

Presidio County, Texas

Annual Financial Report

For the Year Ended September 30, 2017

Presidio County, Texas
Annual Financial Report
Table of Contents
September 30, 2017

Exhibit	Page
Independent Auditor's Report	1
Management Discussion and Analysis	3
Basic Financial Statements	
A-1 Statement of Net Position	7
B-1 Statement of Activities	8
Governmental Fund Financial Statements	
C-1 Balance Sheet	9
C-2 Reconciliation for C-1	10
C-3 Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds	11
C-4 Reconciliation for C-3	12
C-5 Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual - General Fund	13
C-6 Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual - Airport Fund	14
Proprietary Fund Financial Statements	
D-1 Statement of Net Position - Proprietary Funds	15
D-2 Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	16
D-3 Statement of Cash Flows - Proprietary Funds	17
Fiduciary Fund Financial Statements	
E-1 Statement of Fiduciary Net Position	18
Notes to the Basic Financial Statements	19
Other Information Required by Government Auditing Standards	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards	35
Required Supplementary Information	
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	37
Schedule of Employer Contributions	38
Other Supplementary Information	
Combining Balance Sheet - Non-major Governmental Funds	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non-major Governmental Funds	41
Combining Balance Sheet - Non-major Special Revenue Funds	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non-major Special Revenue Funds	47

INDEPENDENT AUDITOR'S REPORT

Painter and Associates, P.C.
Certified Public Accountants
836 King George Lane
Savannah, Texas 76227-7854

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Presidio County, Texas as of and for the year ended September 30, 2017, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Presidio County, Texas, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-6), Schedule of Changes in Net Pension Liability (Asset) and Related Ratios (page 37) and the Schedule of Employer Contributions (page 38) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in

accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Presidio County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2019, on our consideration of Presidio County Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Presidio County, Texas' internal control over financial reporting and compliance.

Painter and Associates, P.C.

Savannah, Texas
February 26, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

**Presidio County, Texas
300 N. Highland Avenue
Marfa, Texas 79843**

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial Report, we, the managers of Presidio County, Texas discuss and analyze the County's financial performance for the fiscal year ended September 30, 2017. Please read it in conjunction with, the independent auditors' report on page 1 and 2, and the County's Basic Financial Statements which begin on page 7.

FINANCIAL HIGHLIGHTS

As a result of this year's operations the County's total net position decreased by \$47,636. The result was that net position of our governmental activities increased by \$103,765, and the business-like activities decreased by \$151,401.

During the year, the County had expenditures that were \$103,765 less than the \$5,510,295 generated by the ad valorem taxes, investment earnings, licenses and permits, charges for services as well as miscellaneous income in the governmental funds. The County had expenses that were \$151,401 more than the \$1,171,994 that was generated by charges for services and miscellaneous income in the proprietary fund.

The governmental funds ended the year with a fund balance of \$2,982,568 compared to a fund balance of \$2,864,999 at the end of the prior year. The proprietary fund ended the year with net position of \$4,532,080 compared to a net position of \$4,683,481 at the end of the prior year.

The general fund budget for the County revealed \$197,809 more revenues were received during the year than were budgeted while \$294,591 less expenses were incurred than were budgeted for in the year. The net effect of the budget variance was \$492,400, a positive budget variance.

USING THIS ANNUAL REPORT

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

For governmental activities, the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins on page 7. Its primary purpose is to show whether the County is better or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. The County's net position, the difference between assets and liabilities, provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, one should consider nonfinancial factors as well.

Reporting the County's Most Significant Funds

Fund Financial Statements

Specific provisions of laws, bond covenants and contracts require the County to establish funds. The County's administration establishes many other funds to help it control and manage money for particular purposes such as grants.

Governmental Funds

Only the County's general operating funds are reported in governmental funds. These use the modified accrual accounting, a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash, and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's activities.

Proprietary Funds

The County's enterprise activity, the County Jail, is reported as a proprietary fund. This fund uses the accrual basis of accounting, a method that measures the performance and position of the fund by recognizing economic events regardless of when cash transactions occur. Economic events are recognized by matching revenues to expenses at the time in which the transaction occurs rather than when payment is made or received.

Fiduciary Funds

The County's fiduciary funds are used to account for money held by the County on a temporary basis, but belonging to individuals or entities other than the County. The fiduciary funds are not part of the government-wide statements and are reported on a full accrual basis of accounting with an economic resources measurement focus.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County implemented GASB Statement No. 34 in a previous year. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the County's governmental and business-type activities.

TABLE I - SUMMARY OF NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Assets						
Cash & Cash Equivalents	\$ 2,073,634	\$ 1,583,717	\$ 2,084,055	\$ 1,983,989	\$ 4,157,689	\$ 3,567,706
Receivables, net	1,128,873	1,274,026	84,945	157,764	1,213,817	1,431,790
Grants Receivable	181,643	150,606	-	-	181,643	150,606
Other Assets	39,818	39,818	-	1,924	39,818	41,742
Due From	524,837	1,049,379	-	932	524,837	1,050,311
Capital Assets, net	8,685,553	8,901,834	2,738,117	2,714,438	11,423,670	11,616,272
Net Pension Asset	46,384	-	-	-	46,384	-
Total Assets	12,680,742	12,999,380	4,907,117	4,859,047	17,587,859	17,858,427
Deferred Outflows of Resources	700,389	693,127	-	-	700,389	693,127
Liabilities						
Accounts Payable	532,497	408,360	22,288	24,333	554,784	432,693
Debt Service - Current	264,000	252,000	-	-	264,000	252,000
Debt Service - Long Term	219,000	483,000	-	-	219,000	483,000
Compensated Absences	132,249	109,428	60,231	59,310	192,480	168,738
Due to	433,741	811,570	292,519	91,923	726,260	903,493
Total Liabilities	1,581,487	2,064,357	375,037	175,566	1,956,524	2,239,923
Deferred Inflows of Resources	196,639	128,910	-	-	196,639	128,910
Net Position						
Net Invested in Capital Assets	8,202,553	7,089,120	2,738,117	2,973,739	10,940,670	10,062,859
Restricted	353,260	272,846	-	80,000	353,260	352,846
Unrestricted	3,047,192	4,137,274	1,793,963	1,629,742	4,841,155	5,767,016
Total Net Position	11,603,005	11,499,240	4,532,080	4,683,481	16,135,085	16,182,721

TABLE II - SUMMARY OF CHANGES IN NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues						
Property Taxes	\$ 2,844,740	\$ 3,174,187	\$ -	\$ -	\$ 2,844,740	\$ 3,174,187
Charges for Services	1,640,188	1,722,281	1,171,981	1,716,402	2,812,170	3,438,683
Program Income from Grants	302,077	224,062	-	-	302,077	224,062
Property Tax Collections Contracts	105,623	110,679	-	-	105,623	110,679
Licenses and Permits	35,257	26,381	-	-	35,257	26,381
Unrestricted Investment Earnings	-	7	12	800	12	807
Miscellaneous	582,409	114,754	-	-	582,409	114,754
Total Revenues	5,510,295	5,372,350	1,171,994	1,717,202	6,682,289	7,089,552
Expenses						
Administrative	2,124,565	2,103,999	-	-	2,124,565	2,103,999
Judicial	515,248	482,398	-	-	515,248	482,398
Law Enforcement	939,089	739,815	-	-	939,089	739,815
Cultural - Recreation	194,351	188,910	-	-	194,351	188,910
Maintenance	1,023,792	833,917	-	-	1,023,792	833,917
Emergency Management	35,621	32,324	-	-	35,621	32,324
Airport	573,864	712,780	-	-	573,864	712,780
Corrections & Rehabilitation	-	-	1,323,395	1,430,888	1,323,395	1,430,888
Total Expenses	5,406,530	5,094,143	1,323,395	1,430,888	6,729,925	6,525,031
Excess (Deficiency) of Revenues over Expenditures	103,765	278,205	(151,401)	286,314	(47,636)	564,520
Other Financing Sources (Uses)						
Transfers	-	300,000	-	(300,000)	-	-
Total Other Financing Sources (Uses)	-	300,000	-	(300,000)	-	-
Change in Net Position	103,765	578,205	(151,401)	(13,686)	(47,636)	564,519
Net Position - Beginning of Year	11,499,240	10,921,035	4,683,481	4,697,167	16,182,721	15,618,202
Net Position - End of Year	\$ 11,603,005	\$ 11,499,240	\$ 4,532,080	\$ 4,683,481	\$ 16,135,085	\$ 16,182,721

THE COUNTY'S FUNDS

Over the course of the year, the Commissioners Court revised the County's budget several times. These budget amendments fall into two categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances versus the amounts estimated in September 2016. The second category involved amendments moving funds from accounts that did not need all the resources originally appropriated to them to programs with resource needs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2017, the County had over \$26 million invested in land, buildings, machinery and equipment, and construction in progress.

TABLE III - Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
	Land	\$ 1,026,873	\$ 1,028,706	\$ 933	\$ -	\$ 1,027,806
Buildings	13,080,446	13,079,546	6,009,204	6,009,204	19,089,650	19,088,750
Machinery and Equipment	5,001,747	4,896,223	1,023,996	980,629	6,025,743	5,876,852
Construction in Progress	118,942	-	-	-	118,942	-
Accumulated Depreciation	(10,542,454)	(10,061,119)	(4,296,016)	(4,000,044)	(14,838,470)	(14,061,163)
Total Net Capital Assets	\$ 8,685,553	\$ 8,943,356	\$ 2,738,117	\$ 2,989,789	\$ 11,423,669	\$ 11,933,145

Debt Administration

At the end of the year the County had \$483,000 of outstanding debt. The debt was from the County's sale of \$1,879,000 of general obligation refunding bonds. The bond was issued with a fixed interest rate of 2.300%.

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 Commissioner's Court sets the direction of the County, allocates its resources and establishes its priorities.

The fiscal year 2018 budget was adopted on September 19, 2017 with total governmental fund expenditures of \$4,391,785, a 2.5% decrease from the fiscal year 2017 budgeted expenditures. The County's ad valorem tax rate is \$0.63734 for fiscal year 2018, which is effectively a 6% decrease over the prior year.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's office, at the Presidio County Courthouse, P.O. Box 1055, Marfa, Texas 79843.

BASIC FINANCIAL STATEMENTS

Presidio County, Texas
Statement of Net Position
September 30, 2017

Exhibit A-1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Cash Equivalents	\$ 1,760,192	\$ 2,084,055	\$ 3,844,247
Restricted Cash and Cash Equivalents	313,442	-	313,442
	<u>2,073,634</u>	<u>2,084,055</u>	<u>4,157,689</u>
Receivables, net	1,128,873	84,945	1,213,817
Grants Receivable	181,643	-	181,643
Other Assets	39,818	-	39,818
Due From	524,837	-	524,837
Construction in Progress	118,942	-	118,942
Capital Assets, net	8,566,612	2,738,117	11,304,729
Net Pension Asset	46,384	-	46,384
Total Assets	<u>12,680,742</u>	<u>4,907,117</u>	<u>17,587,859</u>
Deferred Outflow of Resources			
Deferred Outflows - Pensions	700,389	-	700,389
Total Deferred Outflows of Resources	<u>700,389</u>	<u>-</u>	<u>700,389</u>
Liabilities			
Accounts Payable	532,497	22,288	554,784
Long-term Obligations			
Debt - Due Within One Year	264,000	-	264,000
Debt - Due in More Than One Year	219,000	-	219,000
Compensated Absences	132,249	60,231	192,480
Due To	433,741	292,519	726,260
Total Liabilities	<u>1,581,487</u>	<u>375,037</u>	<u>1,956,524</u>
Deferred Inflows of Resources			
Deferred Inflows - Contracts	128,910	-	128,910
Deferred Inflows - Pensions	67,729	-	67,729
Total Deferred Inflows of Resources	<u>196,639</u>	<u>-</u>	<u>196,639</u>
Net Position			
Net Invested in Capital Assets	8,202,553	2,738,117	10,940,670
Restricted	353,260	-	353,260
Unrestricted	3,047,192	1,793,963	4,841,155
Total Net Position	<u>\$ 11,603,005</u>	<u>\$ 4,532,080</u>	<u>\$ 16,135,085</u>

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

Presidio County, Texas

Exhibit B-1

Statement of Activities

For the Year Ended September 30, 2017

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Primary Government:						
Government Activities:						
Administrative	\$ 2,124,565	\$ 76,263	\$ -	\$ (2,048,301)	\$ -	\$ (2,048,301)
Judicial	515,248	471,960	20,465	(22,823)	-	(22,823)
Law Enforcement	939,089	98,170	47,322	(793,598)	-	(793,598)
Cultural - Recreation	194,351	48,760	-	(145,591)	-	(145,591)
Maintenance	1,023,792	370,233	192,204	(461,355)	-	(461,355)
Emergency Management	35,621	-	-	(35,621)	-	(35,621)
Airport	573,864	574,802	42,086	43,025	-	43,025
	<u>5,406,530</u>	<u>1,640,188</u>	<u>302,077</u>	<u>(3,464,265)</u>	<u>-</u>	<u>(3,464,265)</u>
Business-Type Activities:						
Corrections & Rehabilitation	1,323,395	1,171,981	-	-	(151,414)	(151,414)
	<u>1,323,395</u>	<u>1,171,981</u>	<u>-</u>	<u>-</u>	<u>(151,414)</u>	<u>(151,414)</u>
Total Expenses	<u>\$ 6,729,925</u>	<u>\$ 2,812,170</u>	<u>\$ 302,077</u>	<u>(3,464,265)</u>	<u>(151,414)</u>	<u>(3,615,678)</u>
General Revenues						
Property Taxes				2,844,740	-	2,844,740
Property Tax Collection Contracts				105,623	-	105,623
Licenses and Permits				35,257	-	35,257
Unrestricted Investment Earnings				-	12	12
Miscellaneous				582,409	-	582,409
Total General Revenues				<u>3,568,030</u>	<u>12</u>	<u>3,568,042</u>
Change in Net Position				103,765	(151,401)	(47,636)
Net Position - Beginning of the Year, restated				11,499,240	4,683,481	16,182,721
Net Position - End of the Year				<u>\$ 11,603,005</u>	<u>\$ 4,532,080</u>	<u>\$ 16,135,085</u>

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

Presidio County, Texas
Balance Sheet - Governmental Funds
September 30, 2017

Exhibit C-1

	General Fund	Airport Fund	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 1,479,437	\$ 77,609	\$ -	\$ 203,146	\$ 1,760,192
Restricted Cash and Cash Equivalents	-	-	151,484	161,958	313,442
	<u>1,479,437</u>	<u>77,609</u>	<u>151,484</u>	<u>365,104</u>	<u>2,073,634</u>
Receivables, net	1,128,873	-	-	-	1,128,873
Grant Receivable	-	-	-	181,643	181,643
Other Assets	39,818	-	-	-	39,818
Interfund Receivable	481,642	30,687	-	12,508	524,837
Total Assets	<u>\$ 3,129,770</u>	<u>\$ 108,297</u>	<u>\$ 151,484</u>	<u>\$ 559,255</u>	<u>\$ 3,948,805</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 259,274	\$ 78,667	\$ -	\$ 194,555	\$ 532,497
Interfund Payable	388,051	-	-	45,690	433,741
Total Liabilities	<u>647,325</u>	<u>78,667</u>	<u>-</u>	<u>240,246</u>	<u>966,238</u>
Fund Balance					
Restricted	-	-	151,484	141,755	293,239
Assigned	-	29,630	-	177,254	206,884
Unassigned	2,482,445	-	-	-	2,482,445
Total Fund Balance	<u>2,482,445</u>	<u>29,630</u>	<u>151,484</u>	<u>319,010</u>	<u>2,982,568</u>
Total Liabilities and Fund Balance	<u>\$ 3,129,770</u>	<u>\$ 108,297</u>	<u>\$ 151,484</u>	<u>\$ 559,255</u>	<u>\$ 3,948,805</u>

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

Presidio County, Texas
Reconciliation of Governmental Fund Balance Sheet to the
Statement of Net Position
September 30, 2017

Exhibit C-2

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

Total Fund Balance - Governmental Funds	\$ 2,982,568
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,685,553
Pension deferred outflows and inflows of resources, net	632,660
The net pension asset is not a financial resource and, therefore, is not reported in the funds	46,384
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	(128,910)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(615,249)</u>
Total Net Position - Governmental Activities	<u><u>\$ 11,603,005</u></u>

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

Presidio County, Texas
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
For the Year Ended September 30, 2017

Exhibit C-3

	General Fund	Airport Fund	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 2,702,392	\$ -	\$ 142,348	\$ -	\$ 2,844,740
Charges for Services	553,295	574,802	-	512,091	1,640,188
Program Income from Grants	20,465	-	-	281,612	302,077
Property Tax Collection Contracts	105,623	-	-	-	105,623
Licenses and Permits	35,257	-	-	-	35,257
Unrestricted Investment Earnings	-	-	-	-	-
Miscellaneous	582,409	-	-	-	582,409
Total Revenues	3,999,441	574,802	142,348	793,704	5,510,295
Expenditures					
Administrative	1,835,378	-	263,711	11,673	2,110,762
Judicial	496,391	-	-	18,856	515,248
Law Enforcement	859,814	-	-	79,276	939,089
Cultural - Recreation	22,288	-	-	172,063	194,351
Maintenance	221,371	-	-	802,421	1,023,792
Emergency Management	35,621	-	-	-	35,621
Airport	-	531,777	-	42,086	573,864
Total Expenditures	3,470,863	531,777	263,711	1,126,376	5,392,727
Excess (Deficiency) of Revenues Over Expenditures	528,578	43,025	(121,363)	(332,672)	117,568
Other Financing Sources (Uses)					
Transfers	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	528,578	43,025	(121,363)	(332,672)	117,568
Fund Balance - Beginning of Year (restated)	1,953,867	(13,395)	272,846	651,682	2,864,999
Fund Balance - End of the Year	\$ 2,482,445	\$ 29,630	\$ 151,484	\$ 319,010	\$ 2,982,568

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

Reconciliation of Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended September 30, 2017

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

Total Net Change in Fund Balances - Governmental Funds	\$ 117,568
Governmental funds report capital outlays as expenditures. However in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(257,803)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of bond principal of long-term debt consumes the current financial resources of government funds. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.	244,000
Change in Net Position of Governmental Activities	<u>\$ 103,765</u>

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

Presidio County, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>2017 Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Final Budget Positive (Negative)</u>
Revenues				
Property Taxes	\$ 2,920,360	\$ 2,920,360	\$ 2,702,392	\$ (217,968)
Charges for Services	654,882	655,482	553,295	(102,187)
Program Income from Grants	53,633	53,633	20,465	(33,168)
Property Tax Collection Contracts	111,157	111,157	105,623	(5,534)
Licenses and Permits	20,000	20,000	35,257	15,257
Miscellaneous	41,000	41,000	582,409	541,409
Total Revenues	<u>3,801,032</u>	<u>3,801,632</u>	<u>3,999,441</u>	<u>197,809</u>
Expenditures				
Administrative	1,919,991	1,931,553	1,835,378	96,175
Judicial	547,272	548,913	496,391	52,522
Law Enforcement	893,619	962,021	859,814	102,208
Cultural - Recreation	28,396	28,396	22,288	6,108
Maintenance	256,206	256,921	221,371	35,550
Emergency Management	37,649	37,649	35,621	2,028
Total Expenditures	<u>3,683,133</u>	<u>3,765,453</u>	<u>3,470,863</u>	<u>294,591</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>117,899</u>	<u>36,179</u>	<u>528,578</u>	<u>492,400</u>
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances			528,578	492,400
Fund Balance - Beginning of Year (restate)			1,953,867	
Fund Balances - End			<u>\$ 2,482,445</u>	

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

Presidio County, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Airport Fund
For the Year Ended September 30, 2017

	Budgeted Amounts		2017 Actual	Variance
	Original Budget	Final Budget		Final Budget Positive (Negative)
Revenues				
Charges for Services	\$ 403,000	\$ 513,250	\$ 574,802	\$ 61,552
Total Revenues	<u>403,000</u>	<u>513,250</u>	<u>574,802</u>	<u>61,552</u>
Expenditures				
Airport	425,369	543,619	531,777	11,842
Total Expenditures	<u>425,369</u>	<u>543,619</u>	<u>531,777</u>	<u>11,842</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,369)</u>	<u>(30,369)</u>	<u>43,025</u>	<u>73,394</u>
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances			43,025	73,394
Fund Balance - Beginning of Year (restate)			(13,395)	
Fund Balances - End			<u>\$ 29,630</u>	

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

Presidio County, Texas
Statement of Net Position - Proprietary Fund
September 30, 2017

Exhibit D-1

	<u>Jail Fund</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 2,084,055
Receivables, net	84,945
Total Current Assets	<u>2,169,000</u>
Noncurrent Assets	
Capital Assets, net	2,738,117
Total Noncurrent Assets	<u>2,738,117</u>
Total Assets	<u>\$ 4,907,117</u>
Liabilities and Net Position	
Current Liabilities	
Accounts Payable	\$ 22,288
Due to Other Funds	292,519
Total Current Liabilities	<u>314,806</u>
Noncurrent Liabilities	
Compensated Absences	60,231
Total Noncurrent Liabilities	<u>60,231</u>
Total Liabilities	<u>375,037</u>
Net Position	
Invested in Capital Assets	2,738,117
Restricted	-
Unrestricted	1,793,963
Total Net Position	<u>4,532,080</u>
Total Liabilities and Net Position	<u>\$ 4,907,117</u>

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

Presidio County, Texas

Exhibit D-2

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Fund
 For the Year Ended September 30, 2017

	Jail Fund
Operating Revenues	
Charges for Services	\$ 1,171,981
Total Operating Revenues	<u>1,171,981</u>
Operating Expenses	
Compensation for Services	746,584
Charges for Services	274,119
Supplies	6,720
Depreciation	295,972
Total Operating Expenses	<u>1,323,395</u>
Operating Income (Loss)	(151,414)
Non-operating Revenues (Expenses)	
Investment Income (Loss)	12
Net Non-operating Revenues (Expenses)	<u>12</u>
Income (Loss) Before Capital Contributions and Transfers	(151,401)
Transfers	
Transfers	-
Net Capital Contributions and Transfers	<u>-</u>
Change in Net Position	(151,401)
Total Net Position - Beginning of the Year, Restated	4,683,481
Total Net Position - End of the Year	<u>\$ 4,532,080</u>

