	25,240,830	2	1.48
Exco Resources Inc.	-		-	24,966,210	3	1.46
Cimarex Energy Co of Colorado	-		-	15,946,090	5	0.93
Verizon Southwest	-		-	10,678,340	7	0.62
Wal-Mart Real Estate	-		-	9,569,940	8	0.56
Mall Shopping Center Inc.	-		-	8,585,620	9	0.50
Oxy USA WTP LP	-		-	7,988,350	10	0.47
Total	<u>\$ 497,625,580</u>		<u>19.03 %</u>	<u>\$ 169,318,790</u>		<u>9.90 %</u>

Source: Municipal Advisory Council of Texas

**Val Verde County, Texas**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2009	\$ 7,019,544	\$ 6,556,254	93.40%	\$ 1,192,621	\$ 7,748,875	110.39%
2010	7,623,598	7,154,747	93.85%	476,475	7,631,222	100.10%
2011	8,213,211	7,590,650	92.42%	514,968	8,105,618	98.69%
2012	8,490,077	7,926,336	93.36%	560,345	8,486,681	99.96%
2013	8,564,878	7,873,692	91.93%	531,879	8,405,571	98.14%
2014	9,103,123	8,495,034	93.32%	69,184	8,564,218	94.08%
2015	10,142,761	9,009,815	88.83%	545,681	9,555,495	94.21%
2016	10,760,733	9,814,865	91.21%	538,037	10,352,901	96.21%
2017	11,365,648	11,170,159	98.28%	195,489	11,365,648	98.36%
2018	11,916,290	11,372,907	95.44%	543,383	11,916,290	95.40%

Source: Texas Municipal Reports

**Val Verde County, Texas**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years (Unaudited)

Governmental Activities

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Tax Notes</u>	<u>Capital Leases</u>	<u>Bank Financing</u>	<u>Percentage of Personal Income</u>	<u>Population</u>	<u>Per Capita</u>
2009	\$ -	\$ 530,000	\$ 366,766	\$ -	0.07%	48,053	\$ 28,178
2010	-	185,000	419,765	750,000	0.04%	48,879	29,758
2011	34,910,000	-	269,060	-	2.32%	48,950	30,979
2012	34,910,000	-	180,818	910,000	2.29%	48,923	32,103
2013	32,410,000	1,240,000	130,098	910,000	2.23%	49,010	31,686
2014	29,910,000	940,000	83,085	910,000	1.97%	48,808	33,192
2015	32,775,000	630,000	130,310	910,000	2.06%	48,906	34,124
2016	29,585,000	2,860,000	131,344	910,000	1.99%	48,953	34,386
2017	26,300,000	2,545,000	22,073	-	1.69%	49,000	34,732
2018	22,925,000	2,135,000	-	-	N/A	49,205	N/A

Source: Val Verde County Annual Financial Statement

**Val Verde County**  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2009	\$ 530,000	\$ 1,330,466	\$ (800,466)	0.0%	\$ -
2010	185,000	1,282,004	(1,097,004)	0.0%	(16)
2011	34,910,000	3,288,653	31,621,347	-0.1%	(22)
2012	34,910,000	2,515,626	32,394,374	1.7%	646
2013	33,650,000	2,934,499	30,715,501	1.7%	661
2014	30,850,000	3,274,832	27,575,168	1.5%	639
2015	33,405,000	3,112,067	30,292,933	1.3%	564
2016	32,445,000	2,769,337	29,675,663	1.36%	619
2017	28,845,000	2,728,531	26,116,469	1.25%	606
2018	25,280,000	561,814	24,718,186	1.04%	502

Source: Val Verde County Annual Financial Statement  
FRED Economic Research

**Val Verde County, Texas**  
**Debt Limitations**  
**Last Ten Fiscal Years (Unaudited)**

Year	Net Taxable	Legal Debt Limit @ 25%	Total Debt	Less Self Supporting Debt	Less Fund Balance Interest and Sinking	Total Applicable Debt	Legal Debt Margin
2009	\$ 1,750,368,942	\$ 437,592,236	\$ 530,000	\$ -	\$ (1,330,466)	\$ (800,466)	\$ 438,392,702
2010	1,856,958,804	464,239,701	185,000	-	(1,282,004)	(1,097,004)	465,336,705
2011	1,906,258,838	476,564,710	34,910,000	-	(3,288,653)	31,621,347	444,943,363
2012	1,904,894,377	476,223,594	34,910,000	(34,910,000)	(2,515,626)	(2,515,626)	478,739,220
2013	1,931,202,333	482,800,583	33,650,000	(32,410,000)	(2,934,499)	(1,694,499)	484,495,082
2014	2,043,002,696	510,750,674	30,850,000	(29,910,000)	(3,274,832)	(2,334,832)	513,085,506
2015	2,105,635,761	526,408,940	33,405,000	(27,345,000)	(3,112,067)	2,947,933	523,461,007
2016	2,233,444,048	558,361,012	32,445,000	(24,705,000)	(2,769,337)	4,970,663	553,390,349
2017	2,367,817,299	591,954,325	28,845,000	(21,985,000)	(2,728,531)	4,131,469	587,822,856
2018	2,614,738,162	653,684,541	25,280,000	(19,185,000)	(561,814)	5,533,186	648,151,355

The County is authorized under Article III, Section 52 of the State Constitution to issue bonds payable from ad valorem taxes. There is no constitutional or statutory limit as to the number of bonds issued pursuant to such constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the County.

