

# COUNTY OF VICTORIA, TEXAS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2019

**COUNTY OF VICTORIA, TEXAS**  
*COMPREHENSIVE ANNUAL FINANCIAL REPORT*  
*For the year ended December 31, 2019*

Prepared by: County Auditor's Office  
Michelle Samford  
Victoria County Auditor

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## **INTRODUCTORY SECTION**



**MICHELLE SAMFORD  
COUNTY AUDITOR  
VICTORIA COUNTY, TEXAS**

115 N. Bridge, Room 122  
Victoria, Texas 77901  
Email: [msamford@vctx.org](mailto:msamford@vctx.org)

Tel: (361)575-8451  
Fax: (361)573-0636

July 1, 2020

Honorable District Judges  
Honorable County Judge  
Honorable County Commissioners  
County of Victoria  
Victoria, Texas

The County Auditor's Office is pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Victoria, Texas (the "County"), for the year ended December 31, 2019. This report is submitted in compliance with Texas Local Government Code 114.025.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests 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 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 the maximum understanding of the County's financial affairs have been included.

The County Auditor serves as the Chief Financial Officer for Victoria County. By statute, the Auditor reports to the State District Judges. This provides for an independent review of County financial operations separate from the Commissioner's Court, the legislative and executive branch of county government. The County Auditor is responsible for accounting systems design, audit functions required by law, general control of finances 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 the local government code. As an appointed County Official, the County Auditor takes an oath to uphold the Constitution and the laws of the State of Texas.

In developing and evaluating the County's 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 the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

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

In compliance with Texas Local Government Code 115.045, the financial statements and notes contained in this report have been audited by the independent auditors of Harrison, Waldrop and Uherek, L.L.P., a firm of licensed certified public accountants. The independent auditors' report is included in the Financial Section of this report.

When other accounting bases conflict with state law, Texas and its political subdivisions may follow the statutory provisions of Chapter 2264, Texas Government Code. Accordingly, in 2008 the County followed the statutory basis of accounting, which is another comprehensive basis of accounting provided, but not mandated, by this statute. For the County, the only difference between generally accepted accounting principles ("GAAP") and the statutory basis of accounting is in the reporting of other postemployment benefits ("OPEB").

The statutory basis differs from GAAP in that the County's presentation of OPEB on the financial statements uses the statutory modified accrual basis. This basis accurately and fairly sets forth the financial position of the County by (i) measuring the cost of benefits according to their adoption by the governing body of the County; and by (ii) providing an accurate assessment of OPEB liabilities and extent of their funding for the time for which the benefits were adopted. Under GAAP, GASB Statement No. 75 ("GASB 75"), "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" defines an OPEB liability to include amounts the governing body has not authorized nor promised to employees, and for which there is no legally enforceable liability. The County has concluded that recognizing an OPEB liability as defined by GASB 75 would result in publishing financial statements that are materially misleading. It would also be inconsistent with State financial laws and misrepresent the nature, scope, and duration of the financial activities of the County.

Management has provided 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 should be read in conjunction with it. The MD&A can be found in the Financial Section of this report.

## **PROFILE OF VICTORIA COUNTY**

The County is located in southeastern Texas on the Coastal plain about midway between the southern and eastern extremities of the Texas Gulf Coast. The County was created in 1836 from a Mexican municipality named for Mexican President Guadalupe Victoria. The County encompasses an area of 892 square miles and serves a population of 92,084.

The County is a public corporation and political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners' Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners' Court sets the tax rates, establishes policies for County operations, approves contracts for the County, and develops and adopts the County budget. The Commissioners' Court is also responsible for development of policies and orders, approving financial commitments, and appointment of various department heads. The management and leadership provided by members of the Commissioners' Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.

The County provides a full range of services. The County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local governmental units. A primary service is the administration of justice, which includes the civil and criminal county and district courts, justices of the peace, constables, district attorney, investigators, clerks of the courts, sheriff, jail, security, emergency management and grand jury bailiffs. Other functions performed by the County include the construction and maintenance of roads and bridges, either independently or in cooperation with other entities; administration of public health services; assistance to indigents; and the provision of juvenile, health, education, and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's financial planning and control. Budget hearings are posted annually in July and August by the County Judge, with the final budget approved by the Commissioners' Court following the hearings. The final budget includes contingency line items. Most appropriated budgets are prepared by fund, department, and category. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the line-item level within an individual fund. The original budget may be amended by Commissioners' Court under conditions prescribed by Texas Local Government Code, Section 111.010. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted.

Various potential component units were evaluated to determine whether they should be included in the County's reporting entity because of the significance of their operational and financial relationship with the County. Based upon standards established by the Governmental Accounting Standards Board (see Note 1 to the financial statements), two component units are included in the report: the Victoria County Navigation District and Citizens Medical Center. These entities are discretely presented and are not considered part of the primary government of the County. This reporting method was used because, while the entities are financially accountable to the County, they do not have substantively the same governing body as the County nor do they provide services exclusively to the County.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Victoria operates.

**Local Economy** - The County is one of the leading regional economies in the seven-county Golden Crescent region. The County has developed into a primary business center with growth in services and retail employment. The County's principal economic activities include petrochemical and industrial chemical plants, plastics manufacturers, heavy steel fabrication, pre-stressed concrete, oil and gas exploration, medical services, professional and financial services, retail trade, and higher education. Although the oil and gas petrochemical industries remain a vital component of the area employment base, diversification within these industries into production of ancillary goods and plastics has reduced economic vulnerability to energy price fluctuations.

The County records reflect modest debt levels, rapid principal amortization, and acceptable reserve levels that have benefited from sound fiscal management practices. The County practices conservative budgeting and sets General Fund reserve targets at 25% of annual expenditures. In the past year, the County incurred a decrease in the General Fund unassigned fund balance mainly as a result of an increase in capital improvement projects. The County's General Fund reserve target is based on the County's policy of deferring ad valorem property taxes. The resulting unassigned fund balance does not include \$6 million in ad valorem taxes collected in October, November, and December of 2019, and are instead reported as unavailable revenues.

**Long-Term Financial Planning** - The County of Victoria has identified several long-term issues that need to be prioritized and funded by the Commissioners' Court. These priorities include adding additional courtrooms for the increasing caseload of jury trials and making the County Airport more cost efficient.

**Cash Management** - The Commissioners' Court has adopted a formal investment policy for the County consistent with State statutes governing the investment of County funds and has designated the County Treasurer as the County's investment officer. The policy is updated annually. The general objectives set forth in the policy provide for financial security and optimum liquidity of County funds while achieving the maximum yield on funds invested and maximum levels of invested funds. Authorized investments are consistent with those investments authorized by State law for Texas counties. Currently, the County has limited its investments to certificates of deposits and money market funds.

**Risk Management** - The County has risk exposure in various areas including general liability, worker's compensation, automobile liability, and property damage. To reduce its risk exposure in these areas, the County purchases commercial insurance policies from a private carrier. The related policies carry various deductibles and aggregate maximum loss totals.

The County is also exposed to risk of loss in the area of employee health coverage. In this area, the County bears all risk of loss up to \$100,000 per participant per year. Co-insurance through a private insurance carrier assumes all risk for individual participants past that level. Please refer to the notes to the financial statements for a complete discussion of the County's employee health insurance operations.

**Pension Benefits** - The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). Specific plan provisions are adopted by the County within the options available in the state statutes governing the TCERS. 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 within the constraints imposed by the TCERS Act so that the resulting benefits can be expected to be adequately financed.

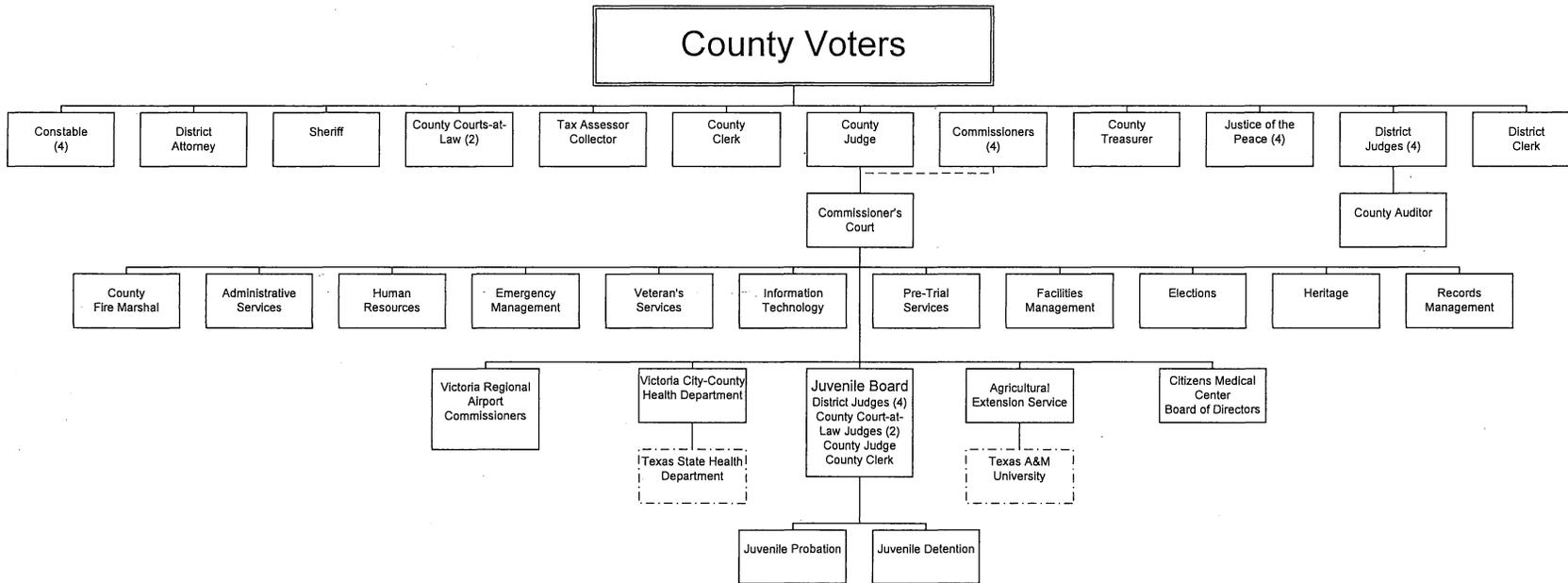
## **ACKNOWLEDGEMENTS**

The preparation of the CAFR could not have been accomplished without the efficient and dedicated efforts of the staff of the County Auditor's Office. We express our appreciation to all the members of the office who assisted in and contributed to its preparation. We would also like to thank the accounting firm of Harrison, Waldrop & Uherek, L.L.P. for sharing their knowledge, and extending their cooperation and support to the County Auditor's Office. Appreciation must also be expressed to the County Judge, members of the Commissioners' Court, the County Treasurer, and all other officials of the County for their assistance in planning and conducting the financial operations of the County in a progressive and responsible manner.

Respectfully submitted,  
Michelle Samford  
Victoria County Auditor

# Victoria County Organizational Chart

Comprehensive Annual Financial Report



**ELECTED OFFICIALS**

NAME	POSITION
Benjamin Zeller	County Judge
Danny Garcia	Commissioner, Precinct #1
Kevin Janak	Commissioner, Precinct #2
Gary Burns	Commissioner, Precinct #3
Clint Ives	Commissioner, Precinct #4
Constance Filley Johnson	Criminal District Attorney
Heidi Easley	County Clerk
Cathy Stuart	District Clerk
Sean Kennedy	County Treasurer
Rena Scherer	County Tax Assessor-Collector
T. Michael O'Connor	County Sheriff
Travis H. Ernst	Judge, County Court-at-Law #1
Daniel Gilliam	Judge, County Court-at-Law #2
Jack Marr	Judge, 24th Judicial District
K. Stephen Williams, III	Judge, 135th Judicial District
Robert Bell	Judge, 267th Judicial District
Eli Garza	Judge, 377th Judicial District
Mary Ann Rivera	Justice of the Peace #1
Stuart Posey	Justice of the Peace #2
Robert Whitaker	Justice of the Peace #3
John Miller	Justice of the Peace #4
Gary Smejkal	Constable, Precinct #1
James E. Calaway	Constable, Precinct #2
Kenneth Easley, Jr.	Constable, Precinct #3
Aaron Burleson	Constable, Precinct #4

**APPOINTED OFFICIALS**

NAME	POSITION
Michelle Samford	County Auditor
Richard Castillo	County Fire Marshal

## **FINANCIAL SECTION**



CERTIFIED PUBLIC ACCOUNTANTS  
101 S. MAIN, SUITE 400  
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA  
DENNIS C. CIHAL, CPA  
ERIC L. KUCERA, CPA  
CLAYTON P. VAN PELT, CPA  
ROBERT W. SCHAAR, CPA  
MELISSA M. TERRY, CPA

VOICE: (361) 573-3255  
FAX: (361) 573-9531

## INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, Texas

### Report on the Financial Statements

We have audited the accompanying statutory basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Victoria, Texas (the "County") as of and for the year ended December 31, 2019, 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting practices prescribed or permitted by Government Code Section 2266.051, as adopted by the State of Texas House Bill 2365 as described in Note 1 to the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Citizens Medical Center, which represent 75 percent, 81 percent, and 98 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions insofar as it relates to the amounts included for the Citizens Medical Center, is based solely on the reports of the other auditors. 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. The financial statements of the Citizens Medical Center were not audited in accordance with *Government Auditing Standards*.

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 organization'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 organization'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 adverse and unqualified audit opinions.

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, Texas

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the County using financial accounting practices prescribed or permitted by Government Code Section 2264-051, as adopted by State of Texas House Bill 2365, which practices differ from generally accepted accounting principles (GAAP) in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 1 and GAAP, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with GAAP, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended.

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective statutory basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2019, and the respective statutory basis changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the financial accounting practices prescribed or permitted by Government Code Section 2264-051, as adopted by State of Texas House Bill 2365 described in Note 1.

Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of changes in total OPEB liability and related ratios, and schedules of employer contributions as listed in the table of contents, 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.

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, Texas

*Other Information*

Our audit was conducted for the purpose of forming opinions on the statutory basis financial statements that collectively comprise the County's basic financial statements. The introductory section, statutory basis combining and individual major and nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular* and are not a required part of the basic financial statements.

The statutory basis combining and individual major and nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and 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 July 1, 2020, 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 the 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.



HARRISON, WALDROP & UHEREK, L.L.P.  
Certified Public Accountants

July 1, 2020

The discussion and analysis of the County of Victoria's (the "County") financial performance provides an overview of the County's financial activities for the year ended December 31, 2019. The discussion and analysis should be read in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the financial statements. The discussion and analysis includes comparative data for the prior year.

**FINANCIAL HIGHLIGHTS**

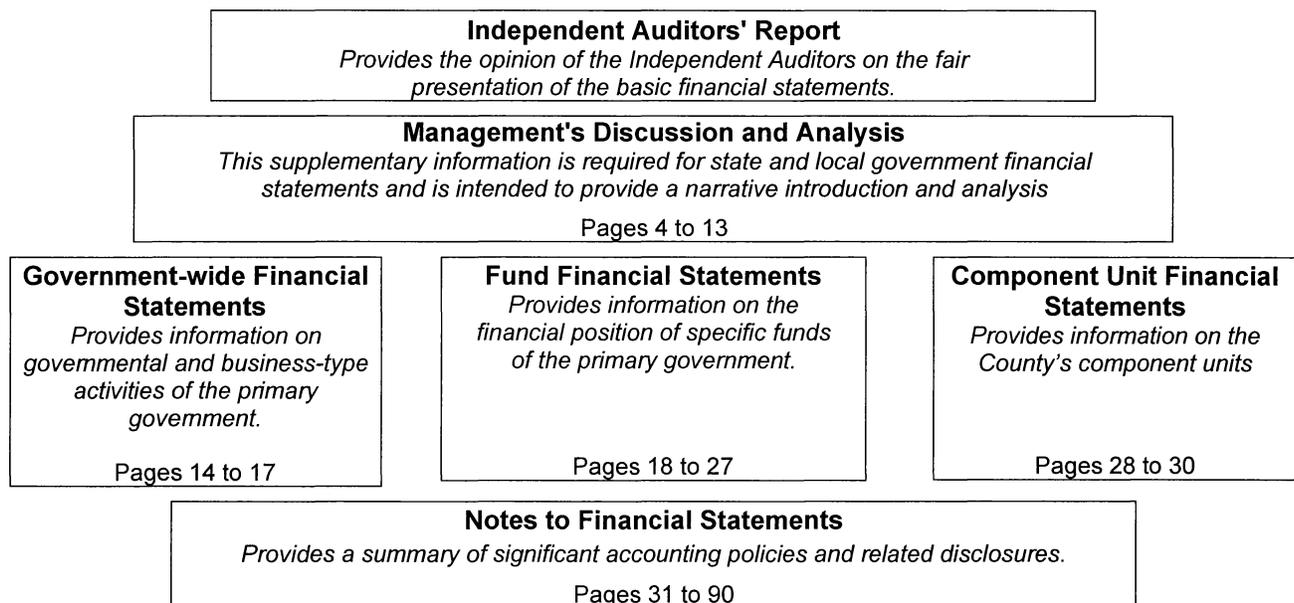
- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the year ended December 31, 2019, by \$38,338,115. Of this amount \$17,400,808 is available to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position of the governmental and business-type activities netted a decrease of \$3,927,484. \$3,985,960 of this decrease related to the governmental activities.
- At December 31, 2019, the County's governmental funds reported combined ending fund balances of \$23,377,970. The amount available for governmental discretion (unassigned fund balance) is \$17,333,830.
- At December 31, 2019, the fund balance for the General Fund was \$17,922,967, a \$759,653 decrease over last year. The unassigned portion of fund balance was \$17,922,967 or 100% of total General Fund balance or 48% of total General Fund expenditures for 2019.
- The County's total bonded debt netted an increase of \$9,456,534. The key factor in this net increase was the issuance of the 2019 Certificates of Obligation in the amount of \$9,895,000 for the Citizens Medical Center, a discretely presented component unit.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The new financial reporting model instituted by Governmental Accounting Standards Board Statement 34 (GASB 34) seeks to improve operational accountability by highlighting an overall picture that was lost in the detail of fund accounting. Instead of focusing on aggregations of similar individual funds, GASB 34 introduced government-wide financial statements, which present the government as a single unified entity.

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) component unit financial statements, and 4) notes to financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

**Organization and Flow of Financial Section Information**



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## OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

**Government-wide Financial Statements.** The *government-wide financial statements*, which consist of the following two 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 on all of the County's assets and liabilities, with the difference between the two reported as *net position*. 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 *statement of activities* presents information showing how the government's net position changed during 2019. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, culture and recreation, and public health. The business-type activities of the County include the airport and other (commissary).

The government-wide financial statements include not only the County itself (known as the *primary government*) but also the component units of Victoria County Navigation District and Citizens Medical Center. These component units are not included as part of the primary government.

The government-wide financial statements can be found on pages 14-17 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered 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 and individual statements and schedules following the required supplementary information.

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## OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

The County adopts an annual appropriated budget for its General Fund, road and bridge special revenue funds, and Debt Service Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and is located on pages 130-137 of this report. Budget comparisons are presented for the road and bridge special revenue funds and the Debt Service Fund on pages 139-144 of this report.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its airport and other enterprise activities (commissary). *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the County's various functions. The County uses an internal service fund to account for its employee health insurance services. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the airport, which is considered to be a major fund of the County, and other (commissary).

The basic proprietary fund financial statements can be found on pages 22-25 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 accounting used for fiduciary funds is similar to proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

**Notes to 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 financial statements can be found on pages 31-90 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's General Fund's budgetary comparison schedule and historical pension and OPEB benefits information. Required supplementary information can be found on pages 91-99 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 100-148 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$38,338,115 at the close of the year ended December 31, 2019.

### County of Victoria, Texas

#### NET POSITION (Statutory Basis)

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018*	2019	2018*	2019	2018*
Current and other assets	\$ 68,254,230	\$ 58,784,811	\$ 826,888	\$ 640,217	\$ 69,081,118	\$ 59,425,028
Capital assets (net)	32,350,543	32,083,052	6,130,111	6,143,050	38,480,654	38,226,102
Total assets	100,604,773	90,867,863	6,956,999	6,783,267	107,561,772	97,651,130
Deferred outflow of resources	13,552,124	5,578,077	-	-	13,552,124	5,578,077
Current and other liabilities	5,054,155	5,219,271	330,888	218,376	5,385,043	5,437,647
Noncurrent liabilities	49,084,954	28,135,127	19,838	17,094	49,104,792	28,152,221
Total liabilities	54,139,109	33,354,398	350,726	235,470	54,489,835	33,589,868
Deferred inflow of resources	28,285,946	27,373,740	-	-	28,285,946	27,373,740
Net position						
Net investment in capital assets	10,876,359	20,075,576	6,130,111	6,143,050	17,006,470	26,218,626
Restricted	3,930,837	3,329,934	-	-	3,930,837	3,329,934
Unrestricted	16,924,646	12,312,292	476,162	404,747	17,400,808	12,717,039
Total net position	\$ 31,731,842	\$ 35,717,802	\$ 6,606,273	\$ 6,547,797	\$ 38,338,115	\$ 42,265,599

\*2018 net position has been restated. See Note 18 of this report.

The largest portion of the County's net position (44%) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County has restricted net position of \$3,930,837, which represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$17,400,808) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current year, the County is able to report positive balances in all three categories of net position, for the government as a whole, as well as for the governmental activities.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)**

**County of Victoria, Texas**

**CHANGES IN NET POSITION  
(Statutory Basis)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 10,811,243	\$ 10,622,827	\$ 3,167,225	\$ 4,902,935	\$ 13,978,468	\$ 15,525,762
Operating grants & contributions	6,401,522	5,456,911	83,212	73,151	6,484,734	5,530,062
Capital grants & contributions	671,011	3,041,129	237,142	-	908,153	3,041,129
General revenues:						
Property taxes	25,814,316	26,205,061	-	-	25,814,316	26,205,061
Other taxes	10,236,137	10,314,720	-	-	10,236,137	10,314,720
Other	1,782,929	2,935,874	10,444	6,312	1,793,373	2,942,186
<b>Total revenues</b>	<b>55,717,158</b>	<b>58,576,522</b>	<b>3,498,023</b>	<b>4,982,398</b>	<b>59,215,181</b>	<b>63,558,920</b>
<b>EXPENSES</b>						
General governmental	23,817,872	24,306,587	-	-	23,817,872	24,306,587
Public safety	23,277,427	21,767,661	-	-	23,277,427	21,767,661
Highways and streets	7,226,644	6,400,322	-	-	7,226,644	6,400,322
Culture and recreation	312,336	317,732	-	-	312,336	317,732
Public health	4,118,147	4,041,478	-	-	4,118,147	4,041,478
Interest on long-term debt	558,442	301,789	-	-	558,442	301,789
Airport	-	-	3,656,509	5,553,508	3,656,509	5,553,508
Commissary	-	-	175,288	147,365	175,288	147,365
<b>Total expenses</b>	<b>59,310,868</b>	<b>57,135,569</b>	<b>3,831,797</b>	<b>5,700,873</b>	<b>63,142,665</b>	<b>62,836,442</b>
Change in net position before transfers, extraordinary, and special items	(3,593,710)	1,440,953	(333,774)	(718,475)	(3,927,484)	722,478
Transfers	(392,250)	(165,366)	392,250	165,366	-	-
Extraordinary and special items	-	1,215,728	-	(734,506)	-	481,222
Change in net position	(3,985,960)	2,491,315	58,476	(1,287,615)	(3,927,484)	1,203,700
<b>Net position - January 1, 2019</b>	<b>35,717,802</b>	<b>33,226,487</b>	<b>6,547,797</b>	<b>7,835,412</b>	<b>42,265,599</b>	<b>41,061,899</b>
<b>Net position - December 31, 2019</b>	<b>\$ 31,731,842</b>	<b>\$ 35,717,802</b>	<b>\$ 6,606,273</b>	<b>\$ 6,547,797</b>	<b>\$ 38,338,115</b>	<b>\$ 42,265,599</b>

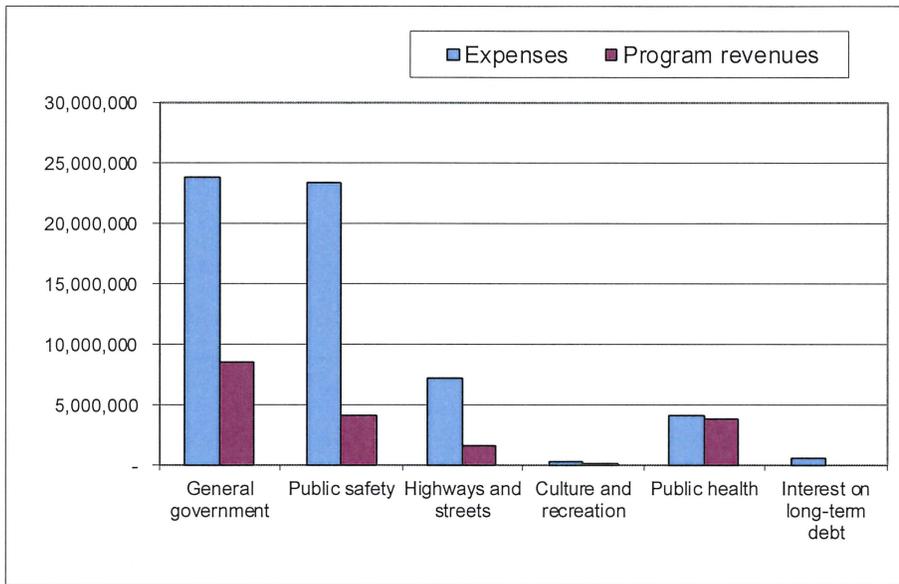
\*2018 net position has been restated. See Note 18 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)**

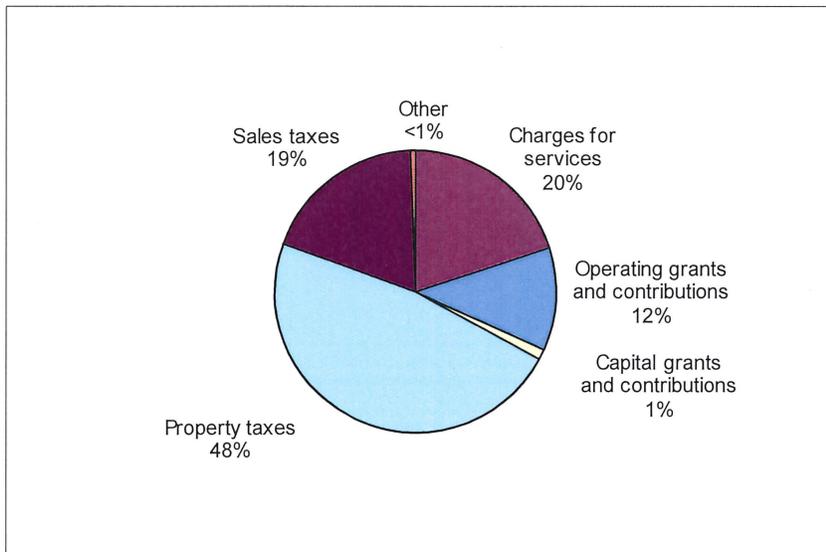
**Governmental activities.** Governmental activities decreased the County’s net position by \$3,985,960, thereby accounting for the majority of the total decrease in the net position of the County. Key elements of this decrease are as follows:

- Capital grants and contributions decreased \$2,370,118 from the prior year as well as grants and contributions not restricted to specific programs by \$1,100,244.
- Property tax revenues decreased \$390,745 from the prior year.
- Total expenses increased \$2,175,299 or 4% from the prior year. An increase in public safety expenses made up 69% of this increase.
- Extraordinary and special items decreased \$1,215,728 or 100% from prior year.
- Transfers to business-type activities increased \$226,884 or 137% from the prior year.

**Expenses and Program Revenues - Governmental Activities**



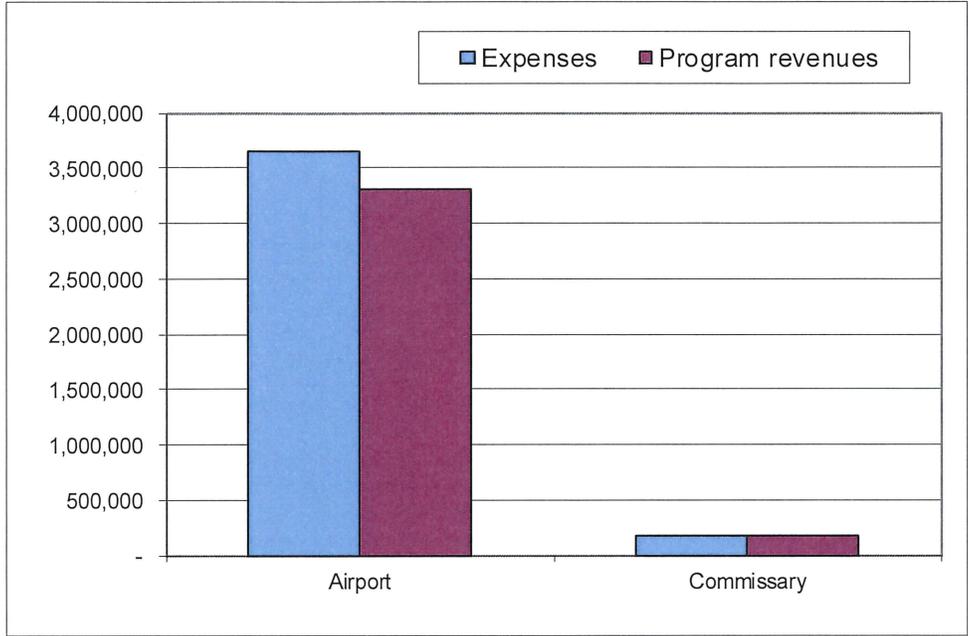
**Revenues by Source - Governmental Activities**



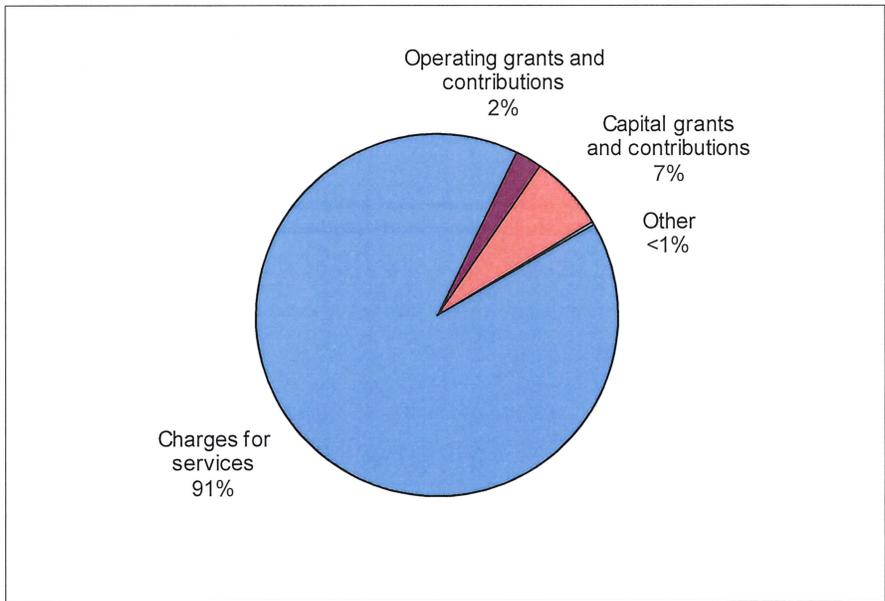
**GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)**

**Business-type activities.** Business-type activities increased the County's net position by \$58,476. This change was mainly due to an increase in transfers from governmental activities of \$226,884 or 137% compared to 2018.

**Expenses and Program Revenues - Business-type Activities**



**Revenues by Source - Business-type Activities**



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## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

**Governmental funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. Non-financial assets such as governmental buildings, roads, park land and long-term liabilities that will not be paid with current assets are excluded.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$23,377,970, a decrease of \$1,113,919 in comparison with the prior year. Of the total fund balance, \$17,333,830 constitutes *unassigned fund balance* and is available for spending at the County's discretion. Of the remaining fund balance, \$6,044,140 is *restricted* to specific types of expenditures.

**General Fund.** The General Fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the General Fund was \$17,922,967, which constituted the total fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 48% of total General Fund expenditures, while total fund balance represents 48% of that same amount.

The fund balance of the County's General Fund decreased by \$759,653 during the current year. This decrease is due mainly to an increase in expenditures in the amount of \$1,896,408 compared to 2018.

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of proprietary funds at the end of the year amounted to:

Fund	2019	2018
	Unrestricted Net Position	Unrestricted Net Position
Airport	\$ 200,590	\$ 139,932
Commissary	275,572	264,815
<b>Total</b>	<b>\$ 476,162</b>	<b>\$ 404,747</b>

Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an increase of \$2,601,707 and can be briefly summarized as follows:

- \$1,592,251 in miscellaneous decreases in general governmental expenditures, mainly due to an increase in indigent defense and the completion of the Precinct 2 building, VCSO jail mold remediation, and reconstruction of parking lots for the Health Department and JP3.

These increases were to be funded out of miscellaneous increases in intergovernmental revenues, fines and forfeitures revenues, and other miscellaneous revenues.

For 2019, the General Fund's actual expenditures came in \$2,145,390 lower than the final budget. This positive variance is mainly due to:

- Payroll and other various expenditure accounts that came in under budget for 2019.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$38,480,654 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and machinery and equipment. The net increase in the County's investment in capital assets for the current year was 1% (a 1% increase for governmental activities and less than 1% decrease for business-type activities).

County of Victoria, Texas						
CAPITAL ASSETS						
(Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
Land	\$ 2,681,055	\$ 2,615,775	\$ -	\$ -	\$ 2,681,055	\$ 2,615,775
Construction in progress	552,198	1,015,254	273,492	167,680	825,690	1,182,934
Buildings	9,780,513	9,741,075	-	4,000	9,780,513	9,745,075
Improvements	8,230,498	7,373,668	5,440,990	5,662,611	13,671,488	13,036,279
Machinery and equipment	5,044,174	5,126,446	415,629	308,760	5,459,803	5,435,206
Infrastructure	6,062,105	6,210,834	-	-	6,062,105	6,210,834
<b>Total</b>	<b>\$ 32,350,543</b>	<b>\$ 32,083,052</b>	<b>\$ 6,130,111</b>	<b>\$ 6,143,051</b>	<b>\$ 38,480,654</b>	<b>\$ 38,226,103</b>

\*2018 capital assets have been restated. See Note 18 of this report.

Major capital asset events during the current year included the following:

- The changes to the governmental activities capital assets during the year ended December 31, 2019, consisted of the following:
  - Improvements increased by \$856,830 primarily due to the completion of HVAC renovations at the Jail and Annex buildings, offset by current year depreciation.
  - Construction in progress decreased by \$463,056 due to the completion of HVAC renovations, offset by the addition of renovations at the Regional Disaster Recovery & Response building.
- The changes to the business-type activities capital assets during the year ended December 31, 2019, consisted of the following:
  - Improvements decreased by \$221,621 due to the completion of renovations at the Officer Club building, offset by current year depreciation.
  - Construction in process increased by \$105,812 due to the airport paving rehabilitation project, offset by the completion of renovations at the Officer Club building.

Additional information on the County's capital assets can be found in Note 6 of this report.

**CAPITAL ASSETS AND DEBT ADMINISTRATION - (Continued)**

**Long-term debt.** At the end of the current year, the County had total bonded debt outstanding of \$21,585,247. This debt is backed by the full faith and credit of the government.

County of Victoria, Texas

**Outstanding Debt and Net Bond Premium (Discount)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Certificates of obligation	\$ 15,800,000	\$ 6,585,000	\$ -	\$ -	\$ 15,800,000	\$ 6,585,000
General obligation bonds	4,835,000	4,835,000	-	-	4,835,000	4,835,000
Issuance premiums	950,247	708,713	-	-	950,247	708,713
<b>Total</b>	<b>\$ 21,585,247</b>	<b>\$ 12,128,713</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,585,247</b>	<b>\$ 12,128,713</b>

The County's total debt increased by \$9,456,534 (78%) during the current year due to the issuance of the 2019 Certificates of Obligation in the amount of \$9,895,000 for the Citizens Medical Center, a discretely presented component unit. The County maintains an "AA" rating from Standard & Poor's, and Fitch Ratings for general obligation debt. Additional information on the County's long-term debt can be found in Note 14.

**Economic Factors and Next Year's Budgets and Rates**

The annual budget is developed to provide efficient, effective, and controlled use 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.

The final 2020 budget was adopted by Commissioners' Court on September 23, 2019. The budget included a \$1 per hour salary increase. The property tax rate was set at \$0.3959 (39.59 cents) per \$100 assessed taxable valuation, which reflects no change from the prior year. The taxable valuation increased for the 2020 year by \$528.3 million which will result in an increase of tax revenue of \$2,041,005.

**Request for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provide in this report or requests for additional financial information should be addressed to the County Auditor's Office, 115 N. Bridge, Room 122, Victoria, Texas 77901.

## **Basic Financial Statements**

**COUNTY OF VICTORIA, TEXAS****STATEMENT OF NET POSITION - STATUTORY BASIS**

December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 18,353,784	\$ 705,341	\$ 19,059,125	\$ 55,783,287
Investments	11,189,000	-	11,189,000	-
Receivables (net)	26,012,096	37,426	26,049,522	19,275,819
Internal balances	859	(859)	-	-
Due from other governments	2,649,528	-	2,649,528	7,335,375
Due from component unit	10,002,616	-	10,002,616	-
Due from external parties	46,347	-	46,347	-
Inventory	-	50,425	50,425	2,090,500
Estimated amounts due from third-party payers	-	-	-	1,201,861
Prepaid items	-	-	-	3,146,540
<b>Total current assets</b>	<b>68,254,230</b>	<b>792,333</b>	<b>69,046,563</b>	<b>88,833,382</b>
Noncurrent assets				
Capital assets				
Land and other assets not being depreciated	3,233,253	273,492	3,506,745	31,298,384
Buildings, improvements, and equipment (net)	29,117,290	5,856,619	34,973,909	85,963,081
Other assets	-	34,555	34,555	286,714
Net pension asset	-	-	-	6,514,387
<b>Total noncurrent assets</b>	<b>32,350,543</b>	<b>6,164,666</b>	<b>38,515,209</b>	<b>124,062,566</b>
<b>Total assets</b>	<b>100,604,773</b>	<b>6,956,999</b>	<b>107,561,772</b>	<b>212,895,948</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	111,063	-	111,063	-
Deferred outflow related to pension	13,359,288	-	13,359,288	2,442,586
Deferred outflow related to OPEB	81,773	-	81,773	-
<b>Total deferred outflows of resources</b>	<b>13,552,124</b>	<b>-</b>	<b>13,552,124</b>	<b>2,442,586</b>

The accompanying notes are an integral part of this statement.

