

NUECES COUNTY, TEXAS

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2018



Commissioners Court:
County Judge
Samuel L. Neal, Jr.

County Commissioners
Carolyn Vaughn, Precinct 1
Joe A. Gonzalez, Precinct 2
John Marez, Precinct 3
Brent Chesney, Precinct 4

County Clerk
Kara Sands

County Attorney
Laura Jimenez

County Purchasing Agent
Elsa Saenz

County Auditor
Dale Atchley, CPA

Director of Commissioners Court Administration
Tyner Little, III

Director of Public Works
Juan Pimentel



Prepared by the staff of the Nueces County Auditor Office

Ben Abalos
Fred Chavera
Lisa Davis
Elva Fuentes, CFE
Aidee Hernandez, MBA
Harry Horak
Connie Larioz
Julian Mendoza
Linda Phillips
Sabra Robinson
Anna Velazquez, CPP

NUECES COUNTY, TEXAS
Comprehensive Annual Financial Report
Year Ended 2018
Table of Contents

INTRODUCTORY SECTION

County Auditor's Letter of Transmittal	1
GFOA Certificate of Achievement	6
Nueces County Organizational Chart	7
List of Elected and Appointed Officials	8

FINANCIAL SECTION

Independent Auditor's Report	11
Management's Discussion and Analysis	15
Basic Financial Statements	
Statement of Net Position	35
Statement of Activities	36
Balance Sheet – Governmental Funds	38
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	42
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	43
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – U. S. Marshal Contract	47
Statement of Net Position – Proprietary Funds	48
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	49
Statement of Cash Flow – Proprietary Funds	50
Statement of Fiduciary Net Position – Agency Funds	51
Notes to the Financial Statements	53
Required Supplemental Information	
Texas County and District Retirement System – Schedule of Contributions	84
Texas County and District Retirement System – Schedule of Changes in Net Pension Liability and Related Ratios	86
Notes to Schedule of Contributions	88

SUPPLEMENTAL INFORMATION

Non-major Governmental Funds	
Combining Balance Sheet – Non-major Governmental Funds	89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds	95
Statements of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	
Road Fund	101
Stadium and Fairgrounds Fund	102
Law Library Fund	103
Airport Fund	104
Inland Parks Fund	105
Coastal Parks Fund	106
Special Revenue Fund	107
Debt Service Fund	109
Internal Service Funds	
Combining Statement of Net Position – Internal Service Fund	110
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund	111
Combining Statement of Cash Flows – Internal Service Fund	112
Fiduciary Funds	
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	113
Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	114
Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds Detail	115

STATISTICAL SECTION

EXHIBIT

1	Net Position by Component – Last Ten Fiscal Years	118
2	Changes in Net Position – Last Ten Fiscal Years	120
3	Fund Balances, Governmental Funds – Last Ten Fiscal Years	122
4	Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	124
5	Assessed and Taxable Valuations – Last Ten Fiscal Years	126
6	Property Tax Levies – Direct and Overlapping Governments – Last Ten Fiscal Years	128
7	Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	130
8	Principal Taxpayers – Current Year and Nine Years Ago	133
9	Tax Levies – Last Ten Fiscal Years	134
10	Property Tax Levies and Collections – General Fund and Debt Service	136
11	Property Tax Levies and Collections – Farm to Market	138
12	Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	140
13	Ratio of Gross Bonded Debt Outstanding including Capital Leases	142
14	Computation of Direct and Overlapping Debt	145
15	Legal Debt Margin Information Bonds and Certificate of Obligations Issued Under Texas General Laws – Last Ten Fiscal Years	146
16	Pledged Revenue Coverage – Last Ten Fiscal Years	148
17	Miscellaneous Statistical Data – Last Ten Fiscal Years	150
18	Principal Employers – Current Year and Nine Years Ago	153
19	Construction and Commercial permits Valuations – Last Ten Fiscal Years	154
20	Housing and Motor Vehicle Sales Volume – Last Ten Fiscal Years	156
21	Full-Time Equivalent County Employees by Function – Last Ten Fiscal Years	158
22	Operating Indicators by Function/Program – Last Ten Fiscal Years	160
23	Capital Asset Statistics by Function – Last Ten Fiscal Years	162
24	Salaries and Surety Bonds of Elected Officials	165
25	Summary of Insurance Coverage	166