Source: Texas Constitution

**Val Verde County, Texas**  
Direct and Overlapping Government Activities Debt  
As of September 30, 2018 (Unaudited)

Governmental Subdivision	Net as of	Amount	Applicable to County	Debt Amount
Direct				
Val Verde County	9/30/2018	\$ 25,060,000	100%	\$ 25,060,000
Total		<u>\$ 25,060,000</u>		<u>\$ 25,060,000</u>
<u>Overlapping</u>				
City				
City of Del Rio	9/30/2018	\$ 78,723,000	100%	\$ 78,723,000
Total		<u>\$ 78,723,000</u>		<u>\$ 78,723,000</u>
School Districts				
Comstock ISD	9/30/2018	\$ 2,158,444	100%	\$ 2,158,444
Rocksprings ISD	9/30/2018	1,350,000	0.38%	5,130
San Felipe - Del Rio ISD	9/30/2018	49,214,993	100%	49,214,993
		<u>\$ 52,723,437</u>		<u>\$ 51,378,567</u>
Total Overlapping		<u>\$ 131,446,437</u>		<u>\$ 130,101,567</u>
Total Direct and Indirect Overlapping Debt		<u>\$ 156,506,437</u>		<u>\$ 155,161,567</u>

Source: Mac - Texas Municipal Report

**Val Verde County, Texas**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years (Unaudited)**

Pass-Through SL79

<u>Fiscal Year</u>	<u>Toll Revenue</u>	<u>Less Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Coverage</u>
2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	1,083,071	1,083,071	0%
2013	3,750,000	-	3,750,000	2,500,000	1,203,413	3,703,413	101%
2014	3,750,000	-	3,750,000	2,500,000	1,153,413	3,653,413	103%
2015	3,750,000	-	3,750,000	2,565,000	1,078,413	3,643,413	103%
2016	3,750,000	-	3,750,000	2,640,000	1,001,463	3,641,463	103%
2017	3,750,000	-	3,750,000	2,720,000	922,263	3,642,263	103%
2018	3,750,000	-	3,750,000	2,800,000	840,663	3,640,663	103%

Source: Val Verde County Financial Records

**Val Verde County, Texas**  
Demographic and Economic Statistics  
Last Ten Years (Unaudited)

Year	Population(1)	Personal Income (amount expressed in thousands) (2)	Per Capita Personal Income (2)	Median Age (2)	Unemployment Rate (2)*	
2009	48,053	\$ 1,365,599	\$ 28,178	32.4	9.2	%
2010	48,879	1,457,470	29,758	32.1	9.3	
2011	48,950	1,516,417	30,979	32.4	9.0	
2012	48,923	1,570,591	32,103	32.6	7.6	
2013	49,010	1,552,925	31,686	32.0	7.4	
2014	48,808	1,620,058	33,192	31.9	5.8	
2015	48,906	1,668,859	34,124	31.7	6.0	
2016	48,953	1,683,295	34,386	31.6	6.2	
2017	49,000	1,709,010	34,732	31.7	5.1	
2018	49,205	N/A	N/A	N/A	4.3	

Data Sources:

(1) Municipal Advisory Council of Texas

(2) FRED Economic Research

\* Yearly Average



**Val Verde County, Texas**  
Principal Employers  
Current Year and Nine Years Ago (Unaudited)

Employer	2018			2009		
	Employees	Rank	Percentages of Total City Employment	Employees	Rank	Percentages of Total City Employment
LAFB	4,707	1	24%	2,871	1	15%
Government Agencies	3,715	2	19%	1,978	2	10%
Manufacturing	1,500	3	8%	-		
San Felipe Del Rio CISD	1,453	4	7%	1,420	3	7%
Retail	1,216	5	6%	-		
VV Regional Medical Center	525	6	3%	379	7	2%
City of Del Rio	450	7	2%	470	5	2%
Medical Clinics	412	8	2%	-		
GEO Correctional Facility	301	9	2%	289	9	1%
Financial Institutions	257	10	1%	-		
Wal-Mart Supercenter	-		-	472	4	2%
Plaza Del Sol Mall	-		-	381	6	2%
HEB Grocery	-		-	305	8	2%
Texas State Agencies	-		-	222	10	1%
	<u>14,536</u>		<u>74%</u>	<u>8,787</u>		<u>44%</u>