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 1,386,269	\$ 180,692	\$ 1,566,961	\$ 13,515,460
Accrued expenses	965,203	31,449	996,652	11,879,105
Accrued interest payable	169,732	-	169,732	29,587
Due to other governments	373,875	-	373,875	-
Claims payable	405,838	-	405,838	-
Deposits	1,400	42,481	43,881	-
Unearned revenue	40,670	53,896	94,566	-
Accrued compensated absences	756,382	22,370	778,752	-
Current portion of long-term obligations	954,786	-	954,786	1,465,348
<b>Total current liabilities</b>	<b>5,054,155</b>	<b>330,888</b>	<b>5,385,043</b>	<b>26,889,500</b>
Noncurrent liabilities				
Noncurrent portion of long-term obligations	23,105,022	19,838	23,124,860	19,410,194
Net pension liability	24,756,048	-	24,756,048	-
OPEB liability	1,223,884	-	1,223,884	-
<b>Total noncurrent liabilities</b>	<b>49,084,954</b>	<b>19,838</b>	<b>49,104,792</b>	<b>19,410,194</b>
<b>Total liabilities</b>	<b>54,139,109</b>	<b>350,726</b>	<b>54,489,835</b>	<b>46,299,694</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	26,521,786	-	26,521,786	2,277,279
Deferred inflow related to pension	1,624,135	-	1,624,135	5,579,715
Deferred inflow related to OPEB	140,025	-	140,025	-
<b>Total deferred inflows of resources</b>	<b>28,285,946</b>	<b>-</b>	<b>28,285,946</b>	<b>7,856,994</b>
<b>NET POSITION</b>				
Net investment in capital assets	10,876,359	6,130,111	17,006,470	97,558,119
Restricted for:				
Debt service	573,477	-	573,477	-
Other purposes	3,357,360	-	3,357,360	6,514,387
Unrestricted	16,924,646	476,162	17,400,808	57,109,340
<b>Total net position</b>	<b>\$ 31,731,842</b>	<b>\$ 6,606,273</b>	<b>\$ 38,338,115</b>	<b>\$ 161,181,846</b>

**COUNTY OF VICTORIA, TEXAS**

STATEMENT OF ACTIVITIES - STATUTORY BASIS

For the year ended December 31, 2019

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government	\$ 23,817,872	\$ 6,074,148	\$ 1,814,267	\$ 594,167
Public safety	23,277,427	2,543,329	1,468,772	37,500
Highways and streets	7,226,644	1,408,121	125,925	39,344
Culture and recreation	312,336	3,540	750	-
Public health	4,118,147	782,105	2,991,808	-
Interest on long-term debt	558,442	-	-	-
Total governmental activities	<u>59,310,868</u>	<u>10,811,243</u>	<u>6,401,522</u>	<u>671,011</u>
Business-type activities				
Airport	3,656,509	2,993,978	83,212	237,142
Commissary	175,288	173,247	-	-
Total business-type activities	<u>3,831,797</u>	<u>3,167,225</u>	<u>83,212</u>	<u>237,142</u>
Total primary government	<u>\$ 63,142,665</u>	<u>\$ 13,978,468</u>	<u>\$ 6,484,734</u>	<u>\$ 908,153</u>
<b>Component Units</b>	<u>\$ 232,721,101</u>	<u>\$ 229,428,489</u>	<u>\$ 174,856</u>	<u>\$ -</u>

General revenues

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales taxes

Other taxes

Grants and contributions not restricted to specific programs

Unrestricted Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning, as restated

Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business- type Activities	Total	Component Units
\$ (15,335,290)	\$ -	\$ (15,335,290)	\$ -
(19,227,826)	-	(19,227,826)	-
(5,653,254)	-	(5,653,254)	-
(308,046)	-	(308,046)	-
(344,234)	-	(344,234)	-
(558,442)	-	(558,442)	-
<u>(41,427,092)</u>	<u>-</u>	<u>(41,427,092)</u>	<u>-</u>
-	(342,177)	(342,177)	-
-	(2,041)	(2,041)	-
-	(344,218)	(344,218)	-
<u>(41,427,092)</u>	<u>(344,218)</u>	<u>(41,771,310)</u>	<u>-</u>
-	-	-	(3,117,756)
24,403,092	-	24,403,092	2,109,060
1,411,224	-	1,411,224	-
10,236,137	-	10,236,137	-
338,937	-	338,937	-
254,689	-	254,689	-
766,974	10,444	777,418	1,098,607
422,329	-	422,329	4,287,446
(392,250)	392,250	-	-
<u>37,441,132</u>	<u>402,694</u>	<u>37,843,826</u>	<u>7,495,113</u>
(3,985,960)	58,476	(3,927,484)	4,377,357
<u>35,717,802</u>	<u>6,547,797</u>	<u>42,265,599</u>	<u>156,804,489</u>
<u>\$ 31,731,842</u>	<u>\$ 6,606,273</u>	<u>\$ 38,338,115</u>	<u>\$ 161,181,846</u>

**COUNTY OF VICTORIA, TEXAS**  
**BALANCE SHEET - STATUTORY BASIS**  
**GOVERNMENTAL FUNDS**  
December 31, 2019

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 10,149,049	\$ 8,201,908	\$ 18,350,957
Investments	11,189,000	-	11,189,000
Receivables (net)	21,463,433	4,311,541	25,774,974
Due from other governments	586,152	2,063,376	2,649,528
Due from other funds	3,100,648	12,613	3,113,261
<b>Total assets</b>	<u>\$ 46,488,282</u>	<u>\$ 14,589,438</u>	<u>\$ 61,077,720</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 932,589	\$ 422,910	\$ 1,355,499
Accrued expenditures	712,186	245,287	957,473
Due to other funds	15,525	2,191,962	2,207,487
Due to other governments	373,875	-	373,875
Deposits	1,400	-	1,400
Unearned revenue	17,791	21,882	39,673
<b>Total liabilities</b>	<u>2,053,366</u>	<u>2,882,041</u>	<u>4,935,407</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	26,511,949	6,252,394	32,764,343
<b>Total deferred inflows of resources</b>	<u>26,511,949</u>	<u>6,252,394</u>	<u>32,764,343</u>
<b>FUND BALANCES</b>			
Restricted	-	6,044,140	6,044,140
Unassigned	17,922,967	(589,137)	17,333,830
<b>Total fund balances</b>	<u>17,922,967</u>	<u>5,455,003</u>	<u>23,377,970</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 46,488,282</u>	<u>\$ 14,589,438</u>	<u>\$ 61,077,720</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS****RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION  
OF GOVERNMENTAL ACTIVITIES - STATUTORY BASIS**

December 31, 2019

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<b>Total governmental fund balances</b>		<b>\$ 23,377,970</b>
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
The Internal Service Fund is used by the County to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.		(1,063,954)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as "unavailable" in the funds.		2,814,628
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in fund balance.		3,427,929
Other noncurrent assets (i.e. due from component unit) are not current financial resources and therefore not reported in the funds.		10,002,616
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:		
Governmental capital assets costs	\$ 192,312,448	
Accumulated depreciation of governmental capital assets	<u>(159,961,905)</u>	32,350,543
Deferred outflows of resources are not reported in the governmental funds:		
Deferred amount on refunding	111,063	
Deferred amount on pension	13,359,288	
Deferred amount on OPEB	<u>81,773</u>	13,552,124
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds and certificates payable	(20,635,000)	
Issuance premiums	(950,247)	
Interlocal commitment	(1,362,200)	
Accrued interest payable	(169,732)	
Compensated absences	(1,868,743)	
Net pension liability	(24,756,048)	
OPEB liability	<u>(1,223,884)</u>	(50,965,854)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred amount on pension	(1,624,135)	
Deferred amount on OPEB	<u>(140,025)</u>	<u>(1,764,160)</u>
<b>Net position of governmental activities</b>		<b>\$ <u>31,731,842</u></b>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - STATUTORY BASIS  
GOVERNMENTAL FUNDS**

For the year ended December 31, 2019

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 30,728,850	\$ 5,481,316	\$ 36,210,166
Fees of office and user fees	2,014,812	1,913,506	3,928,318
Intergovernmental	4,062,890	7,120,835	11,183,725
Fines and forfeitures	1,019,779	843,869	1,863,648
Investment income	587,824	176,323	764,147
Licenses and permits	53,980	-	53,980
Contributions	-	895,267	895,267
Miscellaneous	811,152	592,050	1,403,202
<b>Total revenues</b>	<u>39,279,287</u>	<u>17,023,166</u>	<u>56,302,453</u>
<b>EXPENDITURES</b>			
Current			
General government	18,787,807	2,877,075	21,664,882
Public safety	18,699,800	2,570,089	21,269,889
Highways and streets	-	7,044,887	7,044,887
Culture and recreation	237,131	-	237,131
Public health	-	4,656,263	4,656,263
Capital outlay	-	588,441	588,441
Debt service			
Principal retirement	-	933,752	933,752
Interest and fiscal charges	-	427,494	427,494
Bond issuance costs	-	189,043	189,043
<b>Total expenditures</b>	<u>37,724,738</u>	<u>19,287,044</u>	<u>57,011,782</u>
Excess (deficiency) of revenues over expenditures	<u>1,554,549</u>	<u>(2,263,878)</u>	<u>(709,329)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	-	9,895,000	9,895,000
Premium on issuance of bonds	-	296,659	296,659
Payments to component unit	-	(10,002,616)	(10,002,616)
Sale of assets	1,208	-	1,208
Transfers in	17,000	1,737,569	1,754,569
Transfers out	(2,332,410)	(17,000)	(2,349,410)
<b>Total other financing sources (uses)</b>	<u>(2,314,202)</u>	<u>1,909,612</u>	<u>(404,590)</u>
Change in fund balances	(759,653)	(354,266)	(1,113,919)
Fund balances at beginning of year	<u>18,682,620</u>	<u>5,809,269</u>	<u>24,491,889</u>
<b>Fund balances at end of year</b>	<u>\$ 17,922,967</u>	<u>\$ 5,455,003</u>	<u>\$ 23,377,970</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS****RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - STATUTORY BASIS**  
*For the year ended December 31, 2019*

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**Total net change in fund balances - governmental funds** **\$ (1,113,919)**

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

The Internal Service Fund is used by the County to charge the costs of health insurance to individual funds. The net activity of the Internal Service Fund is reported with governmental activities. (480,835)

The net effect of various transactions involving capital assets (i.e., transfers, contributions, adjustments and dispositions) is to increase (decrease) net position. 51,344

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Increase in capital assets	\$ 2,947,898	
Depreciation expense	<u>(2,731,751)</u>	216,147

Issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Bonds at par value	(9,895,000)	
(Premium) discount	<u>(296,659)</u>	(10,191,659)

The payment to a component unit is reported as an other financing use in the governmental funds. However, in the government-wide statements, this payment is reported as a noncurrent asset. 10,002,616

Current year payments on long-term debt are expenditures in the fund financial statements, but they serve to reduce long-term liabilities in the government-wide financial statements. In the current year, these amounts consist of:

Bond principal retirement	680,000	
Interlocal commitment principal retirement	<u>253,752</u>	933,752

Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Similarly, other revenues are not currently available at year end and are not reported as revenue in the governmental funds.

Property taxes	(96,811)	
Other revenues	<u>(545,866)</u>	(642,677)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(321,790)	
Net pension costs	(2,458,801)	
OPEB costs	(38,232)	
Decrease in accrued interest	13,143	
Decrease in loss on bond refunding	(10,174)	
Decrease in bond premium	<u>55,125</u>	<u>(2,760,729)</u>

**Change in net position of governmental activities** **\$ (3,985,960)**

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS**

STATEMENT OF NET POSITION - STATUTORY BASIS

PROPRIETARY FUNDS

December 31, 2019

	<u>Business-type Activities</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 427,546	\$ 277,795	\$ 705,341	\$ 2,827
Receivables (net)	27,605	9,821	37,426	237,122
Due from other funds	2,912	-	2,912	-
Inventory	50,425	-	50,425	-
<b>Total current assets</b>	<u>508,488</u>	<u>287,616</u>	<u>796,104</u>	<u>239,949</u>
Noncurrent assets				
Capital assets				
Land and other assets not being depreciated	273,492	-	273,492	-
Buildings, improvements, and equipment (net)	5,814,851	41,768	5,856,619	-
Deposits	34,555	-	34,555	-
<b>Total noncurrent assets</b>	<u>6,122,898</u>	<u>41,768</u>	<u>6,164,666</u>	<u>-</u>
<b>Total assets</b>	<u>6,631,386</u>	<u>329,384</u>	<u>6,960,770</u>	<u>239,949</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	179,155	1,537	180,692	30,770
Accrued expenses	27,798	3,651	31,449	7,730
Due to other funds	3,598	173	3,771	858,568
Deposits	42,481	-	42,481	-
Unearned revenue	53,896	-	53,896	997
Claims payable	-	-	-	405,838
Accrued compensated absences	18,828	3,542	22,370	-
<b>Total current liabilities</b>	<u>325,756</u>	<u>8,903</u>	<u>334,659</u>	<u>1,303,903</u>
Noncurrent liabilities				
Accrued compensated absences	16,697	3,141	19,838	-
<b>Total noncurrent liabilities</b>	<u>16,697</u>	<u>3,141</u>	<u>19,838</u>	<u>-</u>
<b>Total liabilities</b>	<u>342,453</u>	<u>12,044</u>	<u>354,497</u>	<u>1,303,903</u>
<b>NET POSITION</b>				
Net investment in capital assets	6,088,343	41,768	6,130,111	-
Unrestricted	200,590	275,572	476,162	(1,063,954)
<b>Total net position</b>	<u>\$ 6,288,933</u>	<u>\$ 317,340</u>	<u>\$ 6,606,273</u>	<u>\$ (1,063,954)</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS**

*STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - STATUTORY BASIS  
PROPRIETARY FUNDS*

*For the year ended December 31, 2019*

	<u>Business-type Activities</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,021,599	\$ 172,787	\$ 2,194,386	\$ 3,703,518
Rents	782,400	-	782,400	-
Miscellaneous	189,979	460	190,439	2,002
<b>Total operating revenues</b>	<u>2,993,978</u>	<u>173,247</u>	<u>3,167,225</u>	<u>3,705,520</u>
<b>OPERATING EXPENSES</b>				
Airport operations	2,934,752	-	2,934,752	-
Commissary operations	-	168,416	168,416	-
Health services	-	-	-	4,391,773
Depreciation	721,757	6,872	728,629	-
<b>Total operating expenses</b>	<u>3,656,509</u>	<u>175,288</u>	<u>3,831,797</u>	<u>4,391,773</u>
<b>Operating income (loss) before nonoperating revenues (expenses) and contributions and transfers</b>	(662,531)	(2,041)	(664,572)	(686,253)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income - interest	4,518	5,926	10,444	2,827
Noncapital grants and contributions	83,212	-	83,212	-
<b>Total nonoperating revenues (expenses)</b>	<u>87,730</u>	<u>5,926</u>	<u>93,656</u>	<u>2,827</u>
<b>Income (loss) before contributions and transfers</b>	(574,801)	3,885	(570,916)	(683,426)
<b>Contributions and transfers</b>				
Capital contributions	237,142	-	237,142	-
Transfers in	392,250	-	392,250	202,591
<b>Total contributions and transfers</b>	<u>629,392</u>	<u>-</u>	<u>629,392</u>	<u>202,591</u>
<b>Change in net position</b>	54,591	3,885	58,476	(480,835)
<b>Total net position at beginning of year, as restated</b>	<u>6,234,342</u>	<u>313,455</u>	<u>6,547,797</u>	<u>(583,119)</u>
<b>Total net position at end of year</b>	<u>\$ 6,288,933</u>	<u>\$ 317,340</u>	<u>\$ 6,606,273</u>	<u>\$ (1,063,954)</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS**  
**STATEMENT OF CASH FLOWS - STATUTORY BASIS**  
**PROPRIETARY FUNDS**  
For the year ended December 31, 2019

	<u>Business-type Activities</u>			Governmental Activities- Internal Service Fund
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 2,991,317	\$ 176,566	\$ 3,167,883	\$ 3,977,011
Cash paid to suppliers for goods and services	(1,981,811)	(32,002)	(2,013,813)	(4,268,179)
Cash paid to employees for services	(899,371)	(132,991)	(1,032,362)	(281,865)
<b>Net cash provided (used) by operating activities</b>	<u>110,135</u>	<u>11,573</u>	<u>121,708</u>	<u>(573,033)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Noncapital grants and contributions	78,067	-	78,067	-
Borrowing (repayments) to other funds	8,450	48	8,498	368,291
Transfers in (out) from other funds	392,250	-	392,250	202,591
<b>Net cash provided (used) by noncapital financing activities</b>	<u>478,767</u>	<u>48</u>	<u>478,815</u>	<u>570,882</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(478,548)	-	(478,548)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(478,548)</u>	<u>-</u>	<u>(478,548)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	4,518	5,926	10,444	2,827
<b>Net cash provided (used) by investing activities</b>	<u>4,518</u>	<u>5,926</u>	<u>10,444</u>	<u>2,827</u>
Net increase (decrease) in cash and cash equivalents	114,872	17,547	132,419	676
Cash and cash equivalents at beginning of year	312,674	260,248	572,922	2,151
<b>Cash and cash equivalents at end of year</b>	<u>\$ 427,546</u>	<u>\$ 277,795</u>	<u>\$ 705,341</u>	<u>\$ 2,827</u>

The accompanying notes are an integral part of this statement.

	<u>Business-type Activities</u>			Governmental Activities- Internal Service Fund
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (662,531)	\$ (2,041)	\$ (664,572)	\$ (686,253)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	721,757	6,872	728,629	-
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	(6,646)	3,319	(3,327)	279,743
(Increase) decrease in inventory	(24,715)	-	(24,715)	-
(Increase) decrease in deposits	(29,563)	-	(29,563)	-
Increase (decrease) in accounts payable	100,315	346	100,661	(1,283)
Increase (decrease) in accrued expenses	4,131	868	4,999	1,391
Increase (decrease) in deposits	2,248	-	2,248	-
Increase (decrease) in unearned revenue	1,737	-	1,737	(8,252)
Increase (decrease) in compensated absences	3,402	2,209	5,611	-
Increase (decrease) in claims payable	-	-	-	(158,379)
Total adjustments	<u>772,666</u>	<u>13,614</u>	<u>786,280</u>	<u>113,220</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 110,135</u>	<u>\$ 11,573</u>	<u>\$ 121,708</u>	<u>\$ (573,033)</u>
<b>Noncash capital and related financing activities</b>				
Assets acquired from contributions	<u>\$ 237,142</u>	<u>\$ -</u>	<u>\$ 237,142</u>	<u>\$ -</u>

**COUNTY OF VICTORIA, TEXAS**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
*December 31, 2019*

	Private Purpose Trust	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 104,672	\$ 8,627,505
Receivables (net)		
Other	-	109,758
Deposits	3,654	-
Seized assets	<u>-</u>	<u>10,825</u>
<b>Total assets</b>	<u>108,326</u>	<u>8,748,088</u>
<b>LIABILITIES</b>		
Liabilities		
Accounts payable	59,230	2,454,321
Due to other funds	46,347	-
Due to other governments	<u>-</u>	<u>6,293,767</u>
<b>Total liabilities</b>	<u>105,577</u>	<u>8,748,088</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 2,749</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS**  
*STATEMENT OF CHANGES IN NET POSITION*  
*FIDUCIARY FUNDS*  
*For the year ended December 31, 2019*

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	<u>Private Purpose Trust</u>
<b>ADDITIONS</b>	
Miscellaneous	
Participants' contributions	\$ 231,478
Investment income	<u>1,463</u>
<b>Total additions</b>	<u>232,941</u>
<b>DEDUCTIONS</b>	
General government	
Participants' withdrawals	<u>231,478</u>
<b>Total deductions</b>	<u>231,478</u>
Changes in net position	1,463
Net position - beginning	<u>1,286</u>
<b>Net position - ending</b>	<u>\$ 2,749</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS**

## STATEMENT OF NET POSITION

## COMPONENT UNITS

December 31, 2019

	Victoria County Navigation District	Citizens Medical Center	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 8,354,037	\$ 47,429,250	\$ 55,783,287
Receivables (net)	2,037,289	17,238,530	19,275,819
Due from other governments	-	7,335,375	7,335,375
Supplies inventory	-	2,090,500	2,090,500
Estimated amounts due from third-party payers	-	1,201,861	1,201,861
Prepaid items and other	5,750	3,140,790	3,146,540
Total current assets	<u>10,397,076</u>	<u>78,436,306</u>	<u>88,833,382</u>
Noncurrent assets			
Capital assets			
Land and other assets not being depreciated	16,386,282	14,912,102	31,298,384
Buildings, improvements, and equipment (net)	26,042,288	59,920,793	85,963,081
Other assets	-	286,714	286,714
Net pension asset	-	6,514,387	6,514,387
Total noncurrent assets	<u>42,428,570</u>	<u>81,633,996</u>	<u>124,062,566</u>
<b>Total assets</b>	<u>52,825,646</u>	<u>160,070,302</u>	<u>212,895,948</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow related to pension	-	2,442,586	2,442,586
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>2,442,586</u>	<u>2,442,586</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	111,053	13,404,407	13,515,460
Accrued expenditures/expenses	-	11,879,105	11,879,105
Accrued interest payable	29,587	-	29,587
Current portion of long-term obligations	1,385,698	79,650	1,465,348
Total current liabilities	<u>1,526,338</u>	<u>25,363,162</u>	<u>26,889,500</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations	18,921,472	488,722	19,410,194
Total noncurrent liabilities	<u>18,921,472</u>	<u>488,722</u>	<u>19,410,194</u>
<b>Total liabilities</b>	<u>20,447,810</u>	<u>25,851,884</u>	<u>46,299,694</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow related to property taxes	2,261,469	-	2,261,469
Deferred inflow related to pensions	-	5,579,715	5,579,715
Deferred inflow related to fees	15,810	-	15,810
<b>Total deferred inflows of resources</b>	<u>2,277,279</u>	<u>5,579,715</u>	<u>7,856,994</u>
<b>NET POSITION</b>			
Net investment in capital assets	22,838,189	74,719,930	97,558,119
Restricted for pension	-	6,514,387	6,514,387
Unrestricted	7,262,368	49,846,972	57,109,340
<b>Total net position</b>	<u>\$ 30,100,557</u>	<u>\$ 131,081,289</u>	<u>\$ 161,181,846</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF VICTORIA, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
For the year ended December 31, 2019

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Component Units</b>				
Victoria County Navigation District	\$ 4,275,062	\$ 3,300,457	\$ 174,856	\$ -
Citizens Medical Center	<u>228,446,039</u>	<u>226,128,032</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 232,721,101</u>	<u>\$ 229,428,489</u>	<u>\$ 174,856</u>	<u>\$ -</u>

General revenues:  
Taxes:  
Property taxes, levied for general purposes  
Unrestricted investment earnings  
Miscellaneous  
Total general revenues  
Change in net position  
Net position - beginning  
Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue  
and Changes  
in Net Position

Component Units		
Victoria County Navigation District	Citizens Medical Center	Total
\$ (799,749)	\$ -	\$ (799,749)
-	(2,318,007)	(2,318,007)
(799,749)	(2,318,007)	(3,117,756)
2,109,060	-	2,109,060
233,469	865,138	1,098,607
78,126	4,209,320	4,287,446
2,420,655	5,074,458	7,495,113
1,620,906	2,756,451	4,377,357
28,479,651	128,324,838	156,804,489
\$ 30,100,557	\$ 131,081,289	\$ 161,181,846

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The County of Victoria, Texas (the "County") is a political subdivision of the State of Texas (the "State"). The County is governed by the Commissioners' Court, composed of four (4) County Commissioners and the County Judge, all of whom are elected officials.

The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles, to the extent that its rules do not conflict with State financial laws and the State Constitution. The codification of GASB Statements and Interpretations and any amendments thereto define the Governmental Accounting and Financial Reporting Standards that constitute generally accepted accounting principles (GAAP) for governmental units. GASB recognizes that the establishment of accounting standards for states and local governments, which were created by states, is a power retained by the states.

Prior to 2008, the County prepared financial statements in accordance with GAAP because it did not conflict with State financial laws and the State Constitution. However, the County has concluded that complying with GASB Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), would result in publishing financial statements that are materially misleading. This statement was superseded by GASB 75 for fiscal year 2018. It would also be inconsistent with State financial laws and misrepresent the nature, scope, and duration of the financial activities of the County.

Beginning in 2008, the County prepared its financial statements using the statutory basis of accounting provided by the State in Chapter 2264, Texas Government Code (Chapter 2264), Financial Accounting and Reporting (the "Statutory Basis"). This Statutory Basis is a comprehensive basis of accounting other than GAAP that is consistent with State financial laws and the State Constitution. The statutory accounting practices as prescribed in Chapter 2264 amend or supersede portions of GASB pronouncements.

The only departure from GAAP as a result of applying the Statutory Basis of accounting is in the accounting for and reporting of OPEB. GASB 75 requires state and local governments to establish standards for the measurement, recognition, and display of other postemployment benefits expense/expenditures, related liabilities, and note disclosures in the financial statements. The Statutory Basis differs from GAAP in that GAAP requires a government to report an OPEB liability even when the government has not promised or contracted to fund future benefits and when there is no legally enforceable liability. In other words, GASB 75 does not distinguish between a government that has a legally enforceable liability and a government that does not; nor does it distinguish between a government that has promised benefits and a government that has not. In addition, GASB stated in paragraph 77 of GASB 45, "...the Board affirmed its general presumptions, and that of other standards setters, that an employer that has established a *pattern of providing* postemployment benefits has accepted *responsibility to provide* those benefits". Such presumptions may result in materially misleading financial statements and may be contrary to State law and the actions of the government's governing body.

The Statutory Basis of accounting provides an accounting basis for the County to report any legally enforceable OPEB liability it may have incurred based on the County's "Substantive Plan". A Substantive Plan is defined in Chapter 2264 as a plan providing OPEB approved by the governing body of the plan provider according to the laws and Constitution of the State. The Statutory Basis is consistent with the definition and characteristics of a liability defined in GASB Concepts Statement No. 4, *Elements of Financial Statements* as a "present obligation to sacrifice resources that the government has little or no discretion to avoid". No promises of continuing retirement healthcare benefits beyond 2019 have been made to employees by the Commissioners' Court. The County has included communications both in information provided to employees and in the annual financial statements that specifically state that the decision to provide these benefits is made on an annual basis.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

In summary, the County's presentation of OPEB in its financial statements using the Statutory Basis in Chapter 2264: (1) measures the cost of benefits according to their adoption by the government body of the County; (2) provides an accurate assessment of OPEB liabilities and the extent of their funding for the time period for which the benefits were adopted; and (3) provides information useful in assessing potential demands on the County's future cash flows.

Other significant accounting policies followed by the County are described below.

A. Reporting Entity

As required by GAAP, the County's financial statements present the County and its component units, entities for which the County is considered financially accountable. A component unit is included in the County's reporting entity if either of the following are applicable: (1) the County appoints a voting majority of the component unit's governing body and the County is able to impose its will on the component unit or there is potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the County; (2) the component unit is fiscally dependent on the County and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. The County is required to consider other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

The component units discussed in this note are included in the County's financial statements because the Commissioners' Court appoints a voting majority of the organization's governing body and the County's ability to impose its will on the organizations.

Component Units

The component units' column in the financial statements includes the financial data of the County's two component units. They are reported as discretely presented component units in a separate column to emphasize that they are legally separate from the County.

Victoria County Navigation District - Established to oversee and regulate the maintenance and operations of the Victoria Barge Canal. The District is governed by a Board of Commissioners, each member of which is appointed by the Commissioners' Court of the County. The Commissioners' Court of Victoria also reviews and approves its annual budget. This entity is considered a Governmental Fund Type for the County's reporting purposes and uses the same fiscal year as the County.

Citizens Medical Center - A 338-bed acute care hospital owned by the County and established to provide medical services to the residents of the County and surrounding areas. The Medical Center is governed by a board of directors, each member of which is appointed by the Commissioners' Court of the County. This Court also reviews and approves the annual operating budget of the Medical Center. Citizens Medical Center operates on a fiscal year ending June 30 of each year. The amounts reported for the Medical Center in the financial statements are as of June 30, 2019. The Medical Center is reported as a Proprietary Fund Type in the accompanying financial statements.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

A. Reporting Entity - (Continued)

Complete financial statements for each of the above noted component units may be obtained by contacting their respective administrative offices at the following addresses:

Victoria County Navigation District  
1934 FM 1432  
Victoria, Texas 77905

Citizens Medical Center  
2701 Hospital Drive  
Victoria, Texas 77901

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component units.

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

Separate financial statements are provided for governmental funds, proprietary funds, discretely presented component units, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)

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. The County considers property taxes as available if they are collected within 60 days after year-end. A 120 day availability period is used for recognition of all other Governmental Fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, fines, licenses, charges for services, interest income and intergovernmental revenues. Sales taxes collected and held by the state and other third parties at year-end on behalf of the County are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the County.

The 2019 tax levy is dedicated to pay for expenditures of the 2020 budget. The entire 2019 tax levy has either been recorded as unearned revenue or unavailable revenue as of December 31, 2019.

The County reports the following major governmental fund:

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

The County reports the following major proprietary fund:

Enterprise Funds are used to account for operations: 1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Airport Fund, an enterprise fund, accounts for the operations of and improvements to the County Airport.

Additionally, the County reports the following funds:

The Internal Service Fund accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. The County maintains one Internal Service Fund: Employee Health Insurance Fund.

The Commissary Fund, an enterprise fund, accounts for the operations of commissary stores within correctional facilities.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)

The Private Purpose Trust Fund, or the Flexible Benefits Plan, is used to account for amounts withheld from employee paychecks before FICA and withholding taxes are computed. All resources of the fund, including any earnings on invested resources, may be used to benefit parties outside the County. All the above is according to the plan document. The fund is excluded from the government-wide financial statements.

The Agency Funds account for resources held by the County as an agent for various governments and individuals. These resources include ad valorem taxes collected and to be distributed to other local governments, pass-through grants, various fines and fees to be distributed to other governments, etc. The funds are excluded from the government-wide financial statements.

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

The Debt Service Fund accounts for and report financial resources that are restricted, committed or assigned to expenditure for general government debt principal and interest.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

D. Budgets and Budgetary Accounting

The County Judge is, by statute, the budget officer of the County. After being furnished budget guidelines by the County Judge and Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures. Department officials appear before the County Judge and the County Auditor for departmental budget review. A proposed budget is prepared by the County Auditor, then submitted to the Commissioners' Court. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and estimated cash balance at January 1 of the budgeted year.

Budgets are adopted for the General Fund, Road and Bridge Special Revenue Funds and the Debt Service Fund by the first regular session of the Commissioners' Court in September. All budgets adopted by the County are on the cash basis of accounting rather than in conformity with GAAP. Under the budgetary basis, revenues are recognized as collected and expenditures when paid.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring expenditures to keep them from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control (the level on which expenditures may not exceed appropriations) for each legally adopted annual operating budget is on a line-item basis. Any amendments above the line-item level must have the approval of the Commissioners' Court before implementation. The line-item level of control is defined by the basic categories of salaries, fringe benefits, operating expenditures, other services and charges, capital outlay, and debt service.

Budget revenue amendments made during the year in the County's governmental funds netted an increase of \$11,196,296. Budget expenditure amendments in these funds netted an increase of \$15,164,705.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the County as an extension of formal budgetary integration. Encumbrances outstanding at year-end are not reported as reservations of fund balances. All encumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

E. Deposits and Investments

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

The County may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this Act include, but are not limited to, the following: Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or otherwise secured; and certain repurchase agreements.

The Commissioners' Court has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995. The investments of the County are in compliance with the Commissioners' Court's investment policies.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

G. Inventory and Prepaid Items

Inventories of supplies held by the Airport Fund, an enterprise fund, are valued at the lower of cost (first-in, first-out) or market. Estimated cost is used when actual cost figures are not available.

Certain payments to vendors reflect costs applicable to future accounting periods. These payments are reported as deferred expenditures (governmental funds) or prepaid expenses (proprietary funds) in the fund financial statements and as deferred expenditures/expenses in the government-wide statements.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. The County defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The County reports infrastructure assets on a system basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported regardless of their amount. In the case of the initial capitalization of general infrastructure assets, the County chose to include all such items acquired on or after January 1, 2003. The County reported infrastructure assets acquired prior to January 1, 2003, beginning in year ending December 31, 2007.

As the County constructs or acquires capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is capitalized when acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred during the period of construction until completion of the project with interest earned on invested proceeds over the same period.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than buildings	10-50
Infrastructure	20-40
Machinery and equipment	5-15
Office equipment and fixtures	5-10

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

I. Compensated Absences

Paid time off or PTO benefits are accrued by County employees according to guidelines set in the County's personnel policy. This policy states that PTO begins to accrue on the first day of employment. However, a new hire (regular 40 hour employee) may not begin to use their accrued PTO until they have completed six months of continuous service (with the exception of Public Safety employees, PTO is available after the first bi-weekly accrual). Each employee will thereafter accrue PTO according to the number of years of continuous service. Upon termination of employment, if the employee has completed one year of service, he or she will be paid for accrued but unused PTO. The payment of unused PTO may not exceed 80 hours. All PTO is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-term Obligations

In the government-wide financial statements, and in 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, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs and deferred losses on refunding as expenditures/expenses, during the current period. The face amount of debt issued is reported as other financing 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.

K. Deferred Outflows/Inflows of Resources

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

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension/OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Differences between actuarial assumptions used and actual experience for determination of pension or OPEB liability – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension or OPEB liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

K. Deferred Outflows/Inflows of Resources - (Continued)

In addition to liabilities, the statement of financial position and/or balance sheet 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. This year, the County has the following items that qualify for reporting in this category.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension or OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension or OPEB liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

L. Pensions and OPEB

For purposes of measuring the net pension liability, OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEBS, and pension and OPEB expense, information about the fiduciary net position of the Texas County & District Retirement System (TCDRS) and additions to/deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the County's pension liability is obtained from TCDRS through a report prepared for the County by TCDRS consulting actuary, Milliman, Inc., in compliance with GASB No. 68.

M. Fund Equity

Fund balances of Governmental Funds classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Commissioners Court through a resolution or by other formal action. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments can be made by the Commissioners Court or by a Court designee (e.g., a department head).

N. Net Position/Fund Balance Flow Assumption

For the classification of government-wide and proprietary fund financial statements, it is the County's policy to consider restricted net position before unrestricted net position. For governmental fund balances, the County considers an expenditure to be made from the most restrictive first when more than one classification is available. However, the County has reserved the right to deviate from this general strategy.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

O. Minimum Fund Balance Policy

It is the desire of the County to maintain adequate General Fund fund balance to provide sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Commissioners Court has adopted a financial standard to maintain an unassigned General Fund fund balance of 25 percent of the total budgeted expenditures.

The Commissioners Court has also adopted a financial standard to maintain a restricted Debt Service Fund fund balance of 10 - 25 percent of the following year's debt service requirements, to be used for debt service expenditures.

P. Use of Estimates

The preparation of the government-wide and fund financial statements in conformity with generally accepted accounting principles requires the County to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. Deficit Fund Equity

As of December 31, 2019, the following funds had deficit equity balances:

<u>Fund</u>	<u>Fund Balance/ Net Position</u>
Nonmajor Governmental Fund	
Hurricane Harvey	\$ 589,137
Internal Service Fund	
Employee Health Insurance	1,063,954

Steps will be taken to eliminate these deficits in the upcoming fiscal year.

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**NOTE 3: DEPOSITS AND INVESTMENTS**

The following is a reconciliation of deposit and investment balances as of December 31, 2019:

<u>Deposits and Investments</u>	
Bank Deposits	\$ 18,537,002
Negotiable Certificates of Deposits	11,189,000
LOGIC Investment Pool	5,239,092
Cash on Hand	<u>4,015,208</u>
 Total	 <u>\$ 38,980,302</u>

Deposits

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. All deposits of the County that exceeded the federal depository insurance coverage level of \$250,000 per account were covered by collateral held by the Federal Reserve Bank in the County's name under a collateral agreement with Prosperity Bank. The market value of the collateral held at the Federal Reserve Bank in the County's name at year-end was \$62,452,229. At December 31, 2019, the respective bank balances totaled \$36,541,310.

Investments

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, LOGIC uses amortized cost to value portfolio assets. The pool operates in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pool is the State of Texas. Investments in the pool are classified as cash and cash equivalents for reporting purposes.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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**NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)**Investments - (Continued)

As of December 31, 2019, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>
Negotiable Certificates of Deposits	\$ 11,189,000	\$ -	\$ 11,189,000	\$ -	\$ -
LOGIC Investment Pool	<u>5,239,092</u>	-	-	-	<u>5,239,092</u>
Total	<u>\$ 16,428,092</u>	<u>\$ -</u>	<u>\$ 11,189,000</u>	<u>\$ -</u>	<u>\$ 5,239,092</u>

*Interest Rate Risk*

In accordance with the County's investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio for investments to less than five years from the time of purchase. Specifically, investments of operating funds must have stated final maturities of three years or less and investments in capital project funds must have stated final maturities that do not exceed the expected completion date of the project for which the bonds were sold.

As of December 31, 2019, the County's investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Negotiable Certificates of Deposits	\$ 11,189,000	\$ 245,000	\$ 10,944,000	\$ -	\$ -
LOGIC Investment Pool	<u>5,239,092</u>	<u>5,239,092</u>	-	-	-
Total	<u>\$ 16,428,092</u>	<u>\$ 5,484,092</u>	<u>\$ 10,944,000</u>	<u>\$ -</u>	<u>\$ -</u>

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**NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)****Investments - (Continued)***Credit Risk*

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. It is the County's policy to limit its investments to those with ratings of not less than A or its equivalent.

At December 31, 2019, the County's investments had the following quality ratings:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Negotiable Certificates of Deposits	\$ 11,189,000	\$ -	\$ -	\$ -	\$ 11,189,000
LOGIC Investment Pool	<u>5,239,092</u>	<u>5,239,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 16,428,092</u>	<u>\$ 5,239,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,189,000</u>

*Concentration of Credit Risk*

The County's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity or specific user. At year-end, the County was not exposed to concentration of credit risk.

*Custodial Credit Risk - Investments*

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that securities be held in the name of the County or held on behalf of the County and that all securities are purchased using the delivery versus payment method. As of December 31, 2019, and for the year then ended, the County was not exposed to any custodial credit risk.

Please see Notes 20 and 21 for discussions relative to the cash deposits of the County's two component units.

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**NOTE 4: RECEIVABLES**

Receivables at December 31, 2019, for the County's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Airport</u>	<u>Commissary</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Gross receivables					
Ad valorem taxes	\$ 17,449,438	\$ -	\$ -	\$ 4,663,964	\$ 22,113,402
Sales taxes	1,706,887	-	-	-	1,706,887
Fines	13,561,981	-	-	-	13,561,981
Other	322,586	27,605	9,821	259,582	619,594
Total gross receivables	33,040,892	27,605	9,821	4,923,546	38,001,864
Less: Allowances	11,577,459	-	-	374,883	11,952,342
Total net receivables	<u>\$ 21,463,433</u>	<u>\$ 27,605</u>	<u>\$ 9,821</u>	<u>\$ 4,548,663</u>	<u>\$ 26,049,522</u>

The only receivables not expected to be collected within one year are \$206,909 of fines receivable reported in the General Fund.

The County's governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund			
Ad valorem taxes receivable	\$ 23,121,454	\$ -	\$ 23,121,454
Fines receivable	3,390,495	-	3,390,495
Other	-	17,791	17,791
Nonmajor Funds			
Ad valorem taxes receivable	6,214,960	-	6,214,960
Other	37,434	21,882	59,316
	<u>\$ 32,764,343</u>	<u>\$ 39,673</u>	<u>\$ 32,804,016</u>

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by the following January 31, which comprises the collection dates for the current tax roll. The County of Victoria Tax Assessor-Collector bills and collects its own property taxes.

The County is permitted by State Statute to levy taxes up to \$0.80 per \$100 of assessed valuation. The combined tax rate for the budgetary year ended December 31, 2019, was \$0.3959 per \$100, which means the County has a tax margin of \$0.4041 per \$100.

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**NOTE 5: DUE FROM OTHER GOVERNMENTS**

Various funds of the County reported amounts due from other governments as of the end of the current year. These amounts are comprised of the following at December 31, 2019:

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Contract reimbursements	\$ 467,507	\$ 362,540	\$ 830,047
Federal and state grants	7,938	1,700,836	1,708,774
Alcohol and bingo taxes	<u>110,707</u>	<u>-</u>	<u>110,707</u>
	<u>\$ 586,152</u>	<u>\$ 2,063,376</u>	<u>\$ 2,649,528</u>

**NOTE 6: CAPITAL ASSETS**

The County's capital asset activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 2,615,775	\$ 65,280	\$ -	\$ 2,681,055
Construction in progress	<u>1,015,254</u>	<u>615,164</u>	<u>1,078,220</u>	<u>552,198</u>
Total capital assets not being depreciated	<u>3,631,029</u>	<u>680,444</u>	<u>1,078,220</u>	<u>3,233,253</u>
Capital assets, being depreciated				
Machinery and equipment	19,636,914	1,274,084	361,314	20,549,684
Buildings	22,020,413	412,355	-	22,432,768
Improvements	23,567,620	1,671,235	-	25,238,855
Infrastructure	<u>120,818,544</u>	<u>39,344</u>	<u>-</u>	<u>120,857,888</u>
Total capital assets being depreciated	<u>186,043,491</u>	<u>3,397,018</u>	<u>361,314</u>	<u>189,079,195</u>
Less accumulated depreciation for				
Machinery and equipment	14,510,468	1,356,356	361,314	15,505,510
Buildings	12,279,338	372,917	-	12,652,255
Improvements	16,193,952	814,405	-	17,008,357
Infrastructure	<u>114,607,710</u>	<u>188,073</u>	<u>-</u>	<u>114,795,783</u>
Total accumulated depreciation	<u>157,591,468</u>	<u>2,731,751</u>	<u>361,314</u>	<u>159,961,905</u>
Total capital assets being depreciated, net	<u>28,452,023</u>	<u>665,267</u>	<u>-</u>	<u>29,117,290</u>
Governmental activities capital assets, net	<u>\$ 32,083,052</u>	<u>\$ 1,345,711</u>	<u>\$ 1,078,220</u>	<u>\$ 32,350,543</u>

**NOTE 6: CAPITAL ASSETS - (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Construction in progress	\$ 167,680	\$ 509,300	\$ 403,488	\$ 273,492
Total capital assets not being depreciated	<u>167,680</u>	<u>509,300</u>	<u>403,488</u>	<u>273,492</u>
Capital assets, being depreciated				
Machinery and equipment	1,031,975	174,388	72,671	1,133,692
Buildings	1,111,046	-	-	1,111,046
Improvements	16,899,133	435,489	-	17,334,622
Total capital assets being depreciated	<u>19,042,154</u>	<u>609,877</u>	<u>72,671</u>	<u>19,579,360</u>
Less accumulated depreciation for				
Machinery and equipment	723,215	67,519	72,671	718,063
Buildings	1,107,046	4,000	-	1,111,046
Improvements	11,236,522	657,110	-	11,893,632
Total accumulated depreciation	<u>13,066,783</u>	<u>728,629</u>	<u>72,671</u>	<u>13,722,741</u>
Total capital assets being depreciated, net	<u>5,975,371</u>	<u>(118,752)</u>	<u>-</u>	<u>5,856,619</u>
Business-type activities capital assets, net	<u>\$ 6,143,051</u>	<u>\$ 390,548</u>	<u>\$ 403,488</u>	<u>\$ 6,130,111</u>

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

<b>Governmental activities</b>	
General government	\$ 872,820
Public safety	1,103,108
Highways and streets	647,361
Culture and recreation	47,972
Public health	<u>60,490</u>
Total depreciation expense - governmental activities	<u>\$ 2,731,751</u>
<b>Business-type activities</b>	
Airport	\$ 721,757
Commissary	<u>6,872</u>
Total depreciation expense - business-type activities	<u>\$ 728,629</u>

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**NOTE 7: LESSOR AGREEMENTS**

The Airport Fund, a major enterprise fund, leases land and buildings to various unrelated third parties. Approximately 25% of the Airport Fund's capital assets are used to operate the Airport activities. The total cost of the buildings is \$1,111,046 and is fully depreciated as of December 31, 2019. The total cost of the improvements to the land and buildings is \$17,334,621 and the carrying value is \$5,440,988. Accumulated depreciation on all assets in the Airport Fund is \$13,655,552. Following is an analysis of minimum future rentals due the Airport Fund under noncancelable lease agreements as of December 31, 2019:

<u>Year Ending</u> <u>December 31</u>	
2020	\$ 481,219
2021	199,956
2022	164,316
2023	121,405
2024	<u>81,306</u>
	1,048,202
Thereafter	<u>76,302</u>
	<u>\$ 1,124,504</u>

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**NOTE 8: DEFINED BENEFIT PENSION PLAN**Plan Description

The County provides retirement and disability benefits for all of its full-time 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 multiple-employer public employee retirement system consisting of 781 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 online at [www.tcdrs.org](http://www.tcdrs.org) or upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 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 deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

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

Membership

At the December 31, 2018 valuation and measurement date, the following is the number of members in the plan:

Inactive employees (or their beneficiaries) currently receiving benefits	370
Inactive employees entitled to but not yet receiving benefits	499
Active employees	<u>570</u>
Total	<u>1,439</u>

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 14.04% for the accounting year in 2019. The deposit rate payable by the employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

The deposit rate payable by the employer for calendar year 2019 is the rate of 14.04% as adopted by the governing body of the employer. The employee members deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

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**NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)****Net Pension Liability**

The County's net pension liability was measured as of December 31, 2018, and the total pension liability 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	
Recognition of economic/ demographic gains or losses	Straight-line amortization over expected working life
Recognition of assumptions changes or inputs	Straight-line amortization over expected working life
Asset valuation method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.75%
Salary increases	Varies by age and service. 4.9% average over career including inflation.
Investment rate of return	8.00%, net of administrative and investment expenses, including inflation
Cost of living adjustments	Cost of living adjustments for Victoria County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost of living adjustments is included in the GASB calculations. No assumption for future cost of living adjustments is included in the funding valuation.
Retirement age	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.
Turnover	The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement is 0% for the two years immediately prior to retirement eligibility. Rates are reduced at ages near retirement as it is anticipated that a member would be less likely to take a withdrawal if the partial lump-sum payment option was available. New employees are assumed to replace any terminated members and have similar entry ages.

**NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)**

Net Pension Liability - (Continued)

*Actuarial Assumptions* - (Continued)

Mortality

For service retirees and beneficiaries, 130% and 110% of the RP-2014 Healthy Annuitant Mortality Table for males and females, respectively, both projected with 110% of the MP-2014 Ultimate scale after 2014. For depositing members, 90% of the RP-2014 Active Employee Mortality Table, projected with 110% of the MP-2014 Ultimate scale after 2014. For disabled retirees, 130% and 115% of the RP-2014 Disabled Annuitant Mortality Table for males and females, respectively, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
International Equities - Developed	MSCI World Ex USA (net) Index	10.00%	5.40%
International Equities - Emerging	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	2.00%	7.20%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	6.30%
Hedge Funds	Hedge Rund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

<sup>(1)</sup> Target asset allocation adopted at the April 2019 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.7% per Cliffwater's 2019 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.

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**NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)****Net Pension Liability - (Continued)***Actuarial Assumptions - (Continued)**Discount Rate*

The discount rate used to measure the total pension liability was 8.10%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, 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.

*Changes in Net Pension Liability*

	<b>Increase (Decrease)</b>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	(a)	(b)	(a) - (b)
<b>Balance at 12/31/2017</b>	\$ 150,287,070	\$ 137,054,962	\$ 13,232,108
Changes for the year:			
Service cost	3,806,114	-	3,806,114
Interest	12,163,758	-	12,163,758
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(1,385,186)	-	(1,385,186)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(279,835)	(279,835)	-
Benefit payments	(7,722,626)	(7,722,626)	-
Administrative expense	-	(106,114)	106,114
Member contributions	-	1,951,589	(1,951,589)
Net investment income	-	(2,577,942)	2,577,942
Employer contributions	-	3,847,415	(3,847,415)
Other	-	(54,202)	54,202
Net changes	<u>6,582,225</u>	<u>(4,941,715)</u>	<u>11,523,940</u>
<b>Balance at 12/31/2018</b>	<u>\$ 156,869,295</u>	<u>\$ 132,113,247</u>	<u>\$ 24,756,048</u>

**NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)**

Net Pension Liability - (Continued)

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the District, calculated using the discount rate of 8.10%, as well as what the Victoria County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate:

	1.0% Decrease in Discount Rate (7.10%)	Current Discount Rate (8.10%)	1.0% Increase in Discount Rate (9.10%)
Total pension liability	\$ 177,253,991	\$ 156,869,295	\$ 139,776,758
Fiduciary net position	132,113,247	132,113,247	132,113,247
Net pension liability / (asset)	\$ 45,140,744	\$ 24,756,048	\$ 7,663,511

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS report.

Pension Expense and Deferred Outflows of Resources

For the year ended December 31, 2019, the County recognized pension expense of \$6,530,604. At December 31, 2019, the County reported the following deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,624,135
Changes of assumptions	909,781	-
Net difference between projected and actual earnings	8,377,703	-
Contributions subsequent to the measurement date	4,071,804	-
Total	\$ 13,359,288	\$ 1,624,135

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

Year ended December 31:	Pension Expense Amount
2019	\$ 2,941,976
2020	1,045,270
2021	959,000
2022	2,717,105
2023	-
Thereafter	-
Total	\$ 7,663,351

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**NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB)**

Plan Description and Benefits Provided

The County participates in the retiree Group Term Life program for the TCDRS. All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree GTL program are included in the OPEB plan. The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program. The OPEB benefit is a fixed \$5,000 lump-sum benefit and no future increases are assumed in the \$5,000 benefit amount. The benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year.

Membership

At the December 31, 2018 valuation and measurement date, the following is the number of members in the plan:

Inactive employees currently receiving benefits	313
Inactive employees entitled to but not yet receiving benefits	139
Active employees	<u>570</u>
Total	<u>1,022</u>

Contributions

The County's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000. For GASB 75 purposes, the OPEB plan is not a cost sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. The contributions are held in the GTL fund and the fund does not meet the requirements of a trust under Paragraph 4b of GASB 75 as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.

The County's contribution rates for the program are as follows:

Plan/Calendar Year	Total GTL Contribution (Rate)	Retiree Portion of GTL Contribution (Rate)
2017	0.15%	0.09%
2018	0.15%	0.09%
2019	0.14%	0.11%

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**NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB) - Continued**

Total OPEB Liability

The County's total OPEB liability and the OPEB expense is recognized on the County's financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability.

*Actuarial Assumptions*

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 75.

Valuation timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	
Recognition of economic/ demographic gains or losses	Straight-line amortization over expected working life
Recognition of assumptions changes or inputs	Straight-line amortization over expected working life
Asset valuation method	Does not apply
Inflation	Does not apply
Salary increases	Does not apply
Investment rate of return (Discount rate)	4.10%; 20 year bond GO Index published by bondbuyer.com as of December 28, 2018
Cost of living adjustment	Does not apply
Disability	Based on TCDRS experience
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

**NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB) - Continued**

Total OPEB Liability - (Continued)

*Actuarial Assumptions - (Continued)*

**Mortality** For service retirees and beneficiaries, 130% and 110% of the RP-2014 Healthy Annuitant Mortality Table for males and females, respectively, both projected with 110% of the MP-2014 Ultimate scale after 2014. For depositing members, 90% of the RP-2014 Active Employee Mortality Table, projected with 110% of the MP-2014 Ultimate scale after 2014. For disabled retirees, 130% and 115% of the RP-2014 Disabled Annuitant Mortality Table for males and females, respectively, both projected with 110% of the MP-2014 Ultimate scale after 2014.

**Other Termination of Employment** The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement vary by length of service, entry-age group and gender. No termination after eligibility for retirement is assumed.

*Discount Rate*

The discount rate used to measure the total OPEB liability at December 31, 2018 was 4.10%, an increase from the rate of 3.44% at December 31, 2017. The OPEB plan has been determined to be an unfunded OPEB plan; therefore, only the municipal bond rate applies.

*Changes in Total OPEB Liability*

	<u>Changes in Total OPEB Liability</u>
<b>Balance at 12/31/2017</b>	\$ 1,323,606
Changes for the year:	
Service cost	38,855
Interest	46,441
Changes in benefit terms	-
Effect of economic/demographic experience	877
Effect of assumptions changes/inputs	(160,803)
Benefit payments	(25,092)
Other	-
<b>Balance at 12/31/2018</b>	<u>\$ 1,223,884</u>

**NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB) - Continued**

Total OPEB Liability - (Continued)

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the Total OPEB Liability of the County, calculated using the discount rate of 4.10%, 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 (3.10%) or 1-percentage-point higher (5.10%) than the current rate:

	1.0% Decrease in Discount Rate 3.10%	Discount Rate (4.10%)	1.0% Increase in Discount Rate (5.10%)
County's Total OPEB Liability:	\$1,479,605	\$1,223,884	\$1,027,984

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

For the year ended December 31, 2018, the City recognized OPEB expense of \$69,440.

As of December 31, 2018, the deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 731	\$ 6,023
Changes in actuarial assumptions	49,220	134,002
Contributions subsequent to the measurement date	31,822	-
Total	\$ 81,773	\$ 140,025

Deferred outflows and inflows of resources to be recognized in future OPEB expense (excluding County contributions subsequent to the measurement date) are as follows:

Year ended December 31:	OPEB Expense Amount
2019	\$ (15,856)
2020	(15,856)
2021	(15,856)
2022	(15,855)
2023	(26,651)
Thereafter	-
Total	\$ (90,074)

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**NOTE 10: RETIREE HEALTH BENEFIT PLAN (OPEB)**

In addition to providing pension benefits, the County provides its retirees with post-employment health care benefits. In order for a County employee to be eligible for this benefit, their age combined with their years of service must equal seventy-five (75), or they must have attained the age of sixty (60) and with eight (8) years of service, or they must have twenty (20) or more years of service with Victoria County and can retire at any age with full benefits.

The County pays 45.16% of the premium cost for each retiree under the age of 65 provided they worked for Victoria County for eight (8) or more years. If the retiree worked less than eight (8) years for Victoria County the County will not pay any of the premium cost. The County does not contribute to the premium cost for dependents who may be covered under the retiree's (under 65) health insurance plan.

The County pays 50% of the premium cost for medical coverage only for each retiree over the age of 65. The County does not contribute to the premium cost for dependents for retirees over the age of 65.

Other post-employment benefits are expensed and funded on a pay-as-you-go basis. The County recognizes the cost of providing these benefits as a payroll expense/expenditure in an operating fund with corresponding revenue in the Employee Health Insurance Fund. Payments for health insurance are shown as an expense in the Employee Health Insurance Fund. The cost of providing these benefits for 101 and 105 retirees and active employees for the years 2019 and 2018, respectively, is not separated. Total payments to the Employee Health Insurance Fund by retirees were \$192,888 in 2019 and \$178,574 in 2018.

**NOTE 11: EMPLOYEES' HEALTH INSURANCE FUND**

The County maintains a self-insurance internal service fund designed to pay comprehensive health benefits incurred by its participants. The fund assumes all risk up to \$125,000 of claims per participant annually; after this a reinsurance policy pays any remaining claims for the remainder of the year. Premiums are charged to the individual funds based on a predetermined cost per employee and dependent. These amounts are recorded as operating revenue in the internal service fund and as operating expenditures/expenses in the respective funds. Any claims that have been incurred, but not reported, as of the balance sheet date are shown as current liabilities in the internal service fund and have been charged as an operating expense for that period. This amount was determined by the County's health plan administrator.

As of December 31, 2019, the fund had estimated liabilities for outstanding claims of \$405,838. There was an unrestricted net position of (\$1,063,954) as of December 31, 2019, a decrease of \$480,835 from 2018.

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**NOTE 11: EMPLOYEES' HEALTH INSURANCE FUND - (Continued)**

Below is a reconciliation of claims liabilities reported in the Employee's Health Insurance Fund for the years noted:

<u>Year</u>	<u>Payable Jan 1</u>	<u>Incurred</u>	<u>Paid</u>	<u>Payable Dec 31</u>
2009	\$ 237,750	\$ 2,765,719	\$ 2,851,515	\$ 151,954
2010	151,954	3,197,262	3,160,848	188,368
2011	188,368	1,734,895	1,756,765	166,498
2012	166,498	2,423,413	2,388,999	200,912
2013	200,912	2,343,056	2,365,617	178,351
2014	178,351	2,346,944	2,374,667	150,628
2015	150,628	2,180,671	2,123,249	208,050
2016	208,050	2,734,593	2,694,141	248,502
2017	248,502	3,309,724	3,372,446	185,780
2018	185,780	3,681,389	3,302,952	564,217
2019	564,217	2,993,182	3,151,561	405,838

The above schedule reflects only those claims for which the County was liable. Information on claims paid by the insurance carrier under the reinsurance policy was not available. Settled claims resulting from insured risks have not exceeded insurance coverage in any of the past three fiscal years.

**NOTE 12: DEFERRED COMPENSATION PLAN**

The 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. Except in specified circumstances, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

During 1998, the County transferred plan assets to an independent trust for the exclusive benefit of the participants and their beneficiaries.

**NOTE 13: RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchased commercial insurance to cover risks associated with potential claims in 2019. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

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**NOTE 14: LONG-TERM DEBT****A. Changes In Long-term Liabilities**

Long-term liability activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Bonds and certificates payable					
Certificates of obligation	\$ 6,585,000	\$ 9,895,000	\$ 680,000	\$ 15,800,000	\$ 695,000
General obligation bonds	4,835,000	-	-	4,835,000	-
Less: Deferred amounts					
Issuance premiums	<u>708,713</u>	<u>296,659</u>	<u>55,125</u>	<u>950,247</u>	<u>-</u>
Net bonds and certificates payable	<u>12,128,713</u>	<u>10,191,659</u>	<u>735,125</u>	<u>21,585,247</u>	<u>695,000</u>
Interlocal commitment	<u>1,615,952</u>	<u>-</u>	<u>253,752</u>	<u>1,362,200</u>	<u>259,786</u>
Compensated absences	<u>1,546,953</u>	<u>3,139,450</u>	<u>2,817,660</u>	<u>1,868,743</u>	<u>756,382</u>
Net pension liability	<u>13,232,108</u>	<u>11,523,940</u>	<u>-</u>	<u>24,756,048</u>	<u>-</u>
OPEB liability	<u>1,323,606</u>	<u>-</u>	<u>99,722</u>	<u>1,223,884</u>	<u>-</u>
Total governmental activity long-term liabilities	<u>\$ 29,847,332</u>	<u>\$ 24,855,049</u>	<u>\$ 3,906,259</u>	<u>\$ 50,796,122</u>	<u>\$ 1,711,168</u>
<b>Business-type activities</b>					
Compensated absences	<u>\$ 36,597</u>	<u>\$ 77,556</u>	<u>\$ 71,945</u>	<u>\$ 42,208</u>	<u>\$ 22,370</u>
Total business-type activity long-term liabilities	<u>\$ 36,597</u>	<u>\$ 77,556</u>	<u>\$ 71,945</u>	<u>\$ 42,208</u>	<u>\$ 22,370</u>

For the governmental activities, compensated absences, OPEB liability, and net pension liability are generally liquidated by the General Fund.

**NOTE 14: LONG-TERM DEBT - (Continued)**

**B. General Obligation Certificates and Bonds**

Long-term liabilities at December 31, 2019, are comprised of the following issues:

\$8,500,000 2010 Certificates of Obligation (Radio System and Sheriff's Office) due in annual installments ranging from \$380,000 to \$405,000 through 2020; interest varying between 3.00% and 4.00%.	\$ 405,000
\$6,340,000 2014 Certificates of Obligation due in annual installments ranging from \$280,000 to \$465,000 through 2034; interest varying between 2.00% and 4.00%.	5,500,000
\$4,920,000 2017 Limited Tax Refunding Bonds due in annual installments ranging from \$85,000 to \$570,000 through 2030; interest varying between 2.00% and 4.00%.	4,835,000
\$9,895,000 2019 Certificates of Obligation (Citizens Medical Center) due in annual installments ranging from \$280,000 to \$690,000 through 2039; interest varying between 2.00% and 4.00%.	<u>9,895,000</u>
Total general obligation debt	<u>\$ 20,635,000</u>

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2020	\$ 695,000	\$ 532,166	\$ 1,227,166
2021	990,000	594,159	1,584,159
2022	1,020,000	561,909	1,581,909
2023	1,055,000	527,834	1,582,834
2024	1,085,000	494,234	1,579,234
2025-2029	6,775,000	1,829,318	8,604,318
2030-2034	5,715,000	745,306	6,460,306
2035-2039	<u>3,300,000</u>	<u>196,530</u>	<u>3,496,530</u>
	<u>\$ 20,635,000</u>	<u>\$ 5,481,456</u>	<u>\$ 26,116,456</u>

In December 2019, the County issued \$9,895,000 Certificates of Obligation with interest varying between 2.00% and 4.00% for the direct benefit of the Citizens Medical Center (the "Medical Center"), a discretely presented component unit. The funds were transferred by the County to the Medical Center in December 2019 to be used for the purposes of constructing, improving and equipping the Medical Center, including the hospital's emergency department and paying fiscal and engineering fees in connection with such projects. An agreement between the County and the Medical Center was signed by both parties in December 2019 whereby the Medical Center will transfer funds to the County for payment of the Certificates or any refunding bonds issued. The transfer from the Medical Center to the County would be paid over twenty years beginning in 2020 and continuing through 2039 and shall occur at least thirty days prior to the next upcoming principal and/or interest payment dates. The agreement between the two parties will terminate upon the complete satisfaction in payment of the annual payments by the Medical Center to the County.

The funds transferred by the County to the Medical Center in December 2019 was \$10,002,616 and has been reported as a noncurrent asset on the government-wide financial statements at December 31, 2019 and as payments to component unit on the fund statements for the year ended December 31, 2019.

**NOTE 14: LONG-TERM DEBT - (Continued)**

C. Interlocal Commitment

In February 2010, the County agreed to pay funds (\$3.3 million) to the City of Victoria, Texas (the "City") to assist with the financing of the State Highway Loop 463 Improvement Project ("Project"). According to the agreement, the City is responsible to oversee the construction of the Project with assistance from the Texas Department of Transportation (TxDOT) and to finance the costs of the Project with indebtedness to be issued by the City. In April 2011, the City issued the 2011 Pass-Through Toll Revenue and Limited Tax Bonds in the amount of \$9,740,000 with interest varying between 2.00 and 4.00% for the purpose of paying their obligation arising under the agreement. The payments by the County to the City would be paid over eleven years, \$300,000 per annum, beginning in 2014 and continuing through 2024. The payments are to be made on or before February 1 of each year at an interest rate of approximately 3.00%. The cost of the Project was estimated to be \$22,980,000 and if the costs for the Project come in less than the estimated amount by more than 20.113685814%, the County's total obligation of \$3,300,000 would be reduced by 50% of the savings. The remaining costs of the Project will be contributed by TxDOT. In 2016, the County received an overpass threshold letter from the City reducing the County's remaining payments by \$85,995 in total or \$7,818 per annum. The County's annual payment to the City was adjusted to \$292,182 and will be paid through February 1, 2024.

The County has reported the interlocal commitment as a long-term obligation on the government-wide financial statements at and as of December 31, 2019. The County intends to service the commitment by the levy of the debt service property tax rate.

Annual requirements on this long-term interlocal commitment are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2020	\$ 259,786	\$ 32,396	\$ 292,182
2021	265,965	26,217	292,182
2022	272,290	19,892	292,182
2023	278,765	13,417	292,182
2024	285,394	6,788	292,182
	<u>\$ 1,362,200</u>	<u>\$ 98,710</u>	<u>\$ 1,460,910</u>

**NOTE 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A. Interfund Receivables and Payables

At times during the fiscal year the various funds of the County were involved in transactions that created interfund receivable and payable balances. These transactions related to such things as the purchase of goods by one fund on behalf of another and the receipt of revenue in one fund that belongs to or is designated for another fund.

Interfund receivable and payable balances as of December 31, 2019, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 2,191,962
	Airport	3,598
	Commissary	173
	Internal Service	858,568
	Private Purpose Trust	46,347
Nonmajor Governmental	General	12,613
Airport	General	<u>2,912</u>
Total		<u>\$ 3,116,173</u>

B. Interfund Transfers

Each year various funds of the County transfer funds to other funds. The most significant of these are the planned transfers from the County's General Fund to the Health Department Fund, a Special Revenue Fund. These transfers are intended to provide the necessary resources to meet the operating obligations of the receiving fund. During the current fiscal year, transfers between funds consisted of the following:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Airport</u>	<u>Internal Service</u>	
General	\$ -	\$ 1,737,569	\$ 392,250	\$ 202,591	\$ 2,332,410
Nonmajor Governmental	<u>17,000</u>	-	-	-	<u>17,000</u>
	<u>\$ 17,000</u>	<u>\$ 1,737,569</u>	<u>\$ 392,250</u>	<u>\$ 202,591</u>	<u>\$ 2,349,410</u>

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**NOTE 16: COMMITMENTS AND CONTINGENCIES**

The County is exposed to the risk of contingent liabilities in the ordinary course of its operations. Specifically, such risks arise as a result of the County's participation in various state and federal grant programs and as a result of threatened and pending litigation. Disallowed costs could result if County expenditures made under its grants programs are found to be improper in that they violate state or federal regulations. Such disallowed costs would have to be paid back to the granting agency from the County's General Fund. The County is not aware of any costs that have been disallowed in the current year and does not anticipate that any will be.

As of December 31, 2019, the County was involved in various matters of litigation. It is the opinion of the County's legal counsel that any exposure faced by the County as a result of these matters was minimal. Furthermore, any losses incurred would in all probability be covered by liability insurance carried by the County.

Based on the above information, the accompanying financial statements do not reflect any accrual for contingent liabilities as of the end of the current fiscal year.

**NOTE 17: FUND BALANCES**

The following is a detail of the governmental fund balances as of December 31, 2019:

	<u>Restricted</u>	<u>Unassigned</u>	<u>Total</u>
General			
Unassigned	\$ -	\$ 17,922,967	\$ 17,922,967
Nonmajor Governmental			
Unassigned	-	(589,137)	(589,137)
Road and bridge	2,145,278	-	2,145,278
County/District Clerks	305,369	-	305,369
Public safety	2,008,931	-	2,008,931
Public health	180,887	-	180,887
Courthouse security	124,714	-	124,714
Retirement of long-term debt	541,502	-	541,502
Various government costs	737,459	-	737,459
	<u>\$ 6,044,140</u>	<u>\$ 17,333,830</u>	<u>\$ 23,377,970</u>

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**NOTE 18: RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

There were restatements to the Governmental and Business-type activities, as well as the Airport Fund's capital assets at December 31, 2018. The changes are listed below.

	Government-wide Statement of Net Position		Fund Level Statement of Net Position - Proprietary Fund
	Governmental Activities	Business-type Activities	Airport Fund
Net position at December 31, 2018, as previously reported	\$ 34,702,548	\$ 6,380,117	\$ 6,066,662
Restatement of capital asset balances	<u>1,015,254</u>	<u>167,680</u>	<u>167,680</u>
Net position at December 31, 2018, as restated	<u>\$ 35,717,802</u>	<u>\$ 6,547,797</u>	<u>\$ 6,234,342</u>

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**NOTE 19: TAX ABATEMENTS**

The County enters into property tax abatement agreements with local businesses under the State of Texas Property Redevelopment and Tax Abatement Act. Under the Act, localities may grant property tax abatements of up to 100% of a business' tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County. The Act provides guidelines and criteria that are then adopted for two-year periods. In order to be eligible to receive tax phase-in, over a period of four to ten years, the planned new facility or planned expansion to modernization of an existing facility must meet the following qualifications:

- a. be reasonably expected to increase the appraised value of the property in the amount of not less than five hundred thousand (\$500,000) dollars after construction is completed.
- b. for new construction projects expected to create less than ten new jobs, pay employees in new jobs an aggregate base weekly wage equal to ten times the average weekly wage across all sectors for Victoria County for the most recent calendar quarter reported by the Texas Workforce Commission as of the date of the application.
- c. companies seeking to qualify for tax phase-in on the basis of job retention shall document that without the creation of a reinvestment zone and/or tax phase-in; the company will either reduce or cease operations. The taxes are abated through a reduction of assessed value. The amount of the tax abatement is determined by applying a specific percentage of taxes owed to each year in the abatement period. Provisions for recapturing abated taxes include discontinuation of products or services for a period of one year during the phase-in period, at which time the agreement shall terminate and the taxes shall be paid within 60 days of termination. The agreement can also be terminated if the company violates any of the terms and conditions of its phase-in agreement, or has delinquent unabated ad valorem taxes owed.

For the fiscal year ended December 31, 2019, the County abated property taxes totaling \$445,007 under this program, including the following tax abatement agreements that each exceed 10 percent of the total amount abated:

100 percent tax abatement to a company for locating in the County and constructing a new facility for the purpose of assembling heavy construction equipment. The abatement amounted to \$430,423.

The County has not made any commitments as part of the agreements other than to reduce taxes. The County is not subject to any abatement agreements entered into by other governmental entities. The County has chosen to disclose information about some of its tax abatement agreements individually. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

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**NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT**

As described in Note 1, the Victoria County Navigation District is a component unit of the County. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the County. Following are note disclosures relating to this component unit.

A. Organization

The Victoria County Navigation District (the "District") was created by a vote of the electorate of Victoria County, Texas, at an election held on February 4, 1947, under the provisions of Article 8263(h) V.A.T.S. (now codified into Chapter 62, Texas Water Code). The Board of Navigation and the Canal Commissioners (the "Directors") is the level of government which has oversight responsibility and control over all activities related to the District's activities in the County.

The Directors are appointed by the Commissioners' Court of the County and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters including taxing authority.

B. Summary of Significant Accounting Policies

The accounting and reporting policies of the District conform to GAAP, as applicable to governmental units. For inclusion in this report, the District's operations are reported in a single Governmental Fund Type.

C. Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations

For the year ended December 31, 2019, the District complied with budgetary restrictions.

D. Deposits and Investments

The District's funds are deposited and invested under the terms of the Victoria County's depository contract. The depository bank, Prosperity Bank, deposits for safekeeping and trust with Victoria County's agent bank, approved pledged securities in an amount sufficient to protect the District's funds on a day-to-day basis during the period of the contract. The pledge-approved securities are waived only to the extent of the depository bank's dollar amount of FDIC insurance.

Interest Rate Risk

In accordance with the District's investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase.

Concentration of Credit Risk

The District's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the District was not exposed to concentration of credit risk.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. During the fiscal year and at year-end, all deposits held in the depository bank were fully collateralized and therefore the District was not exposed to custodial credit risk.

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**NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**D. Deposits and Investments - (Continued)Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2019 the District had no investments.

E. Receivables

Receivables at December 31, 2019, consist of the following:

	<u>General Fund</u>	<u>Total</u>
Gross receivables:		
Accounts	\$ 405,288	\$ 405,288
Ad valorem taxes	<u>1,717,895</u>	<u>1,717,895</u>
Total gross receivables	2,123,183	2,123,183
Less: Allowances	<u>85,894</u>	<u>85,894</u>
Total net receivables	<u>\$ 2,037,289</u>	<u>\$ 2,037,289</u>

The District's governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund			
Ad valorem taxes receivable	\$ 2,387,208	\$ -	\$ 2,387,208
Lease revenue	<u>-</u>	<u>15,810</u>	<u>15,810</u>
	<u>\$ 2,387,208</u>	<u>\$ 15,810</u>	<u>\$ 2,403,018</u>

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Taxes are delinquent by February 1 following the October 1 levy date. A statutory lien becomes effective on all property with unpaid taxes as of January 1 of the year following the assessment.

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**NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)****F. Capital Assets**

The District's capital asset activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 16,269,637	\$ -	\$ -	\$ 16,269,637
Construction in progress	<u>906,735</u>	<u>86,646</u>	<u>876,736</u>	<u>116,645</u>
Total capital assets, not being depreciated	<u>17,176,372</u>	<u>86,646</u>	<u>876,736</u>	<u>16,386,282</u>
Capital assets, being depreciated				
Improvements	33,195,882	6,299,208	-	39,495,090
M.P.R.R. Main Line Bridge	4,029,273	-	-	4,029,273
Equipment	<u>232,549</u>	<u>204,440</u>	-	<u>436,989</u>
Total capital assets, being depreciated	<u>37,457,704</u>	<u>6,503,648</u>	-	<u>43,961,352</u>
Less accumulated depreciation for				
Improvements	14,499,860	1,496,192	-	15,996,052
M.P.R.R. Main Line Bridge	1,697,422	88,318	-	1,785,740
Equipment	<u>91,845</u>	<u>45,427</u>	-	<u>137,272</u>
Total accumulated depreciation	<u>16,289,127</u>	<u>1,629,937</u>	-	<u>17,919,064</u>
Total capital assets being depreciated, net	<u>21,168,577</u>	<u>4,873,711</u>	-	<u>26,042,288</u>
Governmental activities capital assets, net	<u>\$ 38,344,949</u>	<u>\$ 4,960,357</u>	<u>\$ 876,736</u>	<u>\$ 42,428,570</u>

Depreciation expense of \$1,629,937 was charged to the general government function/program in 2019.

**NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**

G. Unearned Lease Revenue

The District has tenants that have paid their annual leases in advance and those amounts totaling \$15,810 are included as unearned revenue.