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

Presidio County, Texas
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2017

Exhibit D-3

	<u>Jail Fund</u>
Cash Flows from Operating Activities	
Cash Received from Other Governments	\$ 1,170,844
Payments to Suppliers	(280,839)
Payments to Employees	(746,584)
	<u>143,420</u>
Cash Flows from Financing Activities	
Acquisition and Construction of Capital Assets	(43,367)
	<u>(43,367)</u>
Cash Flows from Investing Activities	
Interest Received	12
	<u>12</u>
Net Increase (Decrease) in Cash and Cash Equivalents	100,066
Cash and Cash Equivalents at the Beginning of the Year	1,983,989
Cash and Cash Equivalents at the End of the Year	<u>\$ 2,084,055</u>
 Reconciliation of Operating Income (loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (151,414)
Adjustments for Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable and Other Assets	75,676
Increase (Decrease) in Accounts Payable and Other Liabilities	219,158
	<u>\$ 143,420</u>

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

Presidio County, Texas
Statement of Fiduciary Net Position
September 30, 2017

Exhibit E-1

	<u>County Clerk Agency Funds</u>	<u>District Clerk Agency Funds</u>	<u>Inmate Trust Funds</u>	<u>Total Funds</u>
Assets				
Cash and Cash Equivalents	\$ 168,623	\$ 2,561,638	\$ 86,789	\$ 2,817,050
Accounts Receivable	-	-	392	392
Total Assets	<u>\$ 168,623</u>	<u>\$ 2,561,638</u>	<u>\$ 87,181</u>	<u>\$ 2,817,441</u>
Liabilities				
Amounts Due to Others	\$ 168,623	\$ 2,561,638	\$ 87,181	2,817,441
Total Liabilities	<u>168,623</u>	<u>2,561,638</u>	<u>87,181</u>	<u>2,817,441</u>
Net Position				
Unrestricted	-	-	-	-
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 168,623</u>	<u>\$ 2,561,638</u>	<u>\$ 87,181</u>	<u>\$ 2,817,441</u>

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

Presidio County, Texas
Notes to the Basic Financial Statements
September 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The County of Presidio, Texas (County) is incorporated as a County Corporation under the laws of the state of Texas. The County operates under a charter that establishes management by an elected County Judge and a Commissioners' Court made of four elected members. The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the County has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so. The more significant accounting policies established in GAAP and used by the County are discussed below.

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations.
- Financial statements prepared for all of the County's activities, including infrastructure.
- A change in the fund financial statements to focus on the major funds.

Reporting Entity

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, county-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required financial statements and notes.

The accounting and reporting policies of the County relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the *Governmental Accounting Standards Board (GASB)*, the American Institute of Certified Public Accountants in the publication entitled *Audits and Accounting Guide of State and Local Governments* and by the Financial Accounting Standards Board (when applicable).

Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's law enforcement, fire protection, parks, recreation, airports, roads and bridges and general administrative services are classified as governmental activities. The County's corrections and rehabilitation (County Jail) operations are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts: net invested in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administrative, judicial, law enforcement, etc.) and business-type activities (corrections and rehabilitation). The functions are also supported by general government revenues (ad valorem taxes, certain intergovernmental revenues, fees, licenses and permits, charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (administrative, judicial, law enforcement, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, fines, licenses and fees, intergovernmental revenues, interest income, etc). The County does not allocate indirect costs.

This government-wide focus is more on the presentation of the County as an entity and the change in the County's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the County:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

- General fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The airport fund is a special revenue fund and is considered a major fund.
- Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The County Jail, an enterprise fund, is the only proprietary fund of the County.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The reporting focus is on net position, changes in net position and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The County electively segregated and reported nonmajor funds into one column in the fund financial statements, which represent combined non-major special revenue and other governmental funds.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for

the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/ expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

- Accrual – Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.
- Modified-accrual – The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within sixty days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Financial Statement Amounts:

- Cash and Cash Equivalents – The County has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with a fiscal agent. Additionally, each fund’s equity in the County’s investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.
- Inventories – The County does not inventory supplies. Supplies are expended when purchased and the effect to the financial statements is not considered to be material.
- Capital Assets – It is the County’s policy to capitalize assets purchased or acquired with an original cost of \$500 or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expended as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-40 years
Building restoration	30 years
Machinery and equipment	3 -15 years

Improvements	10-30 years
Other infrastructure	10-50 years

The County had not reconciled its fixed asset accounting system to the financial records of the County since 2007. During fiscal year 2015 RCI, Inc. performed a detailed inventory of the fixed assets for the County. The restated beginning balances at October 1, 2014 for historical cost and accumulated depreciation were backed into using the fixed asset listing present at September 30, 2015.

GASB Statement No. 34 requires the County to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are not expected to represent a significant class of assets in the County since the County has no significant improved roads or bridges. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2008. The County elected in prior years to implement the general provisions of GASB Statement No. 34 and implement the infrastructure provisions for infrastructure investments occurring subsequent to January 1, 2002. The most significant infrastructure assets capitalized to date include the airport runway reconstruction and improvements and street and levee improvements.

- Revenues – Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.
- Expenditures – Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are purchased, which approximates the results of reporting when used.
- Compensated Absences – The County accrues accumulated unpaid vacation leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The timing of the payments of accrued vacation unused at year end is determinable and therefore is recorded for governmental and proprietary funds statements. As of September 30, 2017, total accrued vacation, compensated absences and corresponding payroll taxes was \$192,480. Sick leave benefits accrue based on years of service and are not required to be paid upon an employee's termination.

- Interfund Activity – Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenue and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.
- Accounting Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.
- Fund Balance Classification Policies and Procedures – The County has adopted the fund balance classifications prescribed by *GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances are classified as non-spendable, restricted, committed, assigned and unassigned based on the circumstances that apply.

Fund Balance – The County reports the following fund balance categories which describe the relative strength of the spending constraints:

- Non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance classification includes funds with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b. Imposed by law through constitutional provisions or enabling legislation.
- Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by court resolution/formal action of the commissioners' court which is the government's highest level of decision-making authority.
- Assigned fund balances include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the commissioners' court action or (b) by a county judge who is the official delegated by the

commissioners' court with the authority to assign amounts to be used for specific purposes.

- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Fund Balance Policies and Procedures

- Minimum Fund Balance Policies – The County has not formally adopted a minimum fund balance policy; however, in practice deficit special revenue funds are classified as unassigned since the deficits are typically paid through pooled cash overdraft.
- Encumbrances – The County does not encumber or reserve an appropriation for future expenditures. Appropriations lapse at fiscal year end and must be appropriated in the next fiscal year budget.
- Order of Expenditure – When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amount to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commissioner's Court has provided otherwise in its budget or its commitment or assignment actions.

Net Position – Net Position of the Statement of Net Position includes the following:

- Net Invested in Capital Assets – this component of net position consists of capital assets, net accumulated depreciation and associated debt.
- Restricted – this component of net position consists of restricted assets reduced by liabilities related to those assets.
- Unrestricted Net Position – this component of net position is the net amount of assets and liabilities that are not included in the determination of the other categories described above.

2. PROPERTY TAX

The County's annual ad valorem property tax is required to be levied by October 1st, or as soon thereafter as practicable, on the assessed value listed as of the prior January 1 for all real and certain personal property. Taxes are due on January 31st of the year following the year of the levy before penalties and interest are assessed.

All taxes are assessed based on 100% of the appraised value of the property. The State Constitution and County Charter set a maximum tax rate per \$100 valuation of \$.80. Although there is no debt limit or margin set by State Law or County Charter, the Attorney General of Texas does not approve more than \$.40 of overall tax to be dedicated to secure debt service. The tax rate during 2017 was \$.67804 per \$100 valuation.

The Texas Property Tax Code (Code), with certain exceptions, exempts intangible personal property, household goods, and family-owned automobiles from taxation. In addition, the Code provides for the establishment of county-wide appraisal districts. Since January 1, 1983, the appraisal of property within the County has been the responsibility of the county-wide appraisal district.

The appraisal district is required under the Code to appraise all taxable property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of real property within the appraisal district must be reviewed every four years; however, the County may, at its own expense, require annual reviews of appraised values. The County may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

The County Tax Office collects County property taxes for the County and five other local governments. At the end of the year tax receivables represent delinquent and current year uncollected taxes. Major tax payments are received December through April, and are recognized as revenue in the year received. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received.

3. CASH AND CASH EQUIVALENTS

Deposit Risk – As of September 30, 2017, the carrying amount of the County's deposits held in one depository bank was \$4,600,253 for the primary government and \$2,561,634 for trust and agency funds and the balances per bank totaled \$7,161,887 with differences being attributed to items in transit. Of the bank balances at year end, \$250,000 of the County's deposits were insured by the Federal Deposit Insurance Corporation. The bank has also pledged bank-owned securities with market values of \$11,501,841 at September 30, 2017 to secure deposits in excess of FDIC insurance. Deposits secured by securities pledge to the County but held by a third party agent of the bank, in the County's name are considered unsecured for financial reporting purposes.

- Pooled Cash – The County operates three pooled accounts, a primary checking account, a payroll checking account and an interest-bearing money market account, to accomplish cash transactions for a number of funds and sub-funds.

- Commissary Funds – The County operates one commissary cash account for the jail facility. The cash balance of \$27,871 at September 30, 2017 is the amount currently being recognized.
- Inmate Trust Funds - The County maintains four bank accounts in which they deposit inmate trust funds. The cash balance of \$86,789 at September 30, 2017 is the amount currently being recognized.
- Agency Trust Funds - The District Clerk maintains nineteen bank accounts as agency trust funds. The cash balances of \$2,561,634 at September 30, 2017 is the amount currently being recognized.

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

4. CAPITAL ASSETS

A summary of capital asset activities for the year ended September 30, 2017 follows:

	Balance at 9/30/2016	Additions	Deletions	Balance at 9/30/2017
Governmental				
Land	\$ 1,028,706	\$ -	\$ 1,833	\$ 1,026,873
Buildings	13,079,546	900	-	13,080,446
Machinery and Equipment	4,896,223	105,524	-	5,001,747
Construction in Progress	-	118,942	-	118,942
Totals at Historical Cost	<u>19,004,475</u>	<u>225,366</u>	<u>1,833</u>	<u>19,228,007</u>
Less Accumulated Depreciation				
Accumulated Depreciation	(10,061,119)	(481,335)	-	(10,542,454)
Total Accumulated Depreciation	<u>(10,061,119)</u>	<u>(481,335)</u>	<u>-</u>	<u>(10,542,454)</u>
Governmental Capital Assets, Net	<u>8,943,356</u>	<u>(255,970)</u>	<u>1,833</u>	<u>8,685,553</u>

	Balance at 9/30/2016	Additions	Deletions	Balance at 9/30/2017
Business-type				
Land	\$ -	\$ 933	\$ -	\$ 933
Buildings	6,009,204	-	-	6,009,204
Machinery and Equipment	980,629	43,367	-	1,023,996
Totals at Historical Cost	<u>6,989,833</u>	<u>44,300</u>	<u>-</u>	<u>7,034,133</u>
Less Accumulated Depreciation				
Accumulated Depreciation	(4,000,044)	(295,972)	-	(4,296,016)
Total Accumulated Depreciation	<u>(4,000,044)</u>	<u>(295,972)</u>	<u>-</u>	<u>(4,296,016)</u>
Business-type Activities				
Capital Assets, Net	<u>2,989,789</u>	<u>(251,672)</u>	<u>-</u>	<u>2,738,117</u>

Depreciation expense for the 2017 fiscal year was \$777,307.

5. LONG-TERM DEBT

Changes in long-term debt relative to governmental activities follows:

	Balance at 9/30/16	Issued	Retired	Balance at 9/30/17
General Obligation Refunding Bonds Series 2012	\$735,000	\$ -	\$252,000	\$483,000

- 1) General Obligation Refunding Bonds Series 2012 – On December 1, 2011 the County retired and refinanced the Certificates of Obligation Series 2000 and Series 2001 with a Series 2012 in the amount of \$1,879,000 with an interest rate of 2.3% the matures on December 15, 2019.

The principal and interest maturities of long-term debt for Governmental Activities as of September 30, 2017 are as follows:

Certificates of Obligation		
Ending Period	Principal	Interest
2018	\$264,000	\$8,073
2019	<u>219,000</u>	<u>2,519</u>
	<u>\$483,000</u>	<u>\$ 10,592</u>

6. RETIREMENT PLAN

Plan Description

The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The Commissioners are responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 738 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial

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

Benefits Provided

The plan provisions are adopted by the governing body of the employer, within the options available in the state statutes governing the TCDRS (TCDRS Act). Members employed by Presidio County can retire at age 60 and above with eight or more years of service, with 30 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 eight years of employment but must leave their accumulated contributions in the plan to receive any employer-financed benefits.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the County 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes; including automatic COLA’s. Ad hoc post-employment benefit changes, including ad hoc COLA’s, can be granted by the County Commissioners within certain guidelines.

Contributions

The County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the county is actuarially determined annually. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act. The total retirement contributions made by the County for the fiscal year ended September 30, 2017 were \$318,880.

Actuarial Assumptions

The total pension asset at December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20 Years (based on contribution rate calculated in 12/31/16 valuation)
Asset Valuation Method	5 year smoothed value
Discount Rate	8.10%

Long-term expected Investment

Rate of Return	8.00%
Salary increases	4.90%

The actuarial assumptions that determined the total pension liability as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 to December 31, 2012. The mortality assumptions were updated in 2015, all other assumptions and methods are the same as used in the prior valuation.

Discount Rate

The discount rate used to measure the total pension asset was 8.10%. There was no change in the discount rate since the previous year.

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under our funding policy and the legal requirements under the TCDRS Act:

- 1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20 – year closed layered periods.
- 2) Under the TCRDS Act, the employer is legally required to make the contribution specified in the funding policy
- 3) The employer’s assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
- 4) Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future year, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by .10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown

below are provided by TCDRS's investment consultant, Cliffwater LLC. The numbers shown are based on January 2016 information for a 7-10 year time horizon.

Note that the valuation assumptions for long-term expected return is re-assessed at a minimum of every four years, and is based on a 30-year time horizon; the most recent analysis was performed in 2013 based on the period January 1, 2009 to December 31, 2013. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

Asset Class	Target Allocation*	Geometric Real Rate of Return **
US Equities	13.50%	4.70%
Private Equity	16.00%	7.70%
Global Equities	1.50%	5.00%
International Equities - Developed	10.00%	4.70%
International Equities - Emerging	7.00%	5.70%
Investment-Grade Bonds	3.00%	0.60%
High-Yield Bonds	3.00%	3.70%
Opportunistic Credit	2.00%	3.83%
Direct Lending	10.00%	8.15%
Distressed Debt	3.00%	6.70%
REIT Equities	2.00%	3.85%
Master Limited Partnerships (MLPs)	3.00%	5.60%
Private Real Estate Partnerships	6.00%	7.20%
Hedge Funds	20.00%	3.85%

* Target asset allocation adopted at the April 2017 TCDRS Board Meeting

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

At September 30, 2017, the County reported a net pension asset of \$46,384 for its proportionate share of the TCDRS's net pension liability measured at December 31, 2016. For the year ended September 30, 2017, the County recognized pension expense of \$266,251.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Changes in the net pension asset for the measurement year ended December 31, 2016 are as follows:

Changes in the Net Pension Liability / (Asset)

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2015	\$ 5,999,119	\$ 6,019,211	\$ (20,092)
Changes for this year:			
Service Cost	319,386		319,386
Interest on Total Pension Liability *	488,468		488,468
Effect of Plan Changes	-		-
Effect of Economic/Demographic Gains or Losses	28,396		28,396
Effect of Assumptions Changes or Inputs	-		-
Refund of Contributions	(19,980)	(19,980)	-
Benefit Payments	(235,454)	(235,454)	-
Administrative Expenses		(4,841)	4,841
Member Contributions		152,239	(152,239)
Net Investment Income		445,828	(445,828)
Employer Contributions		150,462	(150,462)
Other		26,086	(26,086)
Balances at December 31, 2016	\$ 6,579,935	\$ 6,533,551	\$ 46,384

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

** Relates to allocation of system-wide items

Discount Rate Sensitivity Analysis

The following presents the net pension liability/(asset) of the County, calculated using the discount rate of 8.10%, as well as what the County's net pension asset 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% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total Pension Liability	\$ 7,457,367	6,579,935	5,855,309
Fiduciary Net Pension	6,533,551	6,533,551	6,533,551
Net Pension Liability / (Asset)	\$ 923,816	\$ 46,384	\$ (678,242)

At December 31, 2016 the County reported its share of the TCDRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 67,279	\$ 18,931
Changes of Assumptions	-	35,062
Net Difference Between Projected and Actual Earnings	-	409,950
Contributions Made Subsequent to Measurement Date	-	236,446
	\$ 67,279	\$ 700,389

\$236,446 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a

reduction of the net pension liability for the year ended September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2017	\$ 122,257
2018	143,367
2019	122,249
2020	8,890
2021	-
thereafter	-

7. CONCENTRATIONS OF CREDIT RISK

Property tax receivables are from residences and business located in the County. Collection of such taxes is directly related to the general economic conditions of the County. Typically 75% of assessed taxes are received within one year and 80% within five years. Delinquent taxes are eventually substantially collected, thus an allowance for uncollectible taxes has not been provided for in the financial statements. Refer to Note 3 for disclosures relevant to concentration of credit risk for bank deposits.

8. CONTINGENCIES

Litigation

In the normal course of providing services to the public the County from time to time is subjected to litigation claims. The County defends itself against such claims based on internal assessment of liability and risk. Litigation expenses and damages are recorded as expense in the period when services are rendered. No liabilities have been accrued in the financial statements relative to litigation in process since all claims are expected to be within insurance coverage of the County.

Federal Grants

The County participates in a number of federal and state assisted programs which are periodically audited by grantor agencies. Historically these audits have not resulted in identification of material disallowed costs.

9. RISK MANAGEMENT

Presidio 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 maintains insurance policies acquired from independent insurance carriers covering structural property, dishonesty, errors,

and omissions, personal property and general liability. There have been no significant reductions in insurance coverage from prior years and settlements did not exceed insurance coverage for each of the past three years.

10. RELATED PARTY TRANSACTIONS

From time to time the County may enter into transactions with related parties through the normal course of business. If a member of the Commissioner's Court has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter. Management is not aware of any material related party transactions that occurred for the year ended September 30, 2017.

11. RESTATEMENTS

In order for net position and specific fund balances to roll forward year over year various restatements were made in the course of the fiscal year as a result of fiscal year 2016 ending fund balances not rolling forward to the fiscal year 2017 beginning fund balances.

12. SUBSEQUENT EVENTS

In preparing the financial statements the management of Presidio County, Texas has evaluated events and transactions for potential recognition or disclosure through February 26, 2019, the date the financial statements were issued. No events, including instances of noncompliance, have occurred subsequent to the statement of financial position date that would require adjustment to or further disclosure in the financial statements.

OTHER INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS

Painter and Associates, P.C.

Certified Public Accountants

836 King George Lane
Savannah, Texas 76227-7854

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Presidio County, Texas as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise Presidio County, Texas' basic financial statements and have issued our report thereon dated February 26, 2019.

Internal Control over Financial Reporting

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Painter and Associates, P.C.

Savannah, Texas
February 26, 2019

REQUIRED SUPPLEMENTARY INFORMATION

Presidio County, Texas
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended September 30,

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 319,386	\$ 282,947	\$ 301,034
Interest on Total Pension Liability	488,468	455,092	425,378
Effect of Plan Changes	-	(43,034)	-
Effect of Assumption Changes or Inputs	-	70,124	-
Effect of Economic/Demographic (gains) or losses	28,396	(92,139)	(84,839)
Benefit Payments/Refunds of Contributions	(255,434)	(275,222)	(282,912)
Net Change in Total Pension Liability	<u>580,816</u>	<u>397,768</u>	<u>358,661</u>
Total Pension Liability, Beginning	<u>5,999,119</u>	<u>5,601,351</u>	<u>5,242,690</u>
Total Pension Liability, Ending (a)	<u>\$ 6,579,935</u>	<u>\$ 5,999,119</u>	<u>\$ 5,601,351</u>
Fiduciary Net Position			
Employer Contributions	150,462	159,357	147,730
Member Contributions	152,239	148,422	131,814
Investment Income net of Investment Expenses	445,828	(70,560)	378,461
Benefit Payments/Refunds of Contributions	(255,434)	(275,222)	(282,912)
Administrative Expenses	(4,841)	(4,346)	(4,520)
Other	26,086	5,196	12,447
Net Change in Fiduciary Net Position	<u>514,340</u>	<u>(37,153)</u>	<u>383,020</u>
Fiduciary Net Position, Beginning	<u>6,019,211</u>	<u>6,056,364</u>	<u>5,673,344</u>
Fiduciary Net Position, Ending (b)	<u>\$ 6,533,551</u>	<u>\$ 6,019,211</u>	<u>\$ 6,056,364</u>
Net Pension Liability / (asset), ending = (a) - (b)	<u>\$ 46,384</u>	<u>\$ (20,092)</u>	<u>\$ (455,013)</u>
Fiduciary Net Position as a % of Total Pension Liability	99.30%	100.33%	108.12%
Pensionable Covered Payroll	\$ 2,537,308	\$ 2,196,899	\$ 2,196,899
Net Pension Liability as a % of Covered Payroll	1.83%	-0.91%	-20.71%

Presidio County, Texas
Schedule of Employer Contributions

Fiscal Year Ending	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
09/30/07	102,983	105,986	(3,003)	1,766,439	6.0%
09/30/08	78,902	86,865	(7,963)	1,447,752	6.0%
09/30/09	73,264	82,165	(8,901)	1,369,424	6.0%
09/30/10	56,815	67,503	(10,688)	1,125,047	6.0%
09/30/11	83,828	83,828	-	1,402,995	6.0%
09/30/12	133,491	133,491	-	2,188,373	6.1%
09/30/13	150,416	150,416	-	2,317,652	6.5%
09/30/14	146,533	147,730	(1,197)	2,196,899	6.7%
09/30/15	151,794	159,357	(7,563)	2,375,493	6.7%
09/30/16	150,462	150,462	-	2,537,308	5.9%

Notes to Schedule of Employer Contributions

Valuation Date: December 31, 2016

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll, Closed

Remaining Amortization Period 8 years

Asset Valuation Method 10 Year Smoothed Market; 15% soft corridor

Inflation 2.50%

Salary Increases 3.50% to 10.5% including inflation

Investment Rate of Return 6.75%

Retirement Age Experienced-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014

Mortality RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were not benefit changes during the year.

OTHER SUPPLEMENTARY INFORMATION

Presidio County, Texas
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2017

	Road and Bridge Fund	Vizcaino Park Fund	Redford School / Community Fund	Capital Projects Manager	Archives Fund
Assets					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 103,511
	-	-	-	-	103,511
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ 103,511
Liabilities					
Accounts Payable	\$ 13,330	\$ 2,715	\$ 1,300	\$ 7,064	\$ 800
Interfund Payable	-	-	-	-	-
Total Liabilities	13,330	2,715	1,300	7,064	800
Fund Balance					
Assigned	(13,330)	(2,715)	(1,300)	(7,064)	102,711
Total Fund Balance	(13,330)	(2,715)	(1,300)	(7,064)	102,711
Total Liabilities and Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 103,511

Presidio County, Texas
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2017

	Technology 2 Fund	Dispatch Contract	Pre-trial Diversion Fund	Total Non-major Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 4,084	\$ 42,501	\$ 53,049	\$ 203,146
	<u>4,084</u>	<u>42,501</u>	<u>53,049</u>	<u>203,146</u>
Total Assets	<u>\$ 4,084</u>	<u>\$ 42,501</u>	<u>\$ 53,049</u>	<u>\$ 203,146</u>
Liabilities				
Accounts Payable	\$ 30	\$ 405	\$ -	\$ 25,645
Interfund Payable	247	-	-	247
	<u>277</u>	<u>405</u>	<u>-</u>	<u>25,892</u>
Total Liabilities	<u>277</u>	<u>405</u>	<u>-</u>	<u>25,892</u>
Fund Balance				
Assigned	3,807	42,096	53,049	177,254
Total Fund Balance	<u>3,807</u>	<u>42,096</u>	<u>53,049</u>	<u>177,254</u>
Total Liabilities and Fund Balance	<u>\$ 4,084</u>	<u>\$ 42,501</u>	<u>\$ 53,049</u>	<u>\$ 203,146</u>

Presidio County, Texas
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended September 30, 2017

	Road and Bridge Fund	Vizcaino Park Fund	Redford School / Community Fund	Capital Projects Manager	Archives Fund
Revenues					
Charges for Services	\$ 357,962	\$ 48,760	\$ -	\$ -	\$ 10,705
Total Revenues	357,962	48,760	-	-	10,705
Expenditures					
Administrative	-	-	-	-	-
Judicial	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Cultural - Recreation	-	172,063	-	-	-
Maintenance	469,986	-	7,135	49,461	-
Total Expenditures	469,986	172,063	7,135	49,461	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,024)	(123,303)	(7,135)	(49,461)	10,705
Other Financing Sources (Uses)					
Transfers	-	-	-	-	-
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	(112,024)	(123,303)	(7,135)	(49,461)	10,705
Fund Balance - Beginning of the Year	98,694	120,588	5,835	42,397	92,006
Fund Balance - End of the Year	\$ (13,330)	\$ (2,715)	\$ (1,300)	\$ (7,064)	\$ 102,711

Presidio County, Texas
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended September 30, 2017

	Technology 2 Fund	Dispatch Contract	Pre-trial Diversion Fund	Total Non-major Governmental Funds
Revenues				
Charges for Services	\$ 4,985	\$ -	\$ 31,485	\$ 453,898
Total Revenues	4,985	-	31,485	453,898
Expenditures				
Administrative	4,408	-	-	4,408
Judicial	-	-	15,700	15,700
Law Enforcement	-	4,904	-	4,904
Cultural - Recreation	-	-	-	172,063
Maintenance	-	-	-	526,582
Total Expenditures	4,408	4,904	15,700	723,658
Excess (Deficiency) of Revenues Over (Under) Expenditures	577	(4,904)	15,785	(269,761)
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	577	(4,904)	15,785	(269,761)
Fund Balance - Beginning of the Year	3,230	47,000	37,265	447,015
Fund Balance - End of the Year	<u>\$ 3,807</u>	<u>\$ 42,096</u>	<u>\$ 53,049</u>	<u>\$ 177,254</u>

Presidio County, Texas
Combining Balance Sheet – Non-major Special Revenue Funds
September 30, 2017

	Seizure Fund	Technology Fund	Records Management Fund	Court Records Management Fund	Courthouse Security Fund	Abandoned Vehicle Fund
Assets						
Restricted Cash and Cash Equivalents	\$ 26,434	\$ 9,398	\$ 41,544	\$ 5,222	\$ 7,009	\$ 34,508
	<u>26,434</u>	<u>9,398</u>	<u>41,544</u>	<u>5,222</u>	<u>7,009</u>	<u>34,508</u>
Receivables, net	-	-	-	-	-	-
Grants Receivable	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-
Total Assets	<u>\$ 26,434</u>	<u>\$ 9,398</u>	<u>\$ 41,544</u>	<u>\$ 5,222</u>	<u>\$ 7,009</u>	<u>\$ 34,508</u>
Liabilities						
Accounts Payable	\$ -	\$ 845	\$ 925	\$ 30	\$ 872	\$ -
Interfund Payable	220	-	-	-	-	-
Total Liabilities	<u>220</u>	<u>845</u>	<u>925</u>	<u>30</u>	<u>872</u>	<u>-</u>
Fund Balance						
Restricted	26,214	8,554	40,619	5,192	6,137	34,508
Total Fund Balance	<u>26,214</u>	<u>8,554</u>	<u>40,619</u>	<u>5,192</u>	<u>6,137</u>	<u>34,508</u>
Total Liabilities and Fund Balance	<u>\$ 26,434</u>	<u>\$ 9,398</u>	<u>\$ 41,544</u>	<u>\$ 5,222</u>	<u>\$ 7,009</u>	<u>\$ 34,508</u>

Presidio County, Texas
Combining Balance Sheet – Non-major Special Revenue Funds
September 30, 2017

	Law Library Fund	LEOSE Fund	Hot Check Fund	Estray Fund	Homeland Security Grant 2007
Assets					
Restricted Cash and Cash Equivalents	\$ 4,831	\$ 3,229	\$ 2,513	\$ 7,327	\$ 4,718
	<u>4,831</u>	<u>3,229</u>	<u>2,513</u>	<u>7,327</u>	<u>4,718</u>
Receivables, net	-	-	-	-	-
Grants Receivable	-	-	-	-	-
Interfund Receivable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,831</u>	<u>\$ 3,229</u>	<u>\$ 2,513</u>	<u>\$ 7,327</u>	<u>\$ 4,718</u>
Liabilities					
Accounts Payable	\$ 368	\$ -	\$ -	\$ -	\$ 4,718
Interfund Payable	-	-	-	1,844	-
	<u>368</u>	<u>-</u>	<u>-</u>	<u>1,844</u>	<u>4,718</u>
Total Liabilities	<u>368</u>	<u>-</u>	<u>-</u>	<u>1,844</u>	<u>4,718</u>
Fund Balance					
Restricted	4,463	3,229	2,513	5,483	-
Total Fund Balance	<u>4,463</u>	<u>3,229</u>	<u>2,513</u>	<u>5,483</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 4,831</u>	<u>\$ 3,229</u>	<u>\$ 2,513</u>	<u>\$ 7,327</u>	<u>\$ 4,718</u>

Presidio County, Texas
Combining Balance Sheet – Non-major Special Revenue Funds
September 30, 2017

	Ruidosa Church Restoration Grant	Vending Machine Fund	Operation Stonegarden 2011	Operation Stonegarden 2012	SHSP Grant 2951501
Assets					
Restricted Cash and Cash Equivalents	\$ 4,147	\$ 696	\$ -	\$ 9,225	\$ -
	<u>4,147</u>	<u>696</u>	<u>-</u>	<u>9,225</u>	<u>-</u>
Receivables, net	-	-	-	-	-
Grants Receivable	-	-	-	53,514	-
Interfund Receivable	-	-	12,508	-	-
	<u>-</u>	<u>-</u>	<u>12,508</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,147</u>	<u>\$ 696</u>	<u>\$ 12,508</u>	<u>\$ 62,739</u>	<u>\$ -</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ 62,739	\$ -
Interfund Payable	-	-	12,508	-	-
	<u>-</u>	<u>-</u>	<u>12,508</u>	<u>62,739</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>12,508</u>	<u>62,739</u>	<u>-</u>
Fund Balance					
Restricted	4,147	696	-	-	-
Total Fund Balance	<u>4,147</u>	<u>696</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 4,147</u>	<u>\$ 696</u>	<u>\$ 12,508</u>	<u>\$ 62,739</u>	<u>\$ -</u>

Presidio County, Texas
Combining Balance Sheet – Non-major Special Revenue Funds
September 30, 2017

	CDBG 7215409	CTIF Grant	Ramp Grant 2016	Total
Assets				
Restricted Cash and Cash Equivalents	\$ -	\$ -	\$ 1,157	\$ 161,958
	<u>-</u>	<u>-</u>	<u>1,157</u>	<u>161,958</u>
Receivables, net	-	-	-	-
Grants Receivable	91,428	33,421	3,281	181,643
Interfund Receivable	-	-	-	12,508
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,508</u>
Total Assets	<u>\$ 91,428</u>	<u>\$ 33,421</u>	<u>\$ 4,437</u>	<u>\$ 356,109</u>
Liabilities				
Accounts Payable	\$ 91,428	\$ 3,707	\$ 3,281	\$ 168,910
Interfund Payable	-	29,715	1,157	45,443
	<u>-</u>	<u>29,715</u>	<u>1,157</u>	<u>45,443</u>
Total Liabilities	<u>91,428</u>	<u>33,421</u>	<u>4,437</u>	<u>214,354</u>
Fund Balance				
Restricted	-	-	-	141,755
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,755</u>
Total Liabilities and Fund Balance	<u>\$ 91,428</u>	<u>\$ 33,421</u>	<u>\$ 4,437</u>	<u>\$ 356,109</u>

Presidio County, Texas
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Non-major Special Revenue Funds
For the Year Ended September 30, 2017

	Seizure Fund	Technology Fund	Records Management Fund	Court Records Management Fund	Courthouse Security Fund
Revenues					
Charges for Services	\$ -	\$ 3,971	\$ 10,829	\$ 40	\$ 9,211
Program Income from Grants	-	-	-	-	-
Total Revenues	-	3,971	10,829	40	9,211
Expenditures					
Administrative	-	3,979	-	-	-
Judicial	-	-	-	-	-
Law Enforcement	14,912	-	-	-	-
Maintenance	-	-	-	-	70,110
Airport	-	-	-	-	-
Total Expenditures	14,912	3,979	-	-	70,110
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,912)</u>	<u>(7)</u>	<u>10,829</u>	<u>40</u>	<u>(60,899)</u>
Other Financing Sources (Uses)					
Transfers	-	-	-	-	-
Net Change in Fund Balances	<u>(14,912)</u>	<u>(7)</u>	<u>10,829</u>	<u>40</u>	<u>(60,899)</u>
Fund Balance - Beginning of the Year	41,125	8,561	29,790	5,152	67,036
Fund Balance - End of the Year	<u>\$ 26,214</u>	<u>\$ 8,554</u>	<u>\$ 40,619</u>	<u>\$ 5,192</u>	<u>\$ 6,137</u>

Presidio County, Texas
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Non-major Special Revenue Funds
For the Year Ended September 30, 2017

	Abandoned Vehicle Fund	Law Library Fund	LEOSE Fund	Hot Check Fund	Estray Fund
Revenues					
Charges for Services	\$ 22,801	\$ 1,540	\$ 2,546	\$ 105	\$ 6,014
Program Income from Grants	-	-	-	-	-
Total Revenues	22,801	1,540	2,546	105	6,014
Expenditures					
Administrative	-	-	-	-	2,394
Judicial	-	3,156	-	-	-
Law Enforcement	9,283	-	2,856	-	-
Maintenance	-	-	-	-	-
Airport	-	-	-	-	-
Total Expenditures	9,283	3,156	2,856	-	2,394
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,518	(1,616)	(310)	105	3,620
Other Financing Sources (Uses)					
Transfers	-	-	-	-	-
Net Change in Fund Balances	13,518	(1,616)	(310)	105	3,620
Fund Balance - Beginning of the Year	20,990	6,079	3,539	2,408	1,863
Fund Balance - End of the Year	\$ 34,508	\$ 4,463	\$ 3,229	\$ 2,513	\$ 5,483

Presidio County, Texas
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Non-major Special Revenue Funds
For the Year Ended September 30, 2017

	Homeland Security Grant 2007	Ruidosa Church Restoration Grant	Vending Machine Fund	Operation Stonegarden 2011	Operation Stonegarden 2012
Revenues					
Charges for Services	\$ -	\$ -	\$ 1,137	\$ -	\$ -
Program Income from Grants	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>1,137</u>	<u>-</u>	<u>-</u>
Expenditures					
Administrative	-	-	892	-	-
Judicial	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Maintenance	-	-	-	-	-
Airport	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>892</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>245</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers	-	-	-	-	-
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>245</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of the Year	-	6,137	34,263	4,463	3,229
Fund Balance - End of the Year	<u>\$ -</u>	<u>\$ 6,137</u>	<u>\$ 34,508</u>	<u>\$ 4,463</u>	<u>\$ 3,229</u>

Presidio County, Texas
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Non-major Special Revenue Funds
For the Year Ended September 30, 2017

	SHSP Grant 2951501	CDBG 7215409	CTIF Grant	Ramp Grant 2016	Total
Revenues					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 58,194
Program Income from Grants	47,322	129,833	62,372	42,086	281,612
Total Revenues	47,322	129,833	62,372	42,086	339,806
Expenditures					
Administrative	-	-	-	-	7,265
Judicial	-	-	-	-	3,156
Law Enforcement	47,322	-	-	-	74,372
Maintenance	-	143,358	62,372	-	275,839
Airport	-	-	-	42,086	42,086
Total Expenditures	47,322	143,358	62,372	42,086	402,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(13,525)	-	-	(62,912)
Other Financing Sources (Uses)					
Transfers	-	-	-	-	-
Net Change in Fund Balances	-	(13,525)	-	-	(62,912)
Fund Balance - Beginning of the Year	2,513	19,008	-	4,147	260,304
Fund Balance - End of the Year	\$ 2,513	\$ 5,483	\$ -	\$ 4,147	\$ 197,392