Source: Del Rio Chamber of Commerce

**Val Verde County, Texas**  
Full-Time Equivalent County Government Employees by Function  
Last Ten Fiscal Years (Unaudited)

Function	Full-Time Equivalent Employees as of September 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	55	53	52	51	51	50	48	48	46	45
Judicial System	55	48	48	45	44	42	47	47	46	46
Public Safety	79	79	78	74	77	75	72	72	66	64
Public Facilities	11	11	11	11	11	10	10	10	11	11
Culture and Recreation	11	11	11	11	11	11	11	11	11	11
Highway and Streets	29	29	29	25	25	25	25	25	25	25
Total	240	231	229	217	219	213	213	213	205	202

Source: Val Verde County Budget

**Val Verde County, Texas**  
Operating Indicators by Function  
Last Ten Fiscal Years (Unaudited)

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Government</b>										
<u>Tax Assessor Collector</u>										
Employees	11	11	11	11	11	11	11	11	11	11
Number of Entity Collection Contracts	4	4	4	4	4	4	4	4	4	4
Ad valorem Assessments Notices Issued	50,415	37,435	42,509	40,207	37,539	42,298	29,480	41,909	40,104	N/A
<b>Judicial System</b>										
<u>County Clerk:</u>										
Employees	11	11	11	11	11	11	10	10	9	9
Marriage Licenses	506	505	515	512	501	443	403	432	412	375
<u>District Clerk:</u>										
Employees	10	10	10	10	10	10	10	10	10	10
Civil Process Cases	404	355	496	522	343	206	245	279	287	463
Criminal Cases	534	498	410	376	431	475	311	272	321	328
Family Cases	490	405	694	633	461	461	481	508	393	275
<u>Justice of the Peace (4)</u>										
Employees	15	15	15	15	15	15	15	15	14	14
Cases	3,566	2,757	2,603	2,462	3,359	3,825	3,040	2,665	2,965	3,982
<b>Public Safety</b>										
<u>Sheriff:</u>										
Employees	71	71	69	69	72	70	67	67	61	59
Daily Average in County jail	4	4	5	4	3	4	5	4	3	4

Sources:  
Val Verde County Tax Assessor Collector  
Val Verde County Clerk  
Val Verde County District Clerk  
Val Verde County Sheriff Office

**Val Verde County, Texas**  
**Capital Assets Statistics by Function**  
**Last Ten Fiscal Years (Unaudited)**

<u>Function</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Government										
Number of Buildings	3	3	3	3	3	3	3	3	3	3
Judicial System										
Number of Buildings	5	5	5	5	5	5	5	5	5	5
Number of Courts	7	7	7	7	7	7	7	7	7	7
Public Safety										
Number of Buildings	6	6	6	6	6	6	6	6	6	6
Number of Vehicles	94	89	79	74	69	70	68	64	46	32
Corrections and Rehabilitation										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Number of Jails	1	1	1	1	1	1	1	1	1	1
Number of Juvenile Beds	10	10	10	10	10	10	10	10	10	10
Public Facilities										
Number of Buildings	8	8	7	7	7	7	7	7	6	6
Infrastructure and Environmental Services										
Number of Buildings	5	5	5	5	5	5	5	5	5	5

Source: Val Verde County Capital Asset Report

## **FEDERAL AWARDS SECTION**

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# Cascos & Associates, PC

Certified Public Accountants

Audit/Accounting/Tax/Consulting

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## 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 (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 29, 2019.

### *Internal Control over Financial Reporting*

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### **Purpose of this Report**

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

A handwritten signature in blue ink that reads "Cann & Associates, PC". The signature is written in a cursive, flowing style.

Brownsville, Texas  
April 29, 2019





# Cascos & Associates, PC

Certified Public Accountants

Audit/Accounting/Tax/Consulting

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

### Report on Compliance for Each Major Federal Program

We have audited Val Verde County's (the "County") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Accordingly, this report is not suitable for any other purpose.

*Carr & Associates, PC*

Brownsville, Texas  
April 29, 2019

**VAL VERDE COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<b>Federal Grantor/Pass-Through Grant/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>			
<i>Pass Through Texas Department of Housing &amp; Community Affairs:</i>			
Community Development Block Grant - Selp Help Center	14.228	7214013	\$ 348,345
Community Development Block Grant - Selp Help Center	14.228	7217013	<u>41,037</u>
 <i>Pass Through Texas Department of Agriculture:</i>			
Community Development Block Grant - Comstock and San Felipe Water Line Project	14.228	7215499	14,038
Community Development Block Grant - Vega Verde Road Water Line Project	14.228	7216075	154,290
Community Development Block Grant - Small Town Environmental Program	14.228	7218026	4,046
Community Development Block Grant - Colonia Fund Construction	14.228	7218075	<u>16,875</u>
Total U.S. Department of Housing & Urban Development			<u>578,631</u>
 <b><u>U.S. Department of Homeland Security</u></b>			
<i>Pass Through Office of the Governor - Emergency Management Division:</i>			
Homeland Security Grants (Operation Stonegarden 2016)	97.067	3155302	332,893
Homeland Security Grants (Operation Stonegarden 2017)	97.067	3155303	<u>88,659</u>
Total U.S. Department of Homeland Security			<u>421,552</u>
 <b><u>Executive Office of the President</u></b>			
<i>Pass Through Office of the National Drug Control Policy &amp; Through the South Texas HIDTA Assistance Center:</i>			
HIDTA Del Rio Task Force 2016	95.001	G16SS0008A	3,713
HIDTA Intel '17 Amistad Intelligence Center	95.001	G17SS0008A	105,363
HIDTA Del Rio Task Force 2017	95.001	G17SS0008A	38,913
HIDTA Eagle Pass Task Force 2017	95.001	G17SS0008A	44,667
HIDTA Intel '18 Amistad Intelligence Center	95.001	G18SS0008A	14,814
HIDTA Del Rio Task Force 2018	95.001	G18SS0008A	13,046
HIDTA Eagle Pass Task Force 2018	95.001	G18SS0008A	<u>21,108</u>
Total Executive Office of the President			<u>241,624</u>
Total Federal Awards			<u>\$ 1,241,807</u>

## **VAL VERDE COUNTY, TEXAS**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

#### **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, 2018. 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 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.

#### **4. PASS THROUGH EXPENDITURES**

None of the federal programs expended by the County were provided to sub-recipients.

**VAL VERDE COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**I. Summary of Auditors' Results**

Financial Statements:

Type of auditors' report issued	Unmodified
---------------------------------	------------

Internal control over financial reporting:

Material weakness(es) identified?	None reported
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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:

14.228

Name of Federal or State Program:

Community Development Block Grants

Dollar threshold used to distinguish between type A and type B federal programs	\$ 750,000
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Auditee qualified as low-risk auditee:	
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Uniform Guidance	Yes
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VAL VERDE COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

None.

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

None.

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

None.

**VAL VERDE COUNTY, TEXAS**

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

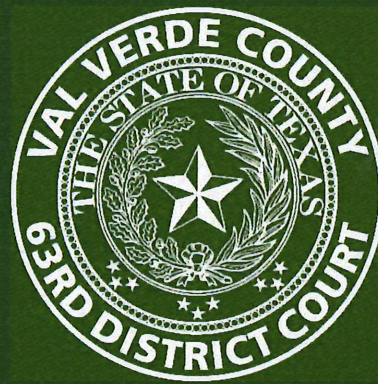
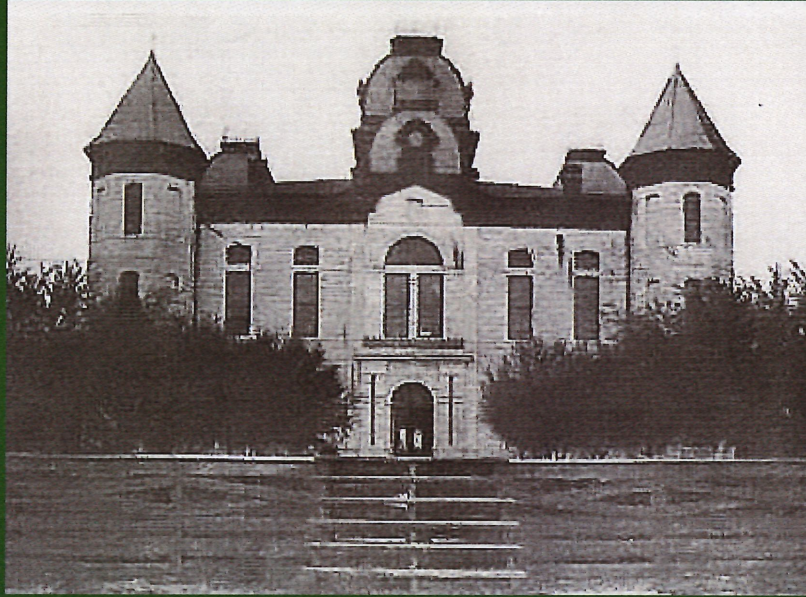
*Item 2017-01*

*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.
Current Year Status:	The County has contracted with RCI to conduct a physical inventory of all capital assets.

**(Last page.)**





The Honorable Enrique Fernandez  
63<sup>rd</sup> Judicial District Court Judge

The Honorable Robert E. Cadena  
83<sup>rd</sup> Judicial District Court Judge  
Administrative Judge