

BEE COUNTY, TEXAS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017

ISSUED BY:
BEE COUNTY AUDITOR'S OFFICE

BEE COUNTY, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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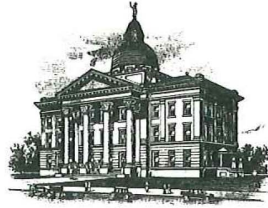
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INTRODUCTORY SECTION

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COUNTY JUDGE:
Stephanie A. Moreno
COUNTY CLERK:
Mirella Escamilla Davis
DISTRICT CLERK:
Zenaida R. Silva
COUNTY ATTORNEY:
Mike Knight
SHERIFF:
Alden E. Southmayd
TAX ASSESSOR-COLLECTOR:
Linda G. Bridge



COUNTY OF BEE

COMMISSIONER PRECINCT 1:
Carlos Salazar, Jr.
COMMISSIONER PRECINCT 2:
Dennis DeWitt
COMMISSIONER PRECINCT 3:
Sammy G. Farias
COMMISSIONER PRECINCT 4:
Ken Haggard
COUNTY AUDITOR:
April A. Cantu

March 1, 2018

The Honorable District Judges
Janna K. Whatley, 343rd Judicial District
Starr B. Bauer, 36th Judicial District
Patrick L. Flanigan, 156th Judicial District

The Honorable Commissioners' Court, Bee County, Texas
Stephanie A. Moreno, County Judge
Carlos Salazar, County Commissioner, Precinct 1
Dennis DeWitt, County Commissioner, Precinct 2
Sammy Farias, County Commissioner, Precinct 3
Ken Haggard, County Commissioner, Precinct 4

The Citizens of Bee County

Ladies, Gentlemen, and Citizens:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the Comprehensive Annual Financial Report of Bee County for fiscal year ending September 30, 2017 is hereby issued.

This report consists of management's representations concerning the finances of Bee County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Bee County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Bee County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Bee County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As financial management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Bee County's financial statements have been audited by Singleton, Clark & Company, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Bee County for fiscal year ending September 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; testing the compliance of self-imposed policies, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Bee County's financial statements for the fiscal year ended September 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of Bee County

Bee County is in the Rio Grande plain of south central Texas, fifty miles northwest of Corpus Christi and 146 miles southeast of Austin. It is bordered on the north by Karnes and Goliad counties, on the east by Refugio County, on the south by San Patricio County, and on the west by Live Oak County. Beeville is the county's largest town and seat of government. An airport built in 1966 serves Beeville and the surrounding region.

Bee County covers 866 square miles that slope gently to the coast. The elevation ranges from 200 to 300 feet. Geologically northern Bee County is in the Rio Grande embayment; the Lissie and Beaumont formations extend into the southern part of the county to form a broad, flat, and fertile plain. Blanco, Medio, and Aransas creeks and their tributaries, which flow in a southeasterly direction, drain the county. The southwest corner of the county has cracking clayey soils or loamy surfaces with cracking clayey subsoils. The northern two-thirds of the county has dark, alkaline soils, with loamy surface layers and cracking clayey subsoils, while the remainder of the county has light-colored acidic soils, with loamy surface layers and cracking clayey subsoils. Between 41 to 50 percent of the land in the county is considered prime farmland.

Bee County was established shortly after the settlement of the Cart War, which originated ten miles east of the site of Beeville. The county, named for Barnard E. Bee, Sr., was formed from San Patricio, Goliad, Refugio, Live Oak, and Karnes counties on December 8, 1857, and officially organized on January 25, 1858, when the first officers were elected. Beeville, the first county seat, was on Medio Creek, near Medio Hill, where the first post office had been established in 1857. In 1860 Maryville became the county seat; this community was later designated Beeville-on-the-Poesta to distinguish it from the former county seat.

Bee County is a public corporation and political subdivision of the State of Texas. The county seat is the City of Beeville. The general governing body of the County is the elected five-member Commissioners' Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four years staggered terms, two members elected every two years. The county judge is elected at large to serve a four-year term. Therefore, the Court makes decisions and imposes policies to benefit the entire County of Bee and the citizens therein.

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

The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and "examining, auditing, and approving" all disbursements from County funds prior to their submission to the Commissioners' Court for approval. The County Auditor is appointed by the council of district judges for a two year term.

The County provides many varied services for the public it serves. These services include operation of the district, county and justices of the peace judicial systems, voting operations for national, state and some local elections, maintenance on and construction of county owned roads and bridges, recording functions relating to property rights and vital statistics, operation of the law enforcement agencies (sheriff and constables), operation of the county jail, assistance to indigents, the provision of juvenile health and education and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Auditor on or before May 31st of each year. The County Auditor uses these requests as the starting point for developing a base line budget, without any tax increases. The County Auditor then presents this base line budget to the Commissioners' Court for review prior to July. The Commissioners' Court holds several budget workshops to discuss priorities or meet with department heads. A copy of the proposed budget is filed with the County Clerk and County Auditor, and posted on official county website. The Commissioners' Court then must hold a public hearing on a day within seven calendar days after the date the proposed budget is filed, but before September 30th of the current year. The Commissioners' Court must take action on the proposed budget at the conclusion of the public hearing.

The Commissioners' Court may levy taxes only in accordance with the budget. After final approval of the budget, the Commissioners' Court may spend County funds only in strict compliance with the budget, except in any emergency. The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in case of grave public necessity to meet an unusual and unforeseen condition that could have been included in the original budget through the use of reasonable diligent thought and attention. If the court amends the original budget to meet an emergency, the court must file a copy of its order amending the budget with the County Clerk and the clerk shall attach the copy to the original budget. Only the Commissioners' Court may amend the budget and shift funds from one budget account to another.

The original budget is adopted by Commissioners' Court. Amendments are made during the year and approved by Commissioners' Court. The budget should not be exceeded at the legally adopted level in any expenditures category under state law. The budget was amended during the year to reflect as closely as possible revenues and expenditures for the twelve-month period. Certain detailed line items within expenditure categories exceeded the budget estimates. These variances were due to unanticipated fluctuations in revenues and expenditures. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

The County Judge is, by statute, the Budget Officer of the County. She usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by Commissioners' Court, the County Judge, with the help of the County Auditor, prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to Commissioners' Court. The County's legally adopted budget is at the function level. For internal management purposes, the budgets are detailed by line-item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. Formal budgetary integration is not employed for Capital Project Funds because of budgetary control achieved through legally binding contracts. Budgetary integration is not employed for the internal service fund because expenses are not controllable by management.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates. The risk of large unfunded unforeseen expenses is reduced by the County since insurance coverage is obtained through a risk pool against catastrophic losses to infrastructure or property. The County has also changed up the way it handles inmate medical and inmate food expenses which have increased in recent years. In 2016 Bee County went out for bids for these services and the Commissioners Court awarded those contracts accordingly in an effort to save taxpayer dollars. A new cyber liability insurance policy was added due to unpredictable internet liability. The County elected to provide employee group medical and prescription coverage with a fully insured plan. The Texas Association of Counties Health and Employee Benefits Pool program is owned by county entities that have chosen the Pool to provide health coverage for their employees. Another, beneficial financial forecasting tool is the utilization of the Texas County and District Retirement System (TCDRS) pension plan. The County provides retirement, disability, and death benefits for all of its regular employees through a nontraditional defined benefit pension plan with high returns (over 7%) for retirees.

Local Economy

Bee County experienced a slight increase to property values in 2016, resulting in a modest tax increase to raise necessary revenues. Sales tax revenue continued to decline in the 2016-2017 fiscal year. The local economy remained stagnant, with most industry remaining in farming and ranching.

The County currently has seen some decline in our economic environment with the negative impact of the lack of federal funding for drilling in the Eagle Ford Shale, with this our sales tax has seen a decrease as well. Bee County on the up side is still reaping an increase of real property tax collections and still some increase in the market value of real property. The region does have a varied industrial base which assists in the stability of employment here in Bee County.

Long-term Financial Planning

Bee County, in partnership with the City of Beeville, Coastal Bend College, and the Bee Development Authority invested in an economic development strategy to be rolled out in February 2018. The strategic plan focuses all entities in Bee County around the same goals of business retention and development. Bee County also approved a tax abatement to Pacific Wind Development, LLC. The abatement will contribute to the economic development of the County and provide new property values, jobs, and increased sales taxes to the region beginning in 2020.

In 2017, the County issued Certificates of Obligation, Series 20107 with no opposition in the amount of \$25,000,000 for the purpose of building a new law enforcement center. This law enforcement center will consist of a new sheriff's office to be named "Carlos Carrizales Law Enforcement Center" and a new jail that will retain the same name of "Bob Horn Jail". Through a couple of years of research and studies of the existing sheriff's office and jail it was deemed by the Commissioners' Court to move forward with building a new facility. The Commissioners' Court has secured a project manager through ECM and an architect firm Brinkley Sargent Wiginton (BSW) to assist in this huge undertaking. The existing Combination Tax and Revenue Certificates of Obligation, Series 2012 and the new C.O's, Series 2017 have been combined and amortized with the help of the County's financial advisor Victor Quiroga, Jr through Frost Bank. The certificates will be paid back over the next 30 years. State statutes limit the amount of debt a governmental entity may issue at 25 percent of its total assessment valuation of real property. The County is within its debt limits.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bee County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last twenty-six years (fiscal years ended 1991 through 2016). We believe the current report continues to conform to the Certificate of Achievement program requirements and is submitted to the GFOA.

The presentation of the CAFR could not have been accomplished without the efficient and dedicated services of the staff at the County Auditor's office. Appreciation is extended to the Commissioners' Court, county officials, and all county employees who have given their support in planning and conducting the financial operations of the County. Also, much appreciation is extended to the District Judges for their continued support and guidance.

Respectfully submitted,



Stephanie A. Moreno
Bee County Judge



April A. Cantu
Bee County Auditor

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Bee County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

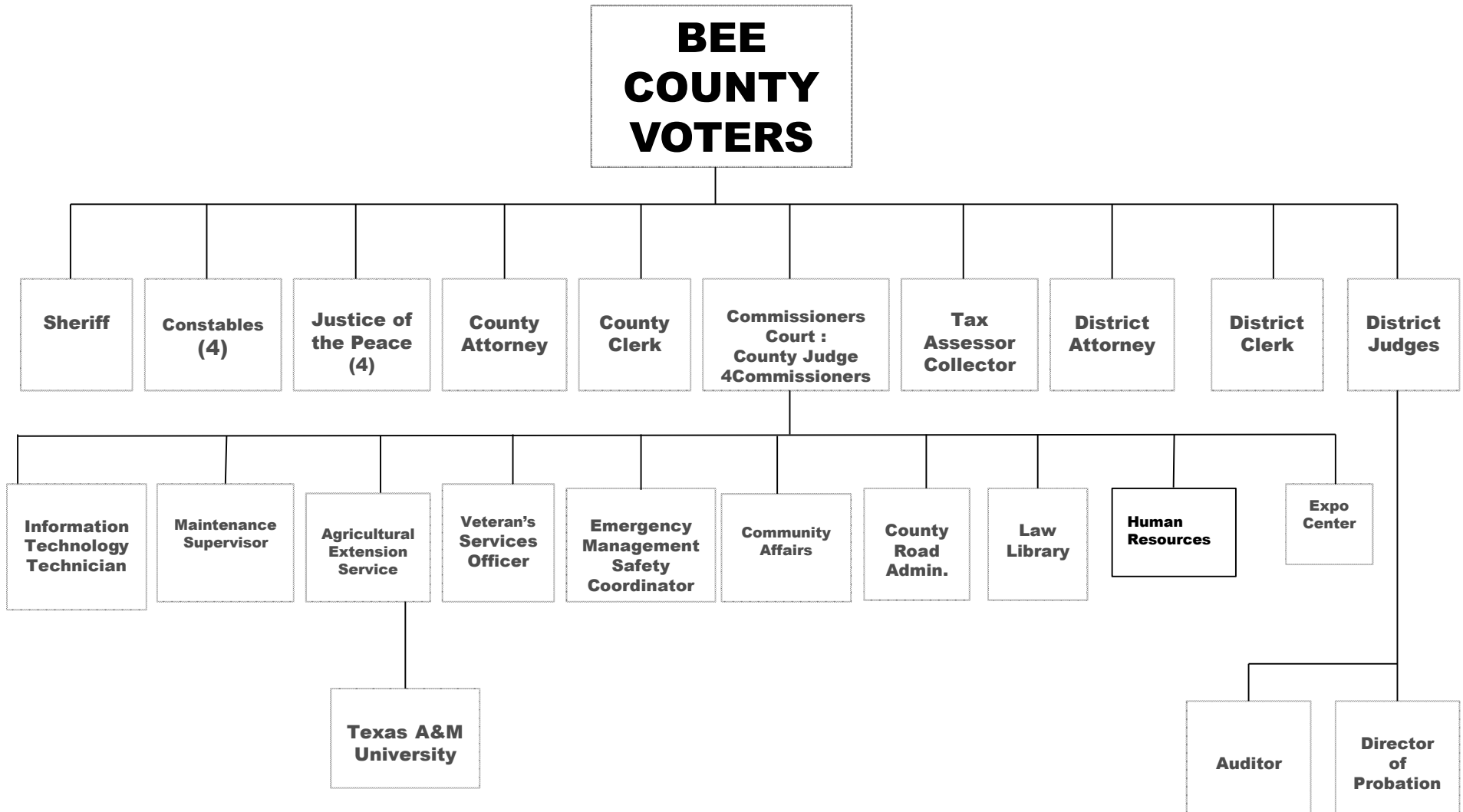
September 30, 2016

Christopher P. Morill

Executive Director/CEO

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BEE COUNTY ORGANIZATIONAL CHART



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BEE COUNTY, TEXAS
DIRECTORY OF OFFICIALS
SEPTEMBER 30, 2017

DISTRICT COURT

Starr Bauer
Patrick L. Flanigan
Janna Whatley
Jose Aliseda
Zenaida Silva

Judge, 36th Judicial County
Judge, 156th Judicial County
Judge, 343rd Judicial County
District Attorney
District Clerk

COMMISSIONERS' COURT

Stephanie A. Moreno
Carlos Salazar Jr.
Dennis DeWitt
Eloy Rodriguez
Ken Haggard

County Judge
Commissioner, Precinct No. 1
Commissioner, Precinct No. 2
Commissioner, Precinct No. 3
Commissioner, Precinct No. 4

OTHER COUNTY OFFICIALS

Alden Southmayd
Mirella E. Davis
Linda Bridge
Michael Knight
April A. Cantu

Sheriff
County Clerk
Tax Assessor-Collector
County Attorney
County Auditor

JUSTICES OF THE PEACE

Susana Contreras
Robert Bridge
Abel Suniga
Joseph Lyvers

Precinct No. 1
Precinct No. 2
Precinct No. 3
Precinct No. 4

CONSTABLES

Johnny Saucedo
Clifford Bagwell
Kirk Delgado
Esquiél Ortiz

Precinct No. 1
Precinct No. 2
Precinct No. 3
Precinct No. 4

OTHER OFFICIALS

Raynaldo Gonzales
Robbin Reininger
Johnny Carabajal
Edward Salazar
Jaime Coronado

Road & Bridge Administrator
Extension Agent
Community Affairs
Adult Probation Director
Juvenile Probation Director

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Judge, Members of Commissioners' Court, and Citizens of
Bee County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bee County, Texas (the "County") 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis section which precedes the basic financial statements and the pension related schedules following the notes section 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 this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

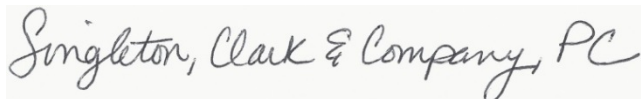
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting.



Singleton, Clark & Company, PC
Cedar Park, Texas

February 5, 2018

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Management's Discussion and Analysis

As management of Bee County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$41,262,051 (*net position*). Of this amount, \$5,138,511 represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position decreased by \$1,794,057 as a result of current year activities. This decrease was primarily due to depreciation recorded on the County's capital assets .
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$32,518,740, an increase of \$23,647,122 in comparison to the prior year. Of this amount, \$3,150,616 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$3,150,616, which represents approximately 31% of total General Fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information and other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements are designed to distinguish functions of a governmental organization that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). However, the County currently only engages in governmental activities.

The governmental activities of the County include general government, public safety, judicial, highways and streets, public facilities, public works, health and welfare, culture and recreation and conservation and development.

The government-wide financial statements can be found on pages 11-12 of this report.

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

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

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

The County maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road and Bridge Fund, Healthcare Fund I, Healthcare Fund II, and Jail Construction Fund which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts annual appropriated budgets for the General Fund, all of the major special revenue funds, as well as for several others. Budgetary comparisons have been provided for each of the major funds, with the exception of the Jail Construction Fund, as part of the basic financial statements and later within the report for the other nonmajor governmental funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 13-22 of this report.

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County has the option of maintaining two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. However, the County is not currently utilizing any enterprise type funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among an organization's functions. The County is currently utilizing two internal service funds. The Fuel Service Fund is used to track fuel costs for the County as a whole and allocate the costs to County departments. The Group Insurance Service Fund is used to track and allocate health insurance costs.

Because the services provided by internal service funds predominantly benefit governmental rather than business-type functions, they are included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County maintains one type of fiduciary fund, an agency fund. The *Agency Fund* reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statement can be found on page 26 of this report.

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

The notes to the financial statements can be found on pages 27-48 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's participation in the Texas County and District Retirement System pension program for its employees. Required supplementary information can be found on pages 49-50 of this report.

Combining and Individual Fund Financial Statements and Schedules. The combining and individual fund financial statements and schedules referred to earlier in connection with nonmajor governmental funds and budgetary comparison information are presented immediately following the required supplementary information.

Combining and individual fund statements and schedules can be found on pages 51-83 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial health. In the case of the County, assets exceeded liabilities by \$41,262,051 at the close of the most recent fiscal year.

Bee County, Texas
Net Position

	Governmental Activities 2017	Governmental Activities 2016	Change
Current & other assets	\$ 41,566,838	\$ 17,754,794	\$ 23,812,044
Capital assets	36,549,924	36,851,727	(301,803)
Deferred outflows	1,695,329	2,176,878	(481,549)
Total assets and deferred outflows	<u>79,812,091</u>	<u>56,783,399</u>	<u>23,028,692</u>
Current liabilities	1,456,846	764,576	692,270
Long-term liabilities	30,002,540	5,259,118	24,743,422
Deferred inflows	7,090,654	7,703,597	(612,943)
Total liabilities and deferred	<u>38,550,040</u>	<u>13,727,291</u>	<u>24,822,749</u>
Net Position			
Net investment in capital assets	30,384,160	31,859,432	(1,475,272)
Restricted	5,739,380	5,577,056	162,324
Unrestricted	5,138,511	5,619,620	(481,109)
Total net position	<u>\$ 41,262,051</u>	<u>\$ 43,056,108</u>	<u>\$ (1,794,057)</u>

By far, the largest portion of the County's net position, \$30,384,160 reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$5,739,380 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$5,138,511 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position. The same situation held true for the prior fiscal year.

Governmental Activities. During the current fiscal year, net position for governmental activities decreased by \$1,794,057 from the prior fiscal year ending amount of \$43,056,108 for an ending balance of \$41,262,051. The decrease in the overall net position of governmental activities was primarily due to depreciation expense recorded on the County's capital assets.

**Bee County, Texas
Changes in Net Position**

	Governmental Activities 2017	Governmental Activities 2016	Change
Revenues:			
Program Revenues:			
Charges for services	\$ 2,964,290	\$ 2,664,641	\$ 299,649
Operating grants & contributions	1,354,593	1,086,237	268,356
Capital grants and contributions	39,925	593,759	(553,834)
General Revenues:			
Property taxes	8,462,780	8,081,447	381,333
Other taxes	1,477,416	1,579,603	(102,187)
Other	688,393	1,312,959	(624,566)
Total revenue	<u>14,987,397</u>	<u>15,318,646</u>	<u>(331,249)</u>
Expenses:			
General government	4,042,224	4,224,032	(181,808)
Public safety	5,175,650	4,694,869	480,781
Judicial	2,482,462	2,183,595	298,867
Highways and streets	2,091,733	1,919,540	172,193
Public facilities	500,851	357,556	143,295
Public works	267,915	260,240	7,675
Health and welfare	1,249,401	1,295,769	(46,368)
Culture and recreation	335,554	201,929	133,625
Conservation and development	151,664	823,343	(671,679)
Interest on long-term debt	484,000	157,938	326,062
Total expenses	<u>16,781,454</u>	<u>16,118,811</u>	<u>662,643</u>
Increase (decrease) in net position	<u>(1,794,057)</u>	<u>(800,165)</u>	<u>(993,892)</u>
Net position - beginning	<u>43,056,108</u>	<u>43,856,273</u>	<u>(800,165)</u>
Net position - ending	<u>\$ 41,262,051</u>	<u>\$ 43,056,108</u>	<u>\$ (1,794,057)</u>

Financial Analysis of Governmental Funds

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

Governmental Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, an entity itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by Commissioners Court.

At September 30, 2017, the County's governmental funds reported combined fund balances of \$32,518,740, an increase of \$23,647,122 in comparison with the prior year. Approximately 10% of this amount, or \$3,150,616, constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$16,843), 2) restricted for particular purposes (\$29,299,317), 3) committed for particular purposes (\$51,964), or 5) assigned for particular purposes (\$0).

The General Fund is the main operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,150,616, while total fund balance decreased to \$3,167,459. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. As of year end both categories approximated 31% of total General Fund expenditures.

The fund balance of the General Fund decreased by \$71,312 during the current fiscal year. The decrease was primarily due to the General Fund reporting lower than expected sales tax revenue for the year and insurance recoveries being less than expected.

The Road and Bridge Fund, a major fund, experienced a \$61,305 decrease in fund balance during the current fiscal year to end at \$380,096. The decrease in fund balance was mainly due to lower than expected revenues and transfers in for the year.

The Healthcare Fund I, a major fund, reported a \$19,967 decrease in fund balance during the current fiscal year to end at \$3,973,449. The moderate decrease in fund balance was due to the Healthcare Fund I fund spending on planned capital projects during the year.

The Healthcare Fund II, a major fund, reported no fund balance at both the end of the prior year and current year. This fund has been subsidized during the year by the General Fund to assist in the payments of indigent and inmate medical expenses as well as emergency services for County residents.

The Jail Construction Fund, a major fund, reported a \$23,607,467 increase in fund balance during the current fiscal year to end at \$23,607,467. The increase in fund balance was the result of the issuance of new bonds year to construct the a new County jail.

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

The County's proprietary funds consist of two internal service funds which are shown in a combined single column within the basic financial statements in accordance with presentation requirements for internal service funds. This column is expanded however in the combining and individual fund statements to show a Fuel Service Fund and a Group Insurance Fund.

The net position of the Fuel Service Fund at the end of the year was \$30,184, reflecting a decrease of \$3,858. The Group Insurance Service Fund decreased net position by \$26,742 to end at \$52,603. The moderate fund balance fluctuations in these funds were simply the results of operations.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there, some of the more significant budget amendments were as follows:

The overall budget amendments made to the General Fund were minimal in comparison to past years. The emergency weather events of 2017 contributed to about (15k) for comp-time pay out and damaged equipment repair. The Expo needed a tractor in the amount of (17K) for lack of maintenance equipment for County facilities. There was also a local match for the Counties All Mitigation Grant portion that was not anticipated to be paid out in the amount of (10k).

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of September 30, 2017, amounted to \$36,549,924 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, highways, and bridges. Capital assets for the current fiscal year decreased by approximately 1%.

Capital Assets of Bee County, Texas

	Governmental Activities 2017	Governmental Activities 2016	Change
Land	\$ 312,892	\$ 312,892	\$ -
Construction in Progress	4,055,698	1,753,976	2,301,722
Buildings	34,601,185	34,694,863	(93,678)
Furniture and Equipment	4,012,066	4,147,318	(135,252)
Infrastructure	27,026,178	27,026,178	-
Total	<u>70,008,019</u>	<u>67,935,227</u>	<u>2,072,792</u>
Less Accumulated Depreciation	<u>(33,458,095)</u>	<u>(31,083,500)</u>	<u>(2,374,595)</u>
Capital assets, net of depreciation	<u>\$ 36,549,924</u>	<u>\$ 36,851,727</u>	<u>\$ (301,803)</u>

Additional information on the County's capital assets can be found in Note III.D on page 37 of this report.

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Long-term Debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$29,737,571. The remainder of County long-term debt obligations consisted of capital leases and compensated absences.

Outstanding Debt of Bee County, Texas

	Governmental Activities 2017	Governmental Activities 2016	Change
General Obligation Bonds	\$ 4,410,000	\$ 4,890,000	\$ (480,000)
Certificates of Obligation Bonds	25,327,571	-	25,327,571
Capital Leases Payable	35,660	102,295	(66,635)
Compensated Absences	229,309	266,823	(37,514)
Total	<u>\$ 30,002,540</u>	<u>\$ 5,259,118</u>	<u>\$ 24,743,422</u>

The County issued long-term bonds during the year in the amount of \$25.3 million, including premium on issuance, to finance the construction of a new County jail.

The County maintains an “AA-” rating from Standard & Poor’s for general obligation debt.

Additional information on the County’s long-term debt can be found in Note III.I on pages 46-47 of this report.

Economic Factors and Next Year’s Budgets and Rates

The following economic factors currently affect the County and were considered in developing the 2017-2018 fiscal year budget:

- Property tax rate increase of 25.29% resulting in additional revenue of \$1,998,779.
- Bee County acquired \$25 million dollars in certificates of obligation for the new jail construction reason being for such an increase in property taxes.
- Sales tax decline in past years has led to the decrease in that revenue line item.
- A decrease in appraised values in Bee County resulted in an increased tax rate to generate enough revenues to provide County services
- Unfunded mandates imposed by the State legislature continue to impact the local tax rate

Requests for Information

This financial report is designed to provide a general overview of the County finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor’s Office, 111 N. St. Mary’s St., Suite 101, Beeville, Texas 78102, or by calling (361) 621-1550.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

BEE COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 27,950,750
Investments	5,227,367
Taxes receivable - delinquent	515,476
Allowance for uncollectible taxes	(51,547)
Accounts receivable, net	735,171
Intergovernmental receivable	88,928
Notes receivable, net	7,029,247
Inventories	17,856
Prepaid items	16,843
Net pension asset	36,747
Capital assets, not being depreciated:	
Land	312,892
Construction in progress	4,055,698
Capital assets, being depreciated:	
Buildings and improvements	34,601,185
Furniture and equipment	4,012,066
Infrastructure	27,026,178
Accumulated depreciation	(33,458,095)
Total assets	78,116,762
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan items	1,695,329
Total Deferred Outflows of Resources	1,695,329
LIABILITIES	
Accounts payable	1,178,815
Accrued liabilities	197,079
Intergovernmental payable	995
Accrued interest payable	21,503
Unearned revenue	58,454
Noncurrent liabilities:	
Due within one year	1,170,315
Due in more than one year	28,832,225
Total liabilities	31,459,386
DEFERRED INFLOWS OF RESOURCES	
Pension plan items	61,361
Long-term lease receivable	7,029,293
Total deferred inflows of resources	7,090,654
NET POSITION	
Net investment in capital assets	30,384,160
Restricted for health and welfare	3,973,449
Restricted for debt service	537,795
Restricted for roads and bridges	395,045
Restricted for specific purposes	833,091
Unrestricted	5,138,511
Total net position	\$ 41,262,051

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

BEE COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs:	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:					
Governmental activities:					
General government	\$ 4,042,224	\$ 1,616,777	\$ 947,394	\$ -	\$ (1,478,053)
Public safety	5,175,650	209,182	370,129	-	(4,596,339)
Judicial	2,482,462	497,767	11,526	-	(1,973,169)
Highway and streets	2,091,733	639,103	24,009	-	(1,428,621)
Public facilities	500,851	1,461	-	-	(499,390)
Public works	267,915	-	-	39,925	(227,990)
Health and welfare	1,249,401	-	1,535	-	(1,247,866)
Culture and recreation	335,554	-	-	-	(335,554)
Conservation and development	151,664	-	-	-	(151,664)
Interest and issuance costs	484,000	-	-	-	(484,000)
Total governmental activities	<u>\$ 16,781,454</u>	<u>\$ 2,964,290</u>	<u>\$ 1,354,593</u>	<u>\$ 39,925</u>	<u>(12,422,646)</u>
General Revenues:					
					8,462,780
					1,376,668
					100,748
					323,367
					365,026
					<u>10,628,589</u>
					(1,794,057)
					<u>43,056,108</u>
					<u>\$ 41,262,051</u>

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

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FUND BASIS FINANCIAL STATEMENTS

BEE COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Road & Bridge Operating Fund	Healthcare Fund I
ASSETS			
Cash and cash equivalents	\$ 1,452,190	\$ 671,053	\$ 300,911
Investments	1,765,547	3,171	3,454,759
Taxes receivable - delinquent	398,684	-	-
Allowance for uncollectible delinquent taxes	(39,868)	-	-
Accounts receivable	550,776	59,492	-
Intergovernmental receivable	17,606	-	-
Notes receivable	-	-	3,136,086
Due from other funds	331,819	-	217,779
Prepaid items	16,843	-	-
Total assets	<u>\$ 4,493,597</u>	<u>\$ 733,716</u>	<u>\$ 7,109,535</u>
LIABILITIES			
Accounts payable	\$ 435,890	\$ 12,038	\$ -
Accrued liabilities	166,381	23,152	-
Intergovernmental payable	995	-	-
Due to other funds	305,602	318,430	-
Unearned revenue	58,454	-	-
Total liabilities	<u>967,322</u>	<u>353,620</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	358,816	-	-
Unavailable revenue - lease receivable	-	-	3,136,086
Total deferred inflows of resources	<u>358,816</u>	<u>-</u>	<u>3,136,086</u>
FUND BALANCES (DEFICITS)			
Nonspendable for:			
Prepays	16,843	-	-
Restricted for:			
Health and welfare	-	-	3,973,449
Debt service	-	-	-
Roads and bridges	-	380,096	-
Capital projects	-	-	-
Specific purposes	-	-	-
Committed for:			
Specific purposes	-	-	-
Unassigned	3,150,616	-	-
Total fund balances	<u>3,167,459</u>	<u>380,096</u>	<u>3,973,449</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,493,597</u>	<u>\$ 733,716</u>	<u>\$ 7,109,535</u>

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

Healthcare Fund II	Jail Construction Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 22,813	\$ 24,276,052	\$ 1,167,204	\$ 27,890,223
1,956	-	1,344	5,226,777
-	-	116,792	515,476
-	-	(11,679)	(51,547)
-	-	93,027	703,295
-	-	71,322	88,928
3,893,161	-	-	7,029,247
217,096	-	290,554	1,057,248
-	-	-	16,843
<u>\$ 4,135,026</u>	<u>\$ 24,276,052</u>	<u>\$ 1,728,564</u>	<u>\$ 42,476,490</u>
\$ 24,040	\$ 668,585	\$ 10,200	\$ 1,150,753
-	-	7,546	197,079
-	-	-	995
217,779	-	215,437	1,057,248
-	-	-	58,454
<u>241,819</u>	<u>668,585</u>	<u>233,183</u>	<u>2,464,529</u>
-	-	105,112	463,928
3,893,207	-	-	7,029,293
<u>3,893,207</u>	<u>-</u>	<u>105,112</u>	<u>7,493,221</u>
-	-	-	16,843
-	-	-	3,973,449
-	-	490,265	490,265
-	-	14,949	395,045
-	23,607,467	-	23,607,467
-	-	833,091	833,091
-	-	51,964	51,964
-	-	-	3,150,616
<u>-</u>	<u>23,607,467</u>	<u>1,390,269</u>	<u>32,518,740</u>
<u>\$ 4,135,026</u>	<u>\$ 24,276,052</u>	<u>\$ 1,728,564</u>	<u>\$ 42,476,490</u>

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BEE COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

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

Total fund balances - governmental funds	\$ 32,518,740	
<p>Internal service funds are used by management to charge the costs of health insurance and fuel to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities column on the Statement of Net Position.</p>		
		82,787
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Governmental activities capital assets	\$ 39,118,535	
Less accumulated depreciation	<u>(2,568,611)</u>	36,549,924
<p>The current estimated amount by which pension assets exceed pension liabilities is not reported in the funds.</p>		
		36,747
<p>Other long-term assets, such as uncollected property taxes, are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.</p>		
		463,928
<p>Long-term liabilities, including bonds payable and pension liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds payable	(27,210,000)	
Unamortized premiums	(2,527,571)	
Capital leases	(35,660)	
Compensated absences	<u>(229,309)</u>	(30,002,540)
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore not reported in the funds.</p>		
Deferred outflows related to pensions	1,695,329	
Deferred inflows related to pensions	<u>(61,361)</u>	1,633,968
<p>Accrued interest on long-term debt related to governmental activities is not due and payable in the current period and therefore not reported in the governmental funds.</p>		
		<u>(21,503)</u>
Net position of governmental activities		<u><u>\$ 41,262,051</u></u>

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

BEE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Road & Bridge Operating Fund	Healthcare Fund I
REVENUES			
Property taxes	\$ 6,627,877	\$ -	\$ -
General sales and use taxes	1,376,668	-	-
Selective sales and use taxes	28,450	-	-
Penalties and interest on taxes	90,059	-	-
Licenses and permits	14,001	552,562	-
Intergovernmental revenues	926,764	-	-
Charges for services	1,014,185	-	-
Fines and forfeitures	160,109	133,637	-
Investment earnings	27,247	4,513	34,384
Rents and royalties	373,330	-	456,048
Contributions and donations, private sources	-	-	-
Miscellaneous revenue	127,753	21,083	-
Total revenues	10,766,443	711,795	490,432
EXPENDITURES			
Current:			
General government	2,737,549	-	-
Public safety	3,844,401	-	-
Judicial	2,028,045	-	-
Highways and streets	-	1,698,918	-
Public facilities	410,875	-	-
Public works	216,930	-	-
Health and welfare	276,369	-	10,399
Culture and recreation	278,408	-	-
Conservation and development	107,313	-	-
Debt service:			
Bond principal	-	-	-
Other debt principal	8,923	57,712	-
Interest	10	2,022	-
Issuance Costs and fees	-	-	-
Capital outlay	346,454	46,751	500,000
Total expenditures	10,255,277	1,805,403	510,399
Excess (deficiency) of revenues over expenditures	511,166	(1,093,608)	(19,967)
OTHER FINANCING SOURCES (USES)			
Transfers in	92,550	1,032,303	-
Transfers out	(716,508)	-	-
Sale of general capital assets	7,043	-	-
Insurance recoveries	34,437	-	-
General obligation bonds issued	-	-	-
Premium on bonds issued	-	-	-
Total other financing sources (uses)	(582,478)	1,032,303	-
Net change in fund balance	(71,312)	(61,305)	(19,967)
Fund balance - beginning	3,238,771	441,401	3,993,416
Fund balance - ending	\$ 3,167,459	\$ 380,096	\$ 3,973,449

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

BEE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

Healthcare Fund II	Jail Construction Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,670,131	\$ 8,298,008
-	-	-	1,376,668
-	-	72,298	100,748
-	-	14,543	104,602
-	-	-	566,563
-	-	370,536	1,297,300
-	-	314,257	1,328,442
-	-	-	293,746
242,734	2,013	12,476	323,367
193,229	-	-	1,022,607
-	-	12	12
-	-	45,079	193,915
<u>435,963</u>	<u>2,013</u>	<u>2,499,332</u>	<u>14,905,978</u>
-	-	548,077	3,285,626
-	-	344,654	4,189,055
-	-	-	2,028,045
-	-	-	1,698,918
-	-	-	410,875
-	-	5,033	221,963
757,963	-	9	1,044,740
-	-	-	278,408
-	-	18,150	125,463
-	-	480,000	480,000
-	-	-	66,635
-	-	147,925	149,957
-	328,283	2,900	331,183
-	1,393,834	-	2,287,039
<u>757,963</u>	<u>1,722,117</u>	<u>1,546,748</u>	<u>16,597,907</u>
<u>(322,000)</u>	<u>(1,720,104)</u>	<u>952,584</u>	<u>(1,691,929)</u>
322,000	-	334,508	1,781,361
-	-	(1,094,853)	(1,811,361)
-	-	-	7,043
-	-	-	34,437
-	22,800,000	-	22,800,000
-	2,527,571	-	2,527,571
<u>322,000</u>	<u>25,327,571</u>	<u>(760,345)</u>	<u>25,339,051</u>
-	23,607,467	192,239	23,647,122
-	-	1,198,030	8,871,618
<u>\$ -</u>	<u>\$ 23,607,467</u>	<u>\$ 1,390,269</u>	<u>\$ 32,518,740</u>

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BEE COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

Net change in fund balances - total governmental funds \$23,647,122

Internal service funds are used by management to charge the costs of certain activities, such as health insurance and fuel service, to individual funds. The net revenue of certain internal service funds is reported with governmental activities. (30,600)

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

Expenditures for capitalized assets	\$ 2,287,039	
Less current year depreciation	<u>(2,568,611)</u>	(281,572)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance bonds	(22,800,000)	
Premium on issuance of bonds	(2,527,571)	
Payments on long-term debt	546,635	
Change in accrued interest on long-term debt	(2,860)	
Changes in other long-term liabilities	<u>37,514</u>	(24,746,282)

Revenues in the statement of activities for property taxes are recognized in the period levied, not collected. Therefore the uncollected property taxes of the current period increase the change in net position. 60,170

Governmental funds report pension contributions as expenditures. However, pension contributions are reported as deferred outflows of resources on the Statement of Net Position if made after the net pension liability measurement date. In addition, the change in the net pension liability, adjusted for changes in deferred pension items, is reported as pension expense in the Statement of Activities. (422,664)

Sales of capital assets are reported a revenue within the fund statements. However, in the Statement of Activities revenues are only reported to the extent that proceeds exceed the net book value of the assets. (20,231)

Change in net position- governmental activities \$ (1,794,057)

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

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BEE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 6,657,000	\$ 6,657,000	\$ 6,627,877	\$ (29,123)
General sales and use taxes	1,650,000	1,650,000	1,376,668	(273,332)
Selective sales and use taxes	-	30,000	28,450	(1,550)
Penalties and interest on taxes	73,000	73,000	90,059	17,059
Licenses and permits	1,000	1,000	14,001	13,001
Intergovernmental revenues	876,251	893,251	926,764	33,513
Charges for services	977,700	1,104,404	1,014,185	(90,219)
Fines and forfeitures	190,000	190,000	160,109	(29,891)
Investment earnings	41,000	41,000	27,247	(13,753)
Rents and royalties	310,000	331,328	373,330	42,002
Miscellaneous revenue	410,596	89,403	127,753	38,350
Total revenues	<u>11,186,547</u>	<u>11,060,386</u>	<u>10,766,443</u>	<u>(293,943)</u>
EXPENDITURES				
Current:				
General government	3,085,811	2,796,100	2,737,549	58,551
Public safety	4,024,672	4,079,175	3,844,401	234,774
Judicial	2,010,103	2,040,153	2,028,045	12,108
Public facilities	598,506	411,452	410,875	577
Public works	209,657	216,988	216,930	58
Health and welfare	308,760	309,707	276,369	33,338
Culture and recreation	273,155	278,409	278,408	1
Conservation and development	91,782	111,782	107,313	4,469
Debt service:				
Capital lease principal	8,923	8,923	8,923	-
Interest - other debt	10	10	10	-
Capital outlay	-	584,916	346,454	238,462
Total expenditures	<u>10,611,379</u>	<u>10,837,615</u>	<u>10,255,277</u>	<u>582,338</u>
Excess (deficiency) of revenues over expenditures	<u>575,168</u>	<u>222,771</u>	<u>511,166</u>	<u>288,395</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	74,500	92,550	92,550	-
Transfers out	-	(770,784)	(716,508)	54,276
Sale of general capital assets	-	500	7,043	6,543
Insurance recoveries	-	200,000	34,437	(165,563)
Total other financing sources (uses)	<u>74,500</u>	<u>(477,734)</u>	<u>(582,478)</u>	<u>104,744</u>
Net change in fund balances	649,668	(254,963)	(71,312)	183,651
Fund balance - beginning	3,238,771	3,238,771	3,238,771	-
Fund balance - ending	<u>\$ 3,888,439</u>	<u>\$ 2,983,808</u>	<u>\$ 3,167,459</u>	<u>\$ 183,651</u>

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

BEE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ROAD & BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 685,000	\$ 581,000	\$ 552,562	\$ (28,438)
Fines & forfeitures	56,000	160,000	133,637	(26,363)
Investment earnings	2,000	2,000	4,513	2,513
Miscellaneous	4,300	4,300	21,083	16,783
Total revenues	<u>747,300</u>	<u>747,300</u>	<u>711,795</u>	<u>(35,505)</u>
EXPENDITURES				
Current:				
Highway and streets	1,791,568	1,691,783	1,698,918	(7,135)
Debt service:	-	-		
Capital lease principal	-	59,114	57,712	1,402
Capital lease interest	-	1,087	2,022	(935)
Capital outlay	-	106,486	46,751	59,735
Total expenditures	<u>1,791,568</u>	<u>1,858,470</u>	<u>1,805,403</u>	<u>53,067</u>
Excess (deficiency) of revenues over expenditures	<u>(1,044,268)</u>	<u>(1,111,170)</u>	<u>(1,093,608)</u>	<u>17,562</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,108,000	1,108,000	1,032,303	(75,697)
Total Other Financing Sources (Uses)	<u>1,108,000</u>	<u>1,108,000</u>	<u>1,032,303</u>	<u>(75,697)</u>
Net change in fund balances	63,732	(3,170)	(61,305)	(58,135)
Fund balance - beginning	441,401	441,401	441,401	-
Fund balance - ending	<u>\$ 505,133</u>	<u>\$ 438,231</u>	<u>\$ 380,096</u>	<u>\$ (58,135)</u>

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

BEE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – HEALTHCARE FUND I
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 31,000	\$ 31,000	\$ 34,384	\$ 3,384
Rents and royalties	456,048	456,048	456,048	-
Total revenues	<u>487,048</u>	<u>487,048</u>	<u>490,432</u>	<u>3,384</u>
EXPENDITURES				
Current:				
Health and welfare	7,200	7,200	10,399	(3,199)
Capital outlay	-	500,000	500,000	-
Total expenditures	<u>7,200</u>	<u>507,200</u>	<u>510,399</u>	<u>(3,199)</u>
Net change in fund balances	479,848	(20,152)	(19,967)	185
Fund balance - beginning	<u>3,993,416</u>	<u>3,993,416</u>	<u>3,993,416</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,473,264</u>	<u>\$ 3,973,264</u>	<u>\$ 3,973,449</u>	<u>\$ 185</u>

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

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BEE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – HEALTHCARE FUND II
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 900	\$ 243,231	\$ 242,734	\$ (497)
Rents and royalties	435,559	193,228	193,229	1
Miscellaneous revenue	6,000	6,000	-	(6,000)
Total revenues	<u>442,459</u>	<u>442,459</u>	<u>435,963</u>	<u>(6,496)</u>
EXPENDITURES				
Current:				
Health and welfare	897,794	897,794	757,963	139,831
Total Expenditures	<u>897,794</u>	<u>897,794</u>	<u>757,963</u>	<u>139,831</u>
Excess (deficiency) of revenues over expenditures	<u>(455,335)</u>	<u>(455,335)</u>	<u>(322,000)</u>	<u>133,335</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	455,335	455,335	322,000	(133,335)
Total Other Financing Sources (Uses)	<u>455,335</u>	<u>455,335</u>	<u>322,000</u>	<u>(133,335)</u>
Net Change in Fund Balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

BEE COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Governmental Activities
	Internal Service Funds
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 60,527
Investments	590
Accounts receivable, net	31,876
Inventories	17,856
Total assets	110,849
LIABILITIES	
Current liabilities:	
Accounts payable	28,062
Total liabilities	28,062
NET POSITION	
Restricted for insurance	52,603
Unrestricted	30,184
Total net position	\$ 82,787

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

BEE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities
	Internal Service Funds
<hr/>	
Operating revenues:	
Charges for services:	
Charges for services	\$ 353,201
Employer/employee contributions	1,177,045
Total operating revenues	1,530,246
Operating expenses:	
Purchased professional and technical services	1,232,484
Other purchased services	358,929
Total operating expenses	1,591,413
Operating income (loss)	(61,167)
Nonoperating revenues (expenses):	
Investment earnings	567
Total nonoperating revenues (expenses)	567
Income before transfers in (out)	(60,600)
Transfers in	30,000
Change in net position	(30,600)
Net position-beginning	113,387
Net position-ending	\$ 82,787

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

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BEE COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	\$ 1,509,960
Cash Payments to Employees for Services	1,860
Cash Payments to Suppliers	(1,572,781)
Net cash provided by (used for) operating activities	(60,961)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	30,000
Net cash provided by (used for) capital and financing activities	30,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(4)
Interest on investments	567
Net cash provided by investing activities	563
Net increase (decrease) in cash and cash equivalents	(30,398)
Cash and cash equivalents-beginning	90,925
Cash and cash equivalents-ending	\$ 60,527
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:	
Operating income (loss)	\$ (61,167)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) decrease in accounts receivable	(18,426)
(Increase) decrease in inventories	(9,069)
(Decrease) increase in accounts payable	27,701
Total adjustments	206
Net cash provided by (used for) operating activities	\$ (60,961)

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

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BEE COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2017

	Agency Funds
	County Offices
ASSETS	
Cash and cash equivalents	\$ 1,935,989
Total assets	\$ 1,935,989
LIABILITIES	
Due to others	\$ 1,935,989
Total liabilities	\$ 1,935,989

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

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NOTES TO THE FINANCIAL STATEMENTS

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BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

I. Summary of significant accounting policies

A. Reporting entity

Bee County, Texas (the “County”) is the primary government reported within these financial statements and is governed by an elected county judge and four-member Commissioners Court. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units are, in substance, part of a primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Based on the criteria for determining and including component units within the financial statements of a primary government, no blended or discretely presented component units have been included within the County’s financial statements.

B. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

C. Basis of presentation – government-wide financial statements

The governmental activities column on the statement of activities consolidates data from governmental funds and internal service funds, and also adds long-term assets and liabilities, such as capital assets and bonds payable. The business-type activities column consolidates data from the government’s enterprise funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the County’s funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds.

The County reports the following major governmental funds:

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

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

I. Summary of significant accounting policies (continued)

D. Basis of presentation – fund financial statements (continued)

The *Road & Bridge Fund* is a special revenue fund that was established to comply with Article 6790, Vernon's Civil Statutes, which authorized counties to levy, assess and collect ad valorem taxes (property taxes & special road & bridge tax) for the purpose of constructing and maintaining special roads and bridges within the County. This fund also accounts for the motor vehicle license fee and the state lateral road credit allocation revenue.

The *Healthcare Fund I* is a special revenue fund used to account for the lease of a county-owned hospital building to the Spohn Health System, a hospital operator, and to isolate accumulated lease revenue for use on approved renovations and repairs of the hospital building itself. The lease agreement spans 30 years and carries a 6% interest rate.

The *Healthcare Fund II* is a special revenue fund used to account for additional expansion costs related to the county-owned hospital building leased by the Spohn Health System hospital operator. This fund accounts for two lease agreements which span 30 years and carry a 6% interest rate. The accumulated lease revenue is intended to be used on approved further renovations and repairs to the hospital building.

The *Jail Construction Fund* is a capital projects fund used to account for the construction of a new jail financed by the issuance of Certificates of Obligation, Series 2017 during the year.

Additionally, the government reports the following fund types:

Special Revenue Funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Capital Projects Funds account for the acquisition and construction of major capital facilities, often those financed with bonded debt or state and federal grants.

The *Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The *Agency Fund* accounts for cash collections held by the various offices of elected County officials that have either yet to be turned in to the County Auditor or can be used by the elected official in accordance with State law.

The County reports the following proprietary funds:

The *Group Insurance Service Fund* accounts for and finances the County's uninsured risks of loss from workers' compensation coverage, general liability, and group health insurance. Revenues are derived from County contributions, employee and retiree/cobra premiums, investment income, and premiums from some external entities. Expenses are for benefits, claims and administrative expenses.

The *Fuel Service Fund* accounts for and finances the County's fuel purchases. Revenues are derived from County departments and from some external entities. Expenses are for fuel expenses.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

I. Summary of significant accounting policies (continued)

D. Basis of presentation – fund financial statements (continued)

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

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

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

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

BEE COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

I. Summary of significant accounting policies (continued)

E. Measurement focus and basis of accounting (continued)

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

Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the following funds:

General Fund	Farm to Market Lateral Road Fund
Road & Bridge Fund	County Records Management Fund
Healthcare Fund I	District Attorney Fund
Healthcare Fund II	Abandoned Vehicle Fund
District Clerk Records Management Fund	Law Library Fund
County Clerk Records Management Fund	County Hotel Occupancy Tax Fund
Election Fund	Pre-Trial Intervention Fund
Courthouse Security Fund	County Attorney Hot Check Collection
Special Road Tax Fund	Debt Service Fund
Court Reporter Fund	

Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Commissioners' Court. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

BEE COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

I. Summary of significant accounting policies (continued)

F. Budgetary information (continued)

1. Budgetary basis of accounting (continued)

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Fund	Vendor	Purpose	Amount
General Fund	ASA Builders	Weigh station canopy	\$ 78,393
General Fund	Lone Star Products	Sheriff vehicles	17,579
General Fund	Scott Merriman	Scan on criminal/civil books	12,000
General Fund	GovConnection	Tables and docstations	9,384
General Fund	Digital Ally	Camera system	7,445
Road and Bridge	Valero Marketing	Road materials	8,867

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

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

2. Investments

Investments for the County are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

BEE COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

4. Capital assets (continued)

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.

As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art and similar items, and capital assets received in a concession arrangement are recorded at acquisition value.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	40
Machinery and equipment	7-15
Vehicles	6
Improvements	20
Infrastructure	20

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

6. Net position flow assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance
(continued)**

7. Fund balance flow assumptions

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

8. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing court is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The court has by resolution authorized the County Judge to assign fund balance. The Commissioners' Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

H. Revenues and expenditures/expenses (continued)

2. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Property taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed taxable value of the property tax roll of January 1, 2016, upon which the levy for the 2016-2017 fiscal year was based, was \$1,670,436,070. Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2017, to finance the General Fund, Road & Bridge Fund, Debt Service Fund, and Farm to Market Lateral Road Fund operations were \$0.41451, \$0.05779, \$0.04086, and \$0.00476, respectively, for a total tax rate of \$0.51792 per \$100 valuation. The total tax levy for the General Fund, Road & Bridge Fund, Debt Service Fund, and Farm to Market Lateral Road Fund for the 2016-2017 fiscal year was \$8,413,521. Tax collections on the current levy for the year ended September 30, 2017, were 98% of the year end adjusted tax levy. Delinquent tax collections are prorated between the four taxing activities based on the rates in effect for the year of the levy. Allowances for uncollectible taxes within the General Fund, Road & Bridge, Debt Service and Farm to Market Lateral Road Funds are estimates based on historical experience in collecting taxes.

4. Compensated absences

Vacation

County policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from County service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

The County's policy for vacation leave allows up to 20 working days of vacation leave depending on the number of years of service. Vacation leave accumulates up to 160 hours and then is lost. However, any unused vacation days up 160 hours is paid to an employee upon separation from service. Compensatory time is granted at the rate of one and one-half hour time off for every hour of overtime worked and can be carried forward up to 60 hours.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

H. Revenues and expenditures/expenses (continued)

4. Compensated absences (continued)

Sick Leave

Accumulated sick leave lapses when employees leave the employment of the County and, upon separation from service, no monetary obligation exists.

5. Pensions

For purposes of measuring the net pension liability, the economic resources measurement focus and full accrual basis of accounting have been used. This includes deferred inflows and outflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from the net position of the pension plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

II. Stewardship, compliance and accountability

A. Deficit fund equity

The County did not report any deficit fund balances for the year.

III. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. However, State law requires governmental entity deposits to be completely insured with FDIC and pledged securities coverage at all times. As of September 30, 2017, the County's bank balance was \$28,752,818 and of that amount \$250,000 was covered by FDIC and the remaining amount was covered by pledged collateral. In addition, FDIC and pledged securities coverage was adequate at all times during the year.

B. Investments

The state treasurer's investment pool (the "Pool") operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note I.G.2, *Investments*, for a discussion of how the shares in the Pool are valued and ratings. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state. The County utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the state treasurer's investment pool. In addition, the County utilizes Robert W. Baird Investments which are allocated among different securities.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

B. Investments (continued)

As of September 30, 2017, the County had the following investments:

Investment Type	Maturity Time in Years				Totals
	Less than 1	1-5	6-10	More Than 10	
Cash and Cash Alternatives	\$ 94,935	\$ -	\$ -	\$ -	\$ 94,935
Tax-Exempt Bonds	-	317,079	-	-	317,079
Taxable Bonds	-	4,806,504	-	-	4,806,504
TexPool Investment Pool	8,849	-	-	-	8,849
Total Investments	<u>\$ 103,784</u>	<u>\$ 5,123,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,227,367</u>

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2017, the government's investment in the State Treasurer's investment pool was rated AAAM by Standard & Poor's, Taxable Bonds were rated AA+ by Standard & Poor's, and Tax-Exempt Bonds were rated AA- to AAA by Standard & Poor's.

Concentration of credit risk. The County's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government's total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is a detail of receivables for the major and nonmajor funds of both the governmental and proprietary funds of the government, including the applicable allowances for uncollectible accounts:

Governmental Funds:

Receivables	General Fund	Road & Bridge	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 398,684	\$ -	\$ 116,792	\$ 515,476
Accounts receivable	550,776	59,492	93,027	703,295
Intergovernmental receivable	17,606	-	71,322	88,928
Gross receivables	967,066	59,492	281,141	1,307,699
Less: Allowance for uncollectible	(39,868)	-	(11,679)	(51,547)
Net receivables	\$ 927,198	\$ 59,492	\$ 269,462	\$ 1,256,152

Proprietary Funds:

Receivables	Fuel Service
Accounts receivable	\$ 31,876
Net receivables	\$ 31,876

D. Capital Assets

Capital assets activity for the year ended September 30, 2017, was as follows:

	Balance 10/1/16	Increases	Decreases	Adjustments	Balance 9/30/17
Capital assets, not being depreciated:					
Land	\$ 312,892	\$ -	\$ -	\$ -	\$ 312,892
Construction-in-progress	1,753,976	1,993,687	-	308,035	4,055,698
Total capital assets, not being depreciated	2,066,868	1,993,687	-	308,035	4,368,590
Capital assets, being depreciated:					
Buildings and improvements	34,694,863	226,995	-	(320,673)	34,601,185
Machinery and equipment	4,147,318	66,357	(77,729)	(123,880)	4,012,066
Infrastructure	27,026,178	-	-	-	27,026,178
Total capital assets, being depreciated	65,868,359	293,352	(77,729)	(444,553)	65,639,429
Less accumulated depreciation for:					
Buildings and improvements	(12,723,864)	(962,057)	-	62,309	(13,623,612)
Machinery and equipment	(3,019,606)	(256,354)	73,020	58,687	(3,144,253)
Infrastructure	(15,340,030)	(1,350,200)	-	-	(16,690,230)
Total accumulated depreciation	(31,083,500)	(2,568,611)	73,020	120,996	(33,458,095)
Total capital assets being depreciated, net	34,784,859	(2,275,259)	(4,709)	(323,557)	32,181,334
Governmental activities capital assets, net	\$ 36,851,727	\$ (281,572)	\$ (4,709)	\$ (15,522)	\$ 36,549,924

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

D. Capital Assets (continued)

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

Governmental activities:

General government	\$ 635,357
Public safety	810,056
Judicial	392,172
Highways and streets	328,527
Public facilities	79,453
Public works	42,922
Health and welfare	202,026
Culture and recreation	53,837
Conservation and development	24,261
	\$ 2,568,611
	\$ 2,568,611

E. Accrued liabilities

Accrued liabilities reported by governmental and proprietary funds at September 30, 2017, were as follows:

Governmental Funds:

	General Fund	Road & Bridge	Healthcare Fund II	Jail Const. Fund	Nonmajor Governmental Funds	Total Governmental Funds
Accounts payable	\$ 435,890	\$ 12,038	\$ 24,040	\$ 668,585	\$ 10,200	\$ 1,150,753
Accrued liabilities	166,381	23,152	-	-	7,546	197,079
Intergovernmental payable	995	-	-	-	-	995
Total accrued liabilities	\$ 603,266	\$ 35,190	\$ 24,040	\$ 668,585	\$ 17,746	\$ 1,348,827

Proprietary Funds:

	Fuel Service Fund
Accounts payable	\$ 28,062
Total accrued liabilities	\$ 28,062

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

F. Pension obligations

Texas County and District Retirement System (TCDRS)

Plan Description

The County provides pension, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for administration of the statewide agent multiple-employer public employee retirement system consisting of 701 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis.

This CAFR is available online at www.tcdrs.org/newsandpublications

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS. Members can retire at age 60 and above with 8 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 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amount contributed by their employer.

Benefits Provided

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

Employees covered by benefit terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Members	12/31/2015	12/31/2016
Number of inactive employees entitled to but not receiving benefits	352	357
Number of active employees	179	176
Average monthly salary*	\$ 2,669	\$ 2,633
Average age*	48.90	48.33
Average length of service in years*	9.35	9.78
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients	118	124
Average monthly benefit	\$ 774	\$ 770

*Averages reported for all active and inactive employees. Average service includes all proportionate service.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Funding Policy

As an agent, multiple-employer plan, each participating employer in TCDRS funds its plan independently. A combination of three elements funds each employer's plan as described below.

1. Employee Deposits

The governing body of the employers has the option of adopting a deposit rate in the plan for employees of 4%, 5%, 6%, or 7% of compensation. Bee County had an adopted deposit rate for employees of 7% in effect for the years ended September 30, 2015 and 2016.

2. Employer Contributions

Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. Bee County had required employer deposit rates in effect for the years ended September 30, 2015 and 2016 of 6.9% and 5.9%, respectively.

3. Investment Income

Income on invested employee and employer contributions funds a large part of the benefits that employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

BEE COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Actuarial Methods and Assumptions Used for Calculations

The TPL in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal (1)
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	3.5%
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Bee County are not considered to be substantively automatic under GASB-68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Bee County specific table
Turnover	Bee County specific table
Mortality	RP-2000 Mortality Tables

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

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

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	13.5%	4.70%
Private Equity	16.0%	7.70%
Global Equities	1.5%	5.00%
International Equities-Developed	10.0%	4.70%
International Equities-Emerging	7.0%	5.70%
Investment-Grade Bonds	3.0%	0.60%
High-Yield Bonds	3.0%	3.70%
Opportunistic Credit	2.0%	3.83%
Direct Lending	10.0%	8.15%
Distressed Debt	3.0%	6.70%
REIT Equities	2.0%	3.85%
Master Limited Partnerships (MLPs)	3.0%	5.60%
Private Real Estate Partnerships	6.0%	7.20%
Hedge Funds	20.0%	3.85%
	<u>100%</u>	

Discount Rate

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

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Sensitivity of the net pension liability to changes in the discount rate

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

	1% Decrease in Discount Rate (7.1%)	Current Discount Rate 8.1%	1% Increase in Discount Rate (9.1%)
Total pension liability	\$ 27,653,400	\$ 24,666,999	\$ 22,172,448
Fiduciary net position	24,703,746	24,703,746	24,703,747
Net pension liability/(asset)	\$ 2,949,654	\$ (36,747)	\$ (2,531,299)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

A detail of the changes in the Net Pension Liability/(Asset) of the County is as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
Balances as of December 31, 2015	\$ 23,338,725	\$ 23,480,009	\$ (141,284)
Changes for the year:			
Service cost	795,927	-	795,927
Interest on total pension liability	1,873,652	-	1,873,652
Effect of plan changes	-	-	-
Effect of economic/demographic gains/losses	(122,722)	-	(122,722)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(112,684)	(112,684)	-
Benefit payments	(1,105,899)	(1,105,899)	-
Administrative expenses	-	(18,889)	18,889
Member contributions	-	383,063	(383,063)
Net investment income	-	1,739,024	(1,739,024)
Employer contributions	-	322,317	(322,317)
Other	-	16,805	(16,805)
Balances as of December 31, 2016	<u>\$ 24,666,999</u>	<u>\$ 24,703,746</u>	<u>\$ (36,747)</u>

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

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

For the year ended September 30, 2017, the County recognized pension expense of \$422,664.

At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 61,361
Changes of assumptions	-	-
Net difference between projected and actual earnings	1,468,155	-
Contributions subsequent to the measurement date	227,174	-
Total	\$ 1,695,329	\$ 61,361

Deferred outflows of resources for contributions subsequent to the measurement date shown above will be recognized as a reduction of the net pension liability in the subsequent pension plan measurement year. All other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the pension plan measurement year as follows:

Year Ended December 31,	Pension Expense Amount
2017	\$ 439,972
2018	501,333
2019	437,010
2020	28,479
2021	-
Total	\$ 1,406,794

G. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The funds in the plan are held by Nationwide Retirement Solutions, Inc. of Columbus, Ohio as the plan administrator for the County. The funds are held in trust for the exclusive benefits of the employees and their beneficiaries who will receive these funds directly remitted by Nationwide Retirement Solutions, Inc. to the County employees and their beneficiaries. The County no longer owns the amounts deferred by the employees or related income on these amounts. Therefore, since the plan does not qualify to be included with the County's fiduciary funds there are not any plan assets included in the County's financial statements.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

H. Lease Receivables

The County has entered into three direct financing leases with Spohn Health System of Corpus Christi, Texas. The County is the lessor in the contracts. The three leases are for 30 years each and related to a County-owned hospital building within the County. For these the County has set up notes receivable accounts. The County recognized the receivable with a contra account set for deferred inflow lease principal. When rents are received the principal and interest of the lease are recognized as revenue. The Bee County Health Care Special Revenue Funds I and II account for the hospital lease payments received.

In the event of the lessee defaulting on the contract then all property, equipment, and improvements will remain with the County. It is expected that the lease will be renegotiated at the end of 30 years.

The following is a schedule of the future lease payments to be received by the County for each lease as of September 30, 2017.

Year Ending September 30,	Governmental Activities		
	Hospital Building Lease	Hospital Imp. Lease-I	Hospital Imp. Lease-II
2018	271,901	103,198	101,798
2019	288,459	109,483	107,997
2020	306,027	116,150	114,574
2021	324,664	123,223	121,552
2022	344,436	130,728	128,955
2023-2027	1,600,599	783,210	772,586
2028-2031	-	593,903	585,849
Total	<u>\$ 3,136,086</u>	<u>\$ 1,959,895</u>	<u>\$ 1,933,311</u>

I. Long-Term Liabilities

General Obligation Bonds

In fiscal year 2012, the County authorized \$6,350,000 of General Obligation Refunding Bonds to refund the 2003 Combination Tax & Limited Tax Pledge Revenue Certificates of Obligation Bonds. Remaining principal installments range from \$500,000 to \$610,000 each year with interest rates from 0.625% to 3.5%. Amounts are payable semi-annually on February 15 and August 15 of each year.

During the year, the County authorized \$22,800,000 in Certificates of Obligation, Series 2017, for the construction of a new County jail. Principal installments range from \$520,000 to \$1,315,000 each year with interest rates ranging from 4.0% to 5.0%. Amounts are payable on February 15 and August 15 of each year.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

I. Long-Term Liabilities (continued)

Details of long-term debt obligations outstanding at September 30, 2017 are as follows:

Governmental Activities:

Type	Issue Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/17
Bonds Payable					
Gen. Obligation Refunding Bonds, Series 2012	2012	\$ 6,350,000	.625%-3.500%	2025	\$ 4,410,000
Certificates of Obligation, Series 2017	2017	22,800,000	4.0%-5.0%	2047	22,800,000
Total Bonds Payable					<u>\$27,210,000</u>
Capital Leases					
Capital Lease - Truck	2016	107,000	2.73%	2018	\$ 35,660
Total Notes Payable					<u>\$ 35,660</u>

Changes in long-term liabilities

Changes in the government's long-term liabilities for the year ended September 30, 2017 are as follows:

Governmental Activities:

Description	Balance 10/1/16	Additions	Deletions	Balance 9/30/17	Due in One Year
Bonds Payable					
General Oblig. Ref. Bonds, Series 2012	\$ 4,890,000	\$ -	\$ (480,000)	\$ 4,410,000	\$ 500,000
Certificates of Obligation, Series 2017	-	22,800,000	-	22,800,000	520,000
Premium on Issuance, Series 2017 Bonds	-	2,527,571	-	2,527,571	-
Total bonds payable	<u>4,890,000</u>	<u>25,327,571</u>	<u>(480,000)</u>	<u>29,737,571</u>	<u>1,020,000</u>
Notes and Leases Payable					
Capital Lease - Back Hoe	23,008	-	(23,008)	-	-
Capital Lease - 2015 Chevy Silverado	8,923	-	(8,923)	-	-
Capital Lease - Truck	70,364	-	(34,704)	35,660	35,660
Total Notes and Leases Payable	<u>102,295</u>	<u>-</u>	<u>(66,635)</u>	<u>35,660</u>	<u>35,660</u>
Other Long-Term Debt					
Compensated absences	266,823	229,309	(266,823)	229,309	114,655
Gov. activities long-term liabilities	<u>\$ 5,259,118</u>	<u>\$ 25,556,880</u>	<u>\$ (813,458)</u>	<u>\$ 30,002,540</u>	<u>\$ 1,170,315</u>

The compensated absences liability will be liquidated from the applicable funds where the expenditure occurs. The General Fund and special revenue funds are the applicable funds where expenditures are usually utilized to retire compensated absences.

BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

I. Long-Term Liabilities (continued)

Debt service requirements for the County’s bonds and capital leases are as follows:

Year Ended September 30,	Governmental Activities				Total Governmental Activities	
	Bonds Payable		Capital Leases		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest
2018	1,020,000	1,000,081	35,660	977	1,055,660	1,001,058
2019	915,000	1,091,575	-	-	915,000	1,091,575
2020	950,000	1,064,125	-	-	950,000	1,064,125
2021	990,000	1,031,375	-	-	990,000	1,031,375
2022	1,020,000	997,225	-	-	1,020,000	997,225
2023-2027	4,410,000	4,410,950	-	-	4,410,000	4,410,950
2028-2032	3,200,000	3,718,000	-	-	3,200,000	3,718,000
2033-2037	3,890,000	3,025,000	-	-	3,890,000	3,025,000
2038-2042	4,815,000	2,096,850	-	-	4,815,000	2,096,850
2043-2047	6,000,000	916,800	-	-	6,000,000	916,800
Totals	\$27,210,000	\$19,351,981	\$ 35,660	\$ 977	\$27,245,660	\$19,352,958

J. Fund balance

Minimum fund balance policy. The Commissioners’ Court has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund. The target level is set at three months of General Fund annual revenues (approximately 20-30%). This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a “revenue” source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period. The County considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances, and a balance of more than 75% as excessive.

K. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2017 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 331,819
Healthcare Fund I	Healthcare Fund II	217,779
Healthcare Fund II	General Fund	217,096
Nonmajor Governmental Funds	Nonmajor Governmental Funds	290,554
Total		<u>\$ 1,057,248</u>

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BEE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

III. Detailed notes on all activities and funds (continued)

K. Interfund Receivables and Payables (continued)

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balances of working capital loans made to several nonmajor governmental funds which the General Fund expects to collect in the subsequent year.

L. Interfund transfers

The composition of interfund transfers for the year ended September 30, 2017 is as follows:

	Transfer in to:					Total
	Governmental Funds				Proprietary Funds	
	General Fund	Road & Bridge Fund	Healthcare Fund II	Nonmajor Gov. funds	Group Ins. Service Fund	
Transfer out from:						
General fund	\$ -	\$ 30,000	\$ 322,000	\$ 334,508	\$ 30,000	\$ 716,508
Nonmajor gov. funds	92,550	1,002,303	-	-	-	1,094,853
Total	\$ 92,550	\$ 1,032,303	\$ 322,000	\$ 334,508	\$ 30,000	\$ 1,811,361

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, 2) move General Fund resources to provide subsidies to other funds as needs arise, and 3) move resources to the internal service funds from the governmental funds to compensate for services received.

M. Risk Management

The County is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For workers' compensation the County retains the risk for the first \$1,000,000 of an individual claim. Excess insurance coverage is purchased to cover individual claims in excess of \$1,000,000. Insurance policies are purchased for public officials and employment practices liability, boiler and machinery, employee faithful performance, and an excess liability insurance policy (County retains risks up to \$1,000,000). There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

N. Contingencies

The County participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County anticipates such amounts, if any, will be immaterial.

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REQUIRED SUPPLEMENTARY INFORMATION

BEE COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Measurement Date		
	12/31/2014	12/31/2015	12/31/2016
Total Pension Liability			
Service cost	\$ 789,550	\$ 634,623	\$ 795,927
Interest on total pension liability	1,767,325	1,806,467	1,873,652
Effect of plan changes	-	(98,151)	-
Effect of assumption changes or inputs	-	(449,565)	-
Effect of economic/demographic (gains) or losses	(771,138)	232,713	(122,722)
Benefit payments/refunds of contributions	(1,191,612)	(1,397,431)	(1,218,583)
Net change in total pension liability	594,125	728,656	1,328,274
Total pension liability, beginning	22,015,944	22,610,069	23,338,725
Total pension liability, ending (a)	\$ 22,610,069	\$ 23,338,725	\$ 24,666,999
Fiduciary Net Position			
Employer contributions	434,656	381,493	322,317
Member contributions	405,139	405,671	383,063
Net investment income	1,545,239	(92,077)	1,739,024
Benefit payments/refunds of contributions	(1,191,612)	(1,397,431)	(1,218,583)
Administrative expenses	(18,192)	(17,146)	(18,889)
Other	(46,992)	43,836	16,805
Net change in fiduciary net position	1,128,238	(675,654)	1,223,737
Fiduciary net position, beginning	23,027,425	24,155,663	23,480,009
Fiduciary net position, ending (b)	24,155,663	23,480,009	24,703,746
Net pension liability / (asset), ending = (a) - (b)	(1,545,594)	(141,284)	(36,747)
Fiduciary net position as a % of total pension liability	106.84%	100.61%	100.15%
Pension covered payroll	\$ 5,787,594	\$ 5,536,927	\$ 5,472,325
Net pension liability as a % of covered payroll	-26.7%	-2.6%	-0.7%

BEE COUNTY, TEXAS
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2013	439,488	439,488	-	5,979,492	7.3%
2014	453,307	453,307	-	6,485,732	7.0%
2015	367,839	367,839	-	5,787,694	6.4%
2016	336,705	336,705	-	5,536,927	6.1%
2017	316,065	316,065	-	7,374,329	4.3%

Notes to the Schedule of Employer Contributions:

Only five years of information are currently available. The County will build this schedule over the next five year period to fully build out a ten year presentation.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal (1)
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	3.5%
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Bee County are not considered to be substantively automatic under GASB-68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Bee County specific table
Turnover	Bee County specific table
Mortality	RP-2000 Mortality Tables

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GENERAL FUND- BUDGET AND ACTUAL - DETAILED
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes				
Current ad valorem tax	\$ 6,577,000	\$ 6,577,000	\$ 6,539,762	\$ (37,238)
Delinquent ad valorem tax	80,000	80,000	88,115	8,115
Total property taxes	<u>6,657,000</u>	<u>6,657,000</u>	<u>6,627,877</u>	<u>(29,123)</u>
General sales and use taxes				
County sales tax	1,650,000	1,650,000	1,376,668	(273,332)
Total general sales and use taxes	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,376,668</u>	<u>(273,332)</u>
Selective sales and use taxes				
State mixed drink tax	30,000	30,000	28,450	(1,550)
Total selective sales and use taxes	<u>30,000</u>	<u>30,000</u>	<u>28,450</u>	<u>(1,550)</u>
Penalties and interest on taxes				
Penalty & interest on current tax	45,000	45,000	58,595	13,595
Penalty & interest on delinquent tax	28,000	28,000	31,464	3,464
Total penalties and interest on taxes	<u>73,000</u>	<u>73,000</u>	<u>90,059</u>	<u>17,059</u>
Licenses and permits				
Alcohol beverage permit	1,000	1,000	14,001	13,001
Total licenses and permits	<u>1,000</u>	<u>1,000</u>	<u>14,001</u>	<u>13,001</u>
Intergovernmental revenues				
City emergency management	42,511	42,511	45,499	2,988
Homeland security grant	-	36,000	36,000	-
Vine program funds	16,500	16,500	16,500	-
ST Sheriff Training Fees	-	6,769	6,769	-
City of Bee/health & sanitation	-	-	1,535	1,535
State allocation for county attorney	23,333	23,333	33,083	9,750
State allocation for county judge	25,200	25,200	20,813	(4,387)
Jury fees reimbursement	10,000	10,000	11,526	1,526
State emergency management	22,349	22,349	23,442	1,093
State indigent defense formula	31,000	31,000	34,677	3,677
State indigent defense discretionary	406,654	406,654	406,654	-
TRLA- Live Oak County funding	85,500	85,500	85,500	-
TRLA- McMullen County funding	6,000	6,000	6,000	-
TRLA-Willacy County funding	156,654	156,654	156,654	-
City of Bee/jail fee	20,000	20,000	21,880	1,880
13th district appellate court	550	550	725	175
Tobacco settlement	11,000	11,000	19,507	8,507
Total intergovernmental revenues	<u>857,251</u>	<u>900,020</u>	<u>926,764</u>	<u>26,744</u>

BEE COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 GENERAL FUND- BUDGET AND ACTUAL - DETAILED
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Charges for services				
County judge	500	500	432	(68)
Sheriff fees	170,000	170,000	175,540	5,540
County attorney	2,500	2,500	2,538	38
County clerk	165,000	165,000	146,136	(18,864)
Probate judge's training	350	350	395	45
Tax assessor/collector fees	463,000	463,000	415,960	(47,040)
Tax assessor 10% scoff law	100	100	0	(100)
District clerk	58,000	58,000	61,250	3,250
JP #1	5,000	5,000	4,803	(197)
JP #2	6,000	6,000	5,086	(914)
JP #3	10,000	10,000	8,661	(1,339)
JP #4	4,200	4,200	6,159	1,959
Constable pct 1	800	800	3,050	2,250
Constable pct 2	100	100	2,100	2,000
Constable pct 3	50	50	4,965	4,915
Constable pct 4	4,000	4,000	8,270	4,270
Expo operating revenue	70,000	70,000	45,194	(24,806)
Skidmore/Normanna landfill collections	49,000	49,000	51,484	2,484
Expo center oil reimbursement	400	400	1,461	1,061
Community affairs fees	30,000	30,000	31,175	1,175
County 10% state agency	58,000	58,000	38,754	(19,246)
Crime victims fee	100	100	137	37
Estray	500	635	635	-
Total charges for services	1,097,600	1,097,735	1,014,185	(83,550)
Fines				
Fines & forfeitures, JP 1	25,000	25,000	18,927	(6,073)
Fines & forfeitures, JP 2	35,000	35,000	27,806	(7,194)
Fines & forfeitures, JP 3	85,000	85,000	78,100	(6,900)
Fines & forfeitures, JP 4	45,000	45,000	35,276	(9,724)
Total fines	190,000	190,000	160,109	(29,891)
Investment earnings				
Interest on investments	41,000	41,000	27,247	(13,753)
Total investment earnings	41,000	41,000	27,247	(13,753)
Rents and royalties				
Rental of county buildings	3	3	3	-
Billboard rental fees	750	750	750	-
Expo rental fees	1,500	1,500	1,582	82
Rental of correctional facilities	310,000	329,075	370,995	41,920
Total rents and royalties	312,253	331,328	373,330	42,002

BEE COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 GENERAL FUND- BUDGET AND ACTUAL - DETAILED
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Miscellaneous revenue				
Refunds & sundries	50,000	50,000	93,413	43,413
General fund/reimburse court	4,000	4,000	1,785	(2,215)
IT Reimb. Agri-life Office	443	443	443	-
Commissions inmate telephone	20,000	20,000	32,112	12,112
Total miscellaneous revenue	<u>74,443</u>	<u>74,443</u>	<u>127,753</u>	<u>53,310</u>
Total revenues	<u>10,983,547</u>	<u>11,045,526</u>	<u>10,766,443</u>	<u>(279,083)</u>
EXPENDITURES				
Current:				
General government				
Commissioners' court	395,953	394,291	391,671	2,620
County clerk	394,829	394,829	386,713	8,116
Payroll	156,073	156,623	155,178	1,445
IT	133,799	134,106	133,194	912
Risk management	4,500	1,450	1,389	61
County attorney	183,494	183,494	165,338	18,156
Elections	61,868	62,935	62,789	146
County auditor	363,550	363,550	359,585	3,965
Motor vehicle	129,417	129,874	125,851	4,023
Voter registration	120,939	120,410	119,041	1,369
Veterans office	48,540	48,140	48,436	(296)
Appraisal district	149,762	155,634	155,633	1
Tax assessor-collector	181,433	180,438	175,898	4,540
Non-departmental	761,654	678,408	456,833	221,575
Total general government	<u>3,085,811</u>	<u>3,004,182</u>	<u>2,737,549</u>	<u>266,633</u>
Public safety				
Emergency management	85,022	116,470	114,021	2,449
Crime victim coordinator	68,850	68,850	67,848	1,002
Constable precinct 1	15,651	15,425	13,281	2,144
Constable precinct 2	12,034	11,834	11,300	534
Constable precinct 3	19,312	19,086	18,922	164
Constable precinct 4	19,286	17,273	17,159	114
911 addressing	31,732	31,732	31,333	399
Sheriff	1,685,109	1,724,628	1,683,510	41,118
Correctional facilities	1,776,084	1,757,490	1,580,458	177,032
Highway patrol	36,224	36,224	35,670	554
Highway patrol license and weights	5,800	5,800	3,935	1,865
Correction- juvenile board	59,462	59,462	56,858	2,604
Juvenile probation	210,106	210,106	210,106	-
Total public safety	<u>4,024,672</u>	<u>4,074,380</u>	<u>3,844,401</u>	<u>229,979</u>

BEE COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 GENERAL FUND- BUDGET AND ACTUAL - DETAILED
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Judicial				
County court	54,419	15,400	52,980	(37,580)
District court	1,198,981	1,219,383	1,218,665	718
District clerk	318,581	327,081	328,086	(1,005)
Justice of the peace precinct 1	105,084	105,084	102,330	2,754
Justice of the peace precinct 2	102,075	102,225	99,316	2,909
Justice of the peace precinct 3	125,240	125,240	124,294	946
Justice of the peace precinct 4	105,723	105,573	102,374	3,199
Total judicial	2,010,103	1,999,986	2,028,045	(28,059)
Public facilities				
County courthouse	275,050	278,309	112,789	165,520
AG extension office	5,200	4,447	4,358	89
Probation building	20,500	18,931	17,537	1,394
Maintenance	269,856	272,849	190,820	82,029
Courthouse annex	9,000	9,056	9,056	-
Justice center	12,700	13,922	13,922	-
Dougherty building	6,200	62,182	62,182	-
LADD building	-	211	211	-
Total public facilities	598,506	659,907	410,875	249,032
Public works				
Waste management	20,657	216,188	216,930	(742)
Total public works	20,657	216,188	216,930	(742)
Health and welfare				
Community affairs	112,429	112,429	108,773	3,656
Public assistance	187,193	157,193	167,596	(10,403)
Total health and welfare	299,622	269,622	276,369	(6,747)
Culture and recreation				
County library	85,000	85,000	85,000	-
Bee County Expo Center	188,155	184,730	193,408	(8,678)
Total culture and recreation	273,155	269,730	278,408	(8,678)
Texas Coop. extension	91,782	91,782	107,313	(15,531)
Total conservation and development	91,782	91,782	107,313	(15,531)
Debt Service - Other Debt Principal	8,715	8,715	8,923	(208)
Debt Service - Other Debt Interest	423	423	10	413
Total debt service	9,138	9,138	8,933	205

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BEE COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 GENERAL FUND- BUDGET AND ACTUAL - DETAILED
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Capital outlay		584,916	346,454	238,462
Total expenditures	10,413,446	11,179,831	10,255,277	924,141
Excess (deficiency) of revenues over expenditures	570,101	(134,305)	511,166	645,471
OTHER FINANCING SOURCES (USES)				
Transfers in	74,500	92,550	92,550	-
Transfers out	-	(770,784)	(716,508)	54,276
Sale of general capital assets	500	500	7,043	6,543
Insurance recoveries	200,000	200,000	34,437	(165,563)
Total other financing sources (uses)	275,000	(477,734)	(582,478)	(104,744)
Net change in fund balances	845,101	(612,039)	(71,312)	540,727
Fund balance - beginning	3,238,771	3,238,771	3,238,771	-
Fund balance - ending	<u>\$ 4,083,872</u>	<u>\$ 2,626,732</u>	<u>\$ 3,167,459</u>	<u>\$ 540,727</u>

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

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

District Clerk Records Management Fund - Accounts for District Clerk records management fees that are to be used for records management purposes.

County Clerk Records Management Fund - Accounts for County Clerk records management fees that are to be used for records management purposes.

Election Fund - Accounts for the County Clerk and Tax Collector elections equipment, training, and voting accessibility.

Courthouse Security Fund - Accounts for County Clerk fees that are to be used for courthouse security purposes.

Special Road Tax Fund - Established with the *Road & Bridge Fund* to comply with Article 6790, Vernon's Civil Statutes, which authorized counties to levy, assess and collect ad valorem taxes (property taxes & special road & bridge tax) for the purpose of constructing and maintaining special roads and bridges within the County. These funds also account for the motor vehicle license fee and the state lateral road credit allocation revenue.

Court Reporter Service Fund - Accounts for charges received for the provision of court reporter services and the related expenditure of those funds on court related items.

Farm to Market Lateral Road Fund - Established to comply with Article 6674, Vernon's Civil Statutes and receives ad valorem tax revenues for the purpose of constructing and maintaining farm to market road for flood control.

County Records Management Fund - Accounts for County fees that are to be used for records management purposes.

District Attorney Fund - Accounts for District Attorney fees and charges for various collections.

Sheriff Special Projects Fund - Accounts for grant proceeds used for tobacco age enforcement.

Border Star Program Fund - Accounts for grant proceeds used by the Sheriff Department for border security.

Abandoned Vehicle Fund - Accounts for proceeds for sales or abandoned or seized vehicles.

Border Patrol Initiative Grant Fund - Accounts for grant proceeds used by the Sheriff Department for border patrol.

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Law Library Fund- accounts for the cost of operating and maintaining a law library for public use. Financing is provided through fees charged as part of court costs for civil cases processed through the County Court.

County Hotel Occupancy Tax Fund- accounts for hotel occupancy tax funds to account for funds for Expo Center renovations.

Jail Restoration Fund – Accounts for donations received from individuals or organizations for the restoration of the County jail.

Technology Fund- accounts for grant proceeds for technology enhancements.

Pre-Trial Intervention Fund- accounts for pre-trial intervention expenses.

Border Prosecution Grant Fund- accounts for the grant funds used to increase the effectiveness of the consolidated efforts of the border security by federal, state, and local law enforcement agencies.

County Attorney Check Collection Fund- accounts for County Attorney fees and charges for hot check collections.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of County funds.

Capital Projects Funds

Capital projects fund are used to account for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

Right of Way Fund – Established to account for the revenue and expenditures related to the right-of-way improvement project.

Pawnee CDBG Fund – Established to account for grant funds from the Texas Community Development Program through the Office of Rural Community Affairs and related expenditures to improve water system infrastructure for the Pawnee area.

2016 Colonia Construction – Administered through the Texas Department of Agriculture for the Texas Community Development Block Grant Program under Title I of the Housing and Community Development, which awards funds to undertake eligible community and/or economic development activities in a non-entitlement area.

BEE COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds				
	District Clerk Records Management	County Clerk Records Management	Election Fund	Courthouse Security Fund	Special Road & Tax Fund
ASSETS					
Cash and cash equivalents	\$ 54,387	\$ 276,022	\$ 16,451	\$ 17,354	\$ 98,320
Investments - current	-	130	-	32	-
Taxes receivable - delinquent	-	-	-	-	60,087
Allowance for uncollectible taxes	-	-	-	-	(6,009)
Accounts receivable	281	24,516	-	3,144	-
Intergovernmental receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 54,668</u>	<u>\$ 300,668</u>	<u>\$ 16,451</u>	<u>\$ 20,530</u>	<u>\$ 152,398</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 82	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	98,320
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>82</u>	<u>98,320</u>
DEF. INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	54,078
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,078</u>
FUND BALANCES (DEFICITS)					
Restricted for:					
Debt service	-	-	-	-	-
Roads and bridges	-	-	-	-	-
Other specific purposes	54,668	300,668	16,451	20,448	-
Committed for:					
Other specific purposes	-	-	-	-	-
Total fund balances	<u>54,668</u>	<u>300,668</u>	<u>16,451</u>	<u>20,448</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 54,668</u>	<u>\$ 300,668</u>	<u>\$ 16,451</u>	<u>\$ 20,530</u>	<u>\$ 152,398</u>

Special Revenue Funds

Court Reporting Service	Farm to Market & Lateral Road	County Records Management	District Attorney Fund	Sheriff Special Projects	Border Star Program	Abandoned Vehicles	Border Star Initiative Grant Fund
\$ 9,010	\$ 17,828	\$ 32,884	\$ 126,434	\$ 5,431	\$ 38,045	\$ 38,819	\$ -
-	20	507	-	-	-	8	-
-	4,263	-	-	-	-	-	-
-	(426)	-	-	-	-	-	-
343	-	1,233	29,137	-	-	1,240	-
-	-	-	-	750	5,412	-	33,057
-	-	-	-	-	-	-	-
<u>\$ 9,353</u>	<u>\$ 21,685</u>	<u>\$ 34,624</u>	<u>\$ 155,571</u>	<u>\$ 6,181</u>	<u>\$ 43,457</u>	<u>\$ 40,067</u>	<u>\$ 33,057</u>
\$ -	\$ -	\$ -	\$ 3,498	\$ -	\$ -	\$ 3,637	\$ -
-	-	-	7,546	-	-	-	-
-	2,900	-	-	-	43,457	-	33,057
-	2,900	-	11,044	-	43,457	3,637	33,057
-	3,836	-	-	-	-	-	-
-	3,836	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	14,949	-	-	-	-	-	-
-	-	34,624	144,527	-	-	-	-
9,353	-	-	-	6,181	-	36,430	-
<u>9,353</u>	<u>14,949</u>	<u>34,624</u>	<u>144,527</u>	<u>6,181</u>	<u>-</u>	<u>36,430</u>	<u>-</u>
<u>\$ 9,353</u>	<u>\$ 21,685</u>	<u>\$ 34,624</u>	<u>\$ 155,571</u>	<u>\$ 6,181</u>	<u>\$ 43,457</u>	<u>\$ 40,067</u>	<u>\$ 33,057</u>

BEE COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds				
	Law Library Fund	County Hotel Occupancy Tax	Jail Restoration Fund	Technology Fund	Pre-Trial Intervention Fund
ASSETS					
Cash and cash equivalents	\$ 100,098	\$ 23,252	\$ 79	\$ 83,996	\$ 20,340
Investments - current	226	-	-	100	-
Taxes receivable - delinquent	-	-	-	-	-
Allowance for uncollectible taxes	-	-	-	-	-
Accounts receivable	2,558	28,532	-	1,291	-
Intergovernmental receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 102,882</u>	<u>\$ 51,784</u>	<u>\$ 79</u>	<u>\$ 85,387</u>	<u>\$ 20,340</u>
LIABILITIES					
Accounts payable	\$ 986	\$ 1,001	\$ -	\$ 24	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>986</u>	<u>1,001</u>	<u>-</u>	<u>24</u>	<u>-</u>
DEF. INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Restricted for:					
Debt service	-	-	-	-	-
Roads and bridges	-	-	-	-	-
Other specific purposes	101,896	50,783	79	85,363	20,340
Committed for:					
Other specific purposes	-	-	-	-	-
Total fund balances	<u>101,896</u>	<u>50,783</u>	<u>79</u>	<u>85,363</u>	<u>20,340</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 102,882</u>	<u>\$ 51,784</u>	<u>\$ 79</u>	<u>\$ 85,387</u>	<u>\$ 20,340</u>

Special Revenue Funds		Debt Service Fund	Capital Projects Funds				Total Non-Major Governmental Funds
Border Prosecutor Grant	County Attorney Check Collection	Debt Service Fund	Right of Way Fund	Pawnee CDBG Fund	2016 Colonia Construction		
\$ 3,027	\$ 3,723	\$ 198,898	\$ 72	\$ 2,734	\$ -	\$ 1,167,204	
-	-	61	260	-	-	1,344	
-	-	52,442	-	-	-	116,792	
-	-	(5,244)	-	-	-	(11,679)	
-	-	752	-	-	-	93,027	
29,804	-	-	-	2,299	-	71,322	
-	-	290,554	-	-	-	290,554	
<u>\$ 32,831</u>	<u>\$ 3,723</u>	<u>\$ 537,463</u>	<u>\$ 332</u>	<u>\$ 5,033</u>	<u>\$ -</u>	<u>\$ 1,728,564</u>	
\$ 972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200	
-	-	-	-	-	-	7,546	
31,859	811	-	-	5,033	-	215,437	
<u>32,831</u>	<u>811</u>	<u>-</u>	<u>-</u>	<u>5,033</u>	<u>-</u>	<u>233,183</u>	
-	-	47,198	-	-	-	105,112	
-	-	47,198	-	-	-	105,112	
-	-	490,265	-	-	-	490,265	
-	-	-	-	-	-	14,949	
-	2,912	-	332	-	-	833,091	
-	-	-	-	-	-	51,964	
-	2,912	490,265	332	-	-	1,390,269	
<u>\$ 32,831</u>	<u>\$ 3,723</u>	<u>\$ 537,463</u>	<u>\$ 332</u>	<u>\$ 5,033</u>	<u>\$ -</u>	<u>\$ 1,728,564</u>	

BEE COUNTY, TEXAS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds				
	District Clerk Records Management	County Clerk Records Management	Election Fund	Courthouse Security Fund	Special Road & Tax Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 927,632
Selective sales and use taxes	-	-	-	-	-
Penalties and interest on taxes	-	-	-	-	13,539
Intergovernmental revenues	-	-	3,300	-	-
Charges for services	29,825	78,931	-	20,533	-
Investment earnings	242	1,487	93	215	1,132
Contributions from private sources	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Total revenues	<u>30,067</u>	<u>80,418</u>	<u>3,393</u>	<u>20,748</u>	<u>942,303</u>
EXPENDITURES					
Current:					
General government	5,993	2,514	11,170	-	-
Public safety	-	-	-	94,052	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Conservation and development	-	-	-	-	-
Debt service:					
Bond principal	-	-	-	-	-
Interest - bonds	-	-	-	-	-
Interest - other debt	-	-	-	-	-
Total expenditures	<u>5,993</u>	<u>2,514</u>	<u>11,170</u>	<u>94,052</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>24,074</u>	<u>77,904</u>	<u>(7,777)</u>	<u>(73,304)</u>	<u>942,303</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	84,460	-
Transfers out	(7,500)	(12,000)	-	-	(942,303)
Total other financing sources (uses)	<u>(7,500)</u>	<u>(12,000)</u>	<u>-</u>	<u>84,460</u>	<u>(942,303)</u>
Net change in fund balance	16,574	65,904	(7,777)	11,156	-
Fund balance - beginning	38,094	234,764	24,228	9,292	-
Fund balance - ending	<u>\$ 54,668</u>	<u>\$ 300,668</u>	<u>\$ 16,451</u>	<u>\$ 20,448</u>	<u>\$ -</u>

Special Revenue Funds

Court Reporting Service	Farm to Market & Lateral Road	County Records Management	District Attorney Fund	Sheriff Special Projects	Border Star Program	Abandoned Vehicles	Border Star Initiative Grant Fund
\$ -	\$ 76,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	1,004	-	-	-	-	-	-
-	24,009	-	27,500	3,375	85,471	-	33,057
4,973	-	6,787	139,456	-	-	-	-
-	156	190	956	-	-	306	-
-	-	-	-	-	-	-	-
-	-	-	67	-	-	31,854	-
4,973	101,540	6,977	167,979	3,375	85,471	32,160	33,057
-	-	5,564	374,716	-	-	43,873	43,753
-	-	-	-	1,316	85,471	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	5,564	374,716	1,316	85,471	43,873	43,753
4,973	101,540	1,413	(206,737)	2,059	-	(11,713)	(10,696)
-	-	-	238,018	-	-	-	10,772
-	(90,000)	-	-	-	-	-	-
-	(90,000)	-	238,018	-	-	-	10,772
4,973	11,540	1,413	31,281	2,059	-	(11,713)	76
4,380	3,409	33,211	113,246	4,122	-	48,143	(76)
\$ 9,353	\$ 14,949	\$ 34,624	\$ 144,527	\$ 6,181	\$ -	\$ 36,430	\$ -

BEE COUNTY, TEXAS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds				
	Law Library Fund	County Hotel Occupancy Tax	Jail Restoration Fund	Technology Fund	Pre-Trial Intervention Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Selective sales and use taxes	-	72,298	-	-	-
Penalties and interest on taxes	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Charges for services	16,929	-	-	9,040	4,000
Investment earnings	557	176	-	(90)	109
Contributions from private sources	-	-	12	-	-
Miscellaneous revenue	-	76	-	-	-
Total revenues	<u>17,486</u>	<u>72,550</u>	<u>12</u>	<u>8,950</u>	<u>4,109</u>
EXPENDITURES					
Current:					
General government	11,227	-	-	-	-
Public safety	-	-	-	9,828	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	9
Conservation and development	-	18,150	-	-	-
Debt service:					
Bond principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>11,227</u>	<u>18,150</u>	<u>-</u>	<u>9,828</u>	<u>9</u>
Excess (deficiency) of revenues over expenditures	<u>6,259</u>	<u>54,400</u>	<u>12</u>	<u>(878)</u>	<u>4,100</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(10,000)	(33,050)	-	-	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>(33,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(3,741)</u>	<u>21,350</u>	<u>12</u>	<u>(878)</u>	<u>4,100</u>
Fund balance - beginning	105,637	29,433	67	86,241	16,240
Fund balance - ending	<u>\$ 101,896</u>	<u>\$ 50,783</u>	<u>\$ 79</u>	<u>\$ 85,363</u>	<u>\$ 20,340</u>

Special Revenue Funds		Debt Service Fund	Capital Projects Funds				Total Non-Major Governmental Funds
Border Prosecutor Grant	County Attorney Check Collection	Debt Service Fund	Right of Way Fund	Pawnee CDBG Fund	2016 Colonia Construction		
\$ -	\$ -	\$ 666,128	\$ -	\$ -	\$ -	\$ 1,670,131	
-	-	-	-	-	-	72,298	
-	-	-	-	-	-	14,543	
153,899	-	-	-	3,775	36,150	370,536	
-	3,783	-	-	-	-	314,257	
-	30	6,917	-	-	-	12,476	
-	-	-	-	-	-	12	
88	12,994	-	-	-	-	45,079	
<u>153,987</u>	<u>16,807</u>	<u>673,045</u>	<u>-</u>	<u>3,775</u>	<u>36,150</u>	<u>2,499,332</u>	
-	13,117	-	-	-	36,150	548,077	
153,987	-	-	-	-	-	344,654	
-	-	-	-	5,033	-	5,033	
-	-	-	-	-	-	9	
-	-	-	-	-	-	18,150	
-	-	480,000	-	-	-	480,000	
-	-	147,925	-	-	-	147,925	
-	-	2,900	-	-	-	2,900	
<u>153,987</u>	<u>13,117</u>	<u>630,825</u>	<u>-</u>	<u>5,033</u>	<u>36,150</u>	<u>1,546,748</u>	
-	3,690	42,220	-	(1,258)	-	952,584	
-	-	-	-	1,258	-	334,508	
-	-	-	-	-	-	(1,094,853)	
-	-	-	-	1,258	-	(760,345)	
-	3,690	42,220	-	-	-	192,239	
-	(778)	448,045	332	-	-	1,198,030	
<u>\$ -</u>	<u>\$ 2,912</u>	<u>\$ 490,265</u>	<u>\$ 332</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,390,269</u>	

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BEE COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – DISTRICT CLERK RECORDS MANAGEMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 13,450	\$ 13,450	\$ 29,825	\$ 16,375
Investment earnings	50	50	242	192
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>30,067</u>	<u>16,567</u>
EXPENDITURES				
Current:				
General government	6,000	6,000	5,993	7
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>5,993</u>	<u>7</u>
Excess (deficiency) of revenues over expenditures	<u>7,500</u>	<u>7,500</u>	<u>24,074</u>	<u>16,574</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,500)	(7,500)	(7,500)	-
Total other financing sources (uses)	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Net change in fund balances	-	-	16,574	16,574
Fund balance - beginning	38,094	38,094	38,094	-
Fund balance - ending	<u>\$ 38,094</u>	<u>\$ 38,094</u>	<u>\$ 54,668</u>	<u>\$ 16,574</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – COUNTY CLERK RECORDS MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 68,819	\$ 68,819	\$ 78,931	\$ 10,112
Investment earnings	500	500	1,487	987
Total revenues	<u>69,319</u>	<u>69,319</u>	<u>80,418</u>	<u>11,099</u>
EXPENDITURES				
Current:				
General government	19,216	2,025	2,514	(489)
Capital outlay	41,239	41,239	-	41,239
Total expenditures	<u>60,455</u>	<u>43,264</u>	<u>2,514</u>	<u>40,750</u>
Excess (deficiency) of revenues over expenditures	<u>8,864</u>	<u>26,055</u>	<u>77,904</u>	<u>51,849</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,000)	(12,000)	(12,000)	-
Total Other Financing Sources (Uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
Net change in fund balances	(3,136)	14,055	65,904	51,849
Fund balance - beginning	234,765	234,765	234,765	-
Fund balance - ending	<u>\$ 231,629</u>	<u>\$ 248,820</u>	<u>\$ 300,669</u>	<u>\$ 51,849</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – ELECTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 21,000	\$ 21,000	\$ 3,300	\$ (17,700)
Investment earnings	40	40	93	53
Total revenues	<u>21,040</u>	<u>21,040</u>	<u>3,393</u>	<u>(17,647)</u>
EXPENDITURES				
Current:				
General government	21,040	21,040	11,170	9,870
Total expenditures	<u>21,040</u>	<u>21,040</u>	<u>11,170</u>	<u>9,870</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(7,777)</u>	<u>(7,777)</u>
Net change in fund balances	-	-	(7,777)	(7,777)
Fund balance - beginning	24,228	24,228	24,228	-
Fund balance - ending	<u>\$ 24,228</u>	<u>\$ 24,228</u>	<u>\$ 16,451</u>	<u>\$ (7,777)</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – COURTHOUSE SECURITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 21,500	\$ 21,500	\$ 20,533	\$ (967)
Investment earnings	125	125	215	90
Total revenues	<u>21,625</u>	<u>21,625</u>	<u>20,748</u>	<u>(877)</u>
EXPENDITURES				
Current:				
Public safety	106,085	105,885	94,052	11,833
Total expenditures	<u>106,085</u>	<u>105,885</u>	<u>94,052</u>	<u>11,833</u>
Excess (deficiency) of revenues over expenditures	<u>(84,460)</u>	<u>(84,260)</u>	<u>(73,304)</u>	<u>10,956</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	84,460	84,460	84,460	-
Total other financing sources (uses)	<u>84,460</u>	<u>84,460</u>	<u>84,460</u>	<u>-</u>
Net change in fund balances	-	200	11,156	10,956
Fund balance - beginning	9,292	9,292	9,292	-
Fund balance - ending	<u>\$ 9,292</u>	<u>\$ 9,492</u>	<u>\$ 20,448</u>	<u>\$ 10,956</u>

BEE COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – SPECIAL ROAD TAX FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,002,500	\$ 1,002,500	\$ 927,632	\$ (74,868)
Penalties and interest on taxes	14,500	14,500	13,539	(961)
Investment earnings	1,000	1,000	1,132	132
Total revenues	<u>1,018,000</u>	<u>1,018,000</u>	<u>942,303</u>	<u>(75,697)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,018,000)	(1,018,000)	(942,303)	75,697
Total other financing sources (uses)	<u>(1,018,000)</u>	<u>(1,018,000)</u>	<u>(942,303)</u>	<u>75,697</u>
Net change in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – COURT REPORTER SERVICE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 4,000	\$ 4,000	\$ 4,973	\$ 973
Investment earnings	5	5	-	(5)
Total revenues	<u>4,005</u>	<u>4,005</u>	<u>4,973</u>	<u>968</u>
EXPENDITURES				
Current:				
General government	4,005	4,005	-	4,005
Total expenditures	<u>4,005</u>	<u>4,005</u>	<u>-</u>	<u>4,005</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>4,973</u>	<u>4,973</u>
Net change in fund balances	-	-	4,973	4,973
Fund balance - beginning	4,380	4,380	4,380	-
Fund balance - ending	<u>\$ 4,380</u>	<u>\$ 4,380</u>	<u>\$ 9,353</u>	<u>\$ 4,973</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – FARM TO MARKET LATERAL ROAD
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 64,900	\$ 64,900	\$ 76,371	\$ 11,471
Penalties and interest on taxes	950	950	1,004	54
Intergovernmental revenues	24,000	24,000	24,009	9
Investment earnings	150	150	156	6
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>101,540</u>	<u>11,540</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(90,000)	90,000	(90,000)	(180,000)
Total Other Financing Sources (Uses)	<u>(90,000)</u>	<u>90,000</u>	<u>(90,000)</u>	<u>(180,000)</u>
Net change in fund balances	-	180,000	11,540	(168,460)
Fund balance - beginning	3,409	3,409	3,409	-
Fund balance - ending	<u>\$ 3,409</u>	<u>\$ 183,409</u>	<u>\$ 14,949</u>	<u>\$ (168,460)</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – COUNTY RECORDS MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 6,600	\$ 6,600	\$ 6,787	\$ 187
Investment earnings	90	90	190	100
Total revenues	<u>6,690</u>	<u>6,690</u>	<u>6,977</u>	<u>287</u>
EXPENDITURES				
Current:				
General government	5,000	5,586	5,564	22
Capital outlay	22,761	-	-	-
Total expenditures	<u>27,761</u>	<u>5,586</u>	<u>5,564</u>	<u>22</u>
Excess (deficiency) of revenues over expenditures	<u>(21,071)</u>	<u>1,104</u>	<u>1,413</u>	<u>309</u>
Net change in fund balances	(21,071)	1,104	1,413	309
Fund balance - beginning	33,211	33,211	33,211	-
Fund balance - ending	<u>\$ 12,140</u>	<u>\$ 34,315</u>	<u>\$ 34,624</u>	<u>\$ 309</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DISTRICT ATTORNEY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 148,399	\$ 27,500	\$ 27,500	\$ -
Charges for services	-	131,699	139,456	7,757
Investment earnings	550	550	954	404
Miscellaneous revenues	-	-	68	68
Total revenues	<u>148,949</u>	<u>159,749</u>	<u>167,978</u>	<u>8,229</u>
EXPENDITURES				
Current:				
General government	386,967	397,767	374,715	23,052
Total expenditures	<u>386,967</u>	<u>397,767</u>	<u>374,715</u>	<u>23,052</u>
Excess (deficiency) of revenues over expenditures	<u>(238,018)</u>	<u>(238,018)</u>	<u>(206,737)</u>	<u>31,281</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	238,018	238,018	238,018	-
Total Other Financing Sources (Uses)	<u>238,018</u>	<u>238,018</u>	<u>238,018</u>	<u>-</u>
Net change in fund balances	-	-	31,281	31,281
Fund balance - beginning	113,246	113,246	113,246	-
Fund balance - ending	<u>\$ 113,246</u>	<u>\$ 113,246</u>	<u>\$ 144,527</u>	<u>\$ 31,281</u>

BEE COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – ABANDONED VEHICLE FUND
 FOR THE YEAR ENDED SEPTEMBER 30,2017

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 100	\$ 100	\$ 306	\$ 206
Miscellaneous revenues	10,000	10,000	31,854	21,854
Total revenues	<u>10,100</u>	<u>10,100</u>	<u>32,160</u>	<u>22,060</u>
EXPENDITURES				
Current:				
General government	50,100	41,182	43,873	(2,691)
Total expenditures	<u>50,100</u>	<u>41,182</u>	<u>43,873</u>	<u>(2,691)</u>
Net change in fund balances	(40,000)	(31,082)	(11,713)	19,369
Fund balance - beginning	48,143	48,143	48,143	-
Fund balance - ending	<u>\$ 8,143</u>	<u>\$ 17,061</u>	<u>\$ 36,430</u>	<u>\$ 19,369</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – LAW LIBRARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 15,000	\$ 15,000	\$ 16,929	\$ 1,929
Investment earnings	350	350	557	207
Total revenues	<u>15,350</u>	<u>15,350</u>	<u>17,486</u>	<u>2,136</u>
EXPENDITURES				
Current:				
General government	12,000	12,000	11,227	773
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>11,227</u>	<u>773</u>
Excess (deficiency) of revenues over expenditures	<u>3,350</u>	<u>3,350</u>	<u>6,259</u>	<u>2,909</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balances	(6,650)	(6,650)	(3,741)	2,909
Fund balance - beginning	105,637	105,637	105,637	-
Fund balance - ending	<u>\$ 98,987</u>	<u>\$ 98,987</u>	<u>\$ 101,896</u>	<u>\$ 2,909</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – COUNTY HOTEL OCCUPANCY TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Selective sales and use taxes	\$ 45,000	\$ 45,000	\$ 72,298	\$ 27,298
Investment earnings	200	200	176	(24)
Total revenues	<u>45,200</u>	<u>45,200</u>	<u>72,550</u>	<u>27,350</u>
EXPENDITURES				
Current:				
Conservation and development	20,000	20,200	18,150	2,050
Capital outlay	10,200	-	-	-
Total expenditures	<u>30,200</u>	<u>20,200</u>	<u>18,150</u>	<u>2,050</u>
Excess (deficiency) of revenues over expenditures	<u>15,000</u>	<u>25,000</u>	<u>54,400</u>	<u>29,400</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,000)	(33,050)	(33,050)	-
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(33,050)</u>	<u>(33,050)</u>	<u>-</u>
Net change in fund balances	-	(8,050)	21,350	29,400
Fund balance - beginning	29,433	29,433	29,433	-
Fund balance - ending	<u>\$ 29,433</u>	<u>\$ 21,383</u>	<u>\$ 50,783</u>	<u>\$ 29,400</u>

BEE COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – PRE-TRIAL INTERVENTION FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 3,003	\$ 3,003	\$ 4,000	\$ 997
Investment earnings	55	55	109	54
Total revenues	3,058	3,058	4,109	1,051
EXPENDITURES				
Current:				
Health and welfare	3,058	3,058	9	3,049
Total expenditures	3,058	3,058	9	3,049
Excess (deficiency) of revenues over expenditures	-	-	4,100	4,100
Net change in fund balances	-	-	4,100	4,100
Fund balance - beginning	16,240	16,240	16,240	-
Fund balance - ending	\$ 16,240	\$ 16,240	\$ 20,340	\$ 4,100

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – COUNTY ATTORNEY CHECK COLLECTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 4,495	\$ 4,495	\$ 3,783	\$ (712)
Investment earnings	5	5	30	25
Total revenues	<u>4,500</u>	<u>17,844</u>	<u>16,807</u>	<u>(1,037)</u>
EXPENDITURES				
Current:				
General government	4,500	17,844	13,117	4,727
Total expenditures	<u>4,500</u>	<u>17,844</u>	<u>13,117</u>	<u>4,727</u>
Excess (deficiency) of revenues over expenditures	-	-	3,690	3,690
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	3,690	3,690
Fund balance - beginning	(778)	(778)	(778)	-
Fund balance - ending	<u>\$ (778)</u>	<u>\$ (778)</u>	<u>\$ 2,912</u>	<u>\$ 3,690</u>

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 628,625	\$ 628,625	\$ 666,128	\$ 37,503
Investment earnings	2,200	2,200	6,917	4,717
Total revenues	<u>630,825</u>	<u>630,825</u>	<u>673,045</u>	<u>42,220</u>
EXPENDITURES				
Debt service:				
Bond principal	480,000	480,000	480,000	-
Interest - bonds	147,925	147,925	147,925	-
Interest - other debt	-	2,900	2,900	-
Capital outlay	2,900	-	-	-
Total expenditures	<u>630,825</u>	<u>630,825</u>	<u>630,825</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>42,220</u>	<u>42,220</u>
Net change in fund balances	-	-	42,220	42,220
Fund balance - beginning	448,044	448,044	448,044	-
Fund balance - ending	<u>\$ 448,044</u>	<u>\$ 448,044</u>	<u>\$ 490,264</u>	<u>\$ 42,220</u>

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BEE COUNTY, TEXAS
 COMBINING BALANCE SHEET -
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2017

	Governmental Activities		
	Fuel Service	Group Insurance Service	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 8,489	\$ 52,038	\$ 60,527
Investments	25	565	590
Accounts receivable, net	31,876	-	31,876
Inventories	17,856	-	17,856
Total assets	58,246	52,603	110,849
LIABILITIES			
Current liabilities:			
Accounts payable	28,062	-	28,062
Total liabilities	28,062	-	28,062
NET POSITION			
Restricted for health and welfare	-	52,603	52,603
Unrestricted	30,184	-	30,184
Total net position	\$ 30,184	\$ 52,603	\$ 82,787

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

BEE COUNTY, TEXAS
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities		
	Fuel Service	Group Insurance Service	Total Internal Service Funds
Operating revenues:			
Charges for services:			
Charges for services	\$ 353,201	\$ -	\$ 353,201
Employer/employee contributions	1,860	1,175,185	1,177,045
Total operating revenues	<u>355,061</u>	<u>1,175,185</u>	<u>1,530,246</u>
Operating expenses:			
Purchased professional and technical services	-	1,232,484	1,232,484
Other purchased services	358,929	-	358,929
Total operating expenses	<u>358,929</u>	<u>1,232,484</u>	<u>1,591,413</u>
Operating income (loss)	(3,868)	(57,299)	(61,167)
Nonoperating revenues (expenses):			
Investment earnings	10	557	567
Total nonoperating revenues (expenses)	<u>10</u>	<u>557</u>	<u>567</u>
Income before transfers in (out)	(3,858)	(56,742)	(60,600)
Transfers in	-	30,000	30,000
Change in net position	(3,858)	(26,742)	(30,600)
Net position-beginning	34,042	79,345	113,387
Net position-ending	<u>\$ 30,184</u>	<u>\$ 52,603</u>	<u>\$ 82,787</u>

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

BEE COUNTY, TEXAS
 COMBINING SCHEDULE OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities		
	Fuel Service	Group Insurance Service	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from User Charges	\$ 334,775	\$ 1,175,185	\$ 1,509,960
Cash Payments to Suppliers	(340,297)	(1,232,484)	(1,572,781)
Cash Payments for Other Operating Expenses	1,860	-	1,860
Net cash provided by (used for) operating activities	<u>(3,662)</u>	<u>(57,299)</u>	<u>(60,961)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	30,000	30,000
Net cash provided by (used for) capital and financing activities	<u>-</u>	<u>30,000</u>	<u>30,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	-	(4)	(4)
Interest on investments	10	557	567
Net cash provided by investing activities	<u>10</u>	<u>553</u>	<u>563</u>
Net increase (decrease) in cash and cash equivalents	(3,652)	(26,746)	(30,398)
Cash and cash equivalents-beginning	12,141	78,784	90,925
Cash and cash equivalents-ending	<u>\$ 8,489</u>	<u>\$ 52,038</u>	<u>\$ 60,527</u>
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:			
Operating income (loss)	\$ (3,868)	\$ (57,299)	\$ (61,167)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
(Increase) decrease in accounts receivable	(18,426)	-	(18,426)
(Increase) decrease in inventories	(9,069)	-	(9,069)
(Decrease) increase in accounts payable	27,701	-	27,701
Total adjustments	<u>206</u>	<u>-</u>	<u>206</u>
Net cash provided by (used for) operating activities	<u>\$ (3,662)</u>	<u>\$ (57,299)</u>	<u>\$ (60,961)</u>

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

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AGENCY FUNDS

BEE COUNTY, TEXAS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS – COUNTY OFFICES
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>STATE AGENCY FUND</u>				
Assets:				
Cash and investments	\$ 42,777	\$ 381,378	\$ (395,316)	\$ 819,471
Liabilities:				
Due to others	\$ 42,777	\$ 381,378	\$ (395,316)	\$ 819,471
<u>DISTRICT CLERK FUND</u>				
Assets:				
Cash and investments	\$ 538,834	\$ 104,289	\$ (123,076)	\$ 766,199
Liabilities:				
Due to others	\$ 538,834	\$ 104,289	\$ (123,076)	\$ 766,199
<u>COUNTY CLERK FUND</u>				
Assets:				
Cash and investments	\$ 502,390	\$ 376,906	\$ (748,878)	\$ 1,628,174
Liabilities:				
Due to others	\$ 502,390	\$ 376,906	\$ (748,878)	\$ 1,628,174
<u>COUNTY ATTORNEY FUND</u>				
Assets:				
Cash and investments	\$ 171	\$ 29,823	\$ (26,272)	\$ 56,266
Liabilities:				
Due to others	\$ 171	\$ 29,823	\$ (26,272)	\$ 56,266
<u>TAX OFFICE FUND</u>				
Assets:				
Cash and investments	\$ 487,033	\$43,025,751	\$ (43,086,755)	\$ 426,029
Liabilities:				
Due to others	\$ 487,033	\$43,025,751	\$ (43,086,755)	\$ 426,029

BEE COUNTY, TEXAS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS – COUNTY OFFICES
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>SHERIFF'S OFFICE- REGULAR</u>				
Assets:				
Cash and investments	\$ 259,203	\$ 1,391,371	\$ (1,317,979)	\$ 332,595
Liabilities:				
Due to others	\$ 259,203	\$ 1,391,371	\$ (1,317,979)	\$ 332,595
<u>JUSTICE OF THE PEACE FUND</u>				
Assets:				
Cash and investments	\$ 38,935	\$ 515,894	\$ (520,882)	\$ 33,947
Liabilities:				
Due to others	\$ 38,935	\$ 515,894	\$ (520,882)	\$ 33,947
<u>DISTRICT ATTORNEY FUND</u>				
Assets:				
Cash and investments	\$ 630,798	\$ 1,048,795	\$ (1,268,374)	\$ 411,219
Liabilities:				
Due to others	\$ 630,798	\$ 1,048,795	\$ (1,268,374)	\$ 411,219
<u>PERMANENT SCHOOL FUND</u>				
Assets:				
Cash and investments	\$ 40,967	\$ 85,658	\$ (77,452)	\$ 49,173
Liabilities:				
Due to others	\$ 40,967	\$ 85,658	\$ (77,452)	\$ 49,173
<u>TOTAL- ALL AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$2,541,108	\$46,959,865	\$ (47,564,984)	\$ 1,935,989
Liabilities:				
Due to others	\$2,541,108	\$46,959,865	\$ (47,564,984)	\$ 1,935,989

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STATISTICAL SECTION

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

Contents:

Financial Trends

These schedules contain information to assist the reader in obtaining a better understanding of how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to assist the reader in obtaining a better understanding of the County's significant revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

BEE COUNTY, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011
Governmental Activities				
Net investment in capital assets	\$ 22,085,406	\$ 41,822,317	\$ 40,955,239	\$ 41,821,810
Restricted	4,297,151	3,887,714	4,198,830	4,113,845
Unrestricted	1,806,465	1,977,566	1,772,410	2,402,546
Total Governmental Activities Net Position	<u>\$ 28,189,022</u>	<u>\$ 47,687,597</u>	<u>\$ 46,926,479</u>	<u>\$ 48,338,201</u>

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 41,322,138	\$ 33,193,325	\$ 31,354,226	\$ 32,216,144	\$ 31,859,432	\$ 30,384,160
4,623,771	6,389,880	5,977,517	5,184,696	5,577,056	5,739,380
3,775,045	4,005,525	4,391,013	6,455,433	5,619,620	5,138,511
<u>\$ 49,720,954</u>	<u>\$ 43,588,730</u>	<u>\$ 41,722,756</u>	<u>\$ 43,856,273</u>	<u>\$ 43,056,108</u>	<u>\$ 41,262,051</u>

BEE COUNTY, TEXAS
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011
Expenses				
Governmental Activities:				
General government	\$ 2,047,785	\$ 2,229,012	\$ 2,492,643	\$ 3,215,156
Public safety	3,300,359	3,505,232	3,742,946	3,764,470
Public works	543,298	582,863	799,351	758,355
Judicial	956,717	1,341,834	1,519,379	1,720,670
Highway and streets	1,480,245	1,620,073	1,513,871	1,616,665
Public facilities	224,226	214,328	206,153	234,867
Health and welfare	6,326,222	6,581,537	8,585,583	7,869,975
Culture and recreation	70,085	75,913	78,568	79,220
Conservation and development	230,571	285,547	249,224	215,853
Interest on Long-Term Debt	336,511	346,879	355,397	322,045
Total Primary Gov. Expenses	<u>\$15,516,019</u>	<u>\$16,783,218</u>	<u>\$19,543,115</u>	<u>\$19,797,276</u>
Program Revenues				
Governmental Activities:				
General government	\$ 590,336	\$ 569,370	\$ 629,537	\$ 727,796
Public safety	392,184	372,978	360,284	440,294
Judicial	146,726	97,076	121,176	117,475
Highway and streets	748,553	724,251	716,097	699,870
Public facilities	38,435	50,404	49,155	55,391
Public works	-	-	-	-
Health and welfare	-	-	-	1,774
Culture and recreation	-	-	-	-
Conservation and development	-	-	-	-
Interest on Long-Term Debt	-	-	-	-
Operating Grants and Contributions	5,817,562	5,363,026	8,278,930	6,890,247
Capital Grants and Contributions	-	-	-	-
Total Gov. Activities Program Revenues	<u>7,733,796</u>	<u>7,177,105</u>	<u>10,155,179</u>	<u>8,932,847</u>
Total Primary Gov. Prog. Revenues	<u>7,733,796</u>	<u>7,177,105</u>	<u>10,155,179</u>	<u>8,932,847</u>
Net (Expense)/Revenue				
Governmental Activities	(7,782,223)	(9,606,113)	(9,387,936)	(10,864,429)
General Revenues and Other Changes				
In Net Position				
Governmental Activities				
General Revenues:				
Property taxes	5,550,390	5,789,426	5,766,916	6,499,133
Other taxes	20,792	21,782	21,809	24,153
Investment earnings	217,272	118,518	107,400	677,719
Miscellaneous	2,981,340	3,446,296	3,081,915	3,034,046
Special items	-	-	-	-
Total Gov. Activities Program Revenues and Other Changes in Net Position	<u>8,769,794</u>	<u>9,376,022</u>	<u>8,978,040</u>	<u>10,235,051</u>
Total Changes in Net Position	<u>\$ 987,571</u>	<u>\$ (230,091)</u>	<u>\$ (409,896)</u>	<u>\$ (629,378)</u>

TABLE 2

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 2,263,799	\$ 3,023,152	\$ 3,298,802	\$ 3,842,471	\$ 4,224,032	\$ 4,042,224
3,676,394	4,213,093	4,476,845	4,735,086	4,694,869	5,175,650
904,515	1,102,510	1,398,725	268,321	260,240	2,482,462
1,550,319	1,569,256	1,104,220	1,955,130	2,183,595	2,091,733
1,603,858	930,165	1,545,704	1,482,907	1,919,540	500,851
399,157	410,416	492,334	540,409	357,556	267,915
6,649,993	7,712,280	4,690,192	1,339,563	1,295,769	1,249,401
65,795	214,976	210,951	233,215	201,929	335,554
197,848	75,494	76,877	100,705	823,343	151,664
412,700	208,239	169,310	165,866	157,938	484,000
<u>\$ 17,724,378</u>	<u>\$ 19,459,581</u>	<u>\$ 17,463,960</u>	<u>\$ 14,663,673</u>	<u>\$ 16,118,811</u>	<u>\$ 16,781,454</u>
\$ 769,712	\$ 1,745,917	\$ 703,974	\$ 1,809,406	\$ 1,678,918	\$ 2,564,171
478,179	228,027	807,554	191,863	353,004	579,311
105,591	133,774	484,431	398,395	1,007,261	509,293
755,244	-	594,953	572,182	695,508	663,112
71,175	-	-	1,136	841	1,461
-	-	43,927	-	19,500	39,925
6,300	-	891,607	-	190,849	1,535
-	47,219	84,688	-	-	-
-	-	54,926	-	398,756	-
-	-	-	-	-	-
6,101,666	6,614,801	5,252,810	1,123,524	-	-
-	-	-	1,100,115	-	-
<u>8,287,867</u>	<u>8,769,738</u>	<u>8,918,870</u>	<u>5,196,621</u>	<u>4,344,637</u>	<u>4,358,808</u>
<u>8,287,867</u>	<u>8,769,738</u>	<u>8,918,870</u>	<u>5,196,621</u>	<u>4,344,637</u>	<u>4,358,808</u>
(9,436,511)	(10,689,843)	(8,545,090)	(9,467,052)	(11,774,174)	(12,422,646)
7,681,657	5,254,944	6,055,784	7,159,576	8,081,447	8,462,780
26,481	2,150,977	2,279,263	1,911,716	1,579,603	1,477,416
135,939	116,938	113,228	578,445	377,317	323,367
2,967,703	3,421,099	433,058	594,320	935,642	365,026
-	-	(2,202,217)	-	-	-
<u>10,811,780</u>	<u>10,943,958</u>	<u>6,679,116</u>	<u>10,244,057</u>	<u>10,974,009</u>	<u>10,628,589</u>
<u>\$ 1,375,269</u>	<u>\$ 254,115</u>	<u>\$ (1,865,974)</u>	<u>\$ 777,005</u>	<u>\$ (800,165)</u>	<u>\$ (1,794,057)</u>

BEE COUNTY, TEXAS
 FUND BALANCES – GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011
General Fund				
Nonpendable	\$ -	\$ -	\$ -	\$ -
Unassigned	1,258,374	939,304	797,215	1,889,215
Total General Fund	\$ 1,258,374	\$ 939,304	\$ 797,215	\$ 1,889,215
All Other Governmental Funds				
Restricted for:				
Nonpendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	4,297,151	3,887,714	4,198,830	4,113,845
Total All Other Governmental Funds	\$ 4,297,151	\$ 3,887,714	\$ 4,198,830	\$ 4,113,845

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ 14,869	\$ 14,040	\$ 14,771	\$ 16,843
3,083,924	3,839,094	4,241,346	4,002,692	3,224,000	3,150,616
<u>\$ 3,083,924</u>	<u>\$ 3,839,094</u>	<u>\$ 4,256,215</u>	<u>\$ 4,016,732</u>	<u>\$ 3,238,771</u>	<u>\$ 3,167,459</u>
\$ 47,814	\$ -	\$ -	\$ -	\$ -	\$ -
4,780,440	5,904,622	5,478,280	5,595,447	5,577,056	29,299,317
-	9,445	16,107	43,156	56,645	51,964
45,680	-	-	-	-	-
2,881,887	-	-	-	(854)	-
<u>\$ 7,755,821</u>	<u>\$ 5,914,067</u>	<u>\$ 5,494,387</u>	<u>\$ 5,638,603</u>	<u>\$ 5,632,847</u>	<u>\$ 29,351,281</u>

BEE COUNTY, TEXAS
 CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011
Revenues				
Property taxes	\$ 4,308,642	\$ 4,637,831	\$ 4,616,863	\$ 6,433,745
General sales and use taxes	1,191,141	1,095,737	1,058,919	-
Selective sales and use taxes	-	-	-	-
Penalties and interest on taxes	105,559	59,465	74,548	-
Licenses and permits	643,091	633,467	601,224	609,281
Intergovernmental revenues	7,037,496	6,759,118	9,455,211	8,412,359
Charges for services	963,987	912,172	963,158	1,091,462
Fines	309,156	268,440	311,867	341,857
Investment earnings	215,996	117,361	107,399	676,664
Rents and royalties	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous income	1,761,406	2,050,204	1,843,745	1,387,627
Total Revenues	16,536,474	16,533,795	37,985,929	18,952,995
Expenditures				
General Government	2,336,447	2,450,465	2,749,950	2,283,538
Public Safety	3,296,343	3,232,219	3,400,954	3,326,322
Public Works	610,954	537,465	617,296	670,090
Judicial	955,553	1,237,322	1,353,686	1,520,401
Public facilities	223,953	197,635	176,246	207,531
Health and welfare	6,407,513	6,067,753	7,884,402	6,953,986
Highways and streets	1,478,444	1,493,890	1,351,620	1,428,501
Culture and recreation	70,000	70,000	70,000	70,000
Conservation and development	230,290	263,307	222,045	190,730
Capital Outlay	46,860	1,166,201	294,142	485,695
Debt Service				
Principal	295,000	310,000	405,698	380,000
Interest	334,661	344,529	353,041	355,785
Issuance costs and fees	1,850	2,350	2,350	2,350
Total Expenditures	16,287,868	17,373,136	18,881,430	17,874,929
Excess of Revenues				
Over (Under) Expenditures	248,606	(839,341)	19,104,499	1,078,066
Other Financing Sources (Uses)				
Transfers In	1,283,540	1,257,242	1,282,832	1,384,603
Transfers Out	(1,283,540)	(1,257,242)	(1,282,832)	(1,366,542)
Issuance of long-term debt	-	-	-	-
Premium or discount on bonds issued	-	-	-	-
Capital Lease	-	110,000	-	-
Payment to refunded bond escrow agent	-	-	-	-
Insurance recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total Other Financing				
Sources (Uses)	-	110,000	-	18,061
Net Change in Fund Balances	\$ 248,606	\$ (729,341)	\$ 19,104,499	\$ 1,096,127
Debt Service as a Percentage of Noncapital Expenditures	3.9%	4.0%	4.1%	4.2%

TABLE 4

		Fiscal Year				
2012	2013	2014	2015	2016	2017	
\$ 7,725,805	\$ 5,219,886	\$ 5,959,420	\$ 7,049,240	\$ 7,912,039	\$ 8,298,008	
-	2,119,813	2,093,185	1,771,037	1,499,199	1,376,668	
-	31,164	186,078	140,679	80,404	100,748	
-	88,000	83,807	93,731	109,820	104,602	
661,335	688,245	622,883	596,319	579,212	566,563	
7,072,328	6,614,801	5,252,810	1,988,636	1,763,347	1,297,300	
1,103,977	1,027,487	1,274,770	1,369,102	1,330,273	1,328,442	
420,889	388,943	423,631	454,797	317,149	293,746	
131,672	112,501	113,228	578,445	377,317	323,367	
-	542,332	583,430	769,193	939,415	1,022,607	
-	-	-	-	-	12	
1,962,315	1,704,898	1,194,403	612,894	182,910	193,915	
19,078,321	18,538,070	17,787,645	15,424,073	15,091,085	14,905,978	
2,372,701	2,530,137	2,885,089	3,214,050	3,698,752	3,285,626	
3,235,088	3,609,947	3,915,390	3,971,776	4,291,961	4,189,055	
795,939	944,675	965,736	221,395	269,242	2,028,045	
1,386,207	1,344,602	1,223,307	1,640,327	1,894,539	1,698,918	
383,211	351,661	430,589	449,830	477,395	410,875	
6,808,559	5,678,259	4,013,431	1,099,452	1,097,987	221,963	
1,442,876	1,339,295	1,431,229	1,239,856	1,655,818	1,044,740	
57,897	184,200	184,495	192,110	496,994	278,408	
174,099	64,686	67,235	83,614	700,789	125,463	
49,220	451,798	2,047,693	2,817,878	812,729	2,287,039	
415,000	450,000	455,000	492,702	542,829	546,635	
479,936	186,881	169,669	167,025	159,135	149,957	
-	-	-	-	-	331,183	
17,600,733	17,136,141	17,788,863	15,590,015	16,098,170	16,597,907	
1,477,588	1,401,929	(1,218)	(165,942)	(1,007,085)	(1,691,929)	
941,689	1,180,563	1,339,529	1,480,625	2,086,032	1,781,361	
(941,689)	(1,148,263)	(1,341,663)	(1,505,777)	(2,179,465)	(1,811,361)	
6,350,000	-	-	-	-	22,800,000	
407,632	-	-	-	-	2,527,571	
-	-	-	95,826	107,000	-	
(6,568,608)	-	-	-	-	-	
-	14,726	-	-	-	34,437	
-	69,099	793	-	209,801	7,043	
189,024	116,125	(1,341)	70,674	223,368	25,339,051	
\$ 1,666,612	\$ 1,518,054	\$ (2,559)	\$ (95,268)	\$ (783,717)	\$ 23,647,122	
5.1%	3.8%	4.0%	5.2%	4.9%	4.9%	

BEE COUNTY, TEXAS
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Tax Year	Fiscal Year	Total Assessed Property Value	Less Exemptions	Net Taxable Assessed Property Value
2007	2008	1,783,329,570	820,717,265	962,612,305
2008	2009	1,962,721,770	1,000,109,465	962,612,305
2009	2010	2,071,450,120	965,528,151	1,105,921,969
2010	2011	2,001,739,340	961,514,905	1,040,224,435
2011	2012	1,984,037,000	974,991,055	1,009,045,945
2012	2013	2,074,402,370	979,752,970	1,094,649,400
2013	2014	2,295,279,910	989,818,340	1,305,461,570
2014	2015	2,823,613,390	1,217,216,190	1,606,397,200
2015	2016	2,956,559,820	1,291,972,980	1,664,586,840
2017	2016	2,922,479,910	1,252,043,840	1,670,436,070

Estimated Net Actual Taxable Value	Total Direct Tax Rate	Taxable Assessed Value as a Percentage of Actual Taxable Value
962,612,305	0.44569	100.00%
962,612,305	0.41428	100.00%
1,105,921,969	0.42355	100.00%
1,040,224,435	0.50065	100.00%
1,009,045,945	0.54839	100.00%
1,094,649,400	0.49824	100.00%
1,305,461,570	0.46010	100.00%
1,606,397,200	0.44564	100.00%
1,664,586,840	0.47207	100.00%
1,670,439,070	0.51792	100.00%

BEE COUNTY, TEXAS
PROPERTY TAX RATES – ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUE
LAST TEN FISCAL YEARS

Governmental Subdivisions	Percent Applicable to Bee County	Fiscal Year			
		2008	2009	2010	2011
Bee County	100.00%				
General Prop Tax		\$0.31628	\$0.30196	\$0.29886	\$0.35503
Debt Rate		0.06837	0.05646	0.06750	0.07793
Special Rd Tax		0.05895	0.05395	0.05524	0.06539
Farm-to-Market		0.00209	0.00191	0.00195	0.00230
Total Direct		<u>\$0.44569</u>	<u>\$0.41428</u>	<u>\$0.42355</u>	<u>\$0.50065</u>
<u>Overlapping Governments</u>					
<u>Cities</u>					
City of Beeville	100.00%	\$0.58048	\$0.57431	\$0.58105	\$0.05484
<u>School Districts</u>					
Beeville ISD	100.00%	1.18167	1.31800	1.31806	1.29832
Pawnee ISD	86.78%	1.18103	1.21848	1.29102	1.29102
Skidmore-Tynan ISD	83.89%	1.37284	1.27701	1.27839	1.60512
Pettus ISD	96.77%	1.04005	1.04005	1.17009	1.17000
<u>Colleges</u>					
Coastal Bend College	100.00%	0.16301	0.16800	0.16800	0.16800
<u>Water Districts</u>					
Pettus MUD	100.00%	0.20000	0.18551	0.19000	0.19000
Beeville Water Supply District	100.00%	0.18364	0.17127	0.14000	0.14000
Bee Groundwater Cons. District	100.00%	0.01450	0.01180	0.01180	0.01180
<u>Fire Districts</u>					
Emergency Services District No. 70	100.00%	0.01411	0.01194	0.01275	0.01260
Emergency Services District No. 71	100.00%	0.03000	0.03633	0.03728	0.03728
Emergency Services District No. 72	100.00%	0.03000	0.03102	0.03102	0.03647
Emergency Services District No. 73	100.00%	0.02000	0.01832	0.01832	0.01832
Total Overlapping		<u>\$6.01133</u>	<u>\$6.06204</u>	<u>\$6.24778</u>	<u>\$6.03377</u>

Note: The information above was obtained from each entity's financial office and the Texas Municipal Reports compiled and published by the Municipal Advisory Council of Texas.

TABLE 6

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ 0.39700	\$ 0.36850	\$ 0.34576	\$ 0.35113	\$ 0.37563	\$ 0.41451	
0.07561	0.05999	0.05452	0.04175	0.04091	0.04086	
0.07318	0.06477	0.05521	0.04871	0.05128	0.05779	
0.00260	0.00498	0.00461	0.00405	0.00425	0.00476	
<u>\$ 0.54839</u>	<u>\$ 0.49824</u>	<u>\$ 0.46010</u>	<u>\$ 0.44564</u>	<u>\$ 0.47207</u>	<u>\$ 0.51792</u>	
\$ 0.49824	\$ 0.53270	\$ 0.44564	\$ 0.47207	\$ 0.51792	\$ 0.68751	
1.26553	1.25423	1.25420	1.20540	1.20540	1.20540	
1.26910	1.07577	1.08410	1.09410	1.18260	1.27200	
1.55376	1.40225	1.46659	1.46070	1.48300	1.51880	
1.07515	1.04000	1.04000	1.13560	1.23840	1.38500	
0.17067	1.25423	0.17738	0.17738	0.18524	0.19570	
-	0.17000	0.17000	0.21000	0.17000	0.18500	
0.19788	0.01702	0.08482	0.08190	-	-	
-	0.00400	0.00700	0.00600	0.00500	0.00500	
0.01260	0.01121	0.01011	0.01130	0.01152	0.01238	
0.03411	0.03411	0.02130	0.01751	0.01744	0.01919	
0.03922	0.03791	0.03777	0.04134	0.04760	0.05000	
0.01832	0.01832	0.01832	0.01922	0.02577	0.02577	
<u>\$ 6.13458</u>	<u>\$ 6.85175</u>	<u>\$ 5.81723</u>	<u>\$ 5.93252</u>	<u>\$ 6.08989</u>	<u>\$ 6.56175</u>	

BEE COUNTY, TEXAS
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	2017		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
TPL SouthTex Processing Co.	\$ 126,424,800	1	7.57%
FL Rich Gas Services LP	126,071,080	2	7.55%
AEP Texas Central Company	41,798,420	3	2.50%
Marathon Oil Co.	33,904,370	4	2.03%
Koch Pipeline Co. LP (Gathering)	25,776,330	5	1.54%
Flint Hills Resources - Corpus	22,864,300	6	1.37%
T2 Gas Utility	19,811,830	7	1.19%
T-2 Gas Utility	19,710,400	8	1.18%
Pioneer Natural Resources	19,190,100	9	1.15%
PNR USA, Inc. - WC & OR	18,492,690	10	1.11%
Total	<u>\$ 454,044,320</u>		<u>27.19%</u>

Source: Bee County Tax Assessor/Collector

2008			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Pioneer Natural Resources	\$ 100,100,560	1	10.51%
Dan A. Hughes Company	31,243,370	2	3.28%
Midcom Texas Pipeline Co.	30,783,840	3	3.23%
Legend Natural Gas, II, LP	27,375,450	4	2.87%
Flint Hills Resources LP	26,180,290	5	2.75%
Welder Exploration & Prod Inc.	15,685,480	6	1.65%
AEP Texas Central Co.	15,520,600	7	1.63%
Beeville Investment Partners	15,511,880	8	1.63%
Southwestern Bell Telephone Co.	8,779,980	9	0.92%
Walmart Stores Texas, LP	8,764,810	10	0.92%
Total	<u>\$ 279,946,260</u>		<u>27.55%</u>

BEE COUNTY, TEXAS
PROPERTY TAX LEVIES
LAST TEN FISCAL YEARS

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Levy for Maintenance and Operations (M&O):				
General Fund	\$ 3,064,452	\$ 3,244,692	\$ 3,594,002	\$ 3,919,076
Road Fund	561,361	609,670	661,949	722,413
Total M & O Levy	<u>\$ 3,625,813</u>	<u>\$ 3,854,362</u>	<u>\$ 4,255,951</u>	<u>\$ 4,641,489</u>
 Levy for LTRD	 \$ 21,376	 \$ 22,078	 \$ 23,745	 \$ 26,296
Levy for Debt Service (I&S):				
Debt Service	\$ 632,011	\$ 656,879	\$ 761,089	\$ 774,677
Total I & S Levy	<u>632,011</u>	<u>656,879</u>	<u>761,089</u>	<u>774,677</u>
 Total County Levy	 <u>\$ 4,279,200</u>	 <u>\$ 4,533,319</u>	 <u>\$ 5,040,785</u>	 <u>\$ 5,442,462</u>

TABLE 8

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 3,932,503	\$ 3,995,798	\$ 5,645,327	\$ 6,214,793	\$ 6,289,131	\$ 6,733,643
691,203	638,038	782,476	853,600	858,575	938,789
<u>\$ 4,623,706</u>	<u>\$ 4,633,836</u>	<u>\$ 6,427,803</u>	<u>\$ 7,068,393</u>	<u>\$ 7,147,706</u>	<u>\$ 7,672,432</u>
\$ 54,027	\$ 59,749	\$ 66,055	\$ 72,815	\$ 71,157	\$ 77,325
\$ 733,413	\$ 630,064	\$ 670,670	\$ 680,982	\$ 684,952	\$ 663,764
<u>733,413</u>	<u>630,064</u>	<u>670,670</u>	<u>680,982</u>	<u>684,952</u>	<u>663,764</u>
<u>\$ 5,411,146</u>	<u>\$ 5,323,649</u>	<u>\$ 7,164,528</u>	<u>\$ 7,822,190</u>	<u>\$ 7,903,815</u>	<u>\$ 8,413,521</u>

BEE COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year*	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	4,279,200	4,191,048	97.9%	79,919	4,270,967	99.8%
2009	4,533,319	4,487,986	99.0%	36,088	4,524,074	99.8%
2010	5,040,785	4,950,051	98.2%	71,612	5,021,663	99.6%
2011	5,442,462	5,300,958	97.4%	120,997	5,421,955	99.6%
2012	5,411,146	5,319,157	98.3%	66,190	5,385,347	99.5%
2013	5,323,649	5,126,674	96.3%	169,408	5,296,082	99.5%
2014	7,164,528	6,906,605	96.4%	215,421	7,122,026	99.4%
2015	7,822,190	7,540,591	96.4%	226,172	7,766,763	99.3%
2016	7,903,815	7,666,701	97.0%	124,254	7,790,955	98.6%
2017	8,413,521	8,178,842	97.2%	-	8,178,842	97.2%

*Includes levy for General Fund, Road & Bridge, Lateral Road, and Debt Service

BEE COUNTY, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Capital Leases Payable	Total Gov. Act. Debt	Net Property Valuation	Ratio of Total Debt to Property Value	County Pop.	Total Debt per Capita	Total Debt to Personal Income
2008	8,045,000	-	8,045,000	962,612,305	0.84%	33,415	241	1.6%
2009	7,735,000	-	7,735,000	962,612,305	0.80%	32,487	238	1.6%
2010	7,365,000	-	7,365,000	1,105,921,969	0.67%	32,487	227	1.5%
2011	6,985,000	-	6,985,000	1,040,224,435	0.67%	31,861	219	1.3%
2012	6,730,000	-	6,730,000	1,009,045,945	0.67%	32,095	210	1.2%
2013	6,280,000	-	6,280,000	1,094,649,400	0.57%	32,799	191	1.1%
2014	5,825,000	-	5,825,000	1,305,461,570	0.45%	31,861	183	1.1%
2015	5,365,000	63,124	5,428,124	1,606,397,200	0.34%	32,399	168	1.0%
2016	4,890,000	102,295	4,992,295	1,664,586,840	0.30%	31,921	156	0.9%
2017	27,210,000	36,636	27,246,636	1,670,436,070	1.63%	32,706	833	0.1%

BEE COUNTY, TEXAS
RATIOS OF NET GENERAL BONDED DEBT
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Debt Service Funds	Net Bonded Debt	Estimated Actual Net Taxable Prop. Value	Ratio of Net Gen. Bonded Debt to Est. Prop. Value	Population	Net General Bonded Debt per Capita
2008	8,045,000	100,145	7,944,855	962,612,305	0.8%	33,415	238
2009	7,735,000	83,783	7,651,217	962,612,305	0.8%	32,487	236
2010	7,365,000	124,146	7,240,854	1,105,921,969	0.7%	32,487	223
2011	6,985,000	144,162	6,840,838	1,040,224,435	0.7%	31,861	215
2012	6,730,000	219,943	6,510,057	1,009,045,945	0.6%	32,631	200
2013	6,280,000	226,584	6,053,416	1,094,649,400	0.6%	32,799	185
2014	5,825,000	358,462	5,466,538	1,305,461,570	0.4%	31,861	172
2015	5,365,000	399,010	4,965,990	1,606,397,200	0.3%	32,399	153
2016	4,890,000	448,045	4,441,955	1,664,586,840	0.3%	31,921	139
2017	27,210,000	490,265	26,719,735	1,670,439,070	1.60%	32,706	817

BEE COUNTY, TEXAS
COMPUTATION OF DIRECT AND ESTIMATED OVERLAPPING DEBT
AS OF SEPTEMBER 30, 2017

Name of Governmental Unit	Fiscal Year End	General Obligation Debt Outstanding	Estimated Percent to Bee County	County Overlapping Tax Supported Debt
Bee County	09/30/17			
Governmental Activities:				
General Obligation Bonds		\$ 27,210,000	100.00%	\$ 27,210,000
Capital Leases		35,660	100.00%	35,660
Total Governmental Activities Debt		<u>27,245,660</u>	100.00%	<u>27,245,660</u>
Total Direct Debt		<u>27,245,660</u>		<u>27,245,660</u>
<u>Other Taxing Jurisdictions:</u>				
Cities				
Beeville	09/30/17	10,495,000	100.00%	10,495,000
School Districts				
Beeville ISD	09/30/17	15,114,686	100.00%	15,114,686
County-Line School Districts				
Mathis ISD	09/30/17	14,068,826	1.73%	243,391
Pawnee ISD	09/30/17	4,823,000	65.83%	3,174,981
Pettus ISD	09/30/17	28,815,000	79.35%	22,864,703
Skidmore-Tynan ISD	09/30/17	11,303,992	95.45%	10,789,594
Three Rivers ISD	09/30/17	29,120,000	96.00%	279,552
Refugio ISD	09/30/17	20,816,395	3.66%	761,880
Special Districts				
Coastal Bend College	09/30/17	<u>3,953,000</u>	100.00%	<u>3,953,000</u>
Total Overlapping Debt		<u>138,509,899</u>		<u>67,676,787</u>
Total Direct and Overlapping Debt		<u>\$ 165,755,559</u>		<u>\$ 94,922,447</u>

Source: Taxing jurisdictions, Bee County Appraisal District, and Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the County's residents and businesses using boundary maps. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

BEE COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Taxable Assessed Valuation	\$ 962,612,305	\$ 962,612,305	\$ 1,105,921,969	\$ 1,040,224,435
Limit on Amount Designated for Debt Service:				
25% of Taxable Assessed Valuation	x .25	x .25	x .25	x .25
Legal Maximum Debt Level	<u>\$ 240,653,076</u>	<u>\$ 240,653,076</u>	<u>\$ 276,480,492</u>	<u>\$ 260,056,109</u>
Amount of Debt Applicable to Limit	<u>\$ 8,045,000</u>	<u>\$ 7,735,000</u>	<u>\$ 7,365,000</u>	<u>\$ 6,985,000</u>
Legal Debt Margin	<u>\$ 248,698,076</u>	<u>\$ 248,388,076</u>	<u>\$ 283,845,492</u>	<u>\$ 267,041,109</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	3.34%	3.21%	2.66%	2.69%

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 1,009,045,945	\$ 1,094,649,400	\$ 1,305,461,570	\$ 1,606,397,200	\$ 1,664,586,840	\$ 1,670,439,070
x .25	x .25	x .25	x .25	x .25	x .25
<u>\$ 252,261,486</u>	<u>\$ 273,662,350</u>	<u>\$ 326,365,393</u>	<u>\$ 401,599,300</u>	<u>\$ 416,146,710</u>	<u>\$ 391,880,980</u>
<u>\$ 6,730,000</u>	<u>\$ 6,280,000</u>	<u>\$ 5,825,000</u>	<u>\$ 5,428,124</u>	<u>\$ 4,992,295</u>	<u>\$ 27,245,660</u>
<u>\$ 258,991,486</u>	<u>\$ 279,942,350</u>	<u>\$ 332,190,393</u>	<u>\$ 407,027,424</u>	<u>\$ 421,139,005</u>	<u>\$ 418,642,935</u>
2.67%	2.29%	1.78%	1.35%	1.20%	6.95%

BEE COUNTY, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Population	33,415	32,487	32,487	31,861
Personal Income (millions)	\$ 509,812,655	\$ 495,654,159	\$ 495,654,159	\$ 548,295,949
Per Capita Personal Income	\$ 15,257	\$ 15,257	\$ 15,257	\$ 17,209
School Enrollment	4,804	4,667	4,759	4,896
Unemployment Rate	6.3%	9.3%	9.3%	9.1%

Source: bestplaces.net

Fiscal Year					
2012	2013	2014	2015	2016	2017
32,631	32,799	31,861	32,399	31,921	32,706
\$ 561,546,879	\$ 564,437,991	\$ 548,295,949	\$ 557,554,391	\$ 549,328,489	\$ 572,485,824
\$ 17,209	\$ 17,209	\$ 17,209	\$ 17,209	\$ 17,209	\$ 17,504
4,790	4,780	4,796	5,704	7,631	8,295
8.5%	7.0%	3.8%	4.0%	8.3%	6.1%

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BEE COUNTY, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2017			
Employer	Employees	Rank	Percentage of Total County Employment
TDCJ- Garza	1,128	1	12.27%
Beeville ISD	678	2	7.37%
TDCJ - McConnell	636	3	6.92%
Coastal Bend College	421	4	4.58%
Mathis ISD	325	5	3.53%
Bee County	168	6	1.83%
Skidmore-Tynan ISD	126	9	1.37%
Refugio ISD	118	7	1.28%
City of Beeville	115	8	1.25%
Three Rivers ISD	101	10	1.10%
Total	3,816		41.5%

2008			
Employer	Employees	Rank	Percentage of Total County Employment
TDCJ - McConnell/Garza	1,635	1	Info. Not Available
Beeville ISD	550	2	Info. Not Available
U. S. Army Aviation	300	3	Info. Not Available
Christus Spohn Hospital	290	4	Info. Not Available
Coastal Bend College	250	5	Info. Not Available
H. E. B. Groceries	185	6	Info. Not Available
Walmart	140	7	Info. Not Available
City of Beeville	125	8	Info. Not Available
Skidmore-Tynan ISD	110	9	Info. Not Available
County of Bee	94	10	Info. Not Available
Total	3,679		Info. Not Available

Source: Local employers

BEE COUNTY, TEXAS
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Full-Time Equivalent Employees as of Year End			
	2008	2009	2010	2011
General Government	36	42	49	48
Public Safety	49	46	48	44
Judicial	15	14	13	18
Public Facilities	4	4	5	6
Public Works	19	20	22	22
Health and Welfare	97	105	96	96
Culture and Recreation	6	4	2	2
Conservation and development	3	2	2	1
Total	229	237	237	237

Source: 4th Quarter Unemployment Payment to Texas Association of Counties

Full-Time Equivalent Employees as of Year End						
2012	2013	2014	2015	2016	2017	
46	55	74	74	66	67	
42	34	36	57	62	56	
23	26	37	22	12	10	
7	10	17	4	10	3	
20	18	19	18	23	30	
100	89	0	3	1	0	
2	1	1	0	0	0	
1	1	0	1	3	2	
241	234	184	179	177	168	

BEE COUNTY, TEXAS
COURT OPERATING INDICATORS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Administration of Justice				
JP Courts:				
Cases Filed	5,184	3,704	4,501	5,274
Cased Disposed	2,004	403	2,146	3,857
Cased Appealed	2	2	7	3
County Courts at Law:				
Civil:				
Cases Filed	-	-	-	-
Cased Disposed	-	-	-	-
Criminal:				
Cases Filed	-	-	-	-
Cased Disposed	-	-	-	-
District Courts:				
Civil:				
Cases Filed	-	-	-	-
Cased Disposed	-	-	-	-
Criminal:				
Cases Filed	-	-	-	-
Cased Disposed	-	-	-	-
Juvenile:				
Cases Filed	-	-	-	-
Cased Disposed	-	-	-	-

Source: JP Courts and District Clerk

Fiscal Year					
2012	2013	2014	2015	2016	2017
8,621	4,815	3,879	4,181	5,096	9,078
3,864	2,033	3,251	2,607	3,628	2,981
13	18	3	8	9	2
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	284	363	243	788
-	-	163	308	182	688
-	-	206	232	235	799
-	-	85	198	128	228
-	-	48	37	29	240
-	-	20	2	-	21

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BEE COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TWO FISCAL YEARS

<u>Department</u>	<u>2016</u>			<u>2017</u>		
	<u>Vehicles Authorized</u>	<u>Vehicles Inventory</u>	<u>Radios</u>	<u>Vehicles Authorized</u>	<u>Vehicles Inventory</u>	<u>Radios</u>
<u>Law Enforcement</u>						
Sheriff	38	38	35	34	34	34
Constable 1	-	-	1	-	-	-
Constable 2	-	-	1	-	-	1
Constable 3	-	-	1	-	-	1
Constable 4	-	-	1	-	-	-
Road & Bridge	23	23	16	-	-	16
General Government	13	13	9	-	-	9
Social Services	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Agriculture	1	1	-	-	-	-

Source: County Capital Assets Records