FEDERAL AND STATE AWARDS

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 <i>Governmental Auditing Standards</i>	171
Independent Auditor's Report on Compliance for each Major Federal and State Program and Report on Internal Control over Compliance in Accordance <i>Uniform</i> Guidance and the State of Texas <i>Uniform Grant Management Standards</i>	173
Schedule of Findings and Questioned Costs	175
Schedule of Prior Audit Findings	177
Corrective Action Plan	176
Schedule of Expenditures of Federal, and State Awards	178
Notes to Schedule and State Award Program	181



AIDEE HERNANDEZ, MBA
FIRST ASSISTANT

ANNA VELAZQUEZ, CPP
GRANTS / PAYROLL SUPERVISOR

DALE ATCHLEY, CPA
COUNTY AUDITOR

901 LEOPARD STREET, RM. 304
CORPUS CHRISTI, TX 78401

PHONE: (361) 88-0556 • FAX: (361) 888-0584

ELVA FUENTES, CFE
INTERNAL AUDIT SUPERVISOR

LISA DAVIS
BUDGET ACCOUNTANT

JULIAN MENDOZA
EXECUTIVE ACCOUNTANT

March 29, 2019

Honorable District Judges of Nueces County
Honorable Members of the Nueces County Commissioners Court
Citizens of Nueces County

The Comprehensive Annual Financial Report of Nueces County, Texas, for the fiscal year ended September 30, 2018, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

This report consists of management's representations concerning the finances of Nueces County, Texas "The County". Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to protect the government's assets, to compile sufficient reliable information for the preparation of the County's financial statements, to manage operations in compliance with governing statutes and regulations, and to improve efficiency and effectiveness. Because the cost of internal controls should not outweigh their benefit, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statement will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pattillo, Brown & Hill, LLP a firm of licensed certified public accountants, has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader federally mandated "Single Audit" as well as a state mandated "Single Audit" designed to meet the special needs of federal and

state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are located in the Federal and State Awarded Program section of this report.

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

Profile of Nueces County

Nueces County has a long, unique history beginning in 1591 with the Spanish exploration of the New World. Alonso Alvarez de Piñeda founded what is now Corpus Christi Bay into which the Nueces River flows. The first permanent settlement on the Corpus Christi Bay was a trading post established by Colonel Henry Lawrence Kinney in 1838. It remained small and relatively unknown until July 1844 when General Zachary Taylor and his troops camped there for the winter. The army marched south to the Rio Grande for the beginning of the Mexican War in March 1845. Nueces County was formed from San Patricio County in 1846 the year after Texas became the 28th state. The geographic location of the County on the Gulf of Mexico and the Intercoastal Waterway gives it one of the most strategic locations in the southwest as the home of the fifth largest port in the nation in cargo tonnage, major military installations, petrochemical industries and tourist attractions.

Nueces County is a public corporation and political subdivision of the State of Texas. The county seat is the City of Corpus Christi, the eighth largest city in the State. The general governing body of the County is the elected five-member Commissioners court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The county judge is elected at large to serve a four-year term.

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

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

The County provides a variety of services to the public it serves. These services include operation of the district, county and justices of the peace judicial courts, voting operations for national, state and local elections, maintenance on and construction of county owned roads and bridges, recording functions relating to property rights and vital statistics, operation of the law enforcement agencies (sheriff and constables), operation of the county jail, operation of the public health department in conjunction with the City of Corpus Christi, operation of park and beach services department, operation of the county fairgrounds, operation of the county library, assistance to indigents, the provision of juvenile health and education and welfare services involving the care and correction of dependent or delinquent children, and managing the central property tax collections for multiple agencies.

The County has a significant operational and financial relationship with one legally separate entity: the Nueces County Hospital District is reported separately within the County's financial statements as a component unit. Additional information on the legally separate entity can be found in Note I.A. in the notes to the financial statements. The County does not have any blended component units included in this report.

The annual budget serves as the foundation for the County's financial planning and control. The county auditor serves as the County's budget officer. After requests have been submitted by County departments, a base line budget is presented to the Office of Commissioners Court Administration (OCCA) without any tax increases or personnel changes. The Commissioners court reviews the requests, adjusts budget requests to final form and conducts a public hearing. One copy of the proposed budget must be filed with the county clerk and one with the county auditor. Copies must be available to the public for inspection. The Commissioners court must hold a public hearing on the budget on some date within seven calendar days after the filing of the proposed budget and prior to October 31 of the current year.

Annual budgets are adopted for all governmental funds except for the Grants Fund and Capital Projects Fund which are project length budgets. Budgetary integration is not employed for the internal service fund because expenses are not controllable by management. The amounts budgeted for expenditures in various funds may not exceed the fund balances in those funds as of the first day of the fiscal year plus anticipated revenue for the fiscal year as estimated by the county auditor.