H. Long-term Debt

General Obligation Bonds

The following is a summary of general obligation bond transactions for the year ended December 31, 2019, for governmental activities:

Bonds payable at January 1, 2019	\$ 20,120,000
Additions	-
Retirements	<u>(1,275,000)</u>
Bonds payable at December 31, 2019	<u>\$ 18,845,000</u>

Bonds payable at December 31, 2019, are comprised of the following issues:

2012 Revenue Refunding Bonds due in annual installments of various amounts beginning in 2013 through June 1, 2028; interest rate of 3.05%.	\$ 3,345,000
2012A Port Improvement Revenue Bonds due in annual installments of various amounts beginning in 2013 through June 1, 2032; interest rate of 2.99%.	7,745,000
2015 Port Improvement Revenue Bonds due in annual installments of various amounts beginning in 2016 through June 1, 2030; interest rate of 2.98%.	<u>7,755,000</u>
Total	<u>\$ 18,845,000</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,315,000	\$ 544,969	\$ 1,859,969
2021	1,355,000	504,914	1,859,914
2022	1,390,000	463,733	1,853,733
2023	1,435,000	421,353	1,856,353
2024	1,475,000	377,696	1,852,696
2025-2029	8,105,000	1,184,861	9,289,861
2030-2032	<u>3,770,000</u>	<u>146,469</u>	<u>3,916,469</u>
Total	<u>\$ 18,845,000</u>	<u>\$ 3,643,995</u>	<u>\$ 22,488,995</u>

**NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**

H. Long-term Debt - (Continued)

Notes Payable

The following is a summary of note payable transactions for the year ended December 31, 2019, for governmental activities:

Notes payable at January 1, 2019	\$ 1,531,036
Additions	-
Retirements	<u>(68,866)</u>
Notes payable at December 31, 2019	<u>\$ 1,462,170</u>

Notes payable at December 31, 2019, are comprised of the following issues:

Smith property note due in monthly installments of various amounts beginning in 2016 through June 15, 2036; interest rate of 2.75%.	<u>\$ 1,462,170</u>
Total	<u>\$ 1,462,170</u>

Annual debt service requirements to maturity for the notes payable are as follows:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 70,698	\$ 39,979	\$ 110,677
2021	72,808	37,869	110,677
2022	74,864	35,813	110,677
2023	76,978	33,699	110,677
2024	79,062	31,615	110,677
2025-2029	430,502	122,886	553,388
2030-2034	494,852	58,535	553,387
2035-2036	<u>162,406</u>	<u>3,608</u>	<u>166,014</u>
Total	<u>\$ 1,462,170</u>	<u>\$ 364,004</u>	<u>\$ 1,826,174</u>

I. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchased commercial insurance to cover risks associated with potential claims during fiscal year 2019. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

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**NOTE 21: CITIZENS MEDICAL CENTER**

As described in Note 1, Citizens Medical Center is a component unit of the County. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the County. Following are note disclosures relating to this component unit:

A. Organization

Citizens Medical Center (the "Medical Center") is a 338-bed acute care hospital that is a component unit of the County. The Medical Center is operated by a board of managers (the Board) that is appointed by the County Commissioners' Court. Its primary mission is to provide health care services to the citizens of the County. The Medical Center primarily earns revenues by providing inpatient, outpatient, skilled nursing, home health, and emergency care services to patients in Victoria County and surrounding areas.

The Medical Center controls the operations of 9 and 10 freestanding nursing homes located in the Medical Center's service area at June 30, 2019 and 2018, respectively.

B. Summary of Significant Accounting Policies

The financial statements of the Medical Center have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific, if any, and investment income are included in nonoperating revenues and expenses. The Medical Center first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

The Medical Center prepares its financial statements as a business-type activity in conformity with applicable pronouncements of GASB.

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 and disclosure of contingent 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.

Risk Management

The Medical Center is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than general and professional liability, employee health claims and workers' compensation. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The Medical Center is self-insured for a portion of its exposure to risk of loss from general and professional liability, employee health claims, and workers' compensation. Annual estimated provisions are accrued for the self-insured portion of these risks and include an estimate of the ultimate costs for both reported claims and claims incurred, but not yet reported.

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

B. Summary of Significant Accounting Policies

Investment Income

Investment income for the years ended June 30, 2019 and 2018 consisted of interest earned on bank deposits and interest earned on a note receivable issued in connection with the sale of a clinical lab in 2016.

Patient Accounts Receivable

The Medical Center reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients, and others. The Medical Center provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

Supplies

Supply inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out method.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The following estimated useful lives are being used by the Medical Center:

Land improvements	5 to 25 years
Buildings, building improvements, and fixed equipment	3 to 40 years
Major movable equipment	3 to 25 years

Capital Asset Impairment

The Medical Center evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected accumulated depreciation is increased by the amount of the impairment loss. During the years ended June 30, 2019 and 2018, the Medical Center recognized \$0 and \$197,919, respectively, in impairment loss.

Compensated Absences

Medical Center policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date, plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

B. Summary of Significant Accounting Policies - (Continued)

Deferred Outflows of Resources

The Medical Center reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its balance sheet.

Defined Benefit Pension Plan

The Medical Center has an agent multiple-employer defined benefit pension plan through the Texas Hospital Association (the Plan). For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

The Medical Center reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its balance sheet.

Net Position

Net position of the Medical Center is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted for pension represents assets restricted for providing contributions to the agent multiple-employer defined benefit pension plan which provides pensions in accordance with the benefit terms of the plan. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

At June 30, 2019 and 2018, \$419,069 and \$227,070, respectively, of unrestricted net position has been designated by the Medical Center's Board for self-insured health care. Designated assets remain under the control of the Board, which may, at its discretion, later use these assets for other purposes.

Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis for the period the related services are rendered and such estimated amounts are revised in future periods, as adjustments become known.

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

B. Summary of Significant Accounting Policies - (Continued)

Charity Care

The Medical Center provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

The cost of charity care provided under the Medical Center's charity care policy was approximately \$6,861,000 and \$6,242,000 for 2019 and 2018, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to gross uncompensated charges.

Income Taxes

As an essential government function of the County, the Medical Center is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the Medical Center is subject to federal income tax on any unrelated business taxable income.

Revisions

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. The reclassifications had no effect on changes in financial position.

Certain immaterial revisions have been made to the 2018 financial statements for changes in classification of net position and certain operating expenses (including salaries and wages, employee benefits, and purchased services). These revisions did not have a significant impact on the financial statement line items impacted.

C. Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. These payment arrangements include the following:

Medicare

Inpatient acute care and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, acuity and other factors. The Medical Center is reimbursed for certain services at tentative rates with final settlements determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare administrative contractor. The Medicare administrative contractor has audited the Medical Center's costs reports through June 30, 2016.

Medicaid

Inpatient services are paid under a prospective payment system. Outpatient services rendered to Medicaid program beneficiaries are primarily paid based on a cost reimbursement methodology. The Medical Center is reimbursed for certain services at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by Medicaid.

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

C. Net Patient Service Revenue – (Continued)

Skilled Nursing

Revenue from Medicare skilled nursing patients are generally paid based on prospectively established per diem rates that are based on patient's acuity. Medicaid and private pay rates are also paid based on per diem rates.

Approximately 51% of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2019 and 2018. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

Supplemental Medicaid Funding

In response to the growing number of uninsured patients and the rising cost of health care, the Texas Legislature established a Texas Medicaid Program (DSH Program) that was designed to assist those facilities serving the majority of indigent patients by providing funds supporting increased access to health care within the community. This program allows the Texas Department of Human Services to levy assessments from certain hospitals, use the assessed funds to obtain federal matching funds, and then redistribute the total funds to those facilities serving a disproportionate share of indigent patients in the state of Texas. Beginning in 2019, the Medical Center began to receive DSH funding.

On December 12, 2011, the United States Department of Health and Human Services Commission (HHSC) approved a new Medicaid Section 1115(a) demonstration entitled "Texas Health Transformation Quality Improvement Program" (Waiver). The Waiver expanded existing Medicaid managed care programs and established two funding pools that assist providers with uncompensated care costs (UC Pool) and promotes health system transformation (DSRIP Pool). The revenue from the two funding pools is recognized as earned throughout the demonstration year. The Waiver was originally effective from December 12, 2011 to September 30, 2016 and extended through December 31, 2017 as HHSC and the Centers for Medicare and Medicaid Services (CMS) negotiated a longer term extension. On December 21, 2017, HHSC received an approved extension from CMS for the period of January 1, 2018 through September 30, 2022. Among other changes, the approved plan requires a change in the methodology used to allocate UC funds and a phase out of the DSRIP program over the five year period. The impact of these changes has not yet been determined but could have an adverse impact on the Medical Center's operating results.

The Waiver was originally effective from December 12, 2011 to September 30, 2016 and extended through December 31, 2017 as HHSC and the Centers for Medicare and Medicaid Services (CMS) negotiated a longer term extension. On December 21, 2017, HHSC received an approved extension from CMS for the period of January 1, 2018 through September 30, 2022. Among other changes, the approved plan requires a change in the methodology used to allocate UC funds and a phase out of the DSRIP program over the five year period. The impact of these changes has not yet been determined but could have an adverse impact on the Medical Center's operating results.

For the years ended June 30, 2019 and 2018, the Medical Center recognized revenue from these programs of approximately \$13,199,000 and \$11,998,000, respectively, which is included as net patient service revenue in the accompanying statements of revenues, expenses and changes in net position. Amounts receivable under these programs were approximately \$1,649,000 and \$925,000 at June 30, 2019 and 2018, respectively, which is included as due from other governments in the balance sheets. At June 30, 2019, the Medical Center had recorded approximately \$807,000 of DSH revenue for services to be provided in 2020. These amounts are reported as revenue received in advance within accrued expenses in the accompanying balance sheets and will be recognized as revenue during the period in which services are provided.

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

C. Net Patient Service Revenue - (Continued)

Supplemental Medicaid Funding - (Continued)

The Medical Center participated in a collaboration with Memorial Herman Health System (MHHS) during the year ended June 30, 2016. On October 1, 2016, MHHS assigned the agreement to Fort Bend Clinical Services, Inc. (FBCS). The agreement allows the parties to improve access to healthcare for indigent persons residing in the Victoria community. As part of the collaboration, MHHS and FBCS supported organizations that provide physician services in the Victoria area. The value of services provided to the indigent in the Victoria community was approximately \$2,756,000 and \$2,747,000 during the years ended June 30, 2019 and 2018, respectively. The Medical Center recorded expenses of approximately \$1,805,000 and \$1,971,000 during the years ending June 30, 2019 and 2018, respectively. These expenses are reflected as a component of purchased services and professional fees expense in the statements of revenues, expense and changes in net position. This arrangement was terminated effective September 30, 2019.

During 2018, the Medical Center began to participate in the Uniform Hospital Rate Increase Program (UHRIP). Under UHRIP, HHSC may direct managed care organizations in a service delivery area to provide a uniform percentage rate increase to all hospitals within a particular class of hospitals. The program increases revenue from services provided to the Medicaid managed care beneficiaries. The state's share of UHRIP funding is funded through intergovernmental transfers from certain hospitals, including the Medical Center. At June 30, 2019 and 2018, the Medical Center recorded approximately \$527,000 and \$537,000 of prepaid intergovernmental transfers that has been recognized in prepaid items and other in the balance sheets.

The Medical Center began participating in the Quality Improvement Payment Program (QIPP) on September 1, 2017. The program is designed to assist nursing facilities serving indigent patients by providing funding to support increased access to health care within the community. It is also designed to allow participating providers to receive additional reimbursement if they either reach a national benchmark level or they make quarterly improvements in up to four predetermined quality measures.

Revenue recognized under the QIPP program (net of any intergovernmental transfer payments) was approximately \$8,964,000 and \$8,156,000 for the years ended June 30, 2019 and 2018, respectively, and is included in nursing home net patient service revenue in the statements of revenues, expenses, and changes in net position. At June 30, 2019 and 2018, the Medical Center recorded estimated receivables under this program of approximately \$5,686,000 and \$5,401,000, respectively, which are included as due from other governments in the balance sheets. At June 30, 2019 and 2018, the estimated receivable included \$3,852,000 and \$3,473,000 of prepaid intergovernmental transfers, which the Medical Center is required to contribute in advance of receiving any gross proceeds.

The programs described above are subject to review and scrutiny by both the Texas Legislature and the CMS and the programs could be modified or terminated based on new legislation or regulation in future periods. Additionally, the funding the Medical Center has received is subject to audit and is not representative of funding to be received in future years.

**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

D. Patient Accounts Receivable

The Medical Center grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at June 30, 2019, consisted of these amounts:

Hospital		
Patients and their insurance carriers		\$ 21,396,557
Medicare		3,649,127
Medicaid		521,803
		<u>25,567,487</u>
Nursing Homes		
Patients and their insurance carriers		79,080
Medicare		2,428,886
Medicaid		2,595,838
		<u>5,103,804</u>
		30,671,291
Less allowance for uncollectible amounts		<u>13,432,761</u>
Total		<u>\$ 17,238,530</u>

E. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Transfers	Disposals	Balance June 30, 2019
Land and land improvements	\$ 11,385,820	\$ -	\$ -	\$ -	\$ 11,385,820
Buildings, improvements, and fixed equipment	127,914,788	341,465	2,043,771	-	130,300,024
Major moveable equipment	90,821,778	632,654	1,728	(2,142,075)	89,314,085
Construction in progress	2,188,329	3,383,452	(2,045,499)	-	3,526,282
	<u>232,310,715</u>	<u>4,357,571</u>	<u>-</u>	<u>(2,142,075)</u>	<u>234,526,211</u>
Less accumulated depreciation:					
Land improvements	3,485,052	149,847	-	-	3,634,899
Buildings, improvements, and fixed equipment	77,695,769	3,997,398	-	-	81,693,167
Major moveable equipment	72,291,548	4,215,777	-	(2,142,075)	74,365,250
	<u>153,472,369</u>	<u>8,363,022</u>	<u>-</u>	<u>(2,142,075)</u>	<u>159,693,316</u>
Capital assets, net	<u>\$ 78,838,346</u>	<u>\$ (4,005,451)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,832,895</u>

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

F. Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Medical Center's deposit policy for custodial credit risk requires compliance with the provisions of the *Texas Public Funds Investment Act*.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; bonds of any city, county, school district or special road district of the State of Texas; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

At June 30, 2019 and 2018, the Medical Center's had bank balances of \$45,410,800 and \$38,150,001, respectively. At June 30, 2019 and 2018, \$169,069 and \$0, respectively, was uninsured and uncollateralized. The remaining cash was insured or collateralized by assets held in other than the Medical Center's name based on the Medical Center's cash management arrangement with the County Treasurer. The County maintains custody of the Medical Center's operating cash accounts and is responsible for obtaining appropriate collateralization of such accounts.

G. Accounts Payable and Accrued Expenses

Accounts payable and accrued payroll and expenses included in current liabilities at June 30, 2019, consisted of:

Payable to suppliers and contractors	\$	9,045,566
Payable to employees (including payroll taxes and benefits)		6,262,179
Payable under management fee arrangement		7,345,598
Revenue received in advance		945,617
Payable under self-insured programs		<u>1,684,552</u>
Total	\$	<u>25,283,512</u>

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)****H. Self-insured Claims**

The Medical Center partially self-insures the cost for its general and professional liability, employee health care benefits costs, and workers' compensation claims. *The Texas Tort Claims Act* limits the Medical Center's general and professional liability to \$100,000 per claim and \$300,000 per occurrence. The Medical Center purchases annual stop-loss insurance coverage for all employee health care benefits and workers' compensation claims. Stop-loss coverage began at \$400,000 and \$350,000 for workers compensation claims at June 30, 2019 and 2018, respectively. Stop-loss coverage for employee health claims began at \$300,000 and \$250,000 at June 30, 2019 and 2018, respectively.

Losses from asserted and unasserted claims identified under the Medical Center's incident reporting system are accrued based on estimates that incorporate the Medical Center's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. It is reasonably possible that the Medical Center's estimate of losses will change by a material amount in the near term.

Activity in the Medical Center's self-insured claims liability accounts during 2019 and 2018 are summarized as follows:

	2019		
	Employee Health Care Benefits	Worker's Compensation	General and Professional Liability
Balance, beginning of year	\$ 3,000,000	\$ 523,518	\$ 300,000
Current year claims incurred and changes in estimates for claims incurred in prior years	12,246,508	97,312	-
Claim and expenses paid, net	<u>(13,666,508)</u>	<u>(360,871)</u>	<u>-</u>
Balance, end of year	<u>\$ 1,580,000</u>	<u>\$ 259,959</u>	<u>\$ 300,000</u>

	2018		
	Employee Health Care Benefits	Worker's Compensation	General and Professional Liability
Balance, beginning of year	\$ 1,400,000	\$ 470,357	\$ 300,000
Current year claims incurred and changes in estimates for claims incurred in prior years	12,288,603	403,259	-
Claim and expenses paid, net	<u>(10,688,603)</u>	<u>(350,098)</u>	<u>-</u>
Balance, end of year	<u>\$ 3,000,000</u>	<u>\$ 523,518</u>	<u>\$ 300,000</u>

The accrual for general and professional liability claims and workers' compensation claims are presented as other long-term liabilities on the balance sheets. The accrual for employee health care benefits as well as the current portion of workers' compensation is included in accrued expenses on the accompanying balance sheets.

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)****I. Nursing Home Operations**

Effective March 1, 2014, the Medical Center entered a series of lease and management agreements with two nursing home operators that resulted in the Medical Center becoming the legal operator of twelve nursing homes. Effective February 28, 2015 and September 1, 2018, the management agreements for two and one, respectively of these freestanding nursing homes was terminated by the Medical Center. The lease agreements generally call for monthly payments ranging from approximately \$27,000 to \$195,000 per facility. Under the terms of these agreements, the Medical Center incurred approximately \$7,803,000 and \$8,166,000 of rental expense in 2019 and 2018, respectively, which is included in nursing facility expenses on the statement of revenues, expenses and changes in net position. Future minimum lease payments under these cancelable agreements at June 30, 2019, were approximately \$5,767,000 and \$2,536,000 for 2020 and 2021, respectively.

Under the management agreement, the managers provide all services necessary to operate the homes, including employees, supplies and other operating costs. The managers also provide all billing and collection services. All patient revenue from the facilities is paid to the Medical Center. From these collections, the Medical Center pays the managers for all facility costs and the management fees pursuant to the agreements. However, Medical Center payments to the manager are generally limited to the amount of net patient revenue received from the facilities. At its option, the Medical Center may pay additional amounts to the manager above the amounts collected for patient revenue.

**J. Pension Plan**

The Medical Center sponsors a public employee defined benefit pension plan for eligible employees within an agent multiple-employer retirement program sponsored for member hospitals by the Texas Hospital Association (THA). HealthSHARE, a wholly owned subsidiary of THA, is the plan administrator of the Plan. The Plan's assets are invested as a portion of the THA's master pension trust fund. Benefit provisions are contained in the plan document and were established and can be amended only with the authority of the Medical Center's Board. The Plan does not issue a stand-alone financial report. However, an annual actuarial valuation report is available from the Medical Center or HealthSHARE. That report may be obtained by writing HealthSHARE at 1108 Lavaca, Suite 700, Austin, Texas 78701.

**Benefits Provided**

The Plan provides retirement, disability and survivor benefits to plan members and their beneficiaries. Additionally, the Plan provides fully vested benefits to terminated employees who have at least five years of vesting service. Employees may retire (with reduced benefits) at age 60 with five years of vesting service. The monthly benefit at normal retirement (age 65 plus five years of Plan participation) for participants who entered the plan prior to March 1, 2018, payable in a lifetime annuity during the final five years of employment, ranges from 1.75% to 3.25% times the years of service times average monthly compensation, subject to certain benefit limits. The monthly benefit at normal retirement (65 plus five years of Plan participation) for participants who entered or re-entered the plan on or after March 1, 2018, payable in a lifetime annuity during the final five years of employment, ranges from 1.50% to 3.00% times the years of service times average monthly compensation, subject to certain benefit limits.

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

J. Pension Plan - (Continued)

Benefits Provided - (Continued)

The terms of the Plan provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date provided the employee joined the plan prior to March 1, 2018. The annual adjustments are equal to the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2%. No cost of living adjustments are available for benefits earned by participants who entered or re-entered the plan on or after March 1, 2018.

The employees covered by the Plan at February 28, 2019 are:

	<u>2019</u>
Inactive employees or beneficiaries currently receiving benefits	152
Inactive employees entitled to but not yet receiving benefits	424
Active employees	<u>865</u>
	<u>1,441</u>

Contributions

The Medical Center's governing body has the authority to establish and amend the contribution requirements of the Medical Center and active employees.

The governing body establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Plan participants are required to contribute 4.0% to 5.5% of their compensation, depending on the benefits class to which they are assigned.

The Medical Center is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2019 and 2018, employees contributed approximately \$2,156,000 and \$2,218,000, respectively, and the Medical Center contributed \$1,927,000 and \$3,106,000, respectively. Employee contributions expressed as a percentage of annual pay was 3.5% and 5.3% for June 30, 2019 and 2018, respectively.

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**J. Pension Plan - (Continued)Net Pension Liability (Asset)

The Medical Center's net pension liability (asset) was measured as of February 28, 2019 and 2018, for the years ended June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability (asset) was determined by the roll forward procedure of the total pension liability in the actuarial valuation as of March 1, 2018 and March 1, 2017, respectively, with the results rolled forward to February 28, 2019 and 2018, for the years ended June 30, 2019 and 2018, respectively.

The total pension liability in the March 1, 2018 and 2017, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	5.1%, average, including inflation
Ad hoc cost of living adjustments	Not included
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real estate return by the target asset allocation percentage and by adding expected inflation (2.5%). In addition, the final investment rate of return assumption reflected a reduction of 0.20% for adverse deviation. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities		
U.S. Equities		
Large cap	50%	6.0%
Small cap	15%	6.5%
International Equities	10%	5.5%
Fixed income	25%	1.7%
Total	100%	

**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

J. Pension Plan - (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25% at both February 28, 2019 and 2018. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Medical Center contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, 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.

Changes in the total pension liability, plan fiduciary net position and the net pension (asset) for the year ended June 30, 2019 is as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at July 1, 2018	\$ 95,799,927	\$ 105,553,437	\$ (9,753,510)
Changes for the year:			
Service cost	4,386,810	-	4,386,810
Interest	7,106,438	-	7,106,438
Differences between expected and actual experience	(621,610)	-	(621,610)
Member contributions	-	2,200,002	(2,200,002)
Employer contributions	-	2,181,290	(2,181,290)
Net investment income	-	3,312,209	(3,312,209)
Benefit payments, including refunds of employee contributions	(4,333,807)	(4,333,807)	-
Administrative expenses	-	(515,454)	515,454
Assumption changes	(463,334)	-	(463,334)
Amendment changes	8,866	-	8,866
Net changes	<u>6,083,363</u>	<u>2,844,240</u>	<u>3,239,123</u>
Balances at June 30, 2019	<u>\$ 101,883,290</u>	<u>\$ 108,397,677</u>	<u>\$ (6,514,387)</u>

The net pension liability (asset) of the Medical Center has been calculated using a discount rate of 7.25%. The following presents the net pension liability (asset) using a discount rate 1% higher and 1% lower than the current rate.

	<b><u>1% Decrease</u></b>	<b><u>Current Discount Rate</u></b>	<b><u>1% Increase</u></b>
Medical Center's net pension (asset) liability	<u>\$ 5,754,767</u>	<u>\$ (6,514,387)</u>	<u>\$ (16,029,217)</u>

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**J. Pension Plan - (Continued)Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2019 and 2018, the Medical Center recognized pension expense of \$1,734,006 and \$5,635,477, respectively. At June 30, 2019, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 839,625	\$ 643,622
Changes of assumptions	869,629	4,880,556
Net difference between projected and actual earnings on plan investments	-	55,537
Contributions subsequent to the measurement date	<u>733,332</u>	<u>-</u>
	<u>\$ 2,442,586</u>	<u>\$ 5,579,715</u>

At June 30, 2019 and 2018, the Medical Center reported \$733,332 and \$1,006,110, respectively, as deferred outflows of resources related to pensions resulting from Medical Center contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability at February 28, 2020 and 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2019, related to pensions, will be recognized in pension expense as follows:

Year ending June 30:	
2020	\$ (595,160)
2021	(2,717,905)
2022	(1,422,087)
2023	<u>864,691</u>
	<u>\$ (3,870,461)</u>

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)****K. Pension Plan Fiduciary Net Position**

As of February 28, 2019 and 2018, the master pension trust fund was comprised of the following:

	2019	2018
Cash and cash equivalents	\$ 2,131,170	\$ 247,288
Investments at fair value:		
Common stocks	67,394,714	91,668,457
Mutual funds	308,124,601	355,498,003
Common/collective trust funds	201,383,522	280,295,834
103-12 investment fund	27,445,343	35,979,989
Total investments at fair value	604,348,180	763,442,283
Total plan fiduciary net pension	\$ 606,479,350	\$ 763,689,571

The Plan's interest in the master pension trust fund of the measurement date of February 28, 2019 and 2018, was \$108,397,677 and \$105,553,437, respectively.

*Investment Policy* – Investment policy decisions are established and maintained by the Trustees of the THA Retirement Plan for Member Hospitals. The Trustees have several asset mix alternatives from which participating employers may choose in order to control risk. The Trustees employ and select investment managers with the advice of investment counsel which is completely independent of the investment managers.

The primary goal of a pension fund is to help pay the cost of the pension plan while providing adequate security to meet the benefits promised under the Plan. As a consequence, two important dimensions of a pension plan's investment program are expected return and expected risk.

The Plan trustees diversify plan investments among asset classes, recognizing that there is a relationship between the level of risk assumed in an investment program and the level of return that should be expected. Appropriate diversification better enables the Plan trustees to balance risk and return. The fund's diversification guidelines are set forth below.

Asset Class/Style	Target Asset Mix
Large cap U.S. equities	50%
Small cap U.S. equities	15%
International equities	10%
Total equities	75%
Intermediate fixed income	25%
Long duration fixed income	0%
Total fixed income	25%

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

K. Pension Plan Fiduciary Net Position - (Continued)

The Trustees maintain a portfolio structure that may combine active and passive management in order to balance the objectives of enhanced return and cost control.

Passive equity and fixed income portfolios invest in a substantially similar manner as that of the underlying benchmark.

Active equity managers have the following requirements:

- The equity portion of the portfolio should not be less than 90 percent of the portfolio, measured at market value.
- Equity holdings in any one economic sector should not exceed the greater of 30 percent of the portfolio or 10 percentage points above the sector weight in the benchmark.

Equity holdings in any single company (including common stock and convertible securities) should not exceed 10 percent of the portfolio.

Active fixed income managers have the following requirements:

- The primary investments should be government, corporate and mortgage securities.
- Holdings in obligations of any single entity (with the exception of the U.S. government and/or its agencies) should not exceed 5 percent of the portfolio.

The common collective trust fund investment objective is to approximate as closely as practicable, before expenses, to the performance of the S&P 500 Index over the long term.

The 103-12 investment fund objective is to approximate as closely as practicable to the performance of the MSCI EAFE Index.

*Investment Rate of Return* – The annual money-weighted rate of return on pension plan investments, net of expenses, which expresses net investment performance adjusted for changing amounts actually invested each month was 11.20 percent for the 12 months ended March 1, 2018.

*Credit Risk* – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Plan's policy to limit its holdings in obligations of any single entity, excluding U.S. government and its agencies, to 5 percent of the portfolio.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the Plan's investments are held in trust accounts.

*Concentration of Credit Risk* – It is the Plan's policy to limit equity holdings in any one economic sector to the greater of 25 percent of the portfolio or 10 percent above the sector weight in the benchmark and limit equity holdings in any single company to 7 percent of the portfolio. Additionally, the Plan's policy limits holdings in fixed income obligations of any single entity, excluding U.S. government and its agencies, to 5 percent of the portfolio.

**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

K. Pension Plan Fiduciary Net Position - (Continued)

The following table reflects the Plan's investments in single issuers that represent more than 5 percent of total investments:

	2019	2018
State Street TR Pass Bond Market Index Fund	11.4%	13.0%
PIMCO Total Return Fund	11.4%	13.0%
S + P 500 Flagship Fund	33.2%	36.7%
Vanguard Small Cap Index	13.6%	14.8%

Following is a description of the valuation methodologies and inputs used for pension plan assets measured at fair value on a recurring basis, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

The fair value of the master pension trust fund assets at February 28, 2019 and 2018, were as follows:

	Carrying Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
February 28, 2019:				
Investments by fair value level:				
Common stocks	\$ 67,394,714	\$ 67,394,714	\$ -	\$ -
Mutual funds	<u>308,124,601</u>	<u>308,124,601</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>375,519,315</u>	<u>\$ 375,519,315</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV) (A):				
Common/collective trust fund	201,383,522			
103-12 investment fund	<u>27,445,343</u>			
Total investments measure at NAV	<u>228,828,865</u>			
Total investments measured at fair value	<u>\$ 604,348,180</u>			

**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

K. Pension Plan Fiduciary Net Position - (Continued)

	Carrying Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
February 28, 2018:				
Investments by fair value level:				
Common stocks	\$ 91,668,457	\$ 91,668,457	\$ -	\$ -
Mutual funds	<u>355,498,003</u>	<u>355,498,003</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>447,166,460</u>	<u>\$ 447,166,460</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV) (A):				
Common/collective trust fund	280,295,834			
103-12 investment fund	<u>35,979,989</u>			
Total investments measure at NAV	<u>316,275,823</u>			
Total investments measured at fair value	<u>\$ 763,442,283</u>			

(A). Certain investments that are measured at fair using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts disclosed for total plan investments at fair value.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Plan did not hold any Level 2 or 3 securities at March 1, 2019 or 2018.

The valuation method of investments measured at the net asset value (NAV) per share (or its equivalent) are presented as above. There were no unfunded commitments or redemption restrictions for these funds.

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**NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**

L. Litigation

In the normal course of business, the Medical Center is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Medical Center's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Medical Center evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

M. Insurance Recoveries and FEMA Funding

On August 26, 2017, the Medical Center began emergency preparations for a shelter in place for the landfall of Hurricane Harvey. Over the next two days, 134 patients were transported to other providers in Texas due to damage sustained on the property by the hurricane. The Medical Center lost power and water and was functioning on emergency power from generators for several days. Hurricane Harvey caused additional expenses of approximately \$3,100,000 in 2018, as well as property insurance claims of approximately \$5,449,000 due to facilities being damaged. This resulted in recoveries from insurance proceeds of approximately \$1,457,000 and \$3,838,000 in 2019 and 2018, respectively. Any additional recovery proceeds received will be recorded in the period received.

During 2019, the Medical Center received approximately \$2,734,000 from the Federal Emergency Management Agency (FEMA) due to structural damages incurred by Hurricane Harvey. No FEMA funding was received in 2018. FEMA funding is included in capital grants and gifts in the accompanying statement of revenues, expenses, and changes in net position.

**Required Supplementary Information**

**COUNTY OF VICTORIA, TEXAS***MAJOR GOVERNMENTAL FUND - GENERAL FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - STATUTORY BASIS**For the year ended December 31, 2019*

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>					
Taxes	\$ 30,563,377	\$ 30,873,999	\$ 30,786,343	\$ 57,493	\$ 30,728,850
Fees of office and user fees	2,008,800	2,081,500	1,995,708	(19,104)	2,014,812
Intergovernmental	3,671,482	3,749,327	3,857,425	(205,465)	4,062,890
Fines and forfeitures	1,180,100	1,180,100	1,018,181	(1,598)	1,019,779
Investment income					
Interest	500,100	500,100	587,356	(468)	587,824
Licenses and permits	42,000	42,000	53,650	(330)	53,980
Miscellaneous	907,126	927,087	822,232	11,080	811,152
<b>Total revenues</b>	<u>38,872,985</u>	<u>39,354,113</u>	<u>39,120,895</u>	<u>(158,392)</u>	<u>39,279,287</u>
<b>EXPENDITURES</b>					
Current					
General government	17,946,015	19,538,266	18,515,278	(272,529)	18,787,807
Public safety	19,159,720	19,430,286	18,348,598	(351,202)	18,699,800
Culture and recreation	255,716	255,716	235,920	(1,211)	237,131
<b>Total expenditures</b>	<u>37,361,451</u>	<u>39,224,268</u>	<u>37,099,796</u>	<u>(624,942)</u>	<u>37,724,738</u>
Excess (deficiency) of revenues over expenditures	<u>1,511,534</u>	<u>129,845</u>	<u>2,021,099</u>	<u>466,550</u>	<u>1,554,549</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of assets	5,000	5,000	1,208	-	1,208
Transfers in	52,000	52,000	17,000	-	17,000
Transfers out	(1,572,309)	(2,311,199)	(2,290,281)	42,129	(2,332,410)
<b>Total other financing sources (uses)</b>	<u>(1,515,309)</u>	<u>(2,254,199)</u>	<u>(2,272,073)</u>	<u>42,129</u>	<u>(2,314,202)</u>
Change in fund balance	(3,775)	(2,124,354)	(250,974)	508,679	(759,653)
Fund balance, January 1	<u>17,295,536</u>	<u>17,295,536</u>	<u>17,295,536</u>	<u>(1,387,084)</u>	<u>18,682,620</u>
<b>Fund balance, December 31</b>	<u>\$ 17,291,761</u>	<u>\$ 15,171,182</u>	<u>\$ 17,044,562</u>	<u>\$ (878,405)</u>	<u>\$ 17,922,967</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

The accompanying notes to required supplementary information are an integral part of this schedule.

**COUNTY OF VICTORIA, TEXAS**

*SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS*

*TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION*

*Last ten years*

	Measurement Year		
	2014	2015	2016
<b>Total Pension Liability</b>			
Service cost	\$ 3,577,472	\$ 3,776,298	\$ 4,065,893
Interest (on the total pension liability)	9,485,056	10,149,077	10,684,513
Effect of plan changes	-	(701,094)	-
Effect of assumption changes or inputs	-	1,386,660	-
Effect of economic/demographic (gains) or losses	621,328	(1,535,186)	(330,461)
Benefit payments, including refunds of employee contributions	<u>(5,762,494)</u>	<u>(6,083,068)</u>	<u>(6,466,997)</u>
<b>Net Change in Total Pension Liability</b>	7,921,362	6,992,687	7,952,948
<b>Total Pension Liability - Beginning</b>	<u>118,170,701</u>	<u>126,092,063</u>	<u>133,084,750</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 126,092,063</u>	<u>\$ 133,084,750</u>	<u>\$ 141,037,698</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 3,702,500	\$ 3,769,876	\$ 3,800,589
Contributions - Employee	1,893,248	1,936,039	1,988,347
Net investment income	7,248,240	(355,076)	8,359,703
Benefit payments, including refunds of employee contributions	(5,762,494)	(6,083,068)	(6,466,997)
Administrative expense	(84,874)	(81,559)	(90,807)
Other	<u>230,957</u>	<u>(68,399)</u>	<u>180,203</u>
<b>Net Change in Plan Fiduciary Net Position</b>	7,227,577	(882,187)	7,771,038
<b>Plan Fiduciary Net Position - Beginning</b>	<u>106,554,565</u>	<u>113,782,142</u>	<u>112,899,955</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 113,782,142</u>	<u>\$ 112,899,955</u>	<u>\$ 120,670,993</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 12,309,921</u>	<u>\$ 20,184,795</u>	<u>\$ 20,366,705</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	90.24%	84.83%	85.56%
<b>Covered Payroll</b>	\$ 27,046,396	\$ 27,657,704	\$ 28,404,964
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	45.51%	72.98%	71.70%

NOTE: Information for the prior five years was not readily available. The County will compile the respective information over the next five years as provided by TCDRS on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

Measurement Year	
2017	2018
\$ 4,039,378	\$ 3,806,114
11,470,437	12,163,758
-	-
1,054,081	-
(243,371)	(1,385,186)
<u>(7,071,153)</u>	<u>(8,002,461)</u>
9,249,372	6,582,225
<u>141,037,698</u>	<u>150,287,070</u>
<u>\$ 150,287,070</u>	<u>\$ 156,869,295</u>
\$ 3,914,502	\$ 3,847,415
2,051,460	1,951,589
17,595,977	(2,577,942)
(7,071,153)	(8,002,461)
(91,146)	(106,114)
<u>(15,671)</u>	<u>(54,202)</u>
16,383,969	(4,941,715)
<u>120,670,993</u>	<u>137,054,962</u>
<u>\$ 137,054,962</u>	<u>\$ 132,113,247</u>
<u>\$ 13,232,108</u>	<u>\$ 24,756,048</u>
91.20%	84.22%
\$ 29,306,268	\$ 27,879,837
45.15%	88.80%

**COUNTY OF VICTORIA, TEXAS**  
*SCHEDULE OF EMPLOYER CONTRIBUTIONS*  
*TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION*  
*Last ten fiscal years*

	Fiscal Year		
	2009	2010	2011
Actuarially Determined Contribution	\$ 2,692,575	\$ 1,788,400	\$ 1,727,348
Contribution in relation to the actuarially determined contribution	<u>(2,692,575)</u>	<u>(1,788,400)</u>	<u>(1,727,348)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$23,807,032	\$23,877,175	\$23,469,448
Contributions as a percentage of covered payroll	11.3%	7.5%	7.4%

The accompanying notes to required supplementary information are an integral part of this schedule.

Fiscal Year						
2012	2013	2014	2015	2016	2017	2018
\$ 2,346,096	\$ 2,983,888	\$ 3,702,500	\$ 3,769,876	\$ 3,800,589	\$ 3,914,502	\$ 3,847,415
<u>(2,346,096)</u>	<u>(2,983,888)</u>	<u>(3,702,500)</u>	<u>(3,769,876)</u>	<u>(3,800,589)</u>	<u>(3,914,502)</u>	<u>(3,847,415)</u>
<u>\$ -</u>						
\$24,361,762	\$25,330,071	\$27,046,396	\$27,657,704	\$27,657,704	\$29,306,568	\$27,879,837
9.6%	11.8%	13.7%	13.6%	13.7%	13.4%	13.8%

**COUNTY OF VICTORIA, TEXAS***SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - LIFE**Last ten years*

	Measurement Year	
	2017	2018
<b>Total OPEB Liability</b>		
Service cost	\$ 35,991	\$ 38,855
Interest (on the total OPEB liability)	46,335	46,441
Effect of plan changes	-	-
Effect of economic/demographic (gains) or losses	(9,035)	877
Effect of assumption changes or inputs	73,830	(160,803)
Benefit payments	<u>(26,376)</u>	<u>(25,092)</u>
<b>Net Change in Total OPEB Liability</b>	120,745	(99,722)
<b>Total OPEB Liability - Beginning</b>	<u>1,202,861</u>	<u>1,323,606</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 1,323,606</u>	<u>\$ 1,223,884</u>
<b>Covered Payroll</b>	\$ 29,306,268	\$ 27,879,837
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	4.52%	4.39%

NOTE: Information for the prior eight years was not readily available. The County will compile the respective information over the next eight years as provided by TCDRS on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

**COUNTY OF VICTORIA, TEXAS**

*SCHEDULE OF EMPLOYER CONTRIBUTIONS*

*TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - LIFE*

*Last ten fiscal years*

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	Fiscal Year	
	2017	2018
Actuarially Determined Contribution	\$ 26,376	\$ 25,092
Contribution in relation to the actuarially determined contribution	<u>(26,376)</u>	<u>(25,092)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$29,306,568	\$27,879,837
Contributions as a percentage of covered payroll	0.1%	0.1%

NOTE: Information for the prior eight years was not readily available. The County will compile the respective information over the next eight years.

**COUNTY OF VICTORIA, TEXAS**

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION*

*December 31, 2019*

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**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

The County annually adopts budgets that are prepared using the cash basis of accounting, which is not consistent with generally accepted accounting principles (GAAP). A reconciliation to the statutory basis is provided in the preceding statement. Refer to Note 1 of the notes to the financial statements for explanation of the statutory basis of accounting used to prepare the financial statements.

**NOTE 2: TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION**

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	12.1 years (based on contribution rate calculated in 12/31/18 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by age and service. 4.90% average over career including inflation.
Investment rate of return	8.00%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	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.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected
Changes in Plan Provisions Reflected In the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule 2016: No changes in plan provisions were reflected in the Schedule 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule.

**COUNTY OF VICTORIA, TEXAS**

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION*

*December 31, 2019*

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**NOTE 3: TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - LIFE**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

There were no changes in plan provisions or assumptions during the year.

**Combining and Individual Fund Statements and Schedules**

**COUNTY OF VICTORIA, TEXAS**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET - STATUTORY BASIS**  
December 31, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 7,166,123	\$ 1,035,785	\$ 8,201,908
Receivables (net)	3,187,318	1,124,223	4,311,541
Due from other governments	2,063,376	-	2,063,376
Due from other funds	<u>12,613</u>	<u>-</u>	<u>12,613</u>
<b>Total assets</b>	<u>\$ 12,429,430</u>	<u>\$ 2,160,008</u>	<u>\$ 14,589,438</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 422,910	\$ -	\$ 422,910
Accrued expenditures	245,287	-	245,287
Due to other funds	2,191,962	-	2,191,962
Unearned revenue	<u>21,882</u>	<u>-</u>	<u>21,882</u>
<b>Total liabilities</b>	<u>2,882,041</u>	<u>-</u>	<u>2,882,041</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue			
Property taxes	4,596,454	1,618,506	6,214,960
Other	<u>37,434</u>	<u>-</u>	<u>37,434</u>
<b>Total deferred inflows of resources</b>	<u>4,633,888</u>	<u>1,618,506</u>	<u>6,252,394</u>
<b>FUND BALANCES</b>			
Restricted	5,502,638	541,502	6,044,140
Unassigned	<u>(589,137)</u>	<u>-</u>	<u>(589,137)</u>
<b>Total fund balances</b>	<u>4,913,501</u>	<u>541,502</u>	<u>5,455,003</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 12,429,430</u>	<u>\$ 2,160,008</u>	<u>\$ 14,589,438</u>

**COUNTY OF VICTORIA, TEXAS***ALL NONMAJOR GOVERNMENTAL FUNDS**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**STATUTORY BASIS**For the year ended December 31, 2019*

	Total Nonmajor Special <u>Revenue Funds</u>	Total Nonmajor Debt <u>Service Fund</u>	Total Nonmajor Governmental <u>Funds</u>
<b>REVENUES</b>			
Taxes	\$ 4,066,419	\$ 1,414,897	\$ 5,481,316
Fees of office and user fees	1,913,506	-	1,913,506
Intergovernmental	7,120,835	-	7,120,835
Fines and forfeitures	843,869	-	843,869
Investment income	159,723	16,600	176,323
Contributions	895,267	-	895,267
Miscellaneous	592,050	-	592,050
<b>Total revenues</b>	<u>15,591,669</u>	<u>1,431,497</u>	<u>17,023,166</u>
<b>EXPENDITURES</b>			
Current			
General government	2,877,075	-	2,877,075
Public safety	2,570,089	-	2,570,089
Highways and streets	7,044,887	-	7,044,887
Public health	4,656,263	-	4,656,263
Capital outlay	588,441	-	588,441
Debt service			
Principal retirement	-	933,752	933,752
Interest and fiscal charges	-	427,494	427,494
Bond issuance costs	-	189,043	189,043
<b>Total expenditures</b>	<u>17,736,755</u>	<u>1,550,289</u>	<u>19,287,044</u>
Excess (deficiency) of revenues over expenditures	<u>(2,145,086)</u>	<u>(118,792)</u>	<u>(2,263,878)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	-	9,895,000	9,895,000
Premium on issuance of bonds	-	296,659	296,659
Payments to component unit	-	(10,002,616)	(10,002,616)
Transfers in	1,737,569	-	1,737,569
Transfers out	(17,000)	-	(17,000)
<b>Total other financing sources (uses)</b>	<u>1,720,569</u>	<u>189,043</u>	<u>1,909,612</u>
Change in fund balances	(424,517)	70,251	(354,266)
Fund balances at beginning of year	<u>5,338,018</u>	<u>471,251</u>	<u>5,809,269</u>
<b>Fund balances at end of year</b>	<u>\$ 4,913,501</u>	<u>\$ 541,502</u>	<u>\$ 5,455,003</u>

## NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, private purpose trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The County's Special Revenue Funds consists of Road and Bridge and other funds.

### ROAD AND BRIDGE FUNDS

The Road and Bridge Funds are constitutional funds established to account for current funds used for the purpose of constructing and maintaining roads and bridges. The principal sources of revenues for these funds are ad valorem taxes and intergovernmental revenues.

The County is divided into four precincts, each of which is administered by one of the four County Commissioners. Each precinct has a separate budget for construction and maintenance of roads and bridges in the precinct. The Road and Bridge Funds consists of the following:

**Road and Bridge Precinct Funds** - Account for costs associated with the construction and maintenance of roads and bridges in the four Commissioners' precincts. Revenues are derived primarily from ad valorem taxes, vehicle registration fees, and interest earnings.

### OTHER SPECIAL REVENUE FUNDS

The Other Special Revenue Funds consists of various funds that account for particular functions and activities as described below:

**Emergency Management Fund** - Accounts for the funds received from the City of Victoria and the State of Texas for Emergency Management operations.

**LEPC Fund** - Accounts for funds received from local businesses and organizations for financial support of the Local Emergency Planning Committees.

**Records Management Fund** - Accounts for monies received by the County under Local Government Code Section 118.011. Expenditures of the fund are made to manage and preserve documents filed in the office of the County Clerk. Revenues come from filing charges assessed by the County Clerk.

**Courthouse Security Fund** - Accounts for funds received from various sources designated to be used to enhance security in the County Courthouse.

**Justice Court Building Security Fund** - Accounts for funds received that are designated to be used to enhance security in buildings that house justice court other than the County Courthouse.

**District Clerk Records Management Fund** - Accounts for monies received by the County from filing charges assessed by the District Clerk under Local Government Code Section 51.317. Expenditures of the fund are made to manage and preserve documents filed in the office of the District Clerk.

**Patriot Park Donations Fund** - Accounts for funds received from various entities which have been donated for specific purposes for the Patriot Park.

**Gulf of Mexico Energy Security Act Fund** - Accounts for funds received from the U.S. Department of Interior for rentals, royalties, bonus and other sums derived from certain Outer Continental Shelf leases in the Gulf of Mexico. These revenues are reserved for projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses.

## NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

### OTHER SPECIAL REVENUE FUNDS - (Continued)

**Hurricane Harvey Fund** - Accounts for funds received from the Federal Emergency Management Agency and insurance reimbursements. Funds are used to repair hurricane-damaged properties and as reimbursement for eligible hurricane expenses.

**Capital Credits Fund** - Accounts for funds received from the Texas Comptroller of Public Accounts from an allocation of unclaimed capital credits received from electric cooperatives which can be used for community and economic development.

**Juvenile Probation Fund** - Records monies received by the County from the Texas Juvenile Probation Commission as well as transfers from the General Fund of the County. These monies are spent to provide various services related to the operation of the County Juvenile Probation Department.

**Drug Courts Program Fund** - Accounts for the revenues/expenditures related to operations of the state mandated programs for monitoring and rehabilitating violators of state drug laws.

**Justice Technology Fund** - Accounts for funds received from a defendant convicted of a misdemeanor offense in a Justice Court, pursuant to Article 102.0173, Code of Criminal Procedures. These funds are administered by or under the direction of the Commissioners' Court and are used to finance the technological enhancements of the Justice Courts.

**Family Protection Fee Fund** - Accounts for funds received from individuals filing suit for dissolution of a marriage. These funds are administered by or under the direction of the Commissioners' Court and are to be distributed to non-profit organizations in Victoria County.

**County/District Technology Fund** - Accounts for funds received from a defendant convicted of a criminal offense in a County or District Court, pursuant to Article 102.0169, Code of Criminal Procedures. These funds are administered by or under the direction of the Commissioners' Court and are used to finance the technological enhancements of the County and District Courts.

**CDA Processing Fee Fund** - Accounts for fees earned by the office of the Criminal District Attorney from the collection of "hot" checks returned to County merchants. Expenditures of the fund include normal operating costs of the District Attorney's Office.

**CDA Bond Forfeiture Commissions Fund** - Accounts for funds received from the Criminal District Attorney retaining a commission on bond forfeiture collection pursuant to Government Code 41.005.

**Pre-Trial Intervention Fund** - Accounts for fees for first time offenders or non-violent crimes which are used for expenses related to the defendants participation in the pre-trial intervention program, refurbish courthouse facilities, train staff and purchase office supplies that are related to this program.

**CDA Victims Assistance Grant Fund** - Accounts for the funds received from the U.S. Department of Justice and administered by the Office for Victims of Crime. The purpose of the grant is to stimulate State participation and support for victim service programs and promote victim cooperation with law enforcement, in addition to the direct benefit to crime victims with Federal assistance monies.

**Sheriff Victims Assistance Grant Fund** - Accounts for the funds received from the Office of the Attorney General to provide funding for a full-time Crime Victim Liaison to work in the Sheriff's Department and the Victoria Police Department.

## NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

### OTHER SPECIAL REVENUE FUNDS - (Continued)

**State Criminal Alien Assistance Program (SCAAP) Fund** - Accounts for funds received from the Office of Justice Program, Bureau of Justice Assistance. This grant will provide funding for the purchase of Technology- Tracking devices and electronic monitoring, specifically pipe scanners and downloading stations used by VCSO Jailers.

**Texas Vine Grant Fund** - Accounts for funds received from the Office of the Attorney General. The purpose of the Vine (Victim Information and Notification Everyday) Grant is to provide basic information on jailed suspects/offenders and their scheduled court events to crime victims and other concerned citizens.

**Operation Stonegarden Grant Fund** - Accounts for funds received from the Department of Homeland Security to enhance cooperation and coordination between federal and local law enforcement agencies in a joint mission to secure the United States borders.

**JAG Less Lethal Force Fund** - Accounts for funds received from the Office of the Governor for the 2018 Justice Assistance Grant (JAG) Golden Crescent Regional Less Lethal Force Project. This grant will provide funding for reliable and effective less lethal force equipment for the protection of life for the officers and the general public in Victoria County and the surrounding Golden Crescent Region.

**Golden Crescent Regional Planning Commission (GCRPC) 9-1-1 Allocation Fund** - Accounts for funds received from the Golden Crescent Regional Planning Commission. This agreement will establish and maintain 9-1-1 emergency telephone service in State Planning Region 17, and the Commission on State Emergency Communications has approved the plan.

**Byrne Justice Assistance Grant (JAG) Program Fund** - Accounts for funds received from the City of Victoria for the purchase of equipment and training of personnel for the Victoria County Sheriff's Office.

**High Intensity Drug Trafficking Area Grant Fund** - Accounts for funds received from the Office of National Drug Control Policy to support initiatives designed to implement the strategy proposed by the Executive Board of the Houston HIDTA and approved by the Office of the National Drug Control Policy.

**Firefighters Grant Fund** - Accounts for funds received from the Texas Forestry Service for the reimbursement of firefighting training assistance.

**Feral Hog Grant Fund** - Accounts for funds received from the Texas A&M AgriLife Extension Service. This grant will provide funding for the purchase of eight hog box traps and hog bait. This will enhance the hog eradication in Victoria County.

**TxCDBG WCID #1 Bloomington Fund** - Accounts for funds received from the Texas Department of Agriculture for the Bloomington Water Control and Improvement District's water and sewer improvement project.

**Mental Health Peace Officer Fund** - Accounts for funds received from Gulf Bend Center to employ a mental health deputy assigned in the mental health task force.

**BISD School Resource Officer Fund** - Accounts for funds received from Bloomington Independent School District (BISD) to employ a juvenile probation officer that is housed and working on BISD campuses.

**Sheriff's Special Purpose Fund** - Accounts for the use of drug related monies awarded to the Sheriff's Department via court proceedings.

**NONMAJOR SPECIAL REVENUE FUNDS - (Continued)**

**OTHER SPECIAL REVENUE FUNDS - (Continued)**

**Sheriff's Donation Fund** - Accounts for funds received from various entities which have been donated for specific purposes for the Victoria County Sheriff.

**CDA Contraband Forfeiture Fund** - Accounts for the use of drug related monies awarded to the Criminal District Attorney via court proceedings post October 17, 1989.

**CDA DOJ Equitable Share Fund** - Accounts for funds received from the U.S. Department of Justice. The purpose of this program is for law enforcement to deter crime by depriving criminals of the profits and proceeds of their illegal activities and to weaken criminal enterprises by removing the instrumentalities of crime.

**Sheriff's Federal Forfeiture Fund** - Accounts for funds received from the U.S. Departments of Treasury and Justice. The purpose of this program is for law enforcement to deter crime by depriving criminals of the profits and proceeds of their illegal activities and to weaken criminal enterprises by removing the instrumentalities of crime.

**National School Lunch Program Fund** - Accounts for funds received from the U.S. Department of Agriculture. This grant will provide funding for the purchase of food for children and increase food security.

**VISD School Resource Officer Fund** - Accounts for funds received from Victoria Independent School District (VISD) to employ school resource officers that are housed and working on VISD campuses.

**Election Administrator's Special Fund** - Records the various fees received designated to be used by the County Election Administrator in coordinating various County elections.

**Elections Chapter 19 Fund** - Accounts for funds received from the Secretary of State to increase the number of registered voters in the state, maintain and report an accurate list of the number of registered voters, and/or increase the efficiency of the voter registration office through the use of technological equipment.

**Tax Assessor-Collector Special Fund** - Accounts for interest earnings on the Special Inventory Escrow Account. These funds are the sole property of the collector and are used to defray the cost of administration of the prepayment procedure established by Texas Property Tax Code Section 23.122.

**Historical Commission Fund** - Accounts for monies received through various promotional activities. These funds are expended for the purpose of preparing the historical heritage of the County of Victoria.

**Child Welfare Board Fund** - Accounts for funds that are designated to provide various child protective services to residents of the County.

**Rebuild Texas Fund** - Accounts for funds received from the OneStar Foundation and the Michael & Susan Dell Foundation for the Rebuild Texas Fund. The grant award will provide funding for relief and rebuilding efforts.

**Law Library Fund** - Accounts for expenditures related to the establishment and maintenance of a professional library for members of the Texas Bar Association. Revenues are derived from fees assessed on civil cases filed in County and District Courts.

## NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

### OTHER SPECIAL REVENUE FUNDS - (Continued)

**Health Department Fund** - Accounts for revenues and expenditures associated with services provided to the public by the nursing division, special services division, and the environmental services division located at the Victoria City/County Health Department.

**Texas A&M University Health Science Contract Fund** - Accounts for funds received from Coastal Bend Health Education Center. This grant will provide funding to support the community health worker position at the Victoria County Public Health Department.

**Medicaid Administrative Claims Fund** - Accounts for funds received from the Texas Health and Human Services to reimburse agencies for proper and efficient administration of the Texas Medicaid State Plan. The program is to ensure more effective and timely access of individuals to health care, the most appropriate utilization of Medicaid covered services, and to promote activities and behaviors that reduce the risk of poor health outcomes for the state's most vulnerable populations.

**Texas Home Visiting Grant Fund** - Accounts for funds received from the Texas Department of Family and Protective Services for providing a maternal, infant and early childhood home visiting program through the STARS Clinic.

**Hogg Foundation Grant Fund** - Accounts for funds received from Hogg Foundation for Mental Health. The grant award will provide funding for the Be Well Victoria program to support opportunities for resilience, mental health and overall well-being in our community.

**Hurricane Public Health Co-op Agreement (COAG/LHD) Fund** - Accounts for funds received from Hurricane Public Health Crisis Response. The grant award will provide funding for the immunizations cold chain needs, infection control and prevention, and traditional and novel vector control.

**AmeriCares Grant Fund**- Accounts for funds received from the Americares Foundation Inc. This grant will provide funding for workshops that are targeted to populations most affected by disaster living within Hurricane Harvey affected communities.

**WIC Program Fund** - Accounts for funds received from the Texas Department of State Health Services for Victoria County's participation in the WIC Card Program. These funds are used to determine eligibility of applicants through assessment of their income, residence and nutritional status and provide nutrition education and counseling to eligible participants.

**Law Enforcement Officer Education (LEOSE) Fund** - Accounts for funds received from the State of Texas. These funds are used for continuing education of persons licensed under Government Code Chapter 415 or to provide necessary training to full-time law enforcement support personnel.

**COUNTY OF VICTORIA, TEXAS****NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET - STATUTORY BASIS**

December 31, 2019

	Road and Bridge	Other Special Revenue	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,716,819	\$ 3,449,304	\$ 7,166,123
Receivables (net)			
Ad valorem	3,164,858	-	3,164,858
Other	2,437	20,023	22,460
Due from other governments	-	2,063,376	2,063,376
Due from other funds	163,358	12,613	175,971
<b>Total assets</b>	<u>\$ 7,047,472</u>	<u>\$ 5,545,316</u>	<u>\$ 12,592,788</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 185,217	\$ 237,693	\$ 422,910
Accrued expenditures	74,562	170,725	245,287
Due to other funds	8,527	2,346,793	2,355,320
Unearned revenue	-	21,882	21,882
<b>Total liabilities</b>	<u>268,306</u>	<u>2,777,093</u>	<u>3,045,399</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue -			
Property taxes	4,596,454	-	4,596,454
Other	37,434	-	37,434
<b>Total deferred inflows of resources</b>	<u>4,633,888</u>	<u>-</u>	<u>4,633,888</u>
<b>FUND BALANCES</b>			
Restricted	2,145,278	3,357,360	5,502,638
Unassigned	-	(589,137)	(589,137)
<b>Total fund balances</b>	<u>2,145,278</u>	<u>2,768,223</u>	<u>4,913,501</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 7,047,472</u>	<u>\$ 5,545,316</u>	<u>\$ 12,592,788</u>

**COUNTY OF VICTORIA, TEXAS****NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****STATUTORY BASIS**

For the year ended December 31, 2019

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	<u>Road and Bridge</u>	<u>Other Special Revenue</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 4,066,419	\$ -	\$ 4,066,419
Fees of office and user fees	-	1,913,506	1,913,506
Intergovernmental	1,534,046	5,586,789	7,120,835
Fines and forfeitures	-	843,869	843,869
Investment income			
Interest	107,702	52,021	159,723
Contributions	-	895,267	895,267
Miscellaneous	<u>245,951</u>	<u>346,099</u>	<u>592,050</u>
<b>Total revenues</b>	<u>5,954,118</u>	<u>9,637,551</u>	<u>15,591,669</u>
<b>EXPENDITURES</b>			
Current			
General government	-	2,877,075	2,877,075
Public safety	-	2,570,089	2,570,089
Highways and streets	6,759,952	284,935	7,044,887
Public health	-	4,656,263	4,656,263
Capital outlay	<u>-</u>	<u>588,441</u>	<u>588,441</u>
<b>Total expenditures</b>	<u>6,759,952</u>	<u>10,976,803</u>	<u>17,736,755</u>
Excess (deficiency) of revenues over expenditures	<u>(805,834)</u>	<u>(1,339,252)</u>	<u>(2,145,086)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	7,765	1,737,569	1,745,334
Transfers out	<u>-</u>	<u>(24,765)</u>	<u>(24,765)</u>
<b>Total other financing sources (uses)</b>	<u>7,765</u>	<u>1,712,804</u>	<u>1,720,569</u>
Change in fund balance	(798,069)	373,552	(424,517)
Fund balance, January 1	<u>2,943,347</u>	<u>2,394,671</u>	<u>5,338,018</u>
<b>Fund balance, December 31</b>	<u>\$ 2,145,278</u>	<u>\$ 2,768,223</u>	<u>\$ 4,913,501</u>

**COUNTY OF VICTORIA, TEXAS**

## NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

## ROAD AND BRIDGE FUNDS

## COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2019

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	Road and Bridge Funds				
	Pct. 1	Pct. 2	Pct. 3	Pct. 4	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 547,279	\$ 782,787	\$ 1,735,856	\$ 650,897	\$ 3,716,819
Receivables (net)					
Ad valorem	810,968	756,916	742,358	854,616	3,164,858
Due from other funds	96,164	4,714	62,480	-	163,358
Other	-	-	1,748	689	2,437
<b>Total assets</b>	<u>\$ 1,454,411</u>	<u>\$ 1,544,417</u>	<u>\$ 2,542,442</u>	<u>\$ 1,506,202</u>	<u>\$ 7,047,472</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 42,772	\$ 77,868	\$ 28,553	\$ 36,024	\$ 185,217
Accrued expenditures	20,024	14,828	22,057	17,653	74,562
Due to other funds	2,317	1,645	2,513	2,052	8,527
<b>Total liabilities</b>	<u>65,113</u>	<u>94,341</u>	<u>53,123</u>	<u>55,729</u>	<u>268,306</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue -					
Property taxes	1,176,025	1,100,499	1,078,783	1,241,147	4,596,454
Other	29,254	-	8,180	-	37,434
<b>Total deferred inflows of resources</b>	<u>1,205,279</u>	<u>1,100,499</u>	<u>1,086,963</u>	<u>1,241,147</u>	<u>4,633,888</u>
<b>FUND BALANCE</b>					
Restricted	<u>184,019</u>	<u>349,577</u>	<u>1,402,356</u>	<u>209,326</u>	<u>2,145,278</u>
<b>Total liabilities, deferred inflows and fund balance</b>	<u>\$ 1,454,411</u>	<u>\$ 1,544,417</u>	<u>\$ 2,542,442</u>	<u>\$ 1,506,202</u>	<u>\$ 7,047,472</u>

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**ROAD AND BRIDGE FUNDS**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - STATUTORY BASIS**For the year ended December 31, 2019*

	Road and Bridge Funds				Total
	Pct. 1	Pct. 2	Pct. 3	Pct. 4	
<b>REVENUES</b>					
Taxes	\$ 1,036,935	\$ 976,057	\$ 955,495	\$ 1,097,932	\$ 4,066,419
Intergovernmental	422,750	347,776	392,630	370,890	1,534,046
Investment income					
Interest	18,479	26,692	42,984	19,547	107,702
Miscellaneous	33,010	32,457	34,906	145,578	245,951
<b>Total revenues</b>	<u>1,511,174</u>	<u>1,382,982</u>	<u>1,426,015</u>	<u>1,633,947</u>	<u>5,954,118</u>
<b>EXPENDITURES</b>					
Current					
Highways and streets	<u>1,772,784</u>	<u>1,801,420</u>	<u>1,454,475</u>	<u>1,731,273</u>	<u>6,759,952</u>
Excess (deficiency) of revenues over expenditures	<u>(261,610)</u>	<u>(418,438)</u>	<u>(28,460)</u>	<u>(97,326)</u>	<u>(805,834)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	13,711	-	-	-	13,711
Transfers out	<u>-</u>	<u>(1,982)</u>	<u>(1,982)</u>	<u>(1,982)</u>	<u>(5,946)</u>
<b>Total other financing sources (uses)</b>	<u>13,711</u>	<u>(1,982)</u>	<u>(1,982)</u>	<u>(1,982)</u>	<u>7,765</u>
Change in fund balance	(247,899)	(420,420)	(30,442)	(99,308)	(798,069)
Fund balance, January 1	<u>431,918</u>	<u>769,997</u>	<u>1,432,798</u>	<u>308,634</u>	<u>2,943,347</u>
<b>Fund balance, December 31</b>	<u>\$ 184,019</u>	<u>\$ 349,577</u>	<u>\$ 1,402,356</u>	<u>\$ 209,326</u>	<u>\$ 2,145,278</u>

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**OTHER SPECIAL REVENUE FUNDS**COMBINING BALANCE SHEET - STATUTORY BASIS**December 31, 2019*

	<u>Emergency Mgmt.</u>	<u>LEPC Fund</u>	<u>Records Mgmt.</u>	<u>Courthouse Security</u>	<u>Justice Court Building Security</u>	<u>District Clerk Records Mgmt.</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 10,879	\$ 289,104	\$ 84,001	\$ 40,256	\$ 4,882
Receivables (net)						
Other	-	-	756	433	24	100
Due from other governments	243,286	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 243,286</u>	<u>\$ 10,879</u>	<u>\$ 289,860</u>	<u>\$ 84,434</u>	<u>\$ 40,280</u>	<u>\$ 4,982</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 5,117	\$ -	\$ 10	\$ -	\$ -	\$ -
Accrued expenditures	6,547	-	2,812	-	-	215
Due to other funds	229,293	-	6	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<u>240,957</u>	<u>-</u>	<u>2,828</u>	<u>-</u>	<u>-</u>	<u>215</u>
<b>FUND BALANCES</b>						
Restricted	2,329	10,879	287,032	84,434	40,280	4,767
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<u>2,329</u>	<u>10,879</u>	<u>287,032</u>	<u>84,434</u>	<u>40,280</u>	<u>4,767</u>
<b>Total liabilities and fund balances</b>	<u>\$ 243,286</u>	<u>\$ 10,879</u>	<u>\$ 289,860</u>	<u>\$ 84,434</u>	<u>\$ 40,280</u>	<u>\$ 4,982</u>

<u>Patriot Park Donations</u>	<u>Gulf of Mexico Energy Security Act</u>	<u>Hurricane Harvey</u>	<u>Capital Credits</u>	<u>Juvenile Probation</u>	<u>Drug Courts Program</u>	<u>Justice Technology</u>	<u>Family Protection Fee</u>
\$ 2,802	\$ 192,885	\$ -	\$ 242,195	\$ 58,168	\$ 18,973	\$ 7,879	\$ 345
-	-	-	-	-	-	96	90
-	-	164,339	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 2,802</u>	<u>\$ 192,885</u>	<u>\$ 164,339</u>	<u>\$ 242,195</u>	<u>\$ 58,168</u>	<u>\$ 18,973</u>	<u>\$ 7,975</u>	<u>\$ 435</u>
\$ -	\$ -	\$ 666	\$ -	\$ 26,881	\$ 2,988	\$ -	\$ -
-	-	-	1,607	31,025	-	-	-
-	-	730,938	-	262	-	-	-
-	-	21,872	-	-	-	-	-
-	-	753,476	1,607	58,168	2,988	-	-
2,802	192,885	-	240,588	-	15,985	7,975	435
-	-	(589,137)	-	-	-	-	-
<u>2,802</u>	<u>192,885</u>	<u>(589,137)</u>	<u>240,588</u>	<u>-</u>	<u>15,985</u>	<u>7,975</u>	<u>435</u>
<u>\$ 2,802</u>	<u>\$ 192,885</u>	<u>\$ 164,339</u>	<u>\$ 242,195</u>	<u>\$ 58,168</u>	<u>\$ 18,973</u>	<u>\$ 7,975</u>	<u>\$ 435</u>

(continued)

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**OTHER SPECIAL REVENUE FUNDS**COMBINING BALANCE SHEET - STATUTORY BASIS**December 31, 2019*

	County/ District Technology	CDA Processing Fee	CDA Bond Forfeiture Commissions	Pre-Trial Intervention	CDA Victims Assistance Grant	Sheriff Victims Assistance Grant
<b>ASSETS</b>						
Cash and cash equivalents	\$ 13,251	\$ 3,113	\$ 25,312	\$ 17,000	\$ -	\$ -
Receivables (net)						
Other	319	-	-	-	-	-
Due from other governments	-	-	-	-	15,527	11,743
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 13,570</u>	<u>\$ 3,113</u>	<u>\$ 25,312</u>	<u>\$ 17,000</u>	<u>\$ 15,527</u>	<u>\$ 11,743</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 5	\$ -	\$ -	\$ 11	\$ 8
Accrued expenditures	-	751	-	-	1,792	1,459
Due to other funds	-	3	-	-	13,724	8,421
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>759</u>	<u>-</u>	<u>-</u>	<u>15,527</u>	<u>9,888</u>
<b>FUND BALANCES</b>						
Restricted	13,570	2,354	25,312	17,000	-	1,855
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<u>13,570</u>	<u>2,354</u>	<u>25,312</u>	<u>17,000</u>	<u>-</u>	<u>1,855</u>
<b>Total liabilities and fund balances</b>	<u>\$ 13,570</u>	<u>\$ 3,113</u>	<u>\$ 25,312</u>	<u>\$ 17,000</u>	<u>\$ 15,527</u>	<u>\$ 11,743</u>

<u>SCAAP Program</u>	<u>Texas Vine Grant</u>	<u>Operation Stonegarden Grant</u>	<u>GCRPC 9-1-1 Allocation</u>	<u>Drug Trafficking Grant</u>	<u>TxCDBG WCID #1</u>	<u>Mental Health Peace Officer</u>	<u>BISD School Resource Officer</u>
\$ 1,265	\$ -	\$ -	\$ 99,848	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	6,206	333,934	-	32,047	30,113	66,876	25,516
-	-	-	-	-	-	-	-
<u>\$ 1,265</u>	<u>\$ 6,206</u>	<u>\$ 333,934</u>	<u>\$ 99,848</u>	<u>\$ 32,047</u>	<u>\$ 30,113</u>	<u>\$ 66,876</u>	<u>\$ 25,516</u>
\$ -	\$ 6,206	\$ 9,791	\$ 27,219	\$ 9,750	\$ 2,613	\$ 1,640	\$ 11
-	-	8,072	-	1,493	-	6,089	1,988
-	-	316,071	-	20,804	27,500	59,147	23,517
-	-	-	-	-	-	-	-
-	6,206	333,934	27,219	32,047	30,113	66,876	25,516
1,265	-	-	72,629	-	-	-	-
-	-	-	-	-	-	-	-
1,265	-	-	72,629	-	-	-	-
<u>\$ 1,265</u>	<u>\$ 6,206</u>	<u>\$ 333,934</u>	<u>\$ 99,848</u>	<u>\$ 32,047</u>	<u>\$ 30,113</u>	<u>\$ 66,876</u>	<u>\$ 25,516</u>

(continued)

**COUNTY OF VICTORIA, TEXAS****NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****OTHER SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET - STATUTORY BASIS**

December 31, 2019

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	<u>Sheriff's Special Purpose</u>	<u>Sheriff's Donations</u>	<u>CDA Contraband Forfeiture</u>	<u>CDA DOJ Equitable Share</u>	<u>Sheriff's Federal Forfeiture</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 481,501	\$ 259	\$ 828,459	\$ 1,097	\$ 573,715
Receivables (net)					
Other	-	-	3,305	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<u>\$ 481,501</u>	<u>\$ 259</u>	<u>\$ 831,764</u>	<u>\$ 1,097</u>	<u>\$ 573,715</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 20,390	\$ -	\$ 6,471	\$ -	\$ -
Accrued expenditures	4,562	-	-	-	-
Due to other funds	169	-	1	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>25,121</u>	<u>-</u>	<u>6,472</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	456,380	259	825,292	1,097	573,715
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>456,380</u>	<u>259</u>	<u>825,292</u>	<u>1,097</u>	<u>573,715</u>
<b>Total liabilities and fund balances</b>	<u>\$ 481,501</u>	<u>\$ 259</u>	<u>\$ 831,764</u>	<u>\$ 1,097</u>	<u>\$ 573,715</u>

<u>National School Lunch Program</u>	<u>VISD School Resource Officer</u>	<u>Election Admin. Special</u>	<u>Elections Chapter 19</u>	<u>Tax Assessor- Collector Special</u>	<u>Historical Commission</u>	<u>Child Welfare Board</u>
\$ -	\$ -	\$ 12,309	\$ -	\$ 25,830	\$ 20,597	\$ 24,656
-	-	-	-	-	-	-
20,056	337,024	-	2,717	-	-	-
12,613	-	-	-	-	-	-
<u>\$ 32,669</u>	<u>\$ 337,024</u>	<u>\$ 12,309</u>	<u>\$ 2,717</u>	<u>\$ 25,830</u>	<u>\$ 20,597</u>	<u>\$ 24,656</u>
\$ 9,508	\$ 76	\$ 4	\$ 765	\$ -	\$ -	\$ 8,358
3,283	21,809	465	-	-	-	-
19,878	315,139	7	1,952	-	-	-
-	-	-	-	-	-	-
<u>32,669</u>	<u>337,024</u>	<u>476</u>	<u>2,717</u>	<u>-</u>	<u>-</u>	<u>8,358</u>
-	-	11,833	-	25,830	20,597	16,298
-	-	-	-	-	-	-
-	-	11,833	-	25,830	20,597	16,298
<u>\$ 32,669</u>	<u>\$ 337,024</u>	<u>\$ 12,309</u>	<u>\$ 2,717</u>	<u>\$ 25,830</u>	<u>\$ 20,597</u>	<u>\$ 24,656</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**OTHER SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET - STATUTORY BASIS**  
*December 31, 2019*

	Rebuild Texas	Law Library	Health Department	TX A&M University Health Science Contract	Medicaid Administrative Claims
<b>ASSETS</b>					
Cash and cash equivalents	\$ 120,716	\$ 62,369	\$ 1,935	\$ 5,634	\$ 34,520
Receivables (net)					
Other	-	1,076	740	-	13,084
Due from other governments	-	-	368,731	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<u>\$ 120,716</u>	<u>\$ 63,445</u>	<u>\$ 371,406</u>	<u>\$ 5,634</u>	<u>\$ 47,604</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 5,281	\$ 5,330	\$ 77,849	\$ -	\$ 110
Accrued expenditures	-	-	57,563	-	326
Due to other funds	-	-	199,885	-	-
Unearned revenue	-	-	10	-	-
<b>Total liabilities</b>	<u>5,281</u>	<u>5,330</u>	<u>335,307</u>	<u>-</u>	<u>436</u>
<b>FUND BALANCES</b>					
Restricted	115,435	58,115	36,099	5,634	47,168
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>115,435</u>	<u>58,115</u>	<u>36,099</u>	<u>5,634</u>	<u>47,168</u>
<b>Total liabilities and fund balances</b>	<u>\$ 120,716</u>	<u>\$ 63,445</u>	<u>\$ 371,406</u>	<u>\$ 5,634</u>	<u>\$ 47,604</u>

<u>Texas Home Visiting Grant</u>	<u>Hogg Foundation Grant</u>	<u>Hurricane Public Health Co-op Agreement</u>	<u>WIC Program</u>	<u>LEOSE</u>	<u>Total</u>
\$ -	\$ 96,218	\$ -	\$ -	\$ 47,331	\$ 3,449,304
-	-	-	-	-	20,023
79,392	-	110,611	215,258	-	2,063,376
-	-	-	-	-	12,613
<u>\$ 79,392</u>	<u>\$ 96,218</u>	<u>\$ 110,611</u>	<u>\$ 215,258</u>	<u>\$ 47,331</u>	<u>\$ 5,545,316</u>
\$ 2,709	\$ 1,679	\$ -	\$ 6,162	\$ 85	\$ 237,693
3,342	2,516	-	13,009	-	170,725
73,341	37	110,611	196,087	-	2,346,793
-	-	-	-	-	21,882
<u>79,392</u>	<u>4,232</u>	<u>110,611</u>	<u>215,258</u>	<u>85</u>	<u>2,777,093</u>
-	91,986	-	-	47,246	3,357,360
-	-	-	-	-	(589,137)
-	<u>91,986</u>	-	-	<u>47,246</u>	<u>2,768,223</u>
<u>\$ 79,392</u>	<u>\$ 96,218</u>	<u>\$ 110,611</u>	<u>\$ 215,258</u>	<u>\$ 47,331</u>	<u>\$ 5,545,316</u>

(concluded)

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**OTHER SPECIAL REVENUE FUNDS**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
STATUTORY BASIS**For the year ended December 31, 2019*

	Emergency Mgmt.	LEPC Fund	Records Mgmt.	Courthouse Security	Justice Court Building Security
<b>REVENUES</b>					
Fees of office and user fees	\$ -	\$ -	\$ 156,397	\$ 38,476	\$ 3,810
Intergovernmental	36,935	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	4,809	-	-
Contributions	113,053	2,500	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>149,988</u>	<u>2,500</u>	<u>161,206</u>	<u>38,476</u>	<u>3,810</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	310,464	12,343	2,052
Public safety	272,450	947	-	-	-
Highways and streets	-	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>272,450</u>	<u>947</u>	<u>310,464</u>	<u>12,343</u>	<u>2,052</u>
Excess (deficiency) of revenues over expenditures	<u>(122,462)</u>	<u>1,553</u>	<u>(149,258)</u>	<u>26,133</u>	<u>1,758</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	122,462	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>122,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	-	1,553	(149,258)	26,133	1,758
Fund balance, January 1	<u>2,329</u>	<u>9,326</u>	<u>436,290</u>	<u>58,301</u>	<u>38,522</u>
<b>Fund balance, December 31</b>	<u>\$ 2,329</u>	<u>\$ 10,879</u>	<u>\$ 287,032</u>	<u>\$ 84,434</u>	<u>\$ 40,280</u>

<u>District Clerk Records Mgmt.</u>	<u>Patriot Park Donations</u>	<u>Gulf of Mexico Energy Security Act</u>	<u>Hurricane Harvey</u>	<u>Capital Credits</u>	<u>Juvenile Probation</u>	<u>Drug Courts Program</u>	<u>Justice Technology</u>
\$ 6,121	\$ -	\$ -	\$ -	\$ -	\$ 5,096	\$ 11,686	\$ 15,262
-	-	310,203	44,337	145,429	919,244	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	120	364	-
-	750	-	-	-	-	-	-
-	-	-	48,696	-	-	-	-
<u>6,121</u>	<u>750</u>	<u>310,203</u>	<u>93,033</u>	<u>145,429</u>	<u>924,460</u>	<u>12,050</u>	<u>15,262</u>
7,222	-	-	306,969	111,005	1,451,179	9,703	24,836
-	-	-	-	-	-	-	-
-	-	284,935	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>7,222</u>	<u>-</u>	<u>284,935</u>	<u>306,969</u>	<u>111,005</u>	<u>1,451,179</u>	<u>9,703</u>	<u>24,836</u>
<u>(1,101)</u>	<u>750</u>	<u>25,268</u>	<u>(213,936)</u>	<u>34,424</u>	<u>(526,719)</u>	<u>2,347</u>	<u>(9,574)</u>
-	-	-	-	-	526,719	-	-
-	-	-	(7,765)	-	-	-	-
-	-	-	(7,765)	-	526,719	-	-
(1,101)	750	25,268	(221,701)	34,424	-	2,347	(9,574)
<u>5,868</u>	<u>2,052</u>	<u>167,617</u>	<u>(367,436)</u>	<u>206,164</u>	<u>-</u>	<u>13,638</u>	<u>17,549</u>
<u>\$ 4,767</u>	<u>\$ 2,802</u>	<u>\$ 192,885</u>	<u>\$ (589,137)</u>	<u>\$ 240,588</u>	<u>\$ -</u>	<u>\$ 15,985</u>	<u>\$ 7,975</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

*NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS*

*OTHER SPECIAL REVENUE FUNDS*

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

*For the year ended December 31, 2019*

	Family Protection Fee	County/ District Technology	CDA Processing Fee	CDA Bond Forfeiture Commissions	Pre-Trial Intervention
<b>REVENUES</b>					
Fees of office and user fees	\$ 4,410	\$ 20,032	\$ 10,271	\$ 6,861	\$ -
Intergovernmental	-	-	-	-	17,000
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	114	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>4,410</u>	<u>20,032</u>	<u>10,385</u>	<u>6,861</u>	<u>17,000</u>
<b>EXPENDITURES</b>					
Current					
General government	4,370	29,913	23,789	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>4,370</u>	<u>29,913</u>	<u>23,789</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>40</u>	<u>(9,881)</u>	<u>(13,404)</u>	<u>6,861</u>	<u>17,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	10,000	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Change in fund balance	40	(9,881)	(3,404)	6,861	17,000
Fund balance, January 1	<u>395</u>	<u>23,451</u>	<u>5,758</u>	<u>18,451</u>	<u>-</u>
<b>Fund balance, December 31</b>	<u>\$ 435</u>	<u>\$ 13,570</u>	<u>\$ 2,354</u>	<u>\$ 25,312</u>	<u>\$ 17,000</u>

<u>CDA Victims Assistance Grant</u>	<u>Sheriff Victims Assistance Grant</u>	<u>SCAAP Program</u>	<u>Texas Vine Grant</u>	<u>Operation Stonegarden Grant</u>	<u>JAG Less Lethal Force</u>	<u>GCRPC 9-1-1 Allocation</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40,683	42,374	1,265	6,206	606,712	51,302	107,329
-	-	-	-	-	-	-
-	-	-	-	-	-	276
-	-	-	-	-	-	-
-	-	-	-	24,400	-	-
<u>40,683</u>	<u>42,374</u>	<u>1,265</u>	<u>6,206</u>	<u>631,112</u>	<u>51,302</u>	<u>107,605</u>
64,928	-	-	-	-	-	-
-	53,804	-	6,206	631,112	51,302	34,976
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>64,928</u>	<u>53,804</u>	<u>-</u>	<u>6,206</u>	<u>631,112</u>	<u>51,302</u>	<u>34,976</u>
<u>(24,245)</u>	<u>(11,430)</u>	<u>1,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,629</u>
24,245	11,430	-	-	-	-	-
-	-	-	-	-	-	-
<u>24,245</u>	<u>11,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	1,265	-	-	-	72,629
-	1,855	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,855</u>	<u>\$ 1,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,629</u>

(continued)

**COUNTY OF VICTORIA, TEXAS****NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****OTHER SPECIAL REVENUE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
STATUTORY BASIS**

For the year ended December 31, 2019

	Byrne JAG Program	Drug Trafficking Grant	Firefighters Grant	Feral Hog Grant	TxCDBG WCID #1
<b>REVENUES</b>					
Fees of office and user fees	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,516	141,060	-	-	266,996
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	-	-
Contributions	-	-	8,000	4,039	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>13,516</u>	<u>141,060</u>	<u>8,000</u>	<u>4,039</u>	<u>266,996</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	266,996
Public safety	13,516	141,060	8,000	4,039	-
Highways and streets	-	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>13,516</u>	<u>141,060</u>	<u>8,000</u>	<u>4,039</u>	<u>266,996</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	-	-	-	-	-
Fund balance, January 1	-	-	-	-	-
<b>Fund balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Mental Health Peace Officer</u>	<u>BISD School Resource Officer</u>	<u>Sheriff's Special Purpose</u>	<u>Sheriff's Donations</u>	<u>CDA Contraband Forfeiture</u>	<u>CDA DOJ Equitable Share</u>	<u>Sheriff's Federal Forfeiture</u>
\$ -	\$ 69,264	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	351,456	-	305,785	-	186,628
-	-	9,445	6	14,327	24	8,786
-	-	-	-	-	-	-
<u>190,318</u>	<u>-</u>	<u>2,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>190,318</u>	<u>69,264</u>	<u>362,961</u>	<u>6</u>	<u>320,112</u>	<u>24</u>	<u>195,414</u>
-	-	-	-	93,826	-	-
190,318	69,264	341,893	-	-	-	766
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>190,318</u>	<u>69,264</u>	<u>341,893</u>	<u>-</u>	<u>93,826</u>	<u>-</u>	<u>766</u>
-	-	21,068	6	226,286	24	194,648
-	-	-	-	-	-	-
-	-	-	-	(10,000)	-	-
-	-	-	-	(10,000)	-	-
-	-	21,068	6	216,286	24	194,648
-	-	435,312	253	609,006	1,073	379,067
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 456,380</u>	<u>\$ 259</u>	<u>\$ 825,292</u>	<u>\$ 1,097</u>	<u>\$ 573,715</u>

(continued)

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**OTHER SPECIAL REVENUE FUNDS**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
STATUTORY BASIS**For the year ended December 31, 2019*

	National School Lunch Program	VISD School Resource Officer	Election Admin. Special	Elections Chapter 19	Tax Assessor- Collector Special
<b>REVENUES</b>					
Fees of office and user fees	\$ -	\$ 732,174	\$ 60,764	\$ 11,276	\$ -
Intergovernmental	20,057	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	604	-	12,336
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	1,780
<b>Total revenues</b>	<u>20,057</u>	<u>732,174</u>	<u>61,368</u>	<u>11,276</u>	<u>14,116</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	77,013	11,276	9,972
Public safety	-	732,174	-	-	-
Highways and streets	-	-	-	-	-
Public health	37,732	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>37,732</u>	<u>732,174</u>	<u>77,013</u>	<u>11,276</u>	<u>9,972</u>
Excess (deficiency) of revenues over expenditures	<u>(17,675)</u>	<u>-</u>	<u>(15,645)</u>	<u>-</u>	<u>4,144</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	17,675	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>17,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	-	-	(15,645)	-	4,144
Fund balance, January 1	-	-	27,478	-	21,686
<b>Fund balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,833</u>	<u>\$ -</u>	<u>\$ 25,830</u>

Historical Commission	Child Welfare Board	Rebuild Texas	Law Library	Health Department	TX A&M University Health Science Contract	Medicaid Administrative Claims
\$ -	\$ 2,085	\$ -	\$ 55,808	\$ 703,713	\$ -	\$ -
-	-	-	-	1,457,213	-	28,576
-	-	-	-	-	-	-
466	-	-	-	344	-	-
-	-	594,167	-	-	20,000	-
-	-	-	-	75,066	-	-
<u>466</u>	<u>2,085</u>	<u>594,167</u>	<u>55,808</u>	<u>2,236,336</u>	<u>20,000</u>	<u>28,576</u>
2,404	16,587	-	40,228	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	3,125,566	14,366	21,803
-	-	588,441	-	-	-	-
<u>2,404</u>	<u>16,587</u>	<u>588,441</u>	<u>40,228</u>	<u>3,125,566</u>	<u>14,366</u>	<u>21,803</u>
<u>(1,938)</u>	<u>(14,502)</u>	<u>5,726</u>	<u>15,580</u>	<u>(889,230)</u>	<u>5,634</u>	<u>6,773</u>
-	-	109,709	-	925,329	-	-
-	-	-	(17,000)	-	-	-
-	-	109,709	(17,000)	925,329	-	-
(1,938)	(14,502)	115,435	(1,420)	36,099	5,634	6,773
<u>22,535</u>	<u>30,800</u>	<u>-</u>	<u>59,535</u>	<u>-</u>	<u>-</u>	<u>40,395</u>
<u>\$ 20,597</u>	<u>\$ 16,298</u>	<u>\$ 115,435</u>	<u>\$ 58,115</u>	<u>\$ 36,099</u>	<u>\$ 5,634</u>	<u>\$ 47,168</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

## NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

## OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
STATUTORY BASIS

For the year ended December 31, 2019

	Texas Home Visiting Grant	Hogg Foundation Grant	Hurricane Public Health Co-op Agreement	Americares Grant	WIC Program
<b>REVENUES</b>					
Fees of office and user fees	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	455,638	-	185,508	-	672,058
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	-	-
Contributions	-	142,758	-	10,000	-
Miscellaneous	-	-	-	-	3,779
<b>Total revenues</b>	<u>455,638</u>	<u>142,758</u>	<u>185,508</u>	<u>10,000</u>	<u>675,837</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Public health	455,638	129,813	185,508	10,000	675,837
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>455,638</u>	<u>129,813</u>	<u>185,508</u>	<u>10,000</u>	<u>675,837</u>
Excess (deficiency) of revenues over expenditures	-	12,945	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	-	12,945	-	-	-
Fund balance, January 1	-	79,041	-	-	-
<b>Fund balance, December 31</b>	<u>\$ -</u>	<u>\$ 91,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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<u>LEOSE</u>	<u>Total</u>
\$ -	\$ 1,913,506
17,148	5,586,789
-	843,869
-	52,021
-	895,267
-	346,099
<u>17,148</u>	<u>9,637,551</u>
-	2,877,075
18,262	2,570,089
-	284,935
-	4,656,263
-	588,441
<u>18,262</u>	<u>10,976,803</u>
<u>(1,114)</u>	<u>(1,339,252)</u>
-	1,747,569
-	(34,765)
-	1,712,804
(1,114)	373,552
<u>48,360</u>	<u>2,394,671</u>
<u>\$ 47,246</u>	<u>\$ 2,768,223</u>

(concluded)

## **GENERAL FUND**

The General Fund is a constitutional fund and is utilized to account for all County revenues and expenditures except those which are required to be classed in other constitutional funds and such other funds that are presented separately to facilitate proper accountability.

**COUNTY OF VICTORIA, TEXAS**

*GENERAL FUND*

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN*

*FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL*

*For the year ended December 31, 2019*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Taxes				
Ad valorem				
Current	\$ 19,868,877	\$ 19,949,359	\$ 19,949,359	\$ -
Delinquent	442,500	442,500	330,252	(112,248)
Penalty and interest	192,000	192,000	214,996	22,996
Sales and use	<u>10,060,000</u>	<u>10,290,140</u>	<u>10,291,736</u>	<u>1,596</u>
Total taxes	<u>30,563,377</u>	<u>30,873,999</u>	<u>30,786,343</u>	<u>(87,656)</u>
Fees of office and user fees				
Sheriff's department	445,000	445,000	306,194	(138,806)
Prisoner maintenance	500	500	-	(500)
Estray fees	1,000	1,000	(1,432)	(2,432)
County treasurer	3,000	3,000	2,580	(420)
Election administrator	1,000	1,000	30	(970)
County clerk	385,000	385,000	366,704	(18,296)
Probate personnel education fees	1,700	1,700	1,317	(383)
Guardianship fee	7,000	7,000	5,387	(1,613)
County courts at law	4,000	4,000	4,522	522
Tax assessor-collector	610,000	610,000	627,299	17,299
Criminal district attorney	10,000	10,000	8,544	(1,456)
District clerk	200,000	200,000	179,257	(20,743)
Justices of the peace	58,500	58,500	81,510	23,010
JP Truancy Cost FC 65.107	-	-	700	700
Deferred adjudication	30,000	30,000	36,032	6,032
Constables	92,000	92,000	130,256	38,256
Pre-trial supervisory fees	30,000	30,000	6,437	(23,563)
Pre-trial bonding fees	120,000	192,700	228,190	35,490
Interlock device fees	10,000	10,000	11,847	1,847
Pre-trial drug test fees	100	100	334	234
Total fees of office and user fees	<u>2,008,800</u>	<u>2,081,500</u>	<u>1,995,708</u>	<u>(85,792)</u>
Intergovernmental				
Payment in lieu of taxes	1,000	1,000	230	(770)
Alcohol beverage tax	238,000	238,000	266,468	28,468
County courts at law	168,000	168,000	168,000	-
Bingo gross receipts tax	70,000	70,000	72,469	2,469
Tobacco settlement	55,000	55,000	64,923	9,923
Indigent defense grant	79,611	79,611	76,751	(2,860)
Jury fee reimbursement/SB1704	50,000	50,000	33,864	(16,136)
DA Longevity Reimb/GC 41	6,444	6,444	3,037	(3,407)
DA 2015 State Supplement Re	4,427	4,427	2,974	(1,453)
Juvenile detention contracts	2,150,000	2,150,000	2,018,056	(131,944)
State juvenile detention funds	174,000	251,845	257,398	5,553
Jail inmate bedspace	500,000	500,000	590,205	90,205
Jail inmate contract other	30,000	30,000	20,918	(9,082)

(continued)

**COUNTY OF VICTORIA, TEXAS**

*GENERAL FUND*

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL*

*For the year ended December 31, 2019*

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>REVENUES (continued)</b>				
Intergovernmental (continued)				
Jail inmate extradition	\$ 10,000	\$ 10,000	\$ 16,488	\$ 6,488
General inmate medical	35,000	35,000	39,118	4,118
UTMB refunds	100,000	100,000	210,632	110,632
Vest reimbursement	-	-	15,894	15,894
Total intergovernmental	<u>3,671,482</u>	<u>3,749,327</u>	<u>3,857,425</u>	<u>108,098</u>
Fines and forfeitures				
District court fines	260,000	260,000	206,541	(53,459)
County court at law fines	400,000	400,000	302,227	(97,773)
Justice of the peace fines	450,000	450,000	438,465	(11,535)
Forfeitures	70,100	70,100	70,948	848
Total fines and forfeitures	<u>1,180,100</u>	<u>1,180,100</u>	<u>1,018,181</u>	<u>(161,919)</u>
Interest	<u>500,100</u>	<u>500,100</u>	<u>587,356</u>	<u>87,256</u>
Licenses and permits				
Marriage licenses	20,000	20,000	19,905	(95)
Beer and whiskey licenses	22,000	22,000	33,745	11,745
Total licenses and permits	<u>42,000</u>	<u>42,000</u>	<u>53,650</u>	<u>11,650</u>
Miscellaneous				
Records management preservation	26,000	26,000	24,844	(1,156)
Criminal justice planning commission	100	100	-	(100)
Crime stopper fee	50	50	9	(41)
Victims of crime collection	100	100	4	(96)
JCPTF commission	100	100	-	(100)
Juvenile probation diversion collections	100	100	-	(100)
Operators/chauffeurs license	100	100	-	(100)
Legal service for indigents fees	1,000	1,000	1,280	280
Defensive driving course fee	3,500	3,500	4,332	832
Visual record by electronic device	-	-	1,610	1,610
Court reporter fees	27,000	27,000	27,797	797
Arrest warrant fees	43,000	43,000	40,040	(2,960)
Other fees	91,800	91,800	97,912	6,112
Personal recognizant fees	1,500	1,500	1,204	(296)
CJAD contract services	6,600	6,600	5,892	(708)
Rents and royalties	303,326	303,326	296,020	(7,306)
Telephone commissions	201,000	201,000	191,456	(9,544)
Election machines rental	60,000	60,000	6,076	(53,924)
Reimbursements and refunds	76,100	76,100	48,546	(27,554)
Restitutions	200	200	-	(200)
Miscellaneous	65,550	85,511	75,210	(10,301)
Total miscellaneous	<u>907,126</u>	<u>927,087</u>	<u>822,232</u>	<u>(104,855)</u>
<b>Total revenues</b>	<u>38,872,985</u>	<u>39,354,113</u>	<u>39,120,895</u>	<u>(233,218)</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES</b>				
Current				
General government				
County judge				
Salaries	\$ 162,702	\$ 160,030	\$ 159,934	\$ 96
Fringe benefits	40,834	40,834	39,619	1,215
Operating expenditures	7,378	14,602	14,451	151
Total county judge	<u>210,914</u>	<u>215,466</u>	<u>214,004</u>	<u>1,462</u>
Commissioners' court				
Salaries	84,914	84,914	84,045	869
Fringe benefits	28,159	28,159	27,625	534
Operating expenditures	25,900	29,511	29,399	112
Other services and charges	7,500	4,364	3,287	1,077
Total commissioners' court	<u>146,473</u>	<u>146,948</u>	<u>144,356</u>	<u>2,592</u>
Records management				
Salaries	82,179	82,179	82,177	2
Fringe benefits	26,815	26,815	26,480	335
Operating expenditures	2,000	2,000	1,327	673
Total records management	<u>110,994</u>	<u>110,994</u>	<u>109,984</u>	<u>1,010</u>
County clerk				
Salaries	542,028	538,737	535,905	2,832
Fringe benefits	162,915	166,206	160,533	5,673
Operating expenditures	32,612	32,612	25,484	7,128
Total county clerk	<u>737,555</u>	<u>737,555</u>	<u>721,922</u>	<u>15,633</u>
Pre-trial services				
Salaries	95,774	95,774	92,804	2,970
Fringe benefits	30,542	30,542	28,297	2,245
Operating expenditures	3,070	3,070	1,016	2,054
Total pre-trial services	<u>129,386</u>	<u>129,386</u>	<u>122,117</u>	<u>7,269</u>
Veterans' service officer				
Salaries	51,488	51,488	48,996	2,492
Fringe benefits	11,297	11,297	10,751	546
Operating expenditures	3,720	4,024	3,950	74
Other services and charges	-	1,607	1,606	1
Capital outlay	-	2,591	2,591	-
Total veterans' service officer	<u>66,505</u>	<u>71,007</u>	<u>67,894</u>	<u>3,113</u>
Non-departmental				
Operating expenditures	1,336,266	1,120,265	1,075,181	45,084
Other services and charges	940,273	1,032,077	991,972	40,105
Capital outlay	100,000	924,658	773,010	151,648
Total non-departmental	<u>2,376,539</u>	<u>3,077,000</u>	<u>2,840,163</u>	<u>236,837</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Current (continued)				
General government (continued)				
County court at law				
Salaries	\$ 511,255	\$ 511,255	\$ 506,311	\$ 4,944
Fringe benefits	134,762	134,762	129,877	4,885
Operating expenditures	10,632	10,632	9,582	1,050
Other services and charges	103,000	140,000	126,385	13,615
Total county court at law	<u>759,649</u>	<u>796,649</u>	<u>772,155</u>	<u>24,494</u>
County court at law # 2				
Other services and charges	95,000	139,953	131,044	8,909
Total county court at law # 2	<u>95,000</u>	<u>139,953</u>	<u>131,044</u>	<u>8,909</u>
District court				
Salaries	339,912	339,912	330,322	9,590
Fringe benefits	143,741	143,741	142,202	1,539
Operating expenditures	14,114	18,648	16,766	1,882
Other services and charges	686,450	1,079,360	1,021,250	58,110
Total district court	<u>1,184,217</u>	<u>1,581,661</u>	<u>1,510,540</u>	<u>71,121</u>
District clerk				
Salaries	546,597	546,597	542,814	3,783
Fringe benefits	181,485	181,485	174,791	6,694
Operating expenditures	18,619	18,619	13,890	4,729
Total district clerk	<u>746,701</u>	<u>746,701</u>	<u>731,495</u>	<u>15,206</u>
Justice of the peace # 1				
Salaries	158,362	158,362	158,358	4
Fringe benefits	53,058	53,058	51,726	1,332
Operating expenditures	5,513	5,513	4,392	1,121
Total justice of the peace # 1	<u>216,933</u>	<u>216,933</u>	<u>214,476</u>	<u>2,457</u>
Justice of the peace # 2				
Salaries	127,686	127,686	127,683	3
Fringe benefits	41,192	41,192	40,644	548
Operating expenditures	4,213	4,213	2,998	1,215
Total justice of the peace # 2	<u>173,091</u>	<u>173,091</u>	<u>171,325</u>	<u>1,766</u>
Justice of the peace # 3				
Salaries	207,256	207,256	207,253	3
Fringe benefits	64,530	64,330	63,078	1,252
Operating expenditures	4,838	5,038	4,865	173
Total justice of the peace # 3	<u>276,624</u>	<u>276,624</u>	<u>275,196</u>	<u>1,428</u>
Justice of the peace # 4				
Salaries	146,303	146,303	143,908	2,395
Fringe benefits	46,764	46,764	45,069	1,695
Operating expenditures	5,518	5,518	5,011	507
Capital outlay	-	7,839	7,838	1
Total justice of the peace # 4	<u>198,585</u>	<u>206,424</u>	<u>201,826</u>	<u>4,598</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

*GENERAL FUND*

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN*

*FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL*

*For the year ended December 31, 2019*

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Current (continued)				
General government (continued)				
Criminal district attorney				
Salaries	\$ 1,427,968	\$ 1,427,968	\$ 1,252,656	\$ 175,312
Fringe benefits	392,353	392,353	333,262	59,091
Operating expenditures	687	687	178	509
Total criminal district attorney	<u>1,821,008</u>	<u>1,821,008</u>	<u>1,586,096</u>	<u>234,912</u>
Election administrator				
Salaries	167,241	167,241	120,866	46,375
Fringe benefits	45,112	45,112	36,152	8,960
Operating expenditures	100,402	100,402	93,417	6,985
Other services and charges	20,871	20,871	15,900	4,971
Total election administrator	<u>333,626</u>	<u>333,626</u>	<u>266,335</u>	<u>67,291</u>
County auditor				
Salaries	391,722	391,222	379,574	11,648
Fringe benefits	122,569	122,569	116,243	6,326
Operating expenditures	12,721	13,221	12,633	588
Total county auditor	<u>527,012</u>	<u>527,012</u>	<u>508,450</u>	<u>18,562</u>
County treasurer				
Salaries	254,679	247,698	246,330	1,368
Fringe benefits	74,933	74,933	74,413	520
Operating expenditures	35,747	41,457	34,508	6,949
Capital outlay	-	1,271	1,271	-
Total county treasurer	<u>365,359</u>	<u>365,359</u>	<u>356,522</u>	<u>8,837</u>
Tax assessor-collector				
Salaries	614,418	614,418	562,257	52,161
Fringe benefits	204,405	204,405	172,067	32,338
Operating expenditures	15,400	15,400	13,254	2,146
Total tax assessor-collector	<u>834,223</u>	<u>834,223</u>	<u>747,578</u>	<u>86,645</u>
Administrative services				
Salaries	253,554	200,714	182,853	17,861
Fringe benefits	74,686	63,871	48,022	15,849
Operating expenditures	13,500	13,500	9,816	3,684
Total administrative services	<u>341,740</u>	<u>278,085</u>	<u>240,691</u>	<u>37,394</u>
Information technology				
Salaries	428,725	428,725	425,047	3,678
Fringe benefits	127,783	127,783	124,381	3,402
Operating expenditures	452,300	443,825	440,477	3,348
Other services and charges	160,000	343,564	339,993	3,571
Capital outlay	48,000	45,000	43,542	1,458
Total information technology	<u>1,216,808</u>	<u>1,388,897</u>	<u>1,373,440</u>	<u>15,457</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

*GENERAL FUND*

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN*

*FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL*

*For the year ended December 31, 2019*

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Current (continued)				
General government (continued)				
Human resources				
Salaries	\$ -	\$ 46,289	\$ 36,605	\$ 9,684
Fringe benefits	-	14,039	10,418	3,621
Total human resources	-	60,328	47,023	13,305
Facilities management				
Salaries	444,770	444,770	425,094	19,676
Fringe benefits	148,127	148,127	136,902	11,225
Operating expenditures	1,131,480	1,275,110	1,257,426	17,684
Capital outlay	-	29,689	29,689	-
Total facilities management	1,724,377	1,897,696	1,849,111	48,585
Adult probation department				
Operating expenditures	1,000	1,000	722	278
Total adult probation department	1,000	1,000	722	278
Juvenile detention facility				
Salaries	2,115,163	2,116,132	2,084,601	31,531
Fringe benefits	627,161	627,161	600,693	26,468
Operating expenditures	445,600	519,323	485,028	34,295
Other services and charges	122,000	88,981	87,657	1,324
Capital outlay	-	11,271	11,271	-
Total juvenile detention facility	3,309,924	3,362,868	3,269,250	93,618
Juvenile board				
Salaries	34,255	34,255	34,253	2
Fringe benefits	7,517	7,517	7,310	207
Total juvenile board	41,772	41,772	41,563	209
Total general government	17,946,015	19,538,266	18,515,278	1,022,988
Public safety				
Fire marshal				
Salaries	451,650	447,772	446,315	1,457
Fringe benefits	132,814	136,692	133,056	3,636
Operating expenditures	107,743	103,629	98,571	5,058
Other services and charges	65,000	74,805	54,121	20,684
Capital outlay	-	76,195	66,402	9,793
Total fire marshal	757,207	839,093	798,465	40,628

(continued)

**COUNTY OF VICTORIA, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Current (continued)				
Public safety (continued)				
Sheriff				
Salaries	\$ 9,923,861	\$ 9,610,270	\$ 9,334,580	\$ 275,690
Fringe benefits	2,915,309	2,914,409	2,689,665	224,744
Operating expenditures	1,510,566	1,997,707	1,897,288	100,419
Other services and charges	1,509,501	1,335,069	1,077,460	257,609
Capital outlay	279,500	457,834	457,822	12
Total sheriff	<u>16,138,737</u>	<u>16,315,289</u>	<u>15,456,815</u>	<u>858,474</u>
Constable # 1				
Salaries	43,148	43,148	42,970	178
Fringe benefits	13,859	14,293	13,953	340
Operating expenditures	4,400	6,904	5,378	1,526
Capital outlay	-	6,190	6,189	1
Total constable # 1	<u>61,407</u>	<u>70,535</u>	<u>68,490</u>	<u>2,045</u>
Constable # 2				
Salaries	44,398	44,398	44,397	1
Fringe benefits	14,134	14,134	13,996	138
Operating expenditures	4,400	7,400	7,240	160
Total constable # 2	<u>62,932</u>	<u>65,932</u>	<u>65,633</u>	<u>299</u>
Constable # 3				
Salaries	43,868	43,868	43,867	1
Fringe benefits	14,018	14,018	13,879	139
Operating expenditures	4,400	4,400	2,719	1,681
Total constable # 3	<u>62,286</u>	<u>62,286</u>	<u>60,465</u>	<u>1,821</u>
Constable # 4				
Salaries	43,148	43,148	42,992	156
Fringe benefits	14,603	14,603	13,363	1,240
Operating expenditures	4,400	4,400	1,407	2,993
Total constable # 4	<u>62,151</u>	<u>62,151</u>	<u>57,762</u>	<u>4,389</u>
Non-departmental				
Other services and charges				
City/County interlocal agreement	<u>2,015,000</u>	<u>2,015,000</u>	<u>1,840,968</u>	<u>174,032</u>
Total non-departmental	<u>2,015,000</u>	<u>2,015,000</u>	<u>1,840,968</u>	<u>174,032</u>
Total public safety	<u>19,159,720</u>	<u>19,430,286</u>	<u>18,348,598</u>	<u>1,081,688</u>

(continued)

**COUNTY OF VICTORIA, TEXAS***GENERAL FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**For the year ended December 31, 2019*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>EXPENDITURES (continued)</b>				
Current (continued)				
Culture and recreation				
Extension service				
Salaries	\$ 181,300	\$ 177,200	\$ 171,656	\$ 5,544
Fringe benefits	36,941	36,941	35,057	1,884
Operating expenditures	24,475	24,475	13,246	11,229
Other services and charges	13,000	17,100	15,961	1,139
Total extension service	<u>255,716</u>	<u>255,716</u>	<u>235,920</u>	<u>19,796</u>
Total culture and recreation	<u>255,716</u>	<u>255,716</u>	<u>235,920</u>	<u>19,796</u>
<b>Total expenditures</b>	<u>37,361,451</u>	<u>39,224,268</u>	<u>37,099,796</u>	<u>2,124,472</u>
Excess (deficiency) of revenues over expenditures	<u>1,511,534</u>	<u>129,845</u>	<u>2,021,099</u>	<u>1,891,254</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	5,000	5,000	1,208	(3,792)
Transfers in	52,000	52,000	17,000	(35,000)
Transfers out	<u>(1,572,309)</u>	<u>(2,311,199)</u>	<u>(2,290,281)</u>	<u>20,918</u>
<b>Total other financing sources (uses)</b>	<u>(1,515,309)</u>	<u>(2,254,199)</u>	<u>(2,272,073)</u>	<u>(17,874)</u>
Change in fund balance	(3,775)	(2,124,354)	(250,974)	1,873,380
Fund balance, January 1	<u>17,295,536</u>	<u>17,295,536</u>	<u>17,295,536</u>	<u>-</u>
<b>Fund balance, December 31</b>	<u>\$ 17,291,761</u>	<u>\$ 15,171,182</u>	<u>\$ 17,044,562</u>	<u>\$ 1,873,380</u>

(concluded)

**NONMAJOR SPECIAL REVENUE FUNDS**

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**ROAD AND BRIDGE PRECINCT NO. 1**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL - STATUTORY BASIS**For the year ended December 31, 2019*

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 1,006,159	\$ 1,010,683	\$ -	\$ 1,010,683
Delinquent taxes	18,000	15,889	46	15,843
Penalty and interest	8,400	10,440	31	10,409
Intergovernmental				
Vehicle license fees	90,000	90,037	-	90,037
Additional license fees	220,000	226,527	3,297	223,230
Permits	28,500	42,572	-	42,572
FEMA grants	-	-	(66,911)	66,911
Investment income				
Interest	14,000	18,479	-	18,479
Miscellaneous	30,100	33,016	6	33,010
<b>Total revenues</b>	<u>1,415,159</u>	<u>1,447,643</u>	<u>(63,531)</u>	<u>1,511,174</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Salaries	607,397	589,942	(2,635)	592,577
Fringe benefits	185,343	177,537	(796)	178,333
Operating expenditures	899,087	876,912	(35,840)	912,752
Other services and charges	18,208	18,052	-	18,052
Capital outlay	71,070	71,070	-	71,070
<b>Total expenditures</b>	<u>1,781,105</u>	<u>1,733,513</u>	<u>(39,271)</u>	<u>1,772,784</u>
Excess (deficiency) of revenues over expenditures	<u>(365,946)</u>	<u>(285,870)</u>	<u>(24,260)</u>	<u>(261,610)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,946	13,711	-	13,711
<b>Total other financing sources (uses)</b>	<u>5,946</u>	<u>13,711</u>	<u>-</u>	<u>13,711</u>
Change in fund balance	(360,000)	(272,159)	(24,260)	(247,899)
Fund balance, January 1	15,291	493,120	61,202	431,918
<b>Fund balance, December 31</b>	<u>\$ (344,709)</u>	<u>\$ 220,961</u>	<u>\$ 36,942</u>	<u>\$ 184,019</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

**COUNTY OF VICTORIA, TEXAS***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**ROAD AND BRIDGE PRECINCT NO. 2**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL - STATUTORY BASIS**For the year ended December 31, 2019*

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 946,973	\$ 951,232	\$ -	\$ 951,232
Delinquent taxes	17,000	15,071	44	15,027
Penalty and interest	8,300	9,827	29	9,798
Intergovernmental				
Vehicle license fees	90,000	90,037	3,103	86,934
Additional license fees	220,000	213,202	6	213,196
Permits	28,500	42,932	-	42,932
FEMA grants	-	-	(4,714)	4,714
Investment income				
Interest	18,000	26,692	-	26,692
Miscellaneous	1,100	32,457	-	32,457
<b>Total revenues</b>	<u>1,329,873</u>	<u>1,381,450</u>	<u>(1,532)</u>	<u>1,382,982</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Salaries	500,442	450,503	(1,825)	452,328
Fringe benefits	146,985	131,630	(379)	132,009
Operating expenditures	1,255,664	1,081,794	9,351	1,072,443
Other services and charges	15,800	3,071	(93)	3,164
Capital outlay	75,000	74,610	(66,866)	141,476
<b>Total expenditures</b>	<u>1,993,891</u>	<u>1,741,608</u>	<u>(59,812)</u>	<u>1,801,420</u>
Excess (deficiency) of revenues over expenditures	<u>(664,018)</u>	<u>(360,158)</u>	<u>58,280</u>	<u>(418,438)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,982)	(1,982)	-	(1,982)
<b>Total other financing sources (uses)</b>	<u>(1,982)</u>	<u>(1,982)</u>	<u>-</u>	<u>(1,982)</u>
Change in fund balance	(666,000)	(362,140)	58,280	(420,420)
Fund balance, January 1	<u>(227,855)</u>	<u>959,977</u>	<u>189,980</u>	<u>769,997</u>
<b>Fund balance, December 31</b>	<u>\$ (893,855)</u>	<u>\$ 597,837</u>	<u>\$ 248,260</u>	<u>\$ 349,577</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

**COUNTY OF VICTORIA, TEXAS**

## NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

## ROAD AND BRIDGE PRECINCT NO. 3

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

For the year ended December 31, 2019

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 927,244	\$ 931,415	\$ -	\$ 931,415
Delinquent taxes	17,000	14,528	42	14,486
Penalty and interest	8,200	9,622	28	9,594
Intergovernmental				
Vehicle license fees	90,000	90,037	-	90,037
Additional license fees	220,000	208,760	3,039	205,721
Permits	28,500	42,572	-	42,572
FEMA grants	-	-	(54,300)	54,300
Investment income				
Interest	25,000	42,984	-	42,984
Miscellaneous	55,300	34,102	(804)	34,906
<b>Total revenues</b>	<u>1,371,244</u>	<u>1,374,020</u>	<u>(51,995)</u>	<u>1,426,015</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Salaries	630,990	625,230	(3,059)	628,289
Fringe benefits	204,425	200,470	(970)	201,440
Operating expenditures	549,842	518,748	(14,942)	533,690
Other services and charges	2,000	95	-	95
Capital outlay	98,757	90,961	-	90,961
<b>Total expenditures</b>	<u>1,486,014</u>	<u>1,435,504</u>	<u>(18,971)</u>	<u>1,454,475</u>
Excess (deficiency) of revenues over expenditures	<u>(114,770)</u>	<u>(61,484)</u>	<u>(33,024)</u>	<u>(28,460)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,982)	(1,982)	-	(1,982)
<b>Total other financing sources (uses)</b>	<u>(1,982)</u>	<u>(1,982)</u>	<u>-</u>	<u>(1,982)</u>
Change in fund balance	(116,752)	(63,466)	(33,024)	(30,442)
Fund balance, January 1	<u>1,134,730</u>	<u>1,501,682</u>	<u>68,884</u>	<u>1,432,798</u>
<b>Fund balance, December 31</b>	<u>\$ 1,017,978</u>	<u>\$ 1,438,216</u>	<u>\$ 35,860</u>	<u>\$ 1,402,356</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

**COUNTY OF VICTORIA, TEXAS**

## NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

## ROAD AND BRIDGE PRECINCT NO. 4

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

## BUDGET AND ACTUAL - STATUTORY BASIS

For the year ended December 31, 2019

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 1,065,345	\$ 1,070,135	\$ -	\$ 1,070,135
Delinquent taxes	19,000	16,824	49	16,775
Penalty and interest	9,300	11,054	32	11,022
Intergovernmental				
Vehicle license fees	90,000	90,037	-	90,037
Additional license fees	250,000	239,852	3,491	236,361
Permits	28,500	44,492	-	44,492
Investment income				
Interest	12,000	19,547	-	19,547
Miscellaneous	150,100	145,461	(117)	145,578
<b>Total revenues</b>	<u>1,624,245</u>	<u>1,637,402</u>	<u>3,455</u>	<u>1,633,947</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Salaries	537,732	521,321	(3,673)	524,994
Fringe benefits	158,764	149,304	(1,109)	150,413
Operating expenditures	971,072	951,824	(7,834)	959,658
Other services and charges	6,119	3,075	-	3,075
Capital outlay	93,134	93,133	-	93,133
<b>Total expenditures</b>	<u>1,766,821</u>	<u>1,718,657</u>	<u>(12,616)</u>	<u>1,731,273</u>
Excess (deficiency) of revenues over expenditures	<u>(142,576)</u>	<u>(81,255)</u>	<u>16,071</u>	<u>(97,326)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,982)	(1,982)	-	(1,982)
<b>Total other financing sources (uses)</b>	<u>(1,982)</u>	<u>(1,982)</u>	<u>-</u>	<u>(1,982)</u>
Change in fund balance	(144,558)	(83,237)	16,071	(99,308)
Fund balance, January 1	<u>329,412</u>	<u>539,986</u>	<u>231,352</u>	<u>308,634</u>
<b>Fund balance, December 31</b>	<u>\$ 184,854</u>	<u>\$ 456,749</u>	<u>\$ 247,423</u>	<u>\$ 209,326</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

## **NONMAJOR DEBT SERVICE FUND**

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for general government debt principal and interest.

**COUNTY OF VICTORIA, TEXAS**  
**NONMAJOR GOVERNMENTAL FUND**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the year ended December 31, 2019

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
<b>REVENUES</b>				
Taxes				
Current taxes	\$ 1,371,808	\$ 1,377,365	\$ -	\$ 1,377,365
Delinquent taxes	34,000	22,837	64	22,773
Penalty and interest	14,800	14,827	68	14,759
Investment income				
Interest	6,000	16,600	-	16,600
<b>Total revenues</b>	<u>1,426,608</u>	<u>1,431,629</u>	<u>132</u>	<u>1,431,497</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	933,752	933,752	-	933,752
Interest and fiscal charges	427,495	427,494	-	427,494
Bond issuance costs	191,659	189,043	-	189,043
<b>Total expenditures</b>	<u>1,552,906</u>	<u>1,550,289</u>	<u>-</u>	<u>1,550,289</u>
Excess (deficiency) of revenues over expenditures	<u>(126,298)</u>	<u>(118,660)</u>	<u>132</u>	<u>(118,792)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	9,895,000	9,895,000	-	9,895,000
Premium on issuance of bonds	296,659	296,659	-	296,659
Payments to component unit	<u>(10,000,000)</u>	<u>(10,002,616)</u>	<u>-</u>	<u>(10,002,616)</u>
<b>Total other financing sources (uses)</b>	<u>191,659</u>	<u>189,043</u>	<u>-</u>	<u>189,043</u>
Change in fund balance	65,361	70,383	132	70,251
Fund balance, January 1	<u>383,753</u>	<u>443,890</u>	<u>(27,361)</u>	<u>471,251</u>
<b>Fund balance, December 31</b>	<u>\$ 449,114</u>	<u>\$ 514,273</u>	<u>\$ (27,229)</u>	<u>\$ 541,502</u>

**Explanation of differences:**

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

## AGENCY FUNDS

Agency Funds are used to account for the monies received and disbursed by the County in the capacity of trustee, custodian, or agent for individuals or other entities.

**County Clerk-Trusts Fund** - Accounts for monies held by the County Clerk in trust for various minors of the County of Victoria.

**Criminal District Attorney Fund** - Accounts for the merchants' portion of collections made on "hot" checks.

**District Clerk-Trusts Fund** - Accounts for monies held by the District Clerk in trust for various minors of the County of Victoria.

**Clerk's Special Fund** - Accounts for the collection and disbursement of excess fees collected by both the County and District Clerks.

**Jail Inmate Trust Fund** - Accounts for monies that are held for the benefit of and use by inmates in the County Jail.

**Sheriff Special Fund** - Records out-of-county cash bonds and various fines and fees collected by the Sheriff's department. These funds are remitted to the State and other entities as appropriate.

**State Fees Fund** - Accounts for statutory additions to various fines collected by the County. These fees are transferred to the State and the General Fund of the County on a periodic basis.

**Justice of the Peace Special Fund** - Records the disposition of cash bonds and miscellaneous overpayments. These funds are disbursed according to court orders.

**Tax Assessor-Collector Fund** - Accounts for the collection of ad valorem taxes, various vehicle taxes, and sales taxes by the County Tax Assessor-Collector. These monies are remitted to other various County funds and the State as collected.

**Juvenile Restitution Fund** - Records the receipt and disbursement of monies collected from juvenile offenders and paid to owners of damaged property.

**Special Services Fund** - Records confiscated drug monies prior to their being awarded, by action of the court, to various individuals and/or County departments.

**Juvenile Inmate Trust Fund** - Accounts for monies that are held for the benefit of and use by inmates in the County Juvenile Detention facility.

**CDA State Judiciary Fund** - Accounts for funds received from the State Comptroller's Office to provide financial assistance to district attorneys for office expenses, supplies, and personnel.

**COUNTY OF VICTORIA, TEXAS***AGENCY FUNDS**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**For the year ended December 31, 2019*

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
<b>COUNTY CLERK-TRUSTS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 416,580	\$ 369,814	\$ 236,604	\$ 549,790
<b>LIABILITIES</b>				
Accounts payable	\$ 416,580	\$ 369,814	\$ 236,604	\$ 549,790
<b>CRIMINAL DISTRICT ATTORNEY</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,345	\$ 108,881	\$ 101,797	\$ 17,429
<b>LIABILITIES</b>				
Accounts payable	\$ 10,345	\$ 108,881	\$ 101,797	\$ 17,429
<b>DISTRICT CLERK-TRUSTS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,230,342	\$ 498,536	\$ 447,492	\$ 1,281,386
<b>LIABILITIES</b>				
Accounts payable	\$ 1,230,342	\$ 498,536	\$ 447,492	\$ 1,281,386
<b>CLERK'S SPECIAL</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15	\$ 9,802	\$ 9,817	\$ -
<b>LIABILITIES</b>				
Accounts payable	\$ 15	\$ 9,802	\$ 9,817	\$ -
<b>JAIL INMATE TRUST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 65,221	\$ 796,267	\$ 810,674	\$ 50,814
<b>LIABILITIES</b>				
Accounts payable	\$ 65,221	\$ 796,267	\$ 810,674	\$ 50,814
<b>SHERIFF SPECIAL</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 358,121	\$ 294,684	\$ 63,437
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 358,121	\$ 294,684	\$ 63,437

(continued)

**COUNTY OF VICTORIA, TEXAS**

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the year ended December 31, 2019

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
<b>STATE FEES</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 180,569	\$ 855,476	\$ 853,293	\$ 182,752
Other receivables	6,972	12,873	6,972	12,873
<b>Total assets</b>	<u>\$ 187,541</u>	<u>\$ 868,349</u>	<u>\$ 860,265</u>	<u>\$ 195,625</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 187,541</u>	<u>\$ 868,349</u>	<u>\$ 860,265</u>	<u>\$ 195,625</u>
<b>JUSTICE OF THE PEACE-SPECIAL</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258</u>
<b>TAX ASSESSOR-COLLECTOR</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,546,897	\$ 183,598,031	\$ 181,911,395	\$ 6,233,533
Other receivables	81,764	96,885	81,764	96,885
<b>Total assets</b>	<u>\$ 4,628,661</u>	<u>\$ 183,694,916</u>	<u>\$ 181,993,159</u>	<u>\$ 6,330,418</u>
<b>LIABILITIES</b>				
Accounts payable	50,579	\$ 177,401,149	\$ 177,415,077	36,651
Due to other governments	4,578,082	6,293,767	4,578,082	6,293,767
<b>Total liabilities</b>	<u>\$ 4,628,661</u>	<u>\$ 183,694,916</u>	<u>\$ 181,993,159</u>	<u>\$ 6,330,418</u>
<b>JUVENILE RESTITUTION</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 93</u>	<u>\$ 775</u>	<u>\$ 849</u>	<u>\$ 19</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 93</u>	<u>\$ 775</u>	<u>\$ 849</u>	<u>\$ 19</u>
<b>SPECIAL SERVICES</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 446,374	\$ 659,912	\$ 861,613	\$ 244,673
Seized assets	234,785	51,285	275,245	10,825
<b>Total assets</b>	<u>\$ 681,159</u>	<u>\$ 711,197</u>	<u>\$ 1,136,858</u>	<u>\$ 255,498</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 681,159</u>	<u>\$ 711,197</u>	<u>\$ 1,136,858</u>	<u>\$ 255,498</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

*AGENCY FUNDS*

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES*

*For the year ended December 31, 2019*

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
<b>JUVENILE INMATE TRUST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 572	\$ 3,049	\$ 3,131	\$ 490
<b>LIABILITIES</b>				
Accounts payable	\$ 572	\$ 3,049	\$ 3,131	\$ 490
<b>CDA STATE JUDICIARY FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,480	\$ 22,850	\$ 23,407	\$ 2,923
<b>LIABILITIES</b>				
Accounts payable	\$ 3,480	\$ 22,850	\$ 23,407	\$ 2,923
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,900,747	\$ 187,281,514	\$ 185,554,756	\$ 8,627,505
Other receivables	88,736	109,758	88,736	109,758
Seized assets	234,785	51,285	275,245	10,825
<b>Total assets</b>	<b>\$ 7,224,268</b>	<b>\$ 187,442,557</b>	<b>\$ 185,918,737</b>	<b>\$ 8,748,088</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,646,186	\$ 181,148,790	\$ 181,340,655	\$ 2,454,321
Due to other governments	4,578,082	6,293,767	4,578,082	6,293,767
<b>Total liabilities</b>	<b>\$ 7,224,268</b>	<b>\$ 187,442,557</b>	<b>\$ 185,918,737</b>	<b>\$ 8,748,088</b>

(concluded)

## STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.....	150
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property tax and sales tax revenues.....	161
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future .....	174
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.....	180
<b>Operating Information</b>	
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs .....	182

**COUNTY OF VICTORIA, TEXAS**  
**NET POSITION BY COMPONENT (1)**  
*Last ten fiscal years*

	Fiscal Year			
	2010	2011	2012	2013
<b>Governmental activities</b>				
Net investment in capital assets	\$ 13,801,455	\$ 16,692,542	\$ 17,634,287	\$ 19,331,396
Restricted	478,249	688,673	1,735,505	1,911,393
Unrestricted	10,419,290	10,692,960	13,988,896	16,544,281
<b>Total governmental activities net position</b>	<b>\$ 24,698,994</b>	<b>\$ 28,074,175</b>	<b>\$ 33,358,688</b>	<b>\$ 37,787,070</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 9,572,959	\$ 9,245,449	\$ 8,841,867	\$ 8,625,363
Unrestricted	48,710	(208,163)	(527,598)	(1,247,508)
<b>Total business-type activities net position</b>	<b>\$ 9,621,669</b>	<b>\$ 9,037,286</b>	<b>\$ 8,314,269</b>	<b>\$ 7,377,855</b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 23,374,414	\$ 25,937,991	\$ 26,476,154	\$ 27,956,759
Restricted	478,249	688,673	1,735,505	1,911,393
Unrestricted	10,468,000	10,484,797	13,651,402	15,296,773
<b>Total primary government activities net position</b>	<b>\$ 34,320,663</b>	<b>\$ 37,111,461</b>	<b>\$ 41,863,061</b>	<b>\$ 45,164,925</b>

(1) Accrual basis of accounting

NOTES: Amounts presented using a Statutory Basis of Accounting

The County implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The County implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ 19,248,568	\$ 18,533,816	\$ 16,809,816	\$ 15,075,452	\$ 19,060,322	\$ 10,876,359
1,818,838	1,561,037	2,283,067	2,695,608	3,329,934	3,930,837
<u>20,591,811</u>	<u>14,018,912</u>	<u>17,629,833</u>	<u>15,968,499</u>	<u>12,312,292</u>	<u>16,924,646</u>
<u>\$ 41,659,217</u>	<u>\$ 34,113,765</u>	<u>\$ 36,722,716</u>	<u>\$ 33,739,559</u>	<u>\$ 34,702,548</u>	<u>\$ 31,731,842</u>
\$ 8,436,735	\$ 8,172,038	\$ 7,942,228	\$ 7,118,679	\$ 5,975,370	\$ 6,130,111
(1,359,561)	(1,521,139)	(1,647,712)	549,053	404,747	476,162
<u>\$ 7,077,174</u>	<u>\$ 6,650,899</u>	<u>\$ 6,294,516</u>	<u>\$ 7,667,732</u>	<u>\$ 6,380,117</u>	<u>\$ 6,606,273</u>
\$ 27,685,303	\$ 27,753,134	\$ 24,752,044	\$ 22,194,131	\$ 25,035,692	\$ 17,006,470
1,818,838	1,561,037	2,283,067	2,695,608	3,329,934	3,930,837
<u>19,232,250</u>	<u>12,497,773</u>	<u>15,982,121</u>	<u>16,517,552</u>	<u>12,717,039</u>	<u>17,400,808</u>
<u>\$ 48,736,391</u>	<u>\$ 41,811,944</u>	<u>\$ 43,017,232</u>	<u>\$ 41,407,291</u>	<u>\$ 41,082,665</u>	<u>\$ 38,338,115</u>

**COUNTY OF VICTORIA, TEXAS**

*CHANGES IN NET POSITION (1)*

*Last ten fiscal years*

	Fiscal Year			
	2010	2011	2012	2013
<b>Governmental activities</b>				
Expenses				
General government	\$ 16,605,275	\$ 15,620,851	\$ 17,725,415	\$ 17,741,218
Public safety	19,400,560	15,289,156	16,249,363	19,116,258
Streets and highways	4,606,913	4,435,115	4,196,422	4,368,635
Culture and recreation	356,884	257,880	301,527	295,945
Public health	4,222,958	3,650,720	3,747,650	3,377,214
Interest on long-term debt	329,593	504,255	352,616	446,849
<b>Total expenses</b>	<u>45,522,183</u>	<u>39,757,977</u>	<u>42,572,993</u>	<u>45,346,119</u>
Program revenues				
Charges for services				
General government	4,986,776	4,639,764	5,709,483	5,733,156
Public safety	1,967,771	2,216,737	2,263,926	2,254,543
Streets and highways	1,454,744	1,506,282	1,600,498	1,597,198
Culture and recreation	-	-	-	-
Public health	806,273	843,562	712,155	533,399
Operating grants and contributions	4,892,681	4,894,311	4,461,065	5,183,741
Capital grants and contributions	376,900	951,625	697,792	228,422
<b>Total program revenues</b>	<u>14,485,145</u>	<u>15,052,281</u>	<u>15,444,919</u>	<u>15,530,459</u>
<b>Total governmental activities net program (expense) revenue</b>	<u>(31,037,038)</u>	<u>(24,705,696)</u>	<u>(27,128,074)</u>	<u>(29,815,660)</u>
General revenues and other changes in net position				
Taxes				
Property taxes	19,632,861	19,323,241	20,738,029	21,984,214
Sales taxes	7,523,254	10,028,625	10,984,845	10,815,601
Other taxes	215,614	224,920	235,893	251,853
Grants and contributions not restricted to specific programs	53,401	352,549	139,310	252,374
Unrestricted investment earnings	101,623	119,708	114,897	132,066
Miscellaneous	416,368	636,498	388,862	807,934
Extraordinary item	-	-	-	-
Transfers	(439,953)	(11,113)	-	-
Special items	-	(2,616,446)	-	-
<b>Total general revenues and other changes in net position</b>	<u>27,503,168</u>	<u>28,057,982</u>	<u>32,601,836</u>	<u>34,244,042</u>
<b>Total governmental activities change in net position</b>	<u>\$ (3,533,870)</u>	<u>\$ 3,352,286</u>	<u>\$ 5,473,762</u>	<u>\$ 4,428,382</u>

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ 19,041,903	\$ 18,521,250	\$ 20,353,896	\$ 26,304,990	\$ 24,306,587	\$ 23,817,872
19,021,706	18,684,796	20,708,786	21,626,868	21,767,661	23,277,427
6,098,697	5,444,923	5,866,714	6,298,408	6,400,322	7,226,644
332,869	306,605	353,798	395,762	317,732	312,336
3,551,753	3,527,448	3,941,509	4,299,622	4,041,478	4,118,147
785,052	433,173	493,290	615,616	301,789	558,442
<u>48,831,980</u>	<u>46,918,195</u>	<u>51,717,993</u>	<u>59,541,266</u>	<u>57,135,569</u>	<u>59,310,868</u>
5,648,982	4,795,027	5,683,863	6,475,812	6,601,723	6,074,148
2,547,897	2,504,511	2,619,758	2,103,246	2,167,104	2,543,329
1,641,604	1,496,157	1,441,352	1,395,105	1,409,429	1,408,121
-	-	2,338	1,850	2,625	3,540
570,998	587,120	545,175	459,781	441,946	782,105
4,651,866	4,440,829	4,104,052	4,626,724	5,456,911	6,401,522
398,800	-	169,264	1,214,971	3,041,129	671,011
<u>15,460,147</u>	<u>13,823,644</u>	<u>14,565,802</u>	<u>16,277,489</u>	<u>19,120,867</u>	<u>17,883,776</u>
(33,371,833)	(33,094,551)	(37,152,191)	(43,263,777)	(38,014,702)	(41,427,092)
23,817,161	25,407,422	26,135,287	25,826,188	26,205,061	25,814,316
11,824,484	10,626,687	9,085,344	9,275,154	10,314,720	10,236,137
295,983	331,179	307,839	282,089	336,764	338,937
730,719	251,659	289,639	2,739,331	1,354,933	254,689
174,003	183,319	185,145	312,407	602,197	766,974
657,416	661,223	659,665	652,954	641,980	422,329
-	-	-	3,264,253	481,222	-
(255,786)	(296,254)	(671,653)	(2,071,756)	(165,366)	(392,250)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>734,506</u>	<u>-</u>
<u>37,243,980</u>	<u>37,165,235</u>	<u>35,991,266</u>	<u>40,280,620</u>	<u>40,506,017</u>	<u>37,441,132</u>
\$ <u>3,872,147</u>	\$ <u>4,070,684</u>	\$ <u>(1,160,925)</u>	\$ <u>(2,983,157)</u>	\$ <u>2,491,315</u>	\$ <u>(3,985,960)</u>

(continued)

**COUNTY OF VICTORIA, TEXAS**

*CHANGES IN NET POSITION (1)*

*Last ten fiscal years*

	Fiscal Year			
	2010	2011	2012	2013
<b>Business-type activities</b>				
Expenses				
Airport	\$ 3,503,128	\$ 3,737,407	\$ 3,822,529	\$ 3,806,501
Navarro Project	583,222	579,775	617,933	694,360
Commisary	95,089	101,378	143,356	120,418
Total expenses	<u>4,181,439</u>	<u>4,418,560</u>	<u>4,583,818</u>	<u>4,621,279</u>
Program revenues				
Charges for services				
Airport	2,324,719	2,932,268	3,009,756	2,879,260
Navarro Project	538,088	544,203	545,557	551,150
Commisary	88,605	152,934	156,172	149,222
Operating grants and contributions	-	42,190	33,694	95,859
Capital grants and contributions	185,325	148,968	142,087	8,950
Total program revenues	<u>3,136,737</u>	<u>3,820,563</u>	<u>3,887,266</u>	<u>3,684,441</u>
Total business-type activities net program (expense) revenue	(1,044,702)	(597,997)	(696,552)	(936,838)
General revenues and other changes in net position				
Unrestricted investment earnings	759	417	385	424
Miscellaneous	-	-	-	-
Transfers	439,953	11,113	-	-
Special item - transfer of operations	-	-	-	-
Total general revenues and other changes in net position	<u>440,712</u>	<u>11,530</u>	<u>385</u>	<u>424</u>
<b>Total business-type activities change in net position</b>	<u>\$ (603,990)</u>	<u>\$ (586,467)</u>	<u>\$ (696,167)</u>	<u>\$ (936,414)</u>
<b>Total primary government change in net position</b>	<u>\$ (4,137,860)</u>	<u>\$ 2,765,819</u>	<u>\$ 4,777,595</u>	<u>\$ 3,491,968</u>

(1) Accrual basis of accounting

NOTES: Amounts presented using a Statutory Basis of Accounting

The County implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The County implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ 4,722,858	\$ 5,323,304	\$ 5,680,308	\$ 5,640,986	\$ 5,553,508	\$ 3,656,509
591,031	612,894	547,458	550,407	-	-
129,621	113,824	114,924	153,074	147,365	175,288
<u>5,443,510</u>	<u>6,050,022</u>	<u>6,342,690</u>	<u>6,344,467</u>	<u>5,700,873</u>	<u>3,831,797</u>
3,645,290	4,351,312	4,531,502	4,894,066	4,727,396	2,993,978
535,511	504,534	522,983	524,583	-	-
162,251	161,543	166,848	159,086	175,539	173,247
91,031	65,148	78,842	64,804	73,151	83,212
440,400	243,803	13,000	-	-	237,142
<u>4,874,483</u>	<u>5,326,340</u>	<u>5,313,175</u>	<u>5,642,539</u>	<u>4,976,086</u>	<u>3,487,579</u>
(569,027)	(723,682)	(1,029,515)	(701,928)	(724,787)	(344,218)
848	1,153	1,479	3,388	6,312	10,444
11,712	-	-	-	-	-
255,786	296,254	671,653	2,071,756	165,366	392,250
-	-	-	-	(734,506)	-
<u>268,346</u>	<u>297,407</u>	<u>673,132</u>	<u>2,075,144</u>	<u>(562,828)</u>	<u>402,694</u>
\$ <u>(300,681)</u>	\$ <u>(426,275)</u>	\$ <u>(356,383)</u>	\$ <u>1,373,216</u>	\$ <u>(1,287,615)</u>	\$ <u>58,476</u>
\$ <u>3,571,466</u>	\$ <u>3,644,409</u>	\$ <u>(1,517,308)</u>	\$ <u>(1,609,941)</u>	\$ <u>1,203,700</u>	\$ <u>(3,927,484)</u>

**COUNTY OF VICTORIA, TEXAS**

*FUND BALANCES, GOVERNMENTAL FUNDS (1)*

*Last ten fiscal years*

	Fiscal Year			
	2010	2011	2012	2013
<b>General Fund</b>				
Nonspendable				
Advance to other funds	\$ -	\$ 544,545	\$ 626,131	\$ 1,326,036
Unassigned	-	8,663,446	11,665,011	13,182,983
Reserved				
Advances	110,132	-	-	-
Adult Probation	10,959	-	-	-
Prepaid items	-	-	-	-
Unreserved	<u>5,375,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total general fund</b>	<u>\$ 5,496,241</u>	<u>\$ 9,207,991</u>	<u>\$ 12,291,142</u>	<u>\$ 14,509,019</u>
<b>All Other Governmental Funds</b>				
Restricted				
Various capital projects	\$ -	\$ 284,958	\$ -	\$ -
Road & bridge	-	1,445,816	1,873,342	2,467,701
Juvenile probation services	-	64,638	77,290	23,356
County/District Clerks	-	94,637	96,009	132,837
Public safety	-	405,272	890,226	1,065,973
Public health	-	51,866	131,961	219,820
Courthouse security	-	41,832	49,861	64,808
Retirement of long-term debt	-	459,542	364,138	327,797
Various government costs	-	106,673	121,785	64,145
Unassigned		(494,655)	(2,363)	(5,054)
Unreserved, reported in				
Special revenue funds	2,320,819	-	-	-
Capital project funds	867,511	-	-	-
Debt service funds	<u>427,767</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total all other governmental funds</b>	<u>\$ 3,616,097</u>	<u>\$ 2,460,579</u>	<u>\$ 3,602,249</u>	<u>\$ 4,361,383</u>

(1) Modified accrual basis of accounting

NOTES: Amounts presented using a Statutory Basis of Accounting

The County implemented GASB Statement No.54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ 1,572,545	\$ 1,641,361	\$ 1,984,347	\$ -	\$ -	\$ -
16,507,992	18,954,639	18,449,982	17,318,465	18,682,620	17,922,967
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 18,080,537</u>	<u>\$ 20,596,000</u>	<u>\$ 20,434,329</u>	<u>\$ 17,318,465</u>	<u>\$ 18,682,620</u>	<u>\$ 17,922,967</u>
\$ 4,360,037	\$ 2,682,918	\$ 142,086	\$ -	\$ -	\$ -
2,426,924	2,763,394	2,996,031	2,719,326	2,943,347	2,145,278
-	-	-	-	-	-
194,097	237,461	306,810	364,893	465,609	305,369
763,363	586,856	978,937	1,365,867	1,500,219	2,008,931
1,840	-	66,691	27,166	119,436	180,887
71,465	74,793	86,851	78,382	96,823	124,714
386,801	361,231	411,677	405,931	471,251	541,502
87,013	273,084	377,990	403,007	580,020	737,459
-	-	-	(1,602,895)	(367,436)	(589,137)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 8,291,540</u>	<u>\$ 6,979,737</u>	<u>\$ 5,367,073</u>	<u>\$ 3,761,677</u>	<u>\$ 5,809,269</u>	<u>\$ 5,455,003</u>

**COUNTY OF VICTORIA, TEXAS**

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)*

*Last ten fiscal years*

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues</b>				
Taxes	\$ 27,320,324	\$ 29,991,355	\$ 31,798,763	\$ 33,045,330
Fees of office and user fees	2,832,777	2,790,150	2,920,101	3,131,284
Intergovernmental	9,307,493	10,179,382	9,591,479	10,316,613
Fines and forfeitures	1,346,014	1,532,844	2,013,009	1,689,188
Investment income	101,623	117,724	112,268	131,320
Licenses and permits	45,907	53,464	43,709	63,155
Contributions	1,568	301,344	93,459	203,984
Miscellaneous	812,004	1,043,917	1,137,283	941,132
<b>Total revenues</b>	<u>41,767,710</u>	<u>46,010,180</u>	<u>47,710,071</u>	<u>49,522,006</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	16,423,517	15,685,961	17,145,686	18,394,052
Public safety	19,620,535	15,657,442	16,258,277	18,357,375
Highways and streets	4,450,977	4,764,971	4,164,237	4,590,343
Culture and recreation	287,088	216,113	247,849	295,557
Public health	4,231,648	3,597,910	3,690,149	3,349,696
Capital outlay	754,460	2,296,901	342,427	228,422
<b>Debt service</b>				
Principal retirement	840,000	1,115,000	1,275,000	1,300,000
Interest and fiscal charges	149,083	524,982	369,700	343,950
Bond issue costs	226,361			-
<b>Total expenditures</b>	<u>46,983,669</u>	<u>43,859,280</u>	<u>43,493,325</u>	<u>46,859,395</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(5,215,959)	2,150,900	4,216,746	2,662,611
<b>Other financing sources (uses)</b>				
Bonds issued	12,330,000	-	-	-
Payment to escrow	(3,871,647)	-	-	-
Capital lease proceeds	-	197,699	-	235,085
Sales of assets	28,044	207,633	88,609	79,315
Transfers in	4,663,724	1,711,506	1,789,111	1,607,146
Transfers out	(6,069,165)	(1,711,506)	(1,789,111)	(1,607,146)
Payments to component unit	-	-	-	-
Premium on issuance of bonds	312,734	-	-	-
Discount on issuance of bonds	(49,497)	-	-	-
<b>Total other financing sources (uses)</b>	<u>7,344,193</u>	<u>405,332</u>	<u>88,609</u>	<u>314,400</u>
<b>Extraordinary Items</b>				
Extraordinary Item	-	-	-	-
<b>Change in fund balances</b>	<u>\$ 2,128,234</u>	<u>\$ 2,556,232</u>	<u>\$ 4,305,355</u>	<u>\$ 2,977,011</u>
<b>Debt service as a percentage of noncapital expenditures</b>	<u>2.25%</u>	<u>4.13%</u>	<u>3.97%</u>	<u>3.74%</u>

(1) Modified accrual basis of accounting

NOTE: Amounts presented using a Statutory Basis of Accounting

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 35,908,161	\$ 36,250,684	\$ 35,508,536	\$ 35,652,475	\$ 36,776,092	\$ 36,210,166	
3,401,611	3,263,987	3,349,455	3,178,804	3,408,145	3,928,318	
9,875,293	8,983,997	8,797,632	9,706,909	15,624,255	11,183,725	
1,391,031	1,156,377	1,643,780	1,936,418	1,732,727	1,863,648	
173,458	181,688	183,980	310,694	592,655	764,147	
40,431	58,412	39,533	61,234	44,989	53,980	
684,669	119,484	110,442	406,175	925,026	895,267	
951,545	930,084	908,467	865,666	1,147,918	1,403,202	
<u>52,426,199</u>	<u>50,944,713</u>	<u>50,541,825</u>	<u>52,118,375</u>	<u>60,251,807</u>	<u>56,302,453</u>	
18,669,404	18,434,960	19,251,396	24,640,425	23,090,130	21,664,882	
18,310,906	18,719,272	19,491,221	19,374,178	20,086,422	21,269,889	
6,168,092	5,296,511	5,659,988	7,291,882	6,071,539	7,044,887	
297,340	263,792	315,601	313,589	248,439	237,131	
3,494,559	3,615,808	3,883,793	4,146,837	4,011,118	4,656,263	
2,948,623	1,302,382	1,440,333	123,150	2,607,738	588,441	
827,385	1,018,228	1,054,925	887,100	992,856	933,752	
564,164	624,304	547,250	502,957	393,712	427,494	
136,030	-	-	123,790	-	189,043	
<u>51,416,503</u>	<u>49,275,257</u>	<u>51,644,507</u>	<u>57,403,908</u>	<u>57,501,954</u>	<u>57,011,782</u>	
1,009,696	1,669,456	(1,102,682)	(5,285,533)	2,749,853	(709,329)	
6,340,000	-	-	4,920,000	-	9,895,000	
-	-	-	(5,302,717)	-	-	
245,425	-	-	-	-	-	
26,044	-	-	1,275	7,050	1,208	
1,659,234	1,947,195	2,309,609	1,904,672	2,331,791	1,754,569	
(2,074,753)	(2,412,992)	(2,981,262)	(4,391,428)	(2,805,953)	(2,349,410)	
-	-	-	-	-	(10,002,616)	
296,030	-	-	506,507	-	296,659	
-	-	-	-	-	-	
<u>6,491,980</u>	<u>(465,797)</u>	<u>(671,653)</u>	<u>(2,361,691)</u>	<u>(467,112)</u>	<u>(404,590)</u>	
-	-	-	2,925,964	1,129,006	-	
<u>\$ 7,501,676</u>	<u>\$ 1,203,659</u>	<u>\$ (1,774,335)</u>	<u>\$ (4,721,260)</u>	<u>\$ 3,411,747</u>	<u>\$ (1,113,919)</u>	
<u>2.94%</u>	<u>3.51%</u>	<u>3.25%</u>	<u>2.52%</u>	<u>2.57%</u>	<u>2.52%</u>	

**COUNTY OF VICTORIA, TEXAS***TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1)**Last ten fiscal years*

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<u>Fiscal Year</u>	<u>Ad Valorem</u>	<u>Penalty and Interest</u>	<u>Sales</u>	<u>Total</u>
2010	\$ 19,557,729	\$ 239,340	\$ 7,523,254	\$ 27,320,323
2011	19,724,908	237,820	10,028,625	29,991,353
2012	20,596,342	217,575	10,984,845	31,798,762
2013	22,010,672	219,058	10,815,601	33,045,331
2014	23,857,090	226,586	11,824,484	35,908,160
2015	25,394,946	229,051	10,626,687	36,250,684
2016	26,174,207	248,985	9,085,344	35,508,536
2017	26,086,063	291,258	9,275,154	35,652,475
2018	26,207,789	253,583	10,314,720	36,776,092
2019	25,704,436	269,592	10,236,138	36,210,166
Change 2010-2019	31.43%	12.64%	36.06%	32.54%

(1) Modified accrual basis of accounting

NOTE: Property tax rates have remained stable because of growth in property tax values and the addition of new construction values.

**COUNTY OF VICTORIA, TEXAS****ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY***Last ten fiscal years*

Fiscal Year	Tax Roll	Real Property			Personal Property	
		Residential Property	Commercial and Industrial Property	Rural-Underdeveloped Property	Business	Other
2010	2009	\$ 2,672,374,133	\$ 1,409,893,204	\$ 773,445,972	\$ 1,382,528,650	\$ 156,172,610
2011	2010	2,722,543,268	1,409,410,407	984,885,239	1,367,910,416	140,697,690
2012	2011	2,752,838,752	1,438,589,864	969,349,009	1,495,456,938	97,841,460
2013	2012	2,846,628,023	1,590,038,450	997,344,339	1,786,396,314	120,169,040
2014	2013	3,170,347,590	1,728,672,403	1,024,696,569	2,027,623,445	135,934,520
2015	2014	3,334,260,997	1,854,149,141	1,192,795,666	2,151,078,215	137,890,000
2016	2015	3,600,729,580	1,927,390,407	1,272,680,618	2,245,895,665	100,076,960
2017	2016	3,695,285,075	1,817,385,566	1,280,347,158	2,101,048,269	50,990,150
2018	2017	3,800,900,747	1,867,539,086	1,263,321,519	2,022,310,652	45,179,240
2019	2018	3,835,612,285	1,863,989,398	1,303,680,506	1,888,492,492	68,527,440

(1) Values on property for maintenance and operation and interest and sinking taxes. Property exemptions differ from those allowed on road and bridge taxes.

NOTE: Property in the County is reassessed annually. The County assesses property at 100 percent of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Victoria County Tax Assessor/Collector

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<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value (1) as a Percentage of Actual Value</u>
\$ 1,338,712,521	\$ 5,055,702,048	\$ 0.3436	\$ 5,055,702,048	100.00%
1,561,725,565	5,063,721,455	0.3436	5,063,721,455	100.00%
1,493,386,391	5,260,689,632	0.3436	5,260,689,632	100.00%
1,648,335,879	5,692,240,287	0.3436	5,692,240,287	100.00%
1,901,616,018	6,185,658,509	0.3386	6,185,658,509	100.00%
2,136,944,123	6,533,229,896	0.3386	6,533,229,896	100.00%
2,136,201,137	7,010,572,093	0.3299	7,010,572,093	100.00%
2,024,244,176	6,920,812,042	0.3959	6,920,812,042	100.00%
2,021,928,370	6,977,322,874	0.3959	6,977,322,874	100.00%
2,084,423,602	6,875,875,519	0.3959	6,875,875,519	100.00%

**COUNTY OF VICTORIA, TEXAS****ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY***Last ten fiscal years*

Fiscal Year	Tax Roll	Real Property			Personal Property	
		Residential Property	Commercial and Industrial Property	Rural-Underdeveloped Property	Business	Other
2010	2009	\$ 2,672,374,133	\$ 1,409,893,204	\$ 773,445,972	\$ 1,382,528,650	\$ 156,172,610
2011	2010	2,722,543,268	1,409,410,407	984,885,239	1,367,910,416	140,697,690
2012	2011	2,752,838,752	1,438,589,864	969,349,009	1,495,456,938	97,841,460
2013	2012	2,846,628,023	1,590,038,450	997,344,339	1,786,396,314	120,169,040
2014	2013	3,170,347,590	1,728,672,403	1,024,696,569	2,027,623,445	135,934,520
2015	2014	3,334,260,997	1,854,149,141	1,192,795,666	2,151,078,215	137,890,000
2016	2015	3,600,729,580	1,927,390,407	1,272,680,618	2,245,895,665	100,076,960
2017	2016	3,695,285,075	1,817,385,566	1,280,347,158	2,101,048,269	50,990,150
2018	2017	3,800,900,747	1,867,539,086	1,263,321,519	2,022,310,652	45,179,240
2019	2018	3,835,612,285	1,863,986,398	1,303,680,506	1,888,492,492	68,527,440

(1) Values on property for road and bridges taxes.  
Property exemptions differ from those allowed on maintenance and operation and interest and sinking taxes.

NOTE: Property in the County is reassessed annually. The County assesses property at 100 percent of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Victoria County Tax Assessor/Collector

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<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value (1) as a Percentage of Actual Value</u>
\$ 1,469,496,100	\$ 4,924,918,469	\$ 0.0550	\$ 4,924,918,469	100.00%
1,685,999,800	4,939,447,220	0.0550	4,939,447,220	100.00%
1,615,648,723	5,138,427,300	0.0550	5,138,427,300	100.00%
1,768,247,625	5,572,328,541	0.0550	5,572,328,541	100.00%
2,018,035,538	6,069,238,989	0.0600	6,069,238,989	100.00%
2,249,412,211	6,420,761,808	0.0600	6,420,761,808	100.00%
2,190,939,913	6,955,833,317	0.0660	6,955,833,317	100.00%
2,079,036,609	6,866,019,609	0.0660	6,866,019,609	100.00%
1,597,922,008	6,922,595,633	0.0630	6,922,595,633	100.00%
2,139,034,659	6,821,264,462	0.0630	6,821,264,462	100.00%

**COUNTY OF VICTORIA, TEXAS***DIRECT AND OVERLAPPING PROPERTY TAX RATES**PER \$100 OF ASSESSED VALUE**Last ten fiscal years*

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Fiscal Year	County Direct Rates				Overlapping Rates				
	Debt Service	General Fund	Road & Bridge Fund	Total	City of Victoria	Navigation District	Victoria Junior College	Victoria I.S.D.	Bloomington I.S.D.
2010	\$ 0.0228	\$ 0.3208	\$ 0.0550	\$ 0.3986	\$ 0.6450	\$ 0.0306	\$ 0.1534	\$ 1.3227	\$ 1.5150
2011	0.0328	0.3108	0.0550	0.3986	0.6500	0.0304	0.1531	1.3226	1.5150
2012	0.0295	0.3141	0.0550	0.3986	0.6450	0.0296	0.1606	1.3226	1.5150
2013	0.0287	0.3149	0.0550	0.3986	0.6056	0.0285	0.1606	1.3090	1.5150
2014	0.0235	0.3151	0.0600	0.3986	0.5996	0.0277	0.1823	1.2896	1.5150
2015	0.0250	0.3136	0.0600	0.3986	0.5840	0.0240	0.1875	1.2744	1.5150
2016	0.0206	0.3093	0.0660	0.3959	0.5711	0.0240	0.1925	1.2663	1.4002
2017	0.0206	0.3093	0.0660	0.3959	0.5892	0.0266	0.2065	1.2663	1.4002
2018	0.0215	0.3114	0.0630	0.3959	0.5952	0.0286	0.2170	1.2663	1.4002
2019	0.0215	0.3114	0.0630	0.3959	0.6224	0.0305	0.2235	1.3763	1.4002

SOURCE: Victoria County Appraisal District

Overlapping Rates

Industrial I.S.D.	Nursery I.S.D.	McFaddin I.S.D.	W.C.I.D #1	W.C.I.D #2	V.C.D.D. #2	V.C.D.D. #3	Ground Water District	Quail Creek M.U.D.	Total
\$ 1.3725	\$ 1.1055	\$ 1.1725	\$ 0.7246	\$ 1.1000	\$ 0.1180	\$ 0.0382	\$ 0.00995	\$ 0.1768	\$ 9.4848
1.3433	1.1000	1.1575	0.7246	1.1051	0.1180	0.0381	0.00946	0.1844	9.4515
1.3119	1.1000	1.1750	0.7394	1.0621	0.1226	0.0360	0.00915	0.1800	9.4090
1.2610	1.1000	1.1470	0.7394	1.0700	0.1174	0.0337	0.00915	0.1800	9.2764
1.2400	1.1000	1.1550	0.7217	1.0700	0.1162	0.0307	0.00878	0.3494	9.4060
1.2520	1.1000	1.1500	0.6569	1.0700	0.1089	0.0294	0.00878	0.1729	9.1338
1.2833	1.1000	1.2900	0.6462	1.1400	0.1116	0.0290	0.00878	0.1822	9.2451
1.3630	1.1000	1.3350	0.5033	0.8607	0.1179	0.0297	0.00878	0.1822	8.9893
1.3135	1.1000	1.3600	0.3849	0.5702	0.1134	0.0295	0.00843	0.1822	8.5694
1.2122	1.1150	1.4900	0.3849	1.3158	0.1144	0.0312	0.00843	0.1964	9.5212

**COUNTY OF VICTORIA, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
*Current Year and Nine Years Ago*

2019		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Taxable Assessed Valuation
Invista S A R L	\$ 233,215,410	3.98%
South Texas Electric Coop Inc	85,196,730	1.45%
AEP Texas Central Co	83,421,830	1.42%
Transcontinental Gas Pipeline	55,100,400	0.94%
Frostwood Energy LLC	53,123,990	0.91%
Union Pacific Railroad Co	51,072,950	0.87%
Victoria WLE LP	49,986,450	0.85%
E I Dupont De Nemours	49,226,510	0.84%
Equistar Chemicals LP	35,544,340	0.61%
DCP Sand Hills Pipeline	32,035,540	0.55%
	<u>\$ 781,048,140</u>	<u>12.42%</u>

2010		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Taxable Assessed Valuation
AEP Texas Central Co	\$ 27,746,800	0.88%
Victoria Hospital LLC	22,939,210	0.73%
James A. Wayne	20,281,260	0.65%
HEB Grocery Company	17,560,440	0.56%
VRMC Limited Partnership	16,220,380	0.52%
H.E.B Grocery Company, L.P	15,443,860	0.49%
HS Victoria, L.P.	14,398,550	0.46%
Berry Plastics Corporation	12,920,210	0.41%
First Victoria National Bank	12,735,150	0.41%
Dragon Rig Sales & Services, LT	12,647,770	0.40%
	<u>\$ 172,893,630</u>	<u>5.51%</u>

SOURCE: Victoria County Tax Assessor/Collector

**COUNTY OF VICTORIA, TEXAS****PROPERTY TAX LEVIES AND COLLECTIONS(1) - GENERAL AND I&S***Last ten fiscal years*

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<u>Fiscal Year</u>	Taxes Levied for the Fiscal Year (Original Levy)	<u>Adjustments</u>	Total <u>Adjusted Levy</u>	<u>Collections within the Fiscal Year of the Levy</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>
2010	\$ 17,002,193	\$ (23,580)	\$ 16,978,612	\$ 16,574,735	97.62%
2011	16,992,274	(8,598)	16,983,676	16,670,742	98.16%
2012	17,727,309	110,888	17,838,197	17,564,074	98.46%
2013	19,201,207	27,357	19,228,564	18,781,169	97.67%
2014	20,449,268	47,280	20,496,547	20,044,953	97.80%
2015	21,401,700	461,458	21,863,158	21,384,820	97.81%
2016	22,206,174	(10,010)	22,196,164	21,658,022	97.58%
2017	21,799,367	144,737	21,944,104	21,425,479	97.64%
2018	22,111,531	(167,427)	21,944,104	21,425,479	97.64%
2019	21,908,979	416,991	22,325,970	21,869,446	97.96%

(1) Tax levies and collections on maintenance and operation and interest and sinking only

SOURCE: Victoria County Tax Assessor/Collector

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Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 368,095	\$ 16,942,829	99.79%
274,442	16,945,184	99.77%
236,558	17,800,631	99.79%
397,623	19,178,792	99.74%
381,002	20,425,955	99.66%
373,045	21,757,865	99.52%
387,052	22,045,074	99.32%
346,260	21,771,739	99.21%
204,201	21,629,680	98.57%
142,100	22,011,546	98.59%

**COUNTY OF VICTORIA, TEXAS****PROPERTY TAX LEVIES AND COLLECTIONS (1) - ROAD AND BRIDGE***Last ten fiscal years*

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<u>Fiscal Year</u>	Taxes Levied for the Fiscal Year (Original Levy)	<u>Adjustments</u>	Total <u>Adjusted Levy</u>	<u>Collections within the Fiscal Year of the Levy</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>
2010	\$ 2,634,083	\$ (1,743)	\$ 2,632,340	\$ 2,571,251	97.68%
2011	2,636,862	(1,398)	2,635,464	2,588,470	98.22%
2012	2,756,259	17,860	2,774,119	2,733,005	98.52%
2013	2,994,575	4,709	2,999,284	2,930,182	97.70%
2014	3,512,229	7,734	3,519,963	3,443,695	97.83%
2015	3,686,201	78,551	3,764,752	3,683,761	97.85%
2016	4,262,192	(3,378)	4,258,814	4,157,006	97.61%
2017	4,255,603	28,255	4,283,858	4,183,834	97.67%
2018	4,105,567	39,876	4,145,443	4,061,624	97.98%
2019	4,069,728	(8,166)	4,061,562	3,994,493	98.35%

(1) Tax levies and collections on road and bridge only.

SOURCE: Victoria County Tax Assessor/Collector

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Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 55,188	\$ 2,626,438	99.78%
41,604	2,630,075	99.80%
35,330	2,768,335	99.79%
63,539	2,993,722	99.81%
68,291	3,511,986	99.77%
69,507	3,753,268	99.69%
82,621	4,239,627	99.55%
71,605	4,255,439	99.34%
52,925	4,114,549	99.25%
9,894	4,004,387	98.59%

**COUNTY OF VICTORIA, TEXAS**

**SALES TAX REVENUE**

*Last ten fiscal years*

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<u>Fiscal Year</u>	<u>Collections</u>
2010	\$ 6,975,893
2011	9,179,189
2012	10,662,768
2013	10,127,088
2014	10,721,246
2015	9,891,860
2016	8,515,577
2017	8,244,984
2018	9,420,631
2019	9,451,596

NOTES: Collections reported on the budgetary (cash) basis of accounting and include only sales and use tax revenue.

Detailed information related to sales tax collections will be provided in subsequent years.

**COUNTY OF VICTORIA, TEXAS****DIRECT AND OVERLAPPING SALES TAX RATES***Last ten fiscal years*

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<u>Fiscal Year</u>	<u>Direct Rate</u>	<u>Overlapping Rates</u>		<u>Total</u>
	<u>County</u>	<u>City of Victoria</u>	<u>State of Texas</u>	
2010	0.50%	1.50%	6.25%	8.25%
2011	0.50%	1.50%	6.25%	8.25%
2012	0.50%	1.50%	6.25%	8.25%
2013	0.50%	1.50%	6.25%	8.25%
2014	0.50%	1.50%	6.25%	8.25%
2015	0.50%	1.50%	6.25%	8.25%
2016	0.50%	1.50%	6.25%	8.25%
2017	0.50%	1.50%	6.25%	8.25%
2018	0.50%	1.50%	6.25%	8.25%
2019	0.50%	1.50%	6.25%	8.25%

NOTES: Eventhough the total sales tax rate is 8.25%, sales occurring outside the City of Victoria City limits would only be taxed at 6.75% which is the combination of the County and the State of Texas sales tax rates.

Texas counties have the option of imposing an additional local sales tax of 0.5% to 1.5% for a combined total of state and local taxes of 8.25%.

**COUNTY OF VICTORIA, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
*Last ten fiscal years*

Fiscal Year	Governmental Activities					
	Certificates of Obligation*	General Obligation Bonds	Less: Issuance Discount	Plus: Issuance Premiums	Capital Leases	Interlocal Commitment
2010	\$ 8,895,000	\$ 3,830,000	\$ (47,538)	\$ 289,071	\$ 356,763	\$ -
2011	8,315,000	3,295,000	(45,063)	259,180	129,359	2,616,446
2012	7,995,000	2,340,000	(42,588)	229,289	65,870	2,616,446
2013	7,670,000	1,365,000	(40,113)	199,398	235,085	2,616,446
2014	13,680,000	925,000	(37,638)	456,904	376,738	2,559,061
2015	13,340,000	470,000	(35,163)	412,212	288,940	2,335,833
2016	12,985,000	-	(32,689)	383,640	197,015	2,105,908
2017	7,245,000	4,920,000	-	763,838	100,769	1,863,808
2018	6,585,000	4,835,000	-	708,713	-	1,615,952
2019	15,800,000	4,835,000	-	950,247	-	1,362,200

NOTES: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

N/A denotes information not available

\*Payments on the 2019 Certificates of Obligation (\$9,895,000 principal) will be reimbursed by the Citizens Medical Center over twenty years beginning in 2021.

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<u>Business-type Activities</u>	<u>Revenue Bonds</u>	<u>Less: Issuance Discount</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
	\$ 830,000	\$ (2,013)	\$ 33,250	\$ 14,184,533	0.42%	\$ 164.49
	730,000	(1,703)	5,437	15,303,656	0.41%	174.81
	625,000	(1,394)	46,240	13,873,863	0.35%	155.42
	-	-	30,216	12,076,032	0.29%	134.14
	-	-	16,333	17,976,398	0.42%	197.37
	-	-	-	16,811,822	0.39%	181.98
	-	-	-	15,638,874	0.38%	169.13
	-	-	-	14,893,415	0.38%	161.74
	-	-	-	13,744,665	0.32%	149.34
	-	-	-	22,947,447	N/A	249.20

**COUNTY OF VICTORIA, TEXAS****RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING***Last ten fiscal years*

<u>Fiscal Year</u>	<u>Certificates of Obligation*</u>	<u>General Obligation Bonds</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2010	\$ 8,895,000	\$ 3,830,000	\$ 427,767	\$ 12,297,233	0.19%	\$ 142.60
2011	8,315,000	3,295,000	459,542	11,150,458	0.17%	127.37
2012	7,995,000	2,340,000	364,138	9,970,862	0.15%	111.69
2013	7,670,000	1,365,000	327,797	8,707,203	0.12%	96.72
2014	13,680,000	925,000	386,801	14,218,199	0.18%	156.10
2015	13,340,000	470,000	361,231	13,448,769	0.16%	145.58
2016	12,985,000	-	411,677	12,573,323	0.14%	135.98
2017	7,245,000	4,920,000	405,931	11,759,069	0.13%	127.70
2018	6,585,000	4,835,000	471,251	10,948,749	0.12%	118.96
2019	15,800,000	4,835,000	541,502	20,093,498	0.22%	218.21

NOTES: \*Payments on the 2019 Certificates of Obligation (\$9,895,000 principal) will be reimbursed by the Citizens Medical Center over twenty years beginning in 2021.

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

**COUNTY OF VICTORIA, TEXAS***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**December 31, 2019*

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	<u>Net Debt Outstanding</u>		<u>Percentage Applicable To County</u>	<u>Amount Applicable To County</u>
	<u>Date</u>	<u>Amount</u>		
Direct Debt:				
County of Victoria	12/31/2019	<u>\$ 22,405,945</u>	100.00%	<u>\$ 22,405,945</u>
Overlapping Debt:				
City of Victoria	9/30/2019	71,465,064	100.00%	71,465,064
Victoria County Navigation District	12/31/2019	20,307,170	100.00%	20,307,170
Victoria Junior College District	8/31/2019	32,174,021	100.00%	32,174,021
Victoria Independent School District	8/31/2019	119,462,444	100.00%	119,462,444
Industrial Independent School District	8/31/2019	21,195,000	25.46%	5,396,247
Victoria County Water Control and Improvement District #1	6/30/2019	2,381,968	100.00%	2,381,968
Victoria County Water Control and Improvement District #2	9/30/2019	<u>173,853</u>	100.00%	<u>173,853</u>
Total Overlapping Debt		<u>267,159,520</u>		<u>251,360,767</u>
Total		<u>\$ 289,565,465</u>		<u>\$ 273,766,712</u>

SOURCE: County of Victoria, City of Victoria, Victoria Junior College, Victoria Independent School District, Industrial Independent School District, Victoria County Water Control and Improvement District Numbers 1 and 2.

**COUNTY OF VICTORIA, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
*Last ten fiscal years*

	Fiscal Year			
	2010	2011	2012	2013
Debt limit	1,598,603,642	1,656,361,755	1,688,519,006	1,835,144,041
Total net debt applicable to limit	<u>12,297,233</u>	<u>11,150,458</u>	<u>9,970,862</u>	<u>8,707,203</u>
Legal debt margin	<u>\$ 1,586,306,409</u>	<u>\$ 1,645,211,297</u>	<u>\$ 1,678,548,144</u>	<u>\$ 1,826,436,838</u>
Total net debt applicable to the limit as a percentage of debt limit	0.77%	0.67%	0.59%	0.47%

Fiscal Year					
2014	2015	2016	2017	2018	2019
2,021,818,632	2,167,543,505	2,286,693,308	2,236,264,055	2,249,812,811	2,240,074,780
14,218,199	13,448,769	12,573,323	11,759,068	10,948,749	20,093,498
<u>\$ 2,007,600,433</u>	<u>\$ 2,154,094,736</u>	<u>\$ 2,274,119,985</u>	<u>\$ 2,224,504,987</u>	<u>\$ 2,238,864,062</u>	<u>\$ 2,219,981,282</u>
0.70%	0.62%	0.55%	0.53%	0.49%	0.90%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 8,960,299,121
Debt limit	2,240,074,780
Debt applicable to limit	
General obligation bonds	20,635,000
Less: Debt Service Fund Balance	<u>541,502</u>
Total amount of debt applicable to debt limit	<u>20,093,498</u>
Legal debt margin	<u>\$ 2,219,981,282</u>

**COUNTY OF VICTORIA, TEXAS***DEMOGRAPHIC STATISTICS**Last ten fiscal years*

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<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) Personal Income (000's)</u>	<u>(2) Per Capita Personal Income</u>	<u>(3) Unemployment Rate</u>
2010	86,793	\$ 3,349,267	\$ 38,151	7.3%
2011	87,545	3,716,460	42,452	6.4%
2012	89,269	3,984,098	44,630	5.5%
2013	90,028	4,234,963	47,041	5.1%
2014	91,081	4,318,998	47,419	4.2%
2015	92,382	4,351,303	47,101	4.2%
2016	92,467	4,109,015	44,438	5.0%
2017	92,084	3,912,142	42,484	4.9%
2018	92,035	4,246,686	46,142	3.8%
2019	92,084	N/A	N/A	3.4%

NOTE: N/A denotes information not available

SOURCE: (1) Texas Association of Counties & Census Bureau

(2) U.S. Department of Commerce, Bureau of Economic Analysis - Estimates based on Victoria County Area statistical data. Data for 2019 is not yet available.

(3) Texas Workforce Commission & Economic Research

**COUNTY OF VICTORIA, TEXAS***PRINCIPAL EMPLOYERS**Current Year and Nine Years Ago*

<u>Employer</u>	<u>2019</u>	
	<u>Employees</u>	<u>Percentage of Total Area Employment</u>
Formosa Plastics	3,048	7.31%
Victoria Independent School District	2,000	4.80%
The Inteplast Group	1,179	2.83%
DeTar Healthcare System	950	2.28%
Citizens Medical Center	936	2.25%
City of Victoria	628	1.51%
DOW-Seadrift Operations	611	1.47%
Invista	600	1.44%
Caterpillar- NAHEX Victoria	600	1.44%
Regency Post Acute Healthcare System	600	1.44%
	<u>11,152</u>	<u>26.77%</u>

<u>Employer</u>	<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Area Employment</u>
Victoria Independent School District	2,178	5.15%
Formosa Plastics	1,610	3.80%
The Inteplast Group	1,400	3.31%
Citizens Medical Center	994	2.35%
DeTar Healthcare System	926	2.19%
H.E.B	646	1.53%
Calhoun Independent School District	640	1.51%
Dow-Seadrift Operations	617	1.46%
King Fisher Marine	604	1.43%
Invista	600	1.42%
	<u>10,215</u>	<u>24.15%</u>

SOURCE: Victoria Economic Development Corporation

NOTE: Based on Victoria Metropolitan Statistical Area, which includes Victoria, Calhoun, Dewitt, Lavaca, Gonzales, Jackson and Goliad Counties.

**COUNTY OF VICTORIA, TEXAS**

*FULL-TIME-EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM*

*Last ten fiscal years*

Function/Program	Fiscal Year			
	2010	2011	2012	2013
General government				
County Judge	3	3	3	3
Comissioners' court	1	1	1	1
Records management	2	1	2	2
County clerk	16	16	16	15
Pre-Trial Services	-	-	-	1
Veterans' service officer	1	1	1	1
Heritage director	1	1	1	1
County court at law #1	2	2	2	2
County court at law #2	2	2	2	2
District court	11	11	11	11
District clerk	16	14	14	14
Justice of the peace #1	3	3	3	3
Justice of the peace #2	3	3	3	3
Justice of the peace #3	5	4	4	4
Justice of the peace #4	3	3	3	3
Criminal district attorney	23	24	25	28
Election administrator	3	3	3	3
County auditor	8	8	8	8
County treasurer	5	5	5	5
Tax assessor-collector	16	16	16	16
Administrative services	4	4	4	4
Information technology	7	7	7	7
Building maintenance	11	11	10	10
Juvenile detention facility	68	68	66	67
Public safety				
Fire marshal	6	6	7	7
Sheriff	198	198	198	193
Constable #1	1	1	1	1
Constable #2	1	1	1	1
Constable #3	1	1	1	1
Constable #4	1	1	1	1
Culture and recreation				
Parks and recreation	1	1	1	1
Extension service	7	7	6	5
Public health(includes flood/emg mgmt & health dept)	69	60	57	55
Highways and streets	43	43	43	43
Airport	15	14	14	15
Commissary	2	2	2	1
Navarro Project	3	3	3	3
<b>Total</b>	<b>562</b>	<b>549</b>	<b>545</b>	<b>541</b>

NOTES: A full-time employee is scheduled to work 2,080 hours per year (including paid time off).  
 Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

Fiscal Year					
2014	2015	2016	2017	2018	2019
3	1	1	2	2	2
1	3	3	2	2	2
2	2	2	2	2	2
15	15	14	15	15	15
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
2	2	4	5	5	5
2	2	-	-	-	-
11	11	11	11	11	11
14	14	14	14	14	14
4	4	4	4	4	4
3	3	3	3	3	3
4	4	4	4	4	4
3	3	3	3	3	3
28	28	28	28	28	28
3	3	3	3	3	3
8	8	8	8	8	8
4	5	5	5	5	5
15	16	16	16	16	16
4	4	4	4	4	4
8	9	9	8	7	7
10	10	9	9	12	12
62	57	57	55	56	56
7	9	9	9	9	9
200	202	202	202	202	202
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	-
5	5	5	5	5	5
60	51	49	51	51	52
43	44	44	43	43	43
15	17	17	17	17	14
1	1	1	1	1	1
3	3	3	3	-	-
<u>549</u>	<u>545</u>	<u>541</u>	<u>541</u>	<u>541</u>	<u>538</u>

**COUNTY OF VICTORIA, TEXAS****OPERATING INDICATORS BY FUNCTION/PROGRAM**

Last ten fiscal years

Function/Program	Fiscal Year			
	2010	2011	2012	2013
General government				
County Court				
Criminal cases filed	2,017	1,972	2,162	2,267
Criminal case dispositions	2,333	1,974	2,038	2,220
Civil cases filed	455	491	412	449
Civil case dispositions	581	498	416	382
Juvenile cases filed	102	109	86	67
Juvenile case dispositions	101	120	107	79
District Court				
Criminal cases filed	822	954	1,075	859
Criminal case dispositions	899	896	1,059	896
Civil cases filed	2,600	3,836	2,851	3,103
Civil case dispositions	1,726	3,583	3,211	3,035
Justice of the Peace				
Civil cases filed	1,080	1,131	1,256	1,293
Criminal cases filed	10,510	8,704	8,384	8,074
Elections Administrator				
New registrations	2,273	1,784	8,340	2,554
Elections held	4	2	4	3
County Auditor				
Accounts payable invoices processed	18,291	17,707	17,932	17,444
County Treasurer				
Payroll checks processed	18,030	16,777	17,584	16,737
Tax Assessor-collector				
Automobile registrations	86,812	89,937	94,698	97,353
Public Safety				
Sheriff				
Emergency 911 calls received	N/A	6,531	6,153	3,019
Fire marshal				
Fires	72	38	13	12
Culture and recreation				
Parks and recreation				
Cabana rentals	19	27	19	27
Public health				
Health Department				
Immunizations administered	12,625	8,424	7,853	7,461
Adult/child health screening visits	891	875	1,214	1,089
Dental clinic visits	3,151	2,041	1,179	-
Environmental inspections/permits	2,378	3,530	4,908	3,342
Mosquito control trips	271	3	5	24
Animal control calls	8,085	8,030	8,263	7,952
Water laboratory tests	-	-	-	4,780
Highways and streets				
Road and bridge precincts				
Miles of roads overlaid	15	19	20	15

NOTES: Information for Water Laboratory Tests replaced Dental Clinic Visits FYE2013  
County did not own Dental Clinic as of 1/1/2013

N/A denotes information not available

Fiscal Year					
2014	2015	2016	2017	2018	2019
1,984	1,472	1,730	1,472	1,686	1,983
1,970	1,970	1,721	1,843	1,726	982
393	469	419	535	654	624
403	468	587	444	554	576
72	66	112	28	70	95
96	90	112	40	86	57
1,046	933	972	863	1,081	863
1,020	969	892	811	803	1,132
3,411	2,770	3,012	3,378	2,949	2,506
2,969	2,918	2,849	3,452	2,884	2,682
1,223	1,322	1,577	1,811	2,485	2,567
11,350	8,247	6,788	6,487	8,183	8,456
3,486	2,026	5,774	5,963	9,808	2,866
5	2	6	1	5	2
18,835	22,529	24,700	24,259	25,504	26,353
17,392	17,478	17,665	17,058	16,954	17,174
100,034	97,932	92,717	91,587	91,016	90,696
4,286	5,268	5,105	5,755	5,405	5,055
215	179	180	314	415	323
31	12	24	20	26	39
5,841	3,296	4,352	4,840	3,674	4,151
1,554	1,582	1,076	840	651	674
-	-	-	-	-	-
3,299	3,683	4,011	2,303	2,416	2,760
39	73	55	61	88	88
7,554	7,976	7,000	6,748	5,498	4,452
7,478	9,682	4,236	2,305	1,760	1,405
36	35	39	40	37	45

**COUNTY OF VICTORIA, TEXAS****CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM***Last ten fiscal years*

Function/Program	Fiscal Year			
	2010	2011	2012	2013
<b>General government</b>				
Buildings	8	8	8	9
Parking lots	3	3	3	3
<b>Public safety</b>				
Sheriff				
Jail	1	1	1	1
Patrol units	74	76	89	95
Fire Marshal				
Stations	1	1	1	1
Fire trucks	7	7	7	7
<b>Highways and streets</b>				
Roads (miles)	600.26	600.26	600.26	604.62
Bridges	90	90	90	90
Landfills	3	3	3	3
<b>Culture and recreation</b>				
Lake (acreage)	95	95	95	95
Boat ramps	2	2	2	2
Extension Office	1	1	1	1
4 H Activity Center	1	1	1	1
<b>Public Health</b>				
Animal Shelter	1	1	1	1
<b>Airport</b>				
T-Hanger	6	6	6	6
Terminal	1	1	1	1
<b>Navarro Lease Project</b>				
Building	1	1	1	1

SOURCES: Various County Departments

Texas Department of Transportation

Fiscal Year

2014	2015	2016	2017	2018	2019
9 3	10 3	11 3	11 3	11 3	11 3
1 96	1 98	1 110	1 110	1 114	1 114
1 7	1 7	1 7	1 7	1 7	1 8
604.62 90 3	592.96 90 3	590.21 90 3	604.67 90 3	592.25 90 3	599.26 90 3
95 2 1 1	95 2 1 1	95 2 1 1	95 2 1 1	95 2 1 1	95 2 1 1
1	1	1	1	1	1
6 1	6 1	6 1	6 1	6 1	6 1
1	1	1	1	1	1

**SINGLE AUDIT SECTION**



CERTIFIED PUBLIC ACCOUNTANTS  
101 S. MAIN, SUITE 400  
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA  
DENNIS C. CIHAL, CPA  
ERIC L. KUCERA, CPA  
CLAYTON P. VAN PELT, CPA  
ROBERT W. SCHAAR, CPA  
MELISSA M. TERRY, CPA

VOICE: (361) 573-3255  
FAX: (361) 573-9531

**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 Members  
of the Commissioners' Court  
County of Victoria, 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 statutory basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Victoria, Texas (the "County") as of and for the year ended December 31, 2019, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 1, 2020. Our report includes a reference to other auditors who audited the financial statements of the Citizens Medical Center, as described in our report on the County's financial statements. These financial statements were not audited in accordance with *Government Auditing Standards*.

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 misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the consolidated financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, Texas

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 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 result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HARRISON, WALDROP & UHEREK, L.L.P.  
Certified Public Accountants

July 1, 2020



CERTIFIED PUBLIC ACCOUNTANTS  
101 S. MAIN, SUITE 400  
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA  
DENNIS C. CIHAL, CPA  
ERIC L. KUCERA, CPA  
CLAYTON P. VAN PELT, CPA  
ROBERT W. SCHAAR, CPA  
MELISSA M. TERRY, CPA

VOICE: (361) 573-3255  
FAX: (361) 573-9531

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

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, Texas

Report on Compliance for Each Major Federal and State Program

We have audited the County of Victoria, Texas' (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the County's major federal and state programs for the year ended December 31, 2019. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State of Texas Single Audit Circular*. Those standards, the Uniform Guidance, and the *State of Texas Single Audit Circular* 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 and state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion for each major federal and state 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 and state programs for the year ended December 31, 2019.

The Honorable County Judge and Members  
of the Commissioners' Court  
County of Victoria, Texas

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 and state 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 and state 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



HARRISON, WALDROP & UHEREK, L.L.P.  
Certified Public Accountants

July 1, 2020

**COUNTY OF VICTORIA, TEXAS**

*SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS*

*For the year ended December 31, 2019*

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Other Award Number
<b>FEDERAL EXPENDITURES</b>		
<b>U. S. Department of Homeland Security</b>		
<i>Passed Through the Transportation Security Administration</i>		
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0216HSLR930
<i>Passed Through the Office of the Texas Governor, Homeland Security Grants Division</i>		
Homeland Security Grant Program	97.067	EMW-2017-SS-00005
Homeland Security Grant Program	97.067	EMW-2018-SS-00022-S01
Total Office of the Texas Governor, Homeland Security Grants Division		
<i>Passed Through the Texas Division of Emergency Management</i>		
Emergency Management Performance Grants	97.042	19TX-EMPG-0605
<i>Passed Through the Texas Department of Public Safety's Division of Emergency Management</i>		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4332
Total U.S. Department of Homeland Security		
<b>U. S. Department of Justice</b>		
Bulletproof Vest Partnership Program	16.607	N/A
Equitable Sharing Program	16.922	N/A
<i>Passed Through the Office of the Texas Governor, Criminal Justice Division</i>		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3625201
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017DJBX0326
Crime Victim Assistance	16.575	1987254
Crime Victim Assistance	16.575	2098820
Crime Victim Assistance	16.575	1987262
Crime Victim Assistance	16.575	2098838
Total Office of the Texas Governor, Criminal Justice Division		
Total U.S. Department of Justice		
<b>U. S. Department of Agriculture</b>		
<i>Passed Through Texas Health and Human Services Commission</i>		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2017-049804-001A-1
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2017-049804-001A-2
Total Texas Health and Human Services Commission		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 43,800	\$ -	\$ 43,800	\$ -		
475,436	-	475,436	-		
131,276	-	131,276	-		
606,712	-	606,712	-		
36,935	-	36,935	-		
207,695	-	207,695	-		5
895,142	-	895,142	-		
-	15,894	15,894	-		
-	766	766	-		
-	16,660	16,660	-		
51,302	-	51,302	-		
13,516	-	13,516	13,516		
64,818	-	64,818	13,516		
16,976	-	16,976	-		
23,707	-	23,707	-		
21,884	-	21,884	-		
20,490	-	20,490	-		
83,057	-	83,057	-		
147,875	-	147,875	13,516		
147,875	16,660	164,535	13,516		
517,289	-	517,289	-		
154,769	-	154,769	-		
672,058	-	672,058	-		

(continued)

**COUNTY OF VICTORIA, TEXAS**

*SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS*

*For the year ended December 31, 2019*

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Other Award Number
<b>FEDERAL EXPENDITURES - (Continued)</b>		
<b>U. S. Department of Agriculture - (Continued)</b>		
<i>Passed Through Texas Department of Agriculture</i>		
School Breakfast Program	10.553	01248
School Breakfast Program	10.553	01248
National School Lunch Program	10.555	01248
National School Lunch Program	10.555	01248
Non-Cash Assistance (Commodities)	10.555	01248
Non-Cash Assistance (Commodities)	10.555	01248
Total Child Nutrition Cluster		
Total Texas Department of Agriculture		
Total U.S. Department of Agriculture		
<b>U. S. Department of Health and Human Services</b>		
<i>Passed Through Texas Department of State Health Services</i>		
Public Health Emergency Preparedness	93.074	537-18-0181-00001
Public Health Emergency Preparedness	93.074	537-18-0181-00001
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	HHS000371500027
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	HHS000438400007
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	537-18-0252-00001
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HHS000036000017
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HHS000036000017
Immunization Cooperative Agreements	93.268	HHS000119700011
Immunization Cooperative Agreements	93.268	HHS000119700011
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	24550133
Preventive Health and Health Services Block Grant	93.991	HHS000480700001
Preventive Health and Health Services Block Grant	93.991	2016-03860-03
Total Texas Department of State Health Services		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 19,112	\$ -	\$ 19,112	\$ -	Child Nutrition Cluster	
18,542	-	18,542	-	Child Nutrition Cluster	
37,654	-	37,654	-		
37,959	-	37,959	-	Child Nutrition Cluster	
36,919	-	36,919	-	Child Nutrition Cluster	
4,442	-	4,442	-	Child Nutrition Cluster	4
3,959	-	3,959	-	Child Nutrition Cluster	4
83,279	-	83,279	-		
120,933	-	120,933	-		
120,933	-	120,933	-		
792,991	-	792,991	-		
11,312	-	11,312	-		
51,452	-	51,452	-		
62,764	-	62,764	-		
185,508	-	185,508	-		
5,116	-	5,116	-		
96,354	-	96,354	-		
101,470	-	101,470	-		
11,056	-	11,056	-		
27,757	-	27,757	-		
38,813	-	38,813	-		
122,910	-	122,910	-		
67,593	-	67,593	-		
190,503	-	190,503	-		
455,638	-	455,638	312,257		3
49,045	-	49,045	-		
36,730	-	36,730	-		
85,775	-	85,775	-		
1,120,471	-	1,120,471	312,257		(continued)

**COUNTY OF VICTORIA, TEXAS**

*SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS*

*For the year ended December 31, 2019*

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Other Award Number
<b>FEDERAL EXPENDITURES - (Continued)</b>		
<b>U. S. Department of Health and Human Services - (Continued)</b>		
<i>Passed Through Texas Health and Human Services Commission</i>		
Medical Assistance Program	93.778	529-16-0106-00001A
<i>Passed Through Brazos Valley Council of Governments</i>		
HIV Care Formula Grants	93.917	5608/2-565-01
HIV Care Formula Grants	93.917	5608/2-565-S3-01
Total Brazos Valley Council of Governments		
Total U.S. Department of Health and Human Services		
<b>U. S. Department of Housing and Urban Development</b>		
<i>Passed Through Texas Department of Agriculture</i>		
Community Development Block Grant/State's program	14.228	7217479
Total Texas Department of Agriculture		
<i>Passed Through Brazos Valley Council of Governments</i>		
Housing Opportunities for Persons with AIDS	14.241	5607/3-565-01
Housing Opportunities for Persons with AIDS	14.241	5607/2-565-01
Housing Opportunities for Persons with AIDS	14.241	5608/3-565-S3-01
Housing Opportunities for Persons with AIDS	14.241	5608/3-565-01
Housing Opportunities for Persons with AIDS	14.241	5608/SR-565-01
Total Brazos Valley Council of Governments		
Total U.S. Department of Housing and Urban Development		
<b>U. S. Department of the Interior</b>		
GoMESA	15.435	N/A
Total U.S. Department of the Interior		
<b>U. S. General Services Administration</b>		
Donation of Federal Surplus Personal Property	39.003	15490
Total U.S. General Services Administration		
<b>Executive Office of the President</b>		
<i>Passed Through Office of National Drug Control Policy</i>		
High Intensity Drug Trafficking Areas Program	95.001	G17HN0020A
High Intensity Drug Trafficking Areas Program	95.001	G18HN0020A
Total Executive Office of the President		
<b>TOTAL FEDERAL EXPENDITURES</b>		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 28,576	\$ -	\$ 28,576	\$ -		
85,760	-	85,760	-		
16,620	-	16,620	-		
102,380	-	102,380	-		
1,251,427	-	1,251,427	312,257		
239,698	-	239,698	239,698		
239,698	-	239,698	239,698		
120,366	-	120,366	-		
9,628	-	9,628	-		
26,585	-	26,585	-		
116,606	-	116,606	-		
38,578	-	38,578	-		
311,763	-	311,763	-		
551,461	-	551,461	239,698		
-	284,935	284,935	-		
-	284,935	284,935	-		
-	49,305	49,305	-		
-	49,305	49,305	-		
109,014	-	109,014	-		
32,046	-	32,046	-		
141,060	-	141,060	-		
3,779,956	350,900	4,130,856	565,471		

(continued)

**COUNTY OF VICTORIA, TEXAS**

*SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS*

*For the year ended December 31, 2019*

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<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Other Award Number</u>
<b>STATE EXPENDITURES</b>		
<b>Texas Department of State Health Services</b>		
Texas Epidemiology Capacity Expansion IDCU/SUR	N/A	HHS0000436300025
IDCU/SUREB	N/A	537-18-0293-00001
TB/PC-STATE Tuberculosis Prevention and Control	N/A	HHS000481800001
TB/PC-STATE Tuberculosis Prevention and Control	N/A	537-18-0044-00001-1
ZOONOSIS Control	N/A	HHS000327200002
Influenza Virologic Surveillance Right Size	N/A	537-18-0280-00001
 <i>Passed Through Brazos Valley Council of Governments</i>		
HIV Health and Social Services (State Services)	N/A	5609/3-565-02
HIV Health and Social Services (State Services)	N/A	5606-565-01-R
HIV Health and Social Services (State Services)	N/A	5609/2-565-01
Total Brazos Valley Council of Governments		
Total Texas Department of State Health Services		
 <b>Texas Juvenile Justice Department</b>		
State Aid	N/A	TJPC-A-2019-235
State Aid	N/A	TJPC-A-2019-235
Grant R	N/A	TJPC-R-2019-235
Grant R	N/A	TJPC-R-2019-235
Grant R	N/A	TJPC-R-2019-235
Total Texas Juvenile Justice Department		
 <b>Office of the Attorney General of Texas</b>		
Texas Vine Grant	N/A	2004232
 <b>Texas Department of Transportation</b>		
Routine Airport Maintenance Program	N/A	M1913VICT
Routine Airport Maintenance Program	N/A	M2013VICT
Total Texas Department of Transportation		
 <b>Law Enforcement Officers Standards and Education</b>		
Training Grant	N/A	N/A
 <b>Texas Task Force on Indigent Defense</b>		
Indigent Defense	N/A	N/A
 <b>TOTAL STATE EXPENDITURES</b>		
 <b>TOTAL FEDERAL AND STATE EXPENDITURES</b>		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ -	\$ 27,696	\$ 27,696	\$ -		
-	52,306	52,306	-		
-	8,178	8,178	-		
-	18,113	18,113	-		
-	4,250	4,250	-		
-	1,174	1,174	-		
-	111,717	111,717	-		
22,856	-	22,856	-		
90,145	-	90,145	-		
55,219	-	55,219	-		
168,220	-	168,220	-		
168,220	111,717	279,937	-		
-	485,977	485,977	-		
-	310,060	310,060	-		
-	8,965	8,965	-		
-	72,535	72,535	-		
-	41,707	41,707	-		
-	919,244	919,244	-		
-	6,206	6,206	-		
-	36,500	36,500	-		
-	2,912	2,912	-		
-	39,412	39,412	-		
-	18,262	18,262	-		
-	76,751	76,751	-		
168,220	1,171,592	1,339,812	-		
\$ 3,948,176	\$ 1,522,492	\$ 5,470,668	\$ 565,471		

(concluded)

**COUNTY OF VICTORIA, TEXAS**

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

For the year ended December 31, 2019

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**NOTE 1: BASIS OF ACCOUNTING**

Expenditures reported on the schedule are reported on the statutory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2: PROGRAM COSTS**

The accompanying schedule of expenditures of federal and state awards includes only the federal and state grant portion of the program costs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 3: INDIRECT COST RATE**

The amount expended for these grants includes a total of \$23,690 claimed as indirect cost recoveries using an approved indirect cost rate of 15.44 percent of total expenses.

The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4: NONCASH AWARDS**

The amount of commodities reported on the schedule is the value of the commodities received by the County during the fiscal year and priced as prescribed by the Department of Agriculture, Food and Nutrition Service.

**NOTE 5: FEMA DISASTER ASSISTANCE - CFDA 97.036**

In accordance with the Uniform Guidance, expenditures of federal Disaster Grants (CFDA 97.036) must be recorded as expenditures on the SEFA when: (1) FEMA has approved the entity's Project Worksheet (PW), and (2) the entity has incurred the eligible expenditures. Expenditures reported on the accompanying schedule of expenditures of federal awards that were incurred in a prior fiscal year total \$130,470.

**COUNTY OF VICTORIA, TEXAS**  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the year ended December 31, 2019

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Adverse (GAAP Basis); Unmodified (Statutory Basis)

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)?  yes  none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?  yes  no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
97.067	Homeland Security Grant Program
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
N/A	Texas Juvenile Justice Department-2019-235

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

None noted.

**Section III - Federal Award Findings and Questioned Costs**

None noted.

**COUNTY OF VICTORIA, TEXAS**  
*SCHEDULE OF PRIOR AUDIT FINDINGS*  
*For the year ended December 31, 2019*

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None were reported.