

**PRELIMINARY OFFICIAL STATEMENT**  
**June 19, 2019**

**NEW ISSUE - Book-Entry-Only**

**Ratings: Fitch: "APPLIED FOR"**  
**Moody's: "APPLIED FOR"**  
**S&P: "APPLIED FOR"**  
(See "BOND INSURANCE", "BOND INSURANCE  
GENERAL RISKS" and "RATINGS" herein)

*In the opinion of Bond Counsel, under existing law interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds are not "private activity bonds." See "TAX MATTERS" for a discussion of the opinion of Bond Counsel.*

**\$92,705,000\***  
**BEXAR COUNTY, TEXAS**  
**(A political subdivision of the State of Texas)**

**TAX-EXEMPT VENUE PROJECT REVENUE REFUNDING BONDS (COMBINED VENUE TAX), SERIES 2019**

**Dated Date: July 1, 2019**

**Due: August 15, as shown on p. ii hereof**

The Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2019 (the "Bonds") are being issued by the Commissioners Court (the "Court") of Bexar County, Texas (the "County") pursuant to the provisions of (i) Chapter 1207, as amended, Texas Government Code ("Chapter 1207"), and Chapter 1371, as amended, Texas Governmental Code ("Chapter 1371") and (ii) an order (the "Order") adopted on June 4, 2019 by the Court. As permitted by the provisions of Chapter 1207 and Chapter 1371, the Court has, in the Order, delegated the authority to various County officials and employees to execute an approval certificate (the "Approval Certificate") evidencing the final terms of sale with respect to, and finalizing certain characteristics of, the Bonds.

The Bonds constitute special, limited obligations of the County, payable solely from and secured by a lien on and pledge of certain County revenues (as identified and described herein with respect to both source and priority). Payment of the Bonds is secured primarily by (i) a first lien on and pledge of the County revenues derived from the Hotel Occupancy Tax (defined herein) imposed on substantially all hotel room rentals within the County and (ii) a junior and subordinate lien on the County revenues derived from the Motor Vehicle Rental Tax (defined herein) imposed on substantially all short-term motor vehicle rentals within the County (being the Motor Vehicle Rental Tax revenues that remain after first making priority payments with respect to the Motor Vehicle Rental Tax Bonds (defined herein)). (See "SECURITY AND SOURCE OF PAYMENT" herein.) The Bonds are being issued by the County to (i) refund the County's currently outstanding obligations, as identified in Schedule I attached hereto (the "Refunded Bonds"), and (ii) pay the costs of their issuance. (See "PLAN OF FINANCE-Authorization and Purpose" herein.)

Concurrently with the issuance of the Bonds, the County will also issue its Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Motor Vehicle Rental Tax), Series 2019 (the "2019 Motor Vehicle Rental Tax Bonds"). The 2019 Motor Vehicle Rental Tax Bonds are being issued to (i) refund certain of the County's outstanding Motor Vehicle Rental Tax Bonds, and (ii) pay the costs of their issuance. **This Official Statement describes only the Bonds and not the Motor Vehicle Rental Tax Bonds.**

**The Bonds are payable solely from and secured by the liens on and pledges of the County revenues as provided in the Order, on parity with the outstanding Combined Venue Tax Bonds and any Additional Combined Venue Tax Bonds hereafter issued, and not from any other revenues, properties, or income of the County. Neither the State of Texas (the "State") nor any political corporation, subdivision, or agency thereof (other than the County) will be obligated to pay the Bonds or interest thereon, and neither the faith and credit nor the ad valorem taxing power of the State or any political corporation, subdivision, or agency thereof (including the County) is pledged to the payment of principal of or interest on the Bonds. No mortgage on any Venue Project (defined herein) or any other County property is created by the Order.**

The definitive Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. When issued, the definitive Bonds will be registered in the name of Cede & Co., as registered holder and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial ownership interests in the Bonds (the "Beneficial Owners") will be made in book-entry form. Purchasers will not receive certificates representing their beneficial interest in the Bonds purchased. Interest on the Bonds accrues from their dated date (the "Dated Date") specified above and is payable on February 15, 2020 and on each August 15 and February 15 thereafter until stated maturity or prior redemption. So long as DTC or its nominee is the registered owner of the Bonds, the principal of, and interest on the Bonds will be payable by the Paying Agent/Registrar, which initially is Zions Bancorporation National Association, Amegy Bank Division, Houston, Texas, to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds.

The County has made applications to municipal bond insurance companies to have the payment of the principal and interest on the Bonds insured by a municipal bond insurance policy. (See "BOND INSURANCE" and "BOND INSURANCE GENERAL RISKS" herein.)

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SEE PAGE ii HEREIN FOR STATED MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS, AND  
REDEMPTION PROVISIONS FOR THE BONDS

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*The Bonds are offered for delivery when, as and if issued and received by the initial purchasers thereof named below (the "Underwriters") subject to the approval of legality by the Attorney General of the State of Texas and the approval of certain legal matters by Bracewell LLP, San Antonio, Texas, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their co-counsel McCall, Parkhurst & Horton L.L.P. of San Antonio, Texas, and West & Associates L.L.P. of Dallas, Texas. The Bonds are expected to be available for initial delivery through the services of DTC on or about July 25, 2019.*

**HILLTOPSECURITIES**

**FTN FINANCIAL CAPITAL MARKETS    HUTCHINSON, SHOCKEY, ERLEY & CO.    MORGAN STANLEY**

*\*Preliminary, subject to change*

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

**\$92,705,000\***  
**BEXAR COUNTY, TEXAS**  
**TAX-EXEMPT VENUE PROJECT REVENUE REFUNDING BONDS (COMBINED VENUE TAX), SERIES 2019**

CUSIP No. Prefix<sup>(1)</sup> 088518

**MATURITY SCHEDULE\***

**\$92,705,000\* Serial Bonds**

<b>Maturity Date (8/15)</b>	<b>Principal Amount (\$)*</b>	<b>Interest Rate (%)</b>	<b>Initial Yield (%)</b>	<b>CUSIP No. Suffix<sup>(1)</sup></b>
2020	1,740,000			
2021	2,275,000			
2022	2,355,000			
2023	2,450,000			
2024	2,555,000			
2025	2,660,000			
2026	2,765,000			
2027	2,875,000			
2028	3,090,000			
2029	3,115,000			
2030	3,235,000			
2031	3,365,000			
2032	3,500,000			
2033	3,645,000			
2034	3,780,000			
2035	3,935,000			
2036	4,095,000			
2037	4,260,000			
2038	4,065,000			
2039	4,230,000			
2040	2,810,000			
2041	2,930,000			
2042	3,040,000			
2043	3,165,000			
2044	3,290,000			
2045	3,420,000			
2046	3,560,000			
2047	3,705,000			
2048	1,370,000			
2049	1,425,000			

(Accrued interest to be added from the Dated Date)

*\*Preliminary, subject to change.*

**Redemption**

The Bonds maturing on or after August 15, \_\_\_ may be redeemed, in whole or in part, prior to stated maturity at the County’s option on August 15, \_\_\_, or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption. In addition, the purchaser may elect to group two or more consecutive maturities of Bonds into one or more “term bonds” and such term certificates will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Order, which provisions will be disclosed in the final Official Statement. (See “THE BONDS – Redemption” herein).

<sup>(1)</sup> CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the County, the Co-Financial Advisors, nor the Underwriters is responsible for the selection or correctness of the CUSIP numbers set forth herein.

**BEXAR COUNTY, TEXAS**

**COUNTY OFFICIALS**

<b>Commissioners Court</b>	<b>Length of Service</b>	<b>Term Expires</b>	<b>Occupation</b>
Nelson W. Wolff, County Judge	18 years	2022	Businessman/Attorney
Sergio "Chico" Rodriguez, Commissioner, Precinct One	14 years	2020	Public Official
Justin Rodriguez, Commissioner, Precinct Two	1 <sup>st</sup> year*	2022	Attorney
Kevin A. Wolff, Commissioner, Precinct Three	10 years	2020	Businessman
Tommy Calvert, Commissioner, Precinct Four	4 years	2022	Businessman

\*On January 4, 2019, the County Judge appointed Commissioner Justin Rodriguez to serve as Bexar County Commissioner for Precinct Two until the next general election in November 2020, which will be for the remainder of term for prior Commissioner Paul Elizondo ending in 2022.

<b>Other Elected Officials</b>	<b>Position</b>	<b>Length of Service in Position</b>
Albert Uresti	County Tax Assessor/Collector	6 Years
Mary Ange Garcia	District Clerk	1 <sup>st</sup> Year
Joe Gonzales	Criminal District Attorney	1 <sup>st</sup> Year
Lucy Adame-Clark	County Clerk	1 <sup>st</sup> Year
Javier Salazar	Sheriff	2 Years

<b>Appointed Officials</b>	<b>Position</b>	<b>Length of Service in Position</b>
David L. Smith	County Manager	8 Years
Leo S. Caldera CIA, CGAP	County Auditor	1 <sup>st</sup> Year
Mary Quinones	Purchasing Agent	3 Years

<b>Commissioners Court Employees</b>	<b>Position</b>	<b>Length of Service in Position</b>
Tony Canez	Community Venues Manager	10 Years
Betty Bueche	Heritage & Parks Director	4 Years
Renee Green	County Engineer	13 Years
Mark Gager	Chief Information Officer	3 Years
Dan Curry	Facilities Management Director	4 Years
Michael Lozito	Director of Judicial & County Intake Services	8 Years
David E. Marquez	Economic & Community Development Exec. Director	15 Years
Renee Watson	Small Business & Entrepreneurship Program Manager	18 Years
Tina Smith-Dean	Assistant County Manager	7 Years

**CONSULTANTS AND ADVISORS**

SAMCO Capital Markets, Inc., San Antonio, Texas .....	Co-Financial Advisor
RBC Capital Markets LLC, San Antonio, Texas .....	Co-Financial Advisor
Bracewell LLP, San Antonio, Texas .....	Bond Counsel
Garza/Gonzalez & Associates, San Antonio, Texas .....	Certified Public Accountants

***For Additional Information Regarding the County Please Contact:***

Mr. David L. Smith  
 County Manager  
 Bexar County  
 101 W. Nueva, Suite 901  
 San Antonio, Texas 78205  
 (210) 335-2405 – Telephone  
 (210) 335-2683 – Facsimile

Mr. Duane Westerman  
 Mr. Nick Westerman  
 Co-Financial Advisor  
 SAMCO Capital Markets, Inc.  
 1020 NE Loop 410, Suite 640  
 San Antonio, Texas 78209  
 (210) 832-9760 – Telephone  
 (210) 832-9794 – Facsimile  
 dwesterman@samcocapital.com  
 nwesterman@samcocapital.com

Mr. Leo S. Caldera CIA, CGAP  
 County Auditor  
 Bexar County  
 101 W. Nueva, Suite 800  
 San Antonio, Texas 78205  
 (210) 335-2434 – Telephone  
 (210) 335-2996 – Facsimile

Mr. Richard Acosta  
 Mr. Robert Traylor  
 Co-Financial Advisor  
 RBC Capital Markets LLC  
 303 Pearl Parkway, Suite 220  
 San Antonio, Texas 78215  
 (210) 805-1117 – Telephone  
 (210) 805-1119 – Facsimile  
 Richard.acosta@rbccm.com  
 robert.d.traylor@rbccm.com

## USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (“Rule 15c2-12”), and in effect on the date of this Preliminary Official Statement, this document constitutes an “official statement” of the County with respect to the Bonds that has been “deemed final” by the County as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Official Statement, which includes the cover page, Schedule, and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the County and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Co-Financial Advisors or the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described. See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the County’s undertaking to provide certain information on a continuing basis.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Co-Financial Advisors have provided the following sentence for inclusion in this Official Statement. The Co-Financial Advisors have reviewed the information in this Official Statement in accordance with their responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Co-Financial Advisors do not guarantee the accuracy or completeness of such information.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THE ISSUE AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NONE OF THE COUNTY, THE CO-FINANCIAL ADVISORS, NOR THE UNDERWRITERS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY-ONLY SYSTEM OR THE INSURER (DEFINED HEREIN), IF ANY, AND ITS MUNICIPAL BOND INSURANCE POLICY, AS DESCRIBED HEREIN OR INCORPORATED BY REFERENCE UNDER THE CAPTION “BOND INSURANCE”, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC AND THE INSURER, RESPECTIVELY.

The agreements of the County and others related to the Bonds are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as constituting an agreement with the purchasers of the Bonds. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE SCHEDULE AND ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this preliminary official statement for purposes of, and as that term is defined in, Rule 15c2-12.

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**PRELIMINARY OFFICIAL STATEMENT**

**RELATING TO**

**\$92,705,000\***

**BEXAR COUNTY, TEXAS**

**TAX-EXEMPT VENUE PROJECT REVENUE REFUNDING BONDS (COMBINED VENUE TAX), SERIES 2019**

**INTRODUCTORY STATEMENT**

This Official Statement has been prepared by Bexar County, Texas (the "Issuer" or the "County"), in connection with its offering of its Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2019 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the respective meanings ascribed thereto in the Order (hereinafter defined). See "Excerpts from the Order" attached hereto as Appendix B.

There follows in this Official Statement descriptions of the Bonds and certain other information about the County and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the County at 101 W. Nueva, Suite 901, San Antonio, Texas 78205 and, during the offering period, from the County's Co-Financial Advisors, SAMCO Capital Markets, Inc., 1020 NE Loop 410, Suite 640, San Antonio, Texas 78209, and RBC Capital Markets LLC, 303 Pearl Parkway, Suite 220, San Antonio, Texas 78215, upon request by electronic mail or physical delivery upon payment of reasonable copying, mailing, and handling charges.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of the Official Statement, in final form, will be deposited with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" herein for a description of the County's undertaking to provide certain information on a continuing basis.

**PLAN OF FINANCE**

**Authorization and Purposes**

The Bonds are being issued pursuant to the provisions of (i) Chapter 1207, as amended, Texas Government Code ("Chapter 1207"), and Chapter 1371, as amended, Texas Governmental Code ("Chapter 1371") and (ii) an order ("the Order") adopted by the County's Commissioners Court (the "Court") on June 4, 2019. As permitted by the provisions of Chapter 1207 and Chapter 1371, the Court has, in the Order, delegated the authority to various County officials and employees to execute an approval certificate (the "Approval Certificate") evidencing the final terms of sale with respect to, and finalizing certain characteristics of, the Bonds.

Proceeds from the sale of the Bonds will be used to (i) refund those currently outstanding obligations of the County described in Schedule I hereto (the "Refunded Bonds"), and (ii) pay the costs of their issuance. The Refunded Bonds were originally issued to provide proceeds for the completion of portions of the 2008 Projects and are now being refunded to achieve debt service savings. See "VENUE TAXES AND PROJECTS – The 2008 Project" herein.

**Legal Defeasance and Redemption of Refunded Bonds**

The Refunded Bonds, and interest due thereon, are to be paid on the scheduled redemption date from funds to be deposited with Zions Bancorporation National Association, Amegy Bank Division, Houston, Texas (the "Escrow Agent") pursuant to an escrow agreement dated as of June 4, 2019 (the "Escrow Agreement") between the County and the Escrow Agent.

The Order provides that the County will deposit certain proceeds of the sale of the Bonds, along with other lawfully available funds of the County, if any, with the Escrow Agent in the amount necessary to accomplish the discharge and final payment of the Refunded Bonds. Such funds will be held uninvested by the Escrow Agent in an escrow fund, for further deposit to a segregated escrow account held therein (the "Escrow Account") and irrevocably pledged to the payment of principal of and interest on the Refunded Bonds. SAMCO Capital Markets, Inc. and RBC Capital Markets, LLC, in their capacity as Co-Financial Advisors to the County, will certify as to the sufficiency of the amounts initially deposited to the Escrow Account, without regard to investment to pay the principal of and interest on the Refunded Bonds when due at the scheduled date of redemption (such certification, the "Sufficiency Certificate"). Such cash held in the Escrow Fund will not be available to pay the debt service requirements on the Bonds.

Simultaneously with the issuance of the Bonds, the County will give irrevocable instructions to the paying agent/registrar of the Refunded Bonds to provide notice, if any, to the owners of the Refunded Bonds that the Refunded Bonds will be redeemed prior to stated maturity on which date money will be made available to redeem the Refunded Bonds from money held in the Escrow Account under the Escrow Agreement.

By the deposit of the cash described above with the Escrow Agent pursuant to the Escrow Agreement, the County will have affected the defeasance of the Refunded Bonds, as applicable pursuant to the terms of the order of the Court authorizing their issuance.

*\*Preliminary subject change.*

It is the opinion of Bond Counsel that, as a result of such defeasance, the Refunded Bonds will no longer be payable from the revenues of the County originally pledged as security therefor, but will be payable solely from the cash on deposit in the Escrow Account and held for such purpose by the Escrow Agent, and that the Refunded Bonds will be defeased and are not to be included in or considered to be indebtedness of the County for the purpose of a limitation of indebtedness or for any other purpose. See "Form of Opinion of Bond Counsel" attached hereto as Appendix E.

The County has covenanted in the Escrow Agreement to make timely deposits to the Escrow Fund, from lawfully available funds, of any additional amounts required to pay the principal of and interest on the Refunded Bonds if for any reason the cash balance on deposit or scheduled to be on deposit in the Escrow Fund should be insufficient to make such payment.

**Sources and Uses of Funds**

The proceeds from the sale of the Bonds will be applied approximately as follows:

**Sources**

- Principal Amount of the Bonds
- Net Original Issue Premium
- Accrued Interest

**Total Sources of Funds**

\_\_\_\_\_  
\_\_\_\_\_

**Uses**

- Deposit to Escrow Fund
- Costs of Issuance
- Underwriters' Discount
- Bond Insurance Premium
- Deposit to Tax-Exempt Combined Venue Tax Bonds Debt Service Account
- Contingency

**Total Uses of Funds**

\_\_\_\_\_  
\_\_\_\_\_

**Concurrent Issuance**

Concurrently with the issuance of the Bonds, the County is issuing its \$51,370,000\* Tax-Exempt Venue Project Revenue Refunding Bonds (Motor Vehicle Rental Tax), Series 2019 (the "2019 Motor Vehicle Rental Tax Bonds"). The 2019 Motor Vehicle Rental Tax Bonds are being issued for the primary purpose of refunding certain of the County's outstanding Motor Vehicle Rental Tax Bonds for debt service savings. **This Official Statement describes only the Bonds and not the 2019 Motor Vehicle Rental Tax Bonds. Investors interested in purchasing the 2019 Motor Vehicle Rental Tax Bonds should review the County's official statement relating to such bonds.**

**VENUE TAXES AND PROJECTS**

**The Venue Taxes**

At an election held in the County on November 2, 1999, County voters approved a proposition authorizing the County to provide for the planning, acquisition, establishment, development, construction, and renovation of a multi-purpose Sports and Community Venue Project under Chapter 334, as amended, Texas Local Government Code ("Chapter 334") and to impose a hotel occupancy tax on, and equal to an amount not greater than 2.00% of the cost of, substantially all hotel room rentals within the County (the "Hotel Occupancy Tax") and a short-term motor vehicle rental tax on, and equal to an amount not greater than 5% of the gross rental receipts from, substantially all short-term motor vehicle rentals within the County (the "Motor Vehicle Rental Tax" and, together with the Hotel Occupancy Tax, the "Venue Taxes"). On December 7, 1999, the Court adopted an order imposing a 5% Motor Vehicle Rental Tax. On December 7, 1999, the Court also adopted an order imposing a 1.75% Hotel Occupancy Tax (which order was amended on February 15, 2000). The County began collecting the Venue Taxes on January 1, 2000.

Pursuant to the authority described above, an authorizing order adopted by the Court on December 8, 2000 (the "2000 Bonds Order"), and an Indenture of Trust, dated as November 1, 2000 (the "Indenture"), between the County and Wells Fargo Bank, National Association, Dallas, Texas, as trustee, the County, on December 20, 2000, issued the multiple series of bonds (collectively, the "2000 Bonds") in the combined aggregate principal amount of \$148,845,000, for the purpose of financing the costs of developing, constructing, and renovating a sports and community venue project to be used primarily as the home of the San Antonio Spurs of the National Basketball Association (the "Spurs") and the site of the San Antonio Livestock Show and Rodeo (the "Rodeo").

At an election held in the County on May 10, 2008 (the "2008 Venue Election"), the County's qualified voters authorized the County to continue imposing and collecting the Venue Taxes and to pledge the revenues therefrom for the repayment of, and as security for, one or more

\* Preliminary, subject to change.



series of bonds to finance various venue projects authorized by Chapter 334 (hereinafter defined and described as the “2008 Project”). The Court ordered the continuation of its imposing and collecting of the Venue Taxes by official action approved on May 27, 2008.

### **The 2000 Project**

The County issued the 2000 Bonds to finance a portion of the costs of developing, designing, renovating, and constructing a sports, community events, and entertainment complex located on approximately 96 acres of County-owned land, including an 18,500-seat, 750,000 square-foot multi-purpose arena now known as the “AT&T Center”, the Joe and Harry Freeman Coliseum (the “Coliseum”), various livestock facilities, and related parking, road, and other improvements (collectively, the “2000 Project” and, together with the 2008 Project, the “Venue Project”). Proceeds of the 2000 Bonds, along with a \$28.5 million capital contribution received by the County from the Spurs ownership group, sufficiently funded the costs of the 2000 Project, which was completed in the Fall of 2002. The AT&T Center hosted its first Spurs game on October 18, 2002, and has since seen the Spurs win the National Basketball Association championship in 2003, 2005, 2007, and 2014. The Rodeo is an annual event generally held during the first two and a half weeks of February of each year, regularly attracting in excess of one million visitors during that time. The County has since refunded the 2000 Bonds in their entirety.

### **The 2008 Project**

At the 2008 Venue Election, County voters, through four separate propositions, approved the County’s issuance of one or more series of bonds secured by and payable, in whole or in part, from the revenues derived by the County by imposing and collecting Venue Taxes for the purpose of financing various projects permitted under Chapter 334. The projects authorized pursuant to three of these propositions (being Propositions 1, 3, and 4), referred to as the “2008 Combined Venue Tax Projects”, include:

- the planning, acquisition, establishment, development, construction, and financing of improvements to the San Antonio River and any related infrastructure (Proposition 1);
- the renovation, planning, acquisition, establishment, improvement, development, or construction of improvements to the Coliseum, the AT&T Center, and certain barns and other facilities located on the Coliseum grounds, improvements to roads adjacent to the Coliseum and the AT&T Center, and related infrastructure (Proposition 3); and
- the planning, acquisition, establishment, development, construction, or renovation of a new performing arts center; the renovation and improvement of the Dolph and Janey Briscoe Western Art Museum; and the renovation and improvement of the Alameda Theater, and any related infrastructure, all located in downtown San Antonio, Texas (Proposition 4).

The 2008 Venue Election’s fourth proposition (Proposition 2) authorized the issuance of one or more series of bonds secured by and payable, in whole or in part, from the revenues derived by the County from its imposing and collecting the Motor Vehicle Rental Tax for the purpose of financing various projects permitted under Chapter 334. Projects approved by Proposition 2 include the planning, acquisition, establishment, development, construction, or renovation of amateur soccer fields, baseball diamonds, and other athletic and recreational fields, complexes and facilities, and any related infrastructure, all for use by the public, non-profit organizations, organized leagues, and local schools, universities, and colleges, in and around Bexar County (the “Motor Vehicle Rental Tax Venue Projects” and, collectively with the 2008 Combined Venue Tax Projects, the “2008 Project”).

The County issued the Refunded Bonds to finance, or refinance a portion of the costs associated with the 2000 project and the 2008 project authorized by the aforementioned propositions.

### **Post 2008 Project Issues**

On September 30, 2008, the County issued its \$42,145,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2008A”, \$50,810,000 “Bexar County, Texas Taxable Venue Project Revenue Refunding Bonds (Combined Venue Tax and License Revenues), Series 2008B”, \$5,525,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Combined Venue Tax), Series 2008C”, and \$5,985,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Motor Vehicle Rental Tax), Series 2008D” (collectively, the “Outstanding 2008 Project Bonds”) for the purposes of refunding and restructuring, in their entirety, the 2000 Bonds and for financing a portion of the costs of completing the 2008 Project.

On December 17, 2009, the County issued its \$23,020,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Combined Venue Tax), Series 2009” and its \$27,870,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Motor Vehicle Rental Tax), Series 2009” for the primary purpose of financing the completion of a portion of the costs of the 2008 Project.

On December 14, 2010, the County issued its \$39,695,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2010” and its \$27,365,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Motor Vehicle Rental Tax), Series 2010” for the primary purpose of refinancing separate series of subordinate lien obligations that were originally issued as interim financing, the proceeds from which were be used for the completion of a portion of the costs of the 2008 Project.

On July 31, 2012, the County issued its \$20,000,000 “Bexar County, Texas Tax-Exempt Venue Project Subordinate Lien Revenue Bonds (Combined Venue Tax), Series 2012” (the “2012 CVT Subordinate Lien Bonds”). On August 30, 2012, the County also issued its \$71,500,000 “Bexar County, Texas Tax-Exempt Venue Project Subordinate Lien Revenue Bonds (Combined Venue Tax), Series 2012A” (the “2012A CVT Subordinate Lien Bonds” and, together with the 2012 CVT Subordinate Lien Bonds, the “2012 CVT Subordinate Lien Obligations”). In addition, on July 31, 2012, the County issued its \$25,000,000 “Bexar County, Texas Tax-Exempt Venue Project Subordinate Lien Revenue Bonds (Motor Vehicle Rental Tax), Series 2012”, (the “2012 MVRT Subordinate Lien Obligations”). The 2012 CVT Subordinate Lien

Obligations and the 2012 MVRT Subordinate Lien Obligations were issued by the County for the primary purpose of providing interim financing for the completion of a portion of the 2008 Project.

On January 23, 2012, the County issued its \$92,190,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2013” and its \$25,880,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Motor Vehicle Rental Tax), Series 2013” for the primary purpose of refinancing separate series of subordinate lien obligations issued as interim financing, the proceeds from which were used for the completion of a portion of the costs of the 2008 Project.

On November 18, 2015, the County issued is \$78,935,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2015” for the primary purpose of refinancing subordinate lien obligations issued as interim financing for the completion of a portion of the 2008 Project.

Upon issuance of the Bonds, and the refunding of the Refunded Bonds there will be outstanding \$296,960,000\* in Combined Venue Tax Bonds (hereafter defined) and \$75,360,000\* in Motor Vehicle Rental Tax Bonds (hereafter defined). In addition to the foregoing, the County has, from 2009 through 2013, issued several series of certificates of obligation, payable from and secured by the County’s levy and collection of ad valorem taxes and not the Venue Taxes, for the purpose (in part) of providing additional funds to finance the costs associated with certain San Antonio River flood control improvements that were originally included in the list of 2008 Combined Venue Tax Projects.

As of the date of initial delivery of the Bonds, the following obligations of the County (which includes the “Tax- Exempt Combined Venue Tax Bonds,” the “Taxable Combined Venue Tax Bonds” identified below, collectively, the “Combined Venue Tax Bonds”, and the “Motor Vehicle Rental Tax Bonds”) secured by Venue Taxes will remain outstanding:

<b>Tax-Exempt Combined Venue Tax Bonds<sup>(1)(2)</sup></b>	<b>Outstanding Principal (\$)</b>
Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2008A	-0 <sup>-(1)(2)</sup>
Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Combined Venue Tax), Series 2008C	-0 <sup>-(1)(2)</sup>
Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Combined Venue Tax), Series 2009	-0 <sup>-(1)(2)</sup>
Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2010	520,000 <sup>(1)(2)</sup>
Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2013	90,940,000
Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2015	75,305,000
Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2019	<u>92,705,000<sup>(2)</sup></u>
Total Outstanding Combined Venue Tax Bonds	<u>259,470,000</u>

(1) Excludes the Refunded Bonds.

(2) Preliminary, subject to change.

<b>Taxable Combined Venue Tax Bonds</b>	<b>Outstanding Principal (\$)</b>
Bexar County, Texas Taxable Venue Project Revenue Refunding Bonds (Combined Venue Tax and License Revenues), Series 2008B	<u>37,490,000</u>
Total Outstanding Taxable Bonds:	<u>37,490,000</u>

<b>Motor Vehicle Rental Tax Bonds<sup>(1)</sup></b>	<b>Outstanding Principal (\$)</b>
Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Motor Vehicle Rental Tax), Series 2008D	-0 <sup>-(1)(2)</sup>
Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Motor Vehicle Rental Tax), Series 2009	-0 <sup>-(1)(2)</sup>
Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Motor Vehicle Rental Tax), Series 2010	360,000 <sup>(1)(2)</sup>
Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Motor Vehicle Rental Tax), Series 2013	23,900,000
Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding (Motor Vehicle Rental Tax), Series 2019	51,370,000 <sup>(2)</sup>
Total Outstanding Motor Vehicle Rental Tax Bonds	<u>75,360,000</u>

(1) Excludes the Motor Vehicle Rental Tax Refunded Bonds.

(2) Preliminary, subject to change.

\*Preliminary, subject to change.

## **Additional Obligations**

**General.** In the Order, the County has reserved the right to issue additional obligations payable from and secured by, in whole or in part, County revenues securing any series of Combined Venue Tax Bonds or Motor Vehicle Rental Tax Bonds. Such additional obligations may be issued (i) from time to time, as determined by the County, (ii) in fixed or variable rate mode, and (iii) to provide additional funds to complete the 2008 Project or for any other lawful purpose. The County expects with this issuance that no additional revenue obligations on parity with the Combined Venue Tax Bonds and/or the Motor Vehicle Rental Tax Bonds will be issued as the County considers the 2008 Project as complete. The Bonds, issued as Additional Combined Venue Tax Bonds and Additional Motor Vehicle Rental Tax Bonds, respectively, under the County's orders authorizing the issuance of the Outstanding Combined Venue Tax Bonds, coupled with the refunding of the Refunded Bonds, represents the completion of the fifth and final installment of long-term indebtedness authorized at the 2008 Venue Election. With the issuance of the fifth installment of financing, the County has completed financing for portions of all projects authorized under Propositions 1, 2, 3, and 4 at the 2008 Venue Election.

**Additional Parity Bonds.** Additional obligations payable from and secured by a pledge of and lien on the County revenues securing any Combined Venue Tax Bonds on parity with the lien thereon and pledge thereof securing the repayment of any series of Combined Venue Tax Bonds or secured by and payable from a parity lien on and pledge of the Motor Vehicle Rental Tax revenues securing the repayment of the Motor Vehicle Rental Tax Bonds, as applicable, may be issued by the County upon satisfaction of each of the following conditions:

- (1) *Certificate Evidencing No Default and No Deficiency in Account or Fund Balances.* A duly authorized County representative has executed a certificate stating that (a) except for a refunding to cure a default, or the deposit of a portion of the proceeds of any contemplated indebtedness to satisfy the County's obligations, under any order authorizing Outstanding Combined Venue Tax Bonds, the County is not at such time in default as to any covenant, obligation, or agreement contained in any order or other proceedings relating to any obligations of the County payable from and secured by a lien on and pledge of the County revenues that the County will also pledge as security for the contemplated issuance of additional bonds and (b) all payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the County revenues that the County will also pledge as security for the contemplated issuance of additional bonds have been duly made and that the amounts on deposit in such special funds or accounts are the amounts then required to be deposited therein.
- (2) *Coverage Certificate or Rating Service Confirmation.* With respect to any additional bonds other than additional bonds issued to refund Outstanding Combined Venue Tax Bonds for the purpose of realizing debt service savings (determined, individually by series of Combined Venue Tax Bonds to be refunded, on a gross savings basis), (a) a duly authorized representative of the County shall have executed a certificate to the effect that, according to the books and records of the County, the County revenues to be pledged as security for the contemplated additional bonds shall be, for the preceding Fiscal Year or for any 12 consecutive months out of the 18 months immediately preceding the month the order authorizing the contemplated additional bonds is adopted (determined without regard to revenue received by the County under any interest rate hedge agreement entered into in connection with the Outstanding Combined Venue Tax Bonds or the contemplated additional bonds), at least equal to 125% of the average annual Debt Service Requirements for all obligations of the County payable from or secured by, in whole or in part, a lien on and pledge of the County revenues that the County will also pledge as security for the contemplated issuance of additional bonds, after giving effect to such issuance of additional bonds (in making a determination that the County has satisfied this prerequisite to the issuance of additional bonds, such authorized County representative may consider in its calculations uncommitted or unrestricted amounts on deposit in the Capital Improvement and Coverage Account), or (b) in lieu of the aforementioned certificate, the duly authorized representative of the County may deliver to the Paying Agent/Registrar (I) written confirmation from the Rating Services to the effect that the proposed action or inaction would not result in a downgrade, withdrawal, or qualification of the then applicable ratings on the bonds that are secured by and payable from, in whole or in part, the County revenues to be pledged as security for the contemplated additional bonds that will remain Outstanding after the issuance of the contemplated additional bonds and (II) evidence from each Rating Service then providing a rating on the aforementioned Outstanding Combined Venue Tax Bonds that the rating (enhanced or unenhanced) to be initially assigned to the contemplated additional bonds shall at least equal that which is then-assigned to such Outstanding Combined Venue Tax Bonds.
- (3) *Debt Service Deposits.* The order authorizing the issuance of the contemplated additional bonds shall provide for monthly deposits to be made to a debt service fund for such obligations in amounts sufficient to pay the additional bonds when due.

**Subordinate Lien Obligations.** In addition to additional parity lien bonds, the County may, at its option and from time to time for any lawful purpose, issue obligations payable from and secured by an inferior and subordinate lien on and pledge of all or part of any County revenues theretofore pledged as security for the repayment of any Combined Venue Tax Bonds to remain Outstanding after the issuance of the contemplated subordinate lien obligations. Such inferior obligations shall have the characteristics and be subject to the terms and conditions as determined by the County.

## THE BONDS

### General Description

The Bonds will be dated July 1, 2019 (the "Dated Date") and will be issued in principal denominations of \$5,000 or any integral multiple thereof. The Bonds bear interest from such date at the stated interest rates indicated on page ii hereof. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and is payable on February 15, 2020, and each August 15 and February 15 thereafter, until the earlier of stated maturity or prior redemption.

Interest on the Bonds is payable to the registered owners appearing on the bond registration books of the Paying Agent/Registrar (the "Register") on the Record Date (identified below) and such interest shall be paid by the Paying Agent/Registrar (i) by check sent by United States mail, first class, postage prepaid, to the address of the registered owner recorded in the Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. The principal of the Bonds is payable at stated maturity or redemption upon their presentation and surrender to the Paying Agent/Registrar. The Bonds will be issued only in fully registered form in denominations of \$5,000 or any integral multiple thereof.

If the date for any payment due on any Bond is a Saturday, Sunday, legal holiday, or day on which banking institutions in the city in which the designated corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date payment was due.

Initially, the Bonds will be registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Notwithstanding the foregoing, as long as the Bonds are held in the Book-Entry-Only System, principal of, premium (if any), and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry-Only System" herein.

### Security for Payment

The Bonds are special, limited obligations of the County that are payable solely from, and secured solely by a lien on and pledge of, certain County revenues, as further described and defined herein. See "SECURITY AND SOURCE OF PAYMENT" herein.

The Bonds are payable solely from and secured by the liens on and pledges of the County revenues as provided in the Order, on parity with the outstanding Combined Venue Tax Bonds and any Additional Combined Venue Tax Bonds hereafter issued, and not from any other revenues, properties, or income of the County. Neither the State of Texas (the "State") nor any political corporation, subdivision, or agency thereof (other than the County) will be obligated to pay the Bonds or interest thereon, and neither the faith and credit nor the ad valorem taxing power of the State or any political corporation, subdivision, or agency thereof (including the County) is pledged to the payment of principal of or interest on the Bonds. No mortgage on any Venue Project (defined herein) or any other County property is created by the Order.

### Perfection of Security Interest

Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds and the respective revenue pledges granted by the County as security therefor, and such pledges are therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the revenue pledges granted by the County are to be subject to the filing requirements of Chapter 9, as amended, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in the applicable pledge, the County has agreed to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code, and enable a filing to perfect the security interest in the described revenue pledges to occur.

### Redemption

*Optional Redemption.* The Bonds maturing on or after \_\_\_\_\_ may be redeemed, in whole or in part, prior to stated maturity at the County's option on \_\_\_\_\_, or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption.

### Mandatory Sinking Fund Redemption

The Bonds maturing on August 15 in each of the years \_\_\_\_ and \_\_\_\_ (the "Term Bonds") are subject to mandatory redemption in part prior to maturity at the price of par plus accrued interest to the mandatory redemption date on the date and in the principal amount as follows:

Term Bonds Maturing August 15,		Term Bonds Maturing August 15,	
Redemption Date (8/15)	Principal Amount	Redemption Date (8/15)	Principal Amount

\* Stated maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions will be reduced, at the option of the County, by the principal amount of any Term Bonds of such stated maturity which, at least 45 days prior to the mandatory redemption date (1) will have been defeased or acquired by the County and delivered to the Paying Agent/Registrar for cancellation, (2) will have been purchased and canceled by the Paying Agent/Registrar at the request of the County with money in the Bond Fund, or (3) will have been redeemed pursuant to the optional redemption provisions set forth in the Order (and described above) and not theretofore credited against a mandatory redemption requirement.

*Selection of Bonds for Redemption.* The Bonds are redeemable in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, and if redeemed within a Stated Maturity, selected at random and by lot by the Paying Agent/Registrar.

*Notice of Redemption.* Not less than 30 days prior to a redemption date for the Bonds, the County must cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each such registered owner of a Bond to be redeemed, in whole or in part, at the address of the registered owner appearing on the Register at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE OF REDEMPTION SO MAILED WILL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER RECEIVED BY THE HOLDER. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been given as herein above provided, such Bond (or the principal amount thereof to be redeemed) will become due and payable and interest thereon will cease to accrue from and after the redemption date thereof, provided money sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

In the Order, the County reserves the right, in the case of an optional redemption, to give notice of its election or direction to redeem the Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the County retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the County delivers a certificate of the County to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such redemption notice and redemption will be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar will give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bond subject to conditional notice of redemption where such redemption has been rescinded will remain Outstanding, and the rescission of such redemption will not constitute an event of default under the Order. Further, in the case of a conditional notice of redemption, the failure of the County to make moneys and/or authorized securities available in part or in whole on or before the redemption date will not constitute an event of default under the Order.

All notices of redemption must (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, will become due and payable on the redemption date specified, and the interest thereof, or on the portion of the principal amount thereof to be redeemed, will cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, will be made at the designated corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the registered owner.

#### **Notices of Redemption and Amendments through DTC**

The Paying Agent/Registrar and the County, so long as a Book-Entry-Only System is used for the Bonds will send any notice of redemption, notice of proposed amendment to the Order, or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owners, will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the County will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with the rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds for the beneficial owners. Any such selection of Bonds to be redeemed will not be governed by the Order and will not be conducted by the County or the Paying Agent/Registrar. None of the County, the Paying Agent/Registrar, nor the Underwriters will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments of the Bonds or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Bonds for redemption. (See "THE BONDS – Book-Entry-Only System" herein.)

#### **Book-Entry-Only System**

*The following describes how ownership of the Bonds is to be transferred and how the principal of, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information under this subcaption concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County, the Co-Financial Advisors and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

*The County and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners (defined below), or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are*

*on file with the United States Securities and Exchange Commission ("SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.*

**General.** The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry-only system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC [nor its nominee], the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent/Registrar. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, physical certificates for each maturity of the Bonds are required to be printed and delivered.

**Use of Certain Terms in Other Sections of This Official Statement.** In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Order will be given only to DTC.

**Effect of Termination of Book-Entry-Only System.** In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the County, printed physical certificates will be issued to the respective holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Order and summarized under the caption “REGISTRATION, TRANSFER AND EXCHANGE” below.

### **Defeasance**

Any Bond will be deemed paid and will no longer be considered to be outstanding within the meaning of the Order when payment of the principal of, redemption premium (if any), and interest on such Bond to its stated maturity or redemption date will have been made or will have been provided by depositing with the Paying Agent/Registrar, or an authorized escrow agent, (1) cash in an amount sufficient to make such payment, (2) Government Obligations (defined herein) certified with respect to a net defeasance, by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, or (3) a combination of money and Government Obligations together so certified sufficient to make such payment; provided however, that no certification by an independent accounting firm of the sufficiency of deposits shall be required in connection with a gross defeasance of the Bonds. The County has additionally reserved the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Obligations for the Government Obligations originally deposited, to reinvest the uninvested money on deposit for such defeasance and to withdraw for the benefit of the County money in excess of the amount required for such defeasance.

The Order provides that the term “Government Obligations” means the (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas (“the State”) as eligible for use to accomplish the discharge of obligations such as the Bonds. There is no assurance that the ratings for United States Treasury securities acquired to defease any Bonds, or those for any other Government Obligations, will be maintained by any particular rating category. Further, there is no assurance that current State law will not be amended in a manner that expands or contracts the list of permissible Government Obligations (such list consisting of those securities identified in clauses (i) through (iii) above), or any rating requirement thereon, that may be purchased with defeasance proceeds relating to the Bonds (“Defeasance Proceeds”), though the County has reserved the right to utilize any additional securities for such purpose in the event the aforementioned list is expanded. Because the Order does not contractually limit such permissible defeasance securities and expressly recognizes the ability of the County to use lawfully available Defeasance Proceeds to defease all or any portion of the Bonds, Registered Owners of Bonds are deemed to have consented to the use of Defeasance Proceeds to purchase such other defeasance securities, notwithstanding the fact that such defeasance securities may not be of the same investment quality as those currently identified under State law as permissible defeasance securities.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid, and the County shall have no further ability to amend the Order or redeem the Bonds prior to their stated maturity. After firm banking and financial arrangements for the discharge and final payment of the Bonds have been made as described above, all rights of the County to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the County has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption at an earlier date those Bonds which have been defeased to their stated maturity date, if the County (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption, (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

### **Amendments**

The County may amend the Order without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the County may, with the written consent of the owners of a majority in aggregate principal amount of the Bonds then outstanding, amend, add to, or rescind any of the provisions of the Order; except that, without the consent of all of the registered owners of the Bonds then outstanding, no such amendment, addition, or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, or the rate of interest thereon, the redemption price therefor, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the percentage of the aggregate principal amount of Bonds required to be owned for consent to any amendment, addition, or waiver.

## **Defaults and Remedies**

If the County defaults in the payment of principal, interest, or redemption price of or on the Bonds, as applicable, when due, or if it fails to make payments into any fund or funds created in the Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Order, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Bonds, if there is no other available remedy at law to compel performance of the Bonds or Order and the County's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the bond owners upon any failure of the County to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. Texas counties are generally immune from suits for money damages for breach of contracts under the doctrine of sovereign immunity. The Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the State legislature has effectively waived the County's sovereign immunity from a suit for money damages, bond owners may not be able to bring such a suit against the County for breach of the Bonds or the Order covenants. Because it is unclear whether the Texas legislature has effectively waived the County's governmental immunity from a suit for money damages outside of Chapter 1371, registered owners may not be able to bring such a suit against the County for breach of the Bonds or covenants in the Order. Even if a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County's property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the lien on the County revenues securing the Bonds to pay the principal of and interest on such Bonds. Furthermore, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues (such as the County revenues securing the Bonds), such provision is subject to judicial construction. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondholders of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Order and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors and general principles of equity that permit the exercise of judicial discretion.

## **Payment Record**

The County has never defaulted on the payment of its bonded indebtedness.

## **Legality**

The Bonds are offered for delivery when issued and received by the initial purchasers thereof (the "Underwriters") subject to the approving opinion the Attorney General of the State and the approval of certain legal matters by Bracewell LLP, Bond Counsel, San Antonio, Texas. The legal opinion of Bond Counsel will be printed on or attached to Bonds of the corresponding series. A form of Bond Counsel's legal opinion appears in Appendix E attached hereto.

## **Delivery**

When issued; anticipated on or about July 25, 2019.

## **BOND INSURANCE**

The County is considering qualifying the Bonds for municipal bond insurance and has made application to municipal bond insurance companies to have the payment of the principal of and the interest on the Bonds insured by a municipal bond guaranty policy. The County will consider the purchase of bond insurance after analyzing the financial benefit based upon the bids received. The County shall notify the Underwriters upon obtaining a commitment from a bond insurance company concerning this matter. The final Official Statement shall disclose, to the extent necessary, any relevant information relating to this municipal bond insurance policy.

## **BOND INSURANCE GENERAL RISKS**

If the County chooses to purchase a municipal bond insurance policy (the "Policy"), the following risk factors related to municipal insurance policies will generally apply.

In the event of default of the scheduled payment of principal of or interest on the Bonds when all or a portion thereof becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. The Payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the County which is recovered by the County from the owner of a Bond as voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Policy provider (the "Insurer") at such time and in such amounts as would have been due absent such prepayment by the County (unless the Insurer chooses to pay such amounts at an earlier date).



Payment of principal of and interest on the Bonds is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist (see “THE BONDS – Defaults and Remedies” herein). The Insurer may direct the pursuit of available remedies, and generally must consent to any remedies available to and requested by the Bond owners. Additionally, the Insurer’s consent may be required in connection with amendment to the applicable Order pursuant to which such Bond is issued. In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the pledge of County revenues, as made in the Order, therefore, as described herein under “SECURITY AND SOURCE OF PAYMENT”. In the event the Insurer becomes obligated to make payment with respect to the Bonds, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Bonds.

If a policy is acquired, the enhanced long-term ratings on the Bonds will be dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the ratings on the Bonds, whether or not subject to a Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Bonds. See the disclosure described in “RATINGS” herein.

The obligations of the Insurer under a Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the County, the Co-Financial Advisors, nor the Underwriters have made independent investigation into the claims paying ability of any Insurer and no assurance or representation regarding the financial strength or projected financial strength of any Insurer is given.

## **REGISTRATION, TRANSFER, AND EXCHANGE**

### **Paying Agent/Registrar**

The initial Paying Agent/Registrar is Zions Bancorporation National Association, Amegy Bank Division, Houston, Texas. The Bonds will be issued in fully registered form in multiples of \$5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. If the Bonds are not held in the Book-Entry-Only System, interest on the Bonds will be paid by check or draft mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Register on the Record Date (see “REGISTRATION, TRANSFER, AND EXCHANGE – Record Date” herein) or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Principal of the Bonds will be paid to the registered owner at stated maturity or earlier redemption upon presentation to the Paying Agent/Registrar. If the date for the payment of the principal of or interest on, the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

### **Successor Paying Agent/Registrar**

The County covenants that until the Bonds are paid it will at all times maintain and provide a paying agent/registrar. In the Order, the County retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the County, the new Paying Agent/Registrar must accept the previous Paying Agent/Registrar’s records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the County must be a bank, trust company, financial institution or other entity duly qualified and legally authorized to serve and perform the duties of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the County will promptly cause a notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall give the address of the new Paying Agent/Registrar.

### **Record Date**

The record date (“Record Date”) for determining the registered owner entitled to the receipt of payment of interest on a Bond on any interest payment date is the last business day of the month next preceding each interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

### **Registration, Transferability and Exchange**

In the event the Book-Entry-Only System is discontinued, printed certificates will be issued to the registered owners of the Bonds and thereafter the Bonds may be transferred, registered, and assigned on the Register only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar in lieu of the Bonds being transferred or exchanged at the designated office of the Paying Agent/Registrar, or sent by United States registered mail to the new registered owner at the registered owner’s request, risk and expense. New Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer will be in denominations of \$5,000 for any one stated maturity or any integral multiple

thereof and for a like aggregate principal amount and at the same maturity or maturities as the Bond or Bonds surrendered for exchange or transfer.

Neither the County nor the Paying Agent/Registrar will be required to transfer or exchange any Bonds (i) during a period beginning at the close of business on any Record Date and ending with the next interest payment date or (ii) with respect to any Bonds or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. See “THE BONDS – Book-Entry-Only System” herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

### **Replacement Bonds**

If any Bond is mutilated, destroyed, stolen or lost, a new Bond of like kind and in the same amount as the Bond so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Bond, such new Bond will be delivered only upon surrender and cancellation of such mutilated Bond. In the case of any Bond issued in lieu of and in substitution for a Bond which has been destroyed, stolen, or lost, such new Bond will be delivered only (a) upon filing with the County and the Paying Agent/Registrar evidence satisfactory to establish to the County and the Paying Agent/Registrar that such Bond has been destroyed, stolen or lost and proof of the ownership thereof, and (b) upon furnishing the County and the Paying Agent/Registrar with Bond or indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond must comply with such other reasonable regulations as the Paying Agent/Registrar may prescribe and pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

## **SECURITY AND SOURCE OF PAYMENT**

### **General**

The Bonds are special, limited obligations of the County that are payable solely from, and secured solely by a lien on and pledge of, certain County revenues, as further described and defined below. Specifically, the Bonds are payable solely from, and secured solely by a lien on and pledge of, the Pledged Revenues (defined below).

UNDER THE ORDER, THE BONDS, INCLUDING INTEREST PAYABLE THEREON, AND ON PARITY WITH THE OUTSTANDING COMBINED VENUE TAX BONDS AND ANY ADDITIONAL COMBINED VENUE TAX BONDS HEREAFTER ISSUED, CONSTITUTE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM, AND SECURED SOLELY BY A LIEN ON AND PLEDGE OF, THE PLEDGED REVENUES, AS PROVIDED IN THE ORDER AND AS DESCRIBED IN THIS OFFICIAL STATEMENT. THE BONDS DO NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF TEXAS, AND THE OWNERS THEREOF WILL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OUT OF ANY FUNDS RAISED OR TO BE RAISED BY ANY SYSTEM OF AD VALOREM TAXATION. IN ADDITION, THE ORDER DOES NOT CREATE A MORTGAGE ON ANY VENUE PROJECT OR ANY OTHER PROPERTY OF THE COUNTY.

### **Revenue Pledges**

**General.** The “Pledged Revenues” consist of (i) a first and prior lien on the Hotel Occupancy Tax revenues received by the County less any amounts withheld by persons in payment of costs of collection to the extent permitted by the order of the Court imposing and/or extending such Hotel Occupancy Tax, which lien on and pledge of revenues is on parity with the lien on and pledge of such revenues included in Enhanced Pledged Revenues (which secure the Taxable Bonds), (ii) a junior and subordinate lien on the Motor Vehicle Rental Tax revenues received by the County less any amounts withheld by persons in payment of costs of collection to the extent permitted by the order of the Court imposing and/or extending such Motor Vehicle Rental Tax, which lien on and pledge of revenues is on parity with the lien on and pledge of such revenues included in Enhanced Pledged Revenues (which secure the Taxable Bonds), and (iii) such other money, income, revenues or other property as may be specifically included in such term in a supplemental order or indenture.

The inclusion of a junior lien on and pledge of the Motor Vehicle Rental Tax with respect to the Pledged Revenues represents a lien on and pledge of such Motor Vehicle Rental Tax revenues that is inferior and subordinate to the lien thereon and pledge thereof securing the repayment of the Motor Vehicle Rental Tax Bonds. See “SECURITY AND SOURCE OF PAYMENT – Flow of Funds” for a description of the payment priorities relating to the Pledged Revenues.

**The Hotel Occupancy Tax.** Chapter 334 authorizes the County to impose the Hotel Occupancy Tax on persons who, under a lease, concession, permit, right of access, license, contract, or agreement, pay for the use or possession of a hotel room within the boundaries of the County that costs \$2 or more each day and is ordinarily used for sleeping. The Hotel Occupancy Tax equals 1.75% of the consideration paid to the hotel for the right to use or possess the room. Under Chapter 334, “hotel” means any building or buildings in which the public may, for consideration, obtain sleeping accommodations. The term includes hotels, motels, tourist homes, tourist houses, tourist courts, bed and breakfasts, lodging houses, inns, rooming houses, or other buildings where rooms are furnished for a consideration, but does not include hospitals, sanitariums, certain housing facilities owned or leased and operated by an institution of higher education, or nursing homes. The consideration paid for the room, for purposes of Chapter 334, includes the cost of the room only if the room is one ordinarily used for sleeping, and does not include the cost of any food served or personal services rendered to the occupant of such room not related to the cleaning and readying of such room for occupancy. To be subject to the Hotel Occupancy Tax, the occupant’s use, possession, or right to the use or possession of the sleeping room must be for a period of less than 30 consecutive days.

In addition to the 1.75% Hotel Occupancy Tax, a 15.00% occupancy tax is charged to all short-term (30 days or less) room rentals in a substantial portion of the County costing \$2 or more per day. The combined 16.75% occupancy tax is composed of the following: (i) a 6% hotel occupancy tax imposed by the State, (ii) a 9% hotel occupancy tax imposed by the City of San Antonio, Texas (the “City”), and (iii) the

1.75% Hotel Occupancy Tax. (Most other municipalities located within the County are authorized to levy a hotel occupancy tax at the maximum rate of 7%.) The aggregate occupancy tax rate in the County is relatively high among major US. Cities.

The County’s receipts derived from the levy of the Hotel Occupancy Tax constitute a portion of the Pledged Revenues and the Enhanced Pledged Revenues. For a discussion of the County’s projected Hotel Occupancy Tax collections, see “MARKET FACTORS AND THE VENUE TAXES”.

The County has contracted with the City to obtain its services as assessor and collector of the County’s Hotel Occupancy Tax. The County has agreed to compensate the City for the collection of the Hotel Occupancy Tax in an amount equal to 0.5% of all Hotel Occupancy Taxes collected on behalf of the County, not to exceed \$50,000 in any calendar year (the “Collection Fee”). Hotels and other eligible vendors of sleeping accommodations are required to collect the Hotel Occupancy Tax at the time room charges are received from patrons and remit such taxes to the Division of Treasury of the City. The total Hotel Occupancy Tax collections, less the Collection Fee, are required to be paid over to the County by the fifth day of the subsequent month after receipt by the City. The City has agreed to prepare quarterly reports of collection activity for the County. The City has been collecting the Hotel Occupancy Tax on the County’s behalf since its inception.

**Hotel Occupancy Tax Net Collections – Bexar County, Texas (Fiscal Year Ending September 30)** **Table 1**

Months	2008 (\$)	2009 (\$)	2010 (\$)	2011 (\$)	2012 (\$)	2013 (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
October	1,104,864	1,082,309	798,248	1,088,207	1,083,730	1,237,491	1,195,578	1,261,597	1,292,184	1,451,261	1,516,320
November	1,007,364	1,112,645	1,012,343	937,416	604,482	479,660	652,404	985,163	1,131,313	1,065,706	940,044
December	837,391	700,557	687,861	880,835	1,334,188	1,526,443	1,637,836	1,340,618	1,252,903	1,449,945	1,585,684 <sup>(1)</sup>
January	923,594	785,000	760,395	874,509	925,762	977,229	1,000,908	1,106,389	1,157,917	1,219,941	1,256,786
February	1,087,036	918,109	998,799	1,024,097	1,037,211	1,193,353	1,283,590	1,441,302	1,539,946	1,520,410	1,541,217
March	1,377,319	1,105,491	1,243,993	1,316,792	1,931,955	1,831,463	1,688,445	1,689,777	1,741,634	2,015,343	2,423,332
April	1,386,060	1,018,727	1,131,892	1,340,156	1,384,273	1,443,176	1,569,782	1,696,358	1,592,212	1,856,967	1,981,073
May	1,222,085	967,641	1,115,352	1,060,984	1,279,427	1,289,110	1,376,040	1,275,258	1,554,457	1,466,831	1,614,456
June	1,209,844	1,094,613	1,185,548	1,130,898	1,474,944	1,570,065	1,616,196	1,441,394	1,626,932	1,672,099	1,742,379
July	1,376,718	1,177,435	1,415,213	1,417,041	1,484,141	1,621,183	1,638,145	2,052,221	1,839,271	1,799,543	1,875,067
August	1,156,661	868,341	929,316	1,328,957	1,240,062	1,238,389	1,485,312	1,320,143	1,397,466	1,310,463	1,460,114
September	999,404	737,489	992,037	1,066,999	1,112,127	1,085,644	1,083,551	1,186,435	1,237,720	1,294,289	1,320,320
	<u>13,688,340</u>	<u>11,568,357</u>	<u>12,270,998</u>	<u>13,466,892</u>	<u>14,352,302</u>	<u>15,493,206</u>	<u>16,227,787</u>	<u>16,796,654</u>	<u>17,363,957</u>	<u>18,122,799</u>	<u>19,256,791</u>

<sup>(1)</sup>City offices closed last week of December. January totals will have an extra week.

**The Motor Vehicle Rental Tax.** Chapter 334 authorizes the County to impose the Motor Vehicle Rental Tax on the rental within the County of a motor vehicle designed principally to transport persons or property on a public roadway for which such rental is not longer than 30 days. The Motor Vehicle Rental Tax is equal to 5% of the gross rental receipts from the rental of a motor vehicle in the County. Under Chapter 334, “motor vehicle” means a self-propelled vehicle designed principally to transport persons or property on a public roadway and includes a passenger car, van, station wagon, sports utility vehicle, and truck. The term “motor vehicle” does not include a trailer, semi-trailer, house trailer, truck having a manufacturer’s rating of more than one-half ton or road building machine, a device moved only by human power, a device used exclusively on stationery rails, farm machinery, or a mobile office. For the purposes of Chapter 334, “rental” means an agreement by the owner of a motor vehicle to authorize for not longer than 30 days the exclusive use of that vehicle to another for consideration. Auto rental establishments are required to collect the Motor Vehicle Rental Tax at the time the owner of the motor vehicle receives a rental payment.

The State presently imposes a statewide 10.00% vehicle rental tax on all short-term motor vehicle rentals (30 days or less) and a 6.25% vehicle rental tax on long-term rentals (over 30 days but under 180 days).

The County’s receipts derived from the levy of the Motor Vehicle Rental Tax constitute a portion of the Pledged Revenues. For a discussion of the County’s projected Motor Vehicle Rental Tax collections, see “MARKET FACTORS AND THE VENUE TAXES” herein.

The County has contracted with the Office of the Comptroller of Public Accounts of the State (the “Comptroller”) to provide services to the County as the collector of the Motor Vehicle Rental Tax. The Comptroller shall be reimbursed by the County for its actual costs associated with collecting the Motor Vehicle Rental Tax, not to exceed \$50,000 annually (the “Comptroller Collection Charges”). The proceeds to the County from the Motor Vehicle Rental Tax shall be reduced by the Comptroller Collection Charges.

The Comptroller collects a statewide motor vehicle rental tax on behalf of the State. Prior to October 1, 1997, collection of Motor Vehicle Rental Taxes by the Comptroller had not been segregated by counties or cities. As a result, the Comptroller has developed information systems to collect the Motor Vehicle Rental Tax on behalf of the County.

On or before the last day of each month, the owners of vehicles that are subject to the Motor Vehicle Rental Tax are required to report and send to the Comptroller the taxes collected on behalf of the County for the preceding month. Pursuant to the agreement between the County and the Comptroller, the Comptroller must send tax returns to taxpayers no later than the tenth day of the month in which the Motor Vehicle Rental

Tax is due. Taxes collected by the Comptroller are required to be remitted to the County by the next day after the date on which the taxes are received by the Comptroller. The Comptroller has been collecting the Motor Vehicle Rental Tax on the County's behalf since its inception.

<b>Months</b>	<b>2008 (\$)</b>	<b>2009 (\$)</b>	<b>2010 (\$)</b>	<b>2011 (\$)</b>	<b>2012 (\$)</b>	<b>2013 (\$)</b>	<b>2014 (\$)</b>	<b>2015 (\$)</b>	<b>2016 (\$)</b>	<b>2017 (\$)</b>	<b>2018 (\$)</b>
October	643,340	666,550	559,416	604,893	641,959	700,929	700,053	794,103	775,357	823,868	840,944
November	614,590	527,658	546,032	592,852	629,810	720,101	680,220	684,960	747,867	791,981	818,041
December	517,842	521,799	505,793	550,062	590,578	606,399	606,212	708,153	724,195	733,402	721,110
January	515,854	501,871	541,080	527,065	570,461	653,303	659,753	689,314	655,402	700,334	717,991
February	565,147	496,667	425,620	540,610	599,799	611,048	629,174	662,189	685,739	701,514	715,623
March	673,218	608,932	731,476	699,122	737,915	772,552	803,987	846,858	854,181	917,600	923,171
April	665,662	592,846	661,241	662,755	738,187	750,761	795,254	842,112	840,997	836,985	912,039
May	571,969	538,504	603,576	626,548	719,087	720,851	765,109	784,721	830,339	831,883	850,224
June	599,277	560,690	608,334	639,223	694,409	701,664	751,394	839,091	964,295	852,264	833,615
July	617,640	596,993	650,929	664,465	696,599	726,537	785,714	854,834	881,303	830,177	899,683
August	608,041	551,662	625,098	670,374	713,538	714,076	765,008	788,747	907,319	818,895	893,599
September	514,537	482,597	559,098	616,380	595,213	624,660	702,970	680,773	787,332	823,533	809,558
	<u>7,097,117</u>	<u>6,646,769</u>	<u>7,017,694</u>	<u>7,394,348</u>	<u>7,927,554</u>	<u>8,302,881</u>	<u>8,644,849</u>	<u>9,175,855</u>	<u>9,754,326</u>	<u>9,662,436</u>	<u>9,935,597</u>

**The Project Fund**

The County has covenanted in the Order that all revenues of every nature received through the collection of the Hotel Occupancy Tax and the Motor Vehicle Rental Tax shall be deposited as received in the "Venue Project Fund", which Fund is to be kept separate and apart from all other funds of the County. Within the Venue Project Fund, the County has created special accounts, into which money deposited to the Venue Project Fund shall be further deposited, as specified in the Order. These special accounts of the County within the Venue Project Fund include the following:

- (1) Motor Vehicle Rental Tax Account;
- (2) Hotel Occupancy Tax Account;
- (3) Motor Vehicle Rental Tax Bonds Debt Service Account;
- (4) Motor Vehicle Rental Tax Bonds Reserve Account;
- (5) Tax-Exempt Combined Venue Tax Bonds Debt Service Account;
- (6) Tax-Exempt Combined Venue Tax Bonds Reserve Account;
- (7) Taxable Bonds Debt Service Account;
- (8) Taxable Bonds Reserve Account;
- (9) Construction Account;
- (10) License Revenues Account;
- (11) General Revenues Account;
- (12) Rebate Account; and
- (13) Capital Improvement and Coverage Account.

See "Excerpts from the Order" attached hereto as Appendix B for a more detailed description of the Venue Project Fund and the accounts and subaccounts created and held therein.

**Flow of Funds**

**The Hotel Occupancy Tax Account.** The County has covenanted to deposit, as received, Hotel Occupancy Tax revenues to the credit of the Hotel Occupancy Tax Account, all of which money has been pledged and appropriated by the County to the extent required to accomplish the hereinafter-described uses. The Paying Agent/Registrar shall, after the Closing Date (unless another time is specified herein), transfer all amounts on deposit in the Hotel Occupancy Tax Account on the fifteenth day of each month (or on the last business day prior thereto if such day is a Saturday, Sunday, or Legal Holiday), to the following accounts and in the following order of priority:

- (1) *First*, (i) to the Tax-Exempt Combined Venue Tax Bonds Debt Service Account (1) an amount equal to 1/6<sup>th</sup> of the total interest payable on the Combined Venue Tax Bonds on the next occurring Interest Payment Date, (2) an amount equal to 1/12<sup>th</sup> of the principal of the Combined Venue Tax Bonds coming due on the next principal payment date, and (3) such other amounts as may be necessary, from time to time, to provide for the timely payment of regularly-scheduled debt service on any Additional Combined Venue Tax Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the County relating to any of the Combined Venue Tax Bonds, which amounts and times for deposit shall be specified in the order of the Court authorizing such additional bonds or Credit Agreement, as applicable, and (ii) to the Taxable Bonds Debt Service Account, after first taking into account any License Revenues theretofore transferred and then on deposit in such debt service account and available for such purpose. (1) an amount equal to 1/6<sup>th</sup> of the total interest payable on the Taxable Bonds on the next occurring Interest Payment Date, (2) an amount equal to 1/12<sup>th</sup> of the principal of the Taxable Bonds coming due on the next principal payment date, and (3) such other amounts as may be necessary, from time to time, to provide for the payment of regularly-scheduled debt service on any Additional Taxable Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the County relating to any of the Taxable Bonds, which amounts and times for deposit shall be specified in the order of

the Court authorizing such additional bonds or Credit Agreement, as applicable; provided, however, that in the event that amounts available from the Hotel Occupancy Tax Account are insufficient to make the requisite deposits to the respective debt service accounts as hereinbefore described, then the amounts that are available shall be divided pro rata between such debt service accounts (determined based on the amount required to be deposited to each debt service account as a percentage of the combined deposit required to be made to both debt service accounts); provided further, however, that the Paying Agent/Registrar shall make the monthly deposits to the identified debt service accounts in the manner described above PRIOR to taking into account any transfers to such debt service accounts made or scheduled to be made for such month from the Motor Vehicle Rental Tax Account pursuant to the Order (and as described under clause *Third* appearing in the subsection captioned "SECURITY AND SOURCE OF PAYMENT – Flow of Funds – The Motor Vehicle Rental Tax Account") for the purpose of satisfying the specified monthly deposit requirements;

- (2) *Second*, to the Tax-Exempt Combined Venue Tax Reserve Account and the Taxable Bonds Reserve Account, the respective amount, if any, specified in the Order with respect to periodic payments to be made to such accounts (see "SECURITY AND SOURCES OF PAYMENT – The Debt Service Reserve Account"); provided, however, that in the event that funds available from the Hotel Occupancy Tax Account are insufficient to fully fund both reserve accounts in the requisite amounts (after taking into account any amounts transferred or scheduled to be made for such month from the Motor Vehicle Rental Tax Account as provided for in the Order (and as described below under the subcaption "The Motor Vehicle Rental Tax Account") and, only with respect to amounts to be deposited to the Taxable Bonds Reserve Account, the License Revenues), such available funds shall be divided pro rata between such reserve accounts (determined based on the amount required to be deposited to each reserve account as a percentage of the combined deposit required to be made to both reserve accounts);
- (3) *Third*, the amount, if necessary, to transfer to the Rebate Account; and
- (4) *Fourth*, to the Excess Revenues Subaccount of the Capital Improvement and Coverage Account.

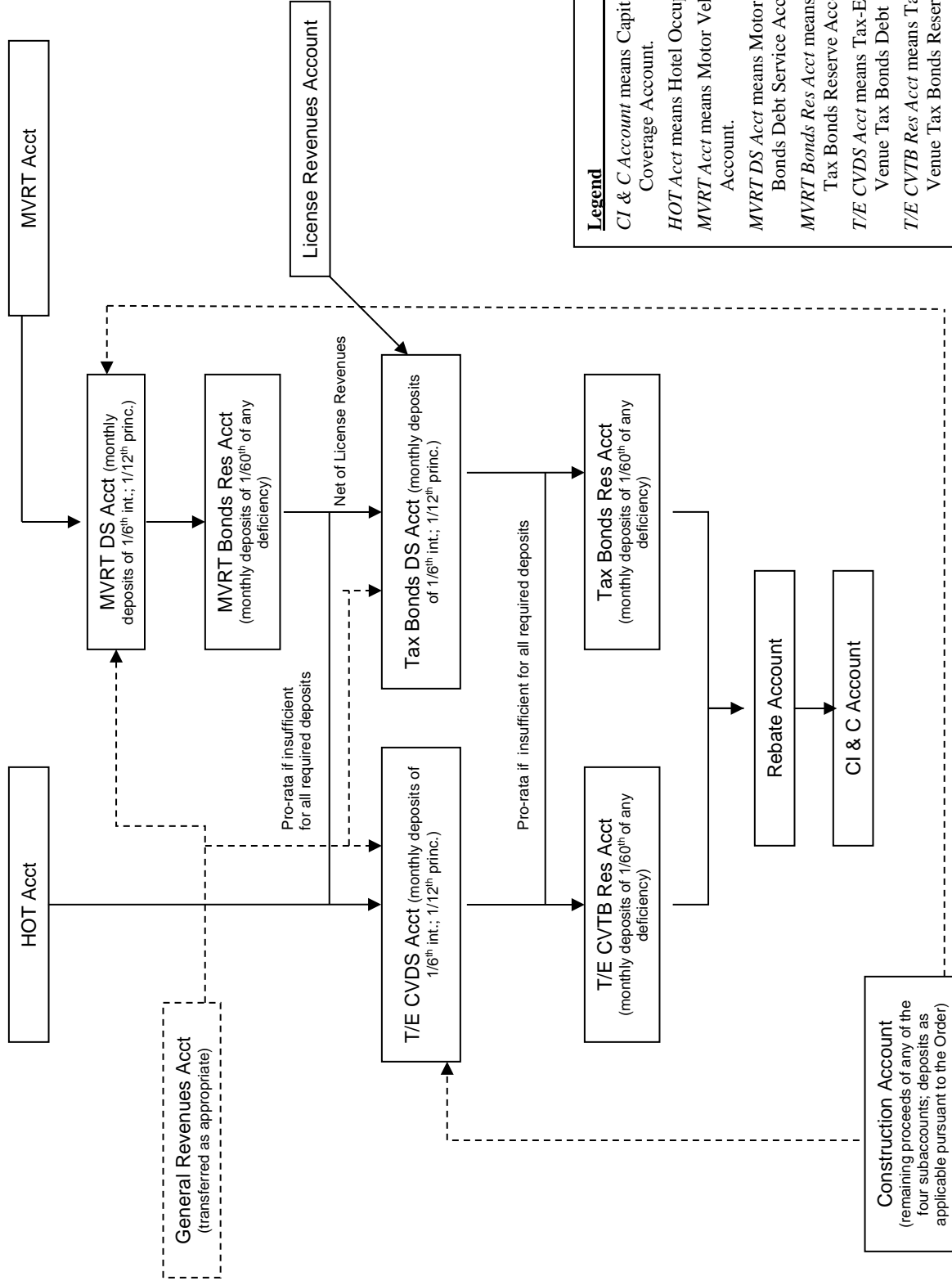
**The Motor Vehicle Rental Tax Account.** The County shall deposit, as received, Motor Vehicle Rental Tax revenues to the credit of the Motor Vehicle Rental Tax Account, all of which money has been pledged and appropriated by the County to the extent required to accomplish the hereinafter-described uses. The Paying Agent/Registrar shall, after the Closing Date (unless another time is specified herein), transfer all amounts on deposit in the Motor Vehicle Rental Tax Account on the fifteenth day of each month (or on the last business day prior thereto if such day is a Saturday, Sunday, or Legal Holiday), to the following accounts and in the following order of priority:

- (1) *First*, to the Motor Vehicle Rental Tax Bonds Debt Service Account (i) an amount equal to 1/6<sup>th</sup> of the total interest payable on the Motor Vehicle Rental Tax Bonds coming due on the next occurring Interest Payment Date, (ii) an amount equal to 1/12<sup>th</sup> of the principal of the Motor Vehicle Rental Tax Bonds coming due on the next principal payment date, and (iii) such other amounts as may be necessary, from time to time, to provide for the timely payment of regularly-scheduled debt service on any Additional Motor Vehicle Rental Tax Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the County relating to either the Motor Vehicle Rental Tax Bonds or any Additional Motor Vehicle Rental Tax Bonds, which amounts and times for deposit shall be specified in the order of the Court authorizing such Additional Motor Vehicle Rental Tax Bonds or Credit Agreement, as applicable;
- (2) *Second*, to the Motor Vehicle Rental Tax Bonds Reserve Account, the amount, if any, specified in the Order with respect to periodic payments to be made to such account (see "Excerpts from the Order" attached hereto as Appendix B);
- (3) *Third*, (i) to the Tax-Exempt Combined Venue Tax Bonds Debt Service Account (1) an amount equal to 1/6<sup>th</sup> of the total interest payable on the Combined Venue Tax Bonds on the next occurring Interest Payment Date, (2) an amount equal to 1/12<sup>th</sup> of the principal of the Combined Venue Tax Bonds coming due on the next principal payment date, and (3) such other amounts as may be necessary, from time to time, to provide for the timely payment of regularly-scheduled debt service on any Additional Combined Venue Tax Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the County relating to any of the Combined Venue Tax Bonds, which amounts and times for deposit shall be specified in the order of the Court authorizing such additional bonds or Credit Agreement, as applicable, and (ii) to the Taxable Bonds Debt Service Account, after first taking into account any License Revenues theretofore transferred and then on deposit in such debt service account and available for such purpose, (1) an amount equal to 1/6<sup>th</sup> of the total interest payable on the Taxable Bonds on the next occurring Interest Payment Date, (2) an amount equal to 1/12<sup>th</sup> of the principal of the Taxable Bonds coming due on the next principal payment date, and (3) such other amounts as may be necessary, from time to time, to provide for the payment of regularly-scheduled debt service on any Additional Taxable Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the County relating to any of the Taxable Bonds, which amounts and times for deposit shall be specified in the order of the Court authorizing such additional bonds or Credit Agreement, as applicable; provided, however, that in the event that amounts available from the Motor Vehicle Rental Tax Account are insufficient to make the requisite deposits to the respective debt service accounts as hereinbefore described, then the amounts that are available shall be divided pro rata between such debt service accounts (determined based on the amount required to be deposited to each debt service account as a percentage of the combined deposit required to be made to both debt service accounts); provided further, however, that prior to making any monthly deposits to the identified debt service accounts in the manner described above, the Paying Agent/Registrar shall first take into account any transfers to such debt service accounts made or scheduled to be made for such month from the sources and in the manner described above under clause *First* of the subsection captioned "SECURITY AND SOURCE OF PAYMENT – Flow of Funds – The Hotel Occupancy Tax Account";

- (4) *Fourth*, to the Tax-Exempt Combined Venue Tax Bonds Reserve Account and the Taxable Bonds Reserve Account, the respective amounts of periodic payments, if any, to be made to such accounts, as specified in the Order (after first taking into account any transfers to such reserve accounts made or scheduled to be made for such month from the sources and in the manner described above under clause *Second* of the subsection captioned “SECURITY AND SOURCE OF PAYMENT – Flow of Funds – The Hotel Occupancy Tax Account”); provided, however, that in the event that funds available from the Motor Vehicle Rental Tax Account are insufficient to fully fund both reserve accounts in the requisite amounts, such available funds shall be divided pro rata between such reserve accounts (determined based on the amount required to be deposited to each reserve account as a percentage of the combined deposit required to be made to both reserve accounts);
- (5) *Fifth*, the amount, if necessary, to transfer to the Rebate Account; and
- (6) *Sixth*, to the Excess Revenues Subaccount of the Capital Improvement and Coverage Account.

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**FLOW OF FUNDS DIAGRAM**



**Legend**

- CI & C Account* means Capital Improvement and Coverage Account.
- HOT Acct* means Hotel Occupancy Tax Account.
- MVRT Acct* means Motor Vehicle Rental Tax Account.
- MVRT DS Acct* means Motor Vehicle Rental Tax Bonds Debt Service Account.
- MVRT Bonds Res Acct* means Motor Vehicle Rental Tax Bonds Reserve Account.
- T/E CVDS Acct* means Tax-Exempt Combined Venue Tax Bonds Debt Service Account.
- T/E CVTB Res Acct* means Tax-Exempt Combined Venue Tax Bonds Reserve Account.
- Tax Bonds DS Acct* means Taxable Bonds Debt Service Account.

### **Tax-Exempt Combined Venue Tax Bonds Debt Service Account**

For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Bonds and the other tax-exempt Combined Venue Tax Bonds, the County has created a special trust account designated the "Tax-Exempt Combined Venue Tax Bonds Debt Service Account", which account is kept and maintained by the Paying Agent/Registrar. Under the Order, the Paying Agent/Registrar is authorized and directed by the County to make withdrawals from the Tax-Exempt Combined Venue Tax Bonds Debt Service Account sufficient to pay the principal of and interest on the Bonds and the other tax-exempt Combined Venue Tax Bonds as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Combined Venue Tax Bonds Debt Service Account an amount sufficient to pay the amount of principal and/or interest falling due on the Bonds and the other tax-exempt Combined Venue Tax Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Bonds and the other tax-exempt Combined Venue Tax Bonds.

### **Tax-Exempt Combined Venue Tax Bonds Reserve Account**

Money on deposit in the Tax-Exempt Combined Venue Tax Bonds Reserve Account shall be used solely and exclusively for the purposes of making transfers to the Tax-Exempt Combined Venue Tax Bonds Debt Service Account in the event the money in such account is not sufficient to make transfers to the Paying Agent/Registrar on the dates and in the full amounts required by the Order. The Tax-Exempt Combined Venue Tax Bonds Reserve Account will maintain a reserve for the payment of the Combined Venue Tax Bonds equal to \$\_\_\_\_\_ (the "Combined Venue Tax Debt Service Reserve Requirement"), representing a decrease of \$\_\_\_\_\_ attributable to the issuance of the Bonds (such increased amount to be deposited to the Tax-Exempt Combined Venue Tax Bonds Reserve Account on the Closing Date from Bond proceeds) which is the average annual Debt Service Requirements on the Combined Venue Tax Bonds (including the Bonds). As of the Closing Date, the Tax-Exempt Combined Venue Tax Bonds Reserve Account is fully funded with a combination of cash and authorized investments. Income derived from the investment of amounts held for the credit of the Tax-Exempt Combined Venue Tax Bonds Reserve Account shall be retained therein. All funds deposited into the Tax-Exempt Combined Venue Tax Bonds Reserve Account shall be used solely for the payment of the principal of and interest on the Combined Venue Tax Bonds, when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last Stated Maturity or Stated Maturities of or interest on the Combined Venue Tax Bonds.

When and for so long as the cash and investments in the Tax-Exempt Combined Venue Tax Bonds Reserve Account equal the Combined Venue Tax Debt Service Reserve Requirement, no deposits need be made to the credit of the Tax-Exempt Combined Venue Tax Bonds Reserve Account; but, if and when the Tax-Exempt Combined Venue Tax Bonds Reserve Account at any time contains less than the Combined Venue Tax Debt Service Reserve Requirement (other than as the result of the issuance of Additional Combined Venue Tax Bonds, the occurrence of which is provided for in the following paragraph), the County has in the Order covenanted and agreed that it shall cure the deficiency in the Combined Venue Tax Debt Service Reserve Requirement by depositing to the credit of the Tax-Exempt Combined Venue Tax Bonds Reserve Account, on a monthly basis commencing in the month immediately succeeding the month in which the subject deficiency is identified and from the revenues, at the times, and in the order of priority specified in the Order (and as described above under "SECURITY AND SOURCE OF PAYMENT – Flow of Funds"), an amount equal to not less than 1/60<sup>th</sup> of the amount of such deficiency. The County shall continue to make such monthly deposits until the balance of the Tax-Exempt Combined Venue Tax Bonds Reserve Account equals the Combined Venue Tax Debt Service Reserve Requirement. The County has further covenanted and agreed that, subject only to the prior payments specified to be made in the Order (and as primarily described above under "SECURITY AND SOURCE OF PAYMENT – Flow of Funds"), the Pledged Revenues shall be applied and appropriated and used to establish and maintain the Combined Venue Tax Debt Service Reserve Requirement and to cure any deficiency in such amounts as required by the terms of the Order and any other order pertaining to the issuance of Additional Combined Venue Tax Bonds.

Upon the issuance of Additional Combined Venue Tax Bonds, the Combined Venue Tax Debt Service Reserve Requirement shall be increased, if required, to an amount equal to the average annual Debt Service Requirements on all Combined Venue Tax Bonds to be Outstanding after giving effect to the issuance of the contemplated series of Additional Combined Venue Tax Bonds. Any additional amount required to be maintained in the Tax-Exempt Combined Venue Tax Bonds Reserve Account as a result of the issuance of such Additional Combined Venue Tax Bonds may, at the option of the County, be satisfied by depositing to the credit of such reserve account (i) at the time of delivery of the contemplated series of Additional Combined Venue Tax Bonds all or a portion of the requisite additional amount (which deposit may be derived from bond proceeds or from any other funds lawfully available to the Issuer); (ii) on a monthly basis commencing in the month immediately succeeding the month in which the subject Additional Combined Venue Tax Bonds are initially delivered and from the revenues, at the times, and in the order of priority specified in the Order (and as described above under "SECURITY AND SOURCE OF PAYMENT – Flow of Funds"), an amount equal to not less than 1/60<sup>th</sup> of the additional amount required to be maintained in the Tax-Exempt Combined Venue Tax Bonds Reserve Account as a result of the issuance of such additional bonds; (iii) a Surety Policy or Policies in accordance with the provisions and in the manner hereinafter specified; or (iv) any combination of the foregoing.

During such time as the Tax-Exempt Combined Venue Tax Bonds Reserve Account contains its Combined Venue Tax Debt Service Reserve Requirement, the County may, at its option, withdraw all surplus funds in the Tax-Exempt Combined Venue Tax Bonds Reserve Account in excess of the Combined Venue Tax Debt Service Reserve Requirement and deposit such surplus in the Tax-Exempt Combined Venue Tax Bonds Debt Service Account; provided, however, that if such surplus is the result of the County's replacement of cash and/or investments on deposit in such reserve account with a Surety Policy or Policies, then the provisions addressing the occurrence of such surplus, as hereinafter specified, shall control.

The County may provide a Surety Policy or Policies issued in amounts equal to all or part of the Combined Venue Tax Debt Service Reserve Requirement in lieu of depositing cash into the Tax-Exempt Combined Venue Tax Bonds Reserve Account; provided, however, that no such Surety Policy may be so substituted unless the substitution of the Surety Policy will not, in and of itself, cause any ratings then assigned to the



Combined Venue Tax Bonds, for whichever series the Surety Policy is being issued, by any Rating Service to be lowered and the County obtains the consent of the insurer, if any. The County has reserved the right to use Pledged Revenues to fund the payment of (1) periodic premiums on the Surety Policy, which (if any) shall be made as a payment obligation arising under a Credit Agreement relating to the applicable series of Bonds, and (2) any repayment obligation incurred by the County (including interest) to the issuer of the Surety Policy, the payment of which will result in the reinstatement of such Surety Policy, prior to making payments required to be made to the Tax-Exempt Combined Venue Bonds Reserve Account pursuant to the applicable provisions of the Order to restore the balance in such account to the Combined Venue Tax Debt Service Reserve Requirement

In the event a Surety Policy issued by a Qualified Surety Bond Provider to satisfy all or a part of the Combined Venue Tax Debt Service Reserve Requirement causes the amount then on deposit in Tax-Exempt Combined Venue Tax Bonds Reserve Account to exceed the Combined Venue Tax Debt Service Reserve Requirement, the County may transfer such amount to a special project account for the construction of improvements to the 2008 Project or to any fund or funds established for the payment of or security for the Combined Venue Tax Bonds (including any escrow established for the final payment of any such obligations pursuant to the provisions of Chapter 1207).

### **The Capital Improvement and Coverage Account**

Funds held in the Capital Improvement and Coverage Account shall be properly spent, at the County's option, upon payment of (a) debt service on any bonds payable from all or part of the Venue Taxes, after first applying any funds on deposit in the debt service account relating to such series of bonds, (b) any obligations of the County arising in connection with its entering into, from time to time, a Credit Agreement relating to any bonds payable from all or part of the Venue Taxes, (c) additional costs of completing the 2008 Project, (d) costs of renovating, improving, or updating the Venue Project, (e) Maintenance and Operations Expenses, and/or (f) any other lawful purpose; provided, however, that, in the event of a shortfall in the amount then-required to be on deposit in any of the Motor Vehicle Rental Tax Bonds Debt Service Account or the Tax-Exempt Combined Venue Tax Bonds Debt Service Account or the Taxable Bonds Debt Service Account (after first applying amounts then held in the respective debt service reserve account relating to each such debt service account), the Motor Vehicle Rental Tax Bonds Reserve Account, the Tax-Exempt Combined Venue Tax Bonds Reserve Account, or the Taxable Bonds Reserve Account (after first giving effect to the applicable provisions of the Order permitting replenishment of deficiencies in such debt service reserve accounts over a specified period of time), the County must (immediately upon discovery of the subject shortfall) use uncommitted funds then on deposit in the Excess Revenues Subaccount of the Capital Improvement and Coverage Account to cure the identified shortfall in any of the aforementioned accounts. In addition, in making a determination that the County has certain debt service coverage requirements serving as prerequisites to the issuance of additional bonds, the County may consider in its calculations uncommitted or unrestricted amounts on deposit in the Capital Improvement and Coverage Account. See "VENUE TAXES AND PROJECTS – Additional Obligations".

## **MARKET FACTORS AND THE VENUE TAXES**

### **General Disclaimer**

The generation of revenues from the Venue Taxes is subject to a variety of factors, none of which are within the County's control. Collections can be adversely affected by (a) changes in State law and administrative practices governing the remittance and allocation of Venue Tax receipts and (b) changes in economic activity and conditions within the County and general geographic area. The amount of Venue Tax revenue received by the County is dependent upon people visiting the County, renting motor vehicles for short durations, and staying in hotels and motels. Many factors may affect the County's collection of these revenues, including (but not limited to) fuel prices, general costs of living, employment levels of employers within and outside the County, discretionary spending on items that would produce Venue Tax revenue, and the overall impact of the economy to individuals that would otherwise be contributing to the Venue Tax base. The County is unable to predict what impact economic conditions such as these may have on its continued collection Venue Tax revenue.

In connection with the issuance of the Outstanding 2008 Project Bonds initially delivered on September 30, 2008, the County commissioned Global Insight, Inc. to prepare a financial forecast of Venue Tax receipts for a period of 30 years. This report, entitled "An Analysis and Forecast of the Bexar County Hotel Room Occupancy and Motor Rental Tax" and dated August 21, 2008 (the "Study"), predicted annual increases in Hotel Occupancy Tax receipts and Motor Vehicle Rental Tax receipts over the forecast period ranging from 4.2% to 7.8% per annum and 2.3% to 4.8% per annum, respectively. Over the first full year of this forecast period, the County actually realized decreases in both Hotel Occupancy Tax receipts and Motor Vehicle Rental Tax receipts (see "Table 6 – Bond Debt Service and Combined Venue Tax Revenues" and "Table 7 – Bond Debt Service and Motor Vehicle Rental Tax Revenues"); in subsequent periods, the projections were not achieved despite returning to positive growth levels. As a result, the County no longer considers the Study an accurate projection of Venue Tax receipts and advises any purchaser or potential purchaser of Bonds to not rely on the Study's findings when making an investment decision with respect to the Bonds.

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## Convention Activity

The City is one of the top convention cities in the country. The City is proactive in attracting convention business through its management practices and marketing efforts. The following table shows overall City performance as well as convention activity booked and hosted by the City's Convention & Visitors Bureau for the years indicated:

**Convention Statistics** **Table 3**

Calendar Year	Hotel Occupancy (%) <sup>(1)</sup>	Revenue per Available Room (\$) <sup>(1)</sup>	Room Nights Sold <sup>(1)</sup>	Convention Attendance <sup>(2)</sup>	Convention Room Nights <sup>(2)</sup>	Convention Delegate Expenditures (\$ Millions) <sup>(2)(3)</sup>
2008	64.6	70.82	7,669,475	563,164	691,525	607.5
2009	57.1	55.94	7,167,603	399,408	660,736	474.5
2010	59.3	57.02	7,768,002	535,400	736,325	636.1
2011	61.3	58.08	8,236,019	499,171	637,593	593.0
2012	63.5	60.79	8,651,826	449,202	635,829	533.7
2013	63.1	63.44	8,610,676	712,577	734,190	846.6
2014	64.9	67.32	8,874,090	652,443	725,333	775.1
2015	65.7	69.55	8,913,575	699,662	773,569	831.2
2016	65.9	71.12	9,116,363	637,658	676,501	N/A
2017	66.0	73.45	9,268,901	823,561	816,582	N/A
2018	67.1	77.88	9,568,119	672,288	882,650	N/A

<sup>(1)</sup> Data obtained from Smith Travel Research based on hotels in the San Antonio selected zip code historical report dated January 2018.

<sup>(2)</sup> Reflects only those conventions booked by Visit San Antonio.

<sup>(3)</sup> Beginning in 1998, the estimated dollar value is calculated in accordance with the 1998 DMAI Foundation Convention Income Survey Report conducted by Deloitte & Touché LLP, which reflected the average expenditure of \$900.89 per convention and trade show delegate. January 2004 - September 2008 are based on an average expenditure of \$1,039.20 per convention and trade show delegate, and October 2008 - Present are based on an average expenditure of \$1,188.05 per convention and trade show delegate.

Source: *Visit San Antonio*.

## Hotel Developments

The pace of hotel room expansion for the last five years displays considerable confidence on the part of investors in the potential of the County's regional lodging industry. From 2007 to 2011, room supply in the San Antonio market area increased by 25%, one of the strongest room supply increases among other U.S. city destinations.

**San Antonio Hotel Occupancies and Average Daily Rates/History** <sup>(1)</sup> **Table 4**

Calendar Year	Room Count <sup>(2)</sup>	Increase/Decrease (%)	Average Daily Room Rate (\$)	Increase/Decrease (%)	Hotel Occupancy (%)	Increase/Decrease (%)
2008	37,919	8.8	106.27	4.5	64.1	(2.7)
2009	40,406	6.6	95.48	(10.2)	56.2	(12.3)
2010	43,307	7.2	95.85	0.4	58.2	3.6
2011	43,979	1.6	95.65	(0.2)	61.0	4.8
2012	44,310	0.8	97.01	1.4	63.4	3.9
2013	44,845	1.2	101.82	5.0	62.9	-0.8
2014	43,928	-2.0	104.64	2.8	64.6	2.7
2015	45,228	3.0	106.83	3.1	64.9	0.0
2016	46,061	1.8	108.42	1.5	64.7	-0.3
2017	46,833	1.7	111.41	2.8	65.0	0.5
2018	47,455	1.3	115.72	3.9	66.0	1.5

<sup>(1)</sup> According to Smith Travel Research ("STR") historical report, dated January 2018. STR is the lodging industry's leading information and data provider and maintains the most comprehensive database of hotel performance information nationwide. Information is based on hotels in the San Antonio market. Information is subject to adjustment as hotels submit adjusted data and/or additional hotels begin participating in the STR survey with actual data replacing estimated data.

<sup>(2)</sup> Based on end of year historical reports from STR.

	Fiscal Year Ended September 30				
	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
JW Marriott	1,032,413	1,073,785	1,107,438	1,115,453	1,187,451
Grand Hyatt*	783,860	805,139	781,658	785,207	812,882
Marriott Rivercenter*	772,099	688,225	788,262	753,966	786,961
The Westin La Cantera Resort***	396,882	N/A	364,187	455,293	585,183
Hyatt Regency	449,044	473,910	470,356	513,757	524,590
Hilton Palacio Del Rio*	403,581	418,591	419,418	433,185	458,490
Hyatt Hill Country Resort**	422,507	446,300	418,647	433,683	456,255
Marriott Riverwalk*	410,199	329,173	414,320	428,659	453,326
Westin Riverwalk*	409,748	383,440	413,453	412,250	423,440
Omni La Mansion Del Rio*(1)	<u>297,353</u>	<u>303,794</u>	<u>303,498</u>	<u>308,308</u>	<u>317,358</u>
<b>Total</b>	<b><u>\$5,377,686</u></b>	<b><u>\$4,922,357</u></b>	<b><u>\$5,481,237</u></b>	<b><u>\$5,639,761</u></b>	<b><u>\$6,005,936</u></b>

\* These hotels are within walking distance of the Henry B. Gonzalez Convention Center.

\*\* This hotel is near SeaWorld San Antonio Adventure Park.

\*\*\* This hotel is near the Six Flags Fiesta Texas Amusement Park. The hotel was closed for renovations for a significant portion of FY 2015.

(1) In tables previously provided, the LaQuinta Inn Riverwalk was listed as a Top Ten Hotel. However, it was subsequently discovered that the collections represented more than one LaQuinta location. Therefore, FY 2013 and FY 2014 have been retroactively updated to reflect the accurate Top Ten list at that time. The deletion of the La Quinta Inn Riverwalk resulted in the inclusion of these hotels in the Top Ten for 2013 and 2014.

#### Debt Service and Debt Service Coverage

The tables below include projected debt service requirements on the Bonds and the Motor Vehicle Rental Tax Bonds, along with Hotel Occupancy Tax and Motor Vehicle Rental Tax collections for fiscal years ending through September 30, 2018, and projected collections for the fiscal years ending 2019 through 2051 (utilizing a “zero growth” assumption for such reporting periods), after deduction of administrative fees and other adjustments.

*[The remainder of this page is intentionally left blank.]*

**Table 6**

**Bond Debt Service and Combined Venue Tax Revenues**

Fiscal Year	Actual/Projected Revenues				Outstanding Combined Venue Tax Bonds <sup>(2)</sup>				The Bonds <sup>(3)</sup>						
	Actual/Projected HOT/MOT Revenue (\$) <sup>(1)</sup>	HOT/MOT Annual Growth (%)	Spurs Revenues	Revenue Available for MVRT (\$) <sup>(1)(6)</sup>	Revenue Available for D/S (\$)	Principal (\$)	Interest (\$)	Total (\$)	Less Refunded CVT	Principal (\$)	Interest (\$) <sup>(4)</sup>	Total (\$)	Total D/S (\$)	Annual Coverage Ratio <sup>(5)</sup>	Excess Revenues (\$)
2019	19,256,791	0.00	1,300,000	6,356,525	26,913,316	4,905,000	15,129,624	20,034,624	3,845,053	-	3,845,053	3,845,053	20,034,624	1.34	6,878,692
2020	19,256,791	0.00	1,300,000	4,970,986	25,527,777	5,130,000	14,889,524	20,019,524	6,869,744	1,740,000	4,161,424	5,901,424	19,051,204	1.34	6,476,573
2021	19,256,791	0.00	1,300,000	4,968,128	25,524,919	5,395,000	14,631,440	20,026,440	6,883,994	2,275,000	3,638,600	5,913,600	19,056,046	1.34	6,486,873
2022	19,256,791	0.00	1,300,000	4,971,578	25,528,369	5,655,000	14,358,942	20,013,942	6,874,494	2,555,000	3,547,600	5,902,600	19,042,048	1.34	6,486,321
2023	19,256,791	0.00	1,300,000	4,967,728	25,524,519	5,940,000	14,064,631	20,004,631	6,874,131	2,450,000	3,453,400	5,903,900	19,033,900	1.34	6,490,619
2024	19,256,791	0.00	1,300,000	4,971,928	25,528,719	6,245,000	13,752,890	19,997,890	6,877,606	2,555,000	3,355,400	5,910,400	19,030,684	1.34	6,498,035
2025	19,256,791	0.00	1,300,000	4,968,978	25,525,769	6,580,000	13,416,130	19,996,130	6,882,381	2,660,000	3,253,200	5,912,600	19,026,949	1.34	6,498,820
2026	19,256,791	0.00	1,300,000	4,954,278	25,511,069	6,945,000	13,046,415	19,991,415	6,883,869	2,765,000	3,146,800	5,911,800	19,019,346	1.34	6,491,723
2027	19,256,791	0.00	1,300,000	4,974,085	25,530,876	7,310,000	12,669,578	19,979,578	6,879,513	2,875,000	3,036,200	5,911,200	19,011,265	1.34	6,519,610
2028	19,256,791	0.00	1,300,000	4,967,235	25,524,026	7,800,000	12,270,184	20,070,184	6,983,225	3,090,000	2,921,200	6,011,200	19,098,159	1.34	6,425,866
2029	19,256,791	0.00	1,300,000	4,964,935	25,521,726	8,105,000	11,859,105	19,964,105	6,880,313	3,115,000	2,797,600	5,912,600	18,996,392	1.34	6,525,333
2030	19,256,791	0.00	1,300,000	4,961,510	25,518,301	8,520,000	11,429,012	19,949,012	6,877,263	3,235,000	2,673,000	5,908,000	18,979,750	1.34	6,538,551
2031	19,256,791	0.00	1,300,000	4,962,160	25,518,951	9,005,000	10,940,308	19,945,308	6,879,963	3,365,000	2,543,600	5,908,600	18,973,946	1.34	6,545,005
2032	19,256,791	0.00	1,300,000	4,979,210	25,535,001	9,515,000	10,420,366	19,935,366	6,877,775	3,500,000	2,409,000	5,909,000	18,966,591	1.35	6,569,410
2033	19,256,791	0.00	1,300,000	4,970,010	24,226,801	8,545,000	9,869,788	18,414,788	6,882,600	3,645,000	2,269,000	5,914,000	17,446,188	1.39	6,780,613
2034	19,256,791	0.00	1,300,000	4,975,747	24,232,538	9,385,000	9,472,863	18,857,863	6,873,675	3,780,000	2,123,200	5,903,200	17,887,388	1.35	6,345,151
2035	19,256,791	0.00	1,300,000	4,962,747	24,219,538	9,860,000	9,000,975	18,860,975	6,878,288	3,935,000	1,972,000	5,907,000	17,889,688	1.35	6,329,851
2036	19,256,791	0.00	1,300,000	4,975,347	24,232,138	10,355,000	8,505,200	18,860,200	6,878,013	4,095,000	1,814,600	5,909,600	17,891,788	1.35	6,340,351
2037	19,256,791	0.00	1,300,000	4,967,747	24,224,538	10,850,000	8,012,913	18,862,913	6,882,600	4,260,000	1,650,800	5,910,800	17,891,113	1.35	6,333,426
2038	19,256,791	0.00	1,300,000	5,358,697	24,615,488	11,005,000	7,496,775	18,501,775	6,516,275	4,065,000	1,480,400	5,545,400	17,530,900	1.40	7,084,588
2039	19,256,791	0.00	1,300,000	5,360,447	24,617,238	11,525,000	6,973,863	18,498,863	6,517,050	4,230,000	1,317,800	5,547,800	17,529,613	1.40	7,087,626
2040	19,256,791	0.00	1,300,000	7,293,197	26,549,988	10,495,000	6,418,588	16,913,588	4,929,588	2,810,000	1,148,600	3,958,600	15,942,600	1.67	10,607,388
2041	19,256,791	0.00	1,300,000	7,289,997	26,546,788	11,000,000	5,915,425	16,915,425	4,934,300	2,930,000	1,036,200	3,966,200	15,947,325	1.66	10,599,463
2042	19,256,791	0.00	1,300,000	7,295,447	26,552,238	11,525,000	5,387,638	16,912,638	4,929,888	3,040,000	919,000	3,959,000	15,941,750	1.67	10,610,488
2043	19,256,791	0.00	1,300,000	7,294,347	26,551,138	12,085,000	4,827,150	16,912,150	4,931,350	3,165,000	797,400	3,962,400	15,943,200	1.67	10,607,938
2044	19,256,791	0.00	1,300,000	7,297,147	26,553,938	12,680,000	4,239,125	16,919,125	4,932,875	3,290,000	670,800	3,960,800	15,947,050	1.67	10,606,888
2045	19,256,791	0.00	1,300,000	7,293,847	26,550,638	13,290,000	3,621,825	16,911,825	4,928,925	3,420,000	539,200	3,959,200	15,942,100	1.97	10,608,538
2046	19,256,791	0.00	1,300,000	7,289,897	26,546,688	13,945,000	2,974,488	16,919,488	4,934,238	3,560,000	402,400	3,962,400	15,947,650	1.96	10,599,038
2047	19,256,791	0.00	1,300,000	7,290,547	26,547,338	14,620,000	2,294,888	16,914,888	4,932,738	3,705,000	260,000	3,965,000	15,947,150	1.66	10,600,188
2048	19,256,791	0.00	1,300,000	7,295,797	26,552,588	12,855,000	1,582,000	14,437,000	2,454,150	1,370,000	111,800	1,481,800	13,464,650	1.97	13,087,938
2049	19,256,791	0.00	1,300,000	7,295,647	26,552,438	13,470,000	964,075	14,434,075	2,452,875	1,425,000	57,000	1,482,000	13,463,200	1.97	13,089,238
2050	19,256,791	0.00	1,300,000	9,935,597	29,192,388	3,875,000	316,200	4,191,200	3,845,053	1,425,000	57,000	4,191,200	4,191,200	6.97	25,001,188
2051	19,256,791	0.00	1,300,000	9,935,597	29,192,388	4,030,000	161,200	4,191,200	6,869,744	92,705,000	63,352,278	156,057,278	4,191,200	6.97	25,001,188
Total				302,445,000	280,913,121	538,358,121									

(1) Fiscal year 2019 data is unaudited. Based on 2018 Fiscal Year end results.  
(2) Excludes the Refunded Bonds. Preliminary subject to change.  
(3) Preliminary, subject to change.  
(4) Interest calculated at assumed rate for illustration purposes only. Preliminary subject to change.  
(5) The Order provides for a 1.25 times coverage requirement to issue Additional Priority Bonds based on average annual Debt Service Requirements on the Outstanding Combined Venue Tax Bonds. This ratio, inclusive of the Bonds, totals 1.32 times (preliminary, subject to change). Additionally, the orders authorizing the issuance of currently Outstanding Combined Venue Tax Bonds provide that for purposes of making a determination that the County has satisfied the coverage ratio prerequisite to the issuance of additional bonds, the County may consider in its calculations uncommitted or unrestricted amounts on deposit in the Capital Improvement and Coverage Account (see "VENUE TAXES AND PROJECTS - Additional Obligations - Additional Priority Bonds - Coverage Certificate of Rating Service Confirmation", page 5, and "SECURITY AND SOURCE OF PAYMENT - The Capital Improvement and Coverage Account", page 18, herein).  
(6) Figures are net of debt service paid on the County's Motor Vehicle Rental Tax Bonds, which are secured (primarily with a first lien and pledge of the County's motor vehicle rental tax collections).

Bond Debt Service Motor Vehicle Rental Tax Revenue - Table 7

Fiscal Year	Actual/Projected Revenues <sup>(1)</sup>			Outstanding Motor Vehicle Rental Tax Bonds <sup>(2)</sup>			Proposed: Series 2019 MVRT Ref Bonds <sup>(3)</sup>			Coverage Ratio	Balance Available for CVT and Jr. Lien (\$)	
	MVRT Revenue (\$)	Annual Growth(%)	Total (\$)	Principal (\$)	Interest (\$)	Total (\$)	MVRT Bonds	Principal	Interest			Total
2019	9,935,597	0.00	3,579,072	1,680,000	1,899,072	2,266,862	2,266,862	1,195,000	2,266,862	3,579,072	2.78	6,356,525
2020	9,935,597	0.00	5,476,388	1,745,000	3,731,388	4,012,719	4,012,719	1,950,000	2,305,942	4,964,611	2.00	4,970,986
2021	9,935,597	0.00	5,477,025	1,815,000	3,662,025	4,011,556	4,011,556	1,495,000	2,007,000	4,967,469	2.00	4,968,128
2022	9,935,597	0.00	5,473,538	1,880,000	3,593,538	4,011,719	4,011,719	1,555,000	1,947,200	4,964,019	2.00	4,971,578
2023	9,935,597	0.00	5,479,094	1,965,000	3,514,094	4,016,225	4,016,225	1,620,000	1,885,000	4,967,869	2.00	4,967,728
2024	9,935,597	0.00	5,475,156	2,045,000	3,430,156	4,011,688	4,011,688	1,680,000	1,820,200	4,963,669	2.00	4,971,928
2025	9,935,597	0.00	5,475,694	2,125,000	3,350,694	4,012,075	4,012,075	1,750,000	1,753,000	4,966,619	2.00	4,968,978
2026	9,935,597	0.00	5,490,169	2,235,000	3,255,169	4,026,850	4,026,850	1,835,000	1,683,000	4,981,319	1.99	4,954,278
2027	9,935,597	0.00	5,473,813	2,320,000	3,153,813	4,011,900	4,011,900	1,890,000	1,609,600	4,961,513	2.00	4,974,085
2028	9,935,597	0.00	5,477,838	2,430,000	3,047,838	4,013,475	4,013,475	1,970,000	1,534,000	4,968,363	2.00	4,967,235
2029	9,935,597	0.00	5,481,038	2,545,000	2,936,038	4,015,575	4,015,575	2,050,000	1,455,200	4,970,663	2.00	4,964,935
2030	9,935,597	0.00	5,483,938	2,660,000	2,823,938	4,018,050	4,018,050	2,135,000	1,373,200	4,974,088	2.00	4,961,510
2031	9,935,597	0.00	5,477,838	2,780,000	2,703,688	4,018,050	4,018,050	2,220,000	1,287,800	4,973,438	2.00	4,962,160
2032	9,935,597	0.00	5,469,013	2,895,000	2,574,013	4,006,625	4,006,625	2,295,000	1,199,000	4,956,388	2.00	4,979,210
2033	9,935,597	0.00	5,473,900	3,035,000	2,438,900	4,010,513	4,010,513	2,395,000	1,107,200	4,965,588	2.00	4,970,010
2034	9,935,597	0.00	5,472,175	3,175,000	2,297,175	4,008,725	4,008,725	2,485,000	1,011,400	4,959,850	2.00	4,975,747
2035	9,935,597	0.00	5,483,513	3,340,000	2,143,513	4,017,663	4,017,663	2,595,000	912,000	4,972,850	2.00	4,962,747
2036	9,935,597	0.00	5,471,800	3,490,000	1,981,800	4,009,750	4,009,750	2,690,000	808,200	4,960,250	2.00	4,975,347
2037	9,935,597	0.00	5,477,738	3,665,000	1,812,738	4,015,488	4,015,488	2,805,000	700,600	4,967,850	2.00	4,967,747
2038	9,935,597	0.00	5,087,375	3,460,000	1,627,375	3,623,875	3,623,875	2,525,000	588,400	4,576,900	2.17	5,358,697
2039	9,935,597	0.00	5,087,150	3,635,000	1,452,150	3,624,400	3,624,400	2,625,000	487,400	4,575,150	2.17	5,360,447
2040	9,935,597	0.00	3,155,700	1,890,000	1,265,700	1,690,700	1,690,700	795,000	382,400	2,642,400	3.76	7,293,197
2041	9,935,597	0.00	3,156,250	1,990,000	1,166,250	1,691,250	1,691,250	830,000	350,600	2,645,600	3.76	7,289,997
2042	9,935,597	0.00	3,151,525	2,090,000	1,061,525	1,688,775	1,688,775	860,000	317,400	2,640,150	3.76	7,295,447
2043	9,935,597	0.00	3,151,525	2,200,000	951,525	1,688,275	1,688,275	895,000	283,000	2,641,250	3.76	7,294,347
2044	9,935,597	0.00	3,150,725	2,315,000	835,725	1,689,475	1,689,475	930,000	247,200	2,638,450	3.77	7,297,147
2045	9,935,597	0.00	3,153,850	2,440,000	713,850	1,692,100	1,692,100	970,000	210,000	2,641,750	3.76	7,293,847
2046	9,935,597	0.00	3,155,375	2,570,000	585,375	1,690,875	1,690,875	1,010,000	171,200	2,645,700	3.76	7,289,897
2047	9,935,597	0.00	3,155,050	2,705,000	450,050	1,690,800	1,690,800	1,050,000	130,800	2,645,050	3.76	7,290,547
2048	9,935,597	0.00	3,152,600	2,845,000	307,600	1,691,600	1,691,600	1,090,000	88,800	2,639,800	3.76	7,295,797
2049	9,935,597	0.00	3,152,750	2,995,000	157,750	1,688,000	1,688,000	1,130,000	45,200	2,639,950	3.76	7,295,647
2050	9,935,597	0.00										9,935,597
2051	9,935,597	0.00										9,935,597
2052	9,935,597	0.00										9,935,597
2053	9,935,597	0.00										9,935,597
				78,960,000	64,924,459	143,884,459	98,665,631	51,370,000	31,968,805	83,338,805		128,557,533

(1) Fiscal Year 2019 is Unaudited-Based on Fiscal Year 2018 year end results.

(2) Excludes the MVRT Refunded Bonds. Preliminary, subject to change.

(3) Interest calculated at estimated rates. Preliminary, subject to change.

## RATINGS

The County has made an application to Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's"), and S&P Global Ratings ("S&P") for contract ratings on the Bonds. These results will be made available as soon as possible.

The ratings reflect only the views of Fitch, Moody's and S&P at the time the ratings are given, and the County makes no representations as to the appropriateness thereof. There is no assurance that any rating will continue for any given period of time, or that a rating will not be revised downward or withdrawn entirely if, in the judgment of Fitch, Moody's or S&P, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

## TAX MATTERS

**The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.**

### Tax Exemption

In the opinion of Bracewell LLP, Bond Counsel, under existing law (i) interest on the Bonds is excludable from gross income for federal income tax purposes and (ii) the Bonds are not "private activity bonds" under the Code, and, as such, interest on the Bonds is not subject to the alternative minimum tax.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of Bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of Bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The County has covenanted in the Order that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Order pertaining to those sections of the Code that affect the excludability from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the County, the County's Co-Financial Advisors and the Underwriters with respect to matters solely within the knowledge of the County, the County's Co-Financial Advisors and the Underwriters, respectively, which Bond Counsel has not independently verified. If the County fails to comply with the covenants in the Order or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of a corporation (other than any S corporation, regulated investment company, REIT, or REMIC), includes 75% of the amount by which its "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted current earnings," ownership of the Bonds could subject a corporation to alternative minimum tax consequences.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the County as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds regardless of the ultimate outcome of the audit.

### Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the

applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

### **Tax Accounting Treatment of Original Issue Premium**

The issue price of all or a portion of the Bonds may exceed the stated redemption price payable at maturity of such Bonds. Such Bonds (the “Premium Bonds”) are considered for federal income tax purposes to have “bond premium” equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

### **Tax Accounting Treatment of Original Issue Discount**

The issue price of all or a portion of the Bonds may be less than the stated redemption price payable at maturity of such Bonds (the “Original Issue Discount Bonds”). In such case, the difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions “TAX MATTERS – Tax Exemption” and “— Collateral Tax Consequences” and “—Tax Legislative Changes” generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriters have purchased the Bonds for contemporaneous sale to the public and (ii) all of the Original Issue Discount Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm’s-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the page ii of this Official Statement. Neither the County nor Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

### **Tax Legislative Changes**

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

## LEGAL MATTERS

The County will furnish the Underwriters with a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of the State to the effect that the "Initial Bond" relating to the Bonds is a valid and legally binding, special obligation of the County, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Bond Counsel, to the effect that the Bonds, issued in compliance with the provisions of the Order, are valid and legally binding obligations of the County and, subject to the qualifications set forth herein under "TAX MATTERS," the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, published rulings, regulations, and court decisions. Though it represents the Co-Financial Advisors and the Underwriters from time to time in matters unrelated to the Bonds, Bond Counsel has been engaged by and only represents the County in connection with the issuance of the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under the caption "PLAN OF FINANCE" (except under the subcaptions "Sources and Uses of Funds" as to which no opinion is expressed) "VENUE TAXES AND PROJECTS – Additional Obligations – Additional Parity Bonds", "VENUE TAXES AND PROJECTS – Additional Obligations – Subordinate Lien Obligations", "THE BONDS" (except under the subcaptions "Book-Entry-Only System", "Defaults and Remedies", and "Payment Record", as to which no opinion is expressed), "SECURITY AND SOURCE OF PAYMENT" (except with respect to any tables or other numerical or statistical information appearing thereunder, as to which no opinion is expressed), "TAX MATTERS", "LEGAL MATTERS" (except for the last sentence of the first paragraph thereof, as to which no opinion is expressed), "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance with Prior Undertakings", as to which no opinion is expressed), and "OTHER PERTINENT INFORMATION – Legal Investments and Eligibility to Secure Public Funds in Texas" in the Official Statement and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the provisions of the Order. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Bonds will also be furnished. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of Bonds are contingent on the sale and delivery of the Bonds. The legal opinion of Bond Counsel will accompany the Bonds deposited with DTC or will be printed on the definitive Bonds of each series of Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain matters will be passed upon for the Underwriters by their co-counsel McCall, Parkhurst & Horton L.L.P. of San Antonio, Texas, and West & Associates L.L.P. of Dallas, Texas, whose legal fees are contingent upon the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## INVESTMENT POLICIES

### Investments

The County invests its funds in investments authorized by State law in accordance with investment policies approved by the Court. Both State law and the County's investment policies are subject to change.

### Legal Investments

Under Texas law, the County is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent, (6) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successors, (7) (a) certificates of deposit and share certificates issued by a depository institution that has its main office or branch office in the State of Texas, that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their respective successors, or are secured as to principal by obligations described in clauses (1) through (5) and clause (14) or in any other manner and amount provided by law for County deposits, or (ii) where (a) the funds are invested by the County through (i) a broker that has its main office or branch office in this state and is selected from a list adopted by the County; (ii) a depository institution that has a main office or branch office in this state and that is selected by the County; (b) the broker or depository institution selected by the County arranges for the deposit of funds in one or more federally insured depository institutions, wherever located; (c) the certificates of deposit are insured by the United States or an instrumentality of the United States; and (d) the County appoints the depository institution acts as a custodian for the County with respect to the certificates of deposit, an entity described by Section 2257.041(d) Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R., section 240.15c3-3), (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1) and require the security being purchased by the County to be pledged to the County, held in the County's name and deposited at the time the investment is made with the County or with a third party selected and approved by the County, and are placed through a primary government securities dealer or a financial institution doing business in the State of Texas, (9) bankers' acceptances with the remaining term of 270 days or less from the date of issuance, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least



one nationally recognized credit rating agency, (10) commercial paper with the remaining term of 270 days or less from the date of issuance that is rated at least “A-1” or “P-1” or the equivalent by at least (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (11) no-load money market mutual funds registered with and regulated by the United States Securities and Exchange Commission that comply with federal Securities and Exchange Commission Rule 2a-7, (12) no-load mutual fund registered with the United States Securities and Exchange Commission that: have an average weighted maturity of less than two years; and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities, (13) public funds investment pools that have an advisory board which includes participants in the pool and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than “AAA” or its equivalent or no lower than investment grade with a weighted average maturity no greater than 90 days, and (14) bonds issued, assumed or guaranteed by the State of Israel. Texas law also permits the County to invest bond proceeds in a guaranteed investment contract subject to the limitations set forth in Chapter 2256, as amended, Texas Government Code.

A political subdivision such as the County may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (5) and (14) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than “A” or its equivalent or (c) cash invested in obligations described in clauses (1) through (5) above, clauses (11) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the County, held in the County’s name and deposited at the time the investment is made with the County or a third party designated by the County; (iii) a loan made under the program through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The County may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pool are rated no lower than “AAA” or “AAA-m” or an equivalent by at least one nationally recognized rating service. The County is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under State law, the County may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or registered with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the County retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the County must do so by order, ordinance or resolution. The County distributed a request for proposal to contract with an investment management firm to provide such services and entered into a contract on July 13, 2006.

### **Investment Policies**

Under State law, the County is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for County funds, maximum allowable stated maturity of any individual investment owned by the County and the maximum average dollar-weighted maturity allowed for pooled fund groups. All County funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, County investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived”. At least quarterly the investment officers of the County must submit an investment report detailing: (1) the investment position of the County, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) State law. No person may invest County funds without express written authority from the Court.

### **Additional Provisions**

Under State law, the County is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Court; (4) require the qualified representative of firms offering to engage in an investment transaction with the County to: (a) receive and review the County’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the County and the business organization that are not authorized by the County’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the County’s entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the County and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence

to the County's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the County's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the County.

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**Current Investments****Table 8**

Type of Investment	Book Balance	Fair Market Value	Percent
Money Market (Sweep Account)	\$ 11,639,275	\$ 11,639,275	0.95%
Money Market (Community Venue Funds)	40,348,393	40,348,393	3.29%
Municipal Commercial Paper	81,911,250	81,912,150	6.68%
Municipal Bonds	5,487,864	5,542,721	0.45%
U.S. Government Securities	497,728,641	497,576,751	40.56%
Local Government Investment Pools	141,782,582	141,782,582	11.56%
Corporate Commercial Paper	447,813,090	447,862,460	36.51%
Total	<u>\$1,226,711,095</u>	<u>\$1,226,664,332</u>	<u>100.00%</u>

Source: *Bexar County Quarterly Investment Report for the quarter ending March 31, 2019.*

As of such date, the fair value of such investments (as determined by the County by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book balance. No funds of the County are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

**NO-LITIGATION**

On the date of delivery of the Bonds to the Underwriters, the County will execute and deliver to the Underwriters a certificate to the effect that no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Bonds or which would adversely affect the provisions made for their payment or security, or in any manner questioning the validity of the Bonds.

In the opinion of certain officials of the County, the County is not a party to any litigation or other proceedings pending or, to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the County, would have a material adverse effect on the financial statements of the County.

**CONTINUING DISCLOSURE OF INFORMATION****General**

In the Order, the County has made the following agreement for the benefit of the Owners of the Bonds. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the County will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be available to the general public at no charge from the MSRB as described below.

As used in this section, the term "Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12")) has been provided to the MSRB consistent with Rule 15c2-12.

**Annual Reports**

The County will file certain updated financial information and operating data with the MSRB annually. The information to be updated with the respect to the County includes all quantitative financial information and operating data of the general type included in this Official Statement. The information is of the general type included in Tables 1 through 8 appearing in the body of this Official Statement and in Appendix D. The County will update and provide this information within six months after the end of each fiscal year ending in or after 2019. The County will file updated information with the MSRB through its EMMA system.

The County may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by Rule 15c2-12. The updated information will include audited financial statements, if the County commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the County will provide unaudited financial statements within the required time and will provide audited financial statements when and if they become available. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX D or such other accounting principles as the County may be required to employ from time to time pursuant to state law or regulation.

The County's current fiscal year is October 1 to September 30. Accordingly, it must provide updated information by March 31 in each year, unless the County changes its fiscal year. If the County changes its fiscal year, it will notify the MSRB.

## **Material Event Notices**

The County shall provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner and not more than 10 business days after the occurrence of the event: (i) principal and interest payment delinquencies; (ii) nonpayment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations; (vii) modifications to rights of Owners, if material; (viii) bond calls, if material and tender offers; (ix) defeasance; (x) release, substitution, or sale of property securing repayment of the Obligations, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below; (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material; (xv) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding clause (xii) considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the County.

The County will notify the MSRB, in a timely manner, of any by the County to provide financial information or operating data in accordance with the foregoing provisions by the time required therein.

## **Availability of Information**

The County has agreed to provide the foregoing information only to the MSRB. The information will be available free of charge to the general public via the Electronic Municipal Market Access system ("EMMA") at [www.emma.msrb.org](http://www.emma.msrb.org).

## **Limitations and Amendments**

The County has agreed to update information and to provide notices of material events only as described above. The County has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The County makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The County disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek injunctive relief to compel the County to comply with its agreement.

The County may amend its continuing disclosure agreement with respect to the Bonds to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, if (1) the agreement, as amended, would have permitted an underwriter to purchase or sell the Bonds in the offering described herein in compliance with Rule 15c2-12 and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the County (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The County may also repeal or amend these provisions if the United States Securities and Exchange Commission amends or repeals the applicable provisions of Rule 15c2-12 or any court of final jurisdiction enters judgment that such provisions of Rule 15c2-12 are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of Rule 15c2-12. If the County so amends its agreement with respect to the Bonds, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

## **Compliance with Prior Undertakings**

The County's filings of annual financial information and operating data for fiscal years ending September 30, 2010 through 2014 were all made on a timely basis. In a review of its prior continuing disclosure filings, however, the County discovered that it had inadvertently omitted certain tables relating to convention statistics, hotel occupancy, hotel occupancy tax collections and motor vehicle rental tax collections. On December 2, 2014, the County filed with EMMA a Notice of Filing Additional Annual Financial Information and Operating Data which included the omitted tables. For future continuing disclosure filings, the County will, to the extent required by its continuing disclosure undertakings, include these tables as part of its annual financial information and operating data to be filed with EMMA.

On April 19, 2018, the Texas Department of Transportation ("TxDOT") filed a material event filing for failure to file TxDOT's annual filings of financial information and operating data for fiscal years 2012 through 2015 as required by certain continuing disclosure agreements related

to bonds or other obligations issued by other entities including the County's pass-through revenue and limited tax bonds (collectively, the Pass-Through Bonds"). As a result, the TxDOT material event filing related to the Pass-Through Bonds is filed under the County's CUSIP number.

For additional information relating to the County's continuing disclosure filing history, see [www.emma.msrb.org](http://www.emma.msrb.org).

## **OTHER PERTINENT INFORMATION**

### **Authenticity of Financial Data and Other Information**

The financial data and other information contained herein have been obtained from the County's records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

### **Registration and Qualification of Bonds for Sale**

The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities act of any other jurisdiction. The County assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds must not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

### **Legal Investments and Eligibility to Secure Public Funds in Texas**

Section 1201.041 of the Public Securities Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency (see "RATINGS" herein). In addition, various provisions of the Texas Finance Code, as amended, provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with at least \$1 million of capital, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

The County has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The County has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

### **Co-Financial Advisors**

SAMCO Capital Markets, Inc. and RBC Capital Markets LLC. (the "Co-Financial Advisors") are employed as the Co-Financial Advisors to the County in connection with the issuance of the Bonds. The Co-Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Co-Financial Advisors, in their capacity as Co-Financial Advisors to the County, have relied on the opinion of Bond Counsel and have not verified and do not assume any responsibility for the information, covenants, and representations contained in any of the bond documentation with respect to the federal income tax status of the Bonds.

In the normal course of business, the Co-Financial Advisors may also from time to time sell investment securities to the County for the investment of Bond proceeds or other funds of the County upon the request of the County.

The Co-Financial Advisors have provided the following sentence for inclusion in this Official Statement. The Co-Financial Advisors have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Co-Financial Advisors do not guarantee the accuracy or completeness of such information.

### **Underwriting**

Morgan Stanly, parent company of Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds at a price equal to the initial offering prices to the public, as shown on page -ii-, less an underwriting discount of \$\_\_\_\_\_ plus a net premium of \$\_\_\_\_\_, plus accrued interest on the Bonds from the Dated Date through their date of initial delivery. The Underwriters' obligations are subject to certain conditions precedent. The Underwriters will be

obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering price, and such public prices may be changed from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

### **Financial Statements**

Appendix D to this Official Statement contains the County's annual financial report for the fiscal year ended September 30, 2018. These financial statements have been audited by Garza/Gonzalez & Associates, San Antonio, Texas, independent certified public accountants, as stated in their reports included with such financial statements in Appendix D.

### **Use of Information in the Official Statement**

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

### **Forward Looking Statements and Investor Considerations**

The statements contained in this Official Statement, and in any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward-looking statements. It is important to note that the County's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

In considering the matters set forth in this Official Statement, prospective investors should carefully review all information included herein (particularly, the descriptions regarding the County's historical and prospective collection of Venue Tax revenue appearing under the caption "MARKET FACTORS AND THE VENUE TAXES" and the pledge of such revenues as described under "SECURITY AND SOURCE OF PAYMENT") to identify any investment considerations. Potential investors should be thoroughly familiar with this entire Official Statement and the appendices hereto, and should have accessed whatever additional financial and other information any such investor may deem necessary, prior to making an investment decision with respect to the Bonds.

### **Certification of the Official Statement**

At the time of payment for and delivery of the Bonds, the Underwriters will be furnished a certificate, executed by proper officers, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the description and statements of or pertaining to the County contained in its Official Statement, and any addenda, supplement or amendment thereto, on the date of such Official Statement, and on the date of the initial delivery of the Bonds, were and are true and correct in all material respects; (b) insofar as the County and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they are made, not misleading; (c) insofar as the description and statements, including financial data, of or pertaining to entities, other than the County, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the County believes to be reliable and that the County has no reason to believe that they are untrue in any material respect; (d) authorized representatives of the County received and reviewed copies of the Official Statement for the purpose of confirming that the information therein pertaining to the County is accurate and complete; and (e) there has been no material adverse change in the financial condition of the County since September 30, 2018, the date of the last audited financial statements of the County.

### **Authorization of the Official Statement**

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County.

This Official Statement has been approved by the Court for distribution in accordance with provisions of the United States Securities and Exchange Commission's Rule codified at 17 C.F.R. Section 240.15c-12, as amended.

BEXAR COUNTY, TEXAS

/s/ \_\_\_\_\_  
County Judge

ATTEST:

/s/ \_\_\_\_\_  
County Clerk and Ex-Officio Clerk of the  
Commissioners Court of Bexar County, Texas

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**SCHEDULE I**

**TABLE OF REFUNDED BONDS\***

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Par Amount (\$)</u>	<u>Call Date</u>	<u>Call Price (%)</u>
Tax-Exempt Venue Project Revenue Refunding Bonds (CVT), Series 2008A	8/15/2019	4.125%	620,000	8/1/2019	100.00
	8/15/2020	4.125%	645,000	8/1/2019	100.00
	8/15/2021	4.250%	675,000	8/1/2019	100.00
	8/15/2022	4.375%	700,000	8/1/2019	100.00
	8/15/2023	4.500%	735,000	8/1/2019	100.00
	8/15/2024	4.500%	765,000	8/1/2019	100.00
	8/15/2025	4.625%	800,000	8/1/2019	100.00
	8/15/2026	4.625%	835,000	8/1/2019	100.00
	8/15/2027	4.750%	875,000	8/1/2019	100.00
	8/15/2028	4.750%	915,000	8/1/2019	100.00
	**8/15/2038**	5.000%	12,085,000	8/1/2019	100.00
**8/15/2047**	5.250%	17,430,000	8/1/2019	100.00	
Tax-Exempt Venue Project Revenue Bonds (CVT), Series 2008C	8/15/2019	4.125%	150,000	8/1/2019	100.00
	8/15/2020	4.125%	155,000	8/1/2019	100.00
	8/15/2021	4.250%	165,000	8/1/2019	100.00
	8/15/2022	4.375%	170,000	8/1/2019	100.00
	8/15/2023	4.500%	175,000	8/1/2019	100.00
	**8/15/2028**	4.750%	1,015,000	8/1/2019	100.00
**8/15/2037**	5.000%	2,570,000	8/1/2019	100.00	
Tax-Exempt Venue Project Revenue Bonds (CVT), Series 2009	8/15/2019	4.000%	590,000	8/15/2019	100.00
	8/15/2020	5.000%	610,000	8/15/2019	100.00
	8/15/2021	4.000%	645,000	8/15/2019	100.00
	8/15/2022	5.000%	670,000	8/15/2019	100.00
	8/15/2023	5.000%	700,000	8/15/2019	100.00
	8/15/2024	4.000%	740,000	8/15/2019	100.00
	8/15/2025	5.000%	770,000	8/15/2019	100.00
	8/15/2026	5.000%	810,000	8/15/2019	100.00
	8/15/2027	5.000%	850,000	8/15/2019	100.00
	8/15/2028	5.000%	1,000,000	8/15/2019	100.00
	8/15/2029	4.500%	940,000	8/15/2019	100.00
**8/15/2033**	4.750%	4,220,000	8/15/2019	100.00	
**8/15/2039**	5.000%	8,045,000	8/15/2019	100.00	
Tax Exempt Venue Project Revenue Refunding Bonds (CVT), Series 2010	8/15/2020	5.000%	545,000	8/15/2019	100.00%
	8/15/2021	4.000%	575,000	8/15/2019	100.00%
	8/15/2022	4.000%	595,000	8/15/2019	100.00%
	8/15/2023	4.125%	620,000	8/15/2019	100.00%
	8/15/2024	4.250%	645,000	8/15/2019	100.00%
	8/15/2025	5.000%	675,000	8/15/2019	100.00%
	**8/15/2030**	5.000%	3,915,000	8/15/2019	100.00%
**8/15/2038**	5.250%	8,705,000	8/15/2019	100.00%	
**8/15/2049**	5.500%	19,845,000	8/15/2019	100.00%	

\*Preliminary, subject to change.

\*\*Term Bonds.

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**APPENDIX A**

**Selected County Information**

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## SELECTED COUNTY INFORMATION

### *Creation and Location*

The County was created in 1836 and organized in 1837 as one of the original counties of the Republic of Texas and is now the fourth most populous of the 254 counties in the State. The County is located in south central Texas and is a component of the San Antonio Metropolitan Statistical Area, the nation's twenty-fifth largest Metropolitan Statistical Area and the third largest in the State in 2010. According to the U.S. Census, the 2018 population of the County was 1,986,049. See APPENDIX C for more information concerning the County.

The principal city within the County is San Antonio, Texas, the county seat. The economy is based on manufacturing, agriculture, mineral production, medical facilities, military activities, and tourism.

### *Administration of the County*

Those officials having responsibility for the financial administration of the County are the County Judge and four County Commissioners (the "Commissioners Court"), the County Tax Assessor Collector, and the County Clerk (all of whom are elected officials), the County Auditor (who is appointed by the District Judges), and the Budget Officer (who is an employee of Commissioners Court). See page iii of the Official Statement for the names of the current office holders.

The Commissioners Court is the governing body of the County. It has certain powers expressly granted by the Texas Constitution and by the State Legislature and powers necessarily implied from such grants. Among other things, it approves the budget, determines the tax rates, approves contracts in the name of the County, determines whether indebtedness should be authorized and issued, and appoints certain County officials.

The County Judge is the presiding official of the Commissioners Court and is elected for a four-year term by the voters of the County. Each Commissioner represents one of the four precincts into which the County is divided. Each of the four Commissioners is elected by the voters of their precinct for a four-year term.

The Tax Assessor Collector is responsible for collecting ad valorem taxes, collecting certain State and County fees and other taxes.

The County Clerk's duties include treasurer responsibilities as related to depositing money received by the County in the depository selected by the Commissioners Court and cosigning all of the County's checks. In addition, the County Clerk is the Clerk of the Commissioners Court and civil, criminal, and probate courts. The County Clerk is also the recorder of the County and issues and records, marriage licenses, assumed business names, and records military discharges, cattle brands, uniform commercial code filings and deeds.

The County Auditor is the chief financial officer of the County and is responsible for substantially all County finance and accounting control functions. The responsibilities include those of auditing, accounting system design, financial planning, financial relations, payroll and is charged statutorily with strict enforcement of the law governing county finances. The County Auditor is appointed for a two-year term by, and is accountable to, the 27 State District Judges whose courts are located in the County.

The County Manager is appointed by the Commissioners Court and is responsible for preparing the County's annual budget. These responsibilities also include those of County Budget Officer and Chief Investment Officer, debt issuance planning and health insurance administration. In addition, the County Manager develops the long range financial forecast and completes special studies and cost/benefit analyses of various issues that have a fiscal impact on the County.

### *Employees*

The following table shows the number and employment category of the County's employees on September 30, years 2012 through 2018.

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government	948	948	935	888	925	932	960
Judicial	789	778	754	729	686	692	689
Public Safety	2708	2742	2724	2678	2616	2435	2435
Education & Recreation	87	86	81	79	70	71	14
Public Works	274	267	264	264	264	256	259
Health & Public Welfare	68	98	87	91	109	109	194
Total	<u>4,874</u>	<u>4,919</u>	<u>4,845</u>	<u>4,729</u>	<u>4,670</u>	<u>4,568</u>	<u>4,551</u>

### *County Services*

The County operates a jail and detention system and various parking facilities, constructs and maintains roads, and provides various levels of civil and criminal courts, a district attorney's office, a county sheriff's department, juvenile probation and detention, parks, and certain other public health and social welfare services.

The Bexar County Hospital District which uses the assumed name University Health System (the "System"), is a political subdivision of the State which owns and operates several health care facilities and is the major teaching facility for the University of Texas Health Science Center. The Commissioners Court appoints the governing body of the System and approves the System's annual budget. The financial information contained herein does not include information concerning the System.

The financial statements of the County include the Bexar County Housing Finance Corporation, the Bexar County Health Facilities Development Corporation, and the Bexar County Industrial Development Corporation as blended component units.

In March 2005, the Commissioners Court recognized the Deputy Sheriff's Association of Bexar County ("DSABC") as the exclusive bargaining agent for collective bargaining under Section 174.101 of the Texas Local Government Code. The DSABC represents all Sheriff's Office uniformed employees in the Detention and Law Enforcement careers and a majority of the senior management.

The purpose of bargaining is to come to an agreement pertaining to wages, hours and conditions of employment and enter into a contract between members of the DSABC and the County. In December 2016, a new CBA agreement was approved by the County and DSABC. The agreement has a four-year term effective December 23, 2016 through September 20, 2020. Pursuant to the agreement, Detention Officers and Corporals receive an 8% salary increase in FY 2016-17, a 2.5% increase in FY 2017-18, a 3% increase in FY 2018-19, and a 1.5% increase in FY 2019-20. Detention Sergeants, Lieutenants, Captains and all of Law Enforcement receive an 8% salary increase in FY 2016-17, a 2.5% increase in FY 2017-18, a 3% increase in FY 2018-19, and a 2.75% increase in FY 2019-20. The total cumulative cost over the four-year period is \$42.8 million.

**RETIREMENT PROGRAM**

**Plan Description**

The County provides retirement, disability and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system which consists of 641 non-traditional defined benefit pension plans. TCDRS, in the aggregate issues a Comprehensive Annual Financial Report ("CAFR") on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted and may be amended by the governing body of the County within the options available in the State statutes governing TCDRS ("TCDRS Act"). Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump-sum and who are not eligible to retire are not entitled to any amounts contributed by their employer.

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

At December 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2,553
Inactive employees entitled to but not yet receiving benefits	3,282
Active employees	<u>5,362</u>
	<u>11,197</u>

**Funding Policy**

The County has elected the Annually Determined Contribution Rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 13.21% of covered payroll for the months of the calendar year in 2017, and 13.61% of covered payroll for the months of the calendar year in 2018. The deposit rate payable by all employee members for the calendar years 2017 and 2018 is 7% as adopted by the governing body of the County. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The TCDRS board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

1. Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments.

2. Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits.
3. Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy

#### **Net Pension Liability**

The County's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	3.25%
Investment Rate of Return	8.10%

Mortality rates for service retirees, as well as the beneficiaries of both service and disability retirees were based on the RP-2014 Healthy Annuitant Mortality Table with an age set forward of one year and Projection Scale AA for Males, and the RP-2014 Combined Female Table with no age adjustment and Projection Scale AA for Females. For disabled retirees, the RP-2014 Disabled Male Table with no age adjustment and Projection Scale AA for Males, and the RP-2014 Disabled Female Table with an age set forward of two years and Projection Scale AA for Females are used.

The actuarial assumptions that determined the total pension liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2018 information for a 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Geometric Real Rate of Return</b>
US Equities	11.50%	4.55%
Private Equity	16.00%	7.55%
Global Equities	1.50%	4.85%
International Equities - Developed	11.00%	4.55%
International Equities - Emerging	8.00%	5.55%
Investment-Grade Bonds	3.00%	0.75%
Strategic Credit	8.00%	4.12%
Direct Lending	10.00%	8.06%
Distressed Debt	2.00%	6.30%
REIT Equities	2.00%	4.05%
Mater Limited Partnerships (MLPs)	3.00%	6.00%
Private Real Estate Partnerships	6.00%	6.25%
Hedge Funds	18.00%	4.10%

#### **Discount Rate/Depletion of Plan Assets**

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer, TCDRS used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the County's funding policy and the legal requirements under the TCDRS Act.

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

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 8.10% was used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.



## Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension	Fiduciary Net Position	Net Pension Liability
	Liability (a)	(b)	/ (Asset) (a) - (b)
Balances as of December 31, 2016	\$ 1,223,447,992	\$ 1,057,477,031	\$ 165,970,961
Changes for the year:			
Service cost	31,847,959	-	31,847,959
Interest on total pension liability	98,279,663	-	98,279,663
Effect of plan changes	1,008,641	-	1,008,641
Effect of economic/demographic gains or losses	1,315,545	-	1,315,545
Effect of assumption changes or inputs	5,389,426	-	5,389,426
Refund of contributions	(2,349,767)	(2,349,767)	-
Benefit payments	(54,981,287)	(54,981,287)	-
Administrative expenses	-	(791,182)	791,182
Member contributions	-	16,875,435	(16,875,435)
Net investment income	-	152,558,047	(152,558,047)
Employer contributions	-	32,431,852	(32,431,852)
Other	-	(114,788)	114,788
Balances as of December 31, 2017	<u>\$ 1,303,958,172</u>	<u>\$ 1,201,105,339</u>	<u>\$ 102,852,832</u>

### Sensitivity Analysis

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

	1% Decrease	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Total pension liability	\$ 1,495,759,776	\$ 1,321,474,301	\$ 1,174,773,490
Fiduciary net position	1,218,622,570	1,218,621,469	1,218,622,570
Net pension liability / (asset)	<u>\$ 277,137,206</u>	<u>\$ 102,852,832</u>	<u>\$ (43,849,080)</u>

### Pension Expense / (Income)

	January 1, 2017 to December 31, 2017
Service Cost	31,847,959
Interest on total pension liability	98,279,663
Effect of plan changes	1,008,641
Administrative expenses	791,182
Member contributions	(16,875,435)
Expected Investment return net of investment expenses	(84,376,220)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(2,011,802)
Recognition of assumption changes or inputs	3,211,964
Recognition of investment gains or losses	7,486,017
Other	114,788
Pension expense / (income)	<u>\$ 39,476,758</u>

## Deferred Inflows / Outflows of Resources

As of December 31, 2017, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 5,641,903	\$ 1,171,155
Changes of assumptions	-	8,788,979
Net difference between projected and actual earnings	13,899,908	-
Contributions made subsequent to measurement date	-	26,357,311
	<u>\$ 19,541,811</u>	<u>\$ 36,317,446</u>

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

Year ended December 31:	
2018	8,897,429
2019	6,175,545
2020	(12,060,598)
2021	(12,594,623)
2022	-
Thereafter	-

### GASB 45 – Reporting Liabilities for Other Post-Employment Benefits (OPEB)

The Governmental Accounting Standards Board has issued Statement No. 45 (“GASB 45”), “Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions”. GASB 45 establishes financial reporting standards for other post-employment benefit plans. Currently the County has established a post-employment healthcare plan for full-time regular employees that retire after January 1, 2000. In order to comply with GASB 45, beginning with FY 2007-08, the County started reporting the accrued liability for Other Post-Employment Benefits (“OPEB”). Although this reporting is not required by law, it is part of Generally Accepted Accounting Principles (“GAAP”). Furthermore, bond rating agencies such as Moody’s, Fitch, and S&P have stated that GASB 45 compliance will be considered when assigning credit ratings for local governments.

In FY 2006-07, the County retained L&E Actuaries and Consultants to do an actuarial study on the County’s potential OPEB liabilities. This study showed that as of May 1, 2007, the County’s unfunded actuarial accrued liability (“UAAL”) was \$117,676,388 and the County’s annual required contribution (“ARC”) was \$10,336,862 (assuming a 4.5% investment rate of return) of which \$5,150,000, approximately 50%, was programmed by the County in the 2007-08 fiscal year budget to begin assessing this liability. A second actuarial study was performed for fiscal year ending September 30, 2009 to confirm these initial findings. This study showed that as of October 1, 2008, the County’s UAAL was \$128,591,423, and the County’s ARC was \$10,046,870 (assuming a 4% investment rate return). A third actuarial study was performed for fiscal year ending September 30, 2011. This study showed that as of October 1, 2010, the County’s UAAL was \$159,197,151 and the County’s ARC was \$11,554,482 (assuming a 3.75% investment rate return). A fourth actuarial study was performed for fiscal year ending September 30, 2013. This study showed that as of October 1, 2012, the County’s UAAL was \$166,600,965 and the County’s ARC was \$12,016,077 (assuming a 3.75% investment rate return). A fifth actuarial study was performed for fiscal year ending September 30, 2015. This study showed that as of October 1, 2014, the County’s UAAL was \$183,016,083 and the County’s ARC was \$14,643,909 (assuming a 3.75% investment rate return).

The County has continued to explore cost mitigation strategies and to develop a full funding plan to meet its OPEB liabilities. At this time the County has not and is not contemplating entering into any contracts that obligate the County to make future health care benefit payments and no such obligation exists under State law as the County, at its sole discretion, may reduce, modify, and/or terminate any post-employment healthcare benefit plans with any County employees. It is not the County’s intention to establish an irrevocable trust for its OPEB liabilities, but rather report this liability as prescribed by GASB 45 and develop a structured funding mechanism with annual contributions maintained in a dedicated fund, thereby reducing the County’s OPEB liability over a period of time.

**BEXAR COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN GENERAL FUND BALANCE**

	For the Fiscal Year Ended September 30				
	2018	2017	2016	2015	2014
<b>REVENUES:</b>					
Ad Valorem Taxes	\$336,475,868	\$316,601,943	\$294,499,769	\$269,268,526	\$258,344,655
Other Taxes, Licenses, Fees & Permits	28,243,732	28,034,095	27,727,623	25,552,883	22,916,819
Intergovernmental Revenue	9,002,943	7,355,123	7,652,276	7,784,912	8,350,771
Fines and Court Costs	14,498,101	15,667,183	15,823,013	24,014,540	25,022,340
Fees on Motor Vehicles	6,048,070	5,978,435	6,965,225	6,675,960	6,449,504
Other Fees	25,768,778	25,285,838	22,697,682	14,192,314	13,687,280
Commissions from Govt. Units	5,041,751	4,850,594	4,678,422	4,383,707	4,184,550
Revenue from Use of Assets	18,326,513	17,651,553	16,941,120	17,821,277	15,508,540
Sales Refunds and Miscellaneous	4,771,769	4,757,448	4,220,710	4,340,998	5,268,746
<b>TOTAL REVENUES</b>	<b>\$448,177,525</b>	<b>\$426,180,212</b>	<b>\$401,205,840</b>	<b>\$374,035,117</b>	<b>\$359,733,205</b>
<b>EXPENDITURES:</b>					
General Government	96,633,167	88,982,391	84,972,821	83,162,655	77,444,420
Judicial	106,834,093	97,131,934	92,330,951	87,369,220	81,550,427
Public Safety	211,247,224	196,872,158	184,480,461	183,380,721	171,839,685
Education and Recreation	6,813,019	6,000,928	5,891,435	4,781,998	4,362,619
Public Works	6,492,929	6,284,502	5,848,715	214,717	252,861
Health and Public Welfare	5,560,811	5,537,421	7,171,687	6,912,819	5,276,513
Capital Expenditures	540,840	805,548	810,258	684,341	464,142
Debt Service	-0-	-0-	-0-	-0-	-0-
<b>TOTAL EXPENDITURES</b>	<b>\$434,122,083</b>	<b>\$401,434,882</b>	<b>\$381,506,328</b>	<b>\$366,506,471</b>	<b>\$341,190,667</b>
Excess (Deficiency) of Revenues Over Expenditures	14,055,442	24,745,330	19,699,512	7,528,646	18,542,538
<b>OTHER FINANCING SOURCES</b>					
Operating Transfers In	305,043	-0-	-0-	-0-	-0-
Operating Transfers (Out)	(11,855,881)	(18,264,222)	(13,518,966)	(10,496,410)	(10,045,729)
Total Other Financing Sources (Uses)	(11,550,838)	(18,264,222)	(13,518,966)	(10,496,410)	(10,045,729)
Net Change in Fund Balance	2,504,604	6,481,108	6,180,546	(2,967,764)	8,496,809
Beginning Fund Balance (Oct. 1)	90,650,939	84,169,831	77,989,285	80,957,049	72,460,240
Ending Fund Balance (Sept. 30)	<b>\$ 93,155,543</b>	<b>\$ 90,650,939</b>	<b>\$ 84,169,831</b>	<b>\$ 77,989,285</b>	<b>\$ 80,957,049</b>

Source: County's Annual Financial Reports.

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**APPENDIX B**

**Excerpts from the Order**

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## APPENDIX B

### EXCERPTS FROM THE ORDER

The following constitutes a summary of certain selected provisions under the Order. This summary should be qualified by reference to other provisions of the Order referred to elsewhere in this Official Statement, and all references and summaries pertaining to the Order in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Order, a copy of which may be obtained from the County.

#### **SECTION 1.1. Definitions.**

For all purposes of this Order, except as otherwise expressly provided or unless the context otherwise requires, (a) the terms defined in this Section have the meanings assigned to them in this Section, certain terms defined in other sections of and the preamble to this Order have the meanings assigned to them in such sections and preamble, and all such terms include the plural as well as the singular; (b) all references in this Order to designated “*Sections*,” “*Schedules*,” “*Exhibits*,” and other subdivisions are to the designated Sections, Schedules, Exhibits, and other subdivisions of this Order as originally adopted; and (c) the words “*herein*,” “*hereof*,” and “*hereunder*” and other words of similar import refer to this Order as a whole and not to any particular Section or other subdivision.

***1999 Election*** has the meaning ascribed thereto in the recitals hereof.

***2000 Project*** means, collectively, those projects of the County undertaken pursuant to authority granted under Chapter 334 and the results of the 1999 Election and which were financed, primarily, with proceeds of the Tax-Exempt Series 2000 Bonds and the Taxable Series 2000 Bonds.

***2008 Election*** has the meaning ascribed thereto in the recitals hereof.

***2008 Project*** means, collectively, those projects authorized to be undertaken from time to time by the County pursuant to authority granted under Chapter 334 and the results of the 2008 Election.

***2019 CVT Refunding Bonds*** means the “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2019”, issued pursuant to this Order in the original principal amount of \$\_\_\_\_\_.

***2019 MRVT Refunding Bonds*** means the “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Motor Vehicle Rental Tax), Series 2019”, issued pursuant to this Order in the original principal amount of \$\_\_\_\_\_.

***Accountant*** means a certified public accountant or accountants or a firm of certified public accountants, in either case with demonstrated experience and competence in public accountancy.

***Additional Combined Venue Tax Bonds*** means (1) any bonds, notes, warrants, certificates of obligation, or other Debt hereafter issued by the Issuer that are payable, in whole or in part,

from and equally and ratably secured by the Pledged Revenues and (2) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by such a pledge of the Pledged Revenues as determined by the Court in accordance with applicable law.

***Additional Taxable Bonds*** means (1) any bonds, notes, warrants, certificates of obligation, or other Debt hereafter issued by the Issuer that are payable, in whole or in part, from and equally and ratably secured by the Enhanced Pledged Revenues (2) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by such a pledge of the Enhanced Pledged Revenues as determined by the Court in accordance with applicable law.

***Additional Motor Vehicle Rental Tax Bonds*** means (1) any bonds, notes, warrants, certificates of obligation, or other Debt hereafter issued by the Issuer that are payable, in whole or in part, from and equally and ratably secured by the Pledged MVRT Revenues and (2) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by such a pledge of the Pledged MVRT Revenues as determined by the Court in accordance with applicable law.

***Approval Certificate*** means a written instrument executed by a Designated Financial Officer in accordance with *Sections 2.1, 2.2C, or 2.4B*.

***Arena Project*** means the multi-purpose sports, community events and entertainment arena, including parking facilities relating thereto, located in the Venue Project.

***Bankruptcy Code*** means Title 11, United States Code, as now or hereafter constituted.

***Bonds*** means any of 2019 CVT Refunding Bonds and 2019 MVRT Refunding Bonds from time to time Outstanding.

***Book-Entry Only Bond*** means any Bond registered in the name of the Securities Depository or its nominee.

***Business Day*** for the Bonds or portions thereof means any day other than (1) a Saturday or a Sunday, (2) a legal holiday or the equivalent on which banking institutions generally are authorized or required to close in the Place of Payment or in the city in which is located the corporate trust office of the Paying Agent/Registrar.

***Chapter 334*** means Chapter 334, as amended, Texas Local Government Code, as first defined in the recitals hereof.

***Chapter 1207*** means Chapter 1207, as amended, Texas Government Code, as first defined in the recitals hereof.

***Chapter 1371*** means Chapter 1371, as amended, Texas Government Code.

***Closing Date*** shall mean the date of physical delivery of the Initial Bonds against payment in full by the Purchasers.



**Code** means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor; provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

**Combined Venue Tax Bonds** means (1) those obligations of the Issuer that are payable, in whole or in part, from and equally and ratably secured by a pledge of the Pledged Revenues, including:

(i) the \$42,145,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2008A”, dated as of August 15, 2008;

(ii) the \$5,525,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Combined Venue Tax), Series 2008C”, dated as of August 15, 2008;

(iii) the \$23,020,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Combined Venue Tax), Series 2009”, dated as of November 1, 2009;

(iv) the \$39,695,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Combined Venue Tax), Series 2010”, dated as of November 15, 2010;

(v) the \$92,190,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2013”, dated as of December 15, 2012;

(vi) the \$78,935,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Combined Venue Tax), Series 2015”, dated as of November 1, 2015; and

(vii) upon issuance, the 2019 CVT Refunding Bonds;

(2) the Additional Combined Venue Tax Bonds; and (3) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by such a pledge of the Pledged Revenues as determined by the Court in accordance with applicable law, all of which Bonds are issued on a tax-exempt basis.

**Court** means the Commissioners Court of the County, being its governing body, as first defined in the recitals hereof.

**County** or **Issuer** means Bexar County, Texas, as first defined in the recitals hereof.

**Credit Agreement** means a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase debt, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized, and approved by the Issuer as a Credit Agreement in connection with the authorization, issuance, security, or payment of any obligation authorized by Chapter 1371, as amended, Texas Government Code.

**Debt** means all indebtedness of the Issuer payable from any revenues pledged hereunder incurred or assumed by the Issuer for borrowed money (including indebtedness payable from such revenues arising under Credit Agreements) and all other financing obligations of the Issuer payable from such revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet. For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. This specifically includes any Bonds defeased pursuant to *Section 4.4* hereof. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the Issuer in prior Fiscal Years.

**Debt Service Requirements** means as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Issuer as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on or other payments due under such obligation, assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest or other payment obligations calculated by assuming (1) that such non-fixed interest rate for every future 12-month period is equal to the rate of interest reported in the most recently published edition of The Bond Buyer (or its successor) at the time of calculation as the “Revenue Bond Index” or, if such Revenue Bond Index is no longer being maintained by The Bond Buyer (or its successor) at the time of calculation, such interest rate shall be assumed to be 80% of the most recently reported yield, as of the time of calculation, at which United States Treasury obligations of like maturity have been sold and (2) that, in the case of bonds not subject to fixed scheduled mandatory sinking fund redemptions, that the principal of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds, and in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity according to a fixed schedule, the principal amounts thereof will be redeemed prior to stated maturity in accordance with the mandatory redemption provisions applicable thereto (in each case notwithstanding any contingent obligation to redeem bonds more rapidly). For the term of any interest rate hedge agreement entered into in connection with any such obligations, Debt Service Requirements shall be computed by netting the amounts payable to the Issuer under such hedge agreement from the amounts payable by the Issuer under such hedge agreement and such obligations.

**Depository** means one or more official depository banks of the Issuer.

**Designated Financial Officer** means the County Judge of the County, the County Clerk of the County, the County Auditor of the County, the County Manager of the County, or such other financial or accounting official of the Issuer so designated by the Court.

**DTC Participant** means those broker-dealers, banks, and other financial institutions reflected on the books of the Securities Depository.

**Enhanced Pledged Revenues** means (i) a first and prior lien on the Hotel Occupancy Tax revenues received by the County less any amounts withheld by persons in payment of costs of collection to the extent permitted by the order of the Court imposing and/or extending such Hotel Occupancy Tax, which lien on and pledge of revenues is on parity with the lien thereon and pledge thereof included in Pledged Revenues, (ii) a junior and inferior lien on the Motor Vehicle Rental Tax revenues received by the County less any amounts withheld by persons in payment of costs of collection to the extent permitted by the order of the Court imposing and/or extending such Motor Vehicle Rental Tax, which lien on and pledge of revenues is subordinate to the lien on and pledge of such revenues included in Pledged MVRT Revenues and on parity with the lien thereon and pledge thereof included in Pledged Revenues, (iii) a first and prior lien on the License Revenues, and (iv) such other money, income, revenues or other property as may be specifically included in such term in a supplemental order or indenture.

**Financial Obligation** means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

**Fiscal Year** means the twelve-month accounting period used by the Issuer in connection with the operation of the Issuer, currently ending on September 30 of each year, which may be any 12 consecutive month period established by the Issuer, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

**Fitch** means Fitch Ratings, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, **Fitch** shall mean any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Credit Enhancer.

**General Revenues** means any revenues of the County, other than the revenues from the Hotel Occupancy Tax and the Motor Vehicle Rental Tax and the License Revenues, pledged as additional security for any Bonds, in accordance with and as permitted under applicable law (including any law comprising the Acts).

**Government Obligations** shall mean (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States of America; (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (4) any additional securities and

obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Bonds.

**Holder** of any Bond means the Person in whose name such Bond is registered in the Securities Register, subject to *Section 4.2*.

**Hotel Occupancy Tax** has the meaning ascribed thereto in the recitals hereof. **Initial Bonds** has the meaning stated in *Section 2.7*.

**Interest Payment Date** for any Bond or portion thereof means the date specified in such Bond as a fixed date on which interest on such Bond or portion is due and payable.

**Issuer** or **County** means Bexar County, Texas, and, where appropriate, the Court, as first defined in the recitals hereof.

**Legal Holiday** means a day on which a Paying Agent/Registrar for the Bonds is authorized by law or executive order to close.

**License Revenues** means (a) the Annual License Fee (as defined in the Operating Agreement) that is derived or received by the County because of its ownership, operation or licensing of the Arena Project from Community Arena Management, Ltd. pursuant to Section 5.7 of the Operating Agreement or from the San Antonio Spurs, L.L.C. pursuant to Section 3.5 of the Spurs License Agreement and (b) to the extent permitted by applicable law and upon receipt of an opinion of nationally-recognized bond counsel regarding due authorization of such Targeted Taxes (as defined in the Operating Agreement), any amounts received by the County as the result of the imposition of any Targeted Taxes, as defined in the Operating Agreement, but only to the extent that such Targeted Taxes result in a reduction to, setoff of or credit against the obligation of Community Arena Management, Ltd. or the San Antonio Spurs, L.L.C. to pay Annual License Fees.

**Maintenance and Operating Expenses** means the expenses of operation and maintenance of the Venue Project, including all salaries, labor, materials, repairs and extensions (including capital repairs and extensions) necessary to maintain and operate the Venue Project.

**Maturity** when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or call for redemption or otherwise, but does not include payment of the portion of the Purchase Price corresponding to principal of such Bond pursuant to *Section 2.2*.

**Moody's** means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, **Moody's** shall be deemed to refer to any other nationally recognized Rating Service designated by the Issuer.

**Motor Vehicle Rental Tax** has the meaning ascribed thereto in the recitals hereof.

**Motor Vehicle Rental Tax Bonds** means (1) those obligations of the Issuer that are payable, in whole or in part, from and equally and ratably secured by a pledge of the Pledged MVRT Revenues, including:

(i) the \$5,985,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Motor Vehicle Rental Tax), Series 2008D”, dated as of August 15, 2008;

(ii) the \$27,870,000 “Bexar County, Texas tax-Exempt Venue Project Revenue Bonds (Motor Vehicle Rental Tax), Series 2009”, dated as of November 1, 2009;

(iii) the \$27,365,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Bonds (Motor Vehicle Rental Tax), Series 2010”, dated as of November 15, 2010;

(iv) the \$25,880,000 “Bexar County, Texas Tax-Exempt Venue Project Revenue Refunding Bonds (Motor Vehicle Rental Tax), Series 2013; and

(v) upon issuance, the \$\_\_\_\_\_ 2019 MVRT Refunding Bonds.

(2) the Additional Motor Vehicle Rental Tax Bonds; and (3) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by such a pledge of the Pledged MVRT Revenues as determined by the Court in accordance with applicable law.

**Operating Agreement** means the Bexar County Community Arena Operating Agreement between the County and Community Arena Management, Ltd., dated as of August 22, 2000, as amended from time to time.

**Order** means this order adopted by the Court.

**Outstanding** means, when used in this Order with respect to Bonds, as of the date of determination, all Bonds issued and delivered under this Order, *except*:

(1) **Cancelled Bonds:** those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) **Defeased Bonds:** those Bonds for which payment has been duly provided by the Issuer in accordance with the provisions of *Section 4.4* by the irrevocable deposit with the Paying Agent/Registrar, or an authorized escrow agent, of money or Government Obligations, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to Maturity; *provided* that, (a) if such Bonds are to be redeemed, notice of redemption thereof shall have been duly given pursuant to this Order or irrevocably provided to be given to the satisfaction of the Paying Agent/Registrar, or waived, (b) if such Bonds are in a Daily Mode or Weekly Mode, such Bonds are to be redeemed within 30 days after such deposit, and if such Bonds are in a Commercial Paper Mode or Term Mode, such Bonds or portions thereof are to be redeemed on the next Rate Adjustment Date therefor, and (c) unless such Bonds are in a Fixed Mode or in a Term Mode with an Interest Period greater than one year, the Paying Agent/Registrar shall have received

written confirmation from each Rating Service that no rating assigned by it to the Bonds will be withdrawn or reduced as a result of such Bonds no longer being Outstanding; and

(3) **Replaced Bonds:** those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in *Section 2.11*.

**Paying Agent/Registrar** means the financial institution specified in *Section 2.3* or its herein permitted successors and assigns.

**Person** means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

**Place of Payment** for Bonds means the city in which is located the office designated by the Paying Agent/Registrar at which principal of the Bonds shall be paid at Maturity.

**Pledged MVRT Revenues** means (i) a first and prior lien on the Motor Vehicle Rental Tax revenues received by the County less any amounts withheld by persons in payment of costs of collection to the extent permitted by the order of the Court imposing and/or extending such Motor Vehicle Rental Tax, which lien on and pledge of revenues is senior and superior to the lien on and pledge of such revenues included in Pledged Revenues and Enhanced Pledged Revenues, and (ii) such other money, income, revenues or other property as may be specifically included in such term in a supplemental order or indenture.

**Pledged Revenues** means (i) a first and prior lien on the Hotel Occupancy Tax revenues received by the County less any amounts withheld by persons in payment of costs of collection to the extent permitted by the order of the Court imposing and/or extending such Hotel Occupancy Tax, which lien on and pledge of revenues is on parity with the lien thereon and pledge thereof included in Enhanced Pledged Revenues, (ii) a junior and inferior lien on the Motor Vehicle Rental Tax revenues received by the County less any amounts withheld by persons in payment of costs of collection to the extent permitted by the order of the Court imposing and/or extending such Motor Vehicle Rental Tax, which lien on and pledge of revenues is subordinate to the lien on and pledge of such revenues included in Pledged MVRT Revenues and on parity with the lien thereon and pledge thereof included in Enhanced Pledged Revenues, and (iii) such other money, income, revenues or other property as may be specifically included in such term in a supplemental order or indenture.

**Predecessor Bond** has the meaning stated in *Section 2.6H*.

**Proposition 1** means that proposition presented by the County to its voters at the 2008 Election seeking authorization to issue revenue bonds of the County secured by and a payable from the revenues derived from its collection of the Venue Taxes to provide funds to finance the costs of planning, acquiring, establishing, developing, constructing, or renovating improvements to the San Antonio River and any related infrastructure.

**Proposition 2** means that proposition presented by the County to its voters at the 2008 Election seeking authorization to issue revenue bonds of the County secured by and a payable from

the revenues derived from its collection of the Motor Vehicle Rental Tax to provide funds to finance the costs of planning, acquiring, establishing, developing, constructing, or renovating amateur soccer fields, baseball diamonds, and other athletic and recreational facilities for use by the public, organized leagues, and local schools, and any related infrastructure.

**Proposition 3** means that proposition presented by the County to its voters at the 2008 Election seeking authorization to issue revenue bonds of the County secured by and a payable from the revenues derived from its collection of the Venue Taxes to provide funds to finance the costs of planning, acquiring, establishing, developing, constructing, or renovating improvements to the AT&T Center, improving the Joe and Harry Freeman Coliseum and certain barns and other facilities located on the Coliseum grounds, improving roads adjacent to the Coliseum and the AT&T Center and related infrastructure.

**Proposition 4** means that proposition presented by the County to its voters at the 2008 Election seeking authorization to issue revenue bonds of the County secured by and a payable from the revenues derived from its collection of the Venue Taxes to provide funds to finance the costs of planning, acquiring, establishing, developing, constructing, or renovating a new performing arts center, renovating and improving the Dolph and Janey Briscoe Western Art Museum, renovating and improving the Alameda Theater, and any related infrastructure.

**Propositions** means, collectively, Proposition 1, Proposition 2, Proposition 3, and Proposition 4.

**Purchasers** shall mean the initial purchasers of the Bonds named in *Section 2.11* of this Order.

**Qualified Surety Bond Provider** means an insurance company which is rated in the highest rating category by Standard & Poor's and Moody's.

**Rating Service** means each nationally recognized securities rating service which at the time of determination has a credit rating assigned to the Bonds.

**Rebate Expert** means any nationally recognized bond counsel, nationally recognized firm of certified public accountants, or other firm as selected by the County that is knowledgeable in making the calculations required by section 148(f) of the Code and any Regulations proposed or promulgated in connection therewith.

**Record Date** means the last business day of the month next preceding each Interest Payment Date for the Bonds.

**Refunded Bonds** has the meaning ascribed thereto in the recitals hereof.

**Refunded Bonds Order** has the meaning ascribed thereto in the recitals hereof.

**Regulations** means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

**S&P** means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, **S&P** shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**Securities Depository** means The Depository Trust Company or any successor Person appointed by order of the Court to act as Holder of the Bonds, directly or through a nominee, to maintain a system for recording and transferring beneficial interests in such Bonds and distributing payments thereon and notices in respect thereof.

**Securities Register** has the meaning stated in *Section 2.3*.

**Special Payment Date** has the meaning stated in *Section 2.3*.

**Special Record Date** has the meaning stated in *Section 2.3*.

**Spurs License Agreement** means the Bexar County Community Arena Spurs License Agreement among the County, San Antonio Spurs L.L.C., and Community Arena Management, Ltd., dated as of August 22, 2000, as amended from time to time.

**Stated Maturity** has the meaning stated in *Section 2.2A*.

**Surety Bond** means the surety bond(s) or similar policies, acquired by the Issuer from one or more Qualified Surety Bond Providers, guaranteeing certain payments into the Motor Vehicle Rental Tax Bonds Reserve Account, the Tax-Exempt Combined Venue Tax Bonds Reserve Account, or the Taxable Bonds Reserve Account as provided in this Order with respect to the Bonds as provided in the Surety Bond and subject to the limitations set forth in the Surety Bond and the limitations of the Insurer and the Surety Bond shall constitute a permissible Surety Policy.

**Surety Policy** means a Surety Bond, insurance policy, letter of credit, or other agreement or instrument whereby the Issuer is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

**Tax-Exempt Bonds** means, collectively, the Combined Venue Tax Bonds and the Motor Vehicle Rental Tax Bonds, which are issued on a basis whereby the interest thereon is excludable for purposes of federal income taxation.

**Tax-Exempt Series 2000 Bonds** has the meaning ascribed thereto in the recitals hereof.

**Taxable Bonds** means (1) those obligations of the Issuer that are payable, in whole or in part, from and equally and ratably secured by a pledge of the Enhanced Pledged Revenues, including:

(vi) the \$50,810,000 "Bexar County, Texas Taxable Venue Project Revenue Refunding Bonds (Combined Venue Tax and License Revenues), Series 2008B", dated as of August 15, 2008;



(2) any Additional Taxable Bonds; and (3) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by such a pledge of the Enhanced Pledged Revenues as determined by the Court in accordance with applicable law and which are issued on a taxable basis.

***Taxable Series 2000 Bonds*** has the meaning ascribed thereto in the recitals hereof.

***Venue Project*** means, collectively, the 2000 Project and the 2008 Project.

***Venue Taxes*** has the meaning ascribed thereto in the recitals hereof.

#### **SECTION 4.1. Pledge of Revenues.**

**A. Pledge.** Payment of the principal of, redemption premium (if any), and interest on (but not the Purchase Price of) each series of Bonds, along with the obligations of the Issuer under any Credit Agreement relating to such series of Bonds, are and shall be secured by and payable solely from, the sources described below.

(1) ***Combined Venue Tax Bonds:*** Payment of the principal of and interest on (but not the Purchase Price of) the Combined Venue Tax Bonds, including the 2019 CVT Refunding Bonds, as well as any obligations of the Issuer under a Credit Agreement relating thereto (if any), shall be equally and ratably secured by and payable solely from the Pledged Revenues. In connection therewith, the Issuer hereby grants a lien on and pledge of the Pledged Revenues for such purpose. Neither the Combined Venue Tax Bonds nor the Issuer's obligations arising under a Credit Agreement as described above are secured by or payable from a mortgage or deed of trust on any of the Issuer's properties, whether real, personal, or mixed, including the Venue Project.

(2) ***Motor Vehicle Rental Tax Bonds:*** Payment of the principal of and interest on (but not the Purchase Price of) the Motor Vehicle Rental Tax Bonds, including the 2019 MVRT Refunding Bonds as well as any obligations of the Issuer under a Credit Agreement relating thereto (if any), shall be equally and ratably secured by and payable solely from the Pledged MVRT Revenues. In connection therewith, the Issuer hereby grants a lien on and pledge of the Pledged MVRT Revenues for such purpose. Neither the Motor Vehicle Rental Tax Bonds nor the Issuer's obligations arising under a Credit Agreement as described above are secured by or payable from a mortgage or deed of trust on any of the Issuer's properties, whether real, personal, or mixed, including the Venue Project.

**B. Perfection.** Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the respective revenue pledges granted by the Issuer under *Subsection A* of this Section, and such pledges are therefore valid, effective, and perfected. If Texas law is amended at any time while any Bonds are outstanding and unpaid such that the applicable revenue pledge granted by the Issuer as security therefor is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of such Bonds or any obligee of any obligations arising under a Credit Agreement the perfection of the security interest in the applicable pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9,

Texas Business & Commerce Code, and enable a filing to perfect the security interest in the described pledge to occur.

**C. *No Tax Support.*** The Bonds are special, limited obligations of the Issuer payable solely from the Issuer's revenues pledged to the payment thereof (as described in *Subsection A* of this Section), and the holders thereof shall never have the right to demand payment out of funds raised from any other source (including, but not limited to, funds to be raised by ad valorem taxation).

#### **SECTION 5.1.       Venue Project Fund.**

**A.** The Issuer hereby covenants with respect to the holders of the Bonds that all revenues of every nature received through the collection of the Hotel Occupancy Tax and the Motor Vehicle Rental Tax, as well as License Revenues and any other revenues hereafter identified as additional security for any Bonds, shall be deposited as received in the "Venue Project Fund" (the *Venue Project Fund*), which has heretofore been established and authorized to be maintained with the Paying Agent/Registrar and is hereby confirmed. The Venue Project Fund shall be kept separate and apart from all other funds of the Issuer. Revenues received from time to time by the Paying Agent/Registrar for deposit to the Venue Project Fund shall be immediately deposited therein, with further transfers therefrom to be made by the Paying Agent/Registrar at the times and in the manner herein specified.

**B.** The County hereby confirms the creation and use of the Venue Project Fund as ordered by the resolution adopted by the County, and, as applicable, the establishment and creation of or confirmation of the prior establishment and creation of the following special accounts within the Venue Project Fund

- (1) Hotel Occupancy Tax Account;
- (2) Motor Vehicle Rental Tax Account;
- (3) Motor Vehicle Rental Tax Bonds Debt Service Account;
- (4) Tax-Exempt Combined Venue Tax Bonds Debt Service Account;
- (5) Taxable Bonds Debt Service Account;
- (6) Construction Account;
- (7) License Revenues Account;
- (8) General Revenues Account;
- (9) Motor Vehicle Rental Tax Bonds Reserve Account;
- (10) Tax-Exempt Combined Venue Tax Bonds Reserve Account;
- (11) Taxable Bonds Reserve Account;

(12) Rebate Account; and

(13) Capital Improvement and Coverage Account.

**SECTION 5.2. Hotel Occupancy Tax Account and Motor Vehicle Rental Tax Account.**

**A.** The funds received by the County from the Hotel Occupancy Tax shall be deposited, as received, to the credit of the Hotel Occupancy Tax Account.

The funds received by the County from the Motor Vehicle Rental Tax shall be deposited, as received, to the credit of the Motor Vehicle Rental Tax Account.

All funds deposited into the Hotel Occupancy Tax Account and the Motor Vehicle Rental Tax Account, respectively, shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

**B. Motor Vehicle Rental Tax Account.** The Paying Agent/Registrar shall, after the Closing Date (unless another time is specified herein), transfer all amounts on deposit in the Motor Vehicle Rental Tax Account on the fifteenth day of each month (or on the last business day prior thereto if such day is a Saturday, Sunday, or Legal Holiday), to the following accounts and in the following order of priority:

(1) First, to the Motor Vehicle Rental Tax Bonds Debt Service Account (i) an amount equal to 1/6th of the total interest payable on the Motor Vehicle Rental Tax Bonds on the next occurring Interest Payment Date, (ii) an amount equal to 1/12th of the principal of the Motor Vehicle Rental Tax Bonds coming due on the next principal payment date, and (iii) such other amounts as may be necessary, from time to time, to provide for the timely payment of regularly-scheduled debt service on any Additional Motor Vehicle Rental Tax Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the Issuer relating to either the Motor Vehicle Rental Tax Bonds or any Additional Motor Vehicle Rental Tax Bonds, which amounts and times for deposit shall be specified in the order of the Court authorizing such Additional Motor Vehicle Rental Tax Bonds or Credit Agreement, as applicable;

(2) Second, to the Motor Vehicle Rental Tax Bonds Reserve Account, the amount, if any, specified in Section 5.7A;

(3) Third, (i) to the Tax-Exempt Combined Venue Tax Bonds Debt Service Account (1) an amount equal to 1/6th of the total interest payable on the Combined Venue Tax Bonds on the next occurring Interest Payment Date, (2) an amount equal to 1/12th of the principal of the Combined Venue Tax Bonds coming due on the next principal payment date, and (3) such other amounts as may be necessary, from time to time, to provide for the timely payment of regularly-scheduled debt service on any Additional Combined Venue Tax Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the Issuer relating to any of the Combined Venue Tax Bonds, which amounts and times for deposit shall be specified in the order of the Court authorizing such additional bonds or Credit Agreement, as applicable, and (ii) to the Taxable Bonds Debt Service Account, after first taking into account any License Revenues theretofore transferred and then on deposit in such debt service account and available for such purpose, (1) an amount equal to 1/6th of the total interest payable on the Taxable Bonds on the next occurring Interest Payment Date, (2) an amount equal to 1/12th of the principal of the Taxable Bonds coming due on the next principal payment date, and (3)

such other amounts as may be necessary, from time to time, to provide for the payment of regularly-scheduled debt service on any Additional Taxable Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the Issuer relating to any of the Taxable Bonds, which amounts and times for deposit shall be specified in the order of the Court authorizing such additional bonds or Credit Agreement, as applicable; provided, however, that in the event that amounts available from the Motor Vehicle Rental Tax Account are insufficient to make the requisite deposits to the respective debt service accounts as hereinbefore described, then the amounts that are available shall be divided pro rata between such debt service accounts (determined based on the amount required to be deposited to each debt service account as a percentage of the combined deposit required to be made to both debt service accounts); provided further, however, that prior to making any monthly deposits to the identified debt service accounts in the manner described above, the Paying Agent/Registrar shall first take into account any transfers to such debt service accounts made or scheduled to be made for such month from the identified sources and in the manner specified in Subsection C(1) of this Section for the purpose of satisfying the specified monthly deposit requirements;

(4) Fourth, to the Tax-Exempt Combined Venue Tax Bonds Reserve Account and the Taxable Bonds Reserve Account, the respective amounts, if any, specified in Section 5.7B and Section 5.7C (after first taking into account any transfers to such reserve accounts made or scheduled to be made for such month from the sources and in the manner specified in Subsection C(2) of this Section); provided, however, that in the event that funds available from the Motor Vehicle Rental Tax Account are insufficient to fully fund both reserve accounts in the requisite amounts, such available funds shall be divided pro rata between such reserve accounts (determined based on the amount required to be deposited to each reserve account as a percentage of the combined deposit required to be made to both reserve accounts);

(5) Fifth, the amount, if necessary, to transfer to the Rebate Account; and

(6) Sixth, to the Excess Revenues Subaccount of the Capital Improvement and Coverage Account.

**C. Hotel Occupancy Tax Account.** The Paying Agent/Registrar shall, after the Closing Date (unless another time is specified herein), transfer all amounts on deposit in the Hotel Occupancy Tax Account on the fifteenth day of each month (or on the last business day prior thereto if such day is a Saturday, Sunday, or Legal Holiday), to the following accounts and in the following order of priority:

(1) First, (i) to the Tax-Exempt Combined Venue Tax Bonds Debt Service Account (I) an amount equal to 1/6th of the total interest payable on the Combined Venue Tax Bonds on the next occurring Interest Payment Date, (2) an amount equal to 1/12th of the principal of the Combined Venue Tax Bonds coming due on the next principal payment date, and (3) such other amounts as may be necessary, from time to time, to provide for the timely payment of regularly-scheduled debt service on any Additional Combined Venue Tax Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the Issuer relating to any of the Combined Venue Tax

Bonds, which amounts and times for deposit shall be specified in the order of the Court authorizing such additional bonds or Credit Agreement, as applicable, and (ii) to the Taxable Bonds Debt Service Account, after first taking into account any License Revenues theretofore transferred and then on deposit in such debt service account and available for such purpose, (1) an amount equal to 1/6th of the total interest payable on the Taxable Bonds on the next occurring Interest Payment Date, (2) an amount equal to 1/12th of the principal of the Taxable Bonds coming due on the next principal payment date, and (3) such other amounts as may be necessary, from time to time, to provide for the payment of regularly-scheduled debt service on any Additional Taxable Bonds hereafter issued or periodic payment obligations arising under any Credit Agreement hereafter entered into by the Issuer relating to any of the Taxable Bonds, which amounts and times for deposit shall be specified in the order of the Court authorizing such additional bonds or Credit Agreement, as applicable; provided, however, that in the event that amounts available from the Hotel Occupancy Tax Account are insufficient to make the requisite deposits to the respective debt service accounts as hereinbefore described, then the amounts that are available shall be divided pro rata between such debt service accounts (determined based on the amount required to be deposited to each debt service account as a percentage of the combined deposit required to be made to both debt service accounts); provided further, however, that the Paying Agent/Registrar shall make the monthly deposits to the identified debt service accounts in the manner described above PRIOR to taking into account any transfers to such debt service accounts made or scheduled to be made for such month from the Motor Vehicle Rental Tax Account pursuant to Subsection B(3) of this Section for the purpose of satisfying the specified monthly deposit requirements;

(2) Second, to the Tax-Exempt Combined Venue Tax Reserve Account and the Taxable Bonds Reserve Account, the respective amount, if any, specified in Section 5.7B and Section 5.7C; provided, however, that in the event that funds available from the Hotel Occupancy Tax Account are insufficient to fully fund both reserve accounts in the requisite amounts (after taking into account any amounts transferred or scheduled to be made for such month from the Motor Vehicle Rental Tax Account pursuant to Subsection B(4) of this Section and, only with respect to amounts to be deposited to the Taxable Bonds Reserve Account, the License Revenues), such available funds shall be divided pro rata between such reserve accounts (determined based on the amount required to be deposited to each reserve account as a percentage of the combined deposit required to be made to both reserve accounts);

(3) Third, the amount, if necessary, to transfer to the Rebate Account; and

(4) Fourth, to the Excess Revenues Subaccount of the Capital Improvement and Coverage Account.

### **SECTION 5.3. Debt Service Accounts.**

**A.** The County hereby confirms the prior establishment of the (i) Motor Vehicle Rental Tax Bonds Debt Service Account, (ii) the Tax-Exempt Combined Venue Tax Bonds Debt Service Account, and (iii) the Taxable Bonds Debt Service Account, for the purposes of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Bonds. On the Closing Date, the Issuer shall deposit accrued interest on the Bonds to the Motor Vehicle Rental Tax Bonds Debt Service Account and the Tax-Exempt Combined Venue Tax Bonds Debt Service Account, as applicable, in the amounts and in the manner specified in *Section 5.10*.

**B.** For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Motor Vehicle Rental Tax Bonds, there has heretofore been created a special trust account to be designated *Motor Vehicle Rental Tax Bonds Debt Service Account*, which account shall be kept and maintained by the Paying Agent/Registrar. The Paying Agent/Registrar is hereby authorized and directed to make withdrawals from the Motor Vehicle Rental Tax Bonds Debt Service Account sufficient to pay the principal of and interest on the Motor Vehicle Rental Tax Bonds as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Motor Vehicle Rental Tax Bonds Debt Service Account an amount sufficient to pay the amount of principal and/or interest stated to mature on the Motor Vehicle Rental Tax Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Motor Vehicle Rental Tax Bonds.

**C.** For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Combined Venue Tax Bonds, there has heretofore been created a special trust account to be designated *Tax-Exempt Combined Venue Tax Bonds Debt Service Account*, which account shall be kept and maintained by the Paying Agent/Registrar. The Paying Agent/Registrar is hereby authorized and directed to make withdrawals from the Tax-Exempt Combined Venue Tax Bonds Debt Service Account sufficient to pay the principal of and interest on the Combined Venue Tax Bonds, as well as any payment obligations on any Credit Agreement relating thereto, as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Combined Venue Tax Bonds, or such payment obligation on a related Credit Agreement, Debt Service Account an amount sufficient to pay the amount of principal and/or interest stated to mature on the Tax-Exempt Combined Venue Tax Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Combined Venue Tax Bonds or Credit Agreement obligation payment date, as applicable.

**D.** For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Taxable Bonds, there has heretofore been created a special trust account to be designated *Taxable Bonds Debt Service Account*, which account shall be kept and maintained by the Paying Agent/Registrar. The Paying Agent/Registrar is hereby authorized and directed to make withdrawals from the Taxable Bonds Debt Service Account sufficient to pay the principal of and interest on the Taxable Bonds, as well as any payment obligations on any Credit Agreements relating thereto, as the same become due and payable and

shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Taxable Bonds Debt Service Account an amount sufficient to pay the amount of principal and/or interest stated to mature on the Taxable Bonds, or such payment obligation on a related Credit Agreement, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Taxable Bonds, or Credit Agreement obligation payment date, as applicable.

E. If, after the payment of a scheduled payment obligation of the Issuer for which funds have been deposited to a debt service account in accordance with *Section 5.2* there remains excess proceeds in the debt service account that were otherwise designated to satisfy such paid obligation, then such excess proceeds shall be released from the applicable debt service account and further deposited in accordance with the provisions of, and in the order of priority specified in, *Section 5.2B(2)* through *(6)* or *Section 5.2C(2)* through *(4)* (as applicable, based upon which debt service account at such time contains an excess balance).

#### **SECTION 5.4. Construction Account.**

A. The Issuer shall establish and create an account to be known as the *2012 Venue Project Construction Account* (the “Construction Account”), and within such account, there shall be created four subaccounts. These subaccounts shall be designated, respectively, the *Proposition 1 Construction Subaccount*, the *Proposition 2 Construction Subaccount*, the *Proposition 3 Construction Subaccount*, and the *Proposition 4 Construction Subaccount*. On the Closing Date, the Issuer shall deposit proceeds of the Refunded Bonds currently held in the corresponding accounts and subaccounts under the Refunded Bonds Order (as such transfer of funds is contemplated and provided for in the Refunded Bonds Order) to the credit of the Construction Account, for further credit to the subaccounts therein, in the amounts and in the manner specified in *Section 5.10*.

B. Money on deposit in the Construction Account shall be used solely for the purpose of paying the costs of the 2008 Project and shall be disbursed by the Paying Agent/Registrar only upon its receipt of written instructions from the Issuer containing, at a minimum, information relating to the party or parties to whom such disbursement(s) is/are to be made (which may include a disbursement being made directly to the Issuer), the amount or amounts of the requested disbursement(s), the subaccount(s) of the Construction Account from which such disbursement(s) will be made, the date of the request, and the date upon which the requested disbursement(s) will be made. Any Construction Account disbursement request shall be executed by both the County Auditor of the Issuer and the Community Venues Program Director of the Issuer (or the authorized County officer or official who has assumed the duties of such office since the date of this Order), or the authorized designee of either or both of such parties. In addition, the written disbursement instructions to the Paying Agent/Registrar may indicate that a portion of the requested disbursement is to be paid to the Paying Agent/Registrar by a third party, in which case the Paying Agent/Registrar shall not disburse any funds in satisfaction of such request until it has received (or the Issuer has notified it in writing that the Issuer has received), in immediately available funds, the portion of the disbursement requisition that is to be paid by such third party.



C. Until expended, money on deposit in the Construction Account shall be invested pursuant to this Order. The net income, interest or gain received and collected from investments in the Construction Account may be used and applied by the Issuer for the purpose of paying for costs and expenses incurred in connection with the development, financing, or construction of the Venue Project as permitted by Chapter 334.

D. Upon final completion of the portion of the 2008 Project for which the related Bonds were issued (as determined based upon the completion of all projects identified in the applicable Proposition pursuant to which such Bonds were issued), and after payment of all amounts payable by the Issuer therefor, any funds remaining in the applicable subaccount of the Construction Account shall be transferred to the applicable debt service account relating to the series of Bonds from which such remaining proceeds originated.

**SECTION 5.5. License Revenues Account.**

The Issuer shall deposit all License Revenues into the License Revenues Account within five (5) business days of receipt so long as the Taxable Bonds are Outstanding.

Ninety-one (91) days after each deposit of License Revenues to the License Revenues Account, such amounts shall be transferred to the Taxable Bonds Debt Service Account so long as the Taxable Bonds are outstanding. Until transferred, money on deposit in the License Revenues Account shall be invested pursuant to this Order and all interest and income derived from deposits and investments in this account shall be credited to, and any losses debited to, this account.

**SECTION 5.6. General Revenues Account.**

The Issuer shall deposit all General Revenues, if any, into the General Revenues Account within five (5) business days of receipt so long as the Bonds are Outstanding.

Ninety-one (91) days after each deposit of General Revenues to the General Revenues Account, such amounts shall be transferred to the appropriate Debt Service Account so long as the Bonds are outstanding. Until transferred, money on deposit in the General Revenues Account shall be invested pursuant to this Order and all interest and income derived from deposits and investments in this account shall be credited to, and any losses debited to, this account.

**SECTION 5.7. Reserve Accounts.**

**A. Motor Vehicle Rental Tax Bonds Reserve Account.**

Money on deposit in the Motor Vehicle Rental Tax Bonds Reserve Account shall be used solely and exclusively for the purposes of making transfers to the Motor Vehicle Rental Tax Bonds Debt Service Account in the event the money in such account is not sufficient to make transfers to the Paying Agent/Registrar on the dates and in the full amounts required by this Order.

The Motor Vehicle Rental Tax Bonds Reserve Account will maintain a reserve for the payment of the Motor Vehicle Rental Tax Bonds equal to \$\_\_\_\_\_ (the *Motor Vehicle Rental Tax Debt Service Reserve Requirement*), representing an increase of \$\_\_\_\_\_ attributable to the issuance of the 2019 MVRT Refunding Bonds (such increased amount to be

deposited to the Motor Vehicle Rental Tax Bonds Reserve Account on the Closing Date from 2019 MVRT Refunding Bond proceeds), which is the average annual Debt Service Requirements on the Motor Vehicle Rental Tax Bonds after the issuance of the 2019 MVRT Refunding Bonds. Income derived from the investment of amounts held for the credit of the Motor Vehicle Rental Tax Bonds Reserve Account shall be retained therein. All funds deposited into the Motor Vehicle Rental Tax Bonds Reserve Account shall be used solely for the payment of the principal of and interest on the Motor Vehicle Rental Tax Bonds, when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last Stated Maturity or Stated Maturities of or interest on the Motor Vehicle Rental Tax Bonds.

When and for so long as the cash and investments in the Motor Vehicle Rental Tax Bonds Reserve Account equal the Motor Vehicle Rental Tax Debt Service Reserve Requirement, no deposits need be made to the credit of the Motor Vehicle Rental Tax Bonds Reserve Account; but, if and when the Motor Vehicle Rental Tax Bonds Reserve Account at any time contains less than the Motor Vehicle Rental Tax Debt Service Reserve Requirement (other than as the result of the issuance of Additional Motor Vehicle Rental Tax Bonds, the occurrence of which is provided for in the following paragraph), the Issuer covenants and agrees that it shall cure the deficiency in the Motor Vehicle Rental Tax Debt Service

Reserve Requirement by depositing to the credit of the Motor Vehicle Rental Tax Bonds Reserve Account, on a monthly basis commencing in the month immediately succeeding the month in which the subject deficiency is identified and from the revenues, at the times, and in the order of priority specified in *Section 5.2B*, an amount equal to not less than 1/60<sup>th</sup> of the amount of such deficiency. The Issuer shall continue to make such monthly deposits until the balance of the Motor Vehicle Rental Tax Bonds Reserve Account equals the Motor Vehicle Rental Tax Debt Service Reserve Requirement. The Issuer further covenants and agrees that, subject only to the prior payments to be made to the Motor Vehicle Rental Tax Bonds Debt Service Account and the Rebate Account, the Pledged MVRT Revenues shall be applied and appropriated and used to establish and maintain the Motor Vehicle Rental Tax Debt Service Reserve Requirement and to cure any deficiency in such amounts as required by the terms of this Order and any other order pertaining to the issuance of Additional Motor Vehicle Rental Tax Bonds.

Upon the issuance of Additional Motor Vehicle Rental Tax Bonds, the Motor Vehicle Rental Tax Debt Service Reserve Requirement shall be increased, if required, to an amount equal to the average annual Debt Service Requirements on all Motor Vehicle Rental Tax Bonds to be Outstanding after giving effect to the issuance of the contemplated series of Additional Motor Vehicle Rental Tax Bonds. Any additional amount required to be maintained in the Motor Vehicle Rental Tax Bonds Reserve Account as a result of the issuance of such Additional Motor Vehicle Rental Tax Bonds may, at the option of the Issuer, be satisfied by depositing to the credit of such reserve account (i) at the time of delivery of the contemplated series of Additional Motor Vehicle Rental Tax Bonds all or a portion of the requisite additional amount (which deposit may be derived from bond proceeds or from any other funds lawfully available to the Issuer); (ii) on a monthly basis commencing in the month immediately succeeding the month in which the subject Additional Motor Vehicle Rental Tax Bonds are initially delivered and from the revenues, at the times, and in the order of priority specified in *Section 5.2B*, an amount equal to not less than 1/60<sup>th</sup> of the additional amount required to be maintained in the Motor Vehicle Rental Tax Bonds Reserve Account as a result of the issuance of such additional Bonds; (iii) a Surety Policy or

Policies in accordance with the provisions and in the manner hereinafter specified; or (iv) any combination of the foregoing.

During such time as the Motor Vehicle Rental Tax Bonds Reserve Account contains its Motor Vehicle Rental Tax Debt Service Reserve Requirement, the Issuer may, at its option, withdraw all surplus funds in the Motor Vehicle Rental Tax Bonds Reserve Account in excess of the Motor Vehicle Rental Tax Debt Service Reserve Requirement and deposit such surplus in the Motor Vehicle Rental Tax Bonds Debt Service Account; provided, however, that if such surplus is the result of the Issuer's replacement of cash and/or investments on deposit in such reserve account with a Surety Policy or Policies, then the provisions addressing the occurrence of such surplus, as hereinafter specified, shall control.

The Issuer may provide a Surety Policy or Policies issued in amounts equal to all or part of the Motor Vehicle Rental Tax Debt Service Reserve Requirement in lieu of depositing cash into the Motor Vehicle Rental Tax Bonds Reserve Account; provided, however, that no such Surety Policy may be so substituted unless the substitution of the Surety Policy will not, in and of itself, cause any ratings then assigned to the Motor Vehicle Rental Tax Bonds, for whichever series the Surety Policy is being issued, by any Rating Service to be lowered and the Issuer obtains the consent of the Insurer. The Issuer reserves the right to use Pledged MVRT Revenues to fund the payment of (1) periodic premiums on the Surety Policy, which (if any) shall be made as a payment obligation arising under a Credit Agreement relating to the applicable series of Bonds, and (2) any repayment obligation incurred by the Issuer (including interest) to the issuer of the Surety Policy, the payment of which will result in the reinstatement of such Surety Policy, prior to making payments required to be made to the Motor Vehicle Rental Tax Bonds Reserve Account pursuant to the provisions of this Section to restore the balance in such account to the Motor Vehicle Rental Tax Debt Service Reserve Requirement.

In the event a Surety Policy issued by a Qualified Surety Bond Provider to satisfy all or a part of the Motor Vehicle Rental Tax Debt Service Reserve Requirement causes the amount then on deposit in Motor Vehicle Rental Tax Bonds Reserve Account to exceed the Motor Vehicle Rental Tax Debt Service Reserve Requirement, the Issuer may transfer such amount to a special project account for the construction of improvements to the 2008 Project or to any fund or funds established for the payment of or security for the Motor Vehicle Rental Tax Bonds (including any escrow established for the final payment of any such obligations pursuant to the provisions of Chapter 1207).

**B. Tax-Exempt Combined Venue Tax Bonds Reserve Account.**

Money on deposit in the Tax-Exempt Combined Venue Tax Bonds Reserve Account shall be used solely and exclusively for the purposes of making transfers to the Tax-Exempt Combined Venue Tax Bonds Debt Service Account in the event the money in such account is not sufficient to make transfers to the Paying Agent/Registrar on the dates and in the full amounts required by this Order.

The Tax-Exempt Combined Venue Tax Bonds Reserve Account will maintain a reserve for the payment of the Combined Venue Tax Bonds equal to \$\_\_\_\_\_ (the *Combined Venue Tax Debt Service Reserve Requirement*), representing an increase of \$\_\_\_\_\_ attributable to the

issuance of the 2019 CVT Refunding Bonds (such increased amount to be deposited to the Tax-Exempt Combined Venue Tax Bonds Reserve Account on the Closing Date from 2019 CVT Refunding Bond proceeds), which is the average annual Debt Service Requirements on the Combined Venue Tax Bonds after the issuance of the 2019 CVT Refunding Bonds. Income derived from the investment of amounts held for the credit of the Tax-Exempt Combined Venue Tax Bonds Reserve Account shall be retained therein. All funds deposited into the Tax-Exempt Combined Venue Tax Bonds Reserve Account shall be used solely for the payment of the principal of and interest on the Combined Venue Tax Bonds, when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last Stated Maturity or Stated Maturities of or interest on the Combined Venue Tax Bonds.

When and for so long as the cash and investments in the Tax-Exempt Combined Venue Tax Bonds Reserve Account equal the Combined Venue Tax Debt Service Reserve Requirement, no deposits need be made to the credit of the Tax-Exempt Combined Venue Tax Bonds Reserve Account; but, if and when the Tax-Exempt Combined Venue Tax Bonds Reserve Account at any time contains less than the Combined Venue Tax Debt Service Reserve Requirement (other than as the result of the issuance of Additional Combined Venue Tax Bonds, the occurrence of which is provided for in the following paragraph), the Issuer covenants and agrees that it shall cure the deficiency in the Combined Venue Tax Debt Service Reserve Requirement by depositing to the credit of the Tax-Exempt Combined Venue Tax Bonds Reserve Account, on a monthly basis commencing in the month immediately succeeding the month in which the subject deficiency is identified and from the revenues, at the times, and in the order of priority specified in *Section 5.2B* and *Section 5.2C*, respectively, an amount equal to not less than 1/60<sup>th</sup> of the amount of such deficiency. The Issuer shall continue to make such monthly deposits until the balance of the Tax-Exempt Combined Venue Tax Bonds Reserve Account equals the Combined Venue Tax Debt Service Reserve Requirement. The Issuer further covenants and agrees that, subject only to the prior payments specified to be made in *Section 5.2B* and *Section 5.2C*, respectively, the Pledged Revenues shall be applied and appropriated and used to establish and maintain the Combined Venue Tax Debt Service Reserve Requirement and to cure any deficiency in such amounts as required by the terms of this Order and any other order pertaining to the issuance of Additional Combined Venue Tax Bonds.

Upon the issuance of Additional Combined Venue Tax Bonds, the Combined Venue Tax Debt Service Reserve Requirement shall be increased, if required, to an amount equal to the average annual Debt Service Requirements on all Combined Venue Tax Bonds to be Outstanding after giving effect to the issuance of the contemplated series of Additional Combined Venue Tax Bonds. Any additional amount required to be maintained in the Tax-Exempt Combined Venue Tax Bonds Reserve Account as a result of the issuance of such Additional Combined Venue Tax Bonds may, at the option of the Issuer, be satisfied by depositing to the credit of such reserve account (i) at the time of delivery of the contemplated series of Additional Combined Venue Tax Bonds all or a portion of the requisite additional amount (which deposit may be derived from bond proceeds or from any other funds lawfully available to the Issuer); (ii) on a monthly basis commencing in the month immediately succeeding the month in which the subject Additional Combined Venue Tax Bonds are initially delivered and from the revenues, at the times, and in the order of priority specified in *Section 5.2B*, *Section 5.2C*, and *Section 5.9*, respectively, an amount equal to not less than 1/60<sup>th</sup> of the additional amount required to be maintained in the Tax-Exempt Combined Venue Tax Bonds Reserve Account as a result of the issuance of such additional Bonds; (iii) a Surety

Policy or Policies in accordance with the provisions and in the manner hereinafter specified; or (iv) any combination of the foregoing.

During such time as the Tax-Exempt Combined Venue Tax Bonds Reserve Account contains its Combined Venue Tax Debt Service Reserve Requirement, the Issuer may, at its option, withdraw all surplus funds in the Tax-Exempt Combined Venue Tax Bonds Reserve Account in excess of the Combined Venue Tax Debt Service Reserve Requirement and deposit such surplus in the Tax-Exempt Combined Venue Tax Bonds Debt Service Account; provided, however, that if such surplus is the result of the Issuer's replacement of cash and/or investments on deposit in such reserve account with a Surety Policy or Policies, then the provisions addressing the occurrence of such surplus, as hereinafter specified, shall control.

The Issuer may provide a Surety Policy or Policies issued in amounts equal to all or part of the Combined Venue Tax Debt Service Reserve Requirement in lieu of depositing cash into the Tax-Exempt Combined Venue Tax Bonds Reserve Account; provided, however, that no such Surety Policy may be so substituted unless the substitution of the Surety Policy will not, in and of itself, cause any ratings then assigned to the Combined Venue Tax Bonds, for whichever series the Surety Policy is being issued, by any Rating Service to be lowered and the Issuer obtains the consent of the Insurer. The Issuer reserves the right to use Pledged Revenues to fund the payment of (1) periodic premiums on the Surety Policy, which (if any) shall be made as a payment obligation arising under a Credit Agreement relating to the applicable series of Bonds, and (2) any repayment obligation incurred by the Issuer (including interest) to the issuer of the Surety Policy, the payment of which will result in the reinstatement of such Surety Policy, prior to making payments required to be made to the Tax-Exempt Combined Venue Bonds Reserve Account pursuant to the provisions of this Section to restore the balance in such account to the Combined Venue Tax Debt Service Reserve Requirement.

In the event a Surety Policy issued by a Qualified Surety Bond Provider to satisfy all or a part of the Combined Venue Tax Debt Service Reserve Requirement causes the amount then on deposit in Tax-Exempt Combined Venue Tax Bonds Reserve Account to exceed the Combined Venue Tax Debt Service Reserve Requirement, the Issuer may transfer such amount to a special project account for the construction of improvements to the 2008 Project or to any fund or funds established for the payment of or security for the Combined Venue Tax Bonds (including any escrow established for the final payment of any such obligations pursuant to the provisions of Chapter 1207).

**C. Taxable Bonds Reserve Account.**

Money on deposit in the Taxable Bonds Reserve Account shall be used solely and exclusively for the purposes of making transfers to the Taxable Bonds Debt Service Account in the event the money in such account is not sufficient to make transfers to the Paying Agent/Registrar on the dates and in the full amounts required by this Order. The Taxable Bonds Reserve Account will maintain a reserve for the payment of the Taxable Bonds equal to \$4,321,443.33 (the *Taxable Debt Service Reserve Requirement*), which is the average annual Debt Service Requirements on the Taxable Bonds, and which amount is currently on deposit therein. Income derived from the investment of amounts held for the credit of the Taxable Bonds Reserve Account shall be retained therein. All funds deposited into the Taxable Bonds Reserve Account

shall be used solely for the payment of the principal of and interest on the Taxable Bonds, when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last Stated Maturity or Stated Maturities of or interest on the Taxable Bonds.

When and for so long as the cash and investments in the Taxable Bonds Reserve Account equal the Taxable Debt Service Reserve Requirement, no deposits need be made to the credit of the Taxable Bonds Reserve Account; but, if and when the Taxable Bonds Reserve Account at any time contains less than the Taxable Debt Service Reserve Requirement (other than as the result of the issuance of Additional Taxable Bonds, the occurrence of which is provided for in the following paragraph), the Issuer covenants and agrees that it shall cure the deficiency in the Taxable Debt Service Reserve Requirement by depositing to the credit of the Taxable Bonds Reserve Account, on a monthly basis commencing in the month immediately succeeding the month in which the subject deficiency is identified and from the revenues, at the times, and in the order of priority specified in *Section 5.2B* and *Section 5.2C*, respectively, an amount equal to not less than 1/60<sup>th</sup> of the amount of such deficiency. The Issuer shall continue to make such monthly deposits until the balance of the Taxable Bonds Reserve Account equals the Taxable Debt Service Reserve Requirement. The Issuer further covenants and agrees that, subject only to the prior payments specified to be made in *Section 5.2B* and *Section 5.2C*, respectively, the Enhanced Pledged Revenues shall be applied and appropriated and used to establish and maintain the Taxable Debt Service Reserve Requirement and to cure any deficiency in such amounts as required by the terms of this Order and any other order pertaining to the issuance of Additional Taxable Bonds.

Upon the issuance of Additional Taxable Bonds, the Taxable Debt Service Reserve Requirement shall be increased, if required, to an amount equal to the average annual Debt Service Requirements on all Taxable Bonds to be Outstanding after giving effect to the issuance of the contemplated series of Additional Taxable Bonds. Any additional amount required to be maintained in the Taxable Bonds Reserve Account as a result of the issuance of such Additional Taxable Bonds may, at the option of the Issuer, be satisfied by depositing to the credit of such reserve account (i) at the time of delivery of the contemplated series of Additional Taxable Bonds all or a portion of the requisite additional amount (which deposit may be derived from bond proceeds or from any other funds lawfully available to the Issuer); (ii) on a monthly basis commencing in the month immediately succeeding the month in which the subject Additional Taxable Bonds are initially delivered and from the revenues, at the times, and in the order of priority specified in *Section 5.2B* and *Section 5.2C*, respectively, an amount equal to not less than 1/60<sup>th</sup> of the additional amount required to be maintained in the Taxable Bonds Reserve Account as a result of the issuance of such additional Bonds; (iii) a Surety Policy or Policies in accordance with the provisions and in the manner hereinafter specified; or (iv) any combination of the foregoing.

During such time as the Taxable Bonds Reserve Account contains the Taxable Debt Service Reserve Requirement, the Issuer may, at its option, withdraw all surplus funds in the Taxable Bonds Reserve Account in excess of the Taxable Debt Service Reserve Requirement and deposit such surplus in the Taxable Bonds Debt Service Account; provided, however, that if such surplus is the result of the Issuer's replacement of cash and/or investments on deposit in such reserve account with a Surety Policy or Policies, then the provisions addressing the occurrence of such surplus, as hereinafter specified, shall control.

The Issuer may provide a Surety Policy or Policies issued in amounts equal to all or part of the Taxable Debt Service Reserve Requirement in lieu of depositing cash into the Taxable Bonds Reserve Account; provided, however, that no such Surety Policy may be so substituted unless the substitution of the Surety Policy **will** not, in and of itself, cause any ratings then assigned to the Taxable Bonds, for whichever series the Surety Policy is being issued, by any Rating Service to be lowered and the Issuer obtains the consent of the Insurer. The Issuer reserves the right to use Enhanced Pledged Revenues to fund the payment of (1) periodic premiums on the Surety Policy, which (if any) shall be made as a payment obligation arising under a Credit Agreement relating to the applicable series of Bonds, and (2) any repayment obligation incurred by the Issuer (including interest) to the issuer of the Surety Policy, the payment of which will result in the reinstatement of such Surety Policy, prior to making payments required to be made to the Taxable Bonds Reserve Account pursuant to the provisions of this Section to restore the balance in such account to the Taxable Debt Service Reserve Requirement.

In the event a Surety Policy issued by a Qualified Surety Bond Provider to satisfy all or a part of the Taxable Debt Service Reserve Requirement causes the amount then on deposit in the Taxable Bonds Reserve Account to exceed the Taxable Debt Service Reserve Requirement, the Issuer may transfer such amount to a special project account for the construction of improvements to the 2008 Project or to any fund or funds established for the payment of or security for the Taxable Bonds (including any escrow established for the final payment of any such obligations pursuant to the provisions of Chapter 1207).

#### **SECTION 5.8. Capital Improvement and Coverage Account.**

The Issuer has heretofore established and created, and hereby confirms, an account to be known as the *Capital Improvement and Coverage Account*, and within such account, there shall be created two subaccounts. These subaccounts shall be designated, respectively, the *Excess Revenues Subaccount* and the *Existing Excess Revenues Subaccount*. The Issuer shall transfer funds to the Capital Improvement and Coverage Account pursuant to *Section 5.2* hereof. The funds in the Capital Improvement and Coverage Account shall be properly spent, at the Issuer's option, upon payment of (a) debt service on any Bonds (after first applying any funds on deposit in the debt service account relating to such series of Bonds), (b) any obligations of the Issuer arising in connection with its entering into, from time to time, a Credit Agreement relating to any Bonds, (c) additional Venue Project costs, (d) costs of renovating, improving, or updating the Venue Project, (e) Maintenance and Operations Expenses, and/or (f) any other lawful purpose; provided, however, that, in the event of a shortfall in the amount then-required to be on deposit in any of the Motor Vehicle Rental Tax Bonds Debt Service Account or the Tax-Exempt Combined Venue Tax Bonds Debt Service Account or the Taxable Bonds Debt Service Account (after first applying amounts then held in the respective debt service reserve account relating to each such debt service account), the Motor Vehicle Rental Tax Bonds Reserve Account (after first giving effect to the provisions of *Section 5.7A* permitting replenishment of deficiencies therein over a specified period of time), the Tax-Exempt Combined Venue Tax Bonds Reserve Account (after first giving effect to the provisions of *Section 5.7B* permitting replenishment of deficiencies therein over a specified period of time), or the Taxable Bonds Reserve Account (after first giving effect to the provisions of *Section 5.7C* permitting replenishment of deficiencies therein over a specified period of time), the Issuer shall (immediately upon discovery of the subject shortfall) use uncommitted funds then on

deposit in the Excess Revenues Subaccount to cure the identified shortfall in any of the aforementioned accounts.

Until expended, money on deposit in the Capital Improvement and Coverage Account shall be invested pursuant to this Order and all interest and income derived from deposits and investments in this account shall be credited to, and any losses debited to, this account.

**SECTION 5.9. Rebate Account.**

To the extent that the Tax-Exempt Bonds may require the Issuer to calculate and pay to the United States any amount from the Rebate Account for the preservation of the tax-exempt status of the interest on such Tax-Exempt Bonds, the Paying Agent/Registrar shall, at the written direction of the Issuer, transfer to the Rebate Account in the manner, at the times, and from the sources identified in *Subsection 5.2B* and *Subsection 5.2C*, respectively, the amount required to be remitted to the United States or otherwise transferred to the Rebate Account, and upon further written direction of the Issuer shall transfer such amount to the United States. Moneys deposited and held in the Rebate Account shall not be subject to the lien or pledge of the Order.

If, at the time of any calculation, the amount on deposit in the Rebate Account attributable to the Tax-Exempt Bonds exceeds the Rebate Amount for such Tax-Exempt Bonds, the Paying Agent/Registrar shall transfer the excess to the Motor Vehicle Rental Tax Bonds Debt Service Account or the Tax-Exempt Combined Venue Tax Bonds Debt Service Account, as appropriate.

If the Paying Agent/Registrar does not have on deposit in the Rebate Account sufficient amounts to make the payments to the United States Government, and such amounts will not become available in a timely manner as otherwise provided for *Subsection 5.2B* and *Subsection 5.2C*, respectively, the Paying Agent/Registrar shall transfer, from the Motor Vehicle Rental Tax Bonds Debt Service Account or the Tax-Exempt Combined Venue Tax Bonds Debt Service Account, as appropriate, within five (5) business days, the amount of the deficiency.

One or more Rebate Experts may be selected by the Issuer, and the fees and expenses of any Rebate Expert shall be paid as provided in an agreement between the Issuer and the Rebate Expert. Upon the written direction of the Issuer to the Paying Agent/Registrar all actions required to be taken by the Issuer pursuant to this Section, including the transfer of any amounts from the Motor Vehicle Rental Tax Bonds Debt Service Account or the Tax-Exempt Combined Venue Tax Bonds Debt Service Account, as appropriate, may be taken by such Rebate Expert.

Investment earnings on amounts held in the Rebate Account shall be credited to the Rebate Account upon receipt.

**SECTION 5.10. Disposition of Proceeds on the Closing Date.**

A. Proceeds from the sale of the 2019 CVT Refunding Bonds shall be applied as follows:

- (1) \$\_\_\_\_\_ of accrued interest received from the Purchasers shall be deposited and credited to the Tax-Exempt Combined Venue Tax Bonds Debt Service Account;



(2) \$\_\_\_\_\_ shall be deposited and credited to the Tax-Exempt Combined Venue Tax Bonds Reserve Account;

(3) \$\_\_\_\_\_ shall be deposited into the 2019 CVT Refunded Bonds Escrow Account, for further use as described in the Escrow Agreement; and

(4) \$\_\_\_\_\_ shall be disbursed on the Closing Date in accordance with the Closing Memorandum of the County to pay Purchasers' discount and other costs of issuance relating to the Bonds.

**B.** Proceeds from the sale of the 2019 MVRT Refunding Bonds shall be applied as follows:

(1) \$\_\_\_\_\_ of accrued interest received from the Purchasers shall be deposited and credited to the Tax-Exempt Motor Vehicle Rental Tax Bonds Debt Service Account;

(2) \$\_\_\_\_\_ shall be deposited and credited to the Motor Vehicle Rental Tax Bonds Reserve Account;

(3) \$\_\_\_\_\_ shall be deposited into the 2019 MVRT Refunded Bonds Escrow Account, for further use as described in the Escrow Agreement; and

(4) \$\_\_\_\_\_ shall be disbursed on the Closing Date in accordance with the Closing Memorandum of the County to pay Purchasers' discount and other costs of issuance relating to the Bonds.

**C.** The remaining balance of Bond sale proceeds received by the County on the Closing Date from the Purchasers shall be deposited into a temporary closing account within the Venue Project Fund which temporary account is hereby established and created and to be held with the Paying Agent/Registrar and used for the purpose of paying for the Issuer's costs of issuance of the Bonds (including, but not limited to, the premiums for the Insurer's financial guarantee insurance policies, if any) as specified in the Closing Memorandum or Memoranda prepared and distributed by the County's co-financial advisors on its behalf. After the payment of the costs of issuance of the Bonds, any balance, at the option of the Issuer (or as otherwise required by applicable Texas or federal law), shall be deposited to the Motor Vehicle Rental Tax Bonds Debt Service Account or the Tax-Exempt Combined Venue Tax Bonds Debt Service Account in proportion to the respective principal amounts then currently Outstanding of the appropriate series of Bonds.

**D.** All unspent proceeds of the Refunded Bonds (in accordance with the provisions of the Refunded Bonds Order authorizing their issuance) shall be transferred to the Proposition 3 Construction Subaccount created hereunder.

**SECTION 5.11. Escrow Fund.**

**A.** The 2019 CVT Escrow Agreement dated as of June 4, 2019 to be effective upon the initial delivery of the Bonds to the Purchasers (the *2019 CVT Escrow Agreement*) between the Issuer and Zions Bancorporation, National Association dba Amegy Bank Division, Houston,

Texas (the *Escrow Agent*), attached hereto as Exhibit B and incorporated herein by reference as a part of this Order for all purposes, is hereby approved as to form and content, and such 2019 CVT Escrow Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the Issuer, is hereby authorized to be executed by the County Judge and on behalf of the Issuer and as the act and deed of this Court; and such 2019 CVT Escrow Agreement as executed by said officials shall be deemed approved by the Court and constitute the Escrow Agreement herein approved.

**B.** The 2019 MVRT Escrow Agreement dated as of June 4, 2019 to be effective upon the initial delivery of the Bonds to the Purchasers (the *2019 MVRT Escrow Agreement*) between the Issuer and Zions Bancorporation, National Association dba Amegy Bank Division, Houston, Texas (the Escrow Agent), attached hereto as Exhibit B and incorporated herein by reference as a part of this Order for all purposes, is hereby approved as to form and content, and such 2019 MVRT Escrow Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the Issuer, is hereby authorized to be executed by the County Judge and on behalf of the Issuer and as the act and deed of this Court; and such 2019 MVRT Escrow Agreement as executed by said officials shall be deemed approved by the Court and constitute the Escrow Agreement herein approved.

**C.** Furthermore, any Designated Financial Officer or any one or more of said officials, and Bond Counsel in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the Escrowed Securities referenced in the Escrow Agreement and the initial delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the “BEXAR COUNTY, TEXAS VENUE PROJECT ESCROW FUND” (the *Escrow Fund*), within which is created and maintained the “2019 CVT Refunded Bonds Escrow Account”, (the *2019 CVT Refunded Bonds Escrow Account*) and the “2019 MVRT Refunded Bonds Escrow Account”, (the 2019 MVRT Refunded Bonds Escrow Account), including the execution of the subscription forms for the purchase and issuance of the “United States Treasury Securities State and Local Government Series”, if any, for deposit to the Escrow Fund for further deposit to each account therein; all as contemplated and provided by the provisions of Chapter 1207, this Order, and the Escrow Agreement.

## **SECTION 5.12. Redemption of Refunded Bonds.**

The Refunded Bonds referenced in the recitals hereof become subject to redemption prior to their stated maturities at the price of par, premium, if any, and accrued interest to the date of redemption. The Issuer shall give written notice to the Escrow Agent that all of the Refunded Bonds have been called for redemption, and the Court orders that such obligations are called for redemption on the optional redemption date set forth on Exhibit F attached hereto and such order to redeem the Refunded Bonds on such date shall be irrevocable upon the delivery of the Bonds. Copies of the notices of redemption pertaining to the Refunded Bonds are attached to this Order as Exhibit F and are incorporated herein by reference for all purposes. The Escrow Agent is authorized and instructed to provide notices of these redemptions to the holders of the Refunded Bonds in the form and manner described in the orders authorizing the issuance of the Refunded Bonds.

**SECTION 5.13. Deficiencies.**

If on any occasion there shall not be sufficient County revenues pledged hereunder (after making all payments required by *Section 5.2A(1)* through *(4)* and in *Section 5.2B(1)* and *(2)* to make the required deposits into the applicable debt service and debt service reserve accounts), then such deficiency shall be cured as soon as possible from the next available unallocated pledged revenues, or from any other sources available for such purpose, and such payments shall be in addition to the amounts required to be paid into these funds or accounts during such month or months.

**SECTION 5.14. Payment of Bonds.**

The Designated Financial Officer or other authorized Issuer official shall cause to be transferred from funds on deposit in the Motor Vehicle Rental Tax Bonds Debt Service Account and the Tax-Exempt Combined Venue Tax Bonds Debt Service Account (1) while any of the Bonds are Outstanding, to the Paying Agent/Registrar, amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Bonds as such installment accrues or matures, such transfer to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the Business Day next preceding the date a debt service payment is due on the Bonds, and (2) to the Persons entitled to receive such payments, all amounts due and owing from the Issuer under the Paying Agent/Registrar Agreement, the Liquidity Facility, if any, any Credit Facility or Credit Agreement, and the Remarketing Agreement, if any.

**SECTION 5.15. Investments.**

Funds held in any Fund or account created, established, or maintained pursuant to this Order may, at the option of the Issuer, be placed in time deposits, certificates of deposit, guaranteed investment contracts or similar contractual agreements, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, or any other law, and secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund or account will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within 45 days of the close of each Fiscal Year. All interest and income derived from deposits and investments in any debt service account or debt service reserve account immediately shall be credited to, and any losses therefrom debited to, the applicable debt service fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

**SECTION 6.1.      *Issuance of Additional Motor Vehicle Rental Tax Bonds, Additional Combined Venue Tax Bonds, Additional Taxable Bonds and Inferior Lien Obligations.***

The Issuer hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations payable wholly or in part from and secured by a pledge of and lien on any or all of the revenues pledged hereunder with the following priorities, without limitation as to principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing orders, laws, or otherwise:

**A.**      Additional Motor Vehicle Rental Tax Bonds, Additional Combined Venue Tax Bonds, **and Additional Taxable Bonds:** Additional Motor Vehicle Rental Tax Bonds, Additional Combined Venue Tax Bonds, and Additional Taxable Bonds payable from and equally and ratably secured by a pledge of the Pledged MVRT Revenues, the Pledged Revenues, or the Enhanced Pledged Revenues, respectively, upon satisfying each of the following conditions precedent:

(1)      **Certificate Evidencing No Default and No Deficiency in Account or Fund Balances:** a Designated Financial Officer (or other official of the Issuer having primary responsibility for the fiscal affairs of the Issuer) shall have executed a certificate stating that (a) except for a refunding to cure a default, or the deposit of a portion of the proceeds of any Additional Motor Vehicle Rental Tax Bonds, Additional Combined Venue Tax Bonds, or Additional Taxable Bonds to satisfy the Issuer's obligations under this Order, the Issuer is not then in default as to any covenant, obligation, or agreement contained in any order or other proceedings relating to any obligations of the Issuer payable from and secured by a lien on and pledge of the County revenues that the County will also pledge as security for the contemplated issuance of additional bonds and (b) all payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the County revenues that the County will also pledge as security for the contemplated issuance of additional bonds have been duly made and that the amounts on deposit in such special funds or accounts are the amounts then required to be deposited therein;

(2)      **Coverage Certificate or Rating Service Confirmation:** with respect to any additional bonds other than additional bonds issued to refund Outstanding Bonds for the purpose of realizing debt service savings (determined, individually by series of Bonds to be refunded, on a gross savings basis), (a) a Designated Financial Officer shall have executed a certificate to the effect that, according to the books and records of the Issuer, the County revenues to be pledged as security for the contemplated additional bonds shall, for the preceding Fiscal Year or for any 12 consecutive months out of the 18 months immediately preceding the month the order authorizing the contemplated additional bonds is adopted (determined without regard to revenue received by the Issuer under any interest rate hedge agreement entered into in connection with the Bonds or the contemplated additional bonds), at least equal to 125% of the average annual Debt Service Requirements for all obligations of the County payable from or secured by, in whole or in part, a lien on and pledge of the County revenues that the County will also pledge as security for the contemplated issuance of additional bonds, after giving effect to such issuance of additional bonds, (in making a determination that the County has satisfied this prerequisite to the

issuance of additional bonds, such Designated Financial Officer may consider in its calculations uncommitted or unrestricted amounts on deposit in the Capital Improvement and Coverage Account), or (b) in lieu of the aforementioned certificate, the Designated Financial Officer may deliver to the Paying Agent/Registrar (I) written confirmation from the Rating Services to the effect that the proposed action or inaction would not result in a downgrade, withdrawal, or qualification of the then applicable ratings on the Bonds that are secured by and payable from, in whole or in part, the County revenues to be pledged as security for the contemplated additional bonds that will remain Outstanding after the issuance of the contemplated additional bonds and (II) evidence from each Rating Service then providing a rating on the aforementioned Outstanding Bonds that the rating (enhanced or unenhanced) to be initially assigned to the contemplated additional bonds shall at least equal that which is then-assigned to such Outstanding Bonds; and

(3) ***Debt Service Deposits:*** the order authorizing the issuance of the contemplated additional bonds provides for monthly deposits to be made to a debt service fund for such obligations in amounts sufficient to pay the additional bonds when due.

**B. *Inferior Lien Obligations:*** Obligations payable from and secured by an inferior and subordinate lien on and pledge of all or part of any County revenues theretofore pledged as security for the repayment of any Bonds to remain Outstanding after the issuance of the contemplated inferior lien obligations may be issued, at the County's option, for any lawful purpose. Such inferior obligations shall have the characteristics and be subject to the terms and conditions as determined by the County.

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**APPENDIX C**

**General Information Regarding Bexar County, Texas and,  
the City of San Antonio, Texas**

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This Appendix contains a brief discussion of certain economic and demographic characteristics of the area in which the County is located which the County has prepared in connection with the issuance of the Bonds. Information in this Appendix has been obtained from the sources noted and certain pieces of the information may be dated. The sources are believed to be reliable, although no investigation has been made to verify the accuracy of such information, nor is any representation made that the information provided is the most current that is available. Information concerning the City of San Antonio, Texas (the “City”) and its operations is included in this Appendix solely for general information; the City is not obligated in any way to support payment of the Bonds.

### Creation and Location of Bexar County

The County was organized in 1836 as one of the original counties of the Republic of Texas and is now the fourth most populous of the 254 counties in the State of Texas with a 2018 estimated population of 1,986,049. The County has an area of approximately 1,248 square miles and contains 27 incorporated cities within its boundaries.

The County is located in south central Texas and is a component of the Metropolitan Statistical Area (“MSA”) of San Antonio. The San Antonio MSA is one of the nation's largest MSAs and the third largest MSA in Texas. The principal city within the County is San Antonio, the county seat. The City was founded in the early eighteenth century and was incorporated by the Republic of Texas in 1837. The City covers approximately 467 square miles and is located in south central Texas approximately 80 miles south of Austin, the state capital. The City's 2010 census population of 1,327,407 makes it the second largest city in Texas and the seventh largest in the United States.

The following table provides, at the dates shown, the population of the City, the County, and the Area MSA, which includes Bexar, Comal, Wilson and Guadalupe Counties.

Calendar Year	City of San Antonio	Bexar County	Area MSA
1930	231,542	292,533	333,442
1940	253,854	338,176	376,093
1950	408,442	500,460	542,209
1960	587,718	687,151	736,066
1970	654,153	830,460	888,179
1980	786,023	988,870	1,088,881
1990	935,933	1,185,394	1,407,745
2000	1,144,646	1,392,931	1,711,703
2010	1,327,407	1,714,773	2,142,508
2017	1,511,964	1,958,575	2,473,974
2018	1,532,233	1,986,049	2,518,036

Source: U.S. Census of Population.

### Economic Factors

The County has a diversified economic base which is composed of financial services, healthcare, agriculture, manufacturing, construction, military, and tourism. Support for these economic activities is demonstrated by the County’s ongoing commitment to economic development projects along with ongoing infrastructure improvements to support the County’s growing population. As Bexar County has continued to add jobs it has also fared better than the nation with the current unemployment issues. Bexar County’s unemployment rate in April 2019 was 2.6%, down from 3.1%<sup>1</sup> the same month in 2018, and still well below the national unemployment rate in April 2019 of 3.6%.<sup>2</sup> Another economic factor attracting companies and families to the San Antonio area is the low cost of living. For metropolitan areas San Antonio is ranked among the lowest in cost of living with a composite score of 86.9, 13.1% below the national average.<sup>3</sup> With one of the lowest cost workforces of any major cities in the United States, Bexar County is continually positioned to increase employment across various industries.

<sup>1</sup> <https://fred.stlouisfed.org/services/TXBEXA9URN>

<sup>2</sup> <https://data.bls.gov/timeseries/LNS4000000>

<sup>3</sup> San Antonio EDF - <http://www.sanantoniodef.com/why-san-antonio/data>

### Financial Services

The finance industry is an important and stable component of the Bexar County economy. There are eight financial institutions headquartered in San Antonio and four regional headquarters located in the City. As of April 2019, the financial activities, alone, employed more than 93,300<sup>4</sup> people within the San Antonio-New Braunfels SA Metropolitan Statistical Area.

San Antonio is a major insurance center in the southwest, serving as the headquarters for several insurance companies, including United Services Automobile Association (USAA). As of 2018, USAA was the nation's 5<sup>th</sup> largest automobile insurer and the 5<sup>th</sup> largest homeowner’s insurer. Not just an insurance company, USAA is also the 11<sup>th</sup> largest credit card provider in the nation and the 20<sup>th</sup> largest commercial bank

and saving institution (based on assets). USAA has also been ranked in the Fortune Magazine's List of 100 Best Companies to Work For a total of 13 times since Fortune published the list in 1998. With its main campus nearly full, the company has begun construction to open another campus. The company has also purchased 63,000 square feet of office space downtown at One Riverwalk Place, which will house 600 employees by the end of 2018. In 2017 the Bexar County based company reported \$2.4 billion in net income on revenue of \$30.0 billion in 2017. USAA's net worth rose to \$30.6 billion in 2017, an increase from \$28.8 billion in 2016.

In December 2015, GM Financial announced that it would build a \$26.5 million dollar, 100,000 sq. ft. financial services center in Westover Hills where the company will employ nearly 500 people. GM Financial broke ground on the facility in early 2016, with construction completed in October 2017.

Banking also has a large presence in Bexar County with numerous banking headquarters and regional operation centers. Frost Bank, Broadway Bank, and previously mentioned USAA Bank have their banking headquarters in San Antonio. Companies with large regional operations centers in San Antonio include Bank of America, J.P. Morgan Chase, Wells Fargo, and Citigroup.

J.P. Morgan Chase currently employs 2,300 at its Chase Retail Operations Center and 1,700 people at its Chase Card Center. These operations centers handle inbound calls from retail customers and small-business owners, as well as outbound calls and collections.

Wells Fargo has more than 6,000 employees in the San Antonio area, with more than 3,500 employees at a 112-acre, 10 building campus, which was acquired from the acquisition of Wachovia Corp. Customer service representatives at this location process loan-applications and work with customers who are facing delinquent payments.

Cullen/Frost Bankers, the holding company of Frost Bank, employs nearly 4,000 people locally and has its corporate headquarters in downtown San Antonio. In 2015 Frost announced a public-private partnership with Weston Urban, a real estate development firm, and the City of San Antonio that includes the building of a new downtown office tower that will become the new headquarters of Frost Bank. The new tower will be 23 stories high and add roughly 460,000 sq. ft. of downtown office space to San Antonio. The initial figures estimated that the tower will cost \$142 million with a projected completion in first quarter of 2019.

## **Healthcare & Bioscience**

The medical and bio-medical industry is now the number one economic generator in the County, having an economic impact of \$30.6 billion on the local economy in 2017, maintained a \$9.8 billion payroll and employed 182,112 persons. One of every six City employees works in the health care and bio-medical industry.<sup>5</sup> Occupations included within the industry are registered nurses, nursing aides, orderlies, and attendants, personal and home care aides, and medical and clinical laboratory technicians. The key components of the health care industry are three major military medical centers, the South Texas Medical Center, the Southwest Research Institute, and the Southwest Foundation for Biomedical Research.

<sup>4</sup> <https://texas.mi.com/LMIbycategory/CES>

<sup>5</sup> Greater San Antonio Chamber of Commerce, "San Antonio's Health Care and Bioscience Industry, Economic Impact 2017"

The 900-acre South Texas Medical Center (STMC) boasts the region's largest concentration of medical treatment, research, education and related activity. Its more than 75 medical-related facilities comprise approximately \$2.8 billion in infrastructure values and employ over 27,000 medically related personnel.<sup>6</sup> Approximately 27,386 Medical Center employees provided care for over 5.38 million patients. The Medical Center has almost 300 acres of undeveloped land still available for expansion. Capital projects planned for the Medical Center total approximately \$1.031 billion.

The Southwest Research Institute (SwRI), headquartered in San Antonio, is one of the oldest and largest, independent, nonprofit, applied research and development (R&D) organizations in the United States and is internationally renowned. SwRI occupies more than 2 million square feet of office and laboratory space on a more than 1,200-acre site in San Antonio. Historically more than 4,000 projects are open at the Institute at any one time with funding almost equally between the government and commercial sectors. The SwRI total revenue for fiscal year 2018 was \$583.7 million and the staff numbered 2,602, including 271 professionals who hold doctorate-level degrees and 510 with master's degrees.<sup>7</sup>

Independent of the SwRI, but only one mile away, is the Texas Biomedical Research Institute (formerly known as the Southwest Foundation for Biomedical Research). The Texas Biomedical Institute operates on a 332-acre campus located in northwest San Antonio and employs approximately 400 employees, 75 of which are doctoral-level scientists that lead nearly 180 major research projects. This research organization conducts biomedical research, specializing in genetics, virology and immunology. The Institute also houses the world's largest nonhuman primate colonies used to study human diseases, The Southwest National Primate Research Center, which maintains 3,000 nonhuman primates and provides specialized facilities and expertise in research with nonhuman primates internationally. For 2017, the Institute had total revenue of \$125.1 million.

The Texas Biomedical Research Institute is also home to the nation's only privately owned biosafety level 4 (BSL-4) laboratory. This maximum containment lab allows for safe research on lethal pathogens for which there are no treatments or vaccines, including potential bio-terror agents and emerging diseases. Another resource that puts the Foundation on the cutting edge of biomedical research is the AT&T Genomics Computing Center, which houses the world's largest computer cluster for human genetic and genomic research. This high-performance computing facility allows scientists to search for disease-influencing genes at record speed.

A number of highly successful private companies, such as Mission Pharmacal, DPT Laboratories, Ltd., and Genzyme Oncology, Inc., operate their own research and development groups and act as guideposts for numerous biotech startups, bringing new dollars into the area's economy. A notable example of the results of these firms' research and development is Genzyme Oncology, Inc., which has developed many recent cancer drugs approved for general use by the United States Food and Drug Administration.

## **Manufacturing**

Manufacturing has been a major economic driver in San Antonio for more than two decades, growing from a \$13 billion industry in 2001 to \$24.7 billion in 2011 and \$31.1 billion in 2016.<sup>8</sup> According to the San Antonio Manufacturers Association's 2016 Economic Impact Study, San Antonio's manufacturing industry employs a total of 51,904 people with an near \$3 billion annual payroll and an average salary of \$57,707.

The cornerstone of the manufacturing sector is the Toyota Tundra manufacturing facility which celebrated its 15<sup>th</sup> anniversary in San Antonio in October 2018. In November 2006, the first Toyota Tundra rolled off the assembly line in the City and the facility has produced over 2.2 million Tacoma and Tundra trucks since opening in 2003. The Toyota manufacturing plant produces approximately 200,000 trucks annually and has a payroll exceeding \$37 million for more than 3,000 employees. The facility covers 2,000 acres and represents an investment of \$850 million. The 23 on-site suppliers employ more than 4,000 people, and Toyota has made additional investments totaling over \$300 million. people and represent an additional investment of over \$300 million (Source: Toyota). As the trucks roll off the line, the jobs also spin off, possibly adding 5,300 to 13,000 new jobs to Bexar County in associated industries (Source: Texas Workforce Commission). Union Pacific's new intermodal railroad facility near the Toyota plant opened in 2008, and the company invested in infrastructure improvements to railways in and around Bexar County (Source: United Pacific).

Toyota's presence in San Antonio increased in 2009 when Toyota confirmed it was moving the production of the Tacoma pickup to its San Antonio facility. The move added as many as 2,000 new jobs and returned the plants on-site suppliers to full capacity employing hundreds more. The addition of a second vehicle, estimated to be 100,000 Tacoma pickups yearly, returns the plant to two shifts and means that 80% of Toyota's pickups will be made in San Antonio. Production commenced for the Toyota Tacoma on August 6, 2010. Toyota and its 23 on-site suppliers, located on San Antonio's south side, have created and retained 6,856 jobs through March 2016, with an annual impact of over \$1.7 billion. Additionally, as a result of increased dealer demand for its pickups, in September 2014 Toyota announced that it will be expanding production to six days a week starting in the second quarter of 2016. The expansion to a sixth day has the potential to create 400 new jobs between Toyota and its various suppliers.

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<sup>6</sup> *BioMed San Antonio* – [http://www.biomedsa.org/health\\_services](http://www.biomedsa.org/health_services)

<sup>7</sup> *Southwest Research Institute* - <http://www.swri.org/sites/default/files/annual-report2019.pdf>

<sup>8</sup> *San Antonio Economic Chamber of Commerce*

HVHC Inc., parent company of optical retailer Visionworks, the largest wholly owned and operated U.S. based optical company, announced in April 2013 that it would open a new optical manufacturing plant and distribution center in San Antonio. The facility is expected to employ 600 individuals and produce more than two million pairs of eyeglasses per year when fully operational. The company will also grow its downtown headquarters by leasing extra space at the IBC Centre and create an additional 150 jobs in San Antonio.<sup>9</sup>

## **Information Technology**

Headquartered in the County, Rackspace Managed Hosting was founded in San Antonio in 1998 and manages more than 22,000 servers in seven data centers in Europe and the United States. Rackspace was awarded a \$22 million grant from the Texas Enterprise Fund as part of an incentive package to help Rackspace relocate within Bexar County and create up to 4,000 new jobs. The company has spent more than \$100 million to convert a 1.2 million square foot mall located on a 68 acre-tract and has already converted over 600,000 square feet of the former mall. Rackspace has nearly 3,300 local employees. On August 26, 2016, Apollo Global Management, a private equity firm, purchased Rackspace for \$4.3 billion. Although the company has continued to maintain their operations in Bexar County.

In December 2015, Microsoft purchased 160 acres in San Antonio for the intention of building what will be one of the largest data centers in the United States. The construction of the 8 building data center is estimated to reach completion in the early 2020s and create approximately 900 jobs. In November 2017, Microsoft decided to expand its data center operations investment in San Antonio by purchasing an \$80 million data center that spans 34 acres and 202,000 square This purchase marked the fourth data center in San Antonio that Microsoft owns or is building and represents a continuance of the company's 12-year effort of clustering data centers in the San Antonio area.

Founded in 1977 and headquartered in Redwood City, California, Oracle Corporation is a global provider of enterprise software and computer hardware products and services with nearly \$40 billion in revenue in 2018. A fortune 500 company, it employs over 137,000 full-time employees, including approximately 39,000 in sales and marketing, approximately 18,000 in our cloud services and license support operations, approximately 4,000 in hardware, approximately 24,000 in services, approximately 39,000 in research and development and approximately 13,000 in general and administrative positions. In response to the continued growth due to the acquisition of new customers and the expansion of existing client relationships, Oracle evaluated a number of sites throughout the Southwest United States for the expansion of its information technology services and business process support operations and decided to expand in San Antonio. The City of San Antonio approved the expansion in March of 2014.<sup>9</sup> Oracle Corporation, the second-largest software company in the world, committed to creating 200 new full-time jobs, paying a minimum annual wage of \$70,000 for at least 10 years.

## **Hospitality**

San Antonio's hospitality industry continues to be a driving force in the local economy. The latest study using data from 2017 shows an economic impact of \$15.2 billion.<sup>10</sup> The estimated annual payroll for the industry is \$3.23 billion, and the industry employs more than 140,188 people. The hospitality industry employs 1 out of every 7 workers in the San Antonio metropolitan area. The transportation and travel sector employs 8,810, the entertainment sector employs 14,547, the lodging sector employs 16,000, and the food & beverage sector employs 100,831.

The JW Marriott, which is currently the number one producing hotel for the County in terms of hotel occupancy tax collections, embarked on a \$16 million expansion project in 2015. The project, which was completed in the Spring of 2016, includes two water slides, a whirlpool, an artificial sand beach, and a 13,000 square foot pavilion. This is the first major expansion that resort has undertaken since it opened in January 2010.

## Tourism

The list of attractions in the San Antonio area include, among many others, the Alamo & the other 4 Spanish Missions that are part of the 2015 UNESCO World Heritage Site Designation (as well as other sites of historic significance), the River Walk, and three major theme parks (Six Flags Fiesta Texas, SeaWorld San Antonio, and Morgan’s Wonderland). San Antonio attracted 37 million visitors in 2017. Of these, over 23 million were overnight leisure visitors, placing San Antonio as one of the top United States destinations in Texas. Some of the recent fiscal year 2014 accomplishments contributing to this success is the launch of the Unforgettable Campaign to consumers in October 2013, the Synchronicities Three City Partnership, and the San Antonio Tourism Ambassadors Program which teaches how to turn every encounter into a positive experience. The San Antonio River Improvement Project, an investment by the County, the City, and the United States Army Corps of Engineers with the San Antonio River Authority providing project and technical management, recently completed the two major portions of its flood control, amenities, ecosystem restoration and recreational improvements to the San Antonio River. The Museum Reach, as the northern portion is known, extends from the downtown area north to the San Antonio Museum of Art and the 125-year-old Pearl Brewery complex, where shopping, dining, and entertainment venues have been built and continue to be expanded. The southern portion, known as the Mission Reach, connects the downtown river area to the UNESCO world heritage Spanish Missions in the southern part of San Antonio. Additionally, the City of San Antonio and Bexar County will invest nearly \$176 million in revitalizing a 2 mile stretch of San Pedro Creek, a waterway on the west side of downtown.

<sup>9</sup> *Bloomberg BusinessWeek*

<sup>10</sup> <https://www.txrestaurant.org/economic-impact-san-antonio-hospitality-industry>

## Conventions

The City is considered one of the top convention cities in the country. To build upon that reputation, in 2016 San Antonio completed a \$325 million expansion increasing exhibition space by 20% to a total of 514,000 square feet of exhibition space including the largest ballroom in Texas. With the previous expansion of the Grand Hyatt Hotel to 1,003-rooms and with the opening of the 1,002-room JW Marriott the City will be able to host larger conventions and meetings, and more of them, in the years to come. The City continues to be proactive in attracting convention business through its management practices and marketing efforts.

The following table shows both overall City performance as well as convention activity booked and hosted by Visit San Antonio for the calendar years indicated:

Calendar Year	Hotel Occupancy <sup>1</sup>	Hotel (RevPAR) <sup>1</sup>	Room Nights Sold <sup>1</sup>	Convention Attendance <sup>2</sup>	Convention Room Nights <sup>2</sup>	Convention Delegate Expenditures (Millions) <sup>2</sup>
2007	66.3%	\$69.90	7,397,123	455,256	647,386	\$473.1
2008	64.6%	\$70.82	7,669,475	563,164	691,525	\$607.5
2009	57.1%	\$55.94	7,167,603	399,408	660,736	\$474.5
2010	59.3%	\$57.02	7,768,002	535,400	736,325	\$636.1
2011	61.3%	\$58.08	8,236,019	499,171	637,593	\$593.0
2012	63.5%	\$60.79	8,651,826	449,202	635,829	\$533.7
2013	63.1%	\$63.44	8,610,676	712,577	734,190	\$846.6
2014	65.3%	\$67.03	8,874,090	652,443	725,333	\$775.1
2015	65.7%	\$69.55	8,913,575	699,662	773,569	\$831.2
2016	65.9%	\$72.12	9,116,363	637,658	676,501	N/A <sup>3</sup>
2017	66.0%	\$73.45	9,268,201	823,561	816,582	N/A <sup>3</sup>
2018	67.1%	\$77.88	9,568,119	672,288	882,650	N/A <sup>3</sup>

<sup>1</sup> Data obtained from Smith Travel Research (“STR”) based on hotels in the San Antonio selected zip code.

<sup>2</sup> Reflects only those conventions hosted by Visit San Antonio.

<sup>3</sup> The Convention Delegate Expenditures for 2016 are not currently available from Visit San Antonio. Visit San Antonio is in the process of reviewing and recalibrating the methodology for calculating the Convention Delegate Expenditures and the County can make no representation as to when, or if, such calibrations will again be made.

Source: Visit San Antonio.

## **Oil, Gas, & Renewables**

San Antonio is the largest metropolitan area adjacent to the Eagle Ford Shale and will continue to receive economic benefits. Beyond the Eagle Ford Shale field Bexar County is home to Valero Energy, the largest refiner of petroleum in the US, and Andeavor (formerly Tesoro) the 5<sup>th</sup> largest. The County benefits from refinery operations both here and in the Corpus Christi area. In 2022, it is projected that Bexar County will use 14,000 barrels of oil per day for refining. Additionally, in 10 years, the gross county product will be an estimated \$3.92 billion and the total output will be an estimated \$6.65 billion. For the estimated 24,280 jobs supported, the total payroll will have increased to \$1.1 billion.

In June 2014, San Antonio officials gave their support for the export of liquefied natural gas, saying its international trade could generate \$86 billion in U.S. economic benefit over the next 20 years. Natural gas offers significant benefits for San Antonio as a transportation fuel. Liquefied natural gas has been working for Texas and its natural gas vehicles (NGVs). NGVs offer increased fuel efficiencies, lower operating cost, and has a significant higher octane rating than conventional fuel. Natural gas is helping keep dollars in Bexar County resident's wallet. Natural Gas is considered cleaner than both diesel/gasoline, and coal.

On the renewable energy front San Antonio ranked 7<sup>th</sup> per capita nationally, and 1<sup>st</sup> in Texas, for installed solar power capacity as of 2018. Solar capacity in the area increased 26% in 2018, when compared to 2017 with further capacity planned. CPS Energy expects to use renewable sources to provide 20% of its power by 2020, up from 15% in 2015.

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<sup>11</sup> *San Antonio Chamber of Commerce*

## **Military Industry**

The military represents a significant component of the County's economy with an annual economic impact over \$48.7 billion for the County and providing 77,659 direct and 205,336 indirect defense-related jobs. The active military installations in the County include Fort Sam Houston and Lackland and Randolph Air Force Bases, as well as the "privatized" installation of Brooks.

The BRAC 2005 established Joint Base San Antonio ("JBSA"), which consolidated installation management at the four military bases in San Antonio, thereby creating the largest base equalization in the Department of Defense ("DoD"). JBSA services more DoD students than any other installation, houses the DoD's largest hospital, and supports more than 250,000 personnel, including 425 retired general officers. Additionally, the 2005 BRAC established an internationally renowned teaching and research hospital in San Antonio, thus creating the largest school for training medical technicians in the world. Each year, San Antonio will graduate over 152,000 students across all three installations. BRAC 2005 also brought management and command centers for the Army North, Army South, Military Property Management, and Military Health Care. As a result, it provides jobs in six targeted industries: health care, health care education, communications, technology, intelligence, and security.

### *Fort Sam Houston*

The recommendations significantly expanded Fort Sam Houston, and its component field training ground Camp Bullis, to become the nation's premier military medical training base and the home of Army Installation Management Command, and management of family support activities and community programs. The economic impact from Fort Sam Houston due to the BRAC 2005 expansion has been tremendous at nearly \$8.3 billion. The economic impact is mainly due to the enormous amount of construction that has been taking place on post to accommodate the new missions and accounts for approximately 80% of the impact at \$6.7 billion. While the construction impact will be relatively short-lived, once BRAC 2005 is completed the economic impact from the operation of Fort Sam Houston will increase by nearly \$1.6 billion annually. The completion of BRAC 2005 brought 7,648 military personnel and 1,624 civilian personnel to Fort Sam Houston from another economic area, for a total force of 161,971 as of 2015.

Currently, all U.S. Army combat medic training is conducted at Fort Sam Houston. As a result of BRAC 2005, all military combat medic training will be undertaken at the new Medical Education and Training Campus at Fort Sam Houston Army Base.

Brooke Army Medical Center (BAMC) conducts treatment and research in a 1.5 million square foot facility at Fort Sam Houston Army Base, providing health care to nearly 640,000 military personnel and their families annually. BAMC is a Level I trauma center (the only one in the Army medical care system) and contains the world-renowned Center for Battlefield and Health Trauma. BAMC also conducts bone marrow transplants in addition to more than 600 ongoing research studies.

The San Antonio Military Medical Center (SAMMC) has been established as a result of the 2005 Base Realignment and Closure ("BRAC 2005") and combines the Level 1 Trauma elements of BAMC and Wilford Hall. Wilford Hall has been renamed SAMMC-South and BAMC has been renamed SAMMC-North. SAMMC-North is doubling its Level 1 trauma facility by incorporating the Level 1 trauma missions from SAMMC-South. SAMMC-South is an outpatient only facility and has received outpatient missions from SAMMC-North. Wilford Hall Medical Center was replaced with the Lackland Ambulatory Care Center. Completed in 2013, this \$486 million Care Center will provide world-class medical care for the community.

In addition, San Antonio received new medical research missions. BRAC 2005 transformed the United States Army Institute of Surgical Research (USAISR) into a tri-service Joint Center of Excellence for Battlefield Health and Trauma Research. This new research facility will be adjacent to SAMMC-North. The new mission will continue its cutting edge research in the areas of robotics, prosthetics, and regenerative medicine.

### *Lackland Air Force Base*

Lackland AFB is situated on 9,700 acres in southwest Bexar County. Lackland is home to the 502<sup>nd</sup> Installation Support Group (Air Force wide installation management), the 24<sup>th</sup> Air Force (cyber), 25<sup>th</sup> Air Force (intelligence), and 737<sup>th</sup> Training Group (training) Lackland supports a total force of 117,994 and as the sole installation for US Air Force enlisted basic training. Lackland AFB will graduate nearly 40,000 trainees per year.

### *Randolph Air Force Base*

Randolph AFB is located in north west Bexar County and supports a total force of 15,942 people. Randolph is headquarters to the Air Education and Training Command (pilot training, the Air Force Personnel Center (Air Force HR), and several other smaller units.

### *Port San Antonio*

In 2001, Kelly Air Force Base officially closed and the land and facilities were transferred to the Greater Kelly Development Authority, a local redevelopment authority responsible for overseeing the redevelopment of the base into a business and industrial park. The business park is now known as Port San Antonio (the "Port"). Port San Antonio is a tax-exempt, self-sustaining enterprise that uses no public tax dollars to run its operations. It was incorporated in 1997 by the City of San Antonio as a separate political jurisdiction of the State of Texas. Its 11-member Board of Directors is appointed by the Mayor and City Council Port San Antonio has immediate access to rail and highway systems that connect Mexico and Canada, the east and west U.S. coasts, and which extend to Corpus Christi on the Gulf of Mexico. Given its 11,000-foot runway at Kelly Field, dual rail access at its 350-acre East Kelly Railport, and Foreign-Trade Zone designation across both, Port San Antonio is considered to be an ideal manufacturing and distribution site.

In February 2009, the Port opened an on-site U.S. Customs and Homeland Security facility to enable international air cargo to develop at Kelly Field Industrial Airport. Mexpress International, Inc. now provides air cargo service between Mexico and San Antonio on a three-times-per-week basis. Air cargo service also complements the East Kelly Railport, which opened with a 360,000 square foot speculative building offered by a private developer that today is at full occupancy. The developer, Santa Barbara Development, also completed construction on a second 265,000 square foot building in 2009. With over 11 million square feet of industrial/commercial space, the Port is the largest commercial property-leasing firm in San Antonio. With a stable tenant base of over 70 companies and seven remaining Air Force agencies, the Port has over 12,000 workers.

BRAC 2005 has brought an additional 2,900 military and DoD civilian personnel to the Port. The Air Force maintains a significant presence at the former Kelly Air Force Base as it continues to lease over 70 facilities (over 2,000,000 square-feet) and 213 acres of property. In addition, the Air Force and the Port jointly utilize the Kelly Field runway for military and commercial airfield operations.

The largest Air Force leaseback is at Building 171, a facility previously closed from the 1995 Base Realignment and Closure of Kelly AFB. Much of the new BRAC 2005 growth occurring on PSA property will be at Building 171. The Air Force & the Port spent \$100 million to renovate the building, creating 450,000 square feet of office space.

Boeing still represents a strong presence at Port San Antonio. In December 2018, Boeing announced the preparation of doubling its labor force, amounting to approximately 1,000 additional jobs. With San Antonio estimated employing more than 10,000 aerospace jobs in the city, Boeing remains a prominent employer for Bexar County residents. In anticipation of increased growth within the aerospace industry, Boeing's main hangar at Port San Antonio is undergoing a \$40 million remodel that will increase the total space of the hangar to 600,000, representing the largest free standing hangar in the world.

In early 2016 the Port announced proposals that could expand facilities that complement the operations of existing tenants with the potential of 500,000 sq. ft. of office space. Other major commercial employers at the Port include Affiliated Computer Services, Lockheed Martin, General Dynamics, Standard Aero, Pratt & Whitney, Chromalloy, Gore Design Completions, and EG&G. At the end of 2015, the tenant employee base had grown to over 12,000 as a result of these companies' presence and expansions.

### *Brooks City-Base*

The property of Brooks Air Force Base was transferred from the U.S. Air Force to Brooks Development Authority in 2002, as part of the Brooks City-Base Project. Even though the Air Force missions have relocated over the last decade, Brooks City-Base, now known as just Brooks, continues to draw private business investment. In addition, Brooks is continuing its goal of sustainability by creating a Tax Increment Reinvestment Zone ("TIRZ"), which will utilize the tax increments generated to assist in funding street infrastructure projects.

Dermatological Products of Texas Laboratories' has developed a new site at Brooks which is a combination research and development warehouse and production facility of nearly 450,000 square feet. The project involved two new buildings with a capital investment of \$15 million and was completed in May 2010.

In July 2008, Vanguard Health Systems, Inc. and its affiliate Baptist Health System purchased 28 acres at Brooks and have an option for an additional 20 acres under contract. The new Mission Trail Baptist Hospital, completed in June 2011, replaced the Southeast Baptist Hospital. The new \$80 million medical campus spans over 220,000 sq. ft. with 110 licensed beds and four operating rooms.

A \$24.5 million Emergency Operations Center (EOC) began operations at Brooks in December 2007. The EOC was financed through Bexar County and the City of San Antonio bond funds and will be a campus of City, County, Regional, State, and Federal departments and/or personnel.

*Other Military & Government*

The County also is home to Camp Bullis which offers nearly 28,000 acres of unparalleled training infrastructure to ensure the readiness of military and government agencies. The demand for training at Camp Bullis is strong, particularly in light of the ongoing global war on terror and its capacity to support joint military operations and homeland security missions.

The National Trauma Institute (NTI), a collaborative military-civilian trauma institute involving SAMMC-North, SAMMC-South, University Hospital, the UT Health Science Center, and the USAISR, is also located in San Antonio. The NTI coordinates resources from the institutions to most effectively treat the trauma victims and their families. The NTI has raised/managed \$10 million in funds for 2018 that were added to the Department of Defense budget for a Trauma Clinical Trials Network.

Audie L. Murphy Memorial Veterans Hospital, located in the Medical Center, is an acute care facility and supports a nursing home, the Spinal Cord Injury Center, an ambulatory care program, the Audie L. Murphy Research Services (which is dedicated to medical investigations) and the Frank Tejada Veterans Administration Outpatient Clinic (serves veterans located throughout South Texas). The two military medical care facilities and the Veterans Hospital collaborate in a variety of ways, including clinical research and the provision of medical care to military veterans. In September 2007, the Veterans Administration announced plans to build a new \$67 million Level 1 Polytrauma Center at the Audie L. Murphy Veterans Administration hospital campus. The expansion was completed in October of 2011 and these two facilities now serve over 80,000 Veterans in the South Texas area.

The National Security Agency (NSA) also has a formidable presence in South Texas employing over two thousand people in San Antonio. The NSA established a new facility at an old Sony microchip plant that is now known as the Texas Cryptology Center. The 470,000-square-foot facility represents an investment of over \$100 million by the NSA to renovate the old plant which houses a data center geared toward cybersecurity.

**Trade with Mexico**

The County is approximately 150 miles from the United States/Mexico border cities of Del Rio, Eagle Pass, and Laredo. The County’s proximity to Mexico provides favorable conditions for international business relations in the areas of agriculture, tourism, manufacturing, wholesale and retail markets. Approximately fifty percent of U.S. exports to Mexico and fifty percent of Mexican imports to the U.S. pass through San Antonio. U.S. goods exports to Mexico in 2018 reached a record of \$265.4 billion, up 9 percent from the previous year. Corresponding U.S. imports from Mexico were \$346.1 billion, up 10.6 percent.<sup>12</sup> The increase in trade between the U.S. and Mexico is largely attributed to the passage of the North American Free Trade Agreement (NAFTA) in 1993. Under this free trade agreement, NAFTA countries progressively eliminated tariffs and nontariff barriers to trade, improved access for services, established strong rules on investment, and strengthened protection of intellectual property rights. Pursuant to the terms of NAFTA, all remaining duties and quantitative restrictions were eliminated, as scheduled, on January 1, 2008.<sup>13</sup>

San Antonio is also the headquarters for the North American Development Bank (NADB), a bi-national institution created by NAFTA. The intended purpose of NADB is to help finance environmental infrastructure projects within 60 to 100 miles of the US/Mexican border to further the goals of NAFTA. The Border Environment Cooperation Commission (BECC) and the NADB are working with almost 150 communities throughout the United States-Mexico border region to address their needs for environmental infrastructure. With a lending capacity of \$3 billion, NADB finances projects including water, wastewater and solid waste programs. As of June 30, 2016, the NADB had a total of \$1.4 billion in loans outstanding and/or grant resources to finance 71 infrastructure projects certified by the BECC.<sup>14</sup>

**Employment Statistics**

The following table indicates the total civilian employment in the County for the period 2014 through 2018.

	Annual 2018	Annual 2017	Annual 2016	Annual 2015	Annual 2014
Civilian Labor Force	940,900	924,590	903,856	878,118	866,455
Total Employment	909,851	892,277	870,020	844,697	825,960
Total Unemployment	31,319	32,313	33,836	33,421	40,495
Unemployment Rate	3.3%	3.5%	3.7%	3.8%	4.7%
Texas Unemployment Rate	3.9%	4.3%	4.6%	4.4%	5.1%

*Source: Texas Workforce Commission.*

<sup>12</sup> Bureau Trade in Goods with Mexico - <http://www.census.gov/foreign-trade/balance/c2010.html>

<sup>13</sup> [www.ustr.gov](http://www.ustr.gov). “2012 Trade Policy Agenda and 2011 Annual Report”

<sup>14</sup> North American Development Bank Quarterly Status Report June 2017

The following table shows employment estimates by industry in Bexar County annually for the years 2014 through 2018.

<u>Industry</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Natural Resources and Mining	10,000	7,600	6,800	8,500	8,600
Construction	53,000	51,800	51,400	50,000	46,200
Manufacturing	50,200	48,400	47,800	46,900	46,300
Trade, Transportation and Utilities	180,600	182,100	178,300	173,600	166,100
Information	20,900	20,700	21,200	21,400	21,400
Financial Activities	91,600	89,500	87,400	84,100	80,500
Professional Business Services	140,500	134,600	130,700	125,000	120,800
Education and Health Services	164,600	161,100	156,900	150,300	144,500
Leisure and Hospitality	135,800	134,100	128,800	124,100	119,500
Other Services	38,400	37,900	37,000	36,400	36,200
Federal	35,600	35,600	35,200	34,500	34,300
State	21,300	21,300	21,700	22,200	22,100
Local	114,400	114,500	113,400	110,800	108,200
Total Employment	1,056,900	1,039,300	1,016,400	987,800	954,700

Source: <https://texaslmi.com/LMI10yCategory/CES>

### Education

The County encompasses 19 independent school districts, which includes over 400 schools. Enrollment ranges anywhere from nearly 900 in Lackland ISD to over 91,000 in Northside ISD, the fourth largest independent school district in Texas. Students attend school districts in which they reside with no busing in effect. In addition, San Antonio has over 150 private and parochial schools at all education levels. San Antonio has 20 institutions of higher learning offering degrees in all major fields of study, many at the graduate level. Among universities, the University of Texas at San Antonio (UTSA) has over 30,000 students enrolled and has represented many first-time college students within their family. In May of 2009, the Texas A&M University San Antonio became the newest four-year college in San Antonio. Among junior colleges, Alamo Colleges includes five colleges, San Antonio, Palo Alto, St. Philips, Northeast Lakeview, and Northwest Vista, totaling over 60,000 students enrolled.

<u>Year</u>	<u>School Enrollment<sup>(a)</sup></u>	<u>University Enrollment<sup>(b)</sup></u>
2009	314,801	113,307
2010	324,015	119,283
2011	330,259	119,352
2012	338,933	119,710
2013	334,351	120,273
2014	344,548	119,482
2015	350,256	120,242
2016	354,665	115,582
2017	354,828	120,950
2018	349,692	123,808

Source: <sup>(a)</sup> Texas Education Agency

<sup>(b)</sup> Figures Represent Fall Enrollment for the calendar year

### Electric & Gas Services

Electric and gas services to the Bexar County area are provided by CPS Energy (“CPS”), an electric and gas utility owned by the City of San Antonio (the “City”) that maintains and operates certain utilities infrastructure. This infrastructure includes a 16-generating unit electric system and the gas system that serves the Bexar County area. CPS also owns a 40% interest in the South Texas Project (“STP”) two existing nuclear generating Units 1 and 2 which generates 1,350 megawatts of power for CPS Energy customers. CPS operations and debt service requirements for capital improvements are paid from revenues received from charges to its customers.<sup>16</sup>

<sup>16</sup> CPS Energy



## **Water Supply**

Historically and currently, the City obtains all of its water through wells drilled into a geologic formation known as the Edwards Limestone Formation. The portion of the formation supplying water in the City's area has been the "Edwards Underground Water Reservoir" (the "Edwards Aquifer") and since 1978 has been designated by the Environmental Protection Agency as a sole-source aquifer under the Safe Drinking Water Act. The Edwards Aquifer lies beneath an area approximately 3,600 square miles in size, and including its recharge zone, it underlies all or part of 13 counties, varying from 5 to 30 miles in width and stretching over 175 miles in length, beginning in Bracketville, Kinney County, Texas, in the west and stretching to Kyle, Hays County, Texas, in the east. The Edwards Aquifer receives most of its water from rainfall runoff, rivers, and streams flowing across the 4,400 square miles of drainage basins located above it. Much of the Edwards Aquifer region consists of agricultural land, but areas of population ranging from communities with only a few hundred residents to urban areas with well over one million citizens exist as well. The Edwards Aquifer supplies nearly all the water for the municipal, domestic, industrial, commercial, and agricultural needs in its region.

Naturally occurring artesian springs, such as the Comal Springs and the San Marcos Springs, are fed with Edwards Aquifer water and are utilized for commercial, municipal, agricultural, and recreational purposes, while at the same time supporting ecological systems containing rare and unique aquatic life.

The water level of the Edwards Aquifer has never fallen below the uppermost part of the Edwards Aquifer even during extreme and lengthy drought conditions lasting from 1947 to 1956. The maximum fluctuation of water levels at the City's index well has been about 91 feet, with the recorded low of 612 feet above sea level in August 1956 and a recorded high of 703 feet above sea level in June, 1992. In the summer of 2007, the Edwards Aquifer hit 699 feet above sea level. The historical (1934 to 1999) average water level at the index well in San Antonio is approximately 664 feet above sea level. San Antonio Water Supply ("SAWS"), the major water purveyor in the County as the water agency of the City, sets all pumps at 575 feet to insure continuous access to Edwards Aquifer water in any anticipated condition.

The Edwards Aquifer is recharged from streams and by precipitation infiltrating directly into the cavernous, honeycombed, limestone outcroppings in its north and northwestern area. Practically continuous recharge is furnished by spring-fed streams, with storm water runoff adding additional recharge, as well. The historical annual recharge to the reservoir is approximately 679,000 acre-feet. The average annual recharge over the last four decades, however, including the aforementioned drought period, is approximately 791,300 acre-feet. The lowest recorded recharge was 43,000 acre-feet in 1956, while the highest was 2,485,000 acre-feet in 1992. Recharge has been increased by the construction of recharge dams over an area of the Edwards Aquifer exposed to the surface known as the "recharge zone." The recharge dams, or flood-retarding structures, slows flood waters and allows much of the water that would have otherwise bypassed the recharge zone to infiltrate the Edwards Aquifer instead of being lost to the ground.

### **Enhancing the City's Water Supply**

The City has relied on the Edwards Aquifer as its sole source of water since the 1800's. Beginning in the 1980's and continuing today, however, the conservation and regulation of the water in the Edwards Aquifer has been the subject of intense scrutiny that has led to both extensive litigation and federal and state agency initiation of regulatory action.

Based upon population and water demand projections, along with various regulatory and environmental issues, the City recognizes that additional water sources supplementing its use of the Edwards Aquifer will be required to meet the City's long-term water needs.

SAWS' Resource Development department is charged with the responsibility of identifying additional water resources for the City and its surrounding areas. New water resource projects range from optimizing the City's current source through conservation measures to identification and procurement of completely new and independent water sources. These efforts are guided by the 2005 Water Resource Plan, a comprehensive, widely supported water resource plan for the City, which established programs for formulating and implementing both immediate and long-term water plans to enhance the City's water supply. In October 2000, the City Council created a permanent funding mechanism (the "Water Supply Fee") to be used for water supply development and water quality protection. The fee is based upon a uniform rate per 100 gallons of water used and is applied to all customers. The Water Supply Fee is projected to generate sufficient revenue to support approximately \$642 million in capital expenditures, as well as sufficient operational funds to conduct the planning, operation, and maintenance of such water resource facilities. The multi-year financial plan will be updated every 3 years to ensure sufficient revenues are available to meet the water resource requirements. An updated Water Resource Plan is currently being formulated.

SAWS has determined that the City's water needs can be met through the implementation of an array of programs and projects, including a critical management plan, conservation, agricultural irrigation efficiencies, reuse, surface water, non-Edwards Aquifer groundwater, enhanced recharge capabilities, and aquifer storage and recovery. SAWS has already initiated and/or implemented many such programs in an effort to increase the supply of water available to the City.

## 2018 Ten-Largest Employers

Firm Name	Total	Category	Percent of County Employment
Joint Base San Antonio <sup>(1)</sup>	86,497	Government	9.99%
H.E.B. Grocery Company	22,053	Retail	2.55%
USAA	18,305	Finance/Insurance	2.11%
Northside Independent School District	13,996	Services	1.62%
City of San Antonio	11,462	Government	1.32%
Methodist Healthcare System	9,851	Medical	1.14%
Northeast Independent School District	9,292	Services	1.07%
University Health System	8,798	Medical	1.02%
San Antonio Independent School District	7,703	Services	0.89%
Baptist Health System	6,371	Medical	0.74%
Total	194,328		22.45%
Total County Employment for 2018 <sup>(2)</sup>	865,587		

Source: Bexar County CAFR

<sup>(1)</sup> Under the BRAC Joint Basing Recommendation for San Antonio, installation support functions at the Army's Fort Sam Houston were combined with those at Randolph and Lackland Air Force Bases under a single organization (Joint Base San Antonio). Includes military personnel and civilian personnel.

<sup>(2)</sup> Source: 2018 Bexar County CAFR page C-10

## Growth Indices

As Of 12/31	CPS Energy <sup>(a)</sup>		SAWS <sup>(b)</sup>	
	Electric Customers	Gas Customers	Water Customers <sup>(1)</sup>	Wastewater Customers <sup>(1)</sup>
2005	617,261	310,699	320,661	349,544
2006	638,344	314,409	331,476	362,113
2007	681,312	319,122	341,220	375,653
2008	693,815	320,321	346,865	385,978
2009	706,235	321,984	350,859	393,245
2010	717,109	324,634	355,085	398,174
2011	728,344	328,314	358,656	402,942
2012	741,556	330,945	362,794	408,389
2013	754,893	333,587	367,338	415,289
2014	770,588	336,367	371,573	420,665
2015	783,767	337,920	479,100	427,596
2016	778,095	337,400	489,649	435,352
2017	804,000	343,000	493,768	442,552
2018	821,675	347,408	502,024	449,893

<sup>(a)</sup> Source: CPS Energy Customers Annual Report.

<sup>(b)</sup> Source: San Antonio Water System Comprehensive Annual Financial Report 2018.

<sup>(1)</sup> Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015.

## **APPENDIX D**

Excerpts (Table of Contents, Independent Auditor's Report, General Financial Statements and Notes to the Financial Statements), from Bexar County, Texas, San Antonio, Texas Audited Financial Statements for the fiscal year ended September 30, 2018, and is not intended to be a complete statement of the County's financial condition. Reference is made to the complete Annual Financial Report for further information.

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BEXAR COUNTY, TEXAS

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

Fiscal Year Ended

September 30, 2018

OFFICIAL ISSUING REPORT  
SUSAN T. YEATTS, CPA  
COUNTY AUDITOR



Bexar County Courthouse  
Photo by Peter Petroff

**Bexar County, Texas**  
**Comprehensive Annual Financial Report**  
**September 30, 2018**

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Leo S. Caldera, CIA, CGAP  
First Assistant County Auditor



Paul Elizondo Tower  
101 W. Nueva, Suite 800  
San Antonio, Texas 78205  
(210) 335-2301  
Fax: (210) 335-2996  
AufFrontDesk@Bexar.Org

Susan T. Yeatts, CPA  
BEXAR COUNTY AUDITOR

**Bexar County, Texas**  
**Transmittal Letter**  
**For Year Ending September 30, 2018**

Three component units, Bexar County Housing Finance Corporation (BCHFC), Bexar County Health Facilities Development Corporation (BCHFDC) and Bexar County Industrial Development Corporation (BCIDC) are blended with the County. The Commissioners Court of the County sits as the governing board for all three entities. Accordingly, the Commissioners Court approves the issuance of single-family mortgage bonds for the BCHFC and authorizes the issuance of tax-exempt bonds for the BCHFDC as well as the BCIDC. None of the bond issuances constitute a debt or a pledge of faith or credit by the County.

The University Health System (the Bexar County Hospital District), The Alamo Regional Mobility Authority (RMA), and the Cibolo Canyons Special Improvement District are considered component units for reporting purposes and are discretely presented in the report. The Commissioners Court for the County appoints the seven member board and sets the tax rates for the County's Hospital District. Likewise, the Commissioners Court also appoints the seven member board of the Cibolo Canyons Special Improvement District and it has the statutory requirement to approve any issuance of debt by the Improvement District. The RMA has a seven member board, of which six are appointed by Commissioners Court. In addition, Commissioners Court has the authority to approve RMA transportation projects. For more information on these component units, refer to Note A of the Basic Financial Statements.

The independent audit of the County's financial statements was performed by the firm of Garza/Gonzalez & Associates, a firm licensed as certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of Bexar County for the fiscal year ended September 30, 2018, are free of material misstatements. The independent auditor concluded, based on the examination of the underlying documentation on a test basis and related disclosures, that the County's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America and therefore able to render an unmodified opinion.

The independent audit of the County's financial statements includes a "Compliance Section." The Compliance Section contains information related to the County's annual "Single Audit," which is a required provision of the Single Audit Act of 1984 as amended by the Act of 1996. The Act comes under the oversight of the Office of Management and Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations and 2 CFR Part 200, Subpart F (the Uniform Guidance)*, and the *State of Texas Single Audit Circular*.

The standards governing the Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal control and compliance with legal requirements and special emphasis on internal controls involving the administration of federal and state awards. Information related to this Single Audit can be found within the "Compliance Section" of this report and includes:

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.
- Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance.
- Schedule of Expenditures of Federal and State Awards.
- Schedule of Findings and Questioned Costs

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

**BEXAR COUNTY GOVERNMENT PROFILE**

**Historical**

Bexar County is located in south central Texas in the interior belt of the Coastal Plain of South Central Texas, and is crossed by the Balcones Escarpment. The area northwest of the escarpment, about one-eighth of the County, lies on the Edwards Plateau in high, hilly country - the source of numerous springs and artesian and underground wells. The San Antonio River and San Pedro Creek originate in such springs. The San Antonio River is the County's principal river, and into it, flow a number of smaller streams. One of these smaller streams, Cibolo Creek, forms the boundary between Bexar and Comal Counties on the north and Guadalupe County on the east.

Bexar County comprises 1,248 square miles. The altitude varies from 600 to 1,200 feet. In the far northwestern corner of the County are the Glenrose Hills, in which the highest elevations of the county are found. To the southeast lie the somewhat lower

March 29, 2019

Honorable District Judges of Bexar County and  
Honorable Members of the Bexar County Commissioners Court

The County Auditor's Office is pleased to present the Comprehensive Annual Financial Report ("CAFR") of Bexar County, Texas for the fiscal year ended September 30, 2018. This report was prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board and is in compliance with State law, V.T.C.A., Local Government Codes §114.025 and §115.045.

This report consists of management's representations concerning the finances of the County. Therefore, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data and information that are included are reported in a manner designed to present fairly the financial position and results of operations of the County in accordance with generally accepted accounting principles of the United States ("GAAP"). We believe the data is accurate in all material respects.

Management of the 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 the County's financial statements in conformity with GAAP. The County relies on this framework to measure the financial activity of its various funds and to ensure that all disclosures, necessary to enable the reader to gain the maximum understanding of the County's financial affairs, have been included. The internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

1. The reliability of financial reporting.
2. The effectiveness and efficiency of operations, and
3. Compliance with existing laws and regulations.

The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed the benefits likely to be derived, and
2. The evaluation of costs and benefits requires estimates and judgments by management.

Bexar County currently is reporting financial information as promulgated by the Government Accounting Standards Board. Accordingly, the reporting entity consists of the following entities:

- The primary government, Bexar County;
- Component units which are legally separate organizations for which the County is financially accountable (blended); and
- Component units where the nature and significance of the relationship with the County is such that exclusion from the County's financial statements would be misleading or incomplete (discretely presented).

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The northern third of the County has undulating to hilly, terrain and limy earths with shallow to deep loamy soils. The northern quarter of the County has Edwards Plateau vegetation of tall and medium-height grasses, live oak, juniper, and mesquite. A central strip is Blackland Prairie with vegetation consisting of tall grasses. The remainder of the County has South Texas Plain's vegetation including grasses, live oak, mesquite, thorny bushes, and cacti.<sup>1</sup>

The first Europeans to explore the region came with an expedition in 1691 led by Domingo Terán de los Ríos and Fray Damián Massané, who eventually reached the San Antonio River near where the San Juan Capistrano Mission was later founded. Prior to the exploration, the land had been inhabited for thousands of years by various tribes of people, collectively referred to as, the Coahuiltecan People. The Indians, as Massané recorded in his diary, called the place Yanaguana; however, he renamed the site San Antonio de Padua to celebrate the memorial day of St. Anthony (June 13). By 1724, the San Antonio de Valero mission compound, which had originally been located south of San Pedro Springs, was moved to what is referred today as the Alamo Plaza.<sup>2</sup>

In 1772, the government offices of Spanish Texas were moved to Bexar. The mission lands were distributed to the increasing number of Spanish settlers. Most of the better land nearest the settled areas was controlled by the town's elite, which was made up of the descendants of the original Canary Islanders and the presidential soldiers. The missions developed as self-supporting communities, each ringed with farmland irrigated by a comprehensive system of acequias, or irrigation ditches.

During the late colonial period, Bexar continued to serve as the capital of the province of Tejas, as well, as the main shipping point for supplies headed for Nacogdoches (to the east) and Santa Fe (to the west). Soon after the first Anglo-American colonists came to Texas, in 1821, San Antonio became the western outpost of settlement. In 1824, Tejas and Coahuila were united by the Mexican government into one state with the capital at Saltillo. The Department of Bexar was created with a political representative appointed to have authority over the Tejas portion of the state. During the late 1820s and early 1830s, increasing numbers of American settlers began moving to San Antonio, though the city remained predominantly Mexican at the beginning of the Texas Revolution. In late October 1835, Texas volunteers laid siege to the city, which was garrisoned by the Mexican army. After fierce hand-to-hand fighting, it was occupied by Texian forces. San Antonio was retaken by government forces commanded by Antonio López de Santa Anna during the battle for the Alamo on March 6, 1836. After the subsequent defeat of Santa Anna's army at the battle of San Jacinto, the city was reoccupied by Texian forces, but the area, claimed by both sides, continued to be fought over for the next six years.<sup>3</sup>

The County is best known for being the home of Mission San Antonio de Valero, better known as the Alamo, the Cradle of Texas Liberty. In 1718, a formal military and civilian population settled in the land, and then in 1731, the Canary Islanders established the first civil government. The County is rich in heritage and history. Organized on December 20, 1836, Bexar County was established, with San Antonio as county seat. Bexar County is one of the original counties of the Republic of Texas. In the latest population estimate, the United States Census Bureau estimates the 2017 population of Bexar County at 1.96 million (a 14.2% increase from the 2010 Census), which makes it the fourth largest county in the State. The County contains 29 incorporated cities. The Census Bureau also estimates the population for the greater San Antonio Metropolitan Area to be 2.47 million.<sup>4</sup>

The origin of the Texas county is found in the "municipality", the unit of local government under Spanish and Mexican rule. These municipalities were rather large districts embracing one or more settlements and the surrounding rural territory. The government of the municipality was vested in a council composed of at least one alcalde (judge), varying number of aldermen, an attorney, a sheriff (alguacil), and supported by a secretary.<sup>1</sup>

Under the Republic (1836), the municipalities became counties, but the Spanish-Mexican influence on their government was recognizable. The new local governments were based on the county form of governments as found in the southern part of the United States. The chief governing body of the county during the Republic was a county board, composed of the Chief Justice (appointed) and elective Justices of the Peace. By 1845, four elective Commissioners were substituted for the Justices of the Peace.

The County Commissioners Court, or County Board, was established by the Constitution of 1876 and was composed of a county judge as presiding officer, and four commissioners elected from precincts for four-year terms. During the Republic of

<sup>1</sup> The Hand Book of Texas

<sup>2</sup> Ibid

<sup>3</sup> Habig, Marion A. - A History of San Antonio's Five Missions

<sup>4</sup> US Census Bureau (www.census.gov)

Texas, the County Board was composed of the chief justice and the justices of the peace of the County; under the Constitutions of 1845, 1861, and 1866, it was composed of the chief justice and four elected Commissioners. During the Reconstruction period, the Constitution of 1869 was issued, and the Board was made of any three of the five justices of the peace of the County.

The Bexar County Commissioners Court has executive as well as judicial functions. It is responsible for establishing a courthouse and jail, making appointments, filling vacancies in the county offices, signing contracts in the name of the county, building and maintaining roads and bridges, administering the county's public welfare services, performing numerous duties in regard to elections, setting the county tax rate, issuing bonds, and adopting the county budget.

**Economic**

San Antonio is the county seat for Bexar County. San Antonio is currently the second largest city in Texas and the seventh largest city in the United States. In Bexar County, the unemployment rate, as of September 30, 2018, is at 3.3%, which is above the unemployment rate of 3.2%, at September 30, 2017. The County's rate is below the State's rate of 3.7%, for the same period.<sup>5</sup> The County's diverse economic base ranges from agribusiness, advanced manufacturing, technology and cyber security, finance, tourism, to medicine, and the military. San Antonio is ranked among the lowest in cost of living indicators at an 86.7% composite index, which is 13.3% below the national average.<sup>6</sup>

The County continues to provide diversified industries with one of the lowest cost workforces of any major U.S. city. According to the most recent data, the health care and bioscience, advanced manufacturing, tourism and hospitality, and information technology and cyber security and new energy industries generate a combined economic impact of an estimated \$107.4 billion on the local economy.<sup>7</sup> According to the latest economic impact study, (2018) the health care and bioscience industry continues to be one of San Antonio's largest industries, with more than one of every six employees working in the industry, either directly or indirectly. Direct healthcare services includes hospital care, doctor office care, nursing home care, and ambulatory and outpatient care. There are also indirect, but related healthcare industries, such as health insurance providers, pharmaceutical companies, medical equipment producers and manufacturers, civilian and military medical education, biomedical research organizations, residential care and social service providers, and a variety of related endeavors. The 2018 comprehensive estimate of the bioscience and healthcare economic impact is \$40.2 billion.<sup>7</sup> Government is a significant industry in the County with the military being the predominate employer. Joint Base San Antonio (JBASA) has a substantial impact on the San Antonio and the Texas economies. According to the Texas Comptroller of Public Accounts, JBASA contributed an overall economic impact of \$30.37 billion in 2017, and nearly one out of eight people in Bexar County is associated with JBASA.<sup>8</sup> According to a 2016 economic impact study, the manufacturing industry contributes \$40.5 billion to the local economy, a 28% increase from the 2011 impact study.<sup>8</sup> The manufacturing industry includes transportation (motor vehicle and aerospace), equipment and metal products (machinery, computers, electronic components and products, electric appliances, the repair and maintenance of machinery and electronic equipment, and both primary and fabricated metal products), diversified products (printing, food and beverages, textiles, apparel and leather products, furniture, and miscellaneous products such as medical equipment), and materials and electricity (production of wood, paper and nonmetallic mineral products, petroleum products, plastic and rubber products, chemicals, and electricity). The transportation sector of the manufacturing industry has shown the biggest gain, growing almost 50% since 2011. The 2017 economic impact study of San Antonio's hospitality industry indicates that tourism provides an estimated \$15.2 billion to the economy from approximately 37 million visitors annually.<sup>9</sup> Because the hospitality industry is a major financial contributor of taxes and other revenues to local governments through Hotel Occupancy tax, property taxes, utility fees, and sales tax, taxes paid by residents of the San Antonio Metropolitan area are reduced. The study only takes into consideration the impact from out of town visitors, therefore the full economic impact of the hospitality industry not fully realized. In 2015, five Spanish colonial missions in San Antonio were designated a World Heritage Site by the United Nations Educational, Scientific and Cultural Organization (UNESCO). With the World Heritage Site Designation for the San Antonio Missions, there will be even more opportunity for growth in the Hospitality industry. According to the study, *Potential Economic Impact of World Heritage Site Designation for the San Antonio Missions*, over the next ten years, the economic impact is expected to generate up to \$105 million in economic activity.<sup>7</sup> The financial service industry employs over 91 thousand people and is considered a stable and significant business sector in the San Antonio Metropolitan area.<sup>5</sup> Another major industry leader in Bexar County is the Information Technology and Cyber Security industry, with an economic impact of \$10 billion. In fact, San Antonio has been recognized as a national leader in the

<sup>5</sup> Texas LMCI Tracer, Data Link (www.tracer2.com)

<sup>6</sup> San Antonio Economic Development Foundation, (www.sanantoniodef.com)

<sup>7</sup> San Antonio Chamber of Commerce, (www.sachamber.org)

<sup>8</sup> San Antonio Manufacturing Association, (www.sama.org)

<sup>9</sup> San Antonio Area Tourism Council, (sanantoniotourism.com)

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Technology and Cyber Security industry with the U.S. Air Force's Intelligence Agency, the National Security Agency, and the Center for Infrastructure Assurance and Security, among many other diverse technology companies are all located within Bexar County. San Antonio has the second largest cyber ecosystem in the United States.<sup>10</sup> The Information and Technology and Cybersecurity industries continue to grow as leaders support education and startups. Looking to the future, local leaders are joining together to offer business incentives to encourage growth in the green industry. Leaders have invested in the New Energy Economy (NEE), and as a result, the NEE has led to more than \$1.5 billion in annual economic impact. The idea is to have a pro-business government that is also pro-environment. San Antonio has become a national leader in renewable energy, such as wind power and solar power, and by doing so, has reduced power plant emissions by more than 3.6 million tons per year.<sup>10</sup>

The County's proximity to Mexico provides favorable conditions for international business relations in the areas of agriculture, tourism, manufacturing, and wholesale and retail markets. At the end of calendar year 2018, trade between the United States and Mexico was over \$265 million in exports. This significant trade amount is largely attributed to the passage of the North American Free Trade Agreement (NAFTA) in 1993.<sup>11</sup> San Antonio is also the headquarters for the North American Development Bank (NADBANK). This bi-national institution created by NAFTA is intended to help finance environmental infrastructure within 62 miles of the US/Mexican border. With a lending capacity of \$3 billion, NADBANK finances projects including water, waste management, cleaner and renewable energy, air quality, industrial and hazardous waste, and energy efficiency. The Mexican consulate has been expanded in San Antonio to assist the transition and to facilitate the development of the NAFTA agreement.<sup>12</sup>

**FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING**

The population growth in the incorporated, as well as the unincorporated areas, is considered by the Commissioners Court annually in appropriating funds to support the delivery of services. The County has developed working arrangements with the majority of the incorporated cities within the County to allow the Court to anticipate needs and to establish a cost effective manner to apply available resources.

Commissioners Court is responsible for establishing the tax rates for the County (operations and debt service) as well as to service the flood control projects in the County (operations and debt service). In addition, the County includes in its debt service tax rate, the debt service requirements for certain San Antonio River Authority ("SARA") Channel Improvement Revenue Bonds used for flood control and soil conservation projects in Bexar County. The tax rate, for the year ended September 30, 2017 was \$0.30895 per \$100 of valuation, and for the year ended September 30, 2018, the rate is set at \$0.304097. The tax rate of \$0.301097, for fiscal year ending September 30, 2019, was approved in Commissioners Court on September 11, 2018.

Current financial policies include:

- Reimbursement resolutions are used on an interim basis to finance projects rather than initially issuing long-term bonds;
- Balanced financial operations will be maintained;
- Expenditures are to be budgeted and controlled to ensure that at the end of the fiscal year the unassigned fund balance in the general fund is at a minimum 1% of the fiscal year's expenditures;
- All elected officials and department heads are required to keep expenditures within allocated budgets;
- The County is to maintain an open line of communication with rating agencies and seeks to obtain a high debt rating with a stable outlook. The County currently uses the bond rating services of Fitch IBCA, Inc., Standard & Poor's Rating Service, and Moody's Investment Services. At September 30, 2018, the County had been assigned bond ratings of AAA, AAA, and Aaa, respectively.

Current long-term financial policies of the County are listed below:

- Use technological solutions to improve operations;
- Provide an equitable justice system that is responsive to the needs of the County;
- Delivery of services to the constituents;

<sup>10</sup> San Antonio Economic Foundation, ([www.sanantoniocdf.com](http://www.sanantoniocdf.com))

<sup>11</sup> US Census Bureau, ([www.census.gov/foreign-trade/balance](http://www.census.gov/foreign-trade/balance))

<sup>12</sup> North American Development Bank, ([www.nadb.org](http://www.nadb.org))

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- Encourage flexibility and accountability in all offices and departments;
- Promote diversity in the workforce;
- Maintain full disclosure and open lines of communications with the rating agencies;
- Develop a highly efficient and effective cash management program to maximize the County's ability to earn an equitable return on its assets, while at the same time maintaining asset protection.

**MAJOR INITIATIVES FOR THE YEAR**

**Flood Control**

In 2007, Commissioners Court approved a ten-year, \$500 million Flood Control and Capital Improvement program which identified and prioritized multiple Flood Control projects to be completed over a ten-year period. While 2017 was the intended final year of the program, some Flood Control projects remain in progress. Of the 83 projects to be completed, a total of seven projects are in the design phase, four are in the construction phase, 56 have been completed, and 16 were not recommended for construction. The total project costs of \$444 million were funded through the capital improvements program. Moving forward, the County is planning to undertake flood control projects as needed and has proposed funding in the amount of \$2.5 million for enhancements and maintenance of the County's High-Water Alert Life-Saving Technology (HALT) system.

**New Capital Projects**

The County has budgeted \$582 million for its capital improvements program for both horizontal (Roads) and vertical (Buildings) construction. This includes funding in the amount of \$44 million for new capital improvement projects that include, but are not limited to: the University Oaks Property Purchase (Sheriff's Office North Substation), the Archives Building (FRB) Parking Garage Information and Technology and Wellness Center, Buildout, Juvenile Probation Facility Improvements, Justice Center Improvements, County Park Deteriorating Recreational Trails, as well as technology projects, which are discussed below.

**Technology**

Major technology projects at various stages from planning to implementation include:

- **Fire Marshal Alerting System:** This project will provide funding to implement an alerting system to fully automate the dispatching process which will assist emergency personnel to react as efficiently as possible to each call. Because other local entities use this system, the cost of interfacing with these existing systems will be reduced.
- **Mainframe Database and Programming Language Upgrade:** This project will provide funding to update the County's mainframe database and coding language. The current coding language is not covered by supported software in the event of an outage. The upgrade will bring the County to a level that is supported.
- **Bexar County Integrated Justice System (CJIS):** This project will fund a new justice information system that will replace an outdated legacy system. Additional components include an E-Discovery System, a District Attorney Case Management System, a Jail Management System, a Jury Management System, a Juvenile Case Management System, CJIS Storage and CJIS Peripherals.
- **Info System Enhancements:** This project provides for software enhancements including, Human Capital Management, Enterprise Asset Management, Dynamic Enterprise Performance Management, and Supply Chain Management Enhancements.

**EMPLOYMENT GROWTH**

According to the Texas Workforce Commission, the County's unemployment rate increased from 3.2% (September 2017) to 3.3% (September 2018). The total jobs created were 10,471. The State's unemployment rate decreased to 3.7% (September 2018) from 4% (September 2017), and 305,100 nonagricultural jobs were created during the same period.

The County experienced some external corporate employment growth (4,460 positions) from various companies. On the following page is a list of companies that each brought 50 or more positions to the area (4,107 positions in total) in 2018.

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<u>Company Name</u>	<u>Positions</u>
OKIN PBS	1,462
Cambridge Development Group	550
TaskUs	500
Charter Communications	455
ALLCAT	300
Ernst & Young	300
The Hut Group	165
Maestro's Workshop	150
Grunt Style	125
Amerivet	100

*Source: San Antonio Economic Development Foundation.*

The following table reflects the internal and external creation of 10,471 jobs over the last twelve months, ended September 30, 2018.

<b>Employment</b>		
<b>Sectors</b>	<b>2017</b>	<b>2018</b>
Natural Resource and Mining	5,286	6,241
Construction	38,691	39,128
Manufacturing	35,987	36,656
Trade, Transportation, Utilities	141,484	140,645
Information	18,570	18,805
Financial Activities	76,872	77,153
Professional and Business Services	117,772	120,564
Education and Health Services	139,474	143,349
Leisure and Hospitality	113,541	115,425
Other Services	24,624	24,492
Unclassified	735	930
Government	142,080	142,199
<b>Total Jobs</b>	<b>855,116</b>	<b>865,587</b>
		<b>1.22%</b>

*Source: Texas LMCI Data Link, QCEW*

**FINANCIAL INFORMATION**

**Budgetary Control**

Budgets are adopted for the General, Special Revenue, and Debt Service Funds on a budgetary basis. Although this basis departs from generally accepted accounting principles, it provides meaningful feedback and control to management.

The revenue budget for the General, Debt Service, and Special Revenue Funds are established by the County Auditor's Office. The expenditure budget is set by Commissioners Court and controlled by the County Auditor at the appropriation level by a review of estimated purchase amounts prior to the release of purchase orders to vendors. A purchase order, which would result in an overrun of an appropriation unit, is not released until additional appropriations are made available.

Under State law, the budget cannot be exceeded in any expenditure category. Grants from the Criminal Justice Division (CJD) may overrun a category allowance by 5%, but the total of the grant may not overrun. In Community Development Block Grant

Funds (CDBG), the budget cannot be exceeded in any one project. In the Grants-In-Aid Fund, budget totals are changed during the year as funds are increased and/or decreased due to changes in availability of funds from State or Federal sources.

**Debt Administration**

Commissioners Court has established policy to provide guidelines to control tax rates levied. Currently limited tax bonds, general obligation bonds, and certificates of obligation are part of the maximum rate of \$0.80 per \$100 valuation that can be set by Texas counties. In FY 17, the General Fund maintenance and operation tax rate was set at \$0.236 and the debt service rate was set at \$0.05725. The maintenance and operation tax rate for Flood Control was set at \$0.0 and at \$0.0157 for debt service. The overall rate was set at \$0.30895 per \$100 dollars of taxable appraised value.

For the fiscal year ending September 30, 2018, Commissioners Court set the General Fund maintenance and operation tax rate at \$0.23625, and the debt service rate at \$0.054979. The maintenance and operation tax rate set for Flood Control was set at \$0.001 and at \$0.011868 for debt service. The overall rate for FY 18 is at \$0.304097 per \$100 dollars of taxable appraised value. An analysis of the changes in outstanding bonds and obligations is shown in Note H to the financial statements.

Commissioners Court approved the overall rate of \$0.301097 per \$100 dollars of taxable appraised value, on September 11, 2018, for FY 19. The General Fund maintenance and operation tax rate is set at \$0.23625, and the debt service rate is set at \$0.041179. The tax rate for Road and Flood Control maintenance and operation is set at \$0.001, and for debt service, the tax rate is set at \$0.011868. The Road and Bridge tax rate is set at .0108.

**ACKNOWLEDGEMENTS AND AWARDS**

We wish to express our thanks to Commissioners Court and the District Judges for their interest and support in planning and conducting the financial affairs of the County in a responsible and professional manner. The Court, other elected officials, and department heads need to be recognized for their continual support that has been provided as the County continues to refine and implement improved financial changes. The timely completion of this report could not have been achieved without the dedicated efforts of the County Auditor's staff and the professional services provided by our independent auditors, Garza/Gonzalez & Associates.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bexar County for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This was the thirty-second consecutive year that Bexar County has achieved this prestigious recognition.

In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

**REQUEST FOR INFORMATION**

The financial report is designed to provide an overview of the County's finances for individuals who are interested in this information. Questions concerning any of the data provided in this report or requests for additional information should be addressed to the Bexar County Auditor's Office, 101 W. Nueva St., Suite 800, San Antonio, Texas, 78205, or call (210) 335-2441.

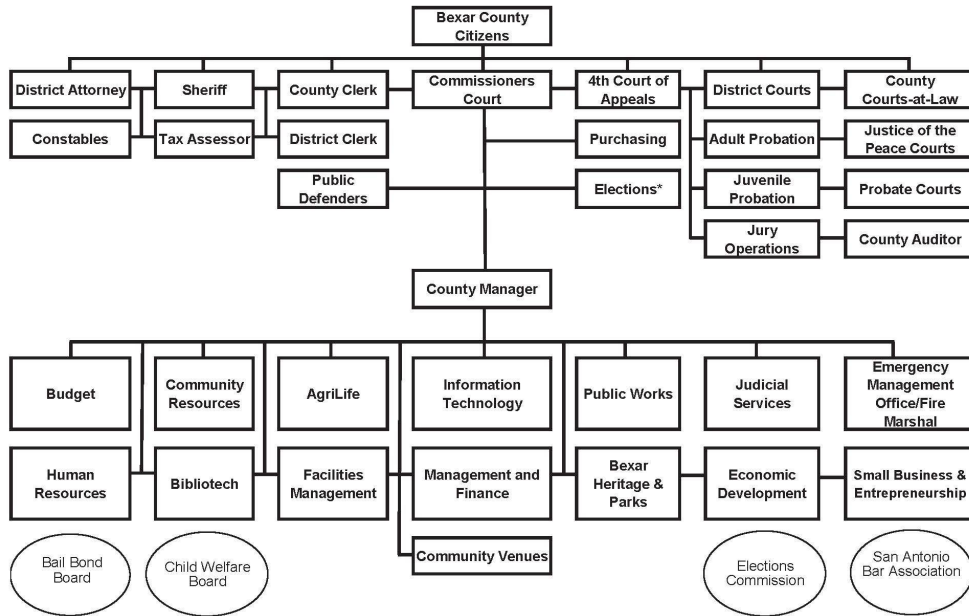


Susan T. Yeatts, CPA  
 County Auditor



**PRINCIPAL OFFICIALS**

COUNTY JUDGE	NELSON W. WOLFF
COMMISSIONER, PRECINCT 1	SERGIO "CHICO" RODRIGUEZ
COMMISSIONER, PRECINCT 2	JUSTIN RODRIGUEZ
COMMISSIONER, PRECINCT 3	KEVIN WOLFF
COMMISSIONER, PRECINCT 4	TOMMY CALVERT, JR.
ASSESSOR-COLLECTOR OF TAXES	ALBERT URESTI
COUNTY CLERK	LUCY ADAME-CLARK
DISTRICT ATTORNEY	JOE GONZALES
DISTRICT CLERK	MARY ANGIE GARCIA
SHERIFF	JAVIER SALAZAR
COUNTY AUDITOR	SUSAN T. YEATTS
COUNTY MANAGER	DAVID SMITH
PURCHASING AGENT	MARY QUINONES



\*The Elections Administrator is appointed by the Elections Commission



Government Finance Officers Association

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**Bexar County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*  
Executive Director/CEO



Photo by Peter Petroff

# Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

The Honorable County Judge and Commissioners  
Bexar County, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bexar County, Texas (the County), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the University Health System (the System), the Cibola Canyons Special Improvement District (the District), and the Alamo Regional Mobility Authority (the Authority), which represent 100 percent of assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the System, the District, and the Authority is based solely on the report of the other auditors.

### 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. We did not audit the financial statements of the System, the District, and the Authority which were audited by other auditors. The financial statements of the District, audited by other auditors, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As described in the notes to the financial statements, in fiscal year 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions amending GASB Statement No. 45*, GASB Statement No. 75 requires state and local government employers to display the actuarially determined Net OPEB Liability in its financial statements. Our opinion is not modified with respect to this matter.

### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information – general fund, the schedule of changes in total OPEB liability and related ratios, and the Texas County and District Retirement System pension information, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

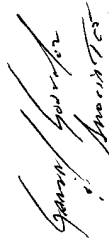
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining nonmajor fund financial statements, individual nonmajor fund - schedules of revenues, expenditures and changes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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



March 29, 2019



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**Bexar County, Texas  
Management Discussion & Analysis  
For Year Ended September 30, 2018**

This section of the Bexar County comprehensive annual financial report presents management's discussion and analysis ("MD&A") of the financial performance of the primary government during the fiscal year ended September 30, 2018. The MD&A should be read in conjunction with the transmittal letter at the front of this report and the County's basic financial statements and related notes following this section. The MD&A is a narrative overview and analysis of the financial activities of Bexar County for the fiscal year ended September 30, 2018 offered by management of Bexar County (the County).

For information specific to the University Health System (the System), a significant discretely presented component unit of the County, please refer to the MD&A included in the separately issued financial statements of the System. A copy of those financial statements may be obtained by contacting the University Health System's Financial Offices: 4502 Medical Drive, San Antonio, Texas 78229.

For information specific to Cibolo Canyons Special Improvement District (the District), a discretely presented component unit of the County, please refer to the MD&A included in the separately issued financial statements of the District. A copy of those financial statements may be obtained by contacting the District's General Counsel: 7550 W-IH 10, San Antonio, Texas 78229.

For information specific to the Alamo Regional Mobility Authority (the Authority), a discretely presented component unit of the County, please refer to the MD&A included in the separately issued financial statements of the Authority. A copy of those financial statements may be obtained by contacting the Alamo Regional Mobility Authority c/o Bexar County Public Works: 233 N. Pecos La Trinidad, Suite 420, San Antonio Texas 78207.

**FINANCIAL HIGHLIGHTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

- The total government-wide assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at September 30, 2018 by \$284,387,005 and are reported as total net position of the primary government. This is comparable to the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$297,242,561 (restated – see Note S). The total net position is comprised of unrestricted net position (funds that may be used to meet ongoing obligations to citizens and creditors), restricted net position (funds to be used for a specified purpose), and net investment in capital assets.
- The government-wide total net position decreased by \$12,855,556 during the fiscal year ending September 30, 2018. The change can be attributed to a decrease in governmental activities of \$17,643,503 and an increase in business-type activities of \$4,787,947. Comparative changes can be examined as follows:

- Total net position of the primary government is comprised of:

1) Net investment in capital assets, which includes land, buildings, improvements, roads, bridges, equipment, furniture and fixtures as well as construction in progress, net of accumulated depreciation:	
September 30, 2018	\$1,074,163,147
September 30, 2017	\$1,031,365,933
2) Net position restricted by constraints imposed from outside the County such as debt obligations, regulations and/or federal and state laws:	
September 30, 2018	\$299,778,768
September 30, 2017	\$326,139,364
3) Unrestricted net position represents the portion available to meet current requirements and obligations to the County's creditors and citizens:	
September 30, 2018	(\$1,089,554,910)
September 30, 2017 (Restated)	(\$1,060,262,736)

**Bexar County, Texas  
Management Discussion & Analysis  
For Year Ended September 30, 2018**

**FINANCIAL HIGHLIGHTS (Continued)**

**FUND FINANCIAL STATEMENTS**

- As of September 30, 2018, the County's governmental funds reported combined fund balances of \$676,861,699 as compared with \$779,874,225 at September 30, 2017. The decrease of \$103,012,526 is primarily due to the deficiency of revenues and other financing sources over expenditures and other financing uses of \$132,262,293 in the Capital Projects Fund. Approximately 13%, or \$87,977,792, of the combined fund balances are unassigned at September 30, 2018 and are available to meet the County's current and future needs. The total fund balance for the Nonmajor Governmental Funds is \$64,289,379 at September 30, 2018 and \$58,997,301 at September 30, 2017. The fund balance for the Governmental Nonmajor Funds is dedicated to service specific County functions.
- As of September 30, 2018, fund balance for the General Fund was \$93,155,543 or 21% of total General Fund expenditures for the year ended September 30, 2018. The County's General Fund experienced a \$2.5 million increase in fund balance from the prior fiscal period. The increase is due to the excess of revenues over expenditures of \$14,055,442 reduced by net transfers out to other funds of \$11,550,838.
- At September 30, 2018, the County's Internal Service Funds had a deficit net position of \$187,833,093, an increase in the deficit of \$8.8 million from the prior year. The increase in the deficit is primarily attributed to the net deficiency of operating revenues and transfers in from other funds over operating expenses of \$8,801,421. The Internal Service Funds include the effect of the net other post-employment benefit (OPEB) obligation of \$119,131,960 due to the implementation of GASB Statement No. 75 in the OPEB Fund. See Note O and S to the financial statements for the effect of GASB Statement No. 75.

**LONG-TERM DEBT**

During the year, the County issued \$384,715,000 in Limited Tax Refunding Bonds and \$28,140,000 in Flood Control Tax Refunding Bonds. The refundings were undertaken to reduce debt service payments over the next several years and resulted in an economic gain of \$16,542,822. The County also issued \$40,840,000 in Pass-Through Revenue and Limited Tax Bonds for the purposes of making permanent public improvements. Note H to the financial statements provides details of long-term debt and information regarding Fiscal Year 2017-18 debt obligation activity.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to introduce the reader to the County's basic financial statements. These statements are comprised of three basic components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the basic financial statements.

Required Supplementary Information is included in addition to the basic financial statements. The County includes its Single Audit report in the Compliance Section.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the financial position of the County in a manner similar to a private-sector business. The statements include a Statement of Net Position and a Statement of Activities. Both of these statements are presented using the accrual basis of accounting; therefore, revenues are recorded when earned and expenses are recorded when a liability is incurred.

**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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

The Statement of Net Position presents information on all County assets, deferred outflows of resources, liabilities and deferred inflow of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position will serve the reader as a useful indicator of whether the financial position of the County is improving or deteriorating (Table 1 – Statistical Section). There are other non-financial factors, such as changes in the County's property tax base (Tables 5 to 8 – Statistical Section) and the condition of the County's roads, which should be considered to assess the overall health of the County. Another important factor to be taken into consideration is the County expenditures for assets owned by other entities. Table 19 in the Statistical Section lists those expenditures beginning with fiscal year 2007.

The Statement of Activities presents information showing how 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. Due to a full accrual presentation, revenues and expenses are reported in this statement for some items that will affect cash flows in future fiscal periods (Table 2 – Statistical Section). Allocated within the governmental activities functions in the Statement of Activities are expenses for services provided by the Internal Service Funds.

Both government-wide financial statements distinguish functions of the County that are governmental activities principally supported by taxes, operating and capital grants, and charges for services that are intended to recover all or in part a portion of their costs through user fees, and investment earnings.

The governmental activities of the County include general government, judicial, public safety, education and recreation, public works, and health and public welfare. The business-type activities of the County include various community venue activities and the AT&T Center, which is the home court of the San Antonio Spurs and the Stock Show and Rodeo, the Commissary operated by the Sheriff's office for inmates, two County owned parking facilities and the operation of a firing range.

Component units are included in the County's basic financial statements and consist of legally separate entities for which the County is financially accountable. Three component units - Bexar County Housing Finance Corporation, Bexar County Health Facilities Development Corporation and Bexar County Industrial Development Corporation - are blended with the County. The three discretely presented component units are the University Health System (the System), Cibolo Canyons Special Improvement District (the District) and Alamo Regional Mobility Authority (the Authority). The System is reported as a discretely presented component unit because Commissioners Court appoints members of the System's Board and approves the System's tax rate, annual budget and issuance of bonded debt. The District is reported as a discretely presented component unit because Commissioners Court appoints and reappoints the seven member board of directors and is statutorily required to approve the issuance of any debt by the District. The Authority is reported as a discretely presented component unit because Commissioners Court appoints and reappoints six of its seven members of its board of directors. The seventh member, the Chairman, is appointed by the Governor of the State of Texas. Additionally, the Commissioners Court, by statute, approves the projects that the Authority funds with its primary revenue source, the vehicle registration fee. For more detailed information on these component units, refer to Note A of the basic financial statements.

**FUND FINANCIAL STATEMENTS**

The fund financial statements are groupings of related accounts that are 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 financial-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**FUND FINANCIAL STATEMENTS (Continued)**

**Governmental Funds (Continued)**

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 funds 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 evaluating the County'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. This will allow the reader to better understand the long-term impact of the government's near-term financing decisions. The governmental funds' Balance Sheet and the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities and can be found on pages 35 and 37. Information is presented separately in the governmental funds' Balance Sheet and in the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances for the major funds: General Fund, Debt Service Fund, and Capital Projects Fund.

Data from the Nonmajor Governmental Funds, which include 29 special revenue funds and three blended component units, are combined into a single, aggregated presentation. Individual fund data for each of these Nonmajor Governmental Funds is provided in the combining statements which can be found on pages 127-141.

The County maintains various special revenue funds - virtually all are created by statute and are required to annually submit a budget to the Commissioners Court for review and adoption. Most of these funds receive financial resources from fees specifically designated by the State's legislature to be used for a specified purpose.

In addition, the County is awarded grants by the State and the Federal governments. These grants cover periods as short as six months to multiple years. All grant programs have formal budgets which are reviewed annually.

Various law enforcement agencies, including the District Attorney's Office, are awarded forfeited funds either by the State of Texas or the Federal government. These funds are to be used to support the law enforcement activity of the office. While there is no requirement for the federal funds to be budgeted, State law requires all public funds to be appropriated and presented to Commissioners Court. Therefore, every year the departments appropriate funds on hand that will be used in the following year.

**Proprietary Funds**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County's proprietary funds are maintained in two formats:

- An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements.

The Community Venue Fund is considered to be a major enterprise fund of the County. The fund is used to account for proceeds derived by the County from its sale of venue project revenue bonds for the primary purpose of financing a portion of the costs of certain projects authorized at the 2008 Venue election.

The Sheriff's Commissary Fund is used to account for commissary sales to inmates housed in the Bexar County jail. The Parking Facilities Fund is used to account for the operation and maintenance of parking facilities. The facilities are intended to be financed primarily through user charges.

**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**FUND FINANCIAL STATEMENTS (Continued)**

**Proprietary Funds (Continued)**

The Firing Range Fund is used to account for the operation and maintenance of a firing range. The facility is intended to be financed primarily through user charges.

- An Internal Service Fund is used to account for goods or services provided to one department by another on a cost reimbursement basis. The fund is profit and loss oriented and hence follows accrual accounting.

The County uses internal service funds to account for: the maintenance of County vehicles; other post-employment benefits; the administration of the County's self-insurance programs for health, workers compensation and property liability claims; and the records management facility. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on pages 181-185. The County's four internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements.

**Fiduciary Funds**

A Fiduciary fund (Trust or Agency) is used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support programs and services provided by the County. The County's fiduciary funds are agency funds which are purely custodial and thus do not involve measurement of results of operations. The County's fiduciary financial information is reported in a separate Statement of Fiduciary Net Position on page 43. Individual fund data for the agency funds is provided with the combining statements on pages 187-193.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. Notes to the financial statements begin on page 47.

**REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information is presented to reflect budgetary compliance for the County's General Fund. The County adopts an annual budget for this fund. A budgetary comparison schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. This section also includes the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Pension Contributions and the Schedule of Changes in Total OPEB Liability and Related Ratios. Required supplementary information begins on page 107.

**COMPLIANCE SECTION**

The compliance section contains the report on compliance with the U.S. Office of Management and Budget (OMB) Circular Compliance Supplement and the State of Texas Single Audit Circular that are applicable to each major federal and state program for the fiscal year ended September 30, 2018, along with the schedule of expenditures of federal and state awards, and schedule of federal and state award findings and questioned costs.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The current financial reporting model focuses on net position and serves as a useful indicator of a government's financial position. For the primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$284,387,005 at the close of the most recent fiscal year as compared to \$297,242,561 (restated) at the close of the last fiscal year. This represents a \$12,855,556, or 4%, decrease.

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

The following are condensed statements of net position for fiscal years 2018 and 2017.

	Condensed Statement of Net Position		
	September 30, 2018		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 771,172,746	\$ 91,143,430	\$ 862,316,176
Noncurrent assets	9,700,000	30,620,271	40,320,271
Capital assets	1,800,625,648	208,692,662	2,009,318,310
Total assets	2,581,498,394	330,456,363	2,911,954,757
Deferred outflows of resources	83,909,628	2,480,810	86,390,438
Current and other liabilities	148,538,745	9,448,312	157,987,057
Noncurrent liabilities	2,154,034,229	382,595,093	2,536,629,322
Total liabilities	2,302,572,974	391,843,405	2,694,416,379
Deferred inflows of resources	19,400,744	141,067	19,541,811
Net position:			
Net investment in capital assets	1,012,651,582	61,511,565	1,074,163,147
Restricted net position	273,957,773	25,820,995	299,778,768
Unrestricted net position	(943,175,051)	(146,379,859)	(1,089,554,910)
Total net position	\$ 343,434,304	\$ (59,047,299)	\$ 284,387,005

**September 30, 2017**  
**Primary Government**  
**(Restated)**

	Condensed Statement of Net Position		
	September 30, 2017		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 873,288,280	\$ 85,425,737	\$ 958,714,017
Noncurrent assets	9,700,000	30,518,115	40,218,115
Capital assets	1,678,769,436	215,818,195	1,894,587,631
Total assets	2,561,757,716	331,762,047	2,893,519,763
Deferred outflows of resources	118,449,951	3,471,293	121,921,244
Current and other liabilities	145,303,286	9,308,429	154,611,715
Noncurrent liabilities	2,165,894,782	389,700,597	2,555,595,379
Total liabilities	2,311,198,068	399,009,026	2,710,207,094
Deferred inflows of resources	7,931,792	59,560	7,991,352
Net position:			
Net investment in capital assets	965,387,857	65,978,076	1,031,365,933
Restricted net position	301,680,655	24,458,709	326,139,364
Unrestricted net position	(905,990,705)	(154,272,031)	(1,060,262,736)
Total net position	\$ 361,077,807	\$ (63,835,246)	\$ 297,242,561

**Bexar County, Texas  
Management Discussion & Analysis  
For Year Ended September 30, 2018**

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

For governmental activities, total net position of \$343,434,304 reflects a 5%, or \$17,643,503, decrease from the prior fiscal year.

For business-type activities, total net position deficit of \$59,047,299 reflects a 8%, or \$4,787,947, deficit decrease from the prior fiscal year.

Net pension liability decreased by \$63,118,128 from \$165,970,960 in the prior fiscal year to \$102,852,832 in the current fiscal year. Deferred outflows of resources related to the net pension liability and the net OPEB liability decreased by \$52,752,696 from \$93,707,192 in the prior fiscal year to \$40,954,496 in the current fiscal year. Deferred inflows of resources related to net pension liability increased by \$11,550,459 from \$7,991,352 in the prior fiscal year to \$19,541,811. See Note N and Note O for more details.

The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$284,387,005 at September 30, 2018 which is a 4%, or \$12,855,556, decrease over the prior fiscal year. The following is a further analysis of the decrease.

Net investment in capital assets of \$1,074,163,147 represents the County's investment in capital assets such as buildings, infrastructure, land, construction and equipment in progress, net of accumulated depreciation and related debt. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be externally provided from other sources. Liquidation of capital assets is not an alternative to providing funds to service debt and other related liabilities.

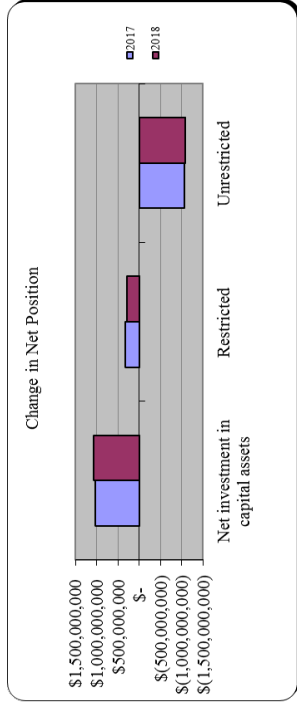
Restricted net position of \$299,778,768 represents resources that are subject to external restrictions as to the use of the funds. For governmental activities, net position is restricted as follows:

- 1) The largest portion of restricted net position is \$129,236,402 for capital projects.
- 2) The County has net position in various grant programs totaling to \$12,552,709; however, this net position is to be used to fund continual budgets related to specific federal and state programs. Excess funding is returned at the end of the grant programs.
- 3) Legislative net position of \$50,815,806 is comprised of a majority of the special revenue funds that were created through the establishment of fees by the State Legislature or through federal funding to serve specific purposes. Accordingly, those revenues generated may only be used as directed by legislation.
- 4) Net position restricted for debt service is \$107,173,851.

The deficit balance in unrestricted net position of \$1,089,554,910 is comprised of a deficit balance of \$943,175,051 in governmental activities and \$146,379,859 in business-type activities. The deficit balances are primarily attributed to County expenses for assets owned by other entities. The County issues bonds to finance these projects that do not get capitalized on the County's financial statements. The net effect of these transactions leaves a liability balance on the County's financial statements for the bonds the County is still obligated to pay. The total balance for expenses on assets owned by other entities is \$1,080,600,187 at September 30, 2018. See Table 19 in the Statistical Section for detailed balances.

**Bexar County, Texas  
Management Discussion & Analysis  
For Year Ended September 30, 2018**

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



The difference between total fund balance in the governmental fund Balance Sheet (fund financial statements) and total net position for governmental activities in the Statement of Net Position (government-wide) is a decrease of \$333,427,395. This variance exists because of items that are presented in the government-wide financial statements that are not presented in the fund financial statements, such as:

- Capital assets used in governmental activities of \$1,800,147,429
- Investments in joint ventures of \$9,700,000
- Adjustments to recognize unavailable revenues of \$26,162,369
- Long-term liabilities of (\$1,981,604,100)
- Net position of the Internal Service Funds (\$187,833,093)

A detailed reconciliation can be found in the Basic Financial Statements, page 35.

**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

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

The condensed statement of activities reflects the changes in net position for fiscal years ended September 30, 2018 and 2017.

	Condensed Statement of Activities		
	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
<b>Program revenues:</b>			
Charges for service	\$ 109,121,877	\$ 8,343,408	\$ 117,465,285
Operating grants and contributions	40,478,292	-	40,478,292
Capital grants and contributions	139,498,994	-	139,498,994
<b>General revenues:</b>			
Ad valorem taxes	436,292,268	-	436,292,268
Motor vehicle taxes	15,820,056	9,924,336	25,744,392
Other taxes	12,132,546	19,351,541	31,484,087
Investment earnings	13,392,740	1,802,805	15,195,545
Miscellaneous	23,322,569	645	23,323,214
<b>Total Revenues</b>	<b>790,059,342</b>	<b>39,422,735</b>	<b>829,482,077</b>

<b>Expenses</b>			
General government	143,816,856	-	143,816,856
Judicial	118,945,194	-	118,945,194
Public safety	243,887,769	-	243,887,769
Education and recreation	9,910,149	-	9,910,149
Public works	188,397,391	-	188,397,391
Health and public welfare	20,902,695	-	20,902,695
Interest and other charges	82,019,470	-	82,019,470
Unallocated depreciation	114,711	-	114,711
Community venue	-	28,050,246	28,050,246
Commissary	-	5,364,084	5,364,084
Firing range	-	201,046	201,046
Parking facilities	-	728,022	728,022
<b>Total Expenses</b>	<b>807,994,235</b>	<b>34,343,398</b>	<b>842,337,633</b>
Excess (deficiency) before other items and transfers	(17,934,893)	5,079,337	(12,855,556)
Transfers	291,390	(291,390)	-
Change in net position	(17,643,503)	4,787,947	(12,855,556)
Net position - beginning (restated)	361,077,807	(63,835,246)	297,242,561
<b>Net position - ending</b>	<b>\$ 343,434,304</b>	<b>\$ (59,047,299)</b>	<b>\$ 284,387,005</b>

**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

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

Condensed Statement of Activities  
For the Fiscal Year Ended September 30, 2017  
Primary Government  
(Restated)

	Condensed Statement of Activities		
	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
<b>Program revenues:</b>			
Charges for service	\$ 105,715,688	\$ 7,853,831	\$ 113,569,519
Operating grants and contributions	44,649,367	-	44,649,367
Capital grants and contributions	115,519,024	2,089,354	117,608,378
<b>General revenues:</b>			
Ad valorem taxes	416,975,864	-	416,975,864
Motor vehicle taxes	16,399,324	9,673,817	26,073,141
Other taxes	10,910,187	18,237,592	29,147,779
Investment earnings	8,295,219	864,943	9,160,162
Miscellaneous	19,980,840	10,570	19,991,410
<b>Total Revenues</b>	<b>738,445,513</b>	<b>38,730,107</b>	<b>777,175,620</b>

<b>Expenses</b>			
General government	137,106,877	-	137,106,877
Judicial	113,574,714	-	113,574,714
Public safety	239,226,903	-	239,226,903
Education and recreation	7,712,093	-	7,712,093
Public works	225,090,295	-	225,090,295
Health and public welfare	26,302,915	-	26,302,915
Interest and other charges	77,974,335	-	77,974,335
Unallocated depreciation	114,711	-	114,711
Community venue	-	29,423,382	29,423,382
Commissary	-	4,954,319	4,954,319
Firing range	-	183,283	183,283
Parking facilities	-	762,507	762,507
<b>Total Expenses</b>	<b>827,102,843</b>	<b>35,323,491</b>	<b>862,426,334</b>
Excess (deficiency) before other items and transfers	(88,657,330)	3,406,616	(85,250,714)
Transfers	229,424	(229,424)	-
Change in net position	(88,427,906)	3,177,192	(85,250,714)
Net position - beginning (restated)	449,505,713	(67,012,438)	382,493,275
<b>Net position - ending</b>	<b>\$ 361,077,807</b>	<b>\$ (63,835,246)</b>	<b>\$ 297,242,561</b>

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

**REVENUE ANALYSIS (Continued)**

For the year ended September 30, 2018, total revenues for the primary government were \$829,482,077 compared to \$777,175,620 for the year ending September 30, 2017, a net increase of \$52,306,457. Governmental activities provided revenues of \$790,059,342 and \$738,445,513 in 2018 and 2017, respectively, while business-type activities provided revenues of \$39,422,735 and \$38,730,107 in 2018 and 2017, respectively.

Property taxes represented the largest revenue source for the governmental activities for the two periods. The tax rate for fiscal year 2018 was \$0.304097 and in 2017 it was \$0.308950 per hundred (\$100) dollars of valuation as authorized by Commissioners Court.

A comparative overview of ad valorem tax revenue, appraised values, and taxable values for the current and prior fiscal periods is as follows:

	Year Ended		Percentage
	September 30, 2018	September 30, 2017	Change From Prior Year
<b>Ad Valorem Tax Revenue</b>	\$ 435,014,178	\$ 416,975,864	4.33%
<b>Appraised Value</b>	\$ 161,417,662,975	\$ 149,992,953,069	7.62%
<b>Taxable Value</b>	\$ 150,253,090,360	\$ 139,279,867,321	7.88%

Program revenues for the primary government are principally derived from the program that the revenues service and thereby reduce the cost of the function to the County. For the fiscal years ended September 30, 2018 and 2017 program revenues for the County were \$297,442,571 and \$275,827,264, respectively. Program revenue is made up of charges for services and operating and capital grants and contributions. Comparative overviews of these revenues are as follows:

	Year Ended		Percentage
	September 30, 2018	September 30, 2017	Change From Prior Year
<b>Charges for Services</b>	\$ 117,465,285	\$ 113,569,519	3.43%
<b>Operating and Capital Grants and Contributions</b>	\$ 179,977,286	\$ 162,257,745	10.92%

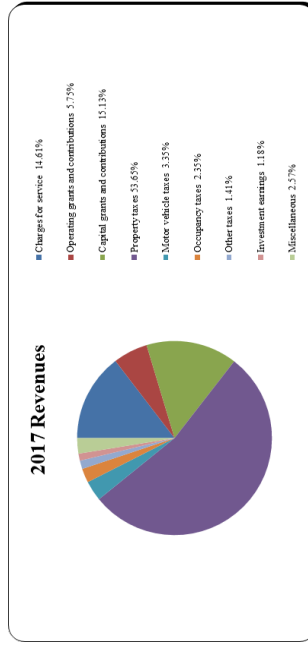
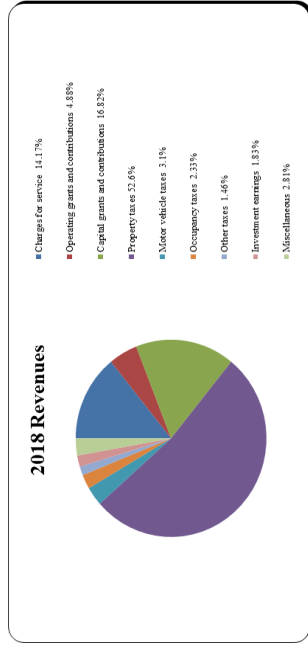
General revenues are revenues that are not assigned to support a specific function, but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes (discussed previously), other tax related financial interest earned from investments, and miscellaneous income. Overall, general revenues for the primary government increased by \$30,691,150 compared to the prior fiscal period. The largest increases to general revenues were to ad valorem taxes of \$19,316,404. The increase to ad valorem taxes was due to the increase in appraised and taxable values as noted above.

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

**REVENUE ANALYSIS (Continued)**

**Government-Wide Revenues by Resource**

For the Years Ended September 30,



**EXPENSE ANALYSIS**

For the year ended September 30, 2018, the function and program costs for the governmental activities were \$807,994,235 and \$34,343,399 for the business-type activity. Comparative figures for the prior fiscal year are \$827,102,843 and \$35,323,491, respectively.

Operating expenses for the governmental activities during the fiscal year decreased by \$19,108,608 over the previous fiscal year due primarily to the following:

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

**EXPENSE ANALYSIS (Continued)**

- Public works expenses decreased by \$36,692,904. The decrease was attributable to a onetime payment made in fiscal year 2017 of \$39,080,033 to the Texas Department of Transportation for a road project. Such payment did not occur again in fiscal year 2018.

Expenses for the business-type activities during the fiscal year decreased by \$980,093 compared to the previous fiscal year. The decrease is primarily attributed to a onetime contribution to the Witte Museum of \$2,250,000 recorded in fiscal year 2017. Such contribution did not occur again in fiscal year 2018.

The difference between the governmental funds net change in fund balance in the Statement of Revenues, Expenditures and Changes in Fund Balances (fund financial statements) and the change in net position in the Statement of Activities (government-wide) is an increase of \$85,369,023. The variance exists because of items that are presented in the government-wide financial statements that are not presented in the fund financial statements and items reported in the fund financial statements that are not reported in the government-wide financial statements, such as:

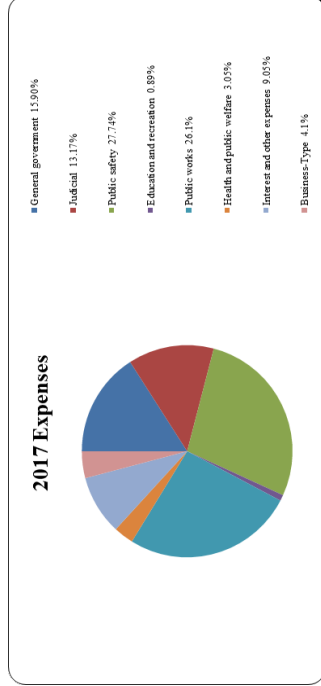
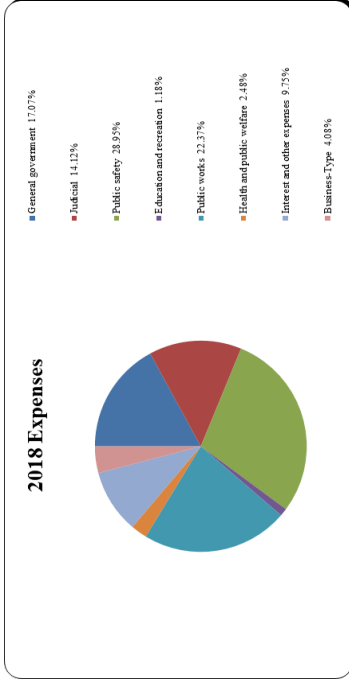
- Expenditures of \$104,268,694 at the fund level for capital outlays that are capitalized at the government-wide level.
- Capital donations of \$116,109,591 recorded at the government-wide level only.
- Depreciation expense of \$98,425,406 recorded at the government-wide level only.
- Recording of transactions associated with long-term debt and liabilities differ at the fund and government-wide levels for a net decrease to net position of \$30,618,969.
- Other adjustments due to the change in the basis of revenue recognition that increases net position and a decrease in net position of the Internal Service Funds reported as governmental activities at the government-wide level of \$2,836,534 and \$8,801,421 respectively.

A detailed reconciliation can be found in the Basic Financial Statements, page 37.

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

**EXPENSE ANALYSIS (Continued)**

**Government-Wide Expenses by Function  
For the Year Ended September 30,**



**Bexar County, Texas  
Management Discussion & Analysis  
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**FINANCIAL ANALYSIS OF FUNDS**

**MAJOR GOVERNMENTAL FUNDS**

The County's governmental functions are contained in the General, Debt Service, Capital Projects, and Nonmajor 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 annual financing and budgeting requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2018, the County's governmental funds reported a combined fund balance of \$676,861,699 and at September 30, 2017, reported \$79,874,225, a decrease of \$103,012,526 or 13%. Of the total fund balance, \$87,977,792 or 13% constitutes unassigned fund balance, which is available to meet the County's current and future needs of its citizens. Restricted fund balance of \$52,785,292 or 86% of total fund balance is restricted for debt service in the amount of \$81,935,785, capital expenditures in the amount of \$437,480,992 and special revenue funds in the amount of \$63,368,515. Committed fund balance of \$920,864 is attributed to a special revenue fund. The remainder of fund balance is in nonspendable form of \$5,177,751.

The following schedule compares the revenues by source of the County's governmental funds for fiscal years ending September 30, 2018 and 2017.

	Revenues Classified by Source		Increase (Decrease)
	2018	2017	
<b>Revenues by source:</b>			
Ad valorem taxes	\$435,014,178	\$ 416,185,808	\$ 18,828,370
Other taxes, licenses, and permits	45,927,299	44,771,993	1,155,306
Intergovernmental revenue	52,164,833	73,512,073	(21,347,240)
Court costs and fines	19,847,313	20,942,708	(1,095,395)
Fees on motor vehicles	22,315,190	21,843,855	471,335
Other fees	40,357,549	38,236,799	2,120,750
Commissions from governmental units	5,041,751	4,850,594	191,157
Revenues from use of assets	28,740,544	24,555,514	4,185,030
Sales, refunds and miscellaneous	22,604,614	19,176,269	3,428,345
Total revenues	<u>\$672,013,271</u>	<u>\$ 664,075,613</u>	<u>\$ 7,937,658</u>

**The General Fund**

The General Fund is the chief operating fund of the County and a major governmental fund. At September 30, 2018, the total fund balance was \$93,155,543, of which \$87,977,792 was unassigned and \$5,177,751 was in nonspendable form. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total expenditures and other financing uses. Unassigned fund balance is 20% of the combined total of General Fund expenditures and other financing uses. This is in compliance with the County's policy that the unassigned fund balance in the General Fund is to be maintained at a minimum 15% of the expenditures of the fiscal year.

**The Debt Service Fund**

The Debt Service Fund, a major governmental fund, accounts for receipts and disbursements of funds related to the County's long-term debt obligations for governmental activities. Expenditures include principal and interest payments on County debt, San Antonio River Authority bonds (see Note K to the financial statements), and bond issuance costs. Restricted fund balance increased by \$21,453,085, or 35%, from prior year. The increase is primarily due to the excess of other financing sources from the transfers in for debt service over the excess of revenues over expenditures. For more information on the County's long-term debt, see Note H in the Notes to the Financial Statements.

**Bexar County, Texas  
Management Discussion & Analysis  
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**FINANCIAL ANALYSIS OF FUNDS (Continued)**

**MAJOR GOVERNMENTAL FUNDS (Continued)**

**The Capital Projects Fund**

The Capital Projects Fund, a major governmental fund, is used to account for receipts and disbursements relating to the acquisition or construction of major capital projects, including assets to be owned by other entities (see Statistical Section, Table 19). At the end of fiscal year 2018, the fund balance was \$437,480,992 compared with the 2017 fund balance of \$569,743,285, a decrease of \$132,362,293. This decrease is primarily attributable to a decrease in the issuance of long term debt and bond premiums of \$84,041,396. More detailed information concerning capital improvement activity can be found in the Notes to the Financial Statements, Notes A, G, and Q.

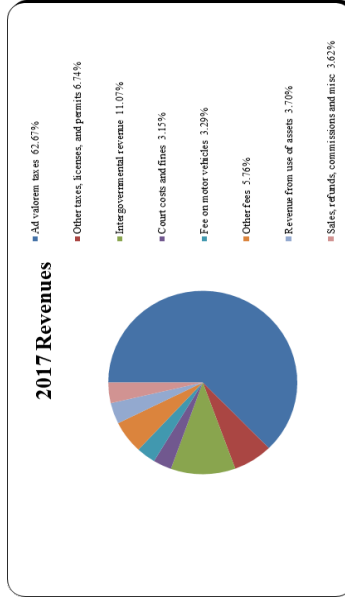
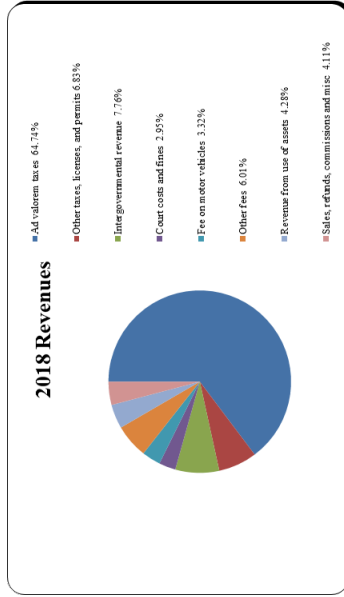


Bexar County, Texas  
 Management Discussion & Analysis  
 For Year Ended September 30, 2018

FINANCIAL ANALYSIS OF FUNDS (Continued)

MAJOR GOVERNMENTAL FUNDS (Continued)

Governmental Funds Revenues by Resource  
 For the Years Ended September 30,

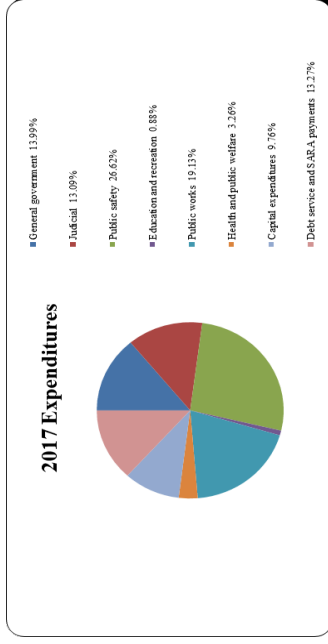
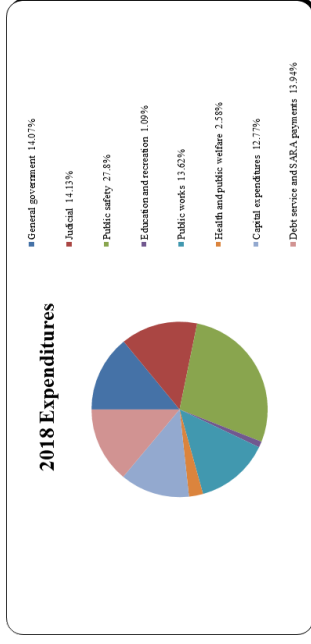


Bexar County, Texas  
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FINANCIAL ANALYSIS OF FUNDS (Continued)

MAJOR GOVERNMENTAL FUNDS (Continued)

Governmental Funds Expenditures by Function  
 For the Years Ended September 30,



**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

**FINANCIAL ANALYSIS OF FUNDS (Continued)**

**PROPRIETARY FUNDS**

The County accounts for five proprietary funds – four business-type activities (the Community Venue Fund, the Sheriff's Commissary Fund, the Parking Facilities Fund and the Firing Range Fund), and one governmental activity (Internal Service Funds). The County's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

**Community Venue Fund (Venue Fund)**

The Community Venue Fund currently is the County's only major business-type proprietary fund. This fund is used to account for proceeds derived by the County from its sale of venue project revenue bonds and receipts from visitor taxes - hotel occupancy tax and short-term motor vehicle tax - for the construction, improvements and financing of the various community projects approved by voters in the May 2008 election. The May 2008 bond election authorized the County to issue \$415 million in venue bonds to fund 24 projects within the County to include: San Antonio River improvements, construction of youth and amateur athletic facilities, community arena enhancements and renovations to the performing and cultural arts center. As of September 30, 2018, the County had issued \$397,950,000 of the \$415,000,000. The debt is secured by and payable, in whole or in part, from the revenues derived by the County by imposing and collecting visitor taxes.

As of September 30, 2018, the Venue Fund's net position of (\$61,864,777) is made up of \$61,345,172 in net investment in capital assets, \$25,820,995 of restricted net position for debt service and grant payments, and (\$149,030,944) of unrestricted net position. The change in net position was an increase of \$4,283,207 from the previous fiscal year which is primarily attributed to an increase in net non-operating revenues and expenses of \$2,985,575. Net non-operating revenues and expenses in 2018 are \$11,427,849 compared to \$8,442,274 in 2017. The major difference between both years is an increase of hotel occupancy tax of \$1,113,949, motor vehicle tax of \$250,519 and investment income of \$910,009.

**The Sheriff's Commissary Fund (Commissary Fund)**

The Commissary Fund supports the inmates that are in the County Jail. All goods and services of the Commissary Fund are priced out at market value and are available for the inmates to purchase if they have funds available in their Inmate Trust account. The profits made from the sales of goods and services are to be used to support services for the inmates as well as to support the personal needs of indigent inmates.

At September 30, 2018, the Commissary Fund had total net position of \$1,363,920 compared with \$968,500 at September 30, 2017. The increase in net position from 2017 is primarily attributed to an operating gain in 2018 of \$368,763.

**The Parking Facilities Fund**

The Parking Facilities Fund is used to account for the operation and maintenance of parking facilities. The facilities are intended to be financed primarily through user charges.

At September 30, 2018, the Parking Facilities Fund had total net position of \$1,449,044 compared with \$1,300,970 at September 30, 2017. The increase in net position from 2017 is primarily attributed to operating income of \$577,434 reduced by transfers to other funds of \$450,000.

**The Firing Range Fund**

The Firing Range Fund is used to account for the operation and maintenance of a firing range. The facility is intended to be financed primarily through user charges. The decrease in net position from 2017 of \$38,754 is primarily attributed to the deficit of a \$199,546 operating loss over a transfer of \$158,610 from the General Fund.

**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

**FINANCIAL ANALYSIS OF FUNDS (Continued)**

**PROPRIETARY FUNDS (Continued)**

**Internal Service Funds**

The County uses Internal Service Funds to support activities of the General Fund as well as activities of the Special Revenue Funds and Capital Projects Fund. For the year ended September 30, 2018, the funds reflected a total deficit in net position of \$187,833,093 as compared to \$179,031,672 (Restated) at September 30, 2017. Revenues were provided through \$57,511,681 in premiums, fees, charges for services, sales and other income. Operating expenses for the current fiscal year were \$73,843,462. The largest expenses were claims paid through self-insurance funds of \$55,847,926 and \$11,513,434 accrued for the net increase in the other post employment benefits liability. The decrease in net position is primarily due to an increase in healthcare expenses and the accrual of the net increase in the other post-employment benefits obligation. For more information, see the combining statements on pages 181-185.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund's original and final revenue budget was \$445,336,149 with actual revenues of \$448,177,525. The difference of \$2,841,376 is primarily due to the County receiving \$1,412,758 more than estimated for intergovernmental revenue and \$1,128,303 in other fees.

The final amended expenditure budget was \$449,877,242 and actual expenditures were \$434,122,083, a difference of \$15,755,159. This variance was primarily due to savings in payroll, computer supplies, postage, personnel training and a carry forward to fiscal year 2019 of equipment purchases. There was no significant variance between the original expenditure budget and the final budget.

The following table summarizes the General Fund's budgeted and actual amounts for fiscal year 2018.

	General Fund Budget vs. Actual		
	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Ad valorem taxes	\$ 336,255,070	\$ 336,255,070	\$ 336,475,868
Other taxes, licenses, and permits	28,286,500	28,286,500	28,243,732
Intergovernmental revenue	7,590,185	7,590,185	9,002,943
Court costs and fines	15,140,000	15,140,000	14,498,101
Fees on motor vehicles	6,158,600	6,158,600	6,048,070
Other fees	24,640,475	24,640,475	25,768,778
Commissions from governmental units	5,071,619	5,071,619	5,041,751
Revenues from use of assets	18,302,200	18,302,200	18,326,513
Sales, re funds and miscellaneous	3,891,500	3,891,500	4,771,769
Total revenues	<u>445,336,149</u>	<u>445,336,149</u>	<u>448,177,525</u>
<b>Expenditures</b>	<u>449,764,861</u>	<u>449,877,242</u>	<u>434,122,083</u>
<b>Transfers</b>			
Interfund transfers in	214,022	214,022	305,043
Interfund transfers out	(11,788,236)	(11,855,881)	(11,855,881)
Total transfers	<u>(11,574,214)</u>	<u>(11,641,859)</u>	<u>(11,550,838)</u>
Net change in fund balance	<u>\$ (16,002,926)</u>	<u>\$ (16,182,952)</u>	<u>\$ 2,504,604</u>

**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

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

**LONG-TERM DEBT**

At September 30, 2018, the County had total long-term debt and other liabilities outstanding of \$2,305,503,149 as compared to \$2,262,596,891 in the prior year:

	Outstanding At September 30,	2017
<b>Governmental Activities:</b>		
Bonds Payable	\$ 977,615,000	\$ 585,140,000
Certificates of Obligations	705,950,000	1,087,760,000
Unamortized Premium and Discount	187,787,701	153,772,980
Compensated Absences	45,686,841	40,928,803
<b>Total Governmental Activities</b>	<b>\$ 1,917,039,542</b>	<b>\$ 1,867,601,783</b>

**Business-Type Activities:**

Tax Exempt Bonds	\$ 343,915,000	\$ 348,610,000
Taxable Bonds	37,490,000	39,100,000
Unamortized Premium and Discount	7,058,607	7,285,108
<b>Total Business-Type Activities</b>	<b>\$ 388,463,607</b>	<b>\$ 394,995,108</b>

During the current fiscal period for governmental activities, the County issued \$384,715,000 in Limited Tax Refunding Bonds, \$28,140,000 Flood Control Tax Refunding Bonds, and \$40,840,000 Pass-Through Revenue and Limited Tax Bonds. In fiscal year 2019 the County issued \$198,035,000 in Combination Tax and Revenue Certificates of Obligation. See Note H and Note R for more information.

For business-type activities, the County retired \$6,305,000 in venue debt. See Note H of the financial statements for further information about the County's long-term debt.

County officials, citizens and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position in Tables 9 and 10 of the statistical section of this report.

The County is currently in compliance with all required bond covenants. The County continues to enjoy a favorable debt rating. The bond rating services have assigned Bexar County the following long-term bond ratings:

- Standard & Poor's Rating Services AAA
- Fitch IBCA, Inc. AAA
- Moody's Investor Service, Inc. Aaa

**ECONOMIC FACTORS**

For the fiscal year ending September 30, 2018, the current tax rate is \$0.304097 per \$100 valuation. It is anticipated that ad valorem revenues for fiscal year 2019 will be approximately \$438,098,000 with actual ad valorem revenues totaling \$435,014,178 for fiscal year 2018. For the General Fund in fiscal year 2019, both total available funds and the adopted expenditure budget, including appropriated fund balance, were estimated to be approximately \$546,655,453.

**Bexar County, Texas**  
**Management Discussion & Analysis**  
**For Year Ended September 30, 2018**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

The capital assets of the County are those assets (land, right-of-way, buildings, improvements, roads, bridges, machinery, and equipment) which are used by the County in performance of the County's functions. At September 30, 2018, capital assets (net of depreciation) for the governmental activities of the County were \$1,800,625,648 and at September 30, 2017 were \$1,678,769,436. Retirements for the County were \$2,570,214 and \$2,424,843, for 2018 and 2017, respectively.

Depreciation on capital assets is recognized in the government-wide financial statements. Depreciation provided for the current fiscal year for the governmental activities was \$98,537,020 as compared to \$94,735,655 for the year ended September 30, 2017. At September 30, 2018, the County's governmental activities had \$347,506,116 invested in ongoing construction in progress compared to \$275,899,514 at the end of the prior fiscal year.

The balance in capital assets in the County's business-type activity at September 30, 2018 was \$208,692,663, as compared to \$215,818,195 at September 30, 2017. The depreciation provided for the current fiscal year was \$7,125,532 and \$5,812,998 for the prior fiscal period.

Major capital activity during the current fiscal year included additions of approximately \$116,109,591 in donated roads and \$104,268,694 in expenditures for construction costs associated with roads, buildings and major renovations to existing buildings for governmental activities. For additional information related to capital asset activity, see Note G to the Notes of the Financial Statements.

A condensed analysis of the County's capital assets is as follows:

	Capital Assets (net of accumulated depreciation)		Increase (Decrease)
	2018	2017	
<b>Governmental Activities:</b>			
Land	\$ 87,022,141	\$ 83,192,193	\$ 3,829,948
Buildings	337,560,875	345,805,588	(8,244,713)
Machinery and Equipment	17,649,133	18,664,151	(1,015,018)
Infrastructure	953,083,387	902,481,036	50,602,351
Construction in Progress	405,310,112	328,626,468	76,683,644
<b>Totals</b>	<b>1,800,625,648</b>	<b>1,678,769,436</b>	<b>121,856,212</b>
<b>Business-Type Activities:</b>			
Buildings	208,526,268	215,591,172	(7,064,904)
Equipment	166,394	227,023	(60,629)
Construction in Progress	-	-	-
<b>Totals</b>	<b>208,692,662</b>	<b>215,818,195</b>	<b>(7,125,533)</b>
<b>Total Capital Assets, net</b>	<b>\$2,009,318,310</b>	<b>\$1,894,587,631</b>	<b>\$ 114,730,679</b>

**Bexar County, Texas  
Management Discussion & Analysis  
For Year Ended September 30, 2018**

**ECONOMIC FACTORS (Continued)**

The County's unemployment rate increased from 3.2% to 3.3%, according to the Texas Workforce Commission. The County's unemployment rate is below the State's unemployment rate of 3.7%. In addition, the County enjoyed some external corporate employment growth (4,460 positions) from various sectors. See the letter of transmittal for more information.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County'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, 101 W. Nueva Street, Suite 800, San Antonio, Texas 78205.



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**GOVERNMENT**

**WIDE**

**FINANCIAL**

**STATEMENTS**



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Bexar County, Texas  
STATEMENT OF NET POSITION  
September 30, 2018

Bexar County, Texas  
STATEMENT OF NET POSITION  
September 30, 2018

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activities		
<b>ASSETS</b>				
Current Assets:				
Cash, cash equivalents, and temporary investments	\$ 72,765,084	\$ 17,900,390	\$ 90,665,474	\$ 105,608,030
Investments	688,721,258	62,718,679	751,439,937	406,157,132
Receivables:				
Delinquent taxes, net of allowance for uncollectable accounts	12,399,782	-	12,399,782	215,784,973
Accounts and other	44,570,135	4,890,783	49,460,918	284,844,443
Inventories	510,391	-	510,391	-
Restricted Assets:				
Cash and cash equivalents	5,543,771	-	5,543,771	-
Accrued interest	2,023,076	1	2,023,077	-
Prepaid assets	21,587	399,806	421,393	-
Deposits	161,433	-	161,433	-
Total Current Assets	771,172,746	91,143,430	862,316,176	1,012,394,578
Noncurrent Assets:				
Cash and cash equivalents	-	-	-	440,950,000
Investments	-	-	-	53,662,725
Restricted assets:				
Cash and cash equivalents	-	25,374,227	25,374,227	4,673,864
Investments	-	-	-	50,282,566
Other assets	-	-	-	10,640,087
Prepaid assets	-	-	-	-
Capital assets:				
Land	87,022,141	-	87,022,141	20,906,000
Equipment and construction in progress	405,310,112	-	405,310,112	26,749,107
Other capital assets, net of depreciation	1,308,293,395	208,692,662	1,516,986,057	1,218,970,932
Investment in joint venture	9,700,000	-	9,700,000	-
Total Noncurrent Assets	1,810,325,648	239,312,933	2,049,638,581	1,826,835,281
TOTAL ASSETS	2,581,498,394	330,456,363	2,911,954,757	2,839,229,859
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refundings	43,217,630	2,218,312	45,435,942	14,374,000
Pension	36,054,948	262,498	36,317,446	61,049,000
OPEB	4,637,050	-	4,637,050	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 83,909,628	\$ 2,480,810	\$ 86,390,438	\$ 75,423,000
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 56,477,716	\$ 261,665	\$ 56,739,381	\$ 292,684,262
Due to other governmental units	3,634,488	9,175	3,643,663	-
Unearned revenue	608,046	-	608,046	6,027,000
Current portion of:				
Long-term liabilities	11,421,711	-	11,421,711	22,755,000
Payable from restricted assets:				
Contract retainage payable	8,096,812	-	8,096,812	-
Current portion of long-term debt	45,606,801	6,811,501	52,418,302	-
Accrued interest payable	22,693,171	2,365,971	25,059,142	2,192,549
Retainage Payable	-	-	-	13,210
Due to TxDOT	-	-	-	1,763,023
Total Current Liabilities	148,538,745	9,448,312	157,987,057	325,635,044
Noncurrent Liabilities				
Long-term liabilities	1,860,011,031	381,652,106	2,241,663,137	900,230,570
Due to other governments	-	-	-	17,974,789
Net pension liability	102,109,845	742,987	102,852,832	166,683,000
OPEB liability	190,671,163	-	190,671,163	-
Claims payable	1,242,190	-	1,242,190	-
Estimated self-insurance reserves	-	-	-	5,169,000
Total Noncurrent Liabilities	2,154,034,229	382,395,093	2,536,429,322	1,090,057,359
TOTAL LIABILITIES	2,302,572,974	391,843,405	2,694,416,379	1,415,492,403
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	19,400,744	141,067	19,541,811	3,591,000
Property taxes	-	-	-	427,393,000
TOTAL DEFERRED INFLOWS OF RESOURCES	19,400,744	141,067	19,541,811	430,984,000
<b>NET POSITION</b>				
Net investment in capital assets	1,012,651,582	61,511,565	1,074,163,147	506,277,050
Restricted for:				
Debt service	-	-	-	1,182,236
Grants	81,352,856	25,820,995	107,173,851	-
Capital projects	12,552,709	-	12,552,709	-
Health care	129,236,402	-	129,236,402	51,738,469
Legislative	50,815,806	-	50,815,806	46,007,000
Restricted obligations	-	-	-	5,201,961
Unrestricted	(943,175,051)	(146,379,859)	(1,089,554,910)	458,769,740
TOTAL NET POSITION	\$ 343,434,304	\$ (59,047,299)	\$ 284,387,005	\$ 1,068,176,456

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

**Brewer County, Texas**  
**STATEMENT OF ACTIVITIES**  
**For Fiscal Year Ended September 30, 2018**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
<b>Governmental activities:</b>								
General government	\$ 143,816,856	\$ 35,693,180	\$ 635,021	\$ -	\$ (107,488,655)	\$ -	\$ (107,488,655)	\$ -
Judicial	118,945,194	18,437,622	8,343,200	-	(92,164,372)	-	(92,164,372)	-
Public safety	243,887,769	33,172,774	14,438,664	-	(196,276,331)	-	(196,276,331)	-
Education and recreation	9,910,149	119	1,327,655	-	(8,582,375)	-	(8,582,375)	-
Public works	188,397,391	20,083,431	1,202,096	139,498,994	(27,612,870)	-	(27,612,870)	-
Health and public welfare	20,992,695	1,734,751	14,531,656	-	(4,636,288)	-	(4,636,288)	-
Interest and other fees	82,019,470	-	-	-	(82,019,470)	-	(82,019,470)	-
Unallocated depreciation	114,711	-	-	-	(114,711)	-	(114,711)	-
Total governmental activities	807,994,235	109,121,877	40,478,292	139,498,994	(518,895,072)	-	(518,895,072)	-
<b>Business-type activities:</b>								
Venue Fund	28,050,246	1,300,000	-	-	(26,750,246)	(26,750,246)	(26,750,246)	-
Commissary Fund	5,364,084	5,737,097	-	-	373,013	373,013	373,013	-
Firing Range Fund	201,046	1,500	-	-	(199,546)	(199,546)	(199,546)	-
Parking Facilities Fund	728,022	1,304,811	-	-	576,789	576,789	576,789	-
Total business-type activities	34,343,398	8,343,408	-	-	(25,999,990)	(25,999,990)	(25,999,990)	-
Total primary government	842,337,633	117,465,285	40,478,292	139,498,994	(518,895,072)	(25,999,990)	(544,895,062)	-

Component Units:	Expenses	Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position	Component Units
University Health System	\$ 1,718,366,000	\$ 1,349,164,000	\$ -	\$ -	\$ (369,202,000)	(369,202,000)
Cholo Canyons Special Improvement District	19,601,878	-	-	-	(19,601,878)	(19,601,878)
Alamo Regional Mobility Authority	14,347,634	-	-	283,020	(14,064,614)	(14,064,614)
Total component units	\$ 1,752,315,512	\$ 1,349,164,000	\$ -	\$ 283,020	\$ (402,866,492)	(402,866,492)

General revenues:	Expenses	Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position	Component Units
<b>Taxes:</b>						
Property taxes					416,955,334	416,955,334
Flood control taxes					19,336,934	19,336,934
Bingo taxes					1,579,557	1,579,557
Motor vehicle taxes					9,924,336	9,924,336
Occupancy taxes					15,820,056	15,820,056
Mixed drink taxes					19,351,541	19,351,541
Sale and use taxes					10,552,989	10,552,989
Unrestricted investment earnings					13,392,740	13,392,740
Investment income					1,802,805	1,802,805
Miscellaneous					645	645
Gain on disposal of assets					22,992,081	22,992,081
Transfers between governmental and business-type activities					331,133	331,133
Total general revenues, special items, and transfers					(291,390)	(291,390)
Change in net position					30,787,937	30,787,937
Net position - beginning (Restated - See Note S)					(17,643,503)	(17,643,503)
Net position - ending					361,077,807	361,077,807

The accompanying notes are an integral part of this statement.

Bexar County, Texas  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
 September 30, 2018

Bexar County, Texas  
**Reconciliation of Balance Sheet - Governmental Funds to  
 Statement of Net Position**  
 September 30, 2018

		Major Funds			Total
		General	Debt Service	Capital Projects	Governmental Funds
<b>ASSETS</b>					
Cash and temporary investments		\$ 8,066,303	\$ 6,269,598	\$ 40,803,984	\$ 66,390,660
Investments		96,585,401	75,586,323	413,287,816	677,081,092
Receivables:					
Taxes, net		9,830,213	2,141,333	428,236	12,399,782
Accounts receivable, net		16,858,854	-	1,737,752	18,655,396
Due from other funds		19,166	-	-	19,166
Advances to other funds		4,840,184	-	-	4,840,184
Due from other governmental units		5,780,070	1,704,951	10,547,584	25,914,739
Accrued interest		2,023,076	-	-	2,023,076
Prepaid assets		21,174	-	-	21,174
Inventories		316,393	-	-	316,393
Deposits		151,433	-	-	151,433
<b>TOTAL ASSETS</b>		<b>\$ 144,492,267</b>	<b>\$ 85,702,205</b>	<b>\$ 466,805,372</b>	<b>\$ 767,813,095</b>
<b>LIABILITIES</b>					
Vouchers payable		\$ 7,948,783	\$ 600	\$ 8,917,246	\$ 19,789,858
Accrued liabilities		17,777,517	-	7,558,978	27,910,473
Due to other funds		-	-	19,166	19,166
Advances from other funds		-	-	400,000	4,730,184
Due to other governmental units		3,633,795	-	693	3,634,488
Unearned revenues		1,240	-	-	608,046
Contract retainage payable		-	-	8,096,812	-
<b>TOTAL LIABILITIES</b>		<b>29,361,335</b>	<b>600</b>	<b>28,903,220</b>	<b>64,789,027</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes		9,544,195	2,060,869	421,160	12,026,224
Unavailable revenue - court costs and fines		12,431,194	-	-	12,431,194
Unavailable revenue - other		-	1,704,951	-	1,704,951
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		<b>21,975,389</b>	<b>3,766,820</b>	<b>421,160</b>	<b>26,162,369</b>
<b>FUND BALANCE</b>					
Nonspendable		5,177,751	-	-	5,177,751
Restricted		-	81,935,785	437,480,992	63,368,515
Committed		-	-	-	920,864
Unassigned		87,977,792	-	-	87,977,792
<b>TOTAL FUND BALANCE</b>		<b>93,155,543</b>	<b>81,935,785</b>	<b>437,480,992</b>	<b>64,289,379</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		<b>\$ 144,492,267</b>	<b>\$ 85,702,205</b>	<b>\$ 466,805,372</b>	<b>\$ 767,813,095</b>

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

**Total Fund Balances - Governmental Funds**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	1,800,147,429
Investments in joint ventures are not financial resources and therefore are not reported as assets on governmental funds.	9,700,000
Certain receivables are not available and, therefore, are reported as deferred inflows of resources in governmental funds.	14,136,145
Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in governmental funds.	12,026,224

Internal service funds are used by the County's management to charge the cost of self-insurance, fleet maintenance, records management, and other post-employment benefits to individual funds. The assets and liabilities of the internal service funds are included with governmental activities in the Statement of Net Position but are not included at the fund level.

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds	(1,683,565,000)
Deferred charge on refunding (to be amortized as interest expense)	43,217,630
Issuance premium (to be amortized as interest expense)	(187,787,702)
Accrued interest	(22,693,171)
Compensated absences	(45,686,841)
Deferred outflows of resources - pension	35,900,122
Deferred inflows of resources - pension	(19,317,535)
Net pension liability	(101,671,603)
	(1,981,604,100)

**Total Net Position - Governmental Activities**

**\$ 343,434,304**

The accompanying notes are an integral part of this statement.



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For Fiscal Year Ended September 30, 2018**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
<b>REVENUES</b>				
Ad valorem taxes	\$ 336,475,868	\$ 97,036,904	\$ 1,501,406	\$ 435,014,178
Other taxes, licenses, and permits	28,243,732	-	17,683,567	45,927,299
Intergovernmental revenue	9,002,943	2,769,806	3,463,745	52,164,833
Court costs and fines	14,498,101	-	572,782	19,847,313
Fees on motor vehicles	6,048,070	-	16,267,120	22,315,190
Other fees	25,768,778	-	743,078	40,357,549
Commissions from governmental units	5,041,751	-	-	5,041,751
Revenues from use of assets	18,326,513	7,977,220	1,707,386	28,740,544
Sales, refunds and miscellaneous	4,771,769	2,535,510	15,091,457	22,694,614
<b>TOTAL REVENUES</b>	<b>448,177,525</b>	<b>110,319,440</b>	<b>57,030,541</b>	<b>672,013,271</b>

<b>EXPENDITURES</b>				
Current				
General government	96,633,167	-	10,853,056	114,879,026
Judicial	106,834,093	-	99,000	115,414,816
Public safety	211,247,224	-	120,922	227,017,424
Education and recreation	6,813,019	-	862,500	8,907,389
Public works	6,492,929	-	100,809,461	111,236,307
Health and public welfare	5,560,811	-	65,351	15,451,990
Capital expenditures	540,840	-	102,431,128	104,268,694
Debt service:				
Principal	-	29,900,000	-	29,900,000
Interest	-	77,536,864	-	77,536,864
Bond issuance cost	-	3,321,972	-	3,321,972
Debt service SARA	-	3,102,341	-	3,102,341
<b>TOTAL EXPENDITURES</b>	<b>434,122,083</b>	<b>113,861,177</b>	<b>215,201,418</b>	<b>816,663,185</b>

Excess (deficiency) of revenues over expenditures (158,170,877) 3,007,258 (144,649,914)

<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers in	305,043	17,136,831	207,111,058
Interfund transfer out	(11,855,881)	-	(27,890,265)
Issuance of long term debt	-	-	40,840,000
Issuance of refunding bonds	-	412,855,000	412,855,000
Payment to refunding debt paying agent	-	(469,913,894)	(469,913,894)
Premium on bond issues	-	64,916,885	65,035,489
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(11,550,838)</b>	<b>24,994,822</b>	<b>21,828,228</b>

Net change in fund balances 2,504,604 (132,262,293) 5,292,078 (105,012,526)

FUND BALANCE - BEGINNING 90,650,939 60,482,700 569,743,285 58,997,301 779,874,225

FUND BALANCE - ENDING \$ 93,155,543 \$ 81,935,785 \$ 437,480,992 \$ 64,289,379 \$ 676,861,699

The accompanying notes are an integral part of this statement.

**For the Fiscal Year Ended September 30, 2018**

**Net Change in Fund Balances - Total Governmental Funds** \$ (103,012,526)

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

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.	104,268,694
Depreciation expense for capital assets that is allocated over their estimated useful lives.	(98,425,406)
Capital asset donations	116,109,591

The issuance of long-term debt (e.g., bonds, notes) 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 of 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.

Debt issued:	
General obligation bonds	(453,695,000)
Deferred charges	33,506,595
Premiums	(41,758,190)

Repayments to paying agent for bond principal	443,030,000
Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	

Accrued interest on debt	111,793
Amortization of debt premium	7,743,469
Amortization of deferred charges	(9,031,546)
Compensated absences	(4,758,038)
Net pension liability	(5,768,052)

Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows of resources decreased by this amount in the current period.

Internal service funds are used by management to charge the costs of certain activities, such as self insurance, OPEB and fleet maintenance, to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	2836,534
<b>Change in Net Position - Governmental Activities</b>	<b>(17,643,503)</b>

The accompanying notes are an integral part of this statement.

Bexar County, Texas  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
September 30, 2018

	Enterprise Funds			Internal Service Funds
	Community Venue Fund	Nonmajor Enterprise Fund	Total	
<b>ASSETS</b>				
Current assets:				
Cash, cash equivalents	\$ 17,627,443	\$ 272,947	\$ 17,900,390	\$ 6,374,424
Investments	59,572,100	3,146,579	62,718,679	1,640,166
Receivables:				
Accounts	-	97,173	97,173	-
Due to other governmental units	4,483,610	-	4,483,610	-
Inventories	-	-	-	193,998
Restricted assets:				
Cash and cash equivalents	5,543,771	-	5,543,771	-
Deposits	-	-	-	10,000
Prepaid assets	399,806	-	399,806	413
Accrued interest	1	-	1	-
<b>TOTAL CURRENT ASSETS</b>	<b>87,626,731</b>	<b>3,516,699</b>	<b>91,143,430</b>	<b>8,219,001</b>
Noncurrent assets:				
Prepaid assets	5,246,044	-	5,246,044	-
Restricted assets:				
Cash and cash equivalents	25,374,227	-	25,374,227	-
Capital assets:				
Buildings and improvements	281,281,306	-	281,281,306	125,708
Equipment	12,174,366	565,559	12,739,925	1,087,589
Reference library	-	38,960	38,960	-
Less: Accumulated depreciation	(84,929,404)	(438,125)	(85,367,529)	(735,079)
<b>TOTAL NONCURRENT ASSETS</b>	<b>239,146,539</b>	<b>166,394</b>	<b>239,312,933</b>	<b>478,218</b>
<b>TOTAL ASSETS</b>	<b>326,773,270</b>	<b>3,683,093</b>	<b>330,456,363</b>	<b>8,697,219</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refundings	2,218,312	-	2,218,312	-
Pension	10,553	251,945	262,498	154,826
OPEB	-	-	-	4,637,050
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,228,865</b>	<b>\$ 251,945</b>	<b>\$ 2,480,810</b>	<b>\$ 4,791,876</b>

The accompanying notes are an integral part of this statement.

Bexar County, Texas  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
September 30, 2018

	Enterprise Funds			Internal Service Funds
	Community Venue Fund	Nonmajor Enterprise Fund	Total	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ -	\$ 160,349	\$ 160,349	\$ 393,056
Claims payable	-	-	-	8,349,649
Accrued liabilities	1,795	99,521	101,316	34,679
Due to other governmental units	-	9,175	9,175	-
Payable from restricted assets:				
Accrued interest payable	2,365,971	-	2,365,971	-
Revenue bonds payable	6,811,501	-	6,811,501	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,179,267</b>	<b>269,045</b>	<b>9,448,312</b>	<b>8,777,384</b>
Noncurrent liabilities:				
Advances from other funds	-	-	-	110,000
Revenue bonds payable	381,652,106	-	381,652,106	-
Net pension liability	29,868	713,119	742,987	438,242
Claims payable	-	-	-	1,242,190
OPEB obligation	-	-	-	190,671,163
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>381,681,974</b>	<b>713,119</b>	<b>382,395,093</b>	<b>192,461,595</b>
<b>TOTAL LIABILITIES</b>	<b>390,861,241</b>	<b>982,164</b>	<b>391,843,405</b>	<b>201,238,979</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	5,671	135,396	141,067	83,209
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,671</b>	<b>135,396</b>	<b>141,067</b>	<b>83,209</b>
<b>NET POSITION</b>				
Net investment in capital assets	61,345,172	166,393	61,511,565	478,209
Restricted for debt service and grant payments	25,820,995	-	25,820,995	-
Unrestricted	(149,030,944)	2,651,085	(146,379,859)	(188,311,302)
<b>TOTAL NET POSITION</b>	<b>\$ (61,864,777)</b>	<b>\$ 2,817,478</b>	<b>(59,047,299)</b>	<b>\$ (187,833,093)</b>

The accompanying notes are an integral part of this statement.

Bexar County, Texas  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For Fiscal Year Ended September 30, 2018

	Enterprise Funds		Internal Service Funds
	Community Venue Fund	Nonmajor Enterprise Funds	
<b>OPERATING REVENUES</b>			
Premiums	\$ -	\$ -	\$ 54,659,041
Records management storage fees	-	-	100,000
Employee clinic fees	-	-	16,635
Commissary sales	-	5,737,097	-
Fleet maintenance sales	-	-	855,444
License fees	1,300,000	-	1,300,000
User fees	-	1,306,311	-
Other income	-	645	1,880,561
<b>TOTAL OPERATING REVENUES</b>	<b>1,300,000</b>	<b>7,044,053</b>	<b>57,511,681</b>
<b>OPERATING EXPENSES</b>			
Administrative fees	-	-	2,930,929
Claims expenses	-	-	55,847,926
Insurance expenses	-	-	1,459,555
OPER costs	-	-	11,513,434
Personnel costs	92,203	2,481,733	1,509,656
Rent and utilities	-	-	69,207
Purchased services	1,141,315	3,401,495	266,804
Supplies	-	282,997	52,609
Repairs and maintenance	-	70,548	81,735
Depreciation and amortization	7,211,124	60,629	111,607
<b>TOTAL OPERATING EXPENSES</b>	<b>8,444,642</b>	<b>6,297,402</b>	<b>73,843,462</b>
Net operating income (loss)	(7,144,642)	746,651	(16,331,781)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Hotel occupancy tax	19,351,541	-	-
Motor vehicle tax	9,924,336	-	-
Investment income	1,753,326	49,479	59,763
Interest expenses	(19,506,323)	-	-
Amortization	(95,031)	-	(95,031)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>11,427,849</b>	<b>49,479</b>	<b>59,763</b>
Income (loss) before transfers and contributions	4,283,207	796,130	(16,272,018)
Interfund transfers in	-	158,610	7,470,597
Interfund transfers out	(66,147,984)	(450,000)	(179,031,672)
<b>TOTAL TRANSFERS AND CONTRIBUTIONS</b>	<b>-</b>	<b>(291,390)</b>	<b>7,470,597</b>
Change in net position	4,283,207	504,740	(8,801,421)
Net position at beginning of year (Restated - See Note S)	(66,147,984)	2,312,738	(63,835,246)
<b>Net position at end of year</b>	<b>(61,864,777)</b>	<b>\$ 2,817,478</b>	<b>\$ (59,047,299)</b>

The accompanying notes are an integral part of this statement.

Bexar County, Texas  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For Fiscal Year Ended September 30, 2018

	Enterprise Funds		Total Business-Type Activities	Internal Service Funds
	Community Venue Fund	Nonmajor Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for premiums	\$ -	\$ -	\$ -	\$ 56,146,096
Cash received for employee clinic fees	-	-	-	16,635
Cash received for fleet maintenance services	-	-	-	857,441
Cash received for records management storage	-	-	-	100,000
Cash received for commissary sales	-	5,741,602	5,741,602	-
Cash received for parking fees	-	1,305,456	1,305,456	-
Cash received for firing range fees	-	1,500	1,500	-
Cash received for license fee	1,300,000	-	1,300,000	-
Receipts from other governmental units	-	224	224	-
Payments to suppliers	(1,147,902)	(3,853,460)	(5,001,362)	(4,773,452)
Payments to employees for services	(91,803)	(2,458,275)	(2,550,078)	(1,479,381)
Claims paid	-	-	-	(65,151,590)
Net cash provided (used) for operating activities	60,295	737,047	797,342	(42,842,251)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received	29,069,024	-	29,069,024	-
Transfer from other funds	-	158,610	158,610	7,470,597
Principal payments on noncapital debt	(3,075,000)	-	(3,075,000)	-
Interest payments on noncapital debt	(11,513,238)	-	(11,513,238)	-
Net cash provided for noncapital financing activities	14,480,786	158,610	14,639,396	7,470,597
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal payments on capital debt	(3,230,000)	-	(3,230,000)	-
Interest payments on capital debt	(7,700,791)	-	(7,700,791)	-
Transfer to other funds	-	(450,000)	(450,000)	-
Purchase of capital assets	-	-	-	(14,939)
Net cash (used) for capital and related financing activities	(10,930,791)	(450,000)	(11,380,791)	(14,939)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment purchases	(9,703,470)	(686,875)	(10,390,345)	(1,640,158)
Investment sales	-	27,085	27,085	-
Investment earnings	1,753,325	49,479	1,802,804	59,763
Net cash (used) for investing activities	(7,950,145)	(610,311)	(8,560,456)	(1,580,395)
Net increase (decrease) in cash and cash equivalents	(4,339,855)	(164,654)	(4,504,509)	1,591,012
Cash and cash equivalents - beginning of year	52,885,296	437,601	53,322,897	4,783,412
Cash and cash equivalents - end of year	\$ 48,545,441	\$ 272,947	\$ 48,818,388	\$ 6,374,424

The accompanying notes are an integral part of this statement.

Bexar County, Texas  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2018

Bexar County, Texas  
**STATEMENT OF FIDUCIARY/NET POSITION**  
**FIDUCIARY FUNDS**  
September 30, 2018

	Enterprise Funds		Total Business-type Activities	Internal Service Funds
	Community Venue Fund	Nonmajor Enterprise Funds		
	\$ (7,144,642)	\$ 746,651	\$ (6,397,991)	\$ (16,331,781)
Operating income (loss)	146,220	-	146,220	-
Adjustments to reconcile operating income (loss) to net cash provided (used) for operating activities:	7,064,904	60,629	7,125,533	111,607
Amortization expense	-	-	-	-
Depreciation expense	-	-	-	-
Change in net position:	-	4,505	4,505	(22,494)
(Increase) in inventories	-	-	-	1,803
Decrease in accounts receivable	-	-	-	-
Decrease in prepaids	-	-	-	1,803
Increase (decrease) in accounts payable	-	(10,030)	(10,030)	145,952
(Decrease) in accrued liabilities	(5,773)	(88,755)	(94,528)	(38,214)
(Decrease) in due to other funds	-	-	-	(391,510)
Increase in claims payable	-	-	-	696,336
Increase (decrease) in net pension liability	(414)	23,823	23,409	30,616
Increase in OPEB obligation	-	-	-	11,513,434
Increase in due to other governmental units	-	224	224	-
Net cash provided (used) for operating activities	\$ 60,295	\$ 737,047	\$ 797,342	\$ (4,284,251)

**Reconciliation of cash and cash equivalents on Statement of Cash Flows to Statement of Net Position**  
Cash and cash equivalents \$ 17,627,443  
Restricted cash and cash equivalents 30,917,998  
Cash and cash equivalents \$ 48,545,441

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 110,846,117
Accounts receivable	7,352,806
Deferred outflows of resources - pension	2,722,725
Due from other governmental units	353,455
<b>TOTAL ASSETS</b>	<b>\$ 121,275,103</b>
<b>LIABILITIES</b>	
Vouchers payable	\$ 570,159
Accrued liabilities	8,848,339
Due to participants	57,352,896
Deferred inflows of resources - pension	1,463,014
Due to other governmental units	53,040,695
<b>TOTAL LIABILITIES</b>	<b>\$ 121,275,103</b>

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

Bexar County, Texas  
**STATEMENT OF NET POSITION - COMPONENT UNITS**  
September 30, 2018

ASSETS	Cibola Canyons				Total
	University Health System	Special Improvement District	Alamo Regional Mobility Authority		
Current Assets:					
Cash, cash equivalents, and temporary investments	\$ 91,422,000	\$ 5,282,863	\$ 8,903,167	\$	\$ 105,608,030
Investments	367,643,000	-	38,514,132	-	406,157,132
Receivables:					
Delinquent taxes, net of allowance for uncollectible accounts	215,777,000	7,973	-	-	215,784,973
Accounts and other	282,513,000	640,863	1,690,580	-	284,844,443
Total Current Assets	957,355,000	5,931,699	49,107,879	-	1,012,394,578
Noncurrent Assets:					
Cash and cash equivalents	440,950,000	-	-	-	440,950,000
Investments	45,280,000	-	8,382,725	-	53,662,725
Restricted assets:					
Cash and cash equivalents	-	-	4,673,864	-	4,673,864
Investments	-	-	50,282,566	-	50,282,566
Other assets	10,427,000	-	213,087	-	10,640,087
Capital assets:					
Land	20,906,000	-	-	-	20,906,000
Equipment and construction in progress	5,983,000	-	207,661,007	-	26,749,107
Other capital assets, net of depreciation	1,142,133,000	76,837,932	-	-	1,218,970,932
Total Noncurrent Assets	1,665,679,000	76,837,932	84,318,349	-	1,826,835,281
TOTAL ASSETS	2,623,034,000	82,769,631	133,426,228	-	2,839,229,859
DEFFERED OUTFLOWS OF RESOURCES					
Loss on bond refunding	14,374,000	-	-	-	14,374,000
Pensions	610,899,000	-	-	-	610,899,000
TOTAL DEFERRED OUTFLOWS OF RESOURCES	754,273,000	-	-	-	754,273,000
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	292,199,000	35,270	449,992	-	292,684,262
Unearned revenue	6,027,000	-	-	-	6,027,000
Current portion of:					
Long-term liabilities	17,975,000	2,865,000	19,150,000	-	22,755,000
Accrued interest payable	-	581,934	1,610,615	-	2,192,549
Retainage Payable	-	-	13,210	-	13,210
Due to TxDOT	-	-	1,763,023	-	1,763,023
Total Current Liabilities	316,201,000	3,482,204	5,751,840	-	325,435,044
Noncurrent Liabilities					
Long-term liabilities	652,107,000	120,873,580	127,249,990	-	900,230,570
Due to other governments	-	-	17,974,789	-	17,974,789
Net pension liability	166,683,000	-	-	-	166,683,000
Estimated self-insurance costs	5,169,000	-	-	-	5,169,000
Total Noncurrent Liabilities	823,959,000	120,873,580	145,224,779	-	1,090,057,359
TOTAL LIABILITIES	1,140,160,000	124,355,784	150,976,619	-	1,415,492,403
DEFERRED INFLOWS OF RESOURCES					
Property taxes	427,393,000	-	-	-	427,393,000
Pensions	3,591,000	-	-	-	3,591,000
TOTAL DEFERRED INFLOWS OF RESOURCES	430,984,000	-	-	-	430,984,000
NET POSITION					
Net investment in capital assets	507,471,000	(3,698,282)	1,504,332	-	505,277,050
Restricted for:					
Debt service	-	-	1,182,236	-	1,182,236
Capital projects	-	-	51,738,469	-	51,738,469
Health care	46,007,000	-	-	-	46,007,000
Restricted obligations	-	5,201,961	-	-	5,201,961
Unrestricted	573,835,000	(43,089,832)	(71,975,428)	-	458,769,740
TOTAL NET POSITION	\$ 1,127,313,000	\$ (41,586,153)	\$ (17,550,391)	\$	\$ 1,068,176,456

The accompanying notes are an integral part of this statement.

Bexar County, Texas  
**STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
For Fiscal Year Ended September 30, 2018

	Cibola Canyons				Total
	University Health System	Special Improvement District	Alamo Regional Mobility Authority		
Expenses	\$ 1,718,366,000	\$ 19,601,878	\$ 14,347,634	\$	\$ 1,752,315,512
Total expenses	1,718,366,000	19,601,878	14,347,634	-	1,752,315,512
Revenues					
Program Revenues:					
Charges for services	1,349,164,000	-	-	-	1,349,164,000
Capital grants and contributions	-	-	283,020	-	283,020
Total program revenues	1,349,164,000	-	283,020	-	1,349,447,020
Total program	(369,202,000)	(19,601,878)	(14,064,614)	-	(402,868,492)
General Revenues					
Taxes:					
Property taxes	399,652,000	4,536,649	-	-	404,188,649
Motor vehicles taxes	-	-	16,267,220	-	16,267,220
Occupancy taxes	-	5,711,406	-	-	5,711,406
Sales and use taxes	-	1,076,282	-	-	1,076,282
Investment income	8,529,000	41,103	1,601,139	-	10,171,242
Miscellaneous	15,999,000	21,040	150	-	16,020,190
Total general revenues	424,180,000	11,386,480	17,868,509	-	453,434,989
Change in net position	54,978,000	(8,215,398)	3,803,895	-	50,566,497
Net position, beginning	1,072,335,000	(33,370,755)	(21,354,286)	-	1,017,609,959
Net position, ending	\$ 1,127,313,000	\$ (41,586,153)	\$ (17,550,391)	\$	\$ 1,068,176,456

The accompanying notes are an integral part of this statement.

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Bexar County (the County) have been prepared in conformance with generally accepted accounting principles (GAAP) as applicable to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting standards. The following is a summary of the more significant policies of the County.

**I. The Reporting Entity**

The County (the primary government in these financial statements) is governed by Commissioners Court. The Court is comprised of five elected officials consisting of the County Judge (elected County-wide) and four commissioners (elected by precinct).

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity-Omnibus*. In accordance with these standards, a financial reporting entity consists of the primary government and its component units. Component units are legally separate entities for which the elected officials of the County are financially accountable, or the relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Although blended component units are legally separate entities, they function as an integral part of the primary government and have their data blended with the primary government. All discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements.

The criteria used to determine whether an organization is a component unit of the County and whether it is a discretely presented or a blended component unit includes: whether the County appoints a voting majority of the component's board and has the ability to impose its will on the component unit or a financial benefit or burden relationship exists between the County and component unit; whether the component unit is fiscally dependent on the County and a financial benefit or burden relationship exists; whether the component unit has substantively the same governing body as the primary government and a financial benefit or burden relationship exists or management (below the level of elected officials) of the primary government has operational responsibility for the activities of the component unit; whether services are provided entirely or almost entirely to the primary government; and whether the total debt of the component unit is repayable (almost) entirely from resources of the primary government.

**Blended with the Primary Government** The relationship between the following component units and the County meet the criteria, for inclusion as part of the reporting entity as blended component units.

**Bexar County Housing Finance Corporation**

The Bexar County Housing Finance Corporation (BCHFC) is a Texas public, non-profit corporation created in accordance with the Texas Housing Finance Corporations Act. Pursuant to the Act, the BCHFC is authorized to finance residential housing by issuing its tax-exempt revenue bonds to acquire mortgage loans made to low or moderate income persons, and to pledge such mortgage loans as security for the payment of the principal and interest of such revenue bonds. The tax-exempt bonds issued by the BCHFC do not constitute a debt or a pledge of faith or credit of the BCHFC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCHFC is governed by a five-member Board of Directors which is comprised of the Bexar County Commissioners Court. In addition, management (below the level of the elected officials) of the primary government has operational responsibility for the activities of the component unit.

**Bexar County Health Facilities Development Corporation**

The Bexar County Health Facilities Development Corporation (BCHFDC) is a Texas public, non-profit corporation created on April 21, 1983 in accordance with the Texas Health Facilities Development Act of 1981. The BCHFDC's purpose is to acquire, construct, provide, improve, finance and refinance health facilities to assist the maintenance of the public health. The tax-exempt bonds issued by the BCHFDC do not constitute a debt or a pledge of faith or credit of the BCHFDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCHFDC is governed by a five-member Board of Directors which is comprised of the Bexar County Commissioners Court. In addition, management



Bexar County Courthouse  
Photo by Peter Petroff

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. The Reporting Entity (Continued)

**Bexar County Health Facilities Development Corporation** (Continued)  
(below the level of the elected officials) of the primary government has operational responsibility for the activities of the component unit.

**Bexar County Industrial Development Corporation**

The Bexar County Industrial Development Corporation (BCIDC) is a Texas public, non-profit corporation created on July 29, 1981, in accordance with the Texas Development Corporation Act of 1979. The BCIDC's purpose is to issue bonds on behalf of the County, to finance projects as defined in the Act in order to promote and develop industrial and manufacturing enterprises thus encouraging employment and improving the public welfare. The tax-exempt bonds issued by the BCIDC do not constitute a debt or pledge of faith or credit of the BCIDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCIDC is governed by a five-member Board of Directors which is comprised of the Bexar County Commissioners Court. In addition, management (below the level of the elected officials) of the primary government has operational responsibility for the activities of the component unit.

Separate, audited financial statements for these corporations are available from the County Auditor's Office, 101 W. Nueva Street, Suite 800, San Antonio, Texas 78205.

**Discretely Presented Component Units** The relationship between the following component units and the County is such that they meet the criteria, as set forth in GASB Statement No. 14, for inclusion as discretely presented component units in the reporting entity:

**University Health System (The System)**

The Bexar County Hospital District, d/b/a University Health System, Bexar County, Texas (the System), is a political subdivision of the State of Texas, and is comprised of University Hospital, University Health System – Robert E. Green Campus, University Family Health Centers, University Center for Community Health, University Dialysis Centers, Correctional Health Care Services. The System receives support from its supporting organization, the University Health System Foundation (the Foundation), a non-profit corporation established in 1984 to provide charitable, scientific and educational activities, and to raise funds on behalf of the System. The System serves as the major teaching facility for The University of Texas Health Science Center (UTHSC). The System is exempt from federal income taxes under section 115(o) of the Internal Revenue Code. The System formed Community First Health Plans, Inc. (CFHP), a non-profit corporation which operates as an HMO. CFHP is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code. CFHP has agreements with plan sponsors, including the System, to arrange health service benefits for subscribing participants. Under these agreements, CFHP receives monthly capitation payments based on the number of each plan sponsor's participants, regardless of services performed. In addition, CFHP receives supplementary delivery payments under the Medicaid program. The System is presented as an enterprise fund type.

The criteria used to determine inclusion as a significant discretely presented component unit are: Commissioners Court appoints members of the System's Board of Managers; Commissioners Court approves the System's tax rate and annual budget; and, the System cannot issue bonded debt without Commissioners Court approval. Furthermore, the System's total net position in relation to the total primary government's net position is such that to exclude essential disclosures from the County's financial statements as they pertain to the System would be misleading. Therefore, relevant disclosures have been included in the County's financial statements. The System's financial information presented in the government-wide financial statements is as of, and for the year ended, December 31, 2017, which is the latest audited System financial information available. Complete financial statements of the System may be obtained from the component unit's administrative office:

University Health System  
4502 Medical Drive  
San Antonio, Texas 78229

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. The Reporting Entity (Continued)

**Discretely Presented Component Units** (Continued)

**Cibolo Canyons Special Improvement District (The District)**

The Cibolo Canyons Special Improvement District (the District) is a public improvement district created by an order of the Commissioners Court of Bexar County on September 1, 2005, pursuant to Chapter 372 of the Texas Local Government Code. The purpose of the District was to induce the developer to construct a major hotel and two golf courses as well as supporting infrastructure and to provide land and construct facilities for conservation, parks, recreation and open space within the District. The criteria used to determine inclusion as a discretely presented component unit are: The Board of Directors is comprised of seven members, as appointed by Commissioners Court, and the District cannot issue bonded debt without Commissioners Court approval. The District's financial information presented in the government-wide financial statements is as of, and for the year ended, September 30, 2017, which is the latest audited District financial information available. Complete financial statements of the District may be obtained from the component unit's administrative office:

The District's General Counsel  
7550 W-4H IO  
San Antonio, Texas 78229

**Alamo Regional Mobility Authority (The Authority)**

The Bexar County Regional Mobility Authority was approved by the Texas Department of Transportation ("TxDOT") on December 18, 2003 as a political subdivision of the State of Texas under the Texas Transportation Code, Chapter 370. The County formally approved the conditions of TxDOT on January 14, 2004. The Bexar County Regional Mobility Authority held its first meeting on April 13, 2004. On October 14, 2004, the Bexar County Regional Mobility Authority formally changed its name to Alamo Regional Mobility Authority (The Authority).

The Authority's powers and duties are enumerated under Texas Transportation Code, Chapter 370, and include authority to borrow monies and issue bonds to finance transportation projects. The Authority is governed by a seven-member Board of Directors. Six are appointed by Bexar County Commissioners Court, and the Chairman is appointed by the Governor of the State of Texas. In fiscal year 2013, the County took over the day-to-day business activity of the Authority. The Authority is currently being managed by the Office of the County Manager and Public Works Department. David Smith, the Bexar County Manager, was named Executive Director of the Authority.

The Authority was established by the Bexar County Commissioners Court with the intent to partner with the Texas Department of Transportation (TxDOT), the San Antonio-Bexar County Metropolitan Planning Organization (MPO), and the County to leverage funding and bring needed relief to the congestion impacting the Bexar County Area.

In 2018 the authority was informed by TxDOT that the last remaining toll road project, 1604 Managed Lane Project, was being reconfigured to be toll-free, i.e., fully funded by State and Federal governments with the need of toll revenues as a funding source. With no identifiable source of toll revenues in the immediate future, the Authority's management and board of directors made the decision to change the reporting entity from a business-type activities to governmental activities, since the Authority's primary source of revenue is now vehicle registration fees. As there was no change in the operations of the Authority, only a change in reporting structure, this change had no effect on beginning net position.

The criteria used to determine inclusion as a discretely presented component unit are: The Authority is governed by a seven-member Board of Directors. Six are appointed by Bexar County Commissioners Court, and the Chairman is appointed by the Governor of the State of Texas. The Authority's financial information presented in the government-wide financial statements is as of, and for the year ended, September 30, 2018. Complete financial statements of the Authority may be obtained from the component unit's administrative office:

Alamo Regional Mobility  
c/o Bexar County Public Works  
1948 Probandt Street,  
San Antonio, TX 78214

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Government-wide Financial Statements**

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities are supported by taxes and intergovernmental revenues. They are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

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

The Statement of Activities demonstrates the degree to which the direct expenses of the County's programs are offset by those programs' revenues. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Program revenues for governmental activities include those generated from general government, judicial, public safety, education and recreation, public works, and health and public welfare. Taxes and other items not properly included among program revenues are reported instead as general revenues.

For proprietary funds, all revenues and expenses are classified as operating revenues and expenses except for taxes, investment income, interest expense, grant payments which are classified as nonoperating revenues and expenses.

The effects of interfund direct activity for changes based on actual use are not eliminated whereas indirect expense allocations are reversed and have been eliminated for the government-wide financial statements.

**3. Fund Level Financial Statements**

All governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. The County considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property tax revenues, the County's primary revenue source, is susceptible to accrual and is considered available to the extent of delinquent taxes collected within 60 days of the fiscal year end. Grant and entitlement revenues are also susceptible to accrual. Encumbrances are used during the year, and any unliquidated items are reported at year end as a reservation of fund balance.

Governmental funds are accounted for on a spending "financial flow" measurement focus. This means that only current assets and deferred outflows, and current liabilities and deferred inflows are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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

The County's accounts are organized based on funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets and deferred outflows, liabilities and deferred inflows, net position/fund balance, revenues and expenditures or expenses. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. The County reports various Agency Funds which are

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Fund Level Financial Statements (Continued)**

fiduciary in nature, accordingly the fiduciary funds are excluded from the government-wide financial statements. The County reports the following major funds:

**GOVERNMENTAL FUNDS**

**General Fund**

The General Fund accounts for the resources used to finance the fundamental operations of the County. It is the basic fund of the County and covers all activities for which a special revenue fund has not been established.

**Debt Service Fund**

This fund is used to account for the accumulation of resources for and the payment of principal and interest on long-term debt of governmental funds.

**Capital Projects Fund**

This fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities and is principally financed by the sale of bonds or certificates of obligation, certain vehicle registration fees, and capital grants.

**PROPRIETARY FUNDS**

**Community Venue Fund**

The Community Venue Fund is used to account for the development, financing, construction, leasing, management, operations and marketing of a multi-purpose arena and its related infrastructure. Additionally, the taxpayers of Bexar County approved an expanded use of the Venue tax in May 2008. As a result, numerous sports and tourist related facilities have been constructed and/or improved throughout the County. See Note F for County expenses on assets owned by other entities. The tax revenues and construction costs are recorded in the Community Venue Fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses are the result of providing services in connection with a proprietary fund's principal ongoing operations. The principal operating expenses for the enterprise funds include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Nonmajor enterprise funds consist of the Sheriff's Commissary Fund, the Parking Facilities Fund, and the Firing Range Fund. The Sheriff's Commissary Fund is used to account for commissary sales to inmates housed in the Bexar County Jail. The Parking Facilities Fund is used to account for the operation and maintenance of the parking facilities. The Firing Range Fund is used to account for the operation and maintenance of the firing range. The parking facilities and firing range are intended to be financed primarily through user charges.

Additionally, the County uses internal service funds to account for County vehicle maintenance, self-insurance (medical benefits, workers' compensation, and property and liability insurance coverage), other post-employment benefits, and the expenses of a records management center facility. The principal operating revenue of the County's internal service funds are: from user fees assessed to participants or service fees charged to other funds.

The principal operating expenses for the internal service funds include administrative, claims, insurance, and personnel expenses. A complete description of the County's internal service funds can be found on page 181.

The County also uses various revenue funds to account for the proceeds of specific revenue sources for specified purposes.

**AGENCY FUNDS**

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. A complete description of the County's agency funds can be found on page 187.



NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Budget

Primary Government

Annual budgets are legally approved and adopted for the general fund, special revenue funds, and debt service fund. Annual budgets are adopted for the special revenue and grant funds at the aggregate level by function. Budgets for grants are employed as a management control device in order to comply with grant provisions. All appropriations expire at the end of the fiscal year except for grant and capital project funds, many of which are funded for periods longer than one year.

Formal budgetary integration is employed for the general fund, special revenue funds, and the debt service fund. Capital project programs with the capital project fund are project oriented rather than by period. Therefore, project-length budgets are adopted based on resource allocation, and appropriations at year-end are carried forward to subsequent periods until the project is completed. Formal budget integration is employed by the County with regards to the internal service funds. All budgets are prepared on the modified accrual basis.

Commissioners Court historically adopts an annual budget and appropriates a portion of the available unassigned fund balance to provide resources for those issues that arise during the fiscal year that could not be anticipated at the time the budget was adopted. An expenditure line item is created to serve as a contingency to draw from as needed. At year end, the County closes the unused portion of the revenue and expenditure line items to budgetary fund balance.

The Bexar County Housing Finance Corporation, the Bexar County Health Facilities Development Corporation, and the Bexar County Industrial Development Corporation funds do not have legally adopted budgets.

5. Proprietary Fund Accounting

Primary Government

The County has implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Recent Accounting Pronouncements

Primary Government

The GASB has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This Statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement is effective for fiscal years beginning after June 15, 2017. The implementation of GASB 75 is reflected in the financial statements.

The GASB has issued Statement No. 83, "Certain Asset Retirement Obligations." This statement was issued to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. GASB 83 will be implemented by the County in fiscal year 2019 and the impact has not yet been determined.

The GASB has issued Statement No. 84, "Fiduciary Activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. GASB 84 will be implemented by the County in fiscal year 2020 and the impact has not yet been determined.

The GASB has issued Statement No. 85, "Omnibus 2017". The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement address a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The implementation of GASB 85 is reflected in the financial statements.

The GASB has issued Statement No. 86, "Certain Debt Extinguishment Issues." The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The implementation of GASB 86 is reflected in the financial statements.

The GASB has issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. GASB 87 will be implemented by the County in fiscal year 2021 and the impact has not yet been determined.

The GASB has issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. GASB 89 will be implemented by the County in fiscal year 2019 and the impact has not yet been determined.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Recent Accounting Pronouncements (Continued)

Primary Government (Continued)

The GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. GASB 89 will be implemented by the County in fiscal year 2021, and the impact has not yet been determined.

The GASB has issued Statement No. 90, "Majority Equity Interests." The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. GASB 90 will be implemented by the County in fiscal year 2020 and the impact has not yet been determined.

7. Cash, Cash Equivalents and Temporary Investments

Primary Government

For purposes of the Statement of Cash Flows, cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. Temporary investments consist of a money market fund and funds invested in local government investment pools, which is permitted under the Public Funds Investment Act. Investments in local government investment pools are stated at net asset value or amortized cost which approximates fair value, as permitted under GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, or are stated at Net Asset Value (NAV), in accordance with the Fair Value Measurement guidelines established by GASB Statements No. 72 and 79.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Inventories and Prepaid Items

Primary Government

The County accounts for inventories using the consumption method. The cost of inventories for internal service funds are determined by the average cost method.

Any payments to vendors applicable to future accounting periods would be recorded as prepaid items in both government-wide and fund financial statements.

9. Restricted Assets and Liabilities

Primary Government

Certain proceeds of the revenue bonds issued for the County's Community Venue Fund, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts and their use is restricted by applicable bond covenants. The "tax-exempt debt service" and the "taxable debt service" accounts are used to segregate resources for the respective principal and interest amounts currently outstanding. The "tax-exempt reserve" account and the "taxable reserve" accounts are used to set aside resources to subsidize potential deficiencies in the debt service accounts. The construction accounts are used to report those proceeds of revenue bonds that are restricted for the four voter-approved propositions. The County's policy is to apply restricted resources first if both restricted and unrestricted resources are available for the same activity.

10. Capital Assets

Primary Government

Capital assets include land, land improvements, right-of-way land, infrastructure, buildings, building improvements, site improvements, leasehold improvements, vehicles, machinery, furniture, equipment, other systems, animals, works of art and historical treasures that are used in operations and benefit more than a single fiscal period. Infrastructure assets, such as roads, bridges, and drainage systems, are long-lived assets that normally are stationary in nature and typically can be preserved for a significantly greater number of years than most capital assets. Capital assets are defined by the County as equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Building improvements and infrastructure projects with an estimated cost to exceed \$100,000 are capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. When historical records are available, capital assets are valued at cost. When no historical records are available, the County estimates the cost by applying back-trended inflation rates to a similar asset. Donated capital assets; donated works of art, historical treasures, and similar assets; and capital assets received in a service concession arrangements, if any; are valued at acquisition value as defined by GASB 72.

Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Other repairs and normal maintenance are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized in the governmental activities on the government-wide financial statements; however, capitalization of interest is required for business-type activities.

Capital assets are depreciated over the useful lives of the assets or classes of assets on a straight-line basis as follows:

Building and improvements	20 - 40 years
Machinery and equipment	3 - 10 years
Infrastructure	20 - 35 years

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**The System**

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

Land Improvements	5 - 15 years
Building and improvements	10 -30 years
Equipment	5 - 15 years

**The District**

Capital assets, which include construction in progress and public improvements, are reported in the governmental activities column in the District's government-wide financial statements. All costs associated with public improvement projects are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Public improvements are depreciated using the straight-line method over an estimated useful life of 29 years.

**The Authority**

The Authority's capital assets are stated at historical cost. Donated capital assets are valued at their estimated fair market value on the date received. For equipment, the Authority's capitalization policy includes all items with a unit cost of \$20,000 or more and an estimated useful life in excess of one year. Development in progress includes personnel cost that are directly attributable to a specific project in development. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Currently, the Authority has no assets other than the cost associated with projects in development.

Expenditures for Assets Owned by Other Entities – The Authority has entered into or intends to enter into several inter-local agreements with various entities for the construction of infrastructure projects. The Authority will expend vehicle registration fee revenues and debt resources to complete the projects; however, once projects are substantially complete, ownership and maintenance requirements will be the responsibility of the other entities. These arrangements over time, will result in lowered total net position on the statement of net position because the Authority will not own the capital assets related to the debt the Authority incurred to purchase and/or fund the assets.

Thus, the accumulated development in progress costs, which relate to assets that are ultimately going to be conveyed to other entities in accordance with the interlocal agreements, as well as the related debt (Series 2016 Revenue Bonds), are not part of the calculation of the amount reported as net investment in capital assets in the statement of net position.

**11. Compensated Absences**

**Primary Government**

The County allows employees to accumulate compensatory time, vacation, and sick leave with certain limitations. At September 30, 2018, the accumulated compensated absences amount to \$45,686,841. For governmental funds, accrued compensated absences are recorded as expenditures in the respective funds to the extent it has matured. The majority of these have typically been liquidated from the general fund in previous years. A liability for these amounts is reported in governmental funds in the event of termination. Accumulated leave is reported in the government-wide Statement of Net Position as both a current and noncurrent liability.

**12. Property Taxes**

**Primary Government**

Property taxes for the County and Flood Control are levied each October 1 on the taxable value as of the preceding January 1, the date a lien attaches, for all taxable real and personal property located in the County. Taxes are due by January 31 following the October 1 assessment date and become delinquent on February 1, at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date; therefore, the County did not record a receivable for accrual of future taxes at year end. Accordingly, no current taxes receivable are reported. On July 1, unpaid taxes are subject to additional penalties for collection expenses. Appraised values are determined by the Bexar County Appraisal District and are equal to 100% of the appraised market value as required by the State Property Tax Code.

Taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Tax revenues are recognized as they become available. Accordingly, an amount equal to taxes not yet available (not collectible within 60 days after year end) has been reported as deferred inflows of resources – unavailable revenue at the governmental fund level.

**The System**

The Commissioners Court of Bexar County levies for the System a tax as provided under state law on properties within the County. These taxes are collected by the Bexar County Tax Assessor-Collector and are remitted to the System when received. The System's tax rate is levied and becomes collectible in October of each year based on the certified assessed value as of the previous January 1. Taxes levied on October 1 are designated to support the System's operations for the following calendar year. The System records the levy, net of an assessment fee and allowance for uncollectible amounts, as a current receivable and deferred tax revenue in the year levied.

**The District**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered a valuable when they become due or past due and receivable within the current period. The adjusted assessed value of the property tax roll upon which the levy for the 2017 fiscal year was based was \$838,156,488.

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**13. Deferred Outflows/Inflows of Resources**

The deferred outflows of resources related to pension expense include: differences between expected and actual experience with regard to economic or demographic factors (differences between expected and actual experience) in the measurement of total pension liability; differences between projected and actual earnings on pension plan investments; and contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period.

The differences between expected and actual experience are recognized in pension expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active and inactive employees) determined as of the beginning of the measurement period. The portion not recognized in pension expense is reported as deferred outflows of resources.

The differences between projected and actual earnings on pension plan investments are recognized in pension expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period. The amount not recognized in pension expense is reported as deferred outflows of resources.

The deferred outflows of resources related to OPEB expense are contributions to the OPEB plan from the employer subsequent to the measurement date of the net OPEB liability and before the end of the reporting period.

**NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**Primary Government**

As of September 30, 2018, the carrying amount of the County's cash and cash equivalents is:

Cash in Bank	\$	18,325,063
Money Market		41,708,111
TexPool		31,523,455
TexStar		30,026,853
Total	\$	121,583,472

**Custodial Credit Risk-Deposits:** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. It is the County's policy to collateralize deposits at 110% of the deposit amount. As of September 30, 2018, the County's bank balances of \$21,058,532 were fully collateralized by federal depository insurance and/or collateral held by the County or its agent in the name of the County.

The County's cash balances in the bank that are above certain limits are invested overnight in money market fund sweep accounts. These money market funds meet the requirements of the Public Funds Investment Act since they only invest in U.S. Treasury bills, notes and other obligations issued or guaranteed as to the principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash.

The County has deposits in two different local government investment pools, TexPool and TexStar. TexPool is a public funds investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company. It is empowered to invest funds and act as a custodian of investments purchased with local investment funds.

TexStar has the same authority as TexPool. It was organized and established pursuant to an Interlocal Agreement between participating government entities. The County has an undivided beneficial interest in the pool of assets held by TexStar. These assets include obligations guaranteed or insured by the United States Government or its agencies, collateralized repurchase agreements and reverse repurchase agreements and no-load money market funds which meet the requirements of the Public Funds Investment Act.

**NOTE C - INVESTMENTS**

**Primary Government**

The County's investment policy provides that funds may be invested in:

- Obligations of the United States, its agencies and instrumentalities.
- Direct obligations of the State of Texas or its agencies.
- Other obligations insured by the State of Texas or the United States or their respective agencies and instrumentalities.
- Obligations of other governmental units with at least an "A" rating.
- Bank certificates of deposits that are guaranteed or insured.
- Guaranteed investment contracts as authorized by the Public Funds Investment Act.
- Commercial paper as authorized by the Public Funds Investment Act.
- Securities lending program as authorized by the Public Funds Investment Act.
- Fully collateralized repurchase agreements as authorized by the Public Funds Investment Act.
- SEC registered, no-load money market mutual funds as authorized by the Public Funds Investment Act.
- Public funds investment pools as authorized by the Public Funds Investment Act.

**Fair Value of Investments:** The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. GASB Statement 79 created an election option for external investment pools and pool participants to continue to utilize amortized cost accounting, rather than fair value, for certain investment pools and eliminated the reference to SEC 2A-7 guidance. Participants in qualifying pools would be permitted to continue measuring investments at amortized cost if they met certain criteria. The County's investment pools (TexPool and TexStar) are both in compliance with GASB Statement 79. The County's investment pool TexStar has elected to continue to measure its investments at fair value even though TexStar meets all criteria under GASB Statement 79 to report at amortized cost. The County's investment pool TexPool has elected to continue reporting assets at amortized cost. The County has mirrored these valuations.

The County is required to disclose the fair value level of its investments within the fair value hierarchy established by GASB Statement 72. In the fair value hierarchy there are three levels:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

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**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE C – INVESTMENTS (Continued)**

**Primary Government (Continued)**

As of September 30, 2018, the County had the following recurring fair value measurements:

	Fair Value Measurements Using			
	September 30, 2018	Level 1	Level 2	Level 3
<b>Investments</b>				
FHLB	\$ 97,119,702	\$ -	\$ 97,119,702	\$ -
FHLMC	112,140,983	-	112,140,983	-
FNMA	31,306,939	-	31,306,939	-
FECB	19,428,552	-	19,428,552	-
Corporate Commercial Paper	169,012,719	-	169,012,719	-
Local Government Commercial Paper	3,522,639	-	3,522,639	-
US Treasury	144,712,856	-	144,712,856	-
Municipal Bonds	124,195,547	-	124,195,547	-
Total investments	<u>701,439,937</u>	-	<u>701,439,937</u>	-
<b>Investment pools</b>				
TexStar (net asset value)	30,026,853	N/A	N/A	N/A
TexPool (valued at amortized cost)	31,523,455	N/A	N/A	N/A
Total investment pools by fair value	<u>61,550,308</u>			
<b>Money Markets</b>				
Money Market Funds (valued at amortized cost)	41,708,111	N/A	N/A	N/A
Total Money Market Funds by fair value	<u>41,708,111</u>			
Total investments, pools and money markets	<u>\$ 804,698,356</u>			<u>\$ 701,439,937</u>

All of the County's investments, other than investments in the local government investment pools and money market funds, are classified in Level 2 and are valued using proprietary valuation models which may consider market transactions in comparable securities and the various relationships between securities in determining value and/or market characteristics such as benchmark yield curves, option adjusted spreads, credit spreads, estimated default rates, coupon-rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair values. The County invests in the TexStar investment pool which maintains a stable net asset value (NAV) of \$1 per share using the fair value method. The County has no unfunded commitments to this pool and may redeem investments at any time.

As of September 30, 2018, the County's investments all were classified as Level 2 according to GASB Statement 72, except for the pools which are exempt from the level of fair value disclosure because they are valued either at NAV or amortized cost.

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE C – INVESTMENTS (Continued)**

**Primary Government (Continued)**

As of September 30, 2018, the County's investments had the following maturities:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Percentage of Total Fair Value
Federal Home Loan Bank Note (FHLB)	\$ 97,119,702	0.4613	12.07%
Freddie Mac (FHLMC)	112,140,983	1.0417	13.94%
Federal National Mortgage Association Note (FNMA)	31,306,939	0.9830	3.89%
Federal Farm Credit Bank (FFCB)	19,428,552	0.9486	2.41%
Corporate Commercial Paper	169,012,719	0.2415	21.00%
US Treasury	144,712,856	0.3609	17.98%
Money Market Fund	41,708,111	N/A	5.18%
Municipal Bonds	124,195,547	0.5181	15.43%
Local Government Commercial Paper	3,522,639	0.0005	0.44%
Investment Pools	61,550,308	N/A	7.65%
Total fair value	<u>\$ 804,698,356</u>		<u>100.00%</u>
Portfolio weighted average maturity		0.4576	

The weighted average maturity (WAM) expresses investment time horizons - the time when investments become due and payable, weighted to reflect the dollar size of individual investments within an investment type. WAMs are computed for each investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

**Interest Rate Risk:** In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its investments to 365 days with a maximum investment length for any investment to not exceed more than 3 years. In addition, the timing of maturities is monitored to match anticipated cash flow requirements, thereby avoiding the need to sell securities on the open market prior to maturity at a lowered rate of return.

**Credit Risk:** In accordance with its investment policies, the County limits its investments to the most conservative forms of investments. Investments in agency securities are limited to investments rated not less than A or its equivalent, and investments in investment pools are limited to AAA or AAA-m by a nationally recognized investment rating firm. All investments that are obligations explicitly guaranteed by the U.S. government are not considered to have credit risk. TexPool and TexStar are rated AA+; the Amegy Bank of Texas Money Market Fund is rated AAA-m; and Bank of America Money Market Fund is rated AAA.

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**Bexar County, Texas**  
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**NOTE C – INVESTMENTS (Continued)**

**Primary Government (Continued)**

As of September 30, 2018, the County's investments had the following Investment Ratings:

Investment	Standard & Poor's Rating	Moody's Rating
Federal Home Loan Bank Note (FHLMC)	AA+	Aaa
Freddie Mac (FHLMC)	AA+	Aaa
Federal National Mortgage Association Note (FNMA)	AA+	Aaa
Federal Farm Credit Bank (FFCB)	AA+	Aaa
Corporate Commercial Paper (TOYOTA MOTOR CORP)	A-1+	P-1
Corporate Commercial Paper (JP MORGAN)	A-1	P-1
Local Government Commercial Paper (ST OF TX REV ANTIC NOTES)	AAA	Aaa
USTreasury	AA+	Aaa
<b>Municipal Bonds:</b>		
City of Austin	A-1	P-1
Harvard University	A-1+	P-1
Northwestern University	A-1+	P-1
Texas A&M University	AAA	Aaa
University of Texas Permanent Fund	A-1+	P-1
University of Texas System	A-1+	P-1
Yale University	A-1+	P-1

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County mitigates these risks by emphasizing the importance of a diversified portfolio. All funds must be sufficiently diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. The following investments comprise more than 5% of the fair value of the County's total portfolio that includes County and Community Venue investment types: Investment Pools (7.65%), Municipal Bonds (15.44%), Money Market Fund (5.18%), FHLMC (12.07%), FHLMC (13.94%), Corporate Commercial Paper (21.00%) and US Treasury (17.99%).

**Custodial Credit Risk – Investment:** The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The County mitigates these risks since all investments owned by the County are held in the County's name.

**NOTE D – TAXES AND OTHER RECEIVABLES**

The following is a summary of the gross current and delinquent taxes receivable and the allowance for uncollectible taxes:

	Taxes	Allowance for Uncollectible Taxes	Net Taxes
<b>Primary Government</b>			
Delinquent taxes			
General Fund	\$ 12,559,213	\$ 2,729,000	\$ 9,830,213
Debt Service Fund	2,735,333	594,000	2,141,333
Capital Project Fund	546,236	118,000	428,236
<b>Total Primary Government</b>	<b>\$ 15,840,782</b>	<b>\$ 3,441,000</b>	<b>\$ 12,399,782</b>

Other receivables as of year-end for the County's General Fund, Capital Project Funds, and Nonmajor Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Project Funds	Nonmajor Governmental Funds	Total
Court Fines and Fees	\$ 86,917,218	-	-	-	\$ 86,917,218
Accounts Receivable	4,427,660	-	1,737,752	58,790	6,224,202
Gross Receivables	91,344,878	-	1,737,752	58,790	93,141,420
Less: Allowance	(74,486,029)	-	-	-	(74,486,029)
Net total receivables	16,858,854	-	1,737,752	58,790	18,655,396
Due from Other Governmental Unit	5,780,070	1,704,951	10,547,584	7,882,134	25,914,739
<b>Total Accounts and Other</b>	<b>\$ 22,638,924</b>	<b>\$ 1,704,951</b>	<b>\$ 12,285,336</b>	<b>\$ 7,940,924</b>	<b>\$ 44,570,135</b>

	Taxes	Allowance for Uncollectible Taxes	Net Taxes
<b>The System</b>			
Current taxes	\$ 208,047,124	\$ 4,334,985	\$ 203,712,139
Delinquent taxes	15,084,583	6,020,697	9,063,886
Penalties and interest	8,959,335	5,958,185	3,001,150
<b>Total System</b>	<b>\$ 232,091,042</b>	<b>\$ 16,313,867</b>	<b>\$ 215,777,175</b>

Bexar County, Texas  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 September 30, 2018

**NOTE E – INTERFUND BALANCES AND TRANSFERS**

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental fund	\$ 19,166
		<u>19,166</u>
	<b>Total</b>	<b>\$ 19,166</b>

The outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems, and (3) payments between funds are made. Balances between governmental funds and internal service funds, if any, are eliminated in the government-wide financial statements. Balances between governmental funds and enterprise funds, if any, are not eliminated in the government-wide financial statements.

Advances From / To Other Fund	
Receivable Fund	Payable Fund
General	Capital Project
	Nonmajor Governmental Fund
	Fleet Maintenance *
	<b>Total</b>
	<b>\$ 4,840,184</b>

\* Internal Service Funds

The amounts payable to the General Fund relate to working capital loans made to other funds that incur expenses before related revenues are received. They are not scheduled to be collected in the subsequent year.

Bexar County, Texas  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 September 30, 2018

**NOTE E – INTERFUND BALANCES AND TRANSFERS (Continued)**

The following is a summary of the County's transfers for the year ended September 30, 2018:

	General	Debt Service	Capital Projects	Nonmajor Governmental	Enterprise	Internal Service	Total
<b>TRANSFERS OUT</b>							
General	\$ -	\$ 1,324,765	\$ -	\$ 3,001,909	\$ 158,610	\$ 7,370,597	\$ 11,855,881
Capital Projects	180,000	15,130,400	-	-	-	-	15,310,400
Nonmajor Governmental	125,043	231,666	260,380	6,895	-	-	723,984
Enterprise	-	450,000	-	-	-	100,000	450,000
<b>Total Transfers</b>	<b>\$ 305,043</b>	<b>\$ 17,136,831</b>	<b>\$ 260,380</b>	<b>\$ 3,008,804</b>	<b>\$ 158,610</b>	<b>\$ 7,470,597</b>	<b>\$ 28,340,265</b>

The transfer of \$180,000 from the Capital Projects Fund to the General Fund is to fund the budget shortfall of the San Antonio Symphony. The transfer of \$125,043 from the Nonmajor Governmental Fund to the General Fund is for the build out costs associated with the new office space for the Family Justice Center in the Federal Reserve Building. The transfer of \$1,324,765 from the General Fund to the Debt Service Fund is to pay debt service on bonds issued for roads. The transfer out of the Capital Projects Funds of \$15,130,400 is for payment of County debt service related to pass-through financing funded by Advanced Transportation District revenues. The transfer of \$231,666 from the Nonmajor Governmental Fund to the Debt Service Fund is to pay debt service on bonds issued to pay for a new Fire Marshal's office building. The transfer of \$450,000 from the Enterprise Fund to the Debt Service Fund is to pay a portion of the principal and interest due semi-annually on the outstanding bonds issued for the construction of the Bexar County parking garages. The transfer of \$260,380 from the Nonmajor Governmental Fund to the Capital Project Fund is for the FY2017-18 replacements of County-owned vehicles. The transfer of \$3,001,909 from the General Fund to Nonmajor Governmental Funds include \$334,036 to the Courthouse Security Fund for salary expenses related to the Sheriff's deputies stationed in the courthouse, \$330,745 to the Law Library Fund to offset costs due to declining revenues within the fund, the transfer of \$2,019,472 for the replacement of computers and laptops used by County employees, the transfer of \$158,445 is a grant cash match for the Texas Indigent Defense Commission grant, and the remaining transfer of \$159,211 is to sustain the expenses between funds. The transfer of \$6,895 between the Nonmajor Governmental Funds is the result of normal transactions between funds. The transfer of \$158,610 from the General Fund to the Enterprise Fund is to sustain the expenses of the Firing Range Fund, since fees have not been approved for the use of this facility to date. The transfer of \$7,370,597 from the General Fund to Internal Services Funds was to offset an estimated shortfall for the year-ended September 30, 2018. The transfer of \$100,000 between Nonmajor Governmental Fund and Internal Services Fund is to provide space to County Offices and Departments for the storage of records in accordance with the Local Government Records Act of 1989.

**NOTE F – COUNTY EXPENDITURES FOR ASSETS OWNED BY OTHER ENTITIES**

Bexar County has entered into or intends to enter into several inter-local agreements with various entities for the construction of infrastructure and facilities. The County will expend tax revenues and debt resources to complete the projects; however, once projects are substantially complete, ownership and maintenance requirements will be the responsibility of the other entities. These arrangements over time, will result in lowered total net position on the Statement of Net Position because the County will not own the capital assets related to the debt the County incurred to purchase and/or fund the assets. See Table 19 in the Statistical section for a detailed listing of the entities involved and the amount of County expenditures to date.

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE G – CAPITAL ASSETS

Primary Government

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

Capital assets, not being depreciated:					
Land (row, bldg, parks)	\$ 83,192,193	\$ 3,829,948	\$ -	\$ -	\$ 87,022,141
Equipment in progress	52,726,955	5,899,108	(822,067)		57,803,996
Construction in progress	275,899,513	94,100,481	(22,493,878)		347,506,116
Total capital assets, not being depreciated	<u>411,818,661</u>	<u>103,829,537</u>	<u>(23,315,945)</u>		<u>492,332,253</u>
Capital assets, being depreciated:					
Buildings	549,352,463	10,998,879	-	-	560,351,342
Depreciable Land Assets	1,350,312	3,492,191	-	-	4,842,503
Machinery and Equipment	113,783,976	6,270,525	(2,570,214)		117,484,287
Infrastructure	1,535,256,141	119,118,044	-	-	1,654,374,185
Total capital assets being depreciated	<u>2,199,742,892</u>	<u>139,879,659</u>	<u>(2,570,214)</u>		<u>2,337,052,317</u>
Less accumulated depreciation for:					
Buildings	(203,546,875)	(19,243,592)	-	-	(222,790,467)
Depreciable Land Assets	(568,730)	(127,756)	-	-	(696,486)
Machinery and Equipment	(95,119,825)	(7,385,543)	2,570,214		(99,935,154)
Infrastructure	(633,556,687)	(71,800,138)	-	-	(705,356,825)
Total accumulated depreciation	<u>(932,792,117)</u>	<u>(98,537,019)</u>	<u>2,570,214</u>		<u>(1,028,758,922)</u>
Total capital assets, being depreciated, net	<u>1,266,950,775</u>	<u>41,342,650</u>	<u>-</u>		<u>1,308,293,395</u>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,678,769,436</b>	<b>\$ 145,172,157</b>	<b>\$ (23,315,945)</b>		<b>\$ 1,800,625,648</b>

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE G – CAPITAL ASSETS (Continued)

Primary Government (Continued)

Capital asset activity for business-type activities for the year ended September 30, 2018, was as follows:

<b>Business-type activities:</b>					
Capital assets, being depreciated:					
Buildings and Improvements	\$ 281,281,306	\$ -	\$ -		\$ 281,281,306
Reference library	38,960	-	-		38,960
Equipment	12,739,925	-	-		12,739,925
Total capital assets, being depreciated	<u>294,060,191</u>				<u>294,060,191</u>
Less accumulated depreciation for:					
Buildings and Improvements	(65,690,134)	(7,064,904)	-		(72,755,038)
Reference library	(28,246)	(1,948)	-		(30,194)
Equipment	(12,523,616)	(58,681)	-		(12,582,297)
Total accumulated depreciation	<u>(78,241,996)</u>	<u>(7,125,533)</u>			<u>(85,367,529)</u>
<b>Business-type activities capital assets, net</b>	<b>\$ 215,818,195</b>	<b>\$ (7,125,533)</b>			<b>\$ 208,692,662</b>

Depreciation expense was charged to functions of the primary government and business-type activities as follows:

<b>Governmental activities:</b>		
General Government	\$ 10,349,687	
Judicial	2,244,262	
Public Safety	11,017,899	
Education and Recreation	840,983	
Public Works	73,887,315	
Health and Public Welfare	82,162	
Unallocated	114,711	
<b>Total depreciation expense - governmental activities</b>	<b>\$ 98,537,019</b>	
<b>Business-type activities:</b>		
Venue Fund	\$ 7,064,904	
Sheriff's Commissary Fund	60,629	
<b>Total depreciation expense - business-type activities</b>	<b>\$ 7,125,533</b>	



Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE G – CAPITAL ASSETS (Continued)

Primary Government (Continued)

**Governmental Activities:**

Net investment in capital assets on page 31 is computed as follows:

Net investment in capital assets:	
Fixed Assets, net of depreciation	\$ 1,800,625,648
Total outstanding debt	\$ (1,871,352,702)
Less expenditures for assets owned by other entities	865,232,378
Less unspent debt proceeds	218,146,258
<b>Net investment in capital assets</b>	<b>\$ 1,012,651,582</b>

The System

The System's capital asset activity for the year ended December 31, 2017 (in thousands) was as follows:

	Balance at January 1, 2017	Additions/ Transfers	Retirements/ Deletions	Balance at December 31, 2017
Land and land improvements	\$ 20,864	\$ 42	\$ -	\$ 20,906
Buildings and leasehold improvements	1,337,686	30,689	-	1,368,375
Equipment	413,108	45,555	(7,050)	451,613
Construction in progress	29,610	(23,627)	-	5,983
Total capital assets	\$ 1,801,268	\$ 52,659	\$ (7,050)	\$ 1,846,877
Less: accumulated depreciation	(601,979)	(82,526)	6,650	(677,855)
<b>Total capital assets, net</b>	<b>\$ 1,199,289</b>	<b>\$ (29,867)</b>	<b>\$ (400)</b>	<b>\$ 1,169,022</b>

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE G – CAPITAL ASSETS (Continued)

The District

The District's capital asset activity for year ended September 30, 2017 was as follows:

	Balance at October 1, 2016	Additions	Deletions	Transfers	Balance at September 30, 2017
Capital assets, being depreciated					
Public improvements					
Utility System Improvements	\$ 41,280,567	\$ 2,391,478	\$ -	\$ -	\$ 43,672,045
Floodplains and Wetlands	5,211,577	41,956	-	-	5,253,533
Roadways	32,686,081	1,762,142	-	-	34,448,223
Total capital assets, being depreciated	79,178,225	4,195,576	-	-	83,373,801
Less accumulated depreciation for:					
Public improvements					
Utility System Improvements	(2,114,135)	(1,505,933)	-	-	(3,620,068)
Floodplains and Wetlands	(335,872)	(181,156)	-	-	(517,028)
Roadways	(1,210,903)	(1,187,870)	-	-	(2,398,773)
Total accumulated depreciation	(3,660,910)	(2,874,959)	-	-	(6,535,869)
Total capital assets, being depreciated, net	75,517,315	1,320,617	-	-	76,837,932
Governmental Activities capital assets, net	\$ 75,517,315	\$ 1,320,617	\$ -	\$ -	\$ 76,837,932

The cost of the District's public improvements and construction projects includes \$21,050,413 of cumulative interest incurred on the amount due to the Developer, of which includes \$4,195,576 incurred in the current year.

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE G – CAPITAL ASSETS (Continued)

The Authority

The Authority's capital asset activity for year ended September 30, 2018 was as follows:

	Balance at October 1, 2017	Additions	Deletions	Balance at September 30, 2018
Capital assets, not being depreciated				
Development in progress:				
US 281 North	\$ 3,243,821	\$ -	\$ -	3,243,821
Loop 1604 EIS	11,722,275	1,061	-	11,723,336
Loop 1604	1,002,074	40,404	-	1,042,478
Blanco Rd Phase II	618,137	829,570	-	1,447,707
Evans Rd Phase I	5963	36,400	-	42,363
Evans Rd Phase II	687,602	376,331	-	1,063,933
Foster Rd Phase III	578,090	353,408	-	931,498
Talley Road Phase I	36,548	644,428	-	680,976
West Military Drive	13,334	177,848	-	191,182
Fischer Road Phase II	2,453	341,027	-	343,480
Old FM 471/Talley Road	605	689	-	1,294
Candlemeadow	-	54,039	-	54,039
Total development in progress	<u>17,910,902</u>	<u>2,855,205</u>	<u>-</u>	<u>20,766,107</u>
Total capital assets not being depreciated	<u>17,910,902</u>	<u>2,855,205</u>	<u>-</u>	<u>20,766,107</u>
Total capital assets	<u>\$ 17,910,902</u>	<u>\$ 2,855,205</u>	<u>\$ -</u>	<u>\$ 20,766,107</u>

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE H – LONG-TERM DEBT

Primary Government

Long-term obligations of the County consist of bonds, certificates of obligation, and other liabilities which are payable from the general, debt service and enterprise funds. The changes in the County's governmental and business-type activities long-term liabilities for fiscal year 2018 were as follows:

	Balance Outstanding October 1, 2017	Issued During Year	Retired During Year	Balance Outstanding September 30, 2018	Amount Due Within One Year
Governmental Activities:					
Refunding Bonds					
Limited Tax General Obligation Refunding Bonds, Series 2009	\$ 580,000	\$ -	\$ 285,000	\$ 295,000	\$ 295,000
Date Issued: May 15, 2009					
Interest Rate: 2.00 - 3.25					
Original Amount: \$14,890,000					
Maturing Date: June 15, 2019					
Limited Tax General Obligation Refunding Bonds, Series 2010					
Date Issued: August 18, 2010					
Interest Rate: 2.00 - 5.00					
Original Amount: \$36,6915,000					
Maturing Date: June 15, 2025					
	2,375,000		2,375,000		
Limited Tax General Obligation Refunding Bonds, Series 2011					
Date Issued: October 11, 2011					
Interest Rate: 2.00 - 5.00					
Original Amount: \$17,650,000					
Maturing Date: June 15, 2023					
	12,205,000		2,230,000	9,975,000	2,345,000
Limited Tax Refunding Bonds, Series 2013:					
Date Issued: December 19, 2013					
Interest Rate: 2.00 - 5.00					
Original Amount: \$18,055,000					
Maturing Date: June 15, 2027					
	12,805,000		1,155,000	11,650,000	1,190,000
Unlimited Tax Refunding Bonds, Series 2013:					
Date Issued: December 19, 2013					
Interest Rate: 1.75 - 5.00					
Original Amount: \$16,835,000					
Maturing Date: June 15, 2027					
	14,455,000		1,495,000	12,960,000	1,520,000
Limited Tax Refunding Bonds, Series 2013:					
Date Issued: December 19, 2013					
Interest Rate: 2.00 - 5.00					
Original Amount: \$13,375,000					
Maturing Date: June 15, 2021					
	8,095,000		1,890,000	6,205,000	1,975,000

Bexar County, Texas  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 September 30, 2018

NOTE H – LONG-TERM DEBT (Continued)

Primary Government (Continued)

	Balance Outstanding October 1, 2017	Issued During Year	Retired During Year	Balance Outstanding September 30, 2018	Amount Due Within One Year
<b>Governmental Activities: Refunding Bonds</b>					
Limited Tax Refunding Bonds, Series 2013:					
Date Issued: December 19, 2013					
Interest Rate: 4.00 - 5.00					
Original Amount: \$16,790,000	11,680,000	-	2,710,000	8,970,000	2,845,000
Maturing Date: June 15, 2021					
Limited Tax Refunding Bonds, Series 2014:					
Date Issued: December 30, 2014					
Interest Rate: 3.00 - 5.00					
Original Amount: \$54,575,000	54,050,000	-	2,770,000	51,280,000	5,375,000
Maturing Date: June 15, 2028					
Unlimited Tax Refunding Bonds, Series 2014:					
Date Issued: December 30, 2014					
Interest Rate: 1.50 - 5.00					
Original Amount: \$9,360,000	9,360,000	-	660,000	8,700,000	670,000
Maturing Date: June 15, 2028					
Flood Control Tax Refunding Bonds, Series 2014:					
Date Issued: December 30, 2014					
Interest Rate: 4.00 - 5.00					
Original Amount: \$111,810,000	110,870,000	-	2,625,000	108,245,000	2,760,000
Maturing Date: June 15, 2038					
Flood Control Tax Refunding Bonds, Series 2016:					
Date Issued: July 21, 2016					
Interest Rate: 3.00 - 5.00					
Original Amount: \$101,740,000	101,740,000	-	-	101,740,000	-
Maturing Date: June 15, 2035					
Limited Tax Refunding Bonds, Series 2016:					
Date Issued: July 21, 2016					
Interest Rate: 3.00 - 5.00					
Original Amount: \$248,415,000	245,795,000	-	1,630,000	244,165,000	1,715,000
Maturing Date: June 15, 2040					

Bexar County, Texas  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 September 30, 2018

NOTE H – LONG-TERM DEBT (Continued)

Primary Government (Continued)

	Balance Outstanding October 1, 2017	Issued During Year	Retired During Year	Balance Outstanding September 30, 2018	Amount Due Within One Year
<b>Governmental Activities: Refunding Bonds</b>					
Limited Tax Refunding Bonds, Series 2017:					
Date Issued: December 28, 2017					
Interest Rate: 3.00 - 5.00					
Original Amount: \$384,715,000	-	384,715,000	-	384,715,000	75,000
Maturing Date: June 15, 2043					
Flood Control Tax Refunding Bonds, Series 2017:					
Date Issued: December 28, 2017					
Interest Rate: 2.00 - 4.00					
Original Amount: \$28,140,000	-	28,140,000	-	28,140,000	25,000
Maturing Date: June 15, 2037					
<b>General Obligation Bonds</b>					
Limited Tax General Obligation Bonds, Series 2010:					
Date Issued: August 19, 2010					
Interest Rate: 3.00-4.25					
Original Amount: \$24,020,000	1,130,000	-	555,000	575,000	575,000
Maturing Date: June 15, 2040					
<b>Total Bonds</b>	\$ 585,140,000	\$ 412,855,000.00	20,380,000	\$ 977,615,000	\$ 21,365,000
<b>Certificates of Obligation</b>					
Combination Tax and Revenue Certificates of Obligation, Series 2009A:					
Date Issued: August 1, 2009					
Interest Rate: 3.00 - 5.00					
Original Amount: \$98,445,000	2,245,000	-	120,000	2,125,000	2,125,000
Maturing Date: June 15, 2035					
Combination Tax and Flood Control Revenue Certificates of Obligation, Series 2009A:					
Date Issued: August 1, 2009					
Interest Rate: 4.00 - 5.00					
Original Amount: \$103,690,000	2,605,000	-	295,000	2,310,000	2,310,000
Maturing Date: June 15, 2035					

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE H – LONG-TERM DEBT (Continued)

NOTE H – LONG-TERM DEBT (Continued)

Primary Government (Continued)

Primary Government (Continued)

	Balance Outstanding October 1, 2017	Issued During Year	Retired During Year	Balance Outstanding September 30, 2018	Amount Due Within One Year
<b>Governmental Activities:</b>					
<b>Certificates of Obligation</b>					
Combination Tax and Revenue Certificates of Obligation, Taxable Series 2009B, Direct Subsidy: Build America Bonds					
Date Issued: August 1, 2009					
Interest Rate: 6.628					
Original Amount: \$50,620,000	50,620,000	-	-	50,620,000	-
Maturing Date: June 15, 2039					
Combination Tax and Flood Control Revenue Certificates of Obligation, Taxable Series 2009B, Direct Subsidy: Build America Bonds					
Date Issued: August 1, 2009					
Interest Rate: 6.628					
Original Amount: \$50,620,000	50,620,000	-	-	50,620,000	-
Maturing Date: June 15, 2039					
Combination Tax and Revenue Certificates of Obligation, Taxable Series 2010B, Direct Subsidy: Build America Bonds					
Date Issued: August 19, 2010					
Interest Rate: 5.75					
Original Amount: \$30,325,000	30,325,000	-	-	30,325,000	-
Maturing Date: June 15, 2039					
Combination Tax and Revenue Certificates of Obligation, Series 2010A					
Date Issued: August 19, 2010					
Interest Rate: 3.00-5.00					
Original Amount: \$97,455,000	5,580,000	-	2,720,000	2,860,000	2,860,000
Maturing Date: June 15, 2036					
Combination Tax and Revenue Certificates of Obligation, Series 2011					
Date Issued: October 11, 2011					
Interest Rate: 3.00-5.00					
Original Amount: \$59,330,000	1,625,000	-	815,000	810,000	810,000
Maturing Date: June 15, 2040					
Combination Tax and Revenue Certificates of Obligation, Series 2011A					
Date Issued: December 27, 2011					
Interest Rate: 3.375-5.00					
Original Amount: \$51,295,000	49,730,000	-	16,575,000	33,155,000	600,000
Maturing Date: June 15, 2040					

	Balance Outstanding October 1, 2017	Issued During Year	Retired During Year	Balance Outstanding September 30, 2018	Amount Due Within One Year
<b>Governmental Activities:</b>					
<b>Certificates of Obligation</b>					
Combination Tax and Revenue Certificates of Obligation, Series 2011A					
Date Issued: December 27, 2011					
Interest Rate: 3.00-5.00					
Original Amount: \$34,095,000	31,025,000	-	29,230,000	1,795,000	880,000
Maturing Date: June 15, 2037					
Combination Tax and Revenue Certificates of Obligation, Series 2013					
Date Issued: February 14, 2013					
Interest Rate: 3.00-5.00					
Original Amount: \$83,955,000	83,245,000	-	30,175,000	53,070,000	750,000
Maturing Date: June 15, 2043					
Combination Tax and Revenue Certificates of Obligation, Series 2013A					
Date Issued: May 9, 2013					
Interest Rate: 1.00-5.00					
Original Amount: \$115,040,000	113,840,000	-	29,150,000	84,690,000	500,000
Maturing Date: June 15, 2040					
Combination Tax and Revenue Certificates of Obligation, Series 2013B					
Date Issued: August 22, 2013					
Interest Rate: 2.00-5.125					
Original Amount: \$331,725,000	330,725,000	-	310,940,000	19,785,000	500,000
Maturing Date: June 15, 2043					
Pass-Through Revenue and Limited Tax Bonds, Series 2015A					
Date Issued: August 13, 2015					
Interest Rate: 2.00 - 5.00					
Original Amount: \$17,405,000	16,665,000	-	350,000	16,315,000	360,000
Maturing Date: June 15, 2044					
Pass-Through Revenue and Limited Tax Bonds, Series 2015B					
Date Issued: August 13, 2015					
Interest Rate: 2.00 - 5.00					
Original Amount: \$29,385,000	26,995,000	-	540,000	26,455,000	560,000
Maturing Date: June 15, 2045					

Bexar County, Texas  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 September 30, 2018

Bexar County, Texas  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 September 30, 2018

NOTE H – LONG-TERM DEBT (Continued)

NOTE H – LONG-TERM DEBT (Continued)

Primary Government (Continued)

Primary Government (Continued)

	Balance Outstanding October 1, 2017	Issued During Year	Retired During Year	Balance Outstanding September 30, 2018	Amount Due Within One Year
<b>Governmental Activities:</b>					
Combination Tax and Revenue Certificates of Obligation, Series 2014					
Date Issued: December 30, 2014					
Interest Rate: 3.00 - 5.00					
Original Amount: \$87,130,000	86,630,000	-	500,000	86,130,000	500,000
Maturing Date: June 15, 2040					
Combination Tax and Revenue Certificates of Obligation, Series 2016					
Date Issued: August 25, 2016					
Interest Rate: 2.00 - 5.00	91,675,000	-	100,000	91,575,000	100,000
Original Amount: \$91,675,000					
Maturing Date: June 15, 2045					
Combination Tax and Revenue Certificates of Obligation, Series 2016					
Date Issued: December 20, 2016					
Interest Rate: 3.00 - 5.00	95,280,000	-	100,000	95,180,000	100,000
Original Amount: \$95,280,000					
Maturing Date: June 15, 2045					
Combination Tax and Revenue Certificates of Obligation, Series 2016					
Date Issued: December 20, 2016					
Interest Rate: 3.00 - 5.00	20,330,000	-	1,040,000	19,290,000	1,090,000
Original Amount: \$20,330,000					
Maturing Date: June 15, 2031					

	Balance Outstanding October 1, 2017	Issued During Year	Retired During Year	Balance Outstanding September 30, 2018	Amount Due Within One Year
<b>Governmental Activities:</b>					
Certificates of Obligation Pass-Through Revenue and Limited Tax Bonds, Series 2017					
Date Issued: November 29, 2017					
Interest Rate: 4.00 - 5.00					
Original Amount: \$40,840,000	1,087,760,000	40,840,000	422,650,000	705,950,000	14,045,000
Maturing Date: June 15, 2043	\$ 1,672,900,000	\$ 453,695,000	\$ 443,030,000	\$ 1,683,565,000	\$ 35,410,000
Total Certificates of Obligation					
Total Bonds, Certificates of Obligation					
	40,928,803	14,990,239	10,232,201	45,686,841	11,421,710
	40,928,803	14,990,239	10,232,201	45,686,841	11,421,710
	\$ 1,713,828,803	\$ 468,685,239	\$ 453,262,201	\$ 1,729,251,841	\$ 46,831,710
<b>Other Liabilities</b>					
Compensated absences					
Total Other Liabilities					
<b>Total Governmental Activities</b>					

Bexar County, Texas  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2018

**NOTE H – LONG-TERM DEBT (Continued)**

**Primary Government (Continued)**

	Balance Outstanding October 1, 2017	Issued During Year	Retired During Year	Balance Outstanding September 30, 2018	Amount Due Within One Year
<b>Business-type Activities:</b>					
<b>Revenue Bonds</b>					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds, Series 2008A</u>					
Date Issued: September 4, 2008					
Interest Rate: 3.50 - 5.25					
Original Amount: \$42,145,000	37,675,000	-	595,000	37,080,000	620,000
Maturing Date: August 15, 2047					
<u>Taxable Venue Project Revenue Refunding Bonds, Series 2008B</u>					
Date Issued: September 4, 2008					
Interest Rate: 3.77 - 6.98					
Original Amount: \$50,810,000	39,100,000	-	1,610,000	37,490,000	1,705,000
Maturing Date: August 15, 2032					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds, Series 2008C</u>					
Date Issued: September 4, 2008					
Interest Rate: 3.50 - 5.00					
Original Amount: \$5,525,000	4,545,000	-	145,000	4,400,000	150,000
Maturing Date: August 15, 2037					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds, Series 2008D</u>					
Date Issued: September 4, 2008					
Interest Rate: 3.50 - 5.00					
Original Amount: \$5,985,000	4,925,000	-	155,000	4,770,000	165,000
Maturing Date: August 15, 2037					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds, Series 2009</u>					
Date Issued: December 17, 2009					
Interest Rate: 2.00 - 5.00					
Original Amount: \$27,870,000	25,735,000	-	705,000	25,030,000	730,000
Maturing Date: August 15, 2039					

Bexar County, Texas  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2018

**NOTE H – LONG-TERM DEBT (Continued)**

**Primary Government (Continued)**

	Balance Outstanding October 1, 2017	Issued During Year	Retired During Year	Balance Outstanding September 30, 2018	Amount Due Within One Year
<b>Business-type Activities:</b>					
<b>Revenue Bonds</b>					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds, Series 2009</u>					
Date Issued: December 17, 2009					
Interest Rate: 2.00 - 5.00					
Original Amount: \$23,020,000	21,160,000	-	570,000	20,590,000	590,000
Maturing Date: August 15, 2039					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds (MVRT), Series 2010</u>					
Date Issued: December 14, 2010					
Interest Rate: 3.00 - 5.50					
Original Amount: \$27,365,000	25,600,000	-	340,000	25,260,000	360,000
Maturing Date: August 15, 2049					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds (CVT), Series 2010</u>					
Date Issued: December 14, 2010					
Interest Rate: 3.00 - 5.50					
Original Amount: \$39,695,000	37,135,000	-	495,000	36,640,000	520,000
Maturing Date: August 15, 2049					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds (CVT), Series 2013</u>					
Date Issued: January 23, 2013					
Interest Rate: 2.00-5.00					
Original Amount: \$92,190,000	91,190,000	-	250,000	90,940,000	250,000
Maturing Date: August 15, 2049					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds (MVRT), Series 2013</u>					
Date Issued: January 23, 2013					
Interest Rate: 2.00-5.00					
Original Amount: \$25,880,000	24,315,000	-	415,000	23,900,000	425,000
Maturing Date: August 15, 2049					
<u>Tax-Exempt Venue Project Revenue Refunding Bonds, (CVT), Series 2015</u>					
Date Issued: November 18, 2015					
Interest Rate: 3.00-5.00					
Original Amount: \$78,935,000	76,330,000	-	1,025,000	75,305,000	1,070,000
Maturing Date: August 15, 2051	\$ 387,710,000	\$ -	\$ 6,305,000	\$ 381,405,000	\$ 6,585,000
<b>Total Revenue Bonds</b>					
	\$ 387,710,000	\$ -	\$ 6,305,000	\$ 381,405,000	\$ 6,585,000

Bexar County, Texas  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 September 30, 2018

**NOTE H - LONG-TERM DEBT (Continued)**

**Primary Government (Continued)**

Annual debt service requirements as of September 30, 2018 are as follows:

Fiscal Year	Governmental Activities		Business-type Activities		Total All Debt
	Principal	Interest	Principal	Interest	
2019	35,410,000	77,324,879	112,734,879	18,927,768	138,247,647
2020	39,680,000	75,692,667	115,372,667	18,620,911	140,868,578
2021	41,915,000	73,751,617	115,666,617	18,293,465	141,170,082
2022	39,530,000	71,706,917	111,236,917	17,952,479	136,724,396
2023	42,335,000	69,821,567	112,156,567	17,578,725	137,640,292
2024-2028	274,755,000	313,854,333	588,609,333	81,392,864	716,037,197
2029-2033	362,840,000	243,727,868	606,567,868	67,995,153	732,168,021
2034-2038	432,455,000	159,652,597	592,107,597	52,351,325	713,043,922
2039-2043	383,975,000	58,906,995	442,881,995	35,419,813	546,736,808
2044-2048	30,670,000	1,881,500	32,551,500	17,604,925	130,421,425
2049-2051	-	-	24,370,000	1,599,225	25,969,225
	\$1,683,565,000	\$1,146,320,940	\$2,829,885,940	\$347,736,653	\$3,559,027,593

In the government-wide financial statements, governmental activities, deferred charges on refundings of bonds (losses) are amortized over the life of the new debt or old debt, whichever is shorter; bond premiums, bond discounts, and prepaid insurance costs are amortized over the life of the debt. Bonds payable are reported net of the applicable bond premiums and bond discounts.

**Governmental Activities**

Capital assets, net of related debt, include land, equipment and construction in progress, buildings, depreciable land assets, machinery and equipment, and infrastructure, net of accumulated depreciation. The amount is reduced by outstanding bonds, certificates of obligation, net of unspent proceeds, related to improving, purchasing, or constructing capital assets and expenditures for assets owned by the entities.

In prior years, the General Fund has been used to liquidate the liability for compensated absences and net pension obligation whereas the Internal Service Fund has been used to liquidate the net other post-employment benefit obligation.

Bexar County, Texas  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 September 30, 2018

**NOTE H - LONG-TERM DEBT (Continued)**

**Primary Government (Continued)**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
Bonds	\$ 585,140,000	\$ 412,855,000	\$ 20,380,000	\$ 977,615,000	\$ 21,365,000
Certificates of obligation	1,087,760,000	40,840,000	422,650,000	705,950,000	14,045,000
Unamortized premium	1,672,900,000	453,695,000	443,030,000	1,683,565,000	35,410,000
Total bonds payable	153,772,980	65,035,490	31,020,768	187,787,702	10,196,801
Other liabilities	1,826,672,980	518,730,490	474,050,768	1,871,352,702	45,606,801
Compensated absences	40,928,803	14,990,239	10,232,201	45,686,841	11,421,711
Total other liabilities	40,928,803	14,990,239	10,232,201	45,686,841	11,421,711
Total Governmental Activities long-term liabilities	\$ 1,867,601,783	\$ 533,720,729	\$ 484,282,969	\$ 1,917,039,543	\$ 57,028,512

**Business-type Activities**

In business-type activities, deferred charges on refundings of bonds (losses) are amortized over the life of the new debt or old debt, whichever is shorter; bond premiums, discounts, and the cost of prepaid insurance are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond discount and premiums.

Capital assets, net of related debt include buildings, improvements, and equipment, net of accumulated depreciation. This amount is reduced by the outstanding revenue bonds, net of unspent proceeds, related to constructing, purchasing, or improving capital assets.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>					
Tax-Exempt Rev Ref Bonds	\$ 37,675,000	\$ -	\$ 595,000	\$ 37,080,000	\$ 620,000
Taxable Rev Ref Bonds	39,100,000	-	1,610,000	37,490,000	1,705,000
Tax-Exempt Revenue Bonds (CVT)	25,705,000	-	715,000	24,990,000	740,000
Tax-Exempt Revenue Bonds (MVRT)	30,660,000	-	860,000	29,800,000	895,000
Tax-Exempt Sub Lien Rev Bonds	25,600,000	-	340,000	25,260,000	360,000
Tax-Exempt Sub Lien Ref Rev Bonds	37,135,000	-	495,000	36,640,000	520,000
Tax-Exempt Rev Ref Bonds (CVT)	91,190,000	-	250,000	90,940,000	250,000
Tax-Exempt Rev Ref Bonds (MVRT)	24,315,000	-	415,000	23,900,000	425,000
Tax-Exempt Sub Lien Rev Bonds (CVT)	76,330,000	-	1,025,000	75,305,000	1,070,000
	387,710,000	-	6,305,000	381,405,000	6,585,000
Unamortized premium	8,872,900	-	278,838	8,594,062	278,838
Unamortized discount	(1,587,792)	-	(52,357)	(1,535,455)	(52,357)
Total revenue bonds payable	394,995,108	-	6,531,501	388,463,607	6,811,501
Total Business-Type Activities long-term liabilities	\$ 394,995,108	\$ -	\$ 6,531,501	\$ 388,463,607	\$ 6,811,501

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE H – LONG-TERM DEBT (Continued)**

**Primary Government (Continued)**

**Fiscal Year 2017-2018 Debt Obligation Activity**

**Governmental Activities**

In November 2017, the County issued \$40,480,000 in Pass-Through Revenue and Limited Tax Bonds, Series 2017 at a premium of \$6,289,621 with the payments of the related principal and interest to be made from an annual ad valorem tax levied against all taxable property within the County. Proceeds from the sale of the Bonds will be used for paying the County's obligations arising under the Pass-Through Agreement with respect to constructing the Potranco Road Project to be made in partnership with TxDOT and to pay for the costs of issuing the Bonds. The annual interest rate on the bonds range from 4.00% - 5.00%. Interest accrues semiannually and the bonds mature in fiscal year 2043.

In December 2017, the County issued \$384,715,000 in Limited Tax Refunding Bonds, Series 2017 at a premium of \$56,768,870 to pay for the costs of issuing the Refunding Bonds and refund \$15,980,000 in Combination Tax and Revenue Certificates of Obligation, Series 2011A; \$29,675,000 in Combination Tax and Revenue Certificates of Obligation, Series 2013; \$28,650,000 in Combination Tax and Revenue Certificates of Obligation, Series 2013A; \$310,440,000 in Combination Tax and Revenue Certificates of Obligation, Series 2013B. The bond proceeds were placed in an irrevocable trust to provide for all debt service payments on the old bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$32,861,595. The current refunding was undertaken to reduce debt service payments over the next 26 years by \$22,617,569 and resulted in an economic gain of \$15,043,840. For the Series 2017 bonds, the payment of the principal and interest are to be made from an annual ad valorem tax levied against all taxable property within the County. The annual interest rates on the bonds range from 3.00% - 5.00%. Interest accrues semiannually and the bonds mature in fiscal year 2043.

In December 2017, the County issued \$28,140,000 in Flood Control Tax Refunding Bonds, Series 2017 at a premium of \$1,976,997 to pay for the costs of issuing the Refunding Bonds and to refund \$28,385,000 in Combination Flood Control Tax and Revenue Certificates of Obligation, Series 2011. The bond proceeds were placed in an irrevocable trust to provide for all debt service on the old bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$645,000. The current refunding was undertaken to reduce debt service payments over the next 20 years by \$1,955,538 and resulted in an economic gain of \$1,498,982. For the Series 2017 bonds, the payment of the principal and interest are to be made from an annual ad valorem tax levied against all taxable property within the County. The annual interest rates on the bonds range from 2.00% - 4.00%. Interest accrues semiannually and interest accrues semiannually and the bonds mature in fiscal year 2037.

**NOTE H – LONG-TERM DEBT (Continued)**

**Primary Government (Continued)**

**Defeasance of Debt**

The County has defeased certain general obligation bonds and certificates of obligation by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

At September 30, 2018, the outstanding principal balance of these defeased bonds was as follows:

<b>Governmental Activities:</b>	
<b>General Obligation Bonds:</b>	
Limited Tax General Obligations Bonds, Series 2010	19,290,000
Total General Obligation Bonds	\$ 19,290,000

**Certificates of Obligation:**

Combination Flood Control Tax & Revenue, Series 2009A	100,525,000
Combination Tax & Revenue, Series 2009A	95,975,000
Combination Tax & Revenue, Series 2010A	74,855,000
Combination Tax & Revenue, Series 2011	56,010,000
Combination Tax & Revenue, Series 2011	28,385,000
Combination Tax & Revenue, Series 2011A	15,980,000
Combination Tax & Revenue, Series 2013	29,675,000
Combination Tax & Revenue, Series 2013A	28,650,000
Combination Tax & Revenue, Series 2013B	310,440,000
Total Certificates of Obligation	<u>740,495,000</u>
Total Defeased Debt	<u>\$ 759,785,000</u>

**Arbitrage Rebate**

The Tax Recovery Act of 1986 established regulations for the rebate to the federal government on arbitrage earnings on certain local government bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due on an annual basis and remit the amount due at least every five years. The County has no cumulative rebate amount due or payable as of September 30, 2018.

**Compensated Absences**

Changes in long-term compensated absences for the year ended September 30, 2018 were as follow:

**Governmental Activities:**

Balance	Balance	Due in One
October 1, 2017	September 30, 2018	Year
\$ 40,928,803	\$ 10,232,201	\$ 11,421,711
\$ 14,990,239	\$ 45,686,841	\$ 11,421,711



**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE H – LONG-TERM DEBT (Continued)**

The System

The schedule of changes in the System's long-term debt for 2017 follows:

	Balance at January 1, 2017	Additions	Reductions	Balance at December 31, 2017	Amounts Due Within One Year
Bonds payable:					
Certificate of obligations, series 2008, net	30,720	-	(6,015)	24,705	6,720
Certificate of obligations, series 2009A, net	6,745	-	(6,745)	-	-
Certificate of obligations, series 2009B, net	246,395	-	-	246,395	7,005
Certificate of obligations, series 2010B, net	181,275	-	(3,675)	177,600	4,250
Certificate of obligations, series 2015, net	9,850	-	(9,850)	-	-
Limited Tax Refunding Bonds, series 2016, net	199,240	-	(3,980)	195,260	-
	<u>674,225</u>	<u>-</u>	<u>(30,265)</u>	<u>643,960</u>	<u>17,975</u>

The combination tax and revenue Certificates of Obligation, series 2008 (the 2008 Certificates) were issued in 2008, and mature in various amounts annually on February 15, from 2009 through 2038. The 2008 Certificates have stated coupon rates ranging from 3.25% to 5.00%, and are collateralized by a levy of ad valorem tax revenue and lien on and pledge of surplus revenues. The tax Certificates of Obligation, series 2009A (the 2009A Certificates) were issued in 2009, and mature in various amounts annually on February 15, from 2010 through 2017, with stated coupon rates ranging from 1.00% to 5.00%. The Series 2009A Certificates were paid in full during 2017. The tax Certificates of Obligation, series 2009B (the 2009B Certificates) were issued in 2009, and mature in various amounts annually on February 15, from 2018 through 2039, with stated coupon rates ranging from 5.269% to 6.904%. The tax Certificates of Obligation, series 2010B (the 2010B Certificates) were issued in 2010, and mature in various amounts annually on February 15, from 2011 through 2040, with stated coupon rates ranging from 0.300% to 5.413% and are collateralized by a levy of ad valorem tax revenue. The 2009B Certificates and 2010B Certificates are designated under the American Recovery and Reinvestment Act of 2009 as "Qualified Build America Bonds" debt. The combination tax and revenue Certificates of Obligation, Series 2015 (the 2015 Certificates) were issued in 2015. Prior to being paid in full in 2017, the 2015 Certificates matured in various amounts annually through February 15, 2017, with a stated coupon rate of 0.750%. The 2015 Certificates are collateralized by a levy of ad valorem tax revenue and lien on and pledge of surplus revenues. In August 2016, the System advance refunded \$215,485 of the Series 2008 Certificates with the issuance of the Limited Tax Refunding Bonds (the 2016 Bonds). As a result of the refunding, the System decreased its total debt service requirements by \$69,350 and incurred an accounting loss of approximately \$15,155. The accounting loss on the refunding is being amortized into interest expense using a straight-line method over the term of the 2016 Bonds, which mature in 2037. The balance of the deferred loss on the refunding is \$14,374, and \$15,144 at December 31, 2017 and 2016, respectively, and is included as a deferred outflow of resources in the accompanying balance sheets. The 2016 Bonds were issued in 2016, and mature in various amounts annually on February 15, from 2017 through 2037, with stated coupon rates ranging from 1.5% to 5.0% and are collateralized by a levy of ad valorem tax revenue and lien on and pledge of surplus revenues.

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE H – LONG-TERM DEBT (Continued)**

The District

In September 2009, the District issued \$22,520,000 in Limited Ad Valorem Tax Utility System Bonds, Series 2009 for the purpose of reimbursing the Developer for authorized and approved construction costs incurred within the District. The bonds will be paid over a twenty-five year period with a maturity date of August 15, 2034, and interest rates of ranging from 3.00% - 6.25%. The Limited Ad Valorem Tax Utility System Bonds, Series 2009 matures on August 15, 2034.

In October 2014, the District issued \$48,900,000 Hotel Tax and Sales and Use Tax Revenue Bonds Taxable, Series 2014 to reduce the Economic Development Grant from the Developer. The bonds will be paid over a twenty year period with a maturity date of August 15, 2034 and an interest rate of 7.00%.

In December 2014, the District issued \$8,965,000 Limited Ad Valorem Tax Road Bonds, Series 2014 to reimburse the Developer for public improvements. The bonds will be paid over a twenty year period with a maturity date of August 15, 2034 and an interest rate ranging from 3.00% - 4.10%.

	Balance at October 1, 2016	Additions	Reductions	Balance at September 30, 2017	(Discount) / Premium Balance at September 30, 2017	Amount Due Within One Year
Bonds payable:						
Limited Ad Valorem Tax Utility System Bonds: Series 2009	\$ 18,715,000	\$ -	\$ 620,000	\$ 18,095,000	\$ (252,252)	\$ 655,000
Limited Ad Valorem Tax Road Bonds: Series 2014	8,200,000	-	345,000	7,855,000	3,735	350,000
Limited Ad Valorem Tax Road Bonds: Series 2016	-	9,575,000	520,000	9,055,000	2,183	415,000
Subtotal	26,915,000	9,575,000	1,485,000	35,005,000	(246,334)	1,420,000
Hotel Tax and Sales and Use Tax Revenue Bonds Taxable: Series 2014	44,965,000	-	1,815,000	43,150,000	-	1,445,000
Total	<u>\$ 71,880,000</u>	<u>\$ 9,575,000</u>	<u>\$ 3,300,000</u>	<u>\$ 78,155,000</u>	<u>\$ (246,334)</u>	<u>\$ 2,865,000</u>

On January 26, 2006, the District entered into an agreement, with the Developer, for the construction of public improvements and for certain public improvements that had already been undertaken by the Developer prior to the date of the agreement. Interest accumulates on unreimbursed costs at a rate of 9.75% per annum, compounded monthly, from the time the Developer requests reimbursement. As of September 30, 2017, the amount due to the Developer is \$45,829,914, which includes \$21,404,648 of accrued interest.

A summary of changes in amounts due to developer for the year ended September 30, 2017 follows:

Balance - October 1, 2016	\$ 43,069,338
Interest Accrued in the Current Year	4,195,576
Current Year Payments	(1,435,000)
Balance - September 30, 2017	<u>\$ 45,829,914</u>
Amount Due Within One Year	\$ -

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE H – LONG-TERM DEBT (Continued)**

**The Authority**

Long-term debt activity for the year ended September 30, 2018 is as follows:

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Due in One Year
TxDOT - FAA 1	\$ 913,890.00	\$ -	\$ -	\$ 913,890.00	\$ -
TxDOT - FAA 2	4,542,185	-	-	4,542,185	-
TxDOT - FAA 3	128,714	-	-	128,714	-
TxDOT - FAA 5	12,390,000	-	-	12,390,000	-
VRF Jr Lien	52,320,000	-	-	52,320,000	-
VRF Sr Lien	60,350,000	-	1,845,000	58,505,000	1,915,000
Premium	19,871,823	-	1,531,833	18,339,990	-
Total long-term liabilities	\$ 150,516,612	\$ -	\$ 3,376,833	\$ 147,139,779	\$ 1,915,000

On December 16, 2005, the Authority entered into a financial assistance agreement (FAA 1) with TxDOT to provide funding for the Authority's participation in the procurement process for a proposed comprehensive development agreement. This agreement is not to exceed \$1,000,000 and is noninterest-bearing. Funds were drawn down as authorized expenses were incurred. The amount outstanding at September 30, 2018 totaled \$913,890. On January 23, 2006, the Authority entered into a financial assistance agreement (FAA 2) with TxDOT to provide funding for the development costs of certain toll projects. This agreement is not to exceed \$7,500,000 and is noninterest-bearing. Funds were drawn down as authorized expenses were incurred. The amount outstanding at September 30, 2018 totaled \$4,542,185. On September 11, 2007, the Authority entered into a financial assistance agreement (FAA 3) with TxDOT to provide funding for the development costs of certain toll projects. FAA 3 is being funded with remaining unused funds on the previous FAAs. Funds were drawn down as authorized expenses were incurred. This agreement is not to exceed \$3,043,925 (the amount of unused funds from the previous FAAs) and is noninterest-bearing. \$2,915,211 of FAA 3 was reduced by TxDOT during the fiscal year 2011 for accepted work product on W urzbach Parkway and Bandera Road. The amount outstanding at September 30, 2016 totaled \$128,714. On February 3, 2009, the Authority entered into a financial assistance agreement (FAA 5) with TxDOT to provide funding for the environmental impact statement and Loop 1604 redevelopment costs. TxDOT awarded \$12,390,000 in the form of a loan to conduct feasibility studies, environmental studies, public involvement, schematics, and preliminary financial plans associated with the addition of toll lanes on identified projects. The amount outstanding at September 30, 2018 totaled \$12,390,000. Any revenue used to repay the financial assistance agreements shall not exceed 10 percent of the revenue received in any calendar year.

On June 15, 2016, the Authority issued \$114,425,000 (\$62,105,000 in Senior Lien and \$52,320,000 in Junior Lien bonds) in Alamo Regional Mobility Authority Vehicle Registration Fee Revenue Bonds, Series 2016 (maturing in 2046) at a premium of \$21,950,110 with the payment of the related principal and interest to be made from a pledge of net revenues from a \$10 vehicle registration fee assessed on all vehicles registered in Bexar County. Interest on the debt varies between 4-5 percent. The proceeds from the debt will be used to (i) initiate construction on 14 local transportation projects spread-out across Bexar County (ii) funding for two debt service reserve insurance policies and (iii) pay for cost of issuance. The Authority purchased a surety policy in the amount of \$239,356 at the time of closing which is recorded as a prepaid asset. The prepaid asset is amortized over the life of the bond and has a balance of \$221,056 at September 30, 2018.

Vehicle registration fees are projected to produce 255 percent of the debt service requirements over the life of the bonds. The total principal and interest remaining to be paid on the bonds is \$208,255,600. Principal and interest paid in fiscal year 2018 and total vehicle registration fee revenue in fiscal year 2018 was \$7,440,900 and \$16,267,220, respectively.

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE I – RESTRICTED ASSETS AND LIABILITIES**

**Primary Government**

The government-wide and business-type activities financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted or unrestricted. In the fund financial statements, nonspendable, restricted, and committed segregate portions of fund balance that are either not available or have been earmarked for specific purposes from unassigned balances. These designations and restrictions can be found on pages 31 and 34.

**The System**

Certain noncurrent Cash and Investments have been internally restricted by the Board of Managers, which may, at its discretion, later use the funds for other purposes. The composition of internally restricted cash is set forth in the following table:

	2017 (In Thousands)
Capital acquisitions and improvements	\$ 180,631
Professional self-insurance held in trust	5,103
Contingency fund	255,216
<b>Total assets limited as to use</b>	<b>\$ 440,950</b>

**NOTE J – SELF INSURANCE**

**Primary Government**

The County is self-insured for the majority of health, workers' compensation, and third-party general and property liability claims. The self-insurance programs are administered by external third-party administrators whose primary function is to administer and pay claims. Self-insurance activities are accounted for as an internal service fund.

The County relies upon a combination of self-insurance and commercial coverage for workers' compensation and third-party liability claims. Claims administration is managed by an external agency pursuant to contractual terms for the receipt, investigation, and resolution of claims either by injured employees or third-parties alleging damage to persons or property. From October 1, 2017 through March 31, 2018, the internal service funds provide coverage for up to \$100,000 for most liability claims and up to \$150,000 for claims arising out of law enforcement activities, and \$150,000 for automobile liability claims. From April 1, 2018 through present, the internal service funds provide coverage for up to \$100,000 for most liability claims, \$200,000 for claims arising out of law enforcement related activities, and \$100,000 for automobile liability claims. Claims which exceed this self-insured retention (SIR) are covered by a combination of primary and excess coverage up to \$5,000,000. For workers' compensation claims, for injuries from October 1, 2017 through present, the SIR would be \$750,000 for most employees and \$1,000,000 for most uniformed law enforcement personnel. Excess coverage that exceeds the SIR is afforded up to statutory limits by an excess commercial workers' compensation policy.

Excess loss insurance is carried on the health program, which limits losses on claims within a calendar year. For calendar year 2017, this limit for losses on claims was \$400,000 per occurrence and an annual aggregate of approximately \$72.9 million. For calendar year 2018, this limit was \$400,000 per occurrence and an annual aggregate of approximately \$69.4 million. The provision for unpaid self-insurance health losses at year end is included in claims payable in the internal services fund. It is based upon actual prior claim cost experience and average time lags in settling such claims and actual claims paid after year end. There has been no significant reduction in insurance coverage from coverage in the prior year by major category of risk.

All funds of the County participate in the health program and make payments to the Self-Insurance Fund based on estimates computed by the County of the amounts needed to pay prior and current year claims. The claims liability of \$9,591,839 reported at September 30, 2018 is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. This Statement requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated

Bexar County, Texas  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 September 30, 2018

**NOTE J – SELF INSURANCE (Continued)**

**Primary Government (Continued)**

Changes in the fund's claims liability for fiscal years ended September 30, 2017 and 2018 were:

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claims Payment	Ending Balance	Due in One Year
2017	\$ 8,776,119	\$ 44,600,018	\$ 44,480,634	\$ 8,895,503	\$ 7,299,633
2018	\$ 8,895,503	\$ 48,667,322	\$ 47,970,986	\$ 9,591,839	\$ 8,349,649

**NOTE K – CONTRACT BETWEEN BEXAR COUNTY AND THE SAN ANTONIO RIVER AUTHORITY**

In 1951, Bexar County voters authorized an ad valorem levy for flood control of fifteen cents per one hundred dollars of valuation of taxable property. A 1955 contract with the San Antonio River Authority (SARA) and subsequent amendments, have provided to SARA a portion of the proceeds with the remaining flood control tax collections being retained by the County. The last amendment to the contract, referred to as *The 1999 Amended Contract*, maintains that the County will set a tax rate, which at 90% current collections, will provide revenues sufficient to pay the annual principal and interest of SARA bonds which are payable from the proceeds of the County's flood control tax. For the fiscal year ended September 30, 2018, the County transferred \$3,102,341 to SARA as part of this agreement.

**NOTE L – LEASES**

**Operating Leases**

The County has entered into several cancelable facilities and equipment leases which are accounted for as operating leases. Total operating lease expenditures for the year ended September 30, 2018 by fund type are as follows:

General	Capital Projects	Nonmajor		Total
		Governmental Funds	Business Type Activities	
\$ 4,699,991	\$ 17,440	\$ 501,660	\$ 6,699	\$ 5,229,446

**NOTE M – CHARITY CARE**

**The System (in thousands)**

The System provides charity care to residents of Bexar County who qualify on a financial basis for the CareLink Program and to all others who qualify based on the System's charity care policy. The System does not pursue collection of amounts in excess of the established guidelines for those patients who meet the charity criteria. Such excess is considered charity care and is not reported as revenue.

The System's CareLink Program is used to discount gross charges for medical services received in the System's facilities. Under this program, residents of Bexar County have an established maximum family liability rather than a discount of total gross charges. Key factors in establishing a family's maximum liability levels are: number of dependents, income, and the relationship of these factors to the current Poverty Index. The System does not pursue collection of amounts in excess of the maximum family liability. Such excess amounts are considered charity care and are not reported as revenue.

Bexar County, Texas  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 September 30, 2018

**NOTE M – CHARITY CARE (Continued)**

**The System (Continued)**

Arrangements are made with residents of Bexar County to pay their reduced medical costs in installments. Any amounts designated as not being due prior to December 31 of the subsequent year are classified as long-term patient receivables and are presented net of applicable allowances.

Non-CareLink patients meeting the financial and medical indigency criteria established in the charity policy receive a discount from gross charges for emergency and catastrophic medical services received in the System's facilities. Charges for financial indigency are discounted based on family income compared to the Poverty Index. Charges for medical indigency are discounted when charges exceed a certain income and asset level.

The System maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. The charges forgone, based on established rates, were approximately \$568,930 and \$520,139 for the years ended December 31, 2017 and 2016, respectively. The costs of charity care provided under the System's charity care policy were approximately \$174,048 and \$162,750 for 2017 and 2016, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross charity care charges.

**NOTE N – RETIREMENT PLAN**

**Primary Government**

**Plan Description**

The County provides retirement, disability, and death benefits for all of its eligible employees through a nontraditional defined benefit pension plan (the plan) in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system which consists of 738 nontraditional defined benefit pension plans. TCDRS, in the aggregate, issues a Comprehensive Annual Financial Report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted and may be amended by the governing body of the County within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum and who are not eligible to retire are not entitled to any amounts contributed by their employer.

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

At December 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2,553
Inactive employees entitled to but not yet receiving benefits	3,282
Active employees	5,362
	<u>11,197</u>

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE N – RETIREMENT PLAN (Continued)**

**Funding Policy**

The County has elected the Annually Determined Contribution Rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 13.21% of covered payroll for the months of the calendar year in 2017, and 13.61% of covered payroll for the months of the calendar year in 2018.

The deposit rate payable by all employee members for the calendar years 2017 and 2018 is 7% as adopted by the governing body of the County. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

The TCDRS board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

1. Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments.
2. Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits.
3. Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy.

**Net Pension Liability**

The County's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	3.25%
Investment Rate of Return	8.10%

Mortality rates for service retirees, as well as the beneficiaries of both service and disability retirees were based on the RP-2014 Healthy Annuity Mortality Table with an age set forward of one year and Projection Scale AA for Males, and the RP-2014 Combined Female Table with no age adjustment and Projection Scale AA for Females. For disabled retirees, the RP-2014 Disabled Male Table with no age adjustment and Projection Scale AA for Males, and the RP-2014 Disabled Female Table with an age set forward of two years and Projection Scale AA for Females are used.

The actuarial assumptions that determined the total pension liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB Statement No. 68.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2018 information for a 10 year time horizon.

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE N – RETIREMENT PLAN (Continued)**

**Net Pension Liability (Continued)**

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017.

Asset Class	Target Allocation	Geometric Real Rate of Return
US Equities	11.50%	4.55%
Private Equity	16.00%	7.55%
Global Equities	1.50%	4.85%
International Equities - Developed	11.00%	4.55%
International Equities - Emerging	8.00%	5.55%
Investment-Grade Bonds	3.00%	0.75%
Strategic Credit	8.00%	4.12%
Direct Lending	10.00%	8.06%
Distressed Debt	2.00%	6.30%
REIT Equities	2.00%	4.05%
Master Limited Partnerships (MLPs)	3.00%	6.00%
Private Real Estate Partnerships	6.00%	6.25%
Hedge Funds	18.00%	4.10%

**Discount Rate/Depletion of Plan Assets**

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE N – RETIREMENT PLAN (Continued)**

**Discount Rate/Depletion of Plan Assets (Continued)**

In order to determine the discount rate to be used by the employer, TCDRS used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the County's funding policy and the legal requirements under the TCDRS Act.

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

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB Statement No. 68 purposes. Therefore, a discount rate of 8.10% was used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

**Changes in the Net Pension Liability**

**Primary Government**

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2016	\$ 1,223,447,992	\$ 1,057,477,031	\$ 165,970,961
Changes for the year:			
Service cost	31,847,959	-	31,847,959
Interest on total pension liability	98,279,663	-	98,279,663
Effect of plan changes	1,008,641	-	1,008,641
Effect of economic/demographic gains or losses	1,315,545	-	1,315,545
Effect of assumption changes or inputs	5,389,426	-	5,389,426
Refund of contributions	(2,349,767)	(2,349,767)	-
Benefit payments	(54,981,287)	(54,981,287)	-
Administrative expenses	-	(791,182)	791,182
Member contributions	-	16,875,435	(16,875,435)
Net investment income	-	152,558,046	(152,558,046)
Employer contributions	-	32,431,852	(32,431,852)
Other	-	(114,788)	114,788
Balances as of December 31, 2017	<u>\$ 1,303,958,172</u>	<u>\$ 1,201,105,340</u>	<u>\$ 102,852,832</u>

**NOTE N – RETIREMENT PLAN (Continued)**

**Sensitivity Analysis**

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$ 1,495,759,776	\$ 1,303,958,172	\$ 1,174,773,490
Fiduciary net position	1,218,622,570	1,201,105,340	1,218,622,570
Net pension liability / (asset)	<u>\$ 277,137,206</u>	<u>\$ 102,852,832</u>	<u>\$ (43,849,079)</u>

**Pension Expense / (Income)**

	January 1, 2017 to December 31, 2017
Service cost	\$ 31,847,959
Interest on total pension liability	98,279,663
Effect of plan changes	1,008,641
Administrative expenses	791,182
Member contributions	(16,875,435)
Expected investment return net of investment expenses	(84,376,220)
Recognition of deferred inflows/outflows of resources	-
Recognition of economic/demographic gains or losses	(2,011,802)
Recognition of assumption changes or inputs	3,211,964
Recognition of investments gains or losses	7,486,017
Other	114,788
Pension expense / (income)	<u>\$ 39,476,758</u>

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE N – RETIREMENT PLAN (Continued)

Deferred Inflows / Outflows of Resources

As of December 31, 2017, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 5,641,903	\$ 1,171,155
Changes of assumptions	-	8,788,979
Net difference between projected and actual earnings	13,899,908	-
Contributions made subsequent to measurement date	<u>\$ 19,541,811</u>	<u>\$ 26,357,311</u>
		<u>\$ 36,317,446</u>

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

Year ended December 31:	
2018	8,897,429
2019	6,175,545
2020	(12,060,598)
2021	(12,594,053)
2022	-
Thereafter	-

NOTE O – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Primary Government

Plan Description

The County is self-insured for employee and retiree healthcare and maintains two plans: Bexar County Premium PPO Plan and Bexar County Base PPO Plan. Participation in the Plan is elective by each retiree. Healthcare benefits include, but are not limited to, prescription drugs, hospitalization, and preventative care. To be eligible, the retiree must meet the requirements from TCDRS (see note N) and have been enrolled in the County's Healthcare Plan for the year in which they retire. The OPEB Plan provides medical, dental, vision, and basic life insurance benefits to plan members. The benefits provided are not guaranteed. Additionally, the benefit provisions are subject to change at any time and to annual appropriation of funds by the Commissioners Court. Currently, the County is accounting for OPEB using an internal service fund. A separate financial report for the healthcare plan is not issued.

Summary of Significant Accounting Policies

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

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE O – OTHER POST EMPLOYMENT BENEFITS (Continued)

Primary Government (Continued)

Summary of Significant Accounting Policies (Continued)

The County is required by GASB Statement No. 75 to disclose additional information with regard to funding policy, the employer's annual OPEB cost and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

Employees covered by benefit terms. At October 1, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	764
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>3,755</u>
Total	<u>4,519</u>

Total OPEB Liability

The County's total OPEB liability of \$190,671,163 is reported herein as of September 30, 2018 for the fiscal year and reporting period of October 1, 2017 to September 30, 2018. The values shown for this fiscal year and reporting period are based on a measurement date of October 1, 2017 and the corresponding measurement period of October 1, 2016 to September, 2017. The measurement of the total OPEB liability is based on a valuation date of October 1, 2016.

Funding Policy

Commissioner Court has the authority to establish and amend contribution requirements of the plan members and the participation employer. The plan is funded on a pay-as-you-go basis and incurred \$4,637,050 in total claims for the fiscal year ended September 30, 2018. The funds to pay these claims are derived from the employer contributions and retiree premiums.

The following table presents the monthly premium amounts paid by retirees based on their classification and plan.

	<u>Retiree Without Medicare</u>		<u>Retiree With Medicare</u>		<u>Contribution per Retiree</u>
	<u>Premium PPO Plan</u>		<u>Premium PPO Plan</u>		
Retiree		302.54		N/A	
Retiree + 1 Dependent		494.46	Retiree	333.54	
Retiree + 2 or More		614.41	Retiree + 1 Dependent	453.49	
			Retiree + 2 or More		
Retiree		302.54	Base PPO Plan	N/A	
Retiree + 1 Dependent		442.25	Retiree	281.32	
Retiree + 2 or More		529.43	Retiree + 1 Dependent	368.50	
			Retiree + 2 or More		
Retiree		N/A	MAPD Plan	116.38	
Retiree + 1 Dependent		N/A	Retiree	232.76	
Retiree + 2 or More		N/A	Retiree + 1 Dependent	349.14	
			Retiree + 2 or More		

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE O – OTHER POST EMPLOYMENT BENEFITS (Continued)

Primary Government (Continued)

**Actuarial Assumptions and Actuarial Methods**

The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.50%
Salary Scale:	3.00%
Healthcare Cost Trend Rates:	5.87% for fiscal year end 2017 (to reflect actual experience), 8.00% for fiscal year end 2018, decreasing 0.333% per year until a rate of 5.00% is reached and then an ultimate rate of 4.50% thereafter
Mortality:	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2017
Actuarial Cost Method:	Entry Age Actuarial Cost Method

**Expected Return on Assets**

The discount rate has been set equal to 3.50% and represents the Municipal GO AA 20-year yield curve rate as of September 29, 2017.

**Changes in the Total OPEB Liability**

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (a) - (b)
<b>Balances at October 1, 2017</b>	\$ 181,219,260	\$ -	\$ 181,219,260
Changes for the year			
Service cost	6,526,989	-	6,526,989
Interest	6,508,938	-	6,508,938
Differences between expected and actual experience	-	-	-
Contributions - employer	-	3,584,024	(3,584,024)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments	(3,584,024)	(3,584,024)	-
Changes of benefit terms	-	-	-
Administrative expense	-	-	-
Other changes	-	-	-
<b>Net changes</b>	<u>9,451,903</u>	<u>-</u>	<u>9,451,903</u>
<b>Balances at September 30, 2018*</b>	<u>\$ 190,671,163</u>	<u>\$ -</u>	<u>\$ 190,671,163</u>

\*Measurement date is October 1, 2017

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE O – OTHER POST EMPLOYMENT BENEFITS (Continued)

Primary Government (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability/ (asset) of the employer as of the measurement date calculated using the discount rate, as well as what the employer's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
Employer's Net OPEB Liability/ (Asset)	\$ 228,867,278	\$ 190,671,163	\$ 161,177,260

Sensitivity of the net OPEB liability to changes in the Trend rate. The following presents the net OPEB liability/ (asset) of the employer as of the measurement date calculated using the Health trend rate, as well as what the employer's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
Employer's Net OPEB Liability/ (Asset)	\$ 158,091,748	\$ 190,671,163	\$ 233,311,360

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

For the year ended September 30, 2018, under GASB 75 the County's OPEB expense is \$13,035,927. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of September 30, 2018 from various sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions after Measurement Date but prior to fiscal year end	4,637,050	-
<b>Total</b>	<u>\$ 4,637,050</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	Amount:
2019	-
2020	-
2021	-
2022	-
2023	-

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE O – OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Primary Government (Continued)**

**Additional Disclosures**

Texas Local Government Code, Chapter 175 allows counties to make available continued health benefits coverage under certain circumstances to retirees and their dependents beyond the end of an individual's employment with the County ("Continuation Coverage") by permitting covered employees to purchase continued health benefits coverage in retirement. Texas Law does not require counties to fund all or any portion of such coverage.

Because the County is given the authority to pay OPEB for its retired employees, it may incur a debt obligation to pay for OPEB so long as the County follows the constitutional requirement that it have sufficient taxing authority available at the time such debt is incurred to provide for the payment of the debt and has in fact levied a tax for such purpose concurrently with the incurrence of the debt. Any debt incurred in contravention of this constitutional requirement is considered void and payment will not be due.

The County has not incurred a legal debt obligation for OPEB and has not levied a tax for the same. The County funds the cost associated with OPEB on a current "pay as you go" basis for a single fiscal year through an annual appropriation authorized by Commissioners Court during the County's annual budget adoption process. GASB Statement No. 75 requires governmental organizations to recognize an actuarially calculated accrued liability for OPEB, even though it may not have a legally enforceable obligation to pay OPEB benefits. Accordingly, information and amounts presented in the County's Comprehensive Annual Financial Report relative to OPEB expense/expenditures, related liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles and does not constitute or imply that the County has made a commitment or is legally obligated to provide the OPEB benefit.

**NOTE P – CONDUIT DEBT**

**Primary Government**

The component unit, Bexar County Housing Finance Corporation (BCHFC), is authorized to finance residential housing by issuing its tax-exempt revenue bonds to acquire mortgage loans made to low or moderate income persons, and to pledge such mortgage loans as security for the payment of the principal and interest of such revenue bonds. The tax-exempt bonds issued by the BCHFC do not constitute a debt or a pledge of faith or credit of the BCHFC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. At September 30, 2018, the aggregate amount of conduit debt outstanding was \$181,545,680.

The component unit, Bexar County Health Facilities Development Corporation (BCHDFC), is authorized to acquire, construct, provide, improve, finance, and refinance health facilities to assist the maintenance of the public health by issuing its tax-exempt revenue bonds. The bonds are secured by the property financed. The tax-exempt bonds issued by the BCHFC do not constitute a debt or a pledge of faith or credit of the BCHDFC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. At September 30, 2018, the aggregate amount of conduit debt outstanding was \$41,400,000.

**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE Q – COMMITMENTS AND CONTINGENCIES**

**Primary Government**

The County is committed under various contracts in connection with the renovation of the detention facilities and certain other County buildings, road and bridge improvements, flood control projects, and parks and recreational improvements. These commitments are \$98,035,738.

The Bexar County Housing Finance Corporation is committed to grant awards made to various agencies to aid in various housing development activities. Amounts committed at September 30, 2018 by the Corporation are \$268,487 for grant commitments. In addition, the Corporation has designated \$150,000 for administrative reserve.

The Bexar County Health Facilities Development Corporation's purpose is to acquire, construct, provide, improve, finance, and refinance health facilities to assist the maintenance of the public health. At September 30, 2018, the Corporation has designated \$100,000 for administrative reserve.

There are various lawsuits outstanding against the County at September 30, 2018 involving claims relating to jail, civil rights, and various other matters. A provision has been recorded for these contingencies in the Internal Services Fund for which the range of loss is estimated between \$300,000 and \$1,915,702.

The County participates in several state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required, and the collectability of any related, receivable may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

During the fiscal year ended September 30, 2016, the County and the Deputy Sheriff's Association of Bexar County executed a collective bargaining agreement effective from May 12, 2016 through September 30, 2020. The total estimated cumulative cost of the agreement over the three-year contact period is \$42.6 million.

**The System**

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

**The District**

As inducement for the development of the resort hotel, spa, and golf courses (the Project), the District agreed to grant to the Developer a development grant to be used as partial payment of the costs borne by the Developer in completing the Project. Under this amended agreement, the Project owner assigned its right to the Developer to receive, on a subordinate basis, available hotel and resort sales and use tax collections (development grant), after ten consecutive annual payments (senior HOT and sales tax grants) are made to the Project owner in an amount equal to the annual ad valorem tax it paid to the District.

Monthly payments are required if hotel and resort sales and use tax collections are available. Bonds secured by sales and use tax revenues may be issued to pay the Developer in lieu of the monthly payments. The monthly payments under this agreement are dependent on several factors, such as, the amount of hotel and resort sales and use tax generated, and the ad valorem taxes imposed on the Project



Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE Q – COMMITMENTS AND CONTINGENCIES (Continued)

The District (Continued)

owners. During the year, the District paid \$465,000 in economic development expenses to the Developer, where \$234,200 was applied to principal and \$230,800 to interest.

NOTE R – SUBSEQUENT EVENTS

Governmental Activities

In December 2018, the County issued \$198,035,000 in Combination Tax and Revenue Certificates of Obligation, Series 2018 at a premium of \$18,640,750 with the payments of the related principal and interest to be made from an annual ad valorem tax levied against all taxable property within the County. Proceeds from the sale of the Series 2018 Certificates will be used for making permanent public improvements and for other public purposes, to-wit: designing, acquiring, constructing, renovating, improving and equipping the Bexar County Courthouse, Bexar County Jail, the "old" Bexar County Jail, Bexar County Adult Detention Facilities (Annex and Detention Center), Bexar County Juvenile Detention Facilities, Justice of the Peace/Constable Facilities, Forensic Science Center, Technology Centers, Bexar County Crime Lab, Bexar County Sheriff's Department law enforcement facilities, Bexar County Justice Center, Bexar County District Court Facilities, Bexar County Data Center, Bexar County Public Works Facility, and other Bexar County-owned administrative facilities, recreational facilities, mental health services facilities, library facilities, and civil and criminal justice facilities; acquiring computer hardware and software and other technology (including information technology system and network upgrades and improvements), communication, and audio/visual equipment and the payment of professional fees related thereto, including the County-wide Integrated Justice System and Financial Management System; acquiring, constructing, renovating, improving, and equipping parks and recreational facilities; and the purchase of park vehicles; acquiring vehicles and equipment for various County offices and departments; designing, constructing, repairing, and improving County roads (including utilities relocation and related bridge and drainage improvements); designing, acquiring, and constructing and equipping parking facilities; acquiring materials, supplies, equipment, machinery, land, easements, right-of-way and other interests in real property for authorized needs and purposes relating to any of the foregoing purposes; and the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects. The annual interest rate on the bonds ranges from 4.00% - 5.00%. Interest accrues semiannually and the bonds mature in fiscal year 2045.

NOTE S – FUND AND NET POSITION

Net Position Classifications

Net position in the proprietary fund financial statements and the government-wide financial statements are classified in three categories:  
1) Net investment in capital assets, 2) Restricted net position, and 3) Unrestricted net position.

Fund Balance Classifications

Under GAAP, fund balance is divided into five classifications based upon the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Nonspendable** - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

**Restricted** - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Bexar County, Texas  
NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2018

NOTE S – FUND AND NET POSITION (Continued)

**Committed** - The committed fund balance classification includes amounts that can be used only for specific purposes imposed by formal action such as a resolution of Commissioners Court. Those committed amounts cannot be used for any other purpose unless Commissioners Court removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Commissioners Court, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - 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 restricted or committed. Such intent should be expressed by Commissioners Court or its designated officials to assign amounts to be used. The County Manager, by virtue of appointment to that office and as a normal function of that office, has the authority to assign fund balance to particular purposes. Assignments made by the County Manager can occur during the budget process or throughout the year in the normal course of business. Commissioners Court, at their discretion, may make assignments of fund balance or direct other County officials to do so. Constraints imposed on the use of the assigned amounts can be removed with no formal action.

**Unassigned** - The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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**Bexar County, Texas**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 5 – FUND AND NET POSITION BALANCES (Continued)**

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The County maintains a minimum fund balance reserve policy to maintain strong financial reserves and stability and to protect the County's bond ratings. Key components of the reserve policy are as follows:

- Commissioners Court has set a policy to maintain a General Fund operating reserve of 15% of budgeted, annual, operating expenditures. The policy establishes sufficient working capital and margin of financial safety to address unforeseen, one-time emergency expenditures.
- Use of this reserve would occur after all other current budgetary resources of funding have been exhausted, and no other category of fund balance is available to satisfy the funding needed. Commissioners Court authorization is required for fund balance to be appropriated from the Unassigned General Fund Reserve.

At September 30, 2018, the OPEB Fund (an internal service fund), the Self-Insurance Fund (an internal service fund), the Fleet Maintenance Fund (an internal service fund), and the Community Venue Fund (an enterprise fund) had deficit net positions of \$184,278,339, \$3,972,120, \$41,995 and \$61,864,777, respectively.

Pursuant to GASB 75, a liability for other postemployment benefits obligations, known as the net OPEB liability, is to be recognized on the balance sheets of participating employers. Changes in the net OPEB liability from year-to-year will be recognized as OPEB expense on the Statement of Activities and Statement of Revenues, Expenses, and Changes in Net Position or reported as deferred outflows/inflows of the resources depending on the type of change. Deferred inflows/outflows of resources are amounts that are not entirely recognized when they occur. They are recognized over a period of time. Therefore, the beginning net position on the following statements has been restated to reflect the deferred outflows of resources and the net OPEB liability that were incurred in prior years:

Statement of Activities	
Governmental	
Net position - beginning	\$ 464,059,283
Deferred outflows of resources	6,698,581
Net OPEB liability	<u>(109,680,057)</u>
Net position - restated	<u>\$ 361,077,807</u>

Statement of Revenues, Expenses and Changes in Net Position	
Internal Service	
Net position - beginning	\$ (71,931,312)
Deferred outflows of resources	6,698,581
Net OPEB liability	<u>(109,680,057)</u>
Net position - restated	<u>\$ (174,912,788)</u>

The OPEB Fund deficit is due to the accrual of the OPEB obligation. See Note O for more information. The County anticipates that a portion of the deficit in the OPEB Fund will be offset by revenue enhancements and expenditure reductions through changes to the County's health plans and adjustments to health insurance premiums. In addition, the County will continue to transfer funds from the General Fund.

The deficit balance in the Self-Insurance Fund is due to an increase in healthcare costs which correspond to a nationwide projected increase for the year ended September 30, 2018. For fiscal year 2018 County Commissioners increased the premiums for the Premium Preferred Provider Organization Plan and Base Preferred Provider Organization Plan to offset the increase in healthcare costs. The deficit balance in the Fleet Maintenance Fund is due to an increase in personnel costs.

The deficit balance in the Community Venue Fund is primarily attributed to expenses for assets owned by other entities. The County issues bonds to finance these projects that do not get capitalized on the fund's financial statements. The net effect of these transactions leaves a liability balance on the fund's financial statements for the bonds the County is still obligated to pay. The total balance for

**NOTE 5 – FUND AND NET POSITION BALANCES (Continued)**  
Fund balances by classification as of September 30, 2018 pursuant to GASB No. 54 are as follows:

	Major Funds				Total Governmental Funds
	General Fund	Debt Service	Capital Projects	Special Revenue Funds	
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Long-term receivable	\$ 4,840,184	\$ -	\$ -	\$ -	\$ 4,840,184
Prepaid Assets	21,174	-	-	-	21,174
Inventories	316,393	-	-	-	316,393
<b>Restricted for:</b>					
Debt service	-	81,935,785	-	-	81,935,785
Courthouse facilities	-	-	2,069,883	-	2,069,883
Roads and Bridges	-	-	9,576,798	-	9,576,798
Advanced Transportation District	-	-	77,715,352	-	77,715,352
Flood projects	-	-	220,474,057	-	220,474,057
Other capital projects	-	-	127,644,902	-	127,644,902
County Clerk Records Management	-	-	-	28,014,461	28,014,461
County Records Management	-	-	-	173,013	173,013
Courthouse Security	-	-	-	5,386	5,386
Justice of Peace Technology	-	-	-	168,008	168,008
Fire Code	-	-	-	5,363,050	5,363,050
District Clerk Records Management	-	-	-	384,265	384,265
Law Library	-	-	-	57,620	57,620
County Wide Court Technology	-	-	-	146,113	146,113
Dispute Resolution	-	-	-	100,965	100,965
Justice of Peace Security	-	-	-	572,593	572,593
Domestic Relations	-	-	-	3	3
Probate Contribution	-	-	-	386,849	386,849
LEOSE	-	-	-	229,814	229,814
Child Abuse Prevention	-	-	-	13,515	13,515
Drug Court Program	-	-	-	11,388	11,388
District Court Records Technology	-	-	-	113,260	113,260
Juvenile Case Manager	-	-	-	9,956	9,956
Probate Guardianship	-	-	-	202,281	202,281
Probate Education	-	-	-	276,626	276,626
Juvenile Delinquency Prevention	-	-	-	27,837	27,837
Grants	-	-	-	12,552,709	12,552,709
Stormwater Mitigation	-	-	-	7,056,008	7,056,008
Chapter 19 Voter Registration	-	-	-	1,125	1,125
Election Contracting Services	-	-	-	461,767	461,767
Tax Collector's Account Special Inventory	-	-	-	13,682	13,682
District Attorney Programs	-	-	-	548,091	548,091
Asset Forfeitures	-	-	-	4,389,773	4,389,773
Housing Finance Corp	-	-	-	1,855,684	1,855,684
Health Facilities Development Corp	-	-	-	230,894	230,894
Industrial Development Corp	-	-	-	1,779	1,779
<b>Committed to:</b>					
Technology Improvement	-	-	-	920,864	920,864
<b>Assigned:</b>					
Technology Improvement	-	-	-	-	-
<b>Unassigned:</b>	\$ 87,977,792	\$ -	\$ -	\$ -	\$ 87,977,792
<b>Total fund balances</b>	\$ 93,155,543	\$ 81,935,785	\$ 437,480,992	\$ 64,289,370	\$ 676,861,690

**NOTE S – FUND AND NET POSITION BALANCES (Continued)**

expenses on assets owned by other entities is \$215,367,813 at September 30, 2018. See Table 19 in the Statistical Section for detailed balances.

**NOTE T – JOINT VENTURES**

San Antonio Bexar County Soccer Public Facility Corporation (SABC PFC) was created in fiscal year 2016 as a joint venture between the County and the City of San Antonio to own Toyota Field, a professional soccer stadium. The SABC PFC is governed by a four member board comprised of two appointees from the County and two from the City. The County contributed \$9,700,000 and whereas the City contributed \$9,500,000 to SABC PFC, both the County and the City have an ongoing financial interest in SABC PFC. SABC PFC has entered into a lease with San Antonio Football Club Management (SA FC) for the use of Toyota Field for a term of 20 years at an annual lease rental of \$1,000,000. As part of this agreement, there is a provision requiring reimbursement to the County and City of a combined \$5,000,000 should no MLS franchise be awarded to SA FC. In future years, the financial statements can be obtained at the SABC PFC office at: 100 Military Plaza, San Antonio, TX 78205.

**NOTE U – TAX ABATEMENT PROGRAM**

The County enters into property tax abatement agreements with businesses under the Property Redevelopment and Tax Abatement Act. Under this Act, the County may grant property tax abatements on ad valorem taxes for personal and/or real property as an economic development incentive for attracting and/or retaining businesses in order to create jobs and increase the tax base. Commitments under the tax abatement agreements include certain employment and capital investment levels. If the employment and/or capital investment level commitments are not met, taxes previously abated are subject to recapture by the County.

For the fiscal year ended September 30, 2018, the County abated property taxes totaling \$2,054,563 under this program, including the following tax abatement agreements that each exceeded \$100,000 of the total amount abated:

- A 60 percent real property tax abatement to a residential apartment complex for capital investment in central Bexar County. The personal and property taxes abated for the fiscal year ended September 30, 2018 were \$124,468.
- A 75 percent personal and real property tax abatement to a retail store chain for the construction of a distribution center in east Bexar County. The personal and property taxes abated for the fiscal year ended September 30, 2018 were \$251,514.
- A 100 percent personal and real property tax abatement to a financial services company for the construction of a regional corporate campus in west Bexar County. The personal and property taxes abated for the fiscal year ended September 30, 2018 were \$154,051.
- A 100 percent personal property tax abatement to a manufacturer of vehicles for the production of a specific type of vehicle. The personal property taxes abated for the fiscal year ended September 30, 2018 were \$392,041.

**NOTE V – INNER CITY CLINIC**

The County has entered into an agreement with The Center for Health Care Services to build a multi-facility campus named the Inner City Center. The Inner City Center shall be owned by the County but shall be operated by the Center. The County has agreed to provide to the Center funding of up to approximately \$23,000,000 to support the development and construction of the Inner City Center. This amount is a portion of the funding necessary to construct the Inner City Center and represents the proceeds received by the County through the issuance and sale of Combination Tax and Revenue Certificates of Obligation, Series 2016A.

As of September 30, 2018, the County has provided \$16,675,660 as its share of the funding for the construction of the Inner City Center. As of August 31, 2018, the Center has invested \$15,098,563 toward the overall project development. Construction is anticipated to be substantially complete by the calendar year end in 2018. These costs have been capitalized and recorded as assets in each party's respective financial statements.

In consideration of the County's agreement to finance the Inner City Center with the Obligations, the Center shall be obligated to pay the County for debt service on the Obligations. Since the County will benefit from the operation of the mental health services at the Inner City Center for the County's Substance Use/Jail Diversion Program and Youth Services Program, the County may, at its sole discretion, choose annually to offset all or any portion of the scheduled annual rental payments with in-kind services provided at the Inner City Clinic. Through fiscal year 2018, the Center was required to make a \$2,590,400 rental payment in accordance with the Schedule of Annual Rental Payments; however, since \$885,449 was provided in such in-kind services through September 30, 2018, a receivable for the difference, in the amount of \$1,704,951 was recorded in the County's financial statements.



The Alamo  
Photo by Robert Parker  
<https://robert-parker.smugmug.com>

Bexar County, Texas  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For Fiscal Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual Amount	Variance
<b>REVENUES</b>				
Ad valorem taxes				
Current	\$ 336,080,000	\$ 336,080,000	\$ 336,610,054	\$ 530,054
Delinquent	2,000,000	2,000,000	1,295,430	(704,570)
Penalty and interest	1,975,070	1,975,070	2,162,793	187,723
Gross	340,055,070	340,055,070	340,068,277	13,207
- TIFs	(3,800,000)	(3,800,000)	(3,592,409)	207,591
Net ad valorem taxes	336,255,070	336,255,070	336,475,868	220,798
Other taxes, licenses and permits	28,286,500	28,286,500	28,243,752	(42,748)
Intergovernmental revenues	7,590,185	7,590,185	9,002,943	1,412,758
Court cost and fines	15,140,000	15,140,000	14,498,101	(641,899)
Fees on motor vehicles	6,158,600	6,158,600	6,048,070	(110,530)
Other fees	24,640,475	24,640,475	25,768,778	1,128,303
Commissions from governmental units	5,071,619	5,071,619	5,041,751	(29,868)
Revenues from use of assets	18,302,200	18,302,200	18,326,513	24,313
Sales, refunds and miscellaneous	3,891,500	3,891,500	4,771,769	880,269
<b>TOTAL REVENUES</b>	<b>445,336,149</b>	<b>445,336,149</b>	<b>448,177,525</b>	<b>2,841,376</b>

**EXPENDITURES**  
**GENERAL GOVERNMENT**

Commissioners Court	1,937,293	2,137,150	2,137,150	-
Personnel cost	13,400	15,926	15,892	34
Remuneration for services	40,115	42,724	42,646	78
Operational costs	15,139	9,931	9,451	480
Supplies and materials	2,005,947	2,205,731	2,205,139	592
<b>Total Commissioners Court</b>				
County Clerk	7,832,167	7,848,630	7,848,628	2
Personnel costs	7,370	7,370	6,798	572
Remuneration for services	153,626	153,626	133,074	20,552
Operational costs	228,500	212,037	177,442	34,595
Supplies and materials	8,221,663	8,221,663	8,165,942	55,721
(continued)				

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Bexar County, Texas  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For Fiscal Year Ended September 30, 2018

Bexar County, Texas  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance
<b>County Auditor</b>				
Personnel costs	5,071,489	5,094,389	5,094,383	6
Remuneration for services	22,455	22,455	22,389	66
Operational costs	49,461	49,461	48,682	779
Supplies and materials	47,546	47,546	47,280	266
<b>Total County Auditor</b>	<b>5,190,951</b>	<b>5,213,851</b>	<b>5,212,734</b>	<b>1,117</b>
<b>Information Technology</b>				
Personnel costs	12,952,508	12,952,508	11,610,794	1,341,714
Remuneration for services	212,000	212,000	203,708	8,292
Operational costs	9,230,712	9,230,712	8,608,680	622,032
Supplies and materials	251,000	262,739	205,090	57,649
Capital expenditures	20,000	8,261	-	8,261
<b>Total Information Technology</b>	<b>22,666,220</b>	<b>22,666,220</b>	<b>20,628,272</b>	<b>2,037,948</b>
<b>Tax Assessor-Collector</b>				
Personnel costs	11,028,229	11,321,169	11,321,166	3
Remuneration for services	27,000	27,000	23,524	3,476
Operational costs	814,106	738,872	733,162	5,710
Supplies and materials	645,128	574,228	569,728	4,500
Capital expenditures	20,000	31,945	31,873	72
<b>Total Tax Assessor-Collector</b>	<b>12,534,463</b>	<b>12,693,214</b>	<b>12,679,453</b>	<b>13,761</b>
<b>Purchasing</b>				
Personnel costs	1,251,517	1,251,517	1,237,952	13,565
Remuneration for services	14,211	14,211	11,635	2,576
Operational costs	85,310	85,310	79,123	6,187
Supplies and materials	17,900	17,900	15,407	2,493
<b>Total Purchasing</b>	<b>1,368,938</b>	<b>1,368,938</b>	<b>1,344,117</b>	<b>24,821</b>
<b>County Manager</b>				
Personnel costs	1,055,008	1,117,100	1,117,100	-
Remuneration for services	12,000	14,950	14,943	7
Operational costs	58,956	44,656	44,449	207
Supplies and materials	10,650	4,450	3,871	579
<b>Total County Manager</b>	<b>1,136,614</b>	<b>1,181,156</b>	<b>1,180,363</b>	<b>793</b>
<b>Budget</b>				
Personnel costs	778,153	817,441	817,440	1
Remuneration for services	15,000	17,500	16,022	1,478
Operational costs	8,408	7,408	6,272	1,136
Supplies and materials	10,000	8,500	5,980	2,520
<b>Total Budget</b>	<b>811,561</b>	<b>850,849</b>	<b>845,714</b>	<b>5,155</b>
<b>County Auditor</b>				
Management and Finance				
Personnel costs	648,760	667,078	667,076	2
Remuneration for services	6,000	7,078	7,077	1
Operational costs	18,953	24,310	24,309	1
Supplies and materials	15,300	3,599	3,565	34
<b>Total Management and Finance</b>	<b>689,013</b>	<b>702,065</b>	<b>702,027</b>	<b>38</b>
<b>Human Resources</b>				
Personnel costs	1,009,274	1,041,811	1,041,809	2
Remuneration for services	10,000	8,828	8,827	1
Operational costs	303,483	287,898	287,897	1
Supplies and materials	44,800	29,020	28,911	109
<b>Total Human Resources</b>	<b>1,367,557</b>	<b>1,367,557</b>	<b>1,367,444</b>	<b>113</b>
<b>Elections</b>				
Personnel costs	1,710,070	1,710,070	1,659,969	50,101
Remuneration for services	3,050	3,060	1,104	1,946
Operational costs	1,540,454	1,726,862	1,316,041	410,821
Supplies and materials	479,250	526,064	526,061	3
Capital expenditures	25,000	25,000	-	25,000
<b>Total Elections</b>	<b>3,757,824</b>	<b>3,991,046</b>	<b>3,503,175</b>	<b>487,871</b>
<b>Economic Development</b>				
Personnel costs	1,932,303	2,179,249	1,784,168	395,081
Remuneration for services	31,818	36,886	32,511	4,375
Operational costs	149,977	151,177	91,959	59,218
Supplies and materials	48,050	48,948	47,138	1,810
<b>Total Economic Development</b>	<b>2,162,148</b>	<b>2,416,260</b>	<b>1,955,776</b>	<b>460,484</b>
<b>Facilities Management - Administration and Facilities Improvement</b>				
Maintenance Program and Mail Room				
Personnel costs	1,294,040	1,373,857	1,373,857	-
Remuneration for services	10,504	10,504	8,436	2,068
Operational costs	709,889	900,189	795,751	104,438
Supplies and materials	140,481	233,689	224,086	9,603
Capital expenditures	514,706	21,508	21,507	1
<b>Total Facilities Management - Administration and Facilities Improvement</b>	<b>2,669,620</b>	<b>2,539,747</b>	<b>2,423,637</b>	<b>116,110</b>
<b>Facilities Management - County Buildings</b>				
Personnel costs	1,575,990	1,575,990	1,482,519	93,471
Remuneration for services	12,380	12,380	12,014	366
Operational costs	2,948,475	2,652,544	2,555,541	97,003
Supplies and materials	266,646	276,446	228,328	48,118
<b>Total Facilities Management - County Buildings</b>	<b>4,803,491</b>	<b>4,517,360</b>	<b>4,278,402</b>	<b>238,958</b>

(continued)

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For Fiscal Year Ended September 30, 2018**

**Bexar County, Texas**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For Fiscal Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual Amount	Variance
<b>County Wide</b>				
Personnel costs	3,079,465	3,755,917	966,045	2,789,872
Remuneration for services	15,000	15,000	4,633	10,367
Operational costs	26,873,296	27,654,374	26,206,286	1,448,088
Supplies and materials	182,150	182,150	133,359	48,791
<b>Total County Wide</b>	<b>30,149,911</b>	<b>31,607,441</b>	<b>27,310,323</b>	<b>4,297,118</b>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>99,535,921</b>	<b>101,543,098</b>	<b>93,802,518</b>	<b>7,740,580</b>
<b>JUDICIAL</b>				
<b>Criminal District Attorney</b>				
Personnel costs	34,829,649	36,000,828	36,000,828	-
Remuneration for services	100,500	94,943	94,942	1
Operational costs	505,086	486,713	486,708	5
Supplies and materials	387,162	405,079	405,078	1
<b>Total Criminal District Attorney</b>	<b>35,822,397</b>	<b>36,987,563</b>	<b>36,987,556</b>	<b>7</b>
<b>Central Magistrate - District Clerk</b>				
Personnel costs	1,265,794	1,284,436	1,284,435	1
Operational costs	18,610	14,810	14,802	8
Supplies and materials	25,825	25,825	25,340	485
<b>Total Central Magistrate - District Clerk</b>	<b>1,310,229</b>	<b>1,325,071</b>	<b>1,324,577</b>	<b>494</b>
<b>Central Magistrate - Criminal District Courts</b>				
Personnel costs	677,556	701,177	701,176	1
Remuneration for services	3,600	3,600	-	3,600
Operational costs	3,896,211	3,872,590	3,819,547	53,043
Supplies and materials	1,500	1,500	-	1,500
<b>Total Central Magistrate - District Courts</b>	<b>4,578,867</b>	<b>4,578,867</b>	<b>4,520,723</b>	<b>58,144</b>
<b>Trial Expenses</b>				
Remuneration for services	-	2,294	2,294	-
Operational costs	1,837,054	1,943,374	1,943,373	1
Supplies and materials	195,182	194,198	194,198	-
<b>Total Trial Expenses</b>	<b>2,032,236</b>	<b>2,139,866</b>	<b>2,139,865</b>	<b>1</b>
<b>District Clerk</b>				
Personnel costs	9,609,311	9,749,134	9,749,134	-
Remuneration for services	9,154	9,154	7,040	2,114
Operational costs	105,264	84,264	81,096	3,168
Supplies and materials	284,353	284,353	278,937	5,416
Capital expenditures	75,321	58,321	58,216	105
<b>Total District Clerk</b>	<b>10,083,403</b>	<b>10,185,226</b>	<b>10,174,423</b>	<b>10,803</b>
<b>County Courts at Law</b>				
Personnel costs	6,962,439	7,081,610	7,081,610	-
Remuneration for services	21,186	16,800	16,800	-
Operational costs	2,467,237	2,643,395	2,643,395	-
Supplies and materials	34,000	32,741	32,741	-
<b>Total County Courts at Law</b>	<b>9,484,862</b>	<b>9,774,546</b>	<b>9,774,546</b>	<b>-</b>
<b>Probate Courts</b>				
Personnel costs	1,563,046	1,624,650	1,624,649	1
Operational costs	131,116	143,401	143,401	-
Supplies and materials	2,500	2,500	2,465	35
<b>Total Probate Courts</b>	<b>1,696,662</b>	<b>1,770,551</b>	<b>1,770,515</b>	<b>36</b>
<b>Justices of the Peace, Precinct 1</b>				
Personnel costs	1,317,808	1,377,405	1,377,405	-
Remuneration for services	6,750	2,962	2,961	1
Operational costs	17,026	12,246	12,245	1
Supplies and materials	23,200	25,872	25,870	2
<b>Total Justices of the Peace, Precinct 1</b>	<b>1,364,784</b>	<b>1,418,485</b>	<b>1,418,481</b>	<b>4</b>
<b>Justices of the Peace, Precinct 2</b>				
Personnel costs	930,325	930,206	930,206	-
Remuneration for services	4,500	5,505	5,504	1
Operational costs	285,825	270,828	270,828	-
Supplies and materials	34,550	33,568	33,568	-
<b>Total Justices of the Peace, Precinct 2</b>	<b>1,255,200</b>	<b>1,260,107</b>	<b>1,260,106</b>	<b>1</b>
<b>Justices of the Peace, Precinct 3</b>				
Personnel costs	923,083	944,321	944,320	1
Remuneration for services	4,500	5,304	5,302	2
Operational costs	178,298	190,423	190,423	-
Supplies and materials	36,100	24,272	24,268	4
<b>Total Justices of the Peace, Precinct 3</b>	<b>1,141,981</b>	<b>1,164,321</b>	<b>1,164,313</b>	<b>8</b>

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Bexar County, Texas  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance
Justices of the Peace, Precinct 4				
Personnel costs	982,053	1,008,051	1,008,051	-
Remuneration for services	4,750	4,750	3,333	1,417
Operational costs	285,316	259,918	253,940	5,378
Supplies and materials	33,350	33,350	28,058	5,292
<b>Total Justices of the Peace, Precinct 4</b>	<b>1,305,469</b>	<b>1,305,469</b>	<b>1,293,382</b>	<b>12,087</b>
District Courts - Criminal				
Personnel costs	5,327,997	5,307,342	5,307,342	-
Remuneration for services	30,465	22,334	22,334	1
Operational costs	6,298,425	7,722,741	7,722,740	1
Supplies and materials	58,100	40,245	40,241	4
<b>Total District Courts - Criminal</b>	<b>11,714,987</b>	<b>13,092,663</b>	<b>13,092,657</b>	<b>6</b>
District Courts - Civil				
Personnel costs	4,731,573	4,882,738	4,882,738	-
Remuneration for services	44,100	31,375	31,374	1
Operational costs	3,242,076	3,632,039	3,632,038	1
Supplies and materials	124,600	106,704	106,704	-
<b>Total District Courts - Civil</b>	<b>8,142,349</b>	<b>8,652,856</b>	<b>8,652,854</b>	<b>2</b>
District Courts - Juvenile				
Personnel costs	2,281,661	2,301,623	2,301,623	-
Remuneration for services	15,330	15,330	12,304	3,026
Operational costs	771,070	750,949	740,687	10,262
Supplies and materials	32,300	32,459	32,457	2
<b>Total District Courts - Juvenile</b>	<b>3,100,361</b>	<b>3,100,361</b>	<b>3,087,071</b>	<b>13,290</b>
Judicial Services				
Personnel costs	5,623,860	5,741,432	5,741,432	-
Remuneration for services	16,563	17,313	14,633	2,680
Operational costs	696,788	971,309	971,306	3
Supplies and materials	771,162	80,972	75,018	5,954
Capital expenditures	-	18,740	-	18,740
<b>Total Judicial Services</b>	<b>6,414,373</b>	<b>6,829,766</b>	<b>6,802,389</b>	<b>27,377</b>
Bail Bond Board				
Personnel costs	63,070	64,715	64,709	6
Remuneration for services	1,350	1,350	949	401
Operational costs	2,473	2,473	2,426	47
Supplies and materials	763	763	704	59
<b>Total Bail Bond Board</b>	<b>67,656</b>	<b>69,301</b>	<b>68,788</b>	<b>513</b>

Bexar County, Texas  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance
4th Court of Appeals				
Personnel costs	83,639	83,674	83,673	1
Operational costs	1,212	1,177	1,174	3
<b>Total 4th Court of Appeals</b>	<b>84,851</b>	<b>84,851</b>	<b>84,847</b>	<b>4</b>
Public Defenders				
Personnel costs	1,353,359	1,353,359	1,349,101	4,258
Remuneration for services	16,062	14,385	14,385	1,677
Operational costs	26,598	29,098	25,845	3,253
Supplies and materials	17,600	15,100	10,412	4,688
<b>Total Public Defenders</b>	<b>1,413,619</b>	<b>1,413,619</b>	<b>1,399,743</b>	<b>13,876</b>
D.P.S. Warrants				
Personnel costs	109,106	111,876	111,867	9
<b>Total D.P.S. Warrants</b>	<b>109,106</b>	<b>111,876</b>	<b>111,867</b>	<b>9</b>
<b>TOTAL JUDICIAL</b>	<b>102,923,460</b>	<b>107,065,433</b>	<b>106,892,309</b>	<b>173,124</b>
PUBLIC SAFETY				
Sheriff Law Enforcement				
Personnel costs	65,246,028	66,695,778	66,695,777	1
Remuneration for services	506,974	507,558	507,555	3
Operational costs	3,054,598	3,451,336	3,451,331	5
Supplies and materials	2,378,474	2,368,097	2,368,097	-
Capital expenditures	295,716	96,319	96,318	1
<b>Total Sheriff Law Enforcement</b>	<b>71,481,790</b>	<b>73,119,088</b>	<b>73,119,078</b>	<b>10</b>
Adult Detention Center				
Personnel costs	57,038,322	66,681,798	66,681,798	-
Remuneration for services	47,379	47,379	38,641	8,738
Operational costs	4,591,860	5,075,438	5,075,438	-
Supplies and materials	1,828,090	1,686,263	1,631,624	54,639
Capital expenditures	41,187	37,390	29,775	7,615
<b>Total Adult Detention Center</b>	<b>63,546,858</b>	<b>73,528,268</b>	<b>73,457,276</b>	<b>70,992</b>
Sheriff Support Services				
Personnel costs	2,201,225	2,220,269	2,220,269	-
Remuneration for services	31,766	31,766	25,265	6,501
Operational costs	144,670	125,626	101,075	24,551
Supplies and materials	49,563	49,563	40,943	8,620
<b>Total Sheriff Support Services</b>	<b>2,427,224</b>	<b>2,427,224</b>	<b>2,387,552</b>	<b>39,672</b>

(continued)

Bexar County, Texas  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For Fiscal Year Ended September 30, 2018

Bexar County, Texas  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance		Original Budget	Final Budget	Actual Amount	Variance
Juvenile Probation					Constable Precinct 1				
Personnel costs	14,022,218	14,223,372	14,223,369	3	Personnel costs	1,872,585	1,954,207	1,954,207	-
Remuneration for services	325,650	294,330	291,982	2,368	Remuneration for services	1,965	479	478	1
Operational costs	1,808,629	2,059,084	2,059,084	-	Operational costs	89,015	85,736	85,735	1
Supplies and materials	326,366		328,534	4	Supplies and materials	103,677	104,482	104,481	1
Capital expenditures	-	137,724	137,723	1	<b>Total Constable Precinct 1</b>	<b>2,067,242</b>	<b>2,144,904</b>	<b>2,144,901</b>	<b>3</b>
<b>Total Juvenile Probation</b>	<b>16,482,863</b>	<b>17,043,068</b>	<b>17,040,692</b>	<b>2,376</b>	Constable Precinct 2				
Juvenile Institutions					Personnel costs	1,526,651	1,582,563	1,582,562	1
Personnel costs	15,862,605	15,862,605	15,486,098	376,507	Remuneration for services	4,535	2,762	2,761	1
Remuneration for services	-	13	12	1	Operational costs	266,073	273,018	273,017	1
Operational costs	1,425,763	1,279,539	934,652	344,887	Supplies and materials	111,677	77,644	77,644	-
Supplies and materials	512,227	515,438	515,435	3	<b>Total Constable Precinct 2</b>	<b>1,908,936</b>	<b>1,935,987</b>	<b>1,935,984</b>	<b>3</b>
<b>Total Juvenile Institutions</b>	<b>17,800,595</b>	<b>17,657,595</b>	<b>16,936,197</b>	<b>721,398</b>	Constable Precinct 3				
Child Support Probation					Personnel costs	1,413,606	1,414,626	1,390,302	24,324
Personnel costs	468,872	499,538	499,537	1	Remuneration for services	5,895	5,895	3,487	2,408
Operational costs	3,858	1,658	1,603	55	Operational costs	194,536	191,262	182,045	9,217
Supplies and materials	450	2	-	2	Supplies and materials	87,800	90,054	90,053	1
<b>Total Child Support Probation</b>	<b>473,180</b>	<b>501,198</b>	<b>501,140</b>	<b>58</b>	<b>Total Constable Precinct 3</b>	<b>1,701,837</b>	<b>1,701,837</b>	<b>1,665,887</b>	<b>35,950</b>
Community Supervision & Correction					Constable Precinct 4				
Operational costs	1,743,632	1,743,632	1,676,962	66,670	Personnel costs	1,650,526	1,702,744	1,702,743	1
Supplies and materials	57,921	59,446	36,388	23,058	Remuneration for services	5,600	2,881	2,879	2
Capital expenditures	1,800	275	-	275	Operational costs	307,665	311,002	311,001	1
<b>Total Community Supervision &amp; Correction</b>	<b>1,803,353</b>	<b>1,803,353</b>	<b>1,713,350</b>	<b>90,003</b>	Supplies and materials	69,300	66,015	66,014	1
Medical Examiner					<b>Total Constable Precinct 4</b>	<b>2,033,091</b>	<b>2,082,642</b>	<b>2,082,637</b>	<b>5</b>
Personnel costs	5,215,128	5,229,558	5,229,556	2	Facilities Management - Adult Detention Center				
Remuneration for services	64,300	64,300	45,526	18,774	Personnel costs	2,047,450	2,163,982	2,163,981	1
Operational costs	581,066	607,130	600,898	6,232	Remuneration for services	15,174	15,174	11,883	3,291
Supplies and materials	298,881	298,881	276,630	22,251	Operational costs	1,311,158	1,223,198	1,171,669	51,529
Capital expenditures	76,230	76,230	76,224	6	Supplies and materials	411,252	429,023	429,023	-
<b>Total Medical Examiner</b>	<b>6,235,605</b>	<b>6,227,099</b>	<b>6,228,834</b>	<b>47,265</b>	<b>Total Facilities Management - ADC</b>	<b>3,785,034</b>	<b>3,831,377</b>	<b>3,776,556</b>	<b>54,821</b>
Crime Lab					(continued)				
Personnel costs	2,470,398	2,641,008	2,641,002	6					
Remuneration for services	15,738	11,838	11,104	734					
Operational costs	189,312	185,912	185,540	372					
Supplies and materials	259,023	299,223	298,135	1,088					
<b>Total Crime Lab</b>	<b>2,934,471</b>	<b>3,137,981</b>	<b>3,135,581</b>	<b>2,400</b>					



Bexar County, Texas  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For Fiscal Year Ended September 30, 2018

Bexar County, Texas  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance		Original Budget	Final Budget	Actual Amount	Variance
<b>EDUCATION AND RECREATION</b>									
<b>BiblioTech</b>									
Personnel costs	1,224,193	1,233,016	1,233,016	-	BiblioTech	1,652,339	1,599,839	1,594,796	5,043
Remuneration for services	4,500	4,500	1,962	2,538	Personnel costs	19,540	24,540	24,412	128
Operational costs	489,121	756,177	756,093	84	Remuneration for services	641,264	743,756	743,756	8
Supplies and materials	121,005	106,683	106,312	371	Operational costs	83,550	78,550	69,542	9,008
Capital expenditures	-	5,500	5,500	-	Supplies and materials	3,000	3,000	-	3,000
<b>Total Facilities Management - Juvenile Institutions</b>	<b>1,838,819</b>	<b>2,105,876</b>	<b>2,102,883</b>	<b>2,993</b>	Capital expenditures	2,399,693	2,449,693	2,452,506	17,187
Facilities Management - Forensic Science Center					<b>Total BiblioTech</b>				
Operational costs	542,688	534,985	499,222	35,763	AgriLife	606,570	606,570	589,363	17,207
Supplies and materials	7,500	7,500	6,880	620	Personnel costs	23,400	23,400	21,072	2,328
<b>Total Facilities Management - FSC</b>	<b>550,188</b>	<b>542,485</b>	<b>506,102</b>	<b>36,383</b>	Remuneration for services	151,413	151,413	147,754	3,659
Fire Marshal					Operational costs	11,782	11,782	11,372	410
Personnel costs	1,073,092	1,100,450	1,100,449	1	Supplies and materials	793,165	793,165	769,561	23,604
Remuneration for services	20,500	20,835	20,834	1	<b>Total AgriLife</b>				
Operational costs	178,750	163,900	163,900	-	Personnel costs	2,259,519	2,259,519	2,225,996	33,523
Supplies and materials	90,855	93,038	93,037	1	Operational costs	244,540	244,540	241,173	3,367
<b>Total Fire Marshal</b>	<b>1,563,197</b>	<b>1,378,223</b>	<b>1,378,220</b>	<b>3</b>	Supplies and materials	228,300	228,300	221,292	7,008
Emergency Management					Capital expenditures	70,618	83,852	83,704	148
Personnel costs	549,169	578,623	578,622	1	<b>Total County Parks</b>	2,802,977	2,816,211	2,772,165	44,046
Remuneration for services	7,500	7,471	7,471	29	Bexar Heritage	610,569	651,749	651,743	6
Operational costs	162,870	142,906	142,905	1	Personnel costs	7,300	10,550	9,383	1,167
Supplies and materials	139,000	137,865	137,864	1	Remuneration for services	226,176	257,176	256,890	286
<b>Total Emergency Management</b>	<b>858,539</b>	<b>866,894</b>	<b>866,862</b>	<b>32</b>	Operational costs	8,250	5,750	4,475	1,275
Animal Control Services					Supplies and materials	852,295	925,225	922,491	2,734
Personnel costs	277,640	278,497	278,497	-	<b>Total Bexar Heritage</b>	6,848,130	6,984,294	6,896,723	87,571
Remuneration for services	4,897	4,897	1,101	3,796	<b>TOTAL EDUCATION AND RECREATION</b>				
Operational costs	312,312	306,425	177,284	129,141	<b>PUBLIC WORKS</b>				
Supplies and materials	151,118	156,150	156,150	-	Facilities Management - Energy Services	45,061	46,213	46,213	-
<b>Total Animal Control Services</b>	<b>745,967</b>	<b>745,969</b>	<b>613,032</b>	<b>132,937</b>	Operational costs	6,317,994	6,446,716	6,446,716	-
<b>TOTAL PUBLIC SAFETY</b>	<b>200,038,769</b>	<b>212,830,068</b>	<b>211,592,764</b>	<b>1,237,304</b>	Operational costs	6,363,055	6,492,929	6,492,929	-
					<b>Total Facilities Management - Energy Services</b>	6,363,055	6,492,929	6,492,929	-
					<b>TOTAL PUBLIC WORKS</b>				

(continued)

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For Fiscal Year Ended September 30, 2018**

**Bexar County, Texas**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For Fiscal Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual Amount	Variance
<b>HEALTH AND PUBLIC WELFARE</b>				
Environmental Services				
Personnel costs	267,976	269,679	269,679	-
Remuneration for services	1,225	1,011	1,011	214
Operational costs	223,219	343,192	239,957	103,235
Supplies and materials	13,193	16,516	16,516	1
<b>Total Environmental Services</b>	<b>505,603</b>	<b>630,613</b>	<b>527,163</b>	<b>103,450</b>
Community Resources Administration				
Personnel costs	-	845	844	1
Remuneration for services	-	-	-	-
Operational costs	-	930	930	-
Supplies and materials	-	-	-	-
<b>Total Community Resources Administration</b>	<b>-</b>	<b>1,775</b>	<b>1,774</b>	<b>1</b>
Community Programs				
Personnel costs	-	-	-	-
Operational costs	-	7	5	2
<b>Total Community Programs</b>	<b>-</b>	<b>7</b>	<b>5</b>	<b>2</b>
Mental Health Initiative				
Personnel costs	288,736	305,756	305,748	8
Remuneration for services	3,508	3,483	3,483	25
Operational costs	178,172	164,172	163,539	633
Supplies and materials	2,100	2,100	1,914	186
<b>Total Mental Health Initiative</b>	<b>472,516</b>	<b>475,536</b>	<b>474,684</b>	<b>852</b>
Veterans Services				
Personnel costs	330,534	577,708	465,374	112,334
Remuneration for services	11,176	15,576	9,515	6,061
Operational costs	16,535	89,510	71,713	17,797
Supplies and materials	3,700	69,151	29,621	39,530
<b>Total Veterans Services</b>	<b>351,945</b>	<b>751,945</b>	<b>576,223</b>	<b>175,722</b>
Child Welfare				
Operational costs	1,221,443	1,156,060	1,130,826	25,234
Supplies and materials	-	73,200	73,000	200
<b>Total Child Welfare</b>	<b>1,221,443</b>	<b>1,229,260</b>	<b>1,203,826</b>	<b>25,434</b>
<b>REVENUES OVER EXPENDITURES</b>				
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in		214,022	214,022	91,021
Interfund transfers out		(11,788,256)	(11,855,881)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(11,574,234)</b>	<b>(11,550,839)</b>	<b>91,021</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>				
	(15,991,288)	(16,183,952)	2,504,604	18,688,556
Fund balance - beginning				
			90,650,939	
Fund balance - ending				
			\$ 93,155,543	

Bexar County, Texas  
**SCHEDULE OF FUNDING PROGRESS FOR RETIRED EMPLOYEE HEALTHCARE PLAN**  
 September 30, 2018

Bexar County, Texas  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
 September 30, 2018

The System

**Schedule of Funding Progress for Bexar County Hospital District  
 Retired Employee Healthcare Plan**  
 (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)
01/01/2014	\$ 25,706	\$ 34,324	\$ (8,618)
01/01/2015	\$ 29,732	\$ 39,287	\$ (9,555)
01/01/2016	\$ 33,596	\$ 48,675	\$ (15,079)

General Fund Budget

The original expenditure category (appropriation only) budgets for the General Fund is adopted by the Commissioners Court and filed with the Bexar County Clerk by September 30. The total budget for the General Fund cannot be increased once the budget is adopted unless the County Auditor certifies a new revenue source not considered during the setting of the original budget. Amendments over \$100,000 between expenditure categories are made during the year on approval by the Commissioners Court. The County Manager/Budget Officer shall approve all amendments in amounts up to \$100,000.

State law requires the budget not be exceeded in any expenditure category. For the General Fund, an expenditure category is considered to be an activity (e.g., personnel, remuneration for services, etc.).

Bexar County, Texas  
**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**  
 September 30, 2018

Primary Government		Schedule of Employer Pension Contributions					Actual
Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll <sup>1</sup>	Contribution as a % of Covered	Actual Contribution as a % of Covered	
2009	21,164,730	21,164,730	-	213,785,148	9.90%	9.90%	
2010	22,528,989	22,528,989	-	212,137,370	10.62%	10.62%	
2011	22,753,831	22,753,831	-	212,255,885	10.72%	10.72%	
2012	23,560,331	23,560,331	-	208,498,502	11.30%	11.30%	
2013	26,523,168	26,523,168	-	214,242,066	12.38%	12.38%	
2014	29,784,031	29,784,031	-	223,771,834	13.31%	13.31%	
2015	31,628,977	31,628,977	-	239,977,066	13.18%	13.18%	
2016	32,499,498	32,499,498	-	248,467,114	13.08%	13.08%	
2017	34,568,249	34,568,249	-	261,682,426	13.21%	13.21%	
2018	37,426,409	37,426,409	-	283,318,764	13.21%	13.21%	

<sup>1</sup> Payroll is calculated based on contributions as reported to the Texas County and District Retirement System (TCDRS).

Bexar County, Texas  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
 September 30, 2018

Year Ended December 31,	Schedule of Changes in Net Position Liability and Related Ratios									
	2017	2016	2015	2014	2013 <sup>1</sup>	2012 <sup>1</sup>	2011 <sup>1</sup>	2010 <sup>1</sup>	2009 <sup>1</sup>	2008 <sup>1</sup>
<b>Total Pension Liability</b>										
Service Cost	\$ 35,189,435	\$ 35,377,380	\$ 32,723,076	\$ 31,822,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	108,591,128	101,382,339	95,976,741	90,065,880	-	-	-	-	-	-
Effect of plan changes	1,114,467	-	(6,564,111)	-	-	-	-	-	-	-
Effect of assumption changes or inputs	5,954,882	-	11,789,927	-	-	-	-	-	-	-
Effect of economic/demographic (gains) or losses	1,453,572	(4,288,764)	-	502,253	-	-	-	-	-	-
Benefit payments/refunds of contributions	(63,346,207)	(59,368,612)	(55,011,591)	(49,928,994)	-	-	-	-	-	-
Net change in total pension liability	88,957,277	73,102,343	70,132,588	72,462,078	-	-	-	-	-	-
Total pension liability, beginning	1,336,498,224	1,263,395,881	1,193,263,293	1,120,801,216	-	-	-	-	-	-
Total pension liability, ending (a)	1,425,455,501	1,336,498,224	1,263,395,881	1,193,263,293	-	-	-	-	-	-
<b>Fiduciary Net Position</b>										
Employer contributions	35,834,589	32,896,371	31,710,094	30,757,771	-	-	-	-	-	-
Member contributions	18,645,999	17,640,625	16,873,121	16,190,301	-	-	-	-	-	-
Investment income net of investment expenses	168,565,593	80,420,624	(5,720,606)	70,225,240	-	-	-	-	-	-
Benefit payments/refunds of contributions	(63,346,207)	(59,368,612)	(55,011,591)	(49,928,994)	-	-	-	-	-	-
Administrative expenses	(874,192)	(874,157)	(787,023)	(821,987)	-	-	-	-	-	-
Other	(126,832)	(1,990,572)	(577,718)	876,450	-	-	-	-	-	-
Net change in fiduciary net position	158,698,950	68,724,279	(13,513,723)	67,298,781	-	-	-	-	-	-
Fiduciary net position, beginning	1,155,811,853	1,087,087,574	1,100,601,297	1,033,302,516	-	-	-	-	-	-
Fiduciary net position, ending (b)	1,314,510,804	1,155,811,853	1,087,087,574	1,100,601,297	-	-	-	-	-	-
Net pension liability / (asset), ending = (a) - (b)	110,944,697	\$ 180,686,371	\$ 176,308,307	\$ 92,661,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiduciary net position as a % of total pension liability	92.22%	86.48%	86.04%	92.23%	-	-	-	-	-	-
Pensionable covered payroll	265,871,892	251,255,949	240,592,521	231,087,684	-	-	-	-	-	-
Net pension liability as a % of covered payroll	41.73%	71.91%	73.28%	40.10%	-	-	-	-	-	-

<sup>1</sup> This schedule is presented to illustrate the requirement to show information for ten years. However, recalculations of prior years are not required; we accordingly are reporting only years for which GASB statements 68 and 71 have been implemented.

The above table includes information for four participating employers to the agent multiple-employer defined benefit pension plan administered by TCDRS. Three of the employers: Community Arenas Board (CAB), Metropolitan Planning Organization (MPO) and Community Supervision, are not considered departments or component units of the County; the net pension liabilities for these entities are \$313,003, \$490,776 and \$8,824,260, respectively.

**Bexar County, Texas**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**September 30, 2018**

Year Ended December 31,	Bexar County Premium and Base PPO Plan									
	2018	2017 <sup>1</sup>	2016 <sup>1</sup>	2015 <sup>1</sup>	2014 <sup>1</sup>	2013 <sup>1</sup>	2012 <sup>1</sup>	2011 <sup>1</sup>	2010 <sup>1</sup>	2007 <sup>1</sup>
<b>Total OPEB liability</b>										
Service Cost	\$ 6,526,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	6,508,938	-	-	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-	-	-	-
Changes of assumptions	-	-	-	-	-	-	-	-	-	-
Benefit payments/refunds of contributions	(3,584,024)	-	-	-	-	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<b>9,451,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total OPEB liability, beginning	181,219,260	-	-	-	-	-	-	-	-	-
Total OPEB liability, ending (a)	190,671,163	-	-	-	-	-	-	-	-	-
<b>Plan Fiduciary net position</b>										
Contribution - employer	3,584,024	-	-	-	-	-	-	-	-	-
Contribution - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-	-	-
Benefit payments/refunds of contributions	(3,584,024)	-	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Plan fiduciary net position, beginning	-	-	-	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	-	-	-	-	-	-	-	-	-	-
Employer's net OPEB liability, ending = (a) - (b)	\$ 190,671,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a % of total OPEB liability	0%	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 192,843,724	-	-	-	-	-	-	-	-	-
Employer's net OPEB liability as a % of covered payroll	98.87%	-	-	-	-	-	-	-	-	-

<sup>1</sup> This schedule is presented to illustrate the requirement to show information for ten years. However, recalculations of prior years are not required; we accordingly are reporting only years for which GASB statement 75 has been implemented.

Note to schedule: Since this is the initial year of GASB 75 implementation trends regarding changes in benefit terms, the size of composition or the population covered by the benefit terms or assumptions have not been established.

**Bexar County, Texas**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**September 30, 2018**

**Notes to Schedules:**

**Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Employer Pension Contributions**

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

**Methods and assumptions used to determine contribution rates:**

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Amortization Period in Years	12.7 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustments	No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Plan Provisions Reflected in the Schedule	New Annuity Purchase Rates were reflected for benefits earned.

# NON MAJOR GOVERNMENTAL FUNDS

**NONMAJOR GOVERNMENTAL FUNDS** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**COUNTY CLERK RECORDS MANAGEMENT FUND** – to account for fee revenue and expenditures related to records management in the County Clerk's Office.

**COUNTY RECORDS MANAGEMENT FUND** – to account for fee revenue and expenditures related to records management on a county wide basis.

**COURTHOUSE SECURITY FUND** – to account for fee revenue and expenditures related to security devices and services for the courthouse and other buildings housing courts.

**JUSTICES OF PEACE TECHNOLOGY FUND** – to account for fee revenue and expenditures related to technological improvements in the Justice of the Peace offices.

**FIRE CODE FUND** – to account for fee revenue and expenditures related to fire prevention.

**DISTRICT CLERK RECORDS MANAGEMENT FUND** – to account for fee revenue and expenditures related to records management in the District Clerk's Office.

**LAW LIBRARY FUND** – to account for fee revenue and expenditures related to the operations of the law library.

**COUNTY WIDE COURT TECHNOLOGY FUND** – to account for fee revenue and expenditures related to the purchase, maintenance, continuing education, and training for technological enhancements of the courts.

**DISPUTE RESOLUTION FUND** – to account for fee revenue and expenditures related to the operations of the dispute mediation center.

**JUSTICES OF PEACE SECURITY FUND** – to account for revenue and expenditures related to security devices and services for buildings housing Justice of the Peace courts.

**DOMESTIC RELATIONS FUND** – to account for fee revenue and expenditures related to the operation of the domestic relations office.

**PROBATE CONTRIBUTION FUND** – to account for State revenue provided for Probate Court support and related expenditures.

**LAW ENFORCEMENT OFFICERS SPECIAL EDUCATION FUND (LEOSE)** – to account for State revenues provided for education of law enforcement officers and related expenditures.

**CHILD ABUSE PREVENTION FUND** – to account for fee revenue from court costs imposed on certain criminal convictions and expenditures for programs aimed at preventing child abuse.

**DRUG COURT PROGRAM FUND** – to account for fee revenue and expenditures related to operations of mandated programs for monitoring and rehabilitating violators of State drug laws.



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**N O N M A J O R G O V E R N M E N T A L F U N D S**

**Bexar County, Texas  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2018**

**NONMAJOR GOVERNMENTAL FUNDS** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**FAMILY PROTECTION FEE FUND** – to account for fee revenue imposed by the State on petitions for divorce to fund services to prevent family violence or child abuse.

**DISTRICT COURT RECORDS TECHNOLOGY FUND** – to account for fee revenue and expenditures related to the preservation and restoration of the District Court's records.

**JUVENILE CASE MANAGER FUND** – to account for fee revenues and expenditures related to juvenile social workers in the Justices of the Peace offices.

**PROBATE GUARDIANSHIP FUND** – to account for fee revenues and expenditures related to the appointment of guardians for minors in Probate cases.

**PROBATE EDUCATION FUND** – to account for fee revenue and expenditures related to continuing education of the Probate Courts' staff.

**JUVENILE DELINQUENCY PREVENTION FUND** – to account for fee revenue and expenditures related to graffiti eradication.

**GRANTS FUND** – to account for expenditures of funds received as grants-in-aid from various non-governmental sources and from Federal and State agencies for specific programs.

**TECHNOLOGY IMPROVEMENT FUND** – to account for costs associated with technology improvements.

**STORMWATER MITIGATION FUND** – to account for revenues and expenditures associated with preventing and repairing damages due to storm water runoff and for educating the public about flood hazards.

**CHAPTER 19 VOTER REGISTRATION FUND** – to account for revenues received from the State and expenditures associated with disseminating voting information to the public and registering new voters.

**ELECTION CONTRACTING SERVICES FUND** – to account for the receipt and disbursement of funds related to election contract service agreements.

**TAX COLLECTOR'S SPECIAL INVENTORY FUND** – to account for the receipt and disbursement of funds administered by the Tax Collector.

**DISTRICT ATTORNEY PROGRAMS FUND** – to account for the receipt and disbursement of discretionary funds maintained by the Criminal District Attorney.

**ASSET FORFEITURES FUND** – to account for receipt and disbursement of funds relating to forfeitures of certain property related to felony offenses.

**BEXAR COUNTY HOUSING FINANCE CORPORATION** – to account for revenue and expenditures related to the Bexar County Housing Finance Corporation.

**BEXAR COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION** – to account for revenue and expenditures related to the Bexar County Health Facilities Development Corporation.

**BEXAR COUNTY INDUSTRIAL DEVELOPMENT CORPORATION** – to account for revenue and expenditures related to the Bexar County Industrial Development Corporation.

	County Clerk Records Management	County Records Management	Courthouse Security	Justices of Peace Technology
<b>ASSETS</b>				
Cash	\$ 2,151,571	\$ 22,045	\$ 1,042	\$ 12,140
Investments	25,949,317	265,873	12,567	146,417
Receivables:				
Accounts receivable	-	-	9,449	9,451
Due from other governmental units	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 28,100,888</b>	<b>\$ 287,918</b>	<b>\$ 23,058</b>	<b>\$ 168,008</b>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>				
Vouchers payable	\$ 64,381	\$ 100,466	\$ -	\$ -
Accrued liabilities	22,046	14,439	17,672	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>86,427</b>	<b>114,905</b>	<b>17,672</b>	<b>-</b>

**FUND BALANCE**

Restricted	280,144,461	173,013	5,386	168,008
Committed	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>280,144,461</b>	<b>173,013</b>	<b>5,386</b>	<b>168,008</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 28,100,888</b>	<b>\$ 287,918</b>	<b>\$ 23,058</b>	<b>\$ 168,008</b>

(continued)

Bexar County, Texas  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2018**

	Fire Code	District Clerk Records Management	Law Library	County Wide Court Technology	Dispute Resolution	Justices of Peace Security Fund	Domestic Relations	Probate Contribution	LEOSE	Child Abuse Prevention
<b>ASSETS</b>										
Cash	\$ 416,302	\$ 29,422	\$ 8,803	\$ 11,187	\$ 8,793	\$ 43,841	\$ 1,857	\$ 17,849	\$ 233,470	\$ 1,035
Investments	5,020,864	354,843	101,345	134,926	106,048	528,752	22,396	215,275	-	12,480
Receivables:										
Accounts receivable	-	-	3,827	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	160,287	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,437,166</b>	<b>\$ 384,265</b>	<b>\$ 113,975</b>	<b>\$ 146,113</b>	<b>\$ 114,841</b>	<b>\$ 572,593</b>	<b>\$ 24,253</b>	<b>\$ 393,411</b>	<b>\$ 233,470</b>	<b>\$ 13,515</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Vouchers payable	\$ 44,082	\$ -	\$ 47,776	\$ -	\$ 3,183	\$ -	\$ 13,579	\$ 4,766	\$ 50	\$ -
Accrued liabilities	30,034	-	7,886	-	10,693	-	10,671	1,796	3,606	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-	-
Due to other governmental units	-	-	693	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>74,116</b>	<b>-</b>	<b>56,355</b>	<b>-</b>	<b>13,876</b>	<b>-</b>	<b>24,250</b>	<b>6,562</b>	<b>3,656</b>	<b>-</b>
<b>FUND BALANCE</b>										
Restricted	5,363,050	384,265	57,620	146,113	100,965	572,593	3	386,849	229,814	13,515
Committed	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>5,363,050</b>	<b>384,265</b>	<b>57,620</b>	<b>146,113</b>	<b>100,965</b>	<b>572,593</b>	<b>3</b>	<b>386,849</b>	<b>229,814</b>	<b>13,515</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 5,437,166</b>	<b>\$ 384,265</b>	<b>\$ 113,975</b>	<b>\$ 146,113</b>	<b>\$ 114,841</b>	<b>\$ 572,593</b>	<b>\$ 24,253</b>	<b>\$ 393,411</b>	<b>\$ 233,470</b>	<b>\$ 13,515</b>

(continued)



Bexar County, Texas  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2018**

	Drug Court Program	Family Protection Fee	District Court Records Technology	Juvenile Case Manager	Probate Guardianship	Probate Education	Juvenile Delinquency Prevention	Grants	Technology Improvement	Stormwater Mitigation
<b>ASSETS</b>										
Cash	\$ 889	\$ 3,031	\$ 12,631	\$ 5,845	\$ 15,906	\$ 21,204	\$ 2,131	\$ 707,338	\$ 1,111,978	\$ 549,396
Investments	10,725	36,558	152,339	70,494	191,842	255,739	25,706	8,530,957	1,350,525	6,626,068
Receivables:										
Accounts receivable	-	-	-	13,798	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	7,721,442	-	-
<b>TOTAL ASSETS</b>	<b>\$ 11,614</b>	<b>\$ 39,589</b>	<b>\$ 164,970</b>	<b>\$ 90,137</b>	<b>\$ 207,748</b>	<b>\$ 276,943</b>	<b>\$ 27,837</b>	<b>\$ 16,959,737</b>	<b>\$ 1,462,503</b>	<b>\$ 7,175,464</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Vouchers payable	\$ -	\$ 39,589	\$ 51,710	\$ -	\$ 5,467	\$ 21	\$ -	\$ 2,042,913	\$ 436,320	\$ 14,703
Accrued liabilities	226	-	-	80,181	-	296	-	2,114,115	105,319	104,753
Due to other funds	-	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	250,000	-	-
Due to other governmental units	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>226</b>	<b>39,589</b>	<b>51,710</b>	<b>80,181</b>	<b>5,467</b>	<b>317</b>	<b>-</b>	<b>4,407,028</b>	<b>541,639</b>	<b>119,456</b>
<b>FUND BALANCE</b>										
Restricted	11,388	-	113,260	9,956	202,281	276,626	27,837	12,552,709	-	7,056,008
Committed	-	-	-	-	-	-	-	-	920,864	-
<b>TOTAL FUND BALANCE</b>	<b>11,388</b>	<b>-</b>	<b>113,260</b>	<b>9,956</b>	<b>202,281</b>	<b>276,626</b>	<b>27,837</b>	<b>12,552,709</b>	<b>920,864</b>	<b>7,056,008</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 11,614</b>	<b>\$ 39,589</b>	<b>\$ 164,970</b>	<b>\$ 90,137</b>	<b>\$ 207,748</b>	<b>\$ 276,943</b>	<b>\$ 27,837</b>	<b>\$ 16,959,737</b>	<b>\$ 1,462,503</b>	<b>\$ 7,175,464</b>

(continued)

Bexar County, Texas  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2018**

	Blended Component Units								
	Chapter 19 Voter Registration	Election Contracting Services	Tax Collector's Special Inventory	District Attorney Programs	Asset Forfeitures	Bexar County Housing Finance Corporation	Bexar County Health Facilities Development Corporation	Bexar County Industrial Development Corporation	Total
<b>ASSETS</b>									
Cash	\$ -	\$ 93,338	\$ 14,010	\$ 182,814	\$ 4,482,550	\$ 1,855,684	\$ 230,894	\$ 1,779	\$ 11,250,775
Investments	-	1,125,714	-	373,782	-	-	-	-	51,621,552
Receivables:									
Accounts receivable	21,740	-	-	-	525	-	-	-	58,790
Due from other governmental units	-	-	-	-	405	-	-	-	7,882,134
<b>TOTAL ASSETS</b>	\$ 21,740	\$ 1,219,052	\$ 14,010	\$ 556,596	\$ 4,483,480	\$ 1,855,684	\$ 230,894	\$ 1,779	\$ 70,813,251
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Vouchers payable	\$ 1,398	\$ 412	\$ -	\$ -	\$ 52,413	\$ -	\$ -	\$ -	\$ 2,923,229
Accrued liabilities	-	118	328	8,505	41,294	-	-	-	2,573,978
Due to other funds	19,166	-	-	-	-	-	-	-	19,166
Advances from other funds	-	150,000	-	-	-	-	-	-	400,000
Due to other governmental units	-	-	-	-	-	-	-	-	693
Unearned revenue	51	606,755	-	-	-	-	-	-	606,806
<b>TOTAL LIABILITIES</b>	20,615	757,285	328	8,505	93,707	-	-	-	6,523,872
<b>FUND BALANCE</b>									
Restricted	1,125	461,767	13,682	548,091	4,389,773	1,855,684	230,894	1,779	63,368,515
Committed	-	-	-	-	-	-	-	-	920,864
<b>TOTAL FUND BALANCE</b>	1,125	461,767	13,682	548,091	4,389,773	1,855,684	230,894	1,779	64,289,379
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	21,740	1,219,052	14,010	556,596	4,483,480	1,855,684	230,894	1,779	70,813,251

Bexar County, Texas  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For Fiscal Year Ended September 30, 2018**

	County Clerk Records Management	County Records Management	Courthouse Security	Justices of Peace Technology	Fire Code	District Clerk Records Management	Law Library	County Wide Court Technology	Dispute Resolution	Justices of Peace Security Fund	Domestic Relations
<b>REVENUES</b>											
Intergovernmental revenue											
Court cost and fines	2,136	446,846	351,208	202,097	-	174	563,368	-	628,199	51,616	325,317
Other fees	5,580,980	-	318,743	-	2,601,421	397,802	-	40,075	-	-	-
Revenue from use of assets	388,937	4,842	2,503	3,308	67,447	6,635	2,784	2,035	1,319	8,447	566
Sales, refunds and miscellaneous	-	-	-	-	-	-	113,321	-	135	-	-
<b>TOTAL REVENUES</b>	<b>5,972,053</b>	<b>451,688</b>	<b>672,454</b>	<b>205,405</b>	<b>2,668,868</b>	<b>404,611</b>	<b>679,473</b>	<b>42,110</b>	<b>629,653</b>	<b>60,063</b>	<b>325,883</b>
<b>EXPENDITURES</b>											
General government	521,725	164,639	-	-	-	-	-	-	-	-	-
Judicial	-	263,830	-	244,440	-	336,935	952,606	42,540	-	200	-
Public safety	-	52,687	1,090,317	-	1,265,769	-	-	-	-	-	-
Education and recreation	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Health and public welfare	-	-	-	-	-	-	-	-	662,394	-	445,255
Capital expenditures	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>521,725</b>	<b>481,156</b>	<b>1,090,317</b>	<b>244,440</b>	<b>1,265,769</b>	<b>336,935</b>	<b>952,606</b>	<b>42,540</b>	<b>662,394</b>	<b>200</b>	<b>445,255</b>
REVENUES OVER (UNDER) EXPENDITURES	5,450,328	(29,468)	(417,863)	(39,035)	1,403,099	67,676	(273,133)	(430)	(32,741)	59,863	(119,372)
<b>OTHER FINANCING SOURCES (USES)</b>											
Interfund transfers in	-	-	334,036	-	-	-	330,745	-	32,953	-	126,258
Interfund transfers out	(100,000)	-	-	-	(438,046)	-	-	-	-	-	(6,895)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(100,000)</b>	<b>-</b>	<b>334,036</b>	<b>-</b>	<b>(438,046)</b>	<b>-</b>	<b>330,745</b>	<b>-</b>	<b>32,953</b>	<b>-</b>	<b>119,363</b>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	5,350,328	(29,468)	(83,827)	(39,035)	965,053	67,676	57,612	(430)	212	59,863	(9)
Fund balance - beginning	22,664,133	202,481	89,213	207,043	4,397,997	316,389	8	146,543	100,753	512,730	12
Fund balance - ending	28,014,461	173,013	5,386	168,008	5,363,050	384,265	57,620	146,113	100,965	572,593	3

(continued)

Bexar County, Texas  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For Fiscal Year Ended September 30, 2018**

	Probate Contribution	LEOSE	Child Abuse Prevention	Drug Court Program	Family Protection Fee	District Court Records Technology	Juvenile Case Manager	Probate Guardianship	Probate Education	Juvenile Delinquency Prevention	Grants
<b>REVENUES</b>											
Intergovernmental revenue	\$ 240,287	\$ 101,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,094,473
Court cost and fines	-	-	3,133	-	91,503	285,671	296,521	134,214	-	472	-
Other fees	-	-	-	119,959	-	-	-	-	33,005	-	-
Revenue from use of assets	4,760	321	185	831	28	6,156	818	3,136	4,114	422	45,710
Sales, refunds and miscellaneous	-	100	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>245,047</b>	<b>102,112</b>	<b>3,318</b>	<b>120,790</b>	<b>91,531</b>	<b>291,827</b>	<b>297,339</b>	<b>137,350</b>	<b>37,119</b>	<b>894</b>	<b>34,140,183</b>
<b>EXPENDITURES</b>											
General government	-	-	-	-	-	-	-	-	-	-	910,171
Judicial	195,876	3,466	-	199,790	-	472,884	-	179,063	21,412	-	4,255,514
Public safety	-	64,619	-	-	-	-	296,521	-	-	-	11,991,551
Education and recreation	-	-	-	-	-	-	-	-	-	-	1,231,408
Public works	-	-	-	-	-	-	-	-	-	-	2,026,929
Health and public welfare	-	-	-	-	-	-	-	-	-	-	14,332,123
Capital expenditures	-	-	-	-	-	-	-	-	-	-	1,003,975
<b>TOTAL EXPENDITURES</b>	<b>195,876</b>	<b>68,085</b>	<b>-</b>	<b>199,790</b>	<b>-</b>	<b>472,884</b>	<b>296,521</b>	<b>179,063</b>	<b>21,412</b>	<b>-</b>	<b>35,751,671</b>
REVENUES OVER (UNDER) EXPENDITURES	51,171	34,027	3,318	(79,000)	91,531	(81,057)	818	(41,713)	15,707	894	(1,611,488)
<b>OTHER FINANCING SOURCES (USES)</b>											
Interfund transfers in	-	-	-	-	-	-	-	-	-	-	165,340
Interfund transfers out	-	-	-	-	(125,043)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(125,043)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,340</b>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	51,171	34,027	3,318	(79,000)	(33,512)	(181,057)	818	(41,713)	15,707	894	(1,446,148)
Fund balance - beginning	335,678	195,787	10,197	90,388	33,512	294,317	9,138	243,994	260,919	26,943	13,998,857
Fund balance - ending	\$ 386,849	\$ 229,814	\$ 13,515	\$ 11,388	\$ -	\$ 113,260	\$ 9,956	\$ 202,281	\$ 276,626	\$ 27,837	\$ 12,552,709

(continued)

Bexar County, Texas  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For Fiscal Year Ended September 30, 2018**

	Technology Improvement	Stormwater Mitigation	Chapter 19 Voter Registration	Election Contracting Services	Tax Collector's Special Inventory	District Attorney Programs	Asset Forfeitures	Blended Units			Total	
								Bexar County Housing Finance Corporation	Bexar County Health Facilities Development Corporation	Bexar County Industrial Development Corporation		
<b>REVENUES</b>												
Intergovernmental revenue	\$ -	\$ -	\$ 296,860	\$ 2,150,028	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,928,339
Court cost and fines	-	-	-	-	-	12,449	1,381,506	-	-	-	-	4,776,430
Other fees	959,824	2,468,322	-	372,558	-	515,944	-	332,635	104,425	-	-	13,845,693
Revenue from use of assets	-	110,800	-	-	20,000	6,637	6034	27,773	2,837	40	-	729,425
Sales, refunds and miscellaneous	1,338	72,188	-	-	-	-	18,796	-	-	-	-	205,878
<b>TOTAL REVENUES</b>	<b>961,162</b>	<b>2,651,310</b>	<b>296,860</b>	<b>2,522,586</b>	<b>20,000</b>	<b>580,030</b>	<b>1,406,336</b>	<b>360,408</b>	<b>107,262</b>	<b>40</b>	<b>-</b>	<b>56,485,765</b>
<b>EXPENDITURES</b>												
General government	2,365,391	-	296,860	2,958,445	21,052	-	-	147,520	5,400	1,600	-	7,392,803
Judicial	201,529	-	-	-	-	542,118	611,520	-	-	-	-	8,521,723
Public safety	302,713	-	-	-	-	-	585,101	-	-	-	-	15,049,278
Education and recreation	662	-	-	-	-	-	-	-	-	-	-	1,232,070
Public works	3,002	1,903,986	-	-	-	-	-	-	-	-	-	3,933,917
Health and public welfare	12,218	-	-	-	-	-	-	-	-	-	-	15,451,990
Capital expenditures	-	-	-	-	18,764	-	273,987	-	-	-	-	1,296,726
<b>TOTAL EXPENDITURES</b>	<b>2,885,515</b>	<b>1,903,986</b>	<b>296,860</b>	<b>2,958,445</b>	<b>39,816</b>	<b>542,118</b>	<b>1,470,608</b>	<b>147,520</b>	<b>5,400</b>	<b>1,600</b>	<b>-</b>	<b>55,478,507</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,924,353)</b>	<b>747,324</b>	<b>-</b>	<b>(435,859)</b>	<b>(19,816)</b>	<b>37,912</b>	<b>(64,272)</b>	<b>212,888</b>	<b>101,862</b>	<b>(1,560)</b>	<b>-</b>	<b>3,007,258</b>
<b>OTHER FINANCING SOURCES (USES)</b>												
Interfund transfers in	2,019,472	-	-	-	-	-	-	-	-	-	-	3,008,804
Interfund transfers out	-	(54,000)	-	-	-	-	-	-	-	-	-	(723,984)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,019,472</b>	<b>(54,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,284,820</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<b>95,119</b>	<b>693,324</b>	<b>-</b>	<b>(435,859)</b>	<b>(19,816)</b>	<b>37,912</b>	<b>(64,272)</b>	<b>212,888</b>	<b>101,862</b>	<b>(1,560)</b>	<b>-</b>	<b>5,292,078</b>
Fund balance - beginning	825,745	6,562,684	1,125	897,626	33,498	510,179	4,454,045	1,642,796	129,032	3,339	-	58,997,301
Fund balance - ending	\$ 920,864	\$ 7,056,008	\$ 1,125	\$ 461,767	\$ 13,682	\$ 548,091	\$ 4,389,773	\$ 1,855,684	\$ 230,894	\$ 1,779	\$ -	\$ 64,289,379

Bexar County, Texas  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Property tax	\$ 97,010,000	\$ 97,036,904	\$ 26,904
Intergovernmental revenue	2,755,189	2,769,806	14,617
Revenue from use of assets - interest	3,500,000	7,977,220	4,477,220
Sales, refunds and miscellaneous	-	2,535,510	2,535,510
<b>TOTAL REVENUES</b>	<b>103,265,189</b>	<b>110,319,440</b>	<b>7,054,251</b>
<b>EXPENDITURES</b>			
Debt service:			
Principal	30,000,000	29,900,000	100,000
Interest	80,110,304	77,536,864	2,573,440
Bond issuance cost	1,870,000	3,321,972	(1,451,972)
Debt service SARA	2,993,290	3,102,341	(109,051)
<b>TOTAL EXPENDITURES</b>	<b>114,973,594</b>	<b>113,861,177</b>	<b>1,112,417</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(11,708,405)</b>	<b>(3,541,737)</b>	<b>8,166,668</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	17,863,656	17,136,831	(726,825)
Issuance of refunding bonds	-	412,855,000	412,855,000
Payment to refunded debt paying agent	-	(469,913,894)	(469,913,894)
Premium on bond issues	-	64,916,885	64,916,885
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>17,863,656</b>	<b>24,994,822</b>	<b>7,131,166</b>
<b>REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)</b>	<b>\$ 6,155,251</b>	<b>21,453,085</b>	<b>\$ 15,297,834</b>
Fund balance - beginning		60,482,700	
Fund balance - ending		<b>\$ 81,935,785</b>	

Bexar County, Texas  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY CLERK RECORDS MANAGEMENT FUND**  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 2,200	\$ 2,136	\$ (64)
Other fees	5,500,000	5,580,980	80,980
Revenue from use of assets	100,000	388,937	288,937
<b>TOTAL REVENUES</b>	<b>5,602,200</b>	<b>5,972,053</b>	<b>369,853</b>
<b>EXPENDITURES</b>			
GENERAL GOVERNMENT			
Remuneration for services	10,725	7,655	3,070
Operational costs	8,364,361	409,477	7,954,884
Supplies and materials	155,500	104,593	50,907
<b>TOTAL GENERAL GOVERNMENT</b>	<b>8,530,586</b>	<b>521,725</b>	<b>8,008,861</b>
<b>TOTAL EXPENDITURES</b>	<b>8,530,586</b>	<b>521,725</b>	<b>8,008,861</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,928,386)</b>	<b>5,450,328</b>	<b>8,378,714</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers out	(100,000)	(100,000)	-
<b>TOTAL OTHER FINANCING (USES)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<b>\$ (3,028,386)</b>	<b>5,350,328</b>	<b>\$ 8,378,714</b>
Fund balance - beginning		22,664,133	
Fund balance - ending		<b>\$ 28,014,461</b>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
COURTHOUSE SECURITY FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 375,000	\$ 351,208	\$ (23,792)
Other fees	290,000	318,743	28,743
Revenue from use of assets	500	2,503	2,003
<b>TOTAL REVENUES</b>	<b>665,500</b>	<b>672,454</b>	<b>6,954</b>
<b>EXPENDITURES</b>			
<b>PUBLIC SAFETY</b>			
Personnel costs	1,090,317	1,090,317	-
<b>TOTAL PUBLIC SAFETY</b>	<b>1,090,317</b>	<b>1,090,317</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>1,090,317</b>	<b>1,090,317</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(424,817)</b>	<b>(417,863)</b>	<b>6,954</b>
<b>OTHER FINANCING SOURCES</b>			
Interfund transfers in	334,036	334,036	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>334,036</b>	<b>334,036</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	<b>\$ (90,781)</b>	<b>(83,827)</b>	<b>\$ 6,954</b>
Fund balance - beginning		89,213	
Fund balance - ending		<b>\$ 5,386</b>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
COUNTY RECORDS MANAGEMENT FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 400,000	\$ 446,846	\$ 46,846
Revenue from use of assets	600	4,842	4,242
<b>TOTAL REVENUES</b>	<b>400,600</b>	<b>451,688</b>	<b>51,088</b>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Operational costs	170,000	164,639	5,361
<b>TOTAL GENERAL GOVERNMENT</b>	<b>170,000</b>	<b>164,639</b>	<b>5,361</b>
<b>JUDICIAL</b>			
Operational costs	266,000	263,830	2,170
<b>TOTAL JUDICIAL</b>	<b>266,000</b>	<b>263,830</b>	<b>2,170</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>53,000</b>	<b>52,687</b>	<b>313</b>
<b>TOTAL EXPENDITURES</b>	<b>489,000</b>	<b>481,156</b>	<b>7,844</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (88,400)</b>	<b>(29,468)</b>	<b>\$ 58,932</b>
Fund balance - beginning		202,481	
Fund balance - ending		<b>\$ 173,013</b>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
FIRE CODE FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Other fees	\$ 1,300,000	\$ 2,601,421	\$ 1,301,421
Revenue from use of assets	20,000	67,447	47,447
<b>TOTAL REVENUES</b>	<u>1,320,000</u>	<u>2,668,868</u>	<u>1,348,868</u>

<b>EXPENDITURES</b>			
<b>PUBLIC SAFETY</b>			
Personnel costs	980,126	943,483	36,643
Remuneration for services	34,463	33,178	1,285
Operational costs	194,558	194,558	-
Supplies and materials	121,279	94,550	26,729
<b>TOTAL PUBLIC SAFETY</b>	<u>1,330,426</u>	<u>1,265,769</u>	<u>64,657</u>
<b>CAPITAL EXPENDITURES</b>	<u>1,026</u>	<u>-</u>	<u>1,026</u>
<b>TOTAL EXPENDITURES</b>	<u>1,331,452</u>	<u>1,265,769</u>	<u>65,683</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(11,452)	1,403,099	1,414,551

<b>OTHER FINANCING (USES)</b>			
Interfund transfers out	(438,046)	(438,046)	-
<b>TOTAL OTHER FINANCING (USES)</b>	<u>(438,046)</u>	<u>(438,046)</u>	<u>-</u>

<b>REVENUES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<u>\$ (449,498)</u>	<u>965,053</u>	<u>\$ 1,414,551</u>
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Fund balance - beginning 4,397,997

Fund balance - ending \$ 5,363,050

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
JUSTICES OF PEACE TECHNOLOGY FUND  
For Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 240,000	\$ 202,097	\$ (37,903)
Revenue from use of assets	1,500	3,308	1,808
<b>TOTAL REVENUES</b>	<u>241,500</u>	<u>205,405</u>	<u>(36,095)</u>

<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Operational costs	259,650	244,440	15,210
<b>TOTAL JUDICIAL</b>	<u>259,650</u>	<u>244,440</u>	<u>15,210</u>
<b>TOTAL EXPENDITURES</b>	<u>259,650</u>	<u>244,440</u>	<u>15,210</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (18,150)</u>	<u>(39,035)</u>	<u>\$ (20,885)</u>

Fund balance - beginning 207,043

Fund balance - ending \$ 168,008



Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
DISTRICT CLERK RECORDS MANAGEMENT FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 150	\$ 174	\$ 24
Other fees	350,000	397,802	47,802
Revenue from use of assets	1,000	6,635	5,635
<b>TOTAL REVENUES</b>	<u>351,150</u>	<u>404,611</u>	<u>53,461</u>
<b>EXPENDITURES</b>			
JUDICIAL			
Operational costs	394,450	331,485	62,965
Supplies and materials	5,550	5,450	100
<b>TOTAL JUDICIAL</b>	<u>400,000</u>	<u>336,935</u>	<u>63,065</u>
<b>TOTAL EXPENDITURES</b>	<u>400,000</u>	<u>336,935</u>	<u>63,065</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (48,850)</u>	<u>67,676</u>	<u>\$ 116,526</u>
Fund balance - beginning		316,589	
Fund balance - ending		<u>\$ 384,265</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
LAW LIBRARY FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 530,000	\$ 563,368	\$ 33,368
Revenue from use of assets	300	2,784	2,484
Sales, refunds and miscellaneous	90,000	113,321	23,321
<b>TOTAL REVENUES</b>	<u>620,300</u>	<u>679,473</u>	<u>59,173</u>
<b>EXPENDITURES</b>			
JUDICIAL			
Personnel costs	373,752	373,752	-
Operational costs	441,561	441,561	-
Supplies and materials	137,293	137,293	-
<b>TOTAL JUDICIAL</b>	<u>952,606</u>	<u>952,606</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>952,606</u>	<u>952,606</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(332,306)</u>	<u>(273,133)</u>	<u>59,173</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers in	330,745	330,745	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>330,745</u>	<u>330,745</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (1,561)</u>	<u>57,612</u>	<u>\$ 59,173</u>
Fund balance - beginning		<u>8</u>	
Fund balance - ending		<u>\$ 57,620</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
COUNTY WIDE COURT TECHNOLOGY FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Other fees	\$ 30,000	40,075	\$ 10,075
Revenue from use of assets	600	2,035	1,435
<b>TOTAL REVENUES</b>	<u>30,600</u>	<u>42,110</u>	<u>11,510</u>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Supplies and materials	44,158	42,540	1,618
<b>TOTAL JUDICIAL</b>	<u>44,158</u>	<u>42,540</u>	<u>1,618</u>
<b>TOTAL EXPENDITURES</b>	<u>44,158</u>	<u>42,540</u>	<u>1,618</u>
<b>REVENUES (UNDER) EXPENDITURES</b>	<u>\$ (13,558)</u>	<u>(430)</u>	<u>\$ 13,128</u>
Fund balance - beginning		146,543	
Fund balance - ending		<u>\$ 146,113</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
DISPUTE RESOLUTION FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 570,000	\$ 628,199	\$ 58,199
Revenue from use of assets	-	1,319	1,319
Sales, refunds and miscellaneous	-	135	135
<b>TOTAL REVENUES</b>	<u>570,000</u>	<u>629,653</u>	<u>59,653</u>
<b>EXPENDITURES</b>			
<b>HEALTH AND PUBLIC WELFARE</b>			
Personnel costs	615,438	615,431	7
Remuneration for services	23,890	21,442	2,448
Operational costs	15,690	15,002	688
Supplies and materials	11,300	10,519	781
<b>TOTAL HEALTH AND PUBLIC WELFARE</b>	<u>666,318</u>	<u>662,394</u>	<u>3,924</u>
<b>TOTAL EXPENDITURES</b>	<u>666,318</u>	<u>662,394</u>	<u>3,924</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(96,318)</u>	<u>(32,741)</u>	<u>63,577</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers in	32,953	32,953	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>32,953</u>	<u>32,953</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	<u>\$ (63,365)</u>	<u>212</u>	<u>\$ 63,577</u>
Fund balance - beginning		100,753	
Fund balance - ending		<u>\$ 100,965</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
JUSTICES OF PEACE SECURITY FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 60,000	\$ 51,616	\$ (8,384)
Revenue from use of assets	2,500	8,447	5,947
<b>TOTAL REVENUES</b>	<u>62,500</u>	<u>60,063</u>	<u>(2,437)</u>
<b>EXPENDITURES</b>			
JUDICIAL			
Operational costs	40,000	200	39,800
<b>TOTAL JUDICIAL</b>	<u>40,000</u>	<u>200</u>	<u>39,800</u>
<b>TOTAL EXPENDITURES</b>	<u>40,000</u>	<u>200</u>	<u>39,800</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>\$ 22,500</u>	<u>\$ 59,863</u>	<u>\$ 37,363</u>
Fund balance - beginning		<u>512,730</u>	
<b>Fund balance - ending</b>		<u>\$ 572,593</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
DOMESTIC RELATIONS FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 346,000	\$ 325,317	\$ (20,683)
Revenue from use of assets	-	566	566
<b>TOTAL REVENUES</b>	<u>346,000</u>	<u>325,883</u>	<u>(20,117)</u>
<b>EXPENDITURES</b>			
HEALTH AND PUBLIC WELFARE			
Personnel costs	307,767	306,803	964
Remuneration for services	700	22	678
Operational costs	138,338	138,337	1
Supplies and materials	700	93	607
<b>TOTAL HEALTH AND PUBLIC WELFARE</b>	<u>447,505</u>	<u>445,255</u>	<u>2,250</u>
<b>TOTAL EXPENDITURES</b>	<u>447,505</u>	<u>445,255</u>	<u>2,250</u>
<b>REVENUES (UNDER) EXPENDITURES</b>	<u>(101,505)</u>	<u>(119,372)</u>	<u>(17,867)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers in	109,430	126,258	16,828
Interfund transfers out	(7,925)	(6,895)	1,030
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>101,505</u>	<u>119,363</u>	<u>17,858</u>
<b>REVENUES AND OTHER SOURCES (UNDER) EXPENDITURES AND OTHER (USES)</b>	<u>\$ -</u>	<u>(9)</u>	<u>(9)</u>
Fund balance - beginning		<u>12</u>	
<b>Fund balance - ending</b>		<u>\$ 3</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
LAW ENFORCEMENT OFFICER SPECIAL EDUCATION (LEASE) FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Intergovernmental revenue	\$ 210,414	\$ 101,691	\$ (108,723)
Revenue from use of assets	283	321	38
Sales, refunds and miscellaneous	-	100	100
<b>TOTAL REVENUES</b>	<b>210,697</b>	<b>102,112</b>	<b>(108,585)</b>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Remuneration for services	3,700	3,466	234
<b>TOTAL JUDICIAL</b>	<b>3,700</b>	<b>3,466</b>	<b>234</b>
<b>PUBLIC SAFETY</b>			
Remuneration for service	140,446	64,619	75,827
Operational costs	55,405	-	55,405
Supplies and materials	63,233	-	63,233
<b>TOTAL PUBLIC SAFETY</b>	<b>259,084</b>	<b>64,619</b>	<b>194,465</b>
<b>TOTAL EXPENDITURES</b>	<b>262,784</b>	<b>68,085</b>	<b>194,699</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (52,087)</b>	<b>34,027</b>	<b>\$ 86,114</b>
Fund balance - beginning		195,787	
Fund balance - ending		<b>\$ 229,814</b>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
PROBATE CONTRIBUTION FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Intergovernmental revenue	\$ 80,000	\$ 240,287	\$ 160,287
Revenue from use of assets	1,000	4,760	3,760
<b>TOTAL REVENUES</b>	<b>81,000</b>	<b>245,047</b>	<b>164,047</b>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Personnel costs	137,000	132,933	4,067
Remuneration for services	21,050	8,484	12,566
Operational costs	231,350	51,369	179,981
Supplies and materials	9,900	1,090	8,810
<b>TOTAL JUDICIAL</b>	<b>399,300</b>	<b>193,876</b>	<b>205,424</b>
<b>CAPITAL EXPENDITURES</b>	<b>9,000</b>	<b>-</b>	<b>9,000</b>
<b>TOTAL EXPENDITURES</b>	<b>408,300</b>	<b>193,876</b>	<b>214,424</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (327,300)</b>	<b>51,171</b>	<b>\$ 378,471</b>
Fund balance - beginning		335,678	
Fund balance - ending		<b>\$ 386,849</b>	

Bexar County, Texas  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**DRUG COURT PROGRAM FUND**  
**For Fiscal Year Ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
<b>REVENUES</b>			
Other fees	\$ 100,000	\$ 119,959	\$ 19,959
Revenue from use of assets	900	831	(69)
<b>TOTAL REVENUES</b>	<u>100,900</u>	<u>120,790</u>	<u>19,890</u>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Personnel costs	199,790	199,790	-
<b>TOTAL JUDICIAL</b>	<u>199,790</u>	<u>199,790</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>199,790</u>	<u>199,790</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (98,890)</u>	<u>(79,000)</u>	<u>\$ 19,890</u>
Fund balance - beginning		<u>90,388</u>	
Fund balance - ending		<u>\$ 11,388</u>	

Bexar County, Texas  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**CHILD ABUSE PREVENTION FUND**  
**For Fiscal Year Ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
<b>REVENUES</b>			
Court cost and fines	\$ 1,500	\$ 3,133	\$ 1,633
Revenue from use of assets	30	185	155
<b>TOTAL REVENUES</b>	<u>1,530</u>	<u>3,318</u>	<u>1,788</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
TOTAL GENERAL GOVERNMENT	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>\$ 1,530</u>	<u>3,318</u>	<u>\$ 1,788</u>
Fund balance - beginning		<u>10,197</u>	
Fund balance - ending		<u>\$ 13,515</u>	

Bexar County, Texas  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**DISTRICT COURT RECORDS TECHNOLOGY FUND**  
**For Fiscal Year Ended September 30, 2018**

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 260,000	\$ 285,671	\$ 25,671
Revenue from use of assets	700	6,156	5,456
<b>TOTAL REVENUES</b>	<u>260,700</u>	<u>291,827</u>	<u>31,127</u>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Operational cost	492,143	472,884	19,259
<b>TOTAL JUDICIAL</b>	<u>492,143</u>	<u>472,884</u>	<u>19,259</u>
<b>TOTAL EXPENDITURES</b>	<u>492,143</u>	<u>472,884</u>	<u>19,259</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (231,443)</u>	<u>(181,057)</u>	<u>\$ 50,386</u>
Fund balance - beginning		294,317	
Fund balance - ending		<u>\$ 113,260</u>	

Bexar County, Texas  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FAMILY PROTECTION FEE**  
**For Fiscal Year Ended September 30, 2018**

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 114,000	\$ 91,503	\$ (22,497)
Revenue from use of assets	-	28	28
Sales, refunds and miscellaneous	40,000	-	(40,000)
<b>TOTAL REVENUES</b>	<u>154,000</u>	<u>91,531</u>	<u>(62,469)</u>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
TOTAL JUDICIAL	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>154,000</u>	<u>91,531</u>	<u>(62,469)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers out	(214,022)	(125,043)	88,979
<b>TOTAL OTHER FINANCING (USES)</b>	<u>(214,022)</u>	<u>(125,043)</u>	<u>88,979</u>
<b>REVENUES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<u>\$ (60,022)</u>	<u>(33,512)</u>	<u>\$ 26,510</u>
Fund balance - beginning		33,512	
Fund balance - ending		<u>\$ -</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
JUVENILE CASE MANAGER FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 340,000	\$ 296,521	\$ (43,479)
Revenue from use of assets	400	818	418
<b>TOTAL REVENUES</b>	<u>340,400</u>	<u>297,339</u>	<u>(43,061)</u>
<b>EXPENDITURES</b>			
<b>PUBLIC SAFETY</b>			
Operational costs	340,400	296,521	43,879
<b>TOTAL PUBLIC SAFETY</b>	<u>340,400</u>	<u>296,521</u>	<u>43,879</u>
<b>TOTAL EXPENDITURES</b>	<u>340,400</u>	<u>296,521</u>	<u>43,879</u>
<b>REVENUES OVER EXPENDITURES</b>	\$ -	818	\$ 818
Fund balance - beginning		9,138	
<b>Fund balance - ending</b>		<u>\$ 9,956</u>	

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Bexar County, Texas  
SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
PROBATE GUARDIANSHIP FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 130,000	\$ 134,214	\$ 4,214
Revenue from use of assets	1,200	3,136	1,936
<b>TOTAL REVENUES</b>	<u>131,200</u>	<u>137,350</u>	<u>6,150</u>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Personnel costs	24,057	22,088	1,969
Remuneration for services	750	550	200
Operational costs	180,150	156,425	23,725
Supplies and materials	150	-	150
<b>TOTAL JUDICIAL</b>	<u>205,107</u>	<u>179,063</u>	<u>26,044</u>
<b>TOTAL EXPENDITURES</b>	<u>205,107</u>	<u>179,063</u>	<u>26,044</u>
<b>REVENUES (UNDER) EXPENDITURES</b>	\$ (73,907)	(41,713)	\$ 32,194
Fund balance - beginning		243,994	
<b>Fund balance - ending</b>		<u>\$ 202,281</u>	

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Bexar County, Texas  
SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
PROBATE EDUCATION FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Other fees	\$ 30,000	\$ 33,005	\$ 3,005
Revenue from use of assets	1,000	4,114	3,114
<b>TOTAL REVENUES</b>	<b>31,000</b>	<b>37,119</b>	<b>6,119</b>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Remuneration for services	61,500	18,029	43,471
Operational costs	8,000	2,400	5,600
Supplies and materials	10,000	983	9,017
<b>TOTAL JUDICIAL</b>	<b>79,500</b>	<b>21,412</b>	<b>58,088</b>
<b>TOTAL EXPENDITURES</b>	<b>79,500</b>	<b>21,412</b>	<b>58,088</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (48,500)</b>	<b>15,707</b>	<b>\$ 64,207</b>
Fund balance - beginning		260,919	
Fund balance - ending		<u>\$ 276,626</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
JUVENILE DELINQUENCY PREVENTION FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 250	\$ 472	\$ 222
Revenue from use of assets	120	422	302
<b>TOTAL REVENUES</b>	<b>370</b>	<b>894</b>	<b>524</b>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
TOTAL GENERAL GOVERNMENT	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>\$ 370</b>	<b>894</b>	<b>\$ 524</b>
Fund balance - beginning		26,943	
Fund balance - ending		<u>\$ 27,837</u>	



Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
GRANTS FUND

For Fiscal Year Ended September 30, 2018

	Final Budget	Amount	Variance
HEALTH AND PUBLIC WELFARE			
Personnel costs	\$ 1,900,000	\$ 1,896,241	\$ 3,759
Operational costs	12,440,000	12,435,882	4,118
TOTAL HEALTH AND PUBLIC WELFARE	14,340,000	14,332,123	7,877
CAPITAL EXPENDITURES	1,005,000	1,003,975	1,025
TOTAL EXPENDITURES	35,794,500	35,751,671	42,829
REVENUES (UNDER) EXPENDITURES	(648,500)	(1,611,488)	(962,988)
OTHER FINANCING SOURCES (USES)			
Interfund transfers in	(150,000)	(165,340)	15,340
TOTAL OTHER FINANCING (USES)	(150,000)	(165,340)	15,340
REVENUES (UNDER) EXPENDITURES AND OTHER (USES)	\$ (498,500)	\$ (1,446,148)	\$ (947,648)
Fund balance - beginning		13,998,857	
Fund balance - ending		<u>\$ 12,552,709</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
GRANTS FUND

For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
REVENUES			
Intergovernmental revenue	\$ 35,100,000	\$ 34,094,473	\$ (1,005,527)
Revenue from use of assets	46,000	45,710	(290)
TOTAL REVENUES	35,146,000	34,140,183	(1,005,817)
EXPENDITURES			
GENERAL GOVERNMENT			
Operational costs	915,000	910,171	4,829
TOTAL GENERAL GOVERNMENT	915,000	910,171	4,829
JUDICIAL			
Personnel costs	1,805,870	1,803,654	2,216
Operational costs	2,454,130	2,451,860	2,270
TOTAL JUDICIAL	4,260,000	4,255,514	4,486
PUBLIC SAFETY			
Personnel costs	7,415,000	7,403,244	11,756
Operational costs	4,600,000	4,588,307	11,693
TOTAL PUBLIC SAFETY	12,015,000	11,991,551	23,449
EDUCATION AND RECREATION			
Personnel costs	16,500	16,414	86
Operational costs	1,122,000	1,121,395	605
Supplies and materials	94,000	93,599	401
TOTAL EDUCATION AND RECREATION	1,232,500	1,231,408	1,092
PUBLIC WORKS			
Operational costs	2,027,000	2,026,929	71
TOTAL PUBLIC WORKS	2,027,000	2,026,929	71
			(continued)

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
TECHNOLOGY IMPROVEMENT FUND  
For Fiscal Year Ended September 30, 2018

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
TECHNOLOGY IMPROVEMENT FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Other fees	\$ 827,604	\$ 959,824	\$ 132,220
Sales, refunds and miscellaneous	-	1,338	1,338
<b>TOTAL REVENUES</b>	<u>827,604</u>	<u>961,162</u>	<u>133,558</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Personnel costs	199,046	129,223	69,823
Supplies and materials	2,296,272	2,236,168	60,104
<b>TOTAL GENERAL GOVERNMENT</b>	<u>2,495,318</u>	<u>2,365,391</u>	<u>129,927</u>
<b>JUDICIAL</b>			
Supplies and materials	278,481	201,529	76,952
<b>TOTAL JUDICIAL</b>	<u>278,481</u>	<u>201,529</u>	<u>76,952</u>
<b>PUBLIC SAFETY</b>			
Supplies and materials	472,695	302,713	169,982
<b>TOTAL PUBLIC SAFETY</b>	<u>472,695</u>	<u>302,713</u>	<u>169,982</u>
<b>EDUCATION AND RECREATION</b>			
Supplies and materials	22,152	662	21,490
<b>TOTAL EDUCATION AND RECREATION</b>	<u>22,152</u>	<u>662</u>	<u>21,490</u>
<b>PUBLIC WORKS</b>			
Supplies and materials	17,250	3,002	14,248
<b>TOTAL PUBLIC WORKS</b>	<u>17,250</u>	<u>3,002</u>	<u>14,248</u>
<b>HEALTH AND PUBLIC WELFARE</b>			
Supplies and materials	18,592	12,218	6,374
<b>TOTAL HEALTH AND PUBLIC WELFARE</b>	<u>18,592</u>	<u>12,218</u>	<u>6,374</u>
<b>TOTAL EXPENDITURES</b>	<u>3,304,488</u>	<u>2,885,515</u>	<u>418,973</u>
<b>REVENUES (UNDER) EXPENDITURES</b>	(2,476,884)	(1,924,353)	552,531 (continued)

	Final Budget	Actual Amount	Variance
<b>OTHER FINANCING SOURCES</b>			
Interfund transfers in	\$ 2,019,472	\$ 2,019,472	\$ -
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>\$ 2,019,472</u>	<u>\$ 2,019,472</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES (UNDER) EXPENDITURES</b>	<u>\$ (457,412)</u>	<u>\$ 95,119</u>	<u>\$ 552,531</u>
Fund balance - beginning		825,745	
Fund balance - ending		<u>\$ 920,864</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
CHAPTER 19 VOTER REGISTAR FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Intergovernmental revenue	\$ 169,842	\$ 296,860	\$ 127,018
<b>TOTAL REVENUES</b>	<u>169,842</u>	<u>296,860</u>	<u>127,018</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Remuneration for services	10,750	-	10,750
Operational costs	308,000	293,231	14,769
Supplies and materials	62,000	3,629	58,371
<b>TOTAL GENERAL GOVERNMENT</b>	<u>380,750</u>	<u>296,860</u>	<u>83,890</u>
<b>TOTAL EXPENDITURES</b>	<u>380,750</u>	<u>296,860</u>	<u>83,890</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (210,908)</u>	<u>-</u>	<u>\$ 210,908</u>
Fund balance - beginning		1,125	
Fund balance - ending		<u>\$ 1,125</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
STORMWATER MITIGATION FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Other fees	\$ 2,275,000	\$ 2,468,322	\$ 193,322
Revenue from use of assets	40,000	110,800	70,800
Sales, refunds and miscellaneous	-	72,188	72,188
<b>TOTAL REVENUES</b>	<u>2,315,000</u>	<u>2,651,310</u>	<u>336,310</u>
<b>EXPENDITURES</b>			
<b>PUBLIC WORKS</b>			
Personnel costs	1,152,645	1,142,392	10,253
Remuneration for services	22,791	20,377	2,414
Operational costs	890,734	705,276	185,458
Supplies and materials	256,601	35,941	220,660
<b>TOTAL PUBLIC WORKS</b>	<u>2,322,771</u>	<u>1,903,986</u>	<u>418,785</u>
<b>CAPITAL EXPENDITURES</b>	<u>234,188</u>	<u>-</u>	<u>234,188</u>
<b>TOTAL EXPENDITURES</b>	<u>2,556,959</u>	<u>1,903,986</u>	<u>652,973</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(241,959)</u>	<u>747,324</u>	<u>989,283</u>
<b>OTHER FINANCING (USES)</b>			
Interfund transfers out	(144,000)	(54,000)	90,000
<b>TOTAL OTHER FINANCING (USES)</b>	<u>(144,000)</u>	<u>(54,000)</u>	<u>90,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<u>\$ (385,959)</u>	<u>693,324</u>	<u>\$ 1,079,283</u>
Fund balance - beginning		6,362,684	
Fund balance - ending		<u>\$ 7,056,008</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
ELECTIONS CONTRACTING SERVICES FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Intergovernmental revenue	\$ 464,148	\$ 2,150,028	\$ 1,685,880
Other fees	14,975	372,558	357,583
<b>TOTAL REVENUES</b>	<u>479,123</u>	<u>2,522,586</u>	<u>2,043,463</u>
<b>EXPENDITURES</b>			
GENERAL GOVERNMENT			
Administration costs	959,860	435,860	519,000
Jurisdictional elections costs	2,525,000	2,522,585	2,415
<b>TOTAL GENERAL GOVERNMENT</b>	<u>3,484,860</u>	<u>2,958,445</u>	<u>521,415</u>
<b>TOTAL EXPENDITURES</b>	<u>3,484,860</u>	<u>2,958,445</u>	<u>521,415</u>
<b>REVENUES (UNDER) EXPENDITURES</b>	<u>\$ (3,005,737)</u>	<u>(435,859)</u>	<u>\$ 2,564,878</u>
Fund balance - beginning		897,626	
Fund balance - ending		<u>\$ 461,767</u>	

Bexar County, Texas  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
TAX COLLECTOR'S SPECIAL INVENTORY FUND  
For Fiscal Year Ended September 30, 2018

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Revenue from use of assets	\$ 110,000	\$ 20,000	\$ (90,000)
<b>TOTAL REVENUES</b>	<u>110,000</u>	<u>20,000</u>	<u>(90,000)</u>
<b>EXPENDITURES</b>			
GENERAL GOVERNMENT			
Personnel costs	141,148	17,543	123,605
Operational costs	4,485	-	4,485
Supplies and materials	10,500	3,509	6,991
<b>TOTAL GENERAL GOVERNMENT</b>	<u>156,133</u>	<u>21,052</u>	<u>135,081</u>
<b>CAPITAL EXPENDITURES</b>	<u>18,765</u>	<u>18,764</u>	<u>1</u>
<b>TOTAL EXPENDITURES</b>	<u>174,898</u>	<u>39,816</u>	<u>135,082</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (64,898)</u>	<u>(19,816)</u>	<u>\$ 45,082</u>
Fund balance - beginning		33,498	
Fund balance - ending		<u>\$ 13,682</u>	

Bexar County, Texas  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**ASSET FORFEITURE FUND**  
**For Fiscal Year Ended September 30, 2018**

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Court cost and fines	\$ 491,916	\$ 1,381,506	\$ 889,590
Revenue from use of assets	-	6,034	6,034
Sales, refunds and miscellaneous	-	18,796	18,796
<b>TOTAL REVENUES</b>	<u>491,916</u>	<u>1,406,336</u>	<u>914,420</u>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Personnel costs	464,236	387,180	77,056
Remuneration for services	54,496	6,284	48,212
Operational costs	188,118	129,319	58,799
Supplies and materials	275,496	88,737	186,759
<b>TOTAL JUDICIAL</b>	<u>982,346</u>	<u>611,520</u>	<u>370,826</u>
<b>PUBLIC SAFETY</b>			
Personnel costs	24,834	13,269	11,565
Remuneration for services	213,196	101,752	111,444
Operational costs	330,976	195,711	135,265
Supplies and materials	445,430	274,369	171,061
<b>TOTAL PUBLIC SAFETY</b>	<u>1,014,436</u>	<u>585,101</u>	<u>429,335</u>
<b>CAPITAL EXPENDITURES</b>	<u>482,010</u>	<u>273,987</u>	<u>178,023</u>
<b>TOTAL EXPENDITURES</b>	<u>2,448,792</u>	<u>1,470,608</u>	<u>978,184</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (1,956,876)</u>	<u>(64,272)</u>	<u>\$ 1,892,604</u>
Fund balance - beginning		4,454,045	
Fund balance - ending		<u>\$ 4,389,773</u>	

Bexar County, Texas  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**DISTRICT ATTORNEY PROGRAMS FUND**  
**For Fiscal Year Ended September 30, 2018**

	Final Budget	Actual Amount	Variance
<b>REVENUES</b>			
Intergovernmental revenue	\$ -	\$ 45,000	\$ 45,000
Court cost and fines	-	12,449	12,449
Other fees	380,834	515,944	135,110
Revenue from use of assets	1,500	6,637	5,137
<b>TOTAL REVENUES</b>	<u>382,334</u>	<u>580,030</u>	<u>197,696</u>
<b>EXPENDITURES</b>			
<b>JUDICIAL</b>			
Personnel costs	498,309	517,466	(19,157)
Operational costs	24,652	24,652	-
<b>TOTAL JUDICIAL</b>	<u>522,961</u>	<u>542,118</u>	<u>(19,157)</u>
<b>TOTAL EXPENDITURES</b>	<u>522,961</u>	<u>542,118</u>	<u>(19,157)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (140,627)</u>	<u>37,912</u>	<u>\$ 178,539</u>
Fund balance - beginning		5,101,179	
Fund balance - ending		<u>\$ 5,480,911</u>	

# N O N M A J O R   E N T E R P R I S E   F U N D S

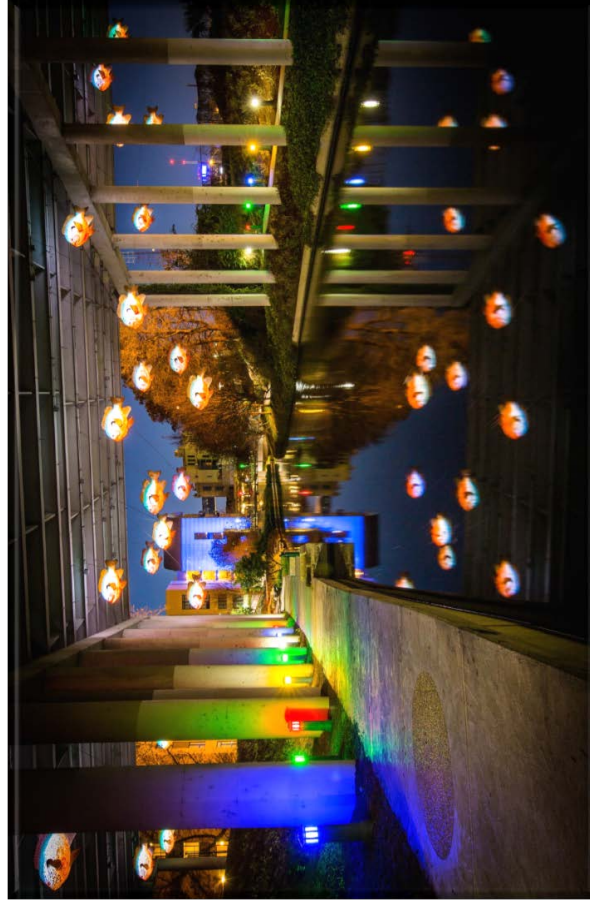
## PROPRIETARY FUND TYPE

**ENTERPRISE FUNDS** – are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**SHERIFF'S COMMISSARY FUND** – This fund is used to account for the operation of a commissary for jail inmates. The Commissary is funded primarily through profits on sales of commissary items to inmates.

**PARKING FACILITIES FUND** – This fund is used to account for the operation and maintenance of parking facilities. The facilities are intended to be financed primarily through user charges.

**FIRING RANGE FUND** – This fund is used to account for the operation and maintenance of the firing range. The facilities are intended to be financed primarily through user charges.



San Antonio River Improvements Project  
San Antonio Riverwalk at Camden Street Bridge

F.I.S.H.

Artist: Donald Lipski

Photo by Robert Parker

<https://robert-parker.smugmug.com>

Bexar County, Texas  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**September 30, 2018**

	Sheriff's Commissary	Parking Facilities	Firing Range	Total
<b>ASSETS</b>				
Current assets:				
Cash, cash equivalents	\$ 138,003	\$ 131,359	\$ 3,585	\$ 272,947
Investments	1,664,403	1,438,943	43,233	3,146,579
Receivables:				
Accounts	97,173	-	-	97,173
<b>TOTAL CURRENT ASSETS</b>	<b>1,899,579</b>	<b>1,570,302</b>	<b>46,818</b>	<b>3,516,699</b>
Noncurrent assets:				
Restricted assets:				
Capital assets:				
Equipment	565,559	-	-	565,559
Reference library	38,960	-	-	38,960
Less: Accumulated depreciation	(438,125)	-	-	(438,125)
<b>TOTAL NONCURRENT ASSETS</b>	<b>166,394</b>	<b>-</b>	<b>-</b>	<b>166,394</b>
<b>TOTAL ASSETS</b>	<b>2,065,973</b>	<b>1,570,302</b>	<b>46,818</b>	<b>3,683,093</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	206,102	33,753	12,090	251,945
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>206,102</b>	<b>33,753</b>	<b>12,090</b>	<b>251,945</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 134,189	\$ 19,905	\$ 6,255	\$ 160,349
Accrued liabilities	79,831	12,270	7,420	99,521
Due to other governmental units	-	9,175	-	9,175
<b>TOTAL CURRENT LIABILITIES</b>	<b>214,020</b>	<b>41,350</b>	<b>13,675</b>	<b>269,045</b>
Noncurrent liabilities:				
Net pension liability	583,372	95,526	34,221	713,119
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>583,372</b>	<b>95,526</b>	<b>34,221</b>	<b>713,119</b>
<b>TOTAL LIABILITIES</b>	<b>797,392</b>	<b>136,876</b>	<b>47,896</b>	<b>982,164</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	110,763	18,135	6,498	135,396
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>110,763</b>	<b>18,135</b>	<b>6,498</b>	<b>135,396</b>
<b>NET POSITION</b>				
Net investment in capital assets	166,393	-	-	166,393
Unrestricted	1,197,527	1,449,044	4,514	2,651,085
<b>TOTAL NET POSITION</b>	<b>\$ 1,363,920</b>	<b>\$ 1,449,044</b>	<b>\$ 4,514</b>	<b>\$ 2,817,478</b>

Bexar County, Texas  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION - NONMAJOR ENTERPRISE FUNDS**  
**For Fiscal Year Ended September 30, 2018**

	Sheriff's Commissary	Parking Facilities	Firing Range	Total
<b>OPERATING REVENUES</b>				
Commissary sales	\$ 5,737,097	-	-	\$ 5,737,097
User fees	-	1,304,811	1,500	1,306,311
Other income	-	645	-	645
<b>TOTAL OPERATING REVENUES</b>	<b>5,737,097</b>	<b>1,305,456</b>	<b>1,500</b>	<b>7,044,053</b>
<b>OPERATING EXPENSES</b>				
Personnel costs	2,015,188	348,388	118,157	2,481,733
Purchased services	3,063,414	277,377	60,704	3,401,495
Supplies	223,793	45,835	13,369	282,997
Repairs and maintenance	5,310	56,422	8816	70,548
Depreciation and amortization	60,629	-	-	60,629
<b>TOTAL OPERATING EXPENSES</b>	<b>5,368,334</b>	<b>728,022</b>	<b>201,046</b>	<b>6,297,402</b>
Operating income (loss)	368,763	577,434	(199,546)	746,651
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	26,657	20,640	2,182	49,479
<b>TOTAL NON-OPERATING REVENUES</b>	<b>26,657</b>	<b>20,640</b>	<b>2,182</b>	<b>49,479</b>
Income (loss) before transfers	395,420	598,074	(197,364)	796,130
Interfund transfers in	-	-	158,610	158,610
Interfund transfers out	-	(450,000)	-	(450,000)
<b>TOTAL TRANSFERS</b>	<b>-</b>	<b>(450,000)</b>	<b>158,610</b>	<b>(291,390)</b>
Changes in net position	395,420	148,074	(38,754)	504,740
Total net position-beginning	968,500	1,300,970	43,268	2,312,738
Total net position-ending	\$ 1,363,920	\$ 1,449,044	\$ 4,514	\$ 2,817,478

Bexar County, Texas  
**STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
For Fiscal Year Ended September 30, 2018

	Sheriff's Commissary	Parking Facilities	Firing Range	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for commissary sales	\$ 5,741,602	\$ -	\$ -	\$ 5,741,602
Cash received for parking fees	-	1,305,456	-	1,305,456
Cash received for firing range fees	-	-	1,500	1,500
Receipts from other governmental units	(3,372,099)	224	-	224
Payments to suppliers	(1,989,115)	(397,963)	(83,398)	(3,883,460)
Payments to employees for services	(1,989,115)	(354,733)	(114,427)	(2,458,275)
Net cash provided (used) for operating activities	380,388	552,984	(196,325)	737,047
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	158,610	158,610
Net cash provided by noncapital financing activities	-	-	158,610	158,610
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfer to other funds	-	(450,000)	-	(450,000)
Net cash (used) for capital and related financing activities	-	(450,000)	-	(450,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment purchases	(472,932)	(213,943)	-	(686,875)
Investment sales	-	-	27,085	27,085
Investment earnings	26,657	20,640	2,182	49,479
Net cash provided (used) by investing activities	(446,275)	(193,303)	29,267	(610,311)
Net (decrease) in cash and cash equivalents	(65,887)	(90,319)	(8,448)	(164,654)
Cash and cash equivalents - beginning of year	203,890	221,678	12,033	437,601
Cash and cash equivalents - end of year	\$ 138,003	\$ 131,359	\$ 3,585	\$ 272,947

Bexar County, Texas  
**STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
For the Year Ended September 30, 2018

	Sheriff's Commissary	Parking Facilities	Firing Range	Total
<b>Reconciliation of operating income (loss) to net cash provided for operating activities:</b>				
Operating income (loss)	\$ 368,763	\$ 577,434	\$ (199,546)	\$ 746,651
Adjustments to reconcile operating income (loss) to net cash provided (used) for operating activities:				
Depreciation expense	60,629	-	-	60,629
Change in net position:				
Decrease in accounts receivable	4,505	-	-	4,505
(Decrease) in accounts payable	(6,186)	(3,007)	(837)	(10,030)
Increase (Decrease) in accrued liabilities	(74,647)	(15,355)	1,247	(88,755)
Increase (Decrease) in net pension liability	27,324	(6,312)	2,811	23,823
Increase in due to other governmental units	-	224	-	224
Net cash provided (used) for operating activities	\$ 380,388	\$ 552,984	\$ (196,325)	\$ 737,047
<b>Reconciliation of cash and cash equivalents on Statement of Cash Flows to Statement of Net Position</b>				
Cash and cash equivalents	\$ 138,003	\$ 131,359	\$ 3,585	\$ 272,947
Cash and cash equivalents	\$ 138,003	\$ 131,359	\$ 3,585	\$ 272,947



# I N T E R N A L   S E R V I C E   F U N D S

## PROPRIETARY FUND TYPE

**INTERNAL SERVICE FUNDS** - are established to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis.

**FLEET MAINTENANCE FUND** - to account for the maintenance of County vehicles.

**OTHER POST EMPLOYMENT BENEFITS FUND** - to account for revenues and expenses related to retirement benefits for retirees and their beneficiaries.

**SELF-INSURANCE FUND** - to account for the receipt of insurance premiums collected from employees and various funds as well as the expense for services and expenses.

**RECORDS MANAGEMENT CENTER FUND** - to account for the expenses of the records management center facility.



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**Bexar County, Texas**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**For Fiscal Year Ended September 30, 2018**

**Bexar County, Texas**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**For Fiscal Year Ended September 30, 2018**

	Fleet Maintenance	Other Post Employment Benefits	Self Insurance	Records Management Center	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 144,457	\$ 135,993	\$ 5,942,392	\$ 151,582	\$ 6,374,424
Investments	-	1,640,166	-	-	1,640,166
Inventories	193,998	-	-	-	193,998
Deposits	-	-	10,000	-	10,000
Prepaid insurance	413	-	-	-	413
<b>TOTAL CURRENT ASSETS</b>	<b>338,868</b>	<b>1,776,159</b>	<b>5,952,392</b>	<b>151,582</b>	<b>8,219,001</b>
Noncurrent assets:					
Capital assets:					
Buildings and improvements	-	-	125,708	-	125,708
Equipment	-	-	(15,714)	1,087,589	1,087,589
Less: Accumulated depreciation	-	-	(719,365)	-	(735,079)
<b>TOTAL NONCURRENT ASSETS</b>	<b>-</b>	<b>-</b>	<b>109,994</b>	<b>368,224</b>	<b>478,218</b>
<b>TOTAL ASSETS</b>	<b>338,868</b>	<b>1,776,159</b>	<b>6,062,386</b>	<b>519,806</b>	<b>8,697,219</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension	90015	-	44,822	19,989	154,826
OPEB	-	4,637,050	-	-	4,637,050
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>90015</b>	<b>4,637,050</b>	<b>44,822</b>	<b>19,989</b>	<b>4,791,876</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 41,690	\$ 20,385	\$ 326,349	\$ 4,632	\$ 393,056
Claims payable	-	-	8,349,649	-	8,349,649
Accrued liabilities	16,018	-	10,173	8,488	34,679
<b>TOTAL CURRENT LIABILITIES</b>	<b>57,708</b>	<b>20,385</b>	<b>8,686,171</b>	<b>13,120</b>	<b>8,777,384</b>
Noncurrent liabilities:					
Advance from other funds	110,000	-	-	-	110,000
Net pension liability	254,791	-	126,876	56,575	438,242
Claims payable	-	-	1,242,190	-	1,242,190
OPEB obligation	-	190,671,163	-	-	190,671,163
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>364,791</b>	<b>190,671,163</b>	<b>1,369,066</b>	<b>56,575</b>	<b>192,461,595</b>
<b>TOTAL LIABILITIES</b>	<b>422,499</b>	<b>190,691,548</b>	<b>10,055,237</b>	<b>69,695</b>	<b>201,238,979</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension	48,377	-	24,091	10,741	83,209
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>48,377</b>	<b>-</b>	<b>24,091</b>	<b>10,741</b>	<b>83,209</b>
<b>NET POSITION</b>					
Net investment in capital assets	-	-	109,994	368,215	478,209
Unrestricted	(41,993)	(184,278,339)	(4,082,114)	91,144	(188,311,302)
<b>TOTAL NET POSITION</b>	<b>\$ (41,993)</b>	<b>\$ (184,278,339)</b>	<b>\$ (3,972,120)</b>	<b>\$ 459,359</b>	<b>\$ (187,833,093)</b>

	Fleet Maintenance	Other Post Employment Benefits	Self Insurance	Records Management Center	Total
<b>OPERATING REVENUES</b>					
Premiums	\$ -	\$ 2,806,543	\$ 51,852,498	\$ -	\$ 54,659,041
Records management storage fees	-	-	-	100,000	100,000
Employee clinic fees	-	-	16,635	-	16,635
Fleet maintenance sales	855,444	-	-	-	855,444
Other income	1,997	-	1,878,564	-	1,880,561
<b>TOTAL OPERATING REVENUES</b>	<b>857,441</b>	<b>2,806,543</b>	<b>53,747,697</b>	<b>100,000</b>	<b>57,511,681</b>
<b>OPERATING EXPENSES</b>					
Administrative fees	-	262,990	2,667,939	-	2,930,929
Claims expenses	-	7,180,604	48,667,322	-	55,847,926
Insurance expenses	-	-	1,459,555	-	1,459,555
OPEB costs	-	11,513,434	-	-	11,513,434
Personnel costs	859,485	-	446,864	203,307	1,509,656
Rent and utilities	13,382	-	277	55,548	69,207
Purchased services	11,438	-	2,363,318	19,048	266,804
Supplies	43,893	-	2,686	6,030	52,609
Repairs and maintenance	53,610	-	-	28,125	81,735
Depreciation and amortization	-	-	6,285	105,322	111,607
<b>TOTAL OPERATING EXPENSES</b>	<b>981,808</b>	<b>18,957,028</b>	<b>53,487,246</b>	<b>417,380</b>	<b>73,843,462</b>
Operating income (loss)	(124,367)	(16,150,485)	260,451	(317,380)	(16,331,781)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	-	59,763	-	-	59,763
<b>TOTAL NON-OPERATING REVENUES</b>	<b>-</b>	<b>59,763</b>	<b>-</b>	<b>-</b>	<b>59,763</b>
Income (loss) before transfers	(124,367)	(16,090,722)	260,451	(317,380)	(16,272,018)
Interfund transfers in	120,000	6,725,171	525,426	100,000	7,470,597
<b>TOTAL TRANSFERS</b>	<b>120,000</b>	<b>6,725,171</b>	<b>525,426</b>	<b>100,000</b>	<b>7,470,597</b>
Changes in net position	(4,367)	(9,365,551)	785,877	(217,380)	(8,801,421)
Total net position-beginning (Restated - See Note S)	(37,626)	(174,912,788)	(4,757,997)	676,739	(179,031,672)
Total net position-ending	\$ (41,993)	\$ (184,278,339)	\$ (3,972,120)	\$ 459,359	\$ (187,833,093)

Bexar County, Texas  
**COMBINING STATEMENT OF CASH FLOWS**  
INTERNAL SERVICE FUNDS  
For Fiscal Year Ended September 30, 2018

	Fleet Maintenance	OPEB	Self-Insurance	Records Management Center	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received for premiums	\$ -	\$ 2,415,033	\$ 53,731,063	\$ -	\$ 56,146,096
Cash received for employee clinic fees	-	-	16,635	-	16,635
Cash received for fleet maintenance services	857,441	-	-	-	857,441
Cash received for records management storage	-	-	-	100,000	100,000
Payments to vendors, suppliers, and contractors	(245,307)	(243,213)	(4,180,538)	(104,394)	(4,773,452)
Payments to employees for services	(844,604)	-	(430,449)	(204,328)	(1,479,381)
Claims paid	-	(7,180,604)	(47,970,986)	-	(55,151,590)
Net cash provided (used) by operating activities	(232,470)	(5,008,784)	1,165,725	(208,722)	(4,284,251)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	120,000	6,725,171	525,426	100,000	7,470,597
Net cash provided by non-capital financing activities	120,000	6,725,171	525,426	100,000	7,470,597

**CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES**

Purchase of capital assets	-	-	-	(14,939)	(14,939)
Net cash (used) by capital financing activities	-	-	-	(14,939)	(14,939)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment purchases	-	(1,640,158)	-	-	(1,640,158)
Investment earnings	-	59,763	-	-	59,763
Net cash (used) by investing activities	-	(1,580,395)	-	-	(1,580,395)

Net increase (decrease) in cash and cash equivalents

	(112,470)	135,993	1,691,151	(123,661)	1,591,012
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Cash and cash equivalents - beginning of year

	256,927	1	4,251,241	275,243	4,783,412
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Cash and cash equivalents - end of year

	\$ 144,457	\$ 135,993	\$ 5,942,392	\$ 151,582	\$ 6,374,424
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Bexar County, Texas  
**COMBINING STATEMENT OF CASH FLOWS**  
INTERNAL SERVICE FUNDS  
For Fiscal Year Ended September 30, 2018

	Fleet Maintenance	OPEB	Self-Insurance	Records Management Center	Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (124,567)	(16,150,485)	\$ 260,451	\$ (317,380)	\$ (16,331,781)
Adjustments to reconcile operating income (loss) to net cash provided (used) for operating activities:					
Depreciation expense	-	-	6,285	105,322	111,607
Change in net position:					
(Increase) in inventories	(22,494)	-	-	-	(22,494)
Decrease in prepaid insurance	1,803	-	-	-	1,803
Decrease (decrease) in accounts payable	(85,083)	19,777	207,002	4,256	145,952
Increase in claims payable	-	-	696,336	-	696,336
Increase in OPEB obligation	-	11,513,434	-	-	11,513,434
(Decrease) in accrued liabilities	(19,583)	-	(18,326)	(305)	(38,214)
Increase (decrease) in net pension liability	17,254	-	13,977	(615)	30,616
(Decrease) in due to other funds	-	(391,510)	-	-	(391,510)
Net cash provided (used) by operating activities	\$ (232,470)	\$ (5,008,784)	\$ 1,165,725	\$ (208,722)	\$ (4,284,251)

**Reconciliation of cash and cash equivalents on Statement of Cash Flows to Statement of Net Position**

Cash and cash equivalents	\$ 144,457	\$ 135,993	\$ 5,942,392	\$ 151,582	\$ 6,374,424
Cash and cash equivalents	\$ 144,457	\$ 135,993	\$ 5,942,392	\$ 151,582	\$ 6,374,424



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# AGENCY FUNDS

## FIDUCIARY FUND TYPE

**AGENCY FUNDS** – are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. They are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

**SECONDARY RECIPIENT GRANTS FUND** – to account for the receipt and disbursement of grant funds for which the County serves only as a conduit.

**OFFICERS' SPECIAL FUNDS** – to account for the receipt and disbursement of funds held by various County officers pending disposition.

**CLERKS' TRUST FUNDS** – to account for funds held in the registry of the courts by the County Clerk and District Clerk pending a court order directing payment.

**FLEXIBLE SPENDING ACCOUNTS FUND** – to account for deposits and disbursements related to the County's employees flexible spending accounts.

**BAIL BOND SECURITY FUND** – to account for deposits that attorneys place with the County in order to post bond for defendants.

**TAX COLLECTOR'S ACCOUNTS FUNDS** – to account for the receipt of tax collections and the distribution to County funds and other taxing jurisdictions.

**COMMUNITY CORRECTIONS FUNDS** – to account for the receipt and disbursement of funds administered by the Community Supervision and Corrections Department.

**INMATE BANKING FUND** – to account for the receipt and disbursement of the personal funds of inmates confined in the County jail.

**UNCLAIMED MONEY FUND** – to account for funds the County holds that rightfully belong to another party.

**DISTRICT ATTORNEY SEIZED ASSETS** – to account for assets seized pursuant to the state and federal forfeiture laws (Chapter 59, Code of Criminal Procedure) but still awaiting judicial determination.

Bexar County, Texas  
AGENCY FUNDS  
COMBINING NET POSITION  
September 30, 2018

		Secondary Recipient Grants	Officers' Special	Clerks' Trust	Flexible Spending Accounts	Bail Bond Security	Tax Collector's Accounts	Community Corrections	Inmate Banking	Unclaimed Money	DA Seized Assets	Total
<b>ASSETS</b>												
Cash and cash equivalents	\$	-	\$ 5,033,085	\$ 42,859,685	\$ 152,451	\$ 2,177,818	\$ 48,048,907	\$ 7,702,085	\$ 261,349	\$ 128,227	\$ 4,482,510	\$ 110,846,117
Accounts receivable	773,881	517,952	4,699	8,985	-	-	-	6,047,289	-	-	-	7,352,806
Deferred outflows of resources - pension	168,711	-	-	-	-	-	-	2,554,014	-	-	-	2,722,725
Due from other governmental units	353,455	-	-	-	-	-	-	-	-	-	-	353,455
<b>TOTAL ASSETS</b>	<b>\$ 1,296,047</b>	<b>\$ 5,551,037</b>	<b>\$ 42,864,384</b>	<b>\$ 161,436</b>	<b>\$ 2,177,818</b>	<b>\$ 48,048,907</b>	<b>\$ 16,303,388</b>	<b>\$ 261,349</b>	<b>\$ 128,227</b>	<b>\$ 4,482,510</b>	<b>\$ 121,275,103</b>	
<b>LIABILITIES</b>												
Vouchers payable	\$ 22,108	\$ -	\$ -	\$ 137,401	\$ 382,829	-	-	-	-	-	-	\$ 570,159
Accrued liabilities	1,176,738	-	-	24,035	-	-	-	7,647,566	-	-	-	8,848,339
Due to participants	6,454	687,556	42,864,384	-	1,794,989	-	-	7,255,654	261,349	-	4,482,510	57,352,896
Deferred inflows of resources - pension	90,667	-	-	-	-	-	-	1,372,347	-	-	-	1,463,014
Due to other governmental units	80	4,863,481	-	-	-	-	-	-	-	128,227	-	53,040,695
<b>TOTAL LIABILITIES</b>	<b>\$ 1,296,047</b>	<b>\$ 5,551,037</b>	<b>\$ 42,864,384</b>	<b>\$ 161,436</b>	<b>\$ 2,177,818</b>	<b>\$ 48,048,907</b>	<b>\$ 16,303,388</b>	<b>\$ 261,349</b>	<b>\$ 128,227</b>	<b>\$ 4,482,510</b>	<b>\$ 121,275,103</b>	

Bexar County, Texas  
 AGENCY FUNDS  
 COMBINING NET POSITION  
 September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<b>ASSETS</b>				
Cash and cash equivalents	\$ 108,447,121	\$ 110,846,117	\$ 108,447,121	\$ 110,846,117
Accounts receivable	7,213,414	7,352,806	7,213,414	7,352,806
Deferred outflows of resources - pension	7,991,439	2,722,725	7,991,439	2,722,725
Due from other governmental units	707,030	353,455	707,030	353,455
<b>TOTAL ASSETS</b>	<b>\$ 124,359,004</b>	<b>\$ 121,275,103</b>	<b>\$ 124,359,004</b>	<b>\$ 121,275,103</b>
<b>LIABILITIES</b>				
Vouchers payable	\$ 581,309	\$ 570,159	\$ 581,309	\$ 570,159
Accrued liabilities	16,070,833	8,848,339	16,070,833	8,848,339
Due to participants	60,217,718	57,352,896	60,217,718	57,352,896
Deferred inflows of resources - pension	681,510	1,463,014	681,510	1,463,014
Due to other governmental units	46,807,634	53,040,695	46,807,634	53,040,695
<b>TOTAL LIABILITIES</b>	<b>\$ 124,359,004</b>	<b>\$ 121,275,103</b>	<b>\$ 124,359,004</b>	<b>\$ 121,275,103</b>

Bexar County, Texas  
 AGENCY FUNDS  
 COMBINING NET POSITION  
 September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<b>Secondary Recipient of Grants</b>				
<b>ASSETS</b>				
Accounts receivable	\$ 404,467	\$ 773,881	\$ 404,467	\$ 773,881
Deferred outflows of resources - pension	446,416	1,687,711	446,416	1,687,711
Due from other governmental units	707,030	353,455	707,030	353,455
<b>TOTAL ASSETS</b>	<b>\$ 1,557,913</b>	<b>\$ 1,296,047</b>	<b>\$ 1,557,913</b>	<b>\$ 1,296,047</b>
<b>LIABILITIES</b>				
Vouchers payable	\$ 145,554	\$ 22,108	\$ 145,554	\$ 22,108
Accrued liabilities	1,367,755	1,176,738	1,367,755	1,176,738
Due to participants	6,454	6,454	6,454	6,454
Deferred inflows of resources - pension	38,070	90,667	38,070	90,667
Due to other governmental units	80	80	80	80
<b>TOTAL LIABILITIES</b>	<b>\$ 1,557,913</b>	<b>\$ 1,296,047</b>	<b>\$ 1,557,913</b>	<b>\$ 1,296,047</b>
<b>Officers' Special Funds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,634,823	\$ 5,033,085	\$ 5,634,823	\$ 5,033,085
Accounts receivable	330,733	517,952	330,733	517,952
<b>TOTAL ASSETS</b>	<b>\$ 5,965,556</b>	<b>\$ 5,551,037</b>	<b>\$ 5,965,556</b>	<b>\$ 5,551,037</b>
<b>LIABILITIES</b>				
Due to participants	\$ 1,102,075	\$ 687,556	\$ 1,102,075	\$ 687,556
Due to other governmental units	4,863,481	4,863,481	4,863,481	4,863,481
<b>TOTAL LIABILITIES</b>	<b>\$ 5,965,556</b>	<b>\$ 5,551,037</b>	<b>\$ 5,965,556</b>	<b>\$ 5,551,037</b>
<b>Clerks' Trust Funds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 46,918,518	\$ 42,859,685	\$ 46,918,518	\$ 42,859,685
Accounts receivable	7,201	4,699	7,201	4,699
<b>TOTAL ASSETS</b>	<b>\$ 46,925,719</b>	<b>\$ 42,864,384</b>	<b>\$ 46,925,719</b>	<b>\$ 42,864,384</b>
<b>LIABILITIES</b>				
Due to participants	\$ 46,925,719	\$ 42,864,384	\$ 46,925,719	\$ 42,864,384
<b>TOTAL LIABILITIES</b>	<b>\$ 46,925,719</b>	<b>\$ 42,864,384</b>	<b>\$ 46,925,719</b>	<b>\$ 42,864,384</b>

**Bexar County, Texas  
AGENCY FUNDS  
COMBINING NET POSITION  
September 30, 2018**

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2018</u>
<b><u>Flexible Spending Accounts</u></b>				
ASSETS				
Cash and cash equivalents	\$ 153,382	\$ 152,451	\$ 153,382	\$ 152,451
Accounts receivable	8,985	8,985	8,985	8,985
<b>TOTAL ASSETS</b>	<b>\$ 162,367</b>	<b>\$ 161,436</b>	<b>\$ 162,367</b>	<b>\$ 161,436</b>
LIABILITIES				
Vouchers payable	\$ 101,331	\$ 137,401	\$ 101,331	\$ 137,401
Accrued liabilities	61,036	24,035	61,036	24,035
<b>TOTAL LIABILITIES</b>	<b>\$ 162,367</b>	<b>\$ 161,436</b>	<b>\$ 162,367</b>	<b>\$ 161,436</b>
<b><u>Bail Bond Security Fund</u></b>				
ASSETS				
Cash and cash equivalents	\$ 1,977,158	\$ 2,177,818	\$ 1,977,158	\$ 2,177,818
<b>TOTAL ASSETS</b>	<b>\$ 1,977,158</b>	<b>\$ 2,177,818</b>	<b>\$ 1,977,158</b>	<b>\$ 2,177,818</b>
LIABILITIES				
Vouchers payable	\$ 214,100	\$ 382,829	\$ 214,100	\$ 382,829
Due to participants	1,763,058	1,794,989	1,763,058	1,794,989
<b>TOTAL LIABILITIES</b>	<b>\$ 1,977,158</b>	<b>\$ 2,177,818</b>	<b>\$ 1,977,158</b>	<b>\$ 2,177,818</b>
<b><u>Tax Collector's Accounts</u></b>				
ASSETS				
Cash and cash equivalents	\$ 41,826,614	\$ 48,048,907	\$ 41,826,614	\$ 48,048,907
<b>TOTAL ASSETS</b>	<b>\$ 41,826,614</b>	<b>\$ 48,048,907</b>	<b>\$ 41,826,614</b>	<b>\$ 48,048,907</b>
LIABILITIES				
Due to other governmental units	\$ 41,826,614	\$ 48,048,907	\$ 41,826,614	\$ 48,048,907
<b>TOTAL LIABILITIES</b>	<b>\$ 41,826,614</b>	<b>\$ 48,048,907</b>	<b>\$ 41,826,614</b>	<b>\$ 48,048,907</b>

**Bexar County, Texas  
AGENCY FUNDS  
COMBINING NET POSITION  
September 30, 2018**

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2018</u>
<b><u>Community Corrections</u></b>				
ASSETS				
Cash and cash equivalents	\$ 7,069,170	\$ 7,702,085	\$ 7,069,170	\$ 7,702,085
Accounts receivable	6,462,028	6,047,289	6,462,028	6,047,289
Deferred outflows of resources - pension	7,545,023	2,554,014	7,545,023	2,554,014
<b>TOTAL ASSETS</b>	<b>\$ 21,076,221</b>	<b>\$ 16,303,388</b>	<b>\$ 21,076,221</b>	<b>\$ 16,303,388</b>
LIABILITIES				
Vouchers payable	\$ 120,324	\$ 27,821	\$ 120,324	\$ 27,821
Accrued liabilities	14,642,042	7,647,566	14,642,042	7,647,566
Deferred inflows of resources - pension	643,440	1,372,347	643,440	1,372,347
Due to participants	5,670,415	7,255,654	5,670,415	7,255,654
<b>TOTAL LIABILITIES</b>	<b>\$ 21,076,221</b>	<b>\$ 16,303,388</b>	<b>\$ 21,076,221</b>	<b>\$ 16,303,388</b>
<b><u>Inmate Banking</u></b>				
ASSETS				
Cash and cash equivalents	\$ 272,362	\$ 261,349	\$ 272,362	\$ 261,349
<b>TOTAL ASSETS</b>	<b>\$ 272,362</b>	<b>\$ 261,349</b>	<b>\$ 272,362</b>	<b>\$ 261,349</b>
LIABILITIES				
Due to participants	\$ 272,362	\$ 261,349	\$ 272,362	\$ 261,349
<b>TOTAL LIABILITIES</b>	<b>\$ 272,362</b>	<b>\$ 261,349</b>	<b>\$ 272,362</b>	<b>\$ 261,349</b>
<b><u>Unclaimed Money</u></b>				
ASSETS				
Cash and cash equivalents	\$ 117,459	\$ 128,227	\$ 117,459	\$ 128,227
<b>TOTAL ASSETS</b>	<b>\$ 117,459</b>	<b>\$ 128,227</b>	<b>\$ 117,459</b>	<b>\$ 128,227</b>
LIABILITIES				
Due to other governmental units	\$ 117,459	\$ 128,227	\$ 117,459	\$ 128,227
<b>TOTAL LIABILITIES</b>	<b>\$ 117,459</b>	<b>\$ 128,227</b>	<b>\$ 117,459</b>	<b>\$ 128,227</b>
<b><u>DA Seized Assets</u></b>				
ASSETS				
Cash and cash equivalents	\$ 4,477,635	\$ 4,482,510	\$ 4,477,635	\$ 4,482,510
<b>TOTAL ASSETS</b>	<b>\$ 4,477,635</b>	<b>\$ 4,482,510</b>	<b>\$ 4,477,635</b>	<b>\$ 4,482,510</b>
LIABILITIES				
Due to participants	\$ 4,477,635	\$ 4,482,510	\$ 4,477,635	\$ 4,482,510
<b>TOTAL LIABILITIES</b>	<b>\$ 4,477,635</b>	<b>\$ 4,482,510</b>	<b>\$ 4,477,635</b>	<b>\$ 4,482,510</b>

**Bexar County, Texas**  
**STATISTICAL SECTION OVERVIEW**  
**September 30, 2018**

The statistical section is organized in six sections:

- Financial Trends – Compiles information reported in the Comprehensive Annual Financial Report over the past ten years. These schedules report how the County’s financial position and well-being have changed over time.

- Table 1 – Net Position by Component
- Table 2 – Changes in Net Position
- Table 3 – Net Changes in Fund Balance, Governmental Funds
- Table 4 – Fund Balances, Governmental Funds

- Revenue Capacity Information – Provides information regarding the County’s major own-source revenue (property taxes) and the stability/growth of that revenue.

- Table 5 – Assessed Value and Estimated Actual Value of Taxable Property
- Table 6 – Direct and Overlapping Property Tax Rates by Tax Year
- Table 7 – Principal Property Taxpayers
- Table 8 – Property Tax Levies and Collections

- Debt Capacity information – Provides information on the County’s outstanding debt, the ability to repay the debt, and the ability to issue additional debt.

- Table 9 – Ratio of Outstanding Debt by Type
- Table 10 – Ratio of Outstanding General Bonded County Debt
- Table 11 – Ratio of Annual Debt Service for General Bonded Debt to Total Expenditures All Governmental Fund Types
- Table 12 – Direct and Overlapping Governmental Activities Debt
- Table 13 – Pledged-Revenue Coverage
- Table 14 – Motor Vehicle Rental Tax Collections
- Table 15 – Hotel Occupancy Tax Net Collections
- Table 16 – Hotel Occupancy Tax Collections – Top Ten Hotels
- Table 17 – Convention Statistics
- Table 18 – San Antonio Hotel Occupancies and Average Daily Rates/History
- Table 19 – County Expenditures for Assets Owned by Other Entities

- Demographic and Economic Information – Provides information regarding the County’s socioeconomic environment; specifically, its taxpayers, employers, and the changes to those groups over the past ten years.

- Table 20 – Demographic and Economic Statistics
- Table 21 – Principal Employers

- Operating Information – Provides information on its employees, operation, and facilities

- Table 22 – Operating Indicators by Function/Program
- Table 23 – Capital Asset Statistics by Function/Program
- Table 24 – Full-Time Equivalent County Government Employees by Function/Program

- Miscellaneous Information – Provides detailed information on the County’s Rates

- Table 25 – Analysis of Funding Progress and Contribution Rates
- Table 26 – Legal Debt Margin Information
- Table 27 – Miscellaneous Information

Over the past ten years Bexar County has experienced an increase in the population of taxpayers. This growth has led to increased development, and accordingly, the tax base has increased. The County has also increased its operating, debt, and capital expenditures to meet the demand of the growing population and provide adequate services.



San Pedro Creek Project Segment 1  
 De Todos Caminos Somos Todos Uno  
 From All Roads, We Are All One  
 Artist: Adriana M. Garcia  
 Photo by Peter Petroff



Table 1 (Continued)

Table 1

Bexar County, Texas  
**NET POSITION BY COMPONENT, LAST TEN YEARS**  
 For Fiscal Years Ended September 30,  
 (Unaudited)

	2018	2017	2016	2015	2014
<b>Governmental activities</b>					(Restated)
Net investment in capital assets	\$1,012,651,582	\$ 965,387,857	\$ 934,396,266	\$ 894,124,992	\$ 860,081,979
Restricted for:					
Debt service	81,352,856	60,506,401	39,793,717	32,839,512	50,483,099
Grants and special revenues	12,552,709	13,998,857	14,994,930	14,990,484	13,580,285
Capital projects	129,236,402	183,002,698	145,327,592	69,577,989	121,632,446
Legislative	50,815,806	44,172,699	39,064,271	40,752,062	32,904,826
Unrestricted	(943,175,051)	(803,009,229)	(620,083,745)	(444,153,476)	(441,770,656)
Total governmental activities net position	\$ 343,434,304	\$ 464,059,283	\$ 553,493,031	\$ 608,131,563	\$ 636,911,979
<b>Business-type activities</b>					
Net investment in capital assets	\$ 61,511,565	\$ 65,978,076	\$ 67,413,044	\$ 129,774,372	\$ 48,009,070
Restricted for:					
Debt Service	25,820,995	24,458,709	24,478,767	27,281,811	24,198,644
Unrestricted	(146,379,859)	(154,272,031)	(158,904,249)	(218,711,772)	(150,985,175)
Total business-type activities net position	\$ (90,047,299)	\$ (65,835,246)	\$ (67,012,438)	\$ (61,655,589)	\$ (78,771,461)
<b>Primary government</b>					
Net investment in capital assets	\$1,074,163,147	\$1,031,365,933	\$1,001,809,310	\$1,023,899,364	\$908,091,049
Restricted	299,778,768	326,139,364	263,659,277	185,441,858	242,799,300
Unrestricted	(1,089,554,910)	(957,281,260)	(778,987,994)	(662,865,248)	(592,755,831)
Total primary government net position	\$ 284,387,005	\$ 400,224,037	\$ 486,480,593	\$ 546,475,974	\$ 558,134,518

Source: Comprehensive Annual Financial Reports (CAFR).

Table 2

Bexar County, Texas  
**CHANGES IN NET POSITION, LAST TEN YEARS**  
 For Fiscal Years Ended September 30,  
 (Unaudited and accrual basis accounting)

	2018	2017	2016	2015	2014 (Restated)
<b>Expenses</b>					
<b>Governmental activities:</b>					
General government	\$ 143,816,856	\$ 138,112,719	\$ 130,047,303	\$ 110,745,934	\$ 107,772,965
Judicial	118,945,194	113,574,714	104,620,926	93,563,195	89,143,802
Public safety	243,887,769	239,226,903	222,339,298	211,423,049	199,517,541
Education and recreation	9,910,149	7,712,093	8,120,117	6,334,976	5,803,910
Public works	188,397,391	225,090,295	206,348,816	156,484,523	134,049,117
Health and public welfare	20,902,695	26,302,915	26,081,172	28,287,807	24,694,078
Interest and other fees	82,019,470	77,974,335	84,878,028	72,808,687	68,474,001
Unallocated depreciation	114,711	114,711	114,711	114,711	114,711
Total governmental activities	807,994,235	828,108,685	782,550,371	679,762,882	629,570,125
<b>Business-type activities:</b>					
Venue Fund	28,050,246	29,423,382	34,080,868	10,680,025	68,628,840
Commissary Fund	5,364,084	4,954,319	4,439,412	3,734,031	3,434,758
Firing Range Fund	201,046	183,283	194,346	183,278	156,842
Parking Facilities Fund	728,022	762,507	842,589	769,832	607,739
Total business-type activities	34,343,398	35,323,491	39,557,215	15,367,166	72,828,179
Total primary government	\$ 842,337,633	\$ 863,432,176	\$ 822,107,586	\$ 695,130,048	\$ 702,398,304
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
Charges for service:					
General government	\$ 35,693,180	\$ 35,859,657	\$ 36,315,150	\$ 34,514,356	\$ 33,242,843
Judicial	18,437,622	16,021,342	18,830,998	12,043,502	19,740,552
Public safety	33,172,774	33,508,474	31,798,026	34,563,781	34,088,157
Education and recreation	119	548	691	1,020	788
Public works	20,083,431	19,581,006	20,327,240	19,345,148	18,300,625
Health and public welfare	1,734,751	744,661	404,185	345,758	343,109
Operating grants and contributions:					
General government	635,021	631,563	3,086,022	4,927,006	5,762,280
Judicial	8,343,200	6,704,154	5,748,936	5,215,747	6,496,804
Public safety	14,438,664	13,385,549	12,810,807	11,891,397	14,721,238
Education and recreation	1,327,655	322,723	224,725	125,000	211,000
Public works	1,202,096	3,480,417	7,700	97,480	2,520
Health and public welfare	14,531,656	20,124,961	17,651,399	19,972,362	18,245,249
Capital grants and contributions:					
Public Works	139,498,994	115,519,024	148,270,339	126,167,667	112,011,234
Total governmental activities	\$ 289,099,163	\$ 265,884,079	\$ 295,476,218	\$ 269,210,224	\$ 263,166,399

Source: Comprehensive Annual Financial Reports (CAFR) for applicable years.

Table 2 (Continued)

	2013	2012	2011	2010	2009
	\$ 101,135,305	\$ 92,955,003	\$ 88,844,727	\$ 79,241,599	\$ 79,952,880
	86,567,259	85,766,375	89,523,783	84,233,142	82,775,317
	194,156,366	192,289,893	186,374,799	191,453,779	186,516,533
	6,521,027	8,964,869	10,838,874	10,215,955	9,767,900
	254,058,915	166,817,829	159,386,468	90,456,200	77,045,904
	25,646,248	33,613,676	29,164,474	32,396,181	31,435,262
	57,190,164	46,034,776	42,552,731	35,272,177	22,115,394
	114,711	114,711	114,711	114,711	114,711
	725,389,995	626,557,132	606,800,567	523,383,744	489,723,901
	82,836,919	66,119,373	47,297,341	38,312,586	24,051,523
	3,099,136	3,132,808	3,349,848	3,214,752	3,387,512
	112,046	-	-	-	-
	633,636	519,977	307,949	-	-
	86,681,737	69,772,158	50,955,138	41,527,338	27,439,035
	\$ 812,071,732	\$ 696,329,290	\$ 657,755,705	\$ 564,911,082	\$ 517,162,936
	\$ 33,949,799	\$ 30,742,789	\$ 29,315,903	\$ 27,395,795	\$ 27,939,525
	10,415,106	11,590,304	13,189,094	14,205,997	11,703,776
	34,983,339	34,016,987	28,563,454	29,883,485	26,389,811
	1,500	1,500	333,200	285,668	217,990
	17,765,629	17,007,799	15,791,488	15,526,491	14,663,986
	344,410	56,145	935,617	943,697	993,796
	3,933,230	3,451,222	4,156,702	1,942,725	1,670,749
	5,185,664	4,695,957	4,470,725	4,783,113	6,336,138
	12,221,127	14,514,051	18,847,341	20,321,533	13,482,071
	200,000	-	1,369,585	107,665	715,796
	-	-	2,505,065	129,294	59,943
	20,630,393	25,468,653	27,755,036	17,984,327	14,058,173
	114,740,142	106,463,221	201,984,356	157,728,121	112,841,904
	\$ 254,370,339	\$ 248,008,608	\$ 349,217,566	\$ 291,237,911	\$ 231,073,658

Table 2 (Continued)

Bexar County, Texas  
**CHANGES IN NET POSITION, LAST TEN YEARS**  
 For Fiscal Years Ended September 30,  
 (Unaudited and accrual basis of accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Business-type activities:</b>										
Charges for services	\$ 8,343,408	\$ 7,853,831	\$ 6,820,264	\$ 6,543,340	\$ 6,322,469	\$ 5,774,948	\$ 5,121,101	\$ 4,882,504	\$ 4,682,544	\$ 4,555,635
Capital grants and contributions	-	2,089,354	-	-	-	-	-	-	-	-
Total business-type activities	\$ 8,343,408	\$ 9,943,185	\$ 6,820,264	\$ 6,543,340	\$ 6,322,469	\$ 5,774,948	\$ 5,121,101	\$ 4,882,504	\$ 4,682,544	\$ 4,555,635
Total primary government	\$ 297,442,571	\$ 275,827,264	\$ 302,296,482	\$ 275,753,564	\$ 269,488,868	\$ 260,145,287	\$ 253,129,709	\$ 354,100,070	\$ 295,920,455	\$ 235,629,293
<b>Net Expenses</b>										
Governmental activities	\$(518,895,072)	\$(562,224,606)	\$(487,074,153)	\$(410,552,658)	\$(366,403,726)	\$(467,461,236)	\$(378,548,524)	\$(257,583,001)	\$(232,145,833)	\$(258,650,243)
Business-type activities	(25,999,990)	(25,380,306)	(32,736,951)	(8,823,826)	(66,505,710)	(79,494,685)	(64,651,057)	(46,072,634)	(36,849,243)	(22,883,400)
Total primary government	\$(544,895,062)	\$(587,604,912)	\$(519,811,104)	\$(419,376,484)	\$(432,909,436)	\$(546,955,921)	\$(443,199,581)	\$(303,655,635)	\$(268,995,076)	\$(281,533,643)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Taxes:										
Property taxes	\$ 416,955,334	\$ 394,856,774	\$ 365,595,459	\$ 312,595,952	\$ 305,381,502	\$ 289,003,130	\$ 286,918,075	\$ 281,355,998	\$ 285,110,519	\$ 275,869,660
Flood control taxes	19,336,934	22,119,090	21,878,200	34,107,565	31,923,865	30,111,625	29,298,076	28,976,192	29,213,225	34,620,600
Bingo taxes	1,579,557	1,124,906	1,499,237	1,451,055	1,280,993	1,149,925	1,095,392	1,034,600	928,749	905,780
Motor vehicle taxes	15,820,056	16,399,324	16,272,869	14,979,416	13,956,172	12,512,742	10,594,249	9,216,992	8,470,889	10,031,273
Mixed drink taxes	10,552,989	9,785,281	9,423,643	8,833,088	8,353,717	6,393,077	5,770,200	6,527,575	6,482,878	6,228,156
Unrestricted investment earnings	13,392,740	8,295,219	5,188,258	4,621,801	2,124,784	1,601,732	2,528,607	2,499,439	2,777,878	7,340,211
Miscellaneous	22,991,436	19,980,840	12,308,641	4,948,018	7,826,124	5,366,849	6,399,746	7,206,835	8,826,902	12,145,918
Gain on disposal of assets	331,133	-	-	-	-	-	-	(2,831,146)	113,331	123,790
Transfers between governmental and business-type activities	291,390	229,424	269,314	235,547	293,196	341,068	435,952	453,070	-	-
Total governmental activities	\$ 501,251,569	\$ 472,790,858	\$ 432,435,621	\$ 381,772,242	\$ 371,140,353	\$ 346,480,148	\$ 343,040,297	\$ 334,439,555	\$ 341,924,371	\$ 347,265,388
<b>Business-type Activities:</b>										
Motor vehicle taxes	9,924,336	9,673,817	9,754,326	9,175,855	8,644,849	8,302,881	7,927,555	7,395,457	7,017,695	6,731,847
Occupancy taxes	19,351,541	18,237,592	17,475,219	16,913,746	16,322,866	15,543,139	14,402,231	13,519,585	12,320,625	11,564,549
Unrestricted investment earnings	1,802,805	864,943	347,395	69,024	43,993	19,538	17,365	21,247	167,173	336,802
Miscellaneous	645	10,570	72,476	22,420	3,000	10	-	9,373	2,072	2,834
Transfers between governmental and business-type activities	(291,390)	(229,424)	(269,314)	(235,547)	(293,196)	(341,068)	(435,952)	(453,070)	-	-
Total business-type activities	\$ 30,787,937	\$ 28,557,498	\$ 27,380,102	\$ 25,945,698	\$ 24,721,512	\$ 23,524,500	\$ 21,911,199	\$ 20,492,592	\$ 19,507,565	\$ 18,636,032
Total Primary Government	\$ 532,039,506	\$ 501,348,356	\$ 459,815,723	\$ 407,717,940	\$ 395,861,865	\$ 370,004,648	\$ 364,951,496	\$ 354,932,147	\$ 361,431,936	\$ 365,901,420
<b>Change in Net Position</b>										
Governmental activities	\$ (17,643,503)	\$ (89,433,748)	\$ (54,638,532)	\$ (28,780,416)	\$ 4,736,627	\$ (124,539,508)	\$ (35,508,227)	\$ 76,856,554	\$ 109,778,538	\$ 88,615,145
Business-type activities	4,787,947	3,177,192	(5,356,849)	17,121,872	(41,784,198)	(57,382,289)	(42,739,838)	(25,580,043)	(17,337,229)	(4,247,368)
Total primary government	\$ (12,855,556)	\$ (86,256,556)	\$ (59,995,381)	\$ (11,658,544)	\$ (37,047,571)	\$ (181,921,797)	\$ (78,248,085)	\$ 51,276,511	\$ 92,441,309	\$ 84,367,777

Source: Comprehensive Annual Financial Reports (CAFR) for applicable years.

Table 2 (Continued)

Table 3 (Continued)

Table 3

**Bexar County, Texas**  
**NET CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS**  
**Last Ten Years**  
 (Modified accrual basis of accounting)  
 (Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Ad valorem taxes	\$ 435,014,178	\$ 416,185,808	\$ 387,534,025	\$ 346,870,065	\$ 337,320,246	\$ 319,716,213	\$ 312,328,560	\$ 309,879,849	\$ 312,626,778	\$ 308,919,094
Other taxes, licenses, and permits	45,927,299	44,771,993	43,949,171	41,366,167	39,520,903	34,774,586	35,384,613	25,751,912	23,588,288	23,105,524
Intergovernmental revenue	52,164,833	73,512,073	70,825,628	69,317,626	66,332,349	77,221,430	63,600,138	69,776,671	52,477,680	39,935,873
Court costs and fines	19,847,313	20,942,708	20,332,249	29,685,296	31,564,405	29,002,601	28,286,612	28,636,474	23,280,134	24,228,959
Fees on motor vehicles	22,315,190	21,843,855	23,566,635	22,382,580	21,499,603	20,802,047	20,395,853	23,101,681	23,280,134	24,228,958
Other fees	40,357,549	38,236,799	35,545,865	27,376,884	24,986,300	24,897,062	21,483,624	17,520,617	18,017,567	17,630,868
Commissions from governmental units	5,041,751	4,850,594	4,678,422	4,383,707	4,184,550	4,006,304	4,244,598	4,779,636	4,423,514	3,632,217
Revenues from use of assets	28,740,544	24,555,514	20,936,751	20,868,387	17,444,065	16,324,000	17,339,699	14,677,230	16,981,610	19,769,465
Sales, refunds, and miscellaneous	22,604,614	19,176,269	11,701,866	4,579,824	6,818,230	4,440,392	5,548,406	7,798,411	9,643,909	15,200,828
<b>Total Revenues</b>	<b>672,013,271</b>	<b>664,075,613</b>	<b>619,270,612</b>	<b>566,830,536</b>	<b>549,670,651</b>	<b>531,184,635</b>	<b>508,612,103</b>	<b>501,922,481</b>	<b>489,762,981</b>	<b>480,412,422</b>
<b>Expenditures</b>										
General government	114,879,026	111,280,331	104,585,060	90,074,738	89,594,893	82,373,919	79,850,671	72,372,014	70,265,609	72,125,092
Judicial	115,414,816	104,101,581	98,337,542	92,606,334	87,362,147	84,556,591	82,126,315	84,136,746	81,547,606	81,372,423
Public safety	227,017,424	211,764,721	199,907,962	199,834,826	188,260,671	182,665,115	176,643,544	174,264,394	179,697,609	178,449,602
Education and recreation	8,907,589	6,995,572	16,136,266	5,881,290	5,326,751	5,873,245	8,618,453	10,252,009	10,937,115	9,680,173
Public works	111,236,307	152,194,087	135,874,326	88,893,619	75,373,089	195,489,744	111,367,011	115,084,358	55,372,105	46,923,748
Health and public welfare	21,078,152	25,947,472	25,792,646	28,369,035	24,763,525	26,873,015	33,113,146	28,958,430	31,545,348	31,366,407
Capital expenditures	104,268,694	77,613,158	67,535,925	68,919,071	79,325,538	50,306,999	94,469,871	83,128,036	87,500,585	86,289,068
Debt service:										
Principal	29,900,000	27,430,000	29,520,000	25,725,000	28,465,000	29,790,000	30,920,000	30,425,000	25,285,000	28,177,246
Interest	77,536,864	74,023,589	73,782,125	70,799,866	68,319,100	50,339,550	44,068,795	42,292,081	32,546,245	19,904,430
Bond issuance cost	3,321,972	1,043,539	3,477,898	2,626,246	782,639	4,085,869	1,637,339	142,341	1,801,640	3,192,902
Debt service SARA	3,102,341	3,081,120	3,086,790	2,846,408	3,309,055	4,387,134	4,900,000	5,000,000	4,700,000	4,700,000
<b>Total Expenditures</b>	<b>816,663,185</b>	<b>795,475,170</b>	<b>758,036,540</b>	<b>676,576,433</b>	<b>650,882,408</b>	<b>716,711,181</b>	<b>667,715,145</b>	<b>646,055,409</b>	<b>581,988,862</b>	<b>562,181,091</b>
Excess (deficiency) of revenues over expenditures	(144,649,914)	(131,399,557)	(138,765,928)	(109,745,897)	(101,211,757)	(185,526,546)	(159,103,042)	(144,132,928)	(91,435,881)	(81,768,669)
<b>Other Financing Sources (Uses)</b>										
Interfund transfers in	20,711,058	23,510,048	21,742,360	18,461,275	11,986,733	12,129,547	15,136,590	16,457,750	15,931,474	7,489,827
Interfund transfers out	(27,890,265)	(35,696,933)	(29,634,190)	(26,387,072)	(20,424,235)	(17,694,800)	(20,993,626)	(17,835,144)	(15,981,005)	(7,489,827)
Issuance of long term debt	40,840,000	113,610,000	91,675,000	133,920,000	-	530,720,000	144,719,999	-	151,800,000	339,720,000
Issuance of refunding bonds	412,855,000	-	350,155,000	175,745,000	65,055,000	-	17,650,000	-	36,915,000	14,890,000
Payment to refunded debt paying agent	(469,913,894)	-	(392,499,089)	(205,501,225)	(72,555,312)	-	(20,417,103)	-	(39,384,000)	(14,925,453)
Premium on bond issues	65,035,489	12,362,400	54,235,769	48,954,002	8,166,796	40,480,868	9,066,853	-	11,423,782	7,034,116
<b>Total Other Financing Sources (Uses)</b>	<b>41,637,388</b>	<b>113,785,515</b>	<b>95,674,850</b>	<b>145,191,980</b>	<b>(7,771,018)</b>	<b>565,635,615</b>	<b>145,162,713</b>	<b>(1,377,394)</b>	<b>160,705,251</b>	<b>346,718,663</b>
<b>Net Change in Fund Balances</b>	<b>\$ (103,012,526)</b>	<b>\$ (17,614,042)</b>	<b>\$ (43,091,078)</b>	<b>\$ 35,446,083</b>	<b>\$ (108,982,775)</b>	<b>\$ 380,109,069</b>	<b>\$ (13,940,329)</b>	<b>\$ (145,510,322)</b>	<b>\$ 69,269,370</b>	<b>\$ 264,949,994</b>
Debt service as a percentage of noncapital expenditures	15.1%	14.1%	15.0%	15.9%	16.9%	12.0%	13.1%	12.9%	11.7%	10.1%

Source: Comprehensive Annual Financial Reports (CAFR).

Table 4

Bexar County, Texas  
FUND BALANCES, GOVERNMENTAL FUNDS  
Last Ten Years  
(Modified accrual basis of accounting)  
(Unaudited)

	2018	2017	2016	2015	2014
General Fund	\$ 5,177,751	\$ 5,209,672	\$ 5,170,575	\$ 5,178,405	\$ 5,515,600
Nonspendable	87,977,792	85,441,267	78,999,256	72,810,880	75,441,449
Unassigned	\$ 93,155,543	\$ 90,650,939	\$ 84,169,831	\$ 77,989,285	\$ 80,957,049
Total general fund					
All Other Governmental Funds					
Debt Service	\$ 81,935,785	\$ 60,482,700	\$ 39,908,543	\$ 31,967,772	\$ 50,695,263
Capital Projects					2,664,181
Nonspendable	437,480,992	569,743,285	617,713,129	673,110,865	623,954,823
Restricted					
Nonmajor Governmental Funds					
Restricted	63,368,515	58,171,556	54,059,201	55,742,546	46,485,111
Committed	920,864	825,745	1,637,563	1,768,877	376,835
Total all other governmental funds	\$ 583,706,156	\$ 689,223,286	\$ 713,318,436	\$ 762,590,060	\$ 724,176,213

Table 4 (Continued)

Bexar County, Texas  
FUND BALANCES, GOVERNMENTAL FUNDS  
Last Ten Years  
(Modified accrual basis of accounting)  
(Unaudited)

	2018	2017	2016	2015	2014
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, designated, for:					
Capital projects fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Unreserved, Special Revenue Funds	-	-	-	-	-
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -

Bexar County, Texas  
FUND BALANCES, GOVERNMENTAL FUNDS  
Last Ten Years  
(Modified accrual basis of accounting)  
(Unaudited)

	2013	2012	2011	2010	2009
General Fund	\$ 5,178,657	\$ 5,158,860	\$ 5,279,320	\$ -	\$ -
Nonspendable	67,281,583	62,222,223	55,724,026	-	-
Unassigned	\$ 72,460,240	\$ 67,381,083	\$ 61,003,346	\$ -	\$ -
Total general fund					
All Other Governmental Funds					
Debt Service	\$ 66,694,458	\$ 70,281,380	\$ 71,160,124	\$ -	\$ -
Committed					
Capital Projects	2,645,022	2,614,406	2,000,000	-	-
Nonspendable	732,492,566	355,586,673	376,020,003	-	-
Restricted					
Nonmajor Governmental Funds					
Nonspendable	39,627,926	37,942,291	37,550,673	-	-
Restricted	195,825	201,135	213,151	-	-
Committed	\$ 841,655,797	\$ 466,625,885	\$ 486,943,951	\$ -	\$ -
Total all other governmental funds					

Bexar County, Texas  
FUND BALANCES, GOVERNMENTAL FUNDS  
Last Ten Years  
(Modified accrual basis of accounting)  
(Unaudited)

	2013	2012	2011	2010	2009
General Fund	\$ -	\$ -	\$ -	\$ 744,722	\$ 573,247
Reserved	-	-	-	53,965,492	48,061,941
Unreserved	-	-	-	54,710,214	48,635,188
Total general fund	\$ -	\$ -	\$ -	\$ 153,409,448	\$ 157,340,992
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ 467,633,270	\$ 396,000,394
Unreserved, designated, for:					
Capital projects fund	-	-	-	866,492	575,446
Special revenue funds	-	-	-	17,879,884	22,677,918
Unreserved, Special Revenue Funds	-	-	-	639,789,094	\$ 576,594,750
Total all other governmental funds	\$ -	\$ -	\$ -	\$ 153,409,448	\$ 157,340,992

Source: Comprehensive Annual Financial Reports (CAFR).

Note: <sup>1</sup> Includes encumbrances, debt service, legislative and long-term receivables.

<sup>2</sup> Due to the implementation of GASB statement No. 54 in fiscal year 2011, fund balance classifications have changed. See new fund balance classifications on the previous page.

Source: Comprehensive Annual Financial Reports (CAFR).

Note: <sup>1</sup> Due to implementation of GASB statement No. 54 in fiscal year 2011, fund balance classification have changed. See historical fund balance classifications on the next page.

**Table 5**

**Bexar County, Texas  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 Last Ten Years  
 (Unaudited)**

Fiscal Year <sup>1</sup>	Estimated Market Value			Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property	Property			
2009	96,098,030,762	10,879,880,752	10,037,665,304	96,940,246,210	0.326866	
2010	96,935,894,115	10,793,289,797	9,417,396,606	98,311,787,306	0.326866	
2011	95,758,509,873	10,260,182,144	9,074,438,799	96,944,253,218	0.326866	
2012	95,525,388,954	10,509,046,368	9,042,113,650	96,992,321,672	0.326866	
2013	96,828,757,445	11,078,331,512	9,145,325,077	98,761,763,880	0.326866	
2014	101,555,514,321	12,095,102,326	9,433,068,676	104,217,547,971	0.326866	
2015	108,988,074,386	12,741,542,079	9,861,803,919	111,867,812,546	0.314500	
2016	123,522,194,440	13,947,775,890	10,194,687,680	127,275,282,650	0.314500	
2017	135,790,796,909	14,202,156,160	10,713,085,748	139,279,867,321	0.308950	
2018	146,719,004,010	14,698,658,965	11,164,572,615	150,253,090,360	0.304097	

**Sources:** Bexar County Tax Assessor-Collector Certified Roll Reports (For FY 2009-2018).

**Note:** <sup>1</sup> Tax figures represent the fiscal year not the Ad Valorem Tax Year.



**BEXAR COUNTY COURTHOUSE**

Photo by Peter Petroff

**Bear County, Texas  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(per \$100 of assessed value)  
Last Ten Tax Years  
(Unaudited)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>County Direct Rates</b>										
General	0.289399	0.296187	0.296187	0.296187	0.296187	0.296187	0.283821	0.297500	0.293250	0.291129
Flood	0.032467	0.030679	0.030679	0.030679	0.030679	0.030679	0.031450	0.017000	0.015700	0.012868
Total direct rate	0.321866	0.326866	0.326866	0.326866	0.326866	0.326866	0.314500	0.314500	0.308950	0.304097
<b>City and Town Rates</b>										
City of San Antonio	0.567140	0.565690	0.565690	0.565690	0.565690	0.565690	0.565690	0.558270	0.558270	0.558270
Alamo Heights	0.000000	0.355662	0.355662	0.316157	0.319454	0.327662	0.327662	0.390262	0.389900	0.386439
Balcones Heights	0.490729	0.510481	0.510481	0.521199	0.521199	0.572199	0.572199	0.539300	0.531000	0.583300
Castle Hills	0.428201	0.458668	0.501345	0.501345	0.501345	0.501345	0.501345	0.501345	0.501345	0.501345
China Grove	0.060230	0.064492	0.071700	0.081700	0.087900	0.089000	0.085330	0.086207	0.084000	0.083000
Converse	0.511500	0.515000	0.525434	0.572931	0.606675	0.606675	0.585518	0.540198	0.502660	0.502660
Elmendorf	0.269966	0.299846	0.313255	0.481749	0.477261	0.477261	0.442316	0.400000	0.370000	0.388061
Grey Forest	0.093525	0.093525	0.093525	0.093525	0.093525	0.093525	0.088441	0.088441	0.088441	0.088441
Hill Country Village	0.095000	0.095000	0.095000	0.095000	0.095000	0.095000	0.095000	0.145000	0.145000	0.145000
Hollywood Park	0.382261	0.490000	0.490000	0.536710	0.536710	0.536710	0.511000	0.510081	0.510081	0.510081
Kirby	0.623000	0.661649	0.697500	0.710978	0.710978	0.710978	0.729376	0.729376	0.729376	0.729376
Leon Valley	0.527400	0.527400	0.527400	0.535510	0.542482	0.542482	0.542482	0.542482	0.542482	0.542482
Live Oak	0.405131	0.449569	0.476783	0.477291	0.463155	0.463155	0.445401	0.410000	0.446837	0.443475
Olmos Park	0.480820	0.463400	0.478499	0.480888	0.479865	0.479865	0.470000	0.442785	0.442785	0.432785
Shavano Park	0.325082	0.324800	0.320000	0.320000	0.320000	0.320000	0.309617	0.679920	0.663852	0.663852
City of Somerset	0.5117613	0.516787	0.648884	0.704675	0.707059	0.707059	0.698171	0.679920	0.287742	0.287742
St. Hebel	0.479895	0.479895	0.479895	0.479895	0.479895	0.479895	0.479895	0.443633	0.424091	0.410632
Terrill Hills	0.399293	0.391301	0.385068	0.385068	0.385068	0.385068	0.371729	0.370525	0.345906	0.347673
Universal City	0.512972	0.519636	0.590531	0.582981	0.586029	0.586029	0.566045	0.560492	0.543828	0.561752
Widest	0.436227	0.436495	0.436495	0.436495	0.432970	0.432970	0.415231	0.409900	0.308093	0.308092
Holmes	0.363651	0.363651	0.363651	0.360000	0.360000	0.360000	0.350000	0.350000	0.350000	0.350000
Fair Oaks Ranch	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.329500
City of Von Ormy	0.390000	0.390000	0.351000	0.320000	0.288000	0.288000	0.255000	0.249935	0.223132	0.000000
Sandy Oaks	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.241250	0.000000
<b>School Districts Rates</b>										
Alamo Heights ISD	1.156600	1.162000	1.168000	1.198000	1.218000	1.218000	1.205000	1.195000	1.195000	1.200000
East Central ISD	1.319500	1.319500	1.319500	1.296000	1.296000	1.296000	1.275000	1.265000	1.265000	1.335000
Edgewood ISD	1.405000	1.420000	1.407400	1.398000	1.398000	1.382600	1.362700	1.355900	1.355900	1.38178
Humble ISD	1.479000	1.479000	1.604800	1.544400	1.528800	1.528800	1.528800	1.528800	1.528800	1.528800
Judson ISD	1.465000	1.465000	1.465000	1.430000	1.425000	1.425000	1.425000	1.420000	1.420000	1.425000
Northeast ISD	1.402900	1.402900	1.402900	1.402900	1.425000	1.425000	1.440600	1.440600	1.385000	1.365000
Northside ISD	1.302500	1.337500	1.365500	1.375500	1.375500	1.375500	1.375500	1.375500	1.375500	1.375500
San Antonio ISD	1.249700	1.249700	1.279700	1.307600	1.357600	1.357600	1.382600	1.382600	1.512600	1.532600
South San Antonio ISD	1.440000	1.433800	1.454900	1.454900	1.454900	1.451500	1.451500	1.451500	1.451500	1.451500
Southside ISD	1.365600	1.368900	1.368900	1.368900	1.368900	1.368900	1.368900	1.368900	1.368900	1.607100
Schertz-Cholo ISD	1.385000	1.420000	1.435000	1.435000	1.460000	1.490000	1.490000	1.490000	1.470000	1.490000
Somerset ISD	1.205000	1.228000	1.289000	1.278000	1.278000	1.278000	1.278000	1.278000	1.278000	1.450700
Southwest ISD	1.210000	1.243200	1.256100	1.222600	1.273000	1.401622	1.465232	1.414900	1.473000	1.473000
<b>Fire District Rates</b>										
Bear Emergency #1	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.099571	0.100000
Bear Emergency #2	0.070000	0.070000	0.070000	0.070000	0.094000	0.098007	0.098945	0.098945	0.100000	0.100000
Bear Emergency #3	0.030000	0.030772	0.034300	0.034300	0.038628	0.050877	0.051408	0.047763	0.045730	0.047967
Bear Emergency #4	0.069900	0.068500	0.074000	0.079900	0.079900	0.082025	0.077727	0.072774	0.056994	0.054831
Bear Emergency #5	0.087025	0.088353	0.090596	0.089139	0.095500	0.100000	0.100000	0.100000	0.100000	0.100000
Bear Emergency #6	0.100000	0.100000	0.100000	0.097879	0.096500	0.100000	0.100000	0.100000	0.100000	0.100000
Bear Emergency #7	0.100000	0.100000	0.099687	0.099687	0.099440	0.100000	0.099510	0.098506	0.100000	0.100000
Bear Emergency #8	0.070000	0.072100	0.096750	0.100000	0.098265	0.100000	0.100000	0.100000	0.100000	0.099230
Bear Emergency #9	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.096820
Bear Emergency #10	0.100000	0.100000	0.100000	0.100000	0.100000	0.099131	0.100000	0.100000	0.100000	0.100000
Bear Emergency #11	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000
Bear Emergency #12	0.090000	0.094250	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000
<b>Other Special District Rates</b>										
Alamo Community College	0.138855	0.138855	0.141623	0.141623	0.149150	0.149150	0.149150	0.149150	0.149150	0.149150
University Health System	0.261022	0.266235	0.276235	0.276235	0.276235	0.276235	0.276235	0.276235	0.276235	0.276235
San Antonio River Authority	0.018951	0.018951	0.016652	0.017370	0.017370	0.017370	0.017370	0.017370	0.017370	0.017370
S.A. MUD #1	0.695700	0.688300	0.687200	0.706904	0.692500	0.703200	0.687700	0.627700	0.634500	0.637700
Butterfield Ranch	0.000000	0.310000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Westside 211 ISD	0.000000	0.567140	0.565690	0.565690	0.565690	0.565690	0.565690	0.565690	0.565690	0.565690
Cholo Canyon ISD	0.567140	0.565690	0.565690	0.565690	0.565690	0.565690	0.565690	0.565690	0.565690	0.565690
Crosswinds at South Lake ISD	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Source: Bear County Tax Assessor - Collector's Office.  
Note: The dates along the top of this schedule represent the tax year in which these rates are levied.

Table 7

Bexar County, Texas  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current and Nine Years Ago  
 (Unaudited)

	2018		2009	
	Market Value	Percent of Total Taxable Value	Market Value	Percent of Total Taxable Value
H. E. Butt Grocery Company	\$ 1,438,403,939	0.96%	\$ 926,841,969	0.96%
Microsoft Corporation	906,777,580	0.60%	459,806,611	0.48%
Methodist Healthcare System	804,220,545	0.54%	408,854,755	0.42%
Walmart Stores Inc.	750,514,830	0.50%	392,639,185	0.41%
Baptist (VHS San Antonio Partners LP)	538,674,377	0.36%	375,476,876	0.39%
Toyota Motor MFG Texas Inc.	764,277,476	0.51%	343,756,700	0.36%
Well Sves A Div of Schlumberger Tech Corp	355,025,390	0.24%	263,640,000	0.27%
Southwestern Bell Telephone	343,012,099	0.23%	209,948,288	0.22%
USAA	332,200,530	0.22%	199,812,310	0.21%
Frankel Family Trust	313,777,350	0.21%	171,986,360	0.18%
	\$ 6,546,884,116	4.37%	\$ 3,752,763,054	3.90%

Source: Bexar Appraisal District

Table 8

Bexar County, Texas  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 (Unaudited)

County Tax Rate - General and Debt	Collected Within the				Subsequent				Total Collections to Date	Percent of Current Levy	Receivable Outstanding Taxes from Prior Years <sup>1</sup>
	Fiscal Year of the Levy				Collections						
	Fiscal Year	Taxes Levied for Fiscal Year <sup>1</sup>	Amount	Percent of Levy	Taxes from Prior Year Levy <sup>2</sup>	Amount	Percent of Levy	Taxes from Prior Year Levy <sup>2</sup>			
2009	275,433,604	270,493,314	98.2	3,312,200	273,805,514	99.4	12,359,490				
2010	285,746,736	279,982,520	98.0	3,151,479	283,133,999	99.1	13,953,925				
2011	282,346,706	277,373,606	98.2	3,133,018	280,506,624	99.3	14,306,351				
2012	283,055,152	278,676,422	98.5	2,961,991	281,638,413	99.5	13,760,990				
2013	288,449,751	284,572,346	98.7	1,795,353	286,367,699	99.3	13,399,256				
2014	303,646,918	300,176,637	98.9	757,675	300,934,312	99.1	12,891,611				
2015	312,332,006	309,128,544	99.0	700,400	309,828,944	99.2	12,486,407				
2016	367,074,411	363,253,615	99.0	1,054,438	364,308,053	99.2	12,777,394				
2017	396,044,482	391,792,920	98.9	(444,501)	391,348,419	98.8	13,542,280				
2018	420,791,069	416,023,201	98.9	-	416,023,201	98.9	14,748,317				

County Tax Rate - Flood and Debt

County Tax Rate - Flood and Debt	Collected Within the				Subsequent				Total Collections to Date	Percent of Current Levy	Receivable Outstanding Taxes from Prior Years <sup>1</sup>
	Fiscal Year of the Levy				Collections						
	Fiscal Year	Taxes Levied for Fiscal Year	Amount	Percent of Levy	Taxes from Prior Year Levy <sup>2</sup>	Amount	Percent of Levy	Taxes from Prior Year Levy <sup>2</sup>			
2009	34,968,389	34,354,457	98.2	422,035	34,776,492	99.5	1,100,234				
2010	29,500,683	28,908,352	98.0	329,148	29,237,500	99.1	1,245,183				
2011	29,242,522	28,733,381	98.3	320,200	29,053,581	99.4	1,288,486				
2012	29,461,328	29,005,583	98.5	309,770	29,315,353	99.5	1,265,205				
2013	30,143,855	29,736,667	98.6	185,510	29,922,177	99.3	1,256,623				
2014	31,892,713	31,526,569	98.9	83,638	31,610,207	99.1	1,216,575				
2015	34,212,269	33,856,775	99.0	79,632	33,936,407	99.2	1,203,514				
2016	21,854,015	21,614,187	98.9	66,934	21,681,121	99.2	1,086,536				
2017	22,157,732	21,904,585	98.9	(22,194)	21,882,391	98.8	1,077,136				
2018	19,515,953	19,275,734	98.8	-	19,275,734	98.8	1,089,329				

Source: Bexar County Tax Assessor - Collector TC-168 Reports.

Note: <sup>1</sup> Outstanding taxes from prior years consists of all delinquent taxes from tax year 2017 - 1978 for County, and tax year 2017 - 1988 for Flood.

<sup>2</sup> Negative figures represent refund adjustments on prior year collections done in FY 18.



Table 9 (Continued)

Table 9

Bexar County, Texas  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years  
 (Unaudited)

Year	Governmental Activities					Business-type Activities					Debt Per Capita <sup>2</sup>	
	Refunding Bonds	General Obligation Bonds	Certificates of Obligation	Other Obligations	Unamortized Premiums and Discounts, net <sup>3</sup>	Total Bonds Payable	Revenue Bonds	Unamortized Premiums and Discounts, net	Total Bonds Payable	Total Primary Government		Percentage of Personal Income
2009	49,525,000	47,665,000	619,220,000	39,384,000	12,688,804	768,482,804	103,050,000	(11,773,982)	91,276,018	859,758,822	8.23%	522.55
2010	78,765,000	69,105,000	731,970,000	-	23,237,728	903,077,728	212,885,000	(6,875,165)	206,009,835	1,109,087,563	8.02%	646.78
2011	69,580,000	66,430,000	713,465,000	-	21,926,641	871,341,641	217,330,000	(7,886,202)	209,443,798	1,080,785,439	7.97%	630.28
2012	76,410,000	58,035,000	828,265,000	-	27,369,278	990,079,278	331,100,000	(6,920,659)	324,179,341	1,314,258,619	7.97%	766.43
2013	68,195,000	55,325,000	1,340,120,000	-	66,262,529	1,529,902,529	329,805,000	634,972	330,439,973	1,860,342,502	7.57%	1,023.51
2014	121,255,000	35,725,000	1,275,495,000	-	71,923,731	1,504,398,731	325,700,000	6,066,180	331,766,180	1,836,164,911	7.57%	989.38
2015	265,870,000	23,715,000	1,237,700,000	-	114,088,111	1,641,373,111	396,490,000	5,890,987	402,380,987	2,043,754,098	5.61%	1,076.93
2016	598,380,000	2,360,000	985,980,000	-	149,402,014	1,736,122,014	393,760,000	7,511,608	401,271,608	2,137,393,622	5.53%	1,127.86
2017	584,010,000	1,130,000	1,087,760,000	-	153,772,980	1,826,672,980	387,710,000	7,285,108	394,995,108	2,221,668,088	2.93%	1,151.91
2018	977,040,000	575,000	705,950,000	-	187,787,701	1,871,352,701	381,405,000	7,058,607	388,463,607	2,259,816,308	N/A <sup>1</sup>	1,153.80

**Note:**  
<sup>1</sup> Figures for 2018 were not available for personal income.  
<sup>2</sup> Debt per capita uses the estimated population figures from 2009 - 2018.  
<sup>3</sup> Deferred Charges were not included in FY14 to present per GASB 65.  
 Deferred charges are included in the previous fiscal years.

Table 10

Bexar County, Texas  
**RATIO OF OUTSTANDING GENERAL BONDED COUNTY DEBT**  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	GOVERNMENTAL ACTIVITIES					Percentage of Actual Taxable Value of Property	Per Capita
	Refunding Bonds	General Obligation Bonds	Certificates of Obligation	Unamortized Premiums and Discounts, net	Restricted for Debt Service		
2009	49,525,000	47,665,000	619,220,000	12,688,804	(58,544,093)	670,554,711	435
2010	78,765,000	69,105,000	731,970,000	23,237,728	(72,590,214)	830,487,514	513
2011	69,580,000	66,430,000	713,405,000	21,926,641	(71,270,325)	800,071,316	495
2012	76,410,000	58,035,000	828,265,000	27,369,278	(70,322,846)	919,756,432	539
2013	68,195,000	55,325,000	1,340,120,000	66,262,529	(66,484,927)	1,463,417,602	805
2014	121,255,000	35,725,000	1,275,495,000	71,923,731	(50,483,099)	1,453,915,632	783
2015	265,870,000	23,715,000	1,237,000,000	114,088,113	(31,967,772)	1,608,705,341	848
2016	598,380,000	2,360,000	985,980,000	149,402,014	(39,908,543)	1,696,213,471	894
2017	584,010,000	1,130,000	1,087,760,000	153,772,980	(60,506,401)	1,766,166,579	916
2018	977,040,000	575,000	705,950,000	187,787,701	(81,352,856)	1,789,999,845	914

Source: Comprehensive Annual Financial Reports (CAFR).

Table 11

Bexar County, Texas  
**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT TO TOTAL EXPENDITURES**  
 ALL GOVERNMENTAL FUND TYPES  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Total		Ratio of Debt Service to total Expenditures
	Debt Service <sup>1</sup>	Expenditures <sup>2</sup>	
2009	51,174,407	557,481,091	9.18%
2010	59,632,885	576,498,862	10.34%
2011	72,859,422	641,055,409	11.37%
2012	74,988,795	662,815,145	11.31%
2013	80,129,550	712,324,047	11.25%
2014	96,784,100	647,573,353	14.95%
2015	96,524,866	673,730,025	14.33%
2016	103,302,125	754,949,750	13.68%
2017	101,453,589	792,394,050	12.80%
2018	107,436,864	813,560,844	13.21%

Source: Comprehensive Annual Financial Reports (CAFR).

Note: <sup>1</sup> Does not include SARA flood control debt payment and bond issuance costs.

<sup>2</sup> Does not include SARA flood control debt payment.

Table 12

Bexar County, Texas  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
 Current Year  
 (Unaudited)

Governmental Unit	Debt Outstanding	Applicable to Bexar County	Estimated Share of Overlapping Debt
<b>Cities:</b>			
Alamo Heights	\$ 7,565,000	100.00%	\$ 7,565,000
Converse	24,825,000	100.00%	24,825,000
Fair Oaks Ranch	5,755,000	60.73%	3,495,012
Bakones Heights	197,000	100.00%	197,000
Elnorador	12,065,820	99.56%	12,012,730
Hebbes	9,490,000	100.00%	9,490,000
Hill Country Village	291,000	100.00%	291,000
Kirby	7,060,000	100.00%	7,060,000
Leon Valley	9,100,000	100.00%	9,100,000
Live Oak	16,620,000	100.00%	16,620,000
Lytle	1,445,000	1.06%	15,317
Olmos Park	1,780,000	100.00%	1,780,000
St. Hedwig	230,000	100.00%	230,000
San Antonio	1,879,155,000	100.00%	1,879,155,000
Schertz	808,450,000	10.38%	8,391,711
Selma	17,515,000	59.50%	10,421,425
Shavano Park	3,650,000	100.00%	3,650,000
Terrell Hills	8,300,000	100.00%	8,300,000
Universal City	22,269,000	100.00%	22,269,000
<b>School Districts:</b>			
Alamo Heights ISD	190,160,000	100.00%	190,160,000
Boerne ISD	328,204,650	29.72%	97,542,422
Comal ISD	767,165,107	16.89%	129,574,187
East Central ISD	129,513,479	100.00%	129,513,479
Edgewood ISD	72,540,000	100.00%	72,540,000
Flareville ISD	62,499,990	0.12%	75,000
Hardlake ISD	207,553,187	100.00%	207,553,187
Judson ISD	620,852,521	100.00%	620,852,521
Medina Valley ISD	116,317,147	34.42%	40,056,362
Northwest ISD	1,388,550,000	100.00%	1,388,550,000
Northside ISD	2,228,010,000	99.66%	2,220,434,766
San Antonio ISD	894,329,988	100.00%	894,329,988
Schertz-Cibola-Universal City ISD	417,456,092	12.32%	51,430,591
South San Antonio ISD	156,586,699	100.00%	156,586,699
Southside ISD	94,435,000	100.00%	94,435,000
Southwest ISD	222,253,272	100.00%	222,253,272
Somerset ISD	35,396,755	76.44%	27,057,280
<b>Special Districts:</b>			
Alamo Community College District	479,445,000	100.00%	479,445,000
Bexar Co Hosp Dist	891,565,000	100.00%	891,565,000
San Antonio MUD #1	845,000	100.00%	845,000
Cibola Canyons Special Improvement District	33,585,000	100.00%	33,585,000
<b>Total Overlapping</b>	<b>11,415,221,907</b>		<b>9,943,033,149</b>
<b>Bexar County</b>	<b>1,871,352,702</b>	100.00%	<b>1,871,352,702</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 13,286,574,609</b>		<b>\$ 11,814,385,851</b>

Source : Municipal Advisory Council of Texas, as of September 30, 2018  
 Overlapping percentages are derived from the 2018 market values provided by the appraisal districts.

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

Table 13

Bexar County, Texas  
**PLEDGED-REVENUE COVERAGE**  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Venue Project Revenue Bonds				Ratio Available to Annual Requirement <sup>3</sup>	Additional Mandatory Special Redemption <sup>4</sup>
	Total Revenues <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Annual Minimum Requirement <sup>3</sup>		
2009	\$ 19,924,705	686,551	19,238,174	7,493,210	2.57	-
2010	20,803,473	619,347	20,184,126	70,741,787	0.29	-
2011	22,244,006	762,268	21,481,738	14,264,596	1.51	-
2012	23,642,911	649,204	22,993,707	131,402,052	0.17	-
2013	25,162,903	653,099	24,509,804	20,981,046	1.17	-
2014	26,307,877	390,845	25,917,032	21,120,777	1.23	-
2015	27,467,611	972,509	26,495,102	97,109,629	0.27	-
2016	28,915,349	1,611,848	27,303,501	25,537,981	1.07	-
2017	30,061,964	3,208,091	26,853,873	25,519,029	1.05	-
2018	32,329,207	1,233,518	31,095,689	25,512,768	1.22	-

Source: Comprehensive Annual Financial Reports (CAFR).

<sup>1</sup> Includes operating and non-operating revenues.

<sup>2</sup> Includes operating expenses minus depreciation plus transfers out.

<sup>3</sup> Figures are minimum principal and interest added together.

<sup>4</sup> Amount is equal to total principal paid less the minimum required payment.

<sup>5</sup> Effective 2009, due to fiscal year 2008 refunds, there will be no mandatory special redemption.

<sup>6</sup> Amounts were adjusted to exclude Commissary Fund transactions.

Table 14

Bexar County, Texas  
**MOTOR VEHICLE RENTAL TAX COLLECTIONS**  
Current Year and Nine Years Ago  
(Unaudited)

<u>Motor Vehicle Rental Tax Collections</u>	
2009	6,646,769
2010	7,017,694
2011	7,394,348
2012	7,927,554
2013	8,302,881
2014	8,644,849
2015	9,175,855
2016	9,754,326
2017	9,662,436
2018	9,935,597

Source: Comprehensive Annual Financial Reports (CAFR).

Table 15

Bexar County, Texas  
**HOTEL OCCUPANCY TAX NET COLLECTIONS**  
Current Year and Nine Years Ago  
(Unaudited)

<u>Hotel Occupancy Tax Net Collections</u>	
2009	11,568,357
2010	12,270,998
2011	13,466,892
2012	14,352,302
2013	15,493,206
2014	16,227,787
2015	16,796,654
2016	17,363,957
2017	18,122,799
2018	19,256,791

Source: Comprehensive Annual Financial Reports (CAFR).

Table 16

Bexar County, Texas  
HOTEL OCCUPANCY TAX COLLECTIONS – TOP TEN HOTELS  
Current Year and Nine Years Ago  
(Unaudited)

Hotel Occupancy Tax Collections - Top Ten Hotels	2009	2010	2011	2012	2013	2014	2015	2016 <sup>2</sup>	2017	2018
JW Marriott <sup>1</sup>	N/A	\$ 396,694	\$ 899,541	\$ 904,069	\$ 988,857	\$ 1,032,413	\$ 1,073,785	\$ 1,107,438	\$ 1,115,453	\$ 1,187,451
Grand Hyatt*	614,482	682,208	711,169	718,177	732,435	783,860	805,139	781,658	785,207	812,882
Marriott Rivercenter*	722,427	654,268	686,725	689,094	722,655	772,099	688,225	788,262	753,966	786,961
The Westin La Cantara Resort***	309,811	292,893	305,577	384,855	389,204	396,882	N/A	364,187	455,293	585,183
Hyatt Regency*	465,511	385,345	378,656	404,824	426,257	449,044	473,910	470,356	513,757	524,590
Hilton Palacio Del Rio*	344,697	337,990	323,967	344,574	393,135	403,581	418,591	419,418	433,185	458,490
Hyatt Hill Country Resort**	384,983	327,217	355,883	371,112	375,071	422,507	446,300	418,647	433,683	456,255
Marriott Riverwalk*	376,395	359,202	397,740	370,152	382,452	410,199	329,173	414,320	428,659	453,326
Westin Riverwalk*	376,659	327,215	382,572	345,421	389,195	409,748	383,440	413,453	412,250	433,440
Omni La Mansion Del Rio*	251,008	245,874	231,608	262,884	283,136	297,553	305,794	303,698	306,508	317,350
Total	\$ 3,844,971	\$ 4,008,906	\$ 4,692,738	\$ 4,795,162	\$ 5,082,415	\$ 5,377,686	\$ 4,922,357	\$ 5,481,237	\$ 5,659,161	\$ 6,005,936

Note: <sup>1</sup> JW Marriott opened in 2010.

<sup>2</sup> Information presented in the 2016 filing of "TOP TEN TAXPAYERS" for the fiscal year 2016 collections has been revised based on additional information received from the City of San Antonio. While the new information has resulted in the reordering of the top ten taxpayers, the companies making up the top ten taxpayers did not change, the overall change in the collections for all top ten taxpayers reflects more collections than originally presented and the changes in collections does not materially impact the operations of the County.

\* These hotels are within walking distance of the Henry B. Gonzalez Convention Center.

\*\* This hotel is near Sea World San Antonio Adventure Park.

\*\*\* This hotel is near Six Flags Fiesta Texas Amusement Park. The hotel was closed for renovations for a significant portion of FY 2015.

Table 17

Bexar County, Texas  
CONVENTION STATISTICS  
Current Year and Nine Years Ago  
(Unaudited)

	Hotel Occupancy (%)	Revenue Per Available Room (\$)	Room Nights Sold	Convention Attendance <sup>1</sup>	Convention Room Nights <sup>1</sup>	Convention Delegate Expenditures (\$ Millions) <sup>1</sup>
2009	57.1	55.94	7,167,603	399,408	660,736	474.5
2010	59.3	57.02	7,768,002	535,400	736,325	636.1
2011	61.3	58.08	8,236,019	499,171	637,593	593.0
2012	63.5	60.79	8,651,826	449,202	635,829	533.7
2013	63.1	63.44	8,610,676	712,577	734,190	846.6
2014	65.3	67.03	8,874,090	652,443	725,333	775.1
2015	65.7	69.55	8,913,575	699,662	773,569	831.2
2016	65.9	71.12	9,116,363	637,658	676,501	N/A <sup>2</sup>
2017	66.0	73.45	9,268,901	823,561	816,582	N/A <sup>2</sup>
2018	67.1	77.88	9,568,119	672,288	882,650	N/A <sup>2</sup>

Note: <sup>1</sup> Reflects only those conventions booked by the San Antonio Convention and Visitors Bureau.

<sup>2</sup> The Convention Delegate Expenditures for 2016-2018 are not currently available from Visit San Antonio. Visit San Antonio is in the process of reviewing and recalibrating the methodology for calculating the Convention Delegate Expenditures and the County can make no representation as to when, or if, such calculations will again be made available to the County.

Source: San Antonio Convention and Visitors Bureau and the Smith Travel Research end of year historical reports.

**Table 18**

**Bexar County, Texas  
SAN ANTONIO HOTEL OCCUPANCIES AND AVERAGE DAILY RATES/HISTORY  
Current Year and Nine Years Ago  
(Unaudited)**

**San Antonio Hotel Occupancies and Average Daily Rates/History**

	Room Count	Increase/Decrease (%)	Average Daily Room Rate (\$)	Increase/Decrease (%)	Hotel Occupancy (%)	Increase/Decrease (%)
2009	40,406	6.6	95.48	(10.2)	56.2	(12.3)
2010	43,307	7.2	95.85	0.4	58.2	3.6
2011	43,979	1.6	95.65	(0.2)	61.0	4.8
2012	44,310	0.8	97.01	1.4	63.4	3.9
2013	44,845	1.2	101.82	5.0	62.9	(0.8)
2014	43,928	(2.0)	103.57	1.7	64.9	3.2
2015	45,228	3.0	106.83	3.1	64.9	0.0
2016	46,061	1.8	108.42	1.5	64.7	(0.3)
2017	46,833	1.7	111.41	2.8	65.0	0.5
2018	47,455	1.3	115.72	3.9	66.0	1.5

Source: Smith Travel Research end of year historical reports.



Photo by Peter Petroff

Table 19 (Continued)

Table 19

**Bexar County, Texas  
COUNTY EXPENDITURES FOR ASSETS OWNED BY OTHER ENTITIES  
Current and Nine Years Ago¹  
(Unaudited)**

Description	Ownership	Expenditure									Ending Balance	
		Prior Years	2010	2011	2012	2013	2014	2015	2016	2017		2018
<b>Governmental Activities</b>		Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Balance
Mission Trails MPO	City of SA	\$ 42,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,586
Mid-Beitel Creek	City of SA	168,960	814	1,112,551	196,228	21,487	7,503	12,879	302,366	35,859	-	1,858,647
Perim Beitel & Binar Glenn	City of SA	183,133	26,668	295,983	91,569	501,635	149,374	35,285	95,209	4,059,203	1,467,587	6,905,616
Ingram Road Low Water Crossing	City of SA	325,911	796,628	6,283,912	1,927,084	116,634	1,686	-	-	-	-	9,450,169
Hausman Road Drainage	City of SA	261,450	3,088,008	542,150	251,355	7,836,030	11,686	6,500	15,000	30,500	3,000	12,045,679
Hausman Road Drainage Phase II	City of SA	-	-	-	272,234	7,997,794	-	-	-	-	-	8,270,028
Huebner Creek at Pneu Road	City of SA	61,351	36,706	31,994	478,110	154,432	50,232	374,750	2,614,907	221,196	-	4,023,678
Huebner Creek Enhanced Conveyance	City of SA	261,069	7,093,016	2,757,133	1,983,381	457,507	4,152,351	5,875,807	1,017,153	5,341,057	-	28,938,674
Laddie Place	City of SA	204,997	293,753	16,997,001	1,886,706	1,663,443	3,390,754	2,535,750	317,451	179,382	3,249	27,472,486
Shane Road Low Water Crossing	City of SA	188,344	237,401	718,000	968,982	5,000	8,855	-	-	-	-	2,125,642
Rock Creek Enhanced Conveyance	City of SA	159,723	-	377,288	94,645	450,072	1,102,722	1,117,611	72,105	-	-	3,374,166
San Pedro Huisache Phase II	City of SA	205,000	838,744	914,353	6,982,214	1,698,806	58,737	-	-	-	-	10,697,854
Olmos Dam Repair	City of SA	910,568	677,999	4,382,301	20,260	-	-	-	-	-	-	5,991,128
Balcone Heights Storm Water	City of SA	137,828	46,393	-	302,186	2,099,778	2,207,920	2,324,070	2,087,792	199,272	153,878	184,221
Rosillo Tributary	City of SA	97,200	135,237	504,542	302,186	2,112,994	1,915,240	302,609	9,480	279	7,549,297	10,111,875
Roland Avenue Bridge	City of SA	307,649	249,535	668,339	1,983,172	2,970	254,500	720,626	153,280	-	-	7,526,661
Huebner Creek at Hollyhook	City of SA	37,716	25,270	184,487	143,812	74,719	9,431	-	-	-	-	911,900
Broadway Drainage Improvements	City of SA	-	42,616	389,884	395,270	1,161,909	1,731,639	466,257	16,483	7,643	114,878	6,154,950
Six Mile Creek Drainage Improvements	City of SA	-	40,270	752,275	1,863,596	-	631,097	3,068,760	3,126,068	174,075	-	7,486,562
Ehendorf Lake	City of SA	185	223,386	262,791	185	-	-	-	-	-	-	167,675
French Creek Drainage Study	City of SA	-	73,342	73,342	94,333	215,683	637,515	120,198	792,457	1,381,660	969,828	4,384,082
French Creek Tributary	City of SA	-	28,990	28,990	237,751	26,344	-	8,500,000	-	-	-	9,058,671
Barbana Drive	City of SA	-	-	157,172	375,155	184,667	316,347	-	-	-	-	811,888
New Baumfels	City of SA	-	-	-	310,874	-	-	-	-	-	-	376,781
Science Park	City of SA	-	-	-	326,011	-	-	-	-	-	-	2,388,073
San Pedro Huisache Phase III	City of SA	-	28,561	155,236	509,509	102,420	952,784	668,124	-	-	-	1,386,631
Hausman Phase II	City of SA	-	-	138,631	-	-	-	-	-	-	-	5,130,752
VFW Drainage	City of SA	-	252,271	252,271	672,694	1,119,425	2,210,054	876,308	-	-	-	438,072
Conception Creek Drainage Improvement	City of SA	-	84,014	84,014	332,936	527,197	248,699	2,296,611	2,283,540	146,754	-	9,367,148
Knoll Creek	City of SA	-	204,111	204,111	3,660,236	100	1,090,913	-	-	-	-	1,258,153
Jones, Maltberger at Elm Creek	City of SA	-	-	-	167,140	345,185	216,635	236,148	2,953,316	1,534,027	-	5,285,311
Pneu Road at French Creek	City of SA	-	-	-	-	107,504	317,122	42,695	2,185,942	12,312	-	2,665,575
North Verde Road LWC	City of SA	-	-	-	-	70,340	265,808	1,608	80,077	1,876,987	1,292,475	3,587,295
Salado Creek Tributary	City of SA	-	-	-	-	674,575	3,696,636	7,079,651	6,428,934	32,060,698	40,164,449	90,104,943
Applewhite Road	City of SA	-	-	-	-	-	-	-	-	-	-	7,552
Woodlawn at 36th Street Drain	City of SA	7,552	-	-	-	240,794	158,602	18,816	18,816	754,731	277,189	1,450,132
Sealing Channel Phase II Flood	City of SA	-	-	-	-	-	-	4,000,000	-	-	-	4,000,000
Mission Trails	City of SA	166,691	-	-	-	-	-	-	-	66,455	94,330	166,691
Menger Creek Linear Park	City of SA	-	-	-	-	-	-	3,143,133	-	-	500,000	3,303,918
Botanical Garden	City of SA	-	-	-	-	-	-	-	-	-	1,660	1,660
Mission Road	City of SA	-	-	-	-	203,364	74,730	14,762	10,763	222,245	43,562	714,382
City of Converse	City of Converse	-	-	35,983	108,973	-	-	-	-	728,125	2,271,875	3,000,000
Cnaron Subdivision	Non Profit	-	-	-	-	-	-	-	-	-	-	250,000
CentroMed Wellness Facility	Non Profit	250,000	-	-	-	-	-	740,000	-	-	-	740,000
Herbberg Historic Center	Non Profit	-	-	-	-	-	-	-	-	-	-	1,507,500
The DeStium	Non Profit	-	-	-	-	-	-	-	-	-	-	325,000
Family Service Center Association	Non Profit	-	-	-	-	-	-	-	-	-	-	1,679,388
Crosspoint, Inc.	Non Profit	-	-	-	-	-	-	-	-	-	-	468,603
Tobin Center Parking Garage	Non Profit	-	-	-	-	-	-	-	-	-	-	1,700,000
Alameda Theatre	Non Profit	-	-	-	-	-	-	-	-	-	-	161,775,533
Confidence Park	SA River Auth.	-	-	-	-	37,504,393	7,534,075	771,737	663,750	90,434	23,296	28,188,943
Mission Reach Restoration	SA River Auth.	28,403,479	5,214,150	43,762,188	37,807,831	8,401,528	558,648	-	-	-	-	10,668,067
Mission Reach Restoration - Bertermans	SA River Auth.	-	415,605	527,957	18,285,205	-	-	-	-	-	-	1,503,908
Museum Reach Restoration	SA River Auth.	10,531,030	133,228	3,809	964,032	7,507	-	-	-	-	-	959,350
Calverna 8 Increase Detention	SA River Auth.	201,669	118,047	171,678	40,975	167,550	61,337	-	-	-	-	2,934,467
Calverna Dam 6	SA River Auth.	-	181,912	656,426	63,801	-	-	786,627	651,672	686,115	-	-
Calverna Dam 10	SA River Auth.	-	-	-	159,351	-	-	-	-	-	-	-

Table 19 (Continued)

Bexar County, Texas  
**COUNTY EXPENDITURES FOR ASSETS OWNED BY OTHER ENTITIES**  
 Current and Nine Years Ago  
 (Unaudited)

Description	Ownership	Prior Years		2010		2011		2012		2013		2014		2015		2016		2017		2018		Ending Balance
		Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure		
<b>Governmental Activities (Continued)</b>																						
Engleland Reach - Betterments	SA River Auth.	-	-	480,334	312,920	1,605,355	404,672	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,773,281
Engleland Reach	SA River Auth.	-	-	142,346	147,129	629,662	34,718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	953,245
Martinez/Dams	SA River Auth.	-	-	-	-	318,755	324,509	3,245,009	761,723	691,446	1,100,455	907,175	316,945	-	-	-	-	-	-	-	-	4,421,008
Park Reach	SA River Auth.	-	-	-	-	503	1,343,895	4,204	-	-	-	-	-	-	-	-	-	-	-	-	-	1,348,602
Millicane and Mulberry	SA River Auth.	-	-	-	-	-	-	-	-	-	854,793	-	-	-	-	-	-	-	-	-	-	854,793
St. Mary's Drainage Project	St. Mary's Univ.	-	-	-	107,751	996,925	630,451	661	-	-	-	-	-	-	-	-	-	-	-	-	-	1,735,788
Sewer Halliburton Economic Development	SA Water System	-	-	-	-	-	749,364	-	-	-	-	-	-	-	-	-	-	-	-	-	-	749,364
State Highway 211 Right of Way	STA TE	550,195	10,600	-	-	-	32,068	-	-	600,000	-	-	-	-	-	-	-	-	-	-	-	690,967
Cuebron Road	STA TE	2,725,312	4,795,213	783,547	783,547	1,503,206	3,900	-	-	600,000	-	-	-	-	-	-	-	-	-	-	-	10,439,346
Blanco Road	STA TE	18,748,796	7,560,445	1,530,504	1,530,504	10,812	3,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,674,457
Loop 1604 - Lower Sequin Road	STA TE	-	-	-	-	1,409,664	905,553	11,326,891	14,645,785	650,397	25,710	3,673	-	-	-	-	-	-	-	-	-	28,967,673
Cuebron Road FM 471	STA TE	-	-	256,627	-	-	1,307,556	256,172	117,218	1,232,678	7,472,900	7,405,947	-	-	-	-	-	-	-	-	-	18,049,098
Potranco Road FM 1957	STA TE	-	-	-	-	75,556	59,814	259,183	24,419	7,388,218	11,340,450	13,299,778	-	-	-	-	-	-	-	-	-	32,447,418
US Highway 281 and Loop 1604	STA TE	-	-	-	-	-	92,000,000	-	-	60,919,967	39,080,033	-	-	-	-	-	-	-	-	-	-	192,000,000
School of Osteopathic Medicine	Univ. of Incarnate Word	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000
Haven for Hope Homeless Campus	Haven for Hope	6,248,663	4,751,337	-	-	-	760,925	57,799	681,275	20,528	25,810	21,272	22,447	-	-	-	-	-	-	-	-	12,499,999
Medina Lake Dam	Bear/Medina/Atascosa	-	-	-	-	1,134,963	97,387	12,410	-	750,000	-	-	-	-	-	-	-	-	-	-	-	1,334,817
Jefferson HS. Drainage-Flood	San Antonio ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	750,000
Total Governmental Activities		\$ 71,383,872	\$ 37,492,433	\$ 86,286,663	\$ 90,959,391		\$ 175,634,015	\$ 47,283,728	\$ 60,674,077	\$ 101,871,329	\$ 118,936,090	\$ 74,730,779	\$ 865,232,377									
<b>Business-type Activities</b>																						
Mission Reach		\$ 3,108,167	\$ 3,298,092	\$ 335,451	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,741,710
Engleland Reach		677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	677
Park Reach		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,035,687
Veteran's Memorial Plaza		-	-	110,917	-	591,455	2,037,602	5,260,026	-	886,926	148,084	-	-	-	-	-	-	-	-	-	-	8,000,000
Briscoe River Portal		-	-	934,734	-	1,695,749	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,630,483
UTSA Soccer/Tank		677	-	446,519	-	5,713,829	8,428,717	410,259	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000,000
NISD National Swim Center		677	52,122	567,473	-	5,642,643	737,085	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,000,000
Harman/Sour Soccer		4,643,393	306,607	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000
Brooks City Soccer		677	-	307,851	-	-	4,538,400	146,629	-	-	-	-	-	-	-	-	-	-	-	-	-	4,993,557
Mission Concepcion Athletic Co.		198,347	1,025,236	5,145,558	9,643,981	-	61,493	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,074,615
Cuebron Creek Soccer		89,552	1,373,782	3,766,665	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,229,999
St. Mary's Athletic Comp.		677	-	5,999,323	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,000,000
Classes Elite Soccer		90,102	1,109,853	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,199,955
Whealy Heights Athletic Comp.		105,489	581,163	4,687,977	2,122,565	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,670,000
McAlister Little League		182,364	2,487,636	-	-	16,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,293,146
S ESK/line Baseball		1,471,963	1,666,029	138,354	-	900,396	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000,000
Texas Fencing Center		677	-	1,767,334	-	1,306,489	1,098,927	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,997,039
Missions Baseball Academy		677	5,593,323	964,432	-	964,432	914,159	11,380	-	-	-	-	-	-	-	-	-	-	-	-	-	3,997,039
Community Multi Purpose		2,010,241	6,366,448	9,930,624	17,746,395	-	1,196,407	7,343,351	2,151,204	-	-	-	-	-	-	-	-	-	-	-	-	17,255,394
Performing Arts Center		156,360	62,878	958,905	-	-	34,669,770	19,026,112	-	-	-	-	-	-	-	-	-	-	-	-	-	89,745,590
Almedia Theater		677	1,410,746	2,588,576	-	-	4,532,780	289,077	2,814	-	-	-	-	-	-	-	-	-	-	-	-	6,002,814
Briscoe Western Art Foundation		12,062,698	25,389,915	30,420,182	53,603,813	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,999,999
Total Business-type Activities		\$ 83,446,570	\$ 62,882,348	\$ 116,706,845	\$ 144,548,205		\$ 233,849,355	\$ 79,770,562	\$ 62,828,095	\$ 102,758,255	\$ 119,084,174	\$ 74,730,779	\$ 1,080,600,187									

Note: The information will be presented on a prospective basis. Further, expenses related to business-type activities began in 2009.

Table 19 (Continued)



Table 20

Bexar County, Texas  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years  
 (Unaudited)

Year	Estimated Population <sup>1</sup>	Personal Income (thousands of dollars) <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	Unemployment Rate <sup>4</sup>	School Enrollment <sup>5</sup>	University Enrollment <sup>6</sup>
2009	1,645,301	60,220,178	36,465	7.2%	314,801	113,307
2010	1,714,773	59,911,913	34,761	7.3%	324,015	119,283
2011	1,756,153	63,532,926	36,177	8.1%	330,259	119,352
2012	1,785,704	68,567,177	38,398	6.1%	338,933	119,710
2013	1,817,610	70,896,476	39,005	6.2%	334,351	120,273
2014	1,855,866	75,825,317	40,857	4.8%	344,548	119,482
2015	1,897,753	81,038,194	42,702	3.7%	350,256	120,242
2016	1,928,680	84,122,309	43,617	4.0%	353,621	123,584
2017	1,958,578	85,782,196	43,798	3.2%	354,665	126,570
2018	1,958,578	N/A	N/A	3.3%	354,828	126,616

**Source:**<sup>1</sup> Source for Fiscal Year 2009 - 2017 - U.S. Census Bureau (www.census.gov).  
<sup>2</sup> Source for Fiscal Year 2009 - EDIS www.edis.commerce.state.tx.us/docs/countyprofile/old/Tx48029.pdf.  
 The population for Fiscal Year 2018 will not be made available until April.  
<sup>3</sup> Per capita personal income was computed using Census Bureau midyear population estimates.  
<sup>4</sup> Personal Income and Per Capita Personal Income Figures - Bureau of Economic Analysis (2009 - 2017).  
 Figures for 2018 were not available for personal income and per capita personal income.  
<sup>5</sup> Unemployment rates - Texas Workforce Commission September 2018, Quarterly Report.  
<sup>6</sup> School Enrollment for schools located in Bexar County - Texas Education Agency.  
 Enrollment figures are for grades Pre-K through 12th grade. University enrollment figures are not included.  
 Figures represent Fall enrollment for the calendar year.

Table 21

Bexar County, Texas  
**PRINCIPAL EMPLOYERS**  
 Current Year and Nine Years Ago<sup>2</sup>  
 (Unaudited)

2018		2009	
Principal Employers	Category	Total	Percent of County Employment
Joint Base San Antonio <sup>1</sup>	Government	86,497	9.99
H.E.B. Grocery Company	Retail	22,053	2.55
USAA <sup>3</sup>	Finance/Insurance	18,305	2.11
Northside Independent School District	Services	13,996	1.62
City of San Antonio	Government	11,462	1.32
Methodist Healthcare System	Medical	9,851	1.14
Northeast Independent School District	Services	9,292	1.07
University Health System	Medical	8,798	1.02
San Antonio Independent School District	Services	7,703	0.89
Baptist Health System	Medical	6,371	0.74
<b>TOTAL</b>		<b>194,328</b>	<b>22.45</b>
<b>Total County Employment for 2018<sup>2</sup></b>		<b>865,587</b>	

2009		2009	
Principal Employers	Category	Total	Percent of County Employment
Joint Base San Antonio <sup>1</sup>	Government	69,593	9.86
H.E.B. Grocery Company	Retail	20,500	2.90
Northside Independent School District	Services	15,925	2.26
USAA	Finance/Insurance	14,589	2.07
City of San Antonio	Government	9,000	1.27
Northeast Independent School District	Services	8,507	1.20
San Antonio Independent School District	Services	7,547	1.07
Methodist Healthcare System	Medical	7,154	1.01
UT Health Science Center at San Antonio	Medical	6,217	0.88
Baptist Health System	Medical	6,190	0.88
<b>TOTAL</b>		<b>165,222</b>	<b>23.40</b>
<b>Total County Employment for 2009<sup>2</sup></b>		<b>705,976</b>	

**Source:** San Antonio Business Journal Book of Lists 2018-19, Greater San Antonio Chamber of Commerce and confirmation from individual corporate human resource offices.  
<sup>1</sup> Under the BRAC Joint Basing Recommendation for San Antonio, installation support functions at the the Army's Fort Sam Houston were combined with those at Randolph and Lackland Air Force Bases under a single organization (Joint Base San Antonio). Includes military personnel and civilian personnel. Figures for 2018 will not be made available until April 2019. Figures for 2017 were used for 2018.  
<sup>2</sup> Total County Employment figure for 2009 and 2018 - Texas Workforce Commission website.  
<sup>3</sup> Figures for 2017 were used for 2018 as responses to inquiries would not be met by deadline.

Table 22 (Continued)

Table 22

Bexar County, Texas  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 (Unaudited)

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>PUBLIC SAFETY</b>										
Sheriff-Adult Detention										
Average Daily Inmate Population										
Male	3579	3378	2946	3131	3,253	3,149	3,209	3,341	3,681	3,957
Female	651	616	576	594	574	521	477	433	476	449
Number of Prisoners Booked	62,684	58,530	53,002	58,986	61,378	62,031	57,267	59,322	66,893	68,513
Number of Prisoners Released	58,456	56,052	52,782	58,970	60,871	61,653	57,308	59,298	66,587	68,308
Number of Uniformed Officers	871	870	870	868	912	866	753	853	849	855
Sheriff Law Enforcement	262	236	254	235	N/A	N/A	N/A	N/A	N/A	N/A
Patrol	389	376	371	385	533	532	530	519	519	531
<b>JUDICIAL</b>										
District Courts										
Criminal	13,464	13,416	12,180	12,249	11,651	11,930	11,043	11,859	12,612	13,459
Civil	45,929	45,482	47,296	43,190	39,269	42,749	42,718	42,955	31,925	35,161
Juvenile	1,846	1,944	1,789	2,006	2,062	3,213	2,152	2,855	3,343	3,323
<b>County Courts-At Law</b>										
Criminal	29,359	27,129	25,417	29,573	32,452	33,174	31,474	30,589	34,834	38,274
Civil	9,948	9,730	9,250	9,527	8,567	9,145	8,807	9,302	8,490	9,227
Probate	5,075	4,949	4,806	4,937	4,789	4,677	4,629	5,328	3,966	4,291
Mental Health	7,247	7,102	8,178	7,981	7,802	7,265	5,744	5,335	2,754	3,201
<b>Justice of the Peace Courts</b>	144,603	154,728	162,478	168,906	205,553	204,041	153,438	155,272	185,653	170,192
<b>HEALTH &amp; PUBLIC WELFARE</b>										
Number of Counts										
Federal	30	39	60	73	44	46	47	51	41	85
State	139	131	74	30	56	40	69	61	66	36
Local	2	2	0	0	0	0	0	0	0	0
Private	44	46	17	25	18	9	15	11	8	8
Children in DFPS legal responsibility <sup>4</sup>	3,631	3,719	4,834	5,002	5,445	5,571	5,761	5,238	4,608	4,579
Children in Substitute Care <sup>4</sup>	2,049	2,367	1,910	1,562	1,887	1,877	2,164	5,184	4,589	4,501
Children in Foster Care <sup>4</sup>	3,835	3,587	3,155	3,158	3,379	3,413	3,672	3,444	3,154	3,159
Number of Work Orders for Road Maintenance	4,500	4,200	4,000	3,402	2,800	2,400	8,812	8,723	8,723	8,789
Number of Work Orders for Traffic Maintenance	6,250	6,200	6,100	6,043	1,250	1,250	2,800	2,800	2,800	4,150
Number of Capital Projects in Design	13	17	18	19	12	13	6	11	11	13
Number of Capital Projects in Construction	15	13	12	14	9	9	13	9	9	8
Number of Capital Projects Completed	16	14	13	11	8	2	8	3	3	6
<b>GENERAL GOVERNMENT</b>										
Commissioners Court										
Number of Official Public Meetings										
Regular Sessions	23	24	24	29	25	24	24	24	24	24
Special Sessions (Work Sessions)	6	4	8	6	8	9	10	9	8	17

Source: Bexar County Annual Budget.

Note: <sup>1</sup> Includes only officers from the patrol division.

<sup>2</sup> Total now includes law enforcement officers from all divisions except Adult Detention.

<sup>3</sup> Totals are from the Texas Office of Court Administration.

<sup>4</sup> Totals are from the Texas Department of Family and Protective Services website.

The Texas Department of Family and Protective Services Children in Foster Care figures were updated in 2016 for 2008 - 2016.

<sup>4 (continued)</sup> Texas Department of Family and Protective Services (DFPS) works with the Bexar County Child Welfare Board to facilitate implementation and administration of the Children's Protective Services Program. Children in foster care are placed in foster homes or institutions; children in substitute care are placed in treatment facilities, hospitals, adoptive homes, or independent living arrangements. Children in the legal responsibility of DFPS are those whom the courts have awarded legal responsibility by temporary or permanent managing conservatorship or other court ordered legal basis. Children may reside in an out of home placement or were returned to their home of origin.

Table 23

Bexar County, Texas  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 23 (Continued)

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b><u>PUBLIC SAFETY</u></b>										
Sheriff-Adult Detention	4,563	4,563	4,563	4,563	4,563	4,563	4,596	4,596	4,596	4,598
Sheriff-Law Enforcement	266	252	164	152	135	132	136	132	171	171
<b><u>JUDICIAL</u></b>										
<b><u>District Courts</u></b>										
Criminal	13	13	13	13	12	12	11	11	11	11
Civil	14	14	14	14	14	14	14	14	14	13
Juvenile	3	3	3	3	3	3	3	3	3	3
<b><u>County Courts-At-Law</u></b>										
Criminal	13	13	13	13	13	13	13	13	13	13
Civil	2	2	2	2	2	2	2	2	2	2
Probate	2	2	2	2	2	2	2	2	2	2
<b><u>Justice of the Peace Courts</u></b>										
Number of elected judges	7	7	8	8	8	8	6	6	6	6
<b><u>EDUCATION &amp; RECREATION</u></b>										
<b><u>County Parks</u></b>										
Number of acres maintained	481	481	481	481	481	481	481	247	1,135	570
Number of county parks	11	11	11	11	11	11	11	11	11	11
Number of civic centers	3	3	3	3	3	3	3	3	3	3
<b><u>PUBLIC WORKS</u></b>										
Road Miles Maintained	1,375	1,350	1,310	1,270	1,270	1,231	1,200	1,200	1,004	1,030
Road Resurfaced (miles)	114	118	80	76	97	122	93	78	103	117
Heavy Trucks/Equipment	290	273	261	280	278	312	312	308	329	311
<b><u>GENERAL GOVERNMENT</u></b>										
Number of Light Vehicles <sup>1</sup>	895	870	894	925	911	670	670	784	690	692

**Source:** Bexar County Annual Budget.  
**Note:** <sup>1</sup> Light vehicles have a carrying capacity of one ton and under. This includes cars used by every department except the Sheriff Department.

Table 24

Bexar County, Texas  
**FULL-TIME-EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 (Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government/ Administrative	1,057	988	1,039	960	932	925	888	935	948	948
Judicial	736	754	707	689	692	686	729	754	778	789
Public safety Officers	1,948	1,935	2,048	1,943	1,849	1,899	2,056	2,065	2,054	2,042
Civilians	595	610	509	492	659	717	622	659	688	666
Education and recreation	16	67	14	14	71	70	79	81	86	87
Public works	259	267	268	259	256	264	264	264	267	274
Health and public welfare	155	119	207	194	109	109	91	87	98	68
<b>Total</b>	<b>4,766</b>	<b>4,740</b>	<b>4,792</b>	<b>4,551</b>	<b>4,568</b>	<b>4,670</b>	<b>4,729</b>	<b>4,845</b>	<b>4,919</b>	<b>4,874</b>

Source: Bexar County Adopted Budget.

Table 25

Bexar County, Texas  
**Texas County and District Retirement System**  
**ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES**  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability	Annual Covered Payroll <sup>1</sup>	UAAL as a Percentage of Covered Payroll	Total TCDRS Required Contribution Rate
2009	587,887,756	685,350,890	85.78%	97,463,134	214,085,357	45.53%	9.90%
2010	615,705,829	726,801,815	84.71%	111,095,986	217,066,212	51.18%	10.62%
2011 <sup>3</sup>	643,782,380	775,163,006	83.05%	131,380,626	210,826,765	62.32%	10.72%
2012 <sup>4</sup>	666,871,683	821,494,429	81.18%	154,622,746	213,634,303	72.38%	11.30%
2013 <sup>5</sup>	718,024,251	869,092,086	82.62%	151,067,835	220,622,466	68.47%	12.38%
2014	758,367,617	904,435,389	83.85%	146,067,772	231,087,684	63.21%	13.31%
2015	796,582,916	973,093,924	81.86%	176,511,008	240,592,521	73.37%	13.18%
2016	1,180,704,918	1,368,562,738	86.27%	187,857,820	251,255,949	74.77%	13.08%
2017	1,265,883,701	1,459,022,626	86.76%	193,138,925	265,871,892	72.64%	13.21%
2018 <sup>2</sup>	N/A	N/A	N/A	N/A	N/A	N/A	13.61%

Note: <sup>1</sup> The annual covered payroll is based on the employee contribution received by TCDRS for the year ending with the valuation date.

<sup>2</sup> Fiscal Year 2018 figures will not be available from TCDRS until April or May 2019.

<sup>3</sup> Funding information for 2011 may differ from prior year compliance due to plan changes effective January 1, 2013.

<sup>4</sup> Funding information for 2012 may differ from prior year compliance due to plan changes effective January 1, 2014.

<sup>5</sup> Funding information for 2013 may differ from prior year compliance due to plan changes effective January 1, 2014.

Table 26

Bexar County, Texas  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years  
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2018	
Assessed Value of All Taxable Property	\$ 150,253,090,360
Assessed Value of Real Property	\$ 135,554,431,395
Roads Debt Limit (25% of Assessed Value of Real Property) <sup>A</sup>	\$ 33,888,607,849
Amount of Debt Applicable to Constitutional Debt Limit:	
Total Bonded Debt Applicable	62,500,000
Less: Debt Service Available Funds <sup>1</sup>	\$ 5,184,325
Legal Debt Margin, Bonds Issued under Article 3, Section 52 of the Texas Constitution	\$ 33,831,292,174

Year	Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2009	22,294,858,899	22,292,803,785	0.16%
2010	22,867,713,689	22,866,310,393	0.15%
2011	22,463,790,333	22,462,089,487	0.15%
2012	22,641,570,765	22,639,979,029	0.14%
2013	23,084,641,277	23,083,557,632	0.13%
2014	24,444,710,084	24,417,417,986	0.11%
2015	24,781,567,617	24,756,876,418	0.10%
2016	28,331,876,690	22,661,612	0.08%
2017	31,269,427,790	28,311,264,328	0.07%
2018	33,888,607,849	33,831,292,174	0.17%

<sup>A</sup> Bonds Issued Under Article 3, Section 52 of the Texas Constitution

The County is authorized under Article 3, Section 52 of the State Constitution to issue bonds payable from ad valorem taxes for the construction and maintenance of roads. There is no constitutional or statutory limit as to rate on bonds issued pursuant to such constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the County.

<sup>1</sup> Amount estimated based on the subsequent year debt requirement assumed to be available from the Debt Service Fund balance of \$81,935,785.

Bonds Issued Under Article 8, Section 9 and Article 11, Section 2 of the Texas Constitution

In addition to unlimited tax bonds the County may issue bonds payable from the proceeds of a limited ad valorem tax provided for in Article 8, Section 9 of the State Constitution. Such constitutional provision provides that a county is limited to an ad valorem tax rate of \$0.80 per \$100 of assessed valuation for General Fund purposes.

Certain of the County's bonds payable from such limited tax may be issued under the provisions of Article 722, Vernon's Texas Civil Statutes. The principal amount of all bonds which may be issued under the provisions of such Statute is limited in the aggregate to 5% of all taxable property. The debt limit under Article 722 is approximately \$7,512,654,518 compared to applicable bonds outstanding at September 30, 2018 of \$1,683,565,000.

Table 27

Bexar County, Texas  
MISCELLANEOUS INFORMATION  
(Unaudited)

Employment Statistics <sup>1</sup>	2018	2009
Total Employed	902,385	712,224
Total Unemployed	30,964	57,148
Total Labor Force	933,349	769,372
Percent of Unemployment	3.3%	7.4%

Non-agricultural employment by categories<sup>2</sup>

	2018	Percent	2009	Percent
Natural Resources & Mining	9,000	0.85	3,500	0.41
Construction	55,100	5.23	51,800	6.11
Manufacturing	49,200	4.67	42,000	4.95
Trade/Transportation/Utilities	184,100	17.46	150,800	17.79
Information	20,300	1.93	19,800	2.34
Finance Activities	89,600	8.50	66,900	7.89
Services and Miscellaneous <sup>3</sup>	473,600	44.92	354,600	41.83
Government	173,300	16.44	158,300	18.68

	CPS Energy <sup>4</sup>		San Antonio Water System <sup>5</sup>		County Registered Voters <sup>6</sup>
	Electric Customers	Gas Customers	Water Connections	Wastewater Connections	
2009	694,468	320,627	352,059	395,161	884,068
2010	707,509	322,593	356,546	400,096	844,171
2011	716,622	324,702	360,281	405,119	863,759
2012	728,307	328,300	365,099	412,275	874,173
2013	741,467	331,192	464,957	416,801	912,093
2014	756,545	334,023	475,528	424,257	918,912
2015	771,603	336,645	482,821	429,609	968,990
2016	786,455	338,951	488,705	437,460	1,020,079
2017	804,675	343,754	493,764	442,552	1,047,963
2018	821,675	347,408	500,024	449,893	1,091,233

Source: <sup>1</sup> Texas Workforce Commission, Unemployment (LAUS) Report. Employment statistics are presented for the current year and for fiscal year 2009 for a limited ten year presentation.

<sup>2</sup> The Texas Workforce Commission, LMCI Economic Profiles, San Antonio, MSA Report. Professional & Business Services, Educational & Health Services, Leisure & Hospitality, and Other Services are combined.

<sup>4</sup> Formerly called City Public Service.

<sup>5</sup> Greater San Antonio Chamber of Commerce (San Antonio Region Economic Trends 2005)

<sup>6</sup> As of 2006, San Antonio Water System now provides figures for water and wastewater connections separately.

As of 2013, BearMtr is now San Antonio Water System District Special Project.

<sup>6</sup> Bexar County Elections Department.



Photo by Peter Petroff



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

The Honorable County Judge and Commissioners  
Bexar County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bexar County, Texas (the County), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2019. We did not audit the financial statements of the University Health System (the System), the Cibolo Canyons Special Improvement District (the District), and the Alamo Regional Mobility Authority (the Authority), discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the System, the District, and the Authority, is based solely on the report of the other auditors.

Our report includes a reference to other auditors who audited the financial statements of the System, the District, and the Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the District audited by other auditors were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

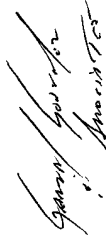
**Compliance and Other Matters**

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

We noted certain matters that we reported to management of the County in a separate letter dated March 29, 2019.

**Purpose of this Report**

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



March 29, 2019

## Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

The Honorable County Judge and Commissioners  
Bexar County, Texas

#### **Report on Compliance for Each Major Federal and State Program**

We have audited Bexar County, Texas (the County)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the State of Texas Single Audit Circular* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2018. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas Single Audit Circular. Those standards, the Uniform Guidance, and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

207 Arden Grove  
San Antonio, TX 78215  
210.227-1389  
Fax 227-0716

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

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

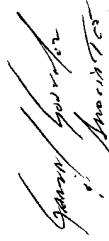
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted certain matters that we reported to management of the County in a separate letter dated March 29, 2019.

#### **Purpose of this Report**

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



March 29, 2019

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Bexar County, Texas  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
As of September 30, 2018

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through Sub-recipients	Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through Sub-recipients
<b>FEDERAL FUNDS</b>											
100-4001-40534	U.S. Department of Agriculture Passed Through Texas Department of Agriculture National School Lunch Program Commodities - Juvenile Probation	10.555	TX-015-2048	\$ 253,187	-	812-8S17	Texas Department of State Health Services HIV Emergency Relief Project, Part B, 06/01/2017 - 06/30/18	93.917	537-16-6567-00001	581,183	486,769
MS1705502301	U.S. Department of Agriculture Passed Through Texas Parks and Wildlife Department Hot Wells County Park	15.916	4801147	253,187	-	812-SS17A/SS17B	HIV Emergency Relief Project, Part B, 06/01/2017 - 06/30/18	93.917	537-16-6567-00001	216,931	198,270
MS1705502301	U.S. Department of Interior, National Park Service Passed Through Texas Parks and Wildlife Department Hot Wells County Park	15.916	4801147	414,371	-	812-8R17/8R17A	HIV Emergency Relief Project, Part B, State R - Admin H25, 2017 - 2018 (04/01/17 -03/31/18)	93.917	537-16-6567-00001	20,563	-
MS1705502301	U.S. Department of Interior, National Park Service Passed Through Texas Parks and Wildlife Department Hot Wells County Park	15.916	4801147	414,371	-	MIS1868	Children's Justice Act Child Fatality - Review Coordinator Program Texas Juvenile Probation Commission	93.643	HHS000035700001	21,605	-
MS1705502301	U.S. Department of Interior, National Park Service Passed Through Texas Parks and Wildlife Department Hot Wells County Park	15.916	4801147	414,371	-	JF170403	Title IV-E, Foster Care	93.658	TJDD-E-2017-015	43,126	-
MS1705502301	U.S. Department of Interior, National Park Service Passed Through Texas Parks and Wildlife Department Hot Wells County Park	15.916	4801147	414,371	-	JF180303	Title IV-E, Foster Care	93.658	TJDD-E-2018-015	88,738	-
MS1705502301	U.S. Department of Interior, National Park Service Passed Through Texas Parks and Wildlife Department Hot Wells County Park	15.916	4801147	414,371	-	100-1300-40563	Texas Department of Family and Protective Services Title IV-E, Legal Services	93.658	23939524	243,635	-
812-AR17	U.S. Department of Health and Human Services HIV Emergency Relief Project Part A, 2017 -2018	93.914	61891HA00041-23-01	1,174,001	1,108,683						
812-AM17	U.S. Department of Health and Human Services HIV Emergency Relief Project Part A - Minority AIDS Initiative Programs 2017 - 2018	93.914	61891HA00041-23-01	260,399	237,451						
812-AS17	U.S. Department of Health and Human Services HIV Emergency Relief Project Part A - Minority AIDS Initiative Programs 2017 - 2018	93.914	61891HA00041-23-01	1,077,570	902,143						
SA1844	B.C. Adult Treatment Court Collaborative	93.243	51F79T0206078-02	299,912	-						
SA1845	Bexar County Recovery Partnership Program	93.243	11F79SN063519-01	1,046,047	979,958						
100-4001-40561	Passed Through Texas Attorney General Child Support Enforcement Program Title IV-D - Community Supervision Title IV-D - Child Support Enforcement	93.563	14-C-0048	380,045	-						
100-4001-41004	Passed Through Texas Attorney General Child Support Enforcement Program Title IV-D - Community Supervision Title IV-D - Child Support Enforcement	93.563	12-C-0014	1,281,149	-						
CEAP17102	Texas Department of Housing and Community Affairs Community Choice Program CEAP17 - CEAP Program	93.568	SS170002574	180,829	-						
CEAP17103	Texas Department of Housing and Community Affairs Community Choice Program CEAP17 - Training/Travel Allowance	93.568	SS170002574	316	-						
CEAP17105	Texas Department of Housing and Community Affairs Community Choice Program CEAP17 - CEAP "Assurance 17" -	93.568	SS170002574	13,451	-						
CEAP17106	Texas Department of Housing and Community Affairs Community Choice Program CEAP17 - Utility Assistance Program	93.568	SS170002574	1,099,242	-						
CEAP17199	Texas Department of Housing and Community Affairs Community Choice Program CEAP17 - CEAP Administration	93.568	SS170002574	13,142	-						
CEAP18102	Texas Department of Housing and Community Affairs Community Choice Program CEAP18 - CEAP Program Services	93.568	SS180002771	38,298	-						
CEAP18103	Texas Department of Housing and Community Affairs Community Choice Program CEAP18 - Training/Travel Allowance	93.568	SS180002771	87	-						
CEAP18105	Texas Department of Housing and Community Affairs Community Choice Program CEAP18 - Utility Assistance Program	93.568	SS180002771	489,795	-						
CEAP18106	Texas Department of Housing and Community Affairs Community Choice Program CEAP18 - Utility Assistance Program	93.568	SS180002771	3,035,300	-						
CEAP18199	Texas Department of Housing and Community Affairs Community Choice Program CEAP18 - CEAP Administration	93.568	SS180002771	243,995	-						
<b>STATE FUNDS</b>											
100-4001-40561	U.S. Department of Health and Human Services Total U.S. Department of Health and Human Services			1,174,001	1,108,683						
100-4001-41004	U.S. Department of Health and Human Services Total U.S. Department of Health and Human Services			260,399	237,451						
MS1001/DI1810	U.S. Department of Homeland Security Immigration and Customs Enforcement			1,077,570	902,143						
100-8070-40526	Texas Department of Public Safety's Division of Emergency Management Emergency Management Performance Grant (EMPG)			1,046,047	979,958						
CJ1629	Texas Governor's Office Building Capacity - Drop-In Program (06/01/2017 - 05/31/2019)			380,045	-						
CJ1730	DBT Training, CJD Demonstration Project Regional Type 4 Incident Management Team			1,281,149	-						
CJ1526	Bexar County Regional Preparedness & Resilience Program (09/01/2017 - 08/31/2018)			180,829	-						
CJ1727	Bexar County WMD/HAZMAT Team SCBA Initiative (09/01/2017 - 08/31/2018)			316	-						
CJ1624	Bexar County - Interoperable Communications Coordinator (09/01/2016 - 12/31/2017)			13,451	-						
CJ1729	Bexar County - WMD/Hazmat Response Equipment Project			1,099,242	-						
CJ1723	Bexar County - Sustainment of the Bexar County Regional SVU's / Negotiations Team Budget - FY 2018 (01/01/2018 - 12/31/2018)			13,142	-						
CJ1724	Bexar County Preventative Radiological & Nuclear Detection Project			87	-						
CJ1731	Bexar County Preventative Radiological & Nuclear Detection Project			489,795	-						
CJ1731	Bexar County Preventative Radiological & Nuclear Detection Project			3,035,300	-						
CJ1731	Bexar County Preventative Radiological & Nuclear Detection Project			243,995	-						
<b>Total U.S. Department of Homeland Security</b>											
<b>1,059,463</b>											

Bexar County, Texas  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
As of September 30, 2018

Bexar County, Texas  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
As of September 30, 2018

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients	Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
HM14	HOME Investment Partnership Agreement 2013	14.239	M14-UC-48-0500	22,801	22,801	DT1818230001	U.S. Department of Transportation Passed Through				
HM15	HOME Investment Partnership Agreement 2014	14.239	M14-UC-48-0500	9,115	9,115						
HM16	HOME Investment Partnership Agreement 2015	14.239	M15-UC-48-0500	42,658	31,801.52						
HM17	HOME Investment Partnership Agreement 2016	14.239	M16-UC-48-0500	281,281	253,519						
HM18	HOME Investment Partnership Agreement 2017	14.239	M17-UC-48-0500	98,881	98,155						
ESG17	Emergency Solutions Grant Program - 2016 (HESG)	14.231	E-16-UC-48-0500	124,972	116,095						
ESG18	Emergency Solutions Grant Program - 2017 (HESG)	14.231	E-17-UC-48-0500	767	-						
812-RH17	Passed Through Department of State Health Services HMV Rapid Response Part B, HOPWA, 2016-2017 (02/01/17 - 3/31/18)	14.241	537-16-0505-00001	110,920	110,920						
	Total U.S. Department of Housing and Urban Development			411,837	3,635,652						
JJA16	U.S. Department of Justice Justice Assistance Grant - 2015	16.738	2015-DJ-BX-0993	3,123	-						
JJA17	Justice Assistance Grant - 2016	16.738	2016-DJ-BX-0205	21,610	-						
MS6580/DJ1803	Organized Crime Drug Enforcement Task Force (OCDEF)	16.XXX		16,846	-						
MS6580/DJ1804	Organized Crime Drug Enforcement Task Force (OCDEF)	16.XXX	SWTXW0506H	14,831	-						
MS6580/DJ1805	City Shelters	16.579	N/A	16,501	-						
MS6580/DJ1806	U.S. Marshall Service - Sheriff	16.XXX	N/A	8,423	-						
DJ1601	U.S. Marshall Service - Sheriff	16.745	2015-MO-BX-0004	16,427	-						
DJ1602	MINSI (Males in Social Detention Court)	16.735	2015-RP-BX-0002	174,706	-						
DJ1706	Bexar County PREA Prevention Program	16.735	2016-DC-BX-0018	65,086	-						
DJ1807	Bexar County Felony Drug Court Discretionary Grant	16.585	2017-DC-BX-0013	118,687	-						
DJ1807	Bexar County DWI Court	16.585	2017-DN-BX-0147	135,341	-						
DJ1808	Bexar County Forensic Pathology Fellowship Program	16.560		22,673	-						
CJ1721	Passed Through Texas Governor's Office Human Trafficking Unit Program	16.738	26795-05	98,386	-						
CJ1821	Human Trafficking Unit Program	16.588	39957-01	1,552	-						
CJ1720	New Life Project	16.575	27612-04	248,202	-						
CJ1718	Bexar County PEARLS Court	16.575	30512-01	123,473	-						
CJ1718	Victim Assistance Early Intervention	16.575	32476-01	286,430	-						
CJ1732	Active Shooter Preparedness Equipment	16.738	32981-01	72,548	-						
OA182201	Texas Attorney General	93.597	17-00128	69,388	-						
OA192201	Access and Visitation Program - Title IV-D	93.597	17-00128	6,403	-						
OA1830	Internet Crimes Against Children	16.543	1886540/2015-MC-FX-K049	9,655	-						
	Total U.S. Department of Justice			1,500,411	-						
	Total Texas Comptroller of Public Accounts			2,463,898	-						
	Total U.S. Department of Transportation			411,837	3,635,652						
	Total U.S. Department of the Treasury			3,123	-						
	Sheriff Asset Forfeitures Program			21,610	-						
	District Attorney Asset Forfeitures Program			16,846	-						
	Total U.S. Department of the Treasury			44,831	-						
	SSA Incentive			16,501	-						
	Total U.S. Social Security Administration			8,423	-						
	Total U.S. Social Security Administration			174,706	-						
	Prosecutor Longevity Pay			65,086	-						
	Jury Fee Reimbursement			118,687	-						
	Jury Fee Supplement (State SB 1704)			135,341	-						
	Probate Supplement			22,673	-						
	Total Texas Comptroller of Public Accounts			2,463,898	-						
	Texas Governor's Office			98,386	-						
	Bexar County Body Worn Camera Program			1,552	-						
	Bexar County Adult Drug Court			248,202	-						
	Bexar County Adult Drug Court			123,473	-						
	Bexar County Veterans Court			286,430	-						
	Bexar County Veterans Court			72,548	-						
	Bexar County Family Drug Treatment Court			69,388	-						
	Bexar County Family Drug Treatment Court			6,403	-						
	Bexar County Probation Prevention Program			9,655	-						
	Project Connect at the District Court			1,500,411	-						
	Bexar County Juvenile Drug Court			1,500,411	-						
	Bexar County Juvenile Drug Court			1,500,411	-						
	Border Prosecution Unit-TIAG			9,274	-						
	Border Prosecution Unit-TIAG			132,137	-						
	Border Prosecution Unit-TIAG			12,588	-						
	Bexar County Body Armor Program			349,700	-						
	4th Court of Appeals			70,000	-						
	Passed through Texas Military Preparedness Commission Defense Economic Assistance Adjustment Grant			1,202,096	-						
	Total Texas Governor's Office			3,652,683	-						

Bexar County, Texas  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
As of September 30, 2018

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
	<b>Texas Department of State Health Services</b>				
812-SR17	HIV Emergency Relief Project, Part B, State Services (09012016-0831/2017)	N/A	2016-003759-00	-	575,614
812-SR18	HIV Emergency Relief Project, Part B, State Services (09012017-0831/2018)	N/A	537-18-0008-00001	327,463	327,463
812-RF18	HIV Emergency Relief Project, Part B, State Rebate Funds (09012017-0831/2018)	N/A	537-18-0008-00001	211,316	211,316
812-RS18	HIV Emergency Relief Project, Part B, State Rebate Eligible Staff (09012017-0831/2018)	N/A	537-18-0008-00001	48,071	48,071
	<b>Passed Through</b>				
	Texas State University - San Marcos	N/A	N/A	10,575	-
	Tobacco Enforcement Program - Tobacco Compliance - Sheriff Office	N/A	N/A	597,425	1,162,464
	<b>Total Texas Department of State Health Services</b>				
MS1867	<b>Texas Health and Human Services Commission</b> Texas Veterans - Family Alliance Grant Program	N/A	HHS00012500002	4,952	-
	<b>Passed through</b>				
MS1901	Texas Department of Family Protective Services Early Intervention Program for Toddler;	N/A	24858716	259,782	-
MS1901	Baby Court Services Early Intervention Program for Toddler;	N/A	24858716	14,036	-
	Baby Court Services			278,770	-
	<b>Total Texas Health and Human Services Commission</b>				
	<b>Texas Department of Transportation</b>				
MS1904230001	City of San Antonio	N/A	SA-T04-10063-18	78,243	-
MS1904230001	Regional Auto Crimes Team	N/A	ABTPA 60819-SFD0000	8,666	-
	Regional Auto Crimes Team			86,909	-
	<b>Total Texas Department of Transportation</b>				
100-4001-40555	Texas Commission on Environmental Quality Texas Commission on Environmental Quality	N/A	N/A	19,061	-
	Texas Commission on Environmental Quality			19,061	-
	<b>Total Texas Commission on Environmental Quality</b>				
MS1965499401	Texas Indigent Defense Commission FY17 Discretionary Grant - Early Representation of Defendants with Mental Illness	N/A	212-68-004	105,631	-
100-4001-4054	FY17 Formula Grant Program	N/A	N/A	2,059,965	-
	<b>Total Texas Indigent Defense Commission</b>				
	Texas Parks and Wildlife Hot Wells County Park	N/A	4801147	549,283	-
	<b>Total Texas Parks &amp; Wildlife</b>				
	<b>Texas Veterans Commission</b>				
MS1712470601	Veterans Texas Commission - General Assistance FY2017 - 2019	N/A	FVA_17_0476	139,296	-
MS1812470601	Veterans Texas Commission - General Assistance FY2018 - 2019	N/A	FVA_18_0595	46,561	-
MS181390101	Veterans Texas Commission - Veterans Treatment Felony Court	N/A	VTC_18_0594	458	-
	<b>Total Texas Veterans Commission</b>				
	<b>Total State Funds</b>				
	<b>Total Federal and State Funds</b>				
				\$ 30,016,127	\$ 8,711,391

Bexar County, Texas  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended September 30, 2018

**1. GENERAL**

The accompanying schedule presents the activity of the federal and state award programs of Bexar County, Texas (the "County"), except for the federal and state award programs for the System and the Authority, the discretely presented component units of the County, which have been excluded. The System and the Authority are audited by other auditors and are separately reported for compliance with federal and/or state compliance. The County's reporting entity is defined in Note A.1. to the County's basic financial statements.

**2. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. All federal and state grant funds were accounted for in the General Fund, Capital Projects Fund or various special revenue funds, which comprise the "Nonmajor Governmental Funds" column in the governmental funds financial statements. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Statements of Revenues and Expenditures and Changes in Fund Balances of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

The modified accrual basis of accounting is used in the governmental funds financial statements. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both measurable and available) and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received in advance, they are recorded as unearned revenues until earned. Expenditures for some programs are not specifically attributable to the federal revenue source and are shown on the schedule in amount equal to the federal and/or state revenue.

**3. INDIRECT COST**

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. The County has elected to charge only direct costs to state and federal programs.

**4. CONTINGENT LIABILITIES RELATED TO COMPLIANCE**

The County participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required, and the collectibility of any related receivable at September 30, 2018 may be impaired.

BEXAR COUNTY, TEXAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended September 30, 2018

SECTION I -- SUMMARY OF AUDITORS' RESULTS (Continued)

Dollar Threshold used to distinguish between Type A and Type B programs:	
Federal -- \$750,000	
State -- \$300,000	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SECTION II --- FINANCIAL STATEMENT FINDINGS

There are no financial statement findings required to be reported in accordance with *Government Auditing Standards* for the year ended September 30, 2018.

SECTION III --- FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There are no federal or state award findings and questioned required to be reported in accordance with 2 CFR 200.516(a) for the year ended September 30, 2018.

SECTION IV --- PRIOR YEAR FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There are no prior year federal or state award findings for the year ended September 30, 2018.

BEXAR COUNTY, TEXAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended September 30, 2018

SECTION I -- SUMMARY OF AUDITORS' RESULTS

<i>Financial Statements</i>	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<i>Federal and State Awards</i>	
Internal control over major programs: Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<i>Identification of Major Programs</i>	
CFDA Number(s)	Name of Federal or State Program
<b>Federal</b>	
14.218	Community Development Block Grant
15.916	Hot Wells County Park (Outdoor Recreation Acquisition, Development and Planning)
16.575	Crime Victim Assistance Grant
93.243	Substance Abuse and Mental Health Services Projects
<b>State</b>	
N/A	State Indigent Defense Program
N/A	Family Drug Treatment Court
N/A	Hot Wells County Park
N/A	Body Armor Program

**APPENDIX E**  
**Form of Opinion of Bond Counsel**

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# BRACEWELL

[Closing Date]

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BEXAR COUNTY, TEXAS  
TAX-EXEMPT VENUE PROJECT REVENUE REFUNDING BONDS  
(COMBINED VENUE TAX), SERIES 2019

WE HAVE ACTED as bond counsel for Bexar County, Texas (the “Issuer”), in connection with an issue of bonds described as follows:

BEXAR COUNTY, TEXAS TAX-EXEMPT VENUE PROJECT REVENUE REFUNDING BONDS (COMBINED VENUE TAX), SERIES 2019, dated July 1, 2019 (the “Bonds”).

The Bonds mature, bear interest and may be transferred and exchanged as set out in the Bonds and in the order adopted by the Issuer’s Commissioners Court authorizing their issuance and an approval certificate executed pursuant to the authority delegated in such order (together, the “Order”).

WE HAVE ACTED as bond counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Bonds.

IN OUR CAPACITY as bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds which contains certified copies of certain proceedings of the Issuer, a certain escrow agreement (the “Escrow Agreement”); between the Issuer and Zions Bancorporation, National Association dba Amegy Bank Division as escrow agent (the “Escrow Agent”); a sufficiency certificate (“Sufficiency Certificate”) from SAMCO Capital Markets, Inc. and RBC Capital Markets, LLC, co-financial advisors to the District, certifying as to the sufficiency of the deposits made with the Escrow Agent for the defeasance of the Refunded Bonds (as defined in the Order); customary certificates of officers, agents and representatives of the Issuer and other public officials and other certified showings relating to the authorization and issuance of the Bonds. We have also examined such applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), court decisions, Treasury Regulations and published rulings of the Internal Revenue Service (the “Service”) as we have deemed relevant. We have also examined executed Bond No. T-1 of this issue.

**Bracewell LLP**

T: +1.210.226.1166      F: +1.800.404.3970  
300 Convent Street, Suite 2700, San Antonio, Texas 78205-3723  
bracewell.com

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[Closing Date]

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BASED ON SUCH EXAMINATION, IT IS OUR OPINION THAT:

(A) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently effective and, therefore, the Bonds have been duly authorized by the Issuer and, when issued in compliance with the provisions of the Order, constitute valid, legally binding, and enforceable special obligations of the Issuer payable solely from and, together with the Outstanding Combined Venue Tax Bonds (as defined in the Order), equally and ratably secured by a lien on and pledge of the Pledged Revenues (as defined in the Order), in the manner and as provided in the Order. The Issuer has previously authorized the issuance of the Combined Venue Tax Bonds (as defined in the Order). The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the Issuer, except the Pledged Revenues. The owner of the Bonds shall never have the right to demand payment of the Bonds out of any funds raised or to be raised by ad valorem taxation. In the Order, the Issuer retains the right to issue Additional Combined Venue Tax Bonds, as well as additional obligations payable from and secured by a lien on and pledge of the Pledged Revenues inferior and subordinate to the lien thereon and pledge thereof securing the Bonds, without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise; and

(B) Firm banking and financial arrangements have been made for the discharge and final payment of the Refunded Bonds pursuant to the Escrow Agreement and, therefore, the Refunded Bonds are deemed to be fully paid and no longer outstanding except for the purpose of being paid from the funds provided therefor in the Escrow Agreement.

THE RIGHTS OF THE OWNERS of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

BASED ON SUCH EXAMINATION, IT IS OUR FURTHER OPINION that under existing law:

- (A) Interest on the Bonds is excludable from gross income for federal income tax purposes.
- (B) The Bonds are not “private activity bonds” within the meaning of the Code, and, as such, interest on the Bonds is not subject to the alternative minimum tax.

In providing such opinions, we have relied on representations of the Issuer, the Issuer’s co-financial advisors, and the underwriters of the Bonds, with respect to matters solely within the knowledge of the Issuer, the Issuer’s co-financial advisors, and the underwriters of the Bonds, respectively, which we have not independently verified, and have assumed continuing compliance with the covenants in the Order pertaining to those sections of the Code that affect the excludability from gross income of interest on the Bonds for federal income tax purposes. If such representations are determined to be inaccurate or incomplete or the Issuer fails to comply with the foregoing provisions of the Order, interest on the Bonds



# BRACEWELL

[Closing Date]

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could become includable in gross income from the date of original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership, or disposition of, the Bonds.

Owners of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income tax payers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the “branch profits tax” on their effectively-connected earnings and profits (including tax-exempt interest such as interest on the Bonds).

The opinions set forth above are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted in the Order not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Very truly yours,

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Provided By:**



**RBC Capital Markets®**

**and**