An appropriated budget is prepared by line item for the following expenditures: personnel expenditures (salaries and overtime), special personnel services (court appointed attorneys for example), insurance premiums, and other specific expenditures designated by Commissioners court in the general fund, road, airport, inland parks and coastal parks funds. Remaining expenditures, (non-personnel items mainly), are controlled at the category level. For all other special revenue funds, the legal level of control is at the fund level.

Budget transfers may be made among the line items, categories and departments only with the approval of the Commissioners court. Such transfers were made during the fiscal year but did not increase the County's overall budget. The budgets are prepared on a basis consistent with generally accepted accounting principles. The final budgets presented in this report reflect the budget amendments for all appropriation transfers processed during the fiscal year.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, the comparison is presented on page 43 as part of the basic financial statements for the governmental funds. For governmental funds with appropriated annual budgets, other than the general fund, and the U.S. Marshal contract, the comparisons are presented in the Supplemental Non-major Governmental Funds subsection of this report.

Local Economy

The County is the fifteenth largest county in the State of Texas with an estimated population of 361,350. The County has a varied manufacturing and industrial base. Major industries located within the County include industrial, petrochemical, health care, meat processing, banking and financial services.

New residential permits rose from 657 permits issued in 2010 to 952 permits issued in 2018. The value for new residential went from \$98.6 million in 2010 to \$165.7 million in 2018. The number of new commercial permits went from 190 permits issued in 2010 to 138 permits issued in 2018 with a value increase from \$118.9 million in 2010 to \$292.9 million in 2018. Employment in the region showed a slight increase. There were 3,991 more

jobs in the Corpus Christi area. September 2018 the unemployment rate in the region is 4.8% versus the State of Texas at 3.7% and the nation at 4.04%.

Future Economic Developments

The County experienced a natural disaster on August 25, 2017, resulting from Hurricane Harvey. All financial activity related to Hurricane Harvey is recorded in the Disaster Recovery department under the Special Revenue Fund. The Disaster Recovery department is used to account for disaster related expenditures, insurance proceeds, and Federal Emergency Management Agency (FEMA) grant distributions as well as other grants that are available. The County continues to evaluate the hurricane's effects and anticipates submitting reimbursement request to FEMA.

Hurricane Harvey resulted in the County incurring expenses over \$1.3 million for the year ended September 30, 2018. Capital repairs are expected to cost approximately \$1.4 million. The County will be seeking reimbursement from FEMA and Insurance.

The County received \$266,662 from FEMA, and \$1.2 million from Insurance during fiscal 2018. Also, the County received \$300,000 from Rebuild Texas Fund to restructure the I.B Magee Beach Park's pump station and the Horace Caldwell Fishing Pier. Total projects cost under FEMA review are \$709,856 and total cost for projects in process approximately \$396,986.

Repairs and assessments regarding County's capital assets are ongoing by County's and FEMA engineers. Potentially, impairment calculations will be performed and recorded. As the FEMA projects are obligated in subsequent years, the advances and addition inflows will be recognized as revenue as eligible expenditures are incurred.

The County authorized Balance Companies to review Nueces County's Hurricane Harvey Windstorm Claim. In addition to known damages, Balance Companies will review all county properties for unknown Hurricane Harvey related damages which had not been previously identified.

Any determination of assessed value will be made by the Nueces County Appraisal District based on the market value of such homes and commercial improvements as of January 1, 2018, which market value will be affected by, among other things, the extent to which any damage has been incurred and the extent to which it has been repaired. Further, there is no assurance that a casualty loss will be covered by insurance. Flood casualties are usually exempted from coverage unless specific flood insurance is purchased. The County cannot provide assurance that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damages to improvements within the County. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the County would be adversely affected

The State of Texas has begun construction of a new Harbor Bridge investing \$1 billion which will bring in many new construction jobs. Looking forward, our outlook is strong for continued growth in the near future. The Commissioners court continues to plan expenditures in a conservative manner. The 2017/2018 budget kept expenditures at or near the same levels as the prior budget with a few exceptions.

Long-term Financial Planning

Many factors were considered in preparing the County's budget for the 2017/2018 fiscal year. Through the budget process, the County Commissioners set the goals for the County. The County reaffirmed the policy of setting aside adequate financial resources in the fund balance of the general fund to ensure that current and

future services or operations would not be severely impacted by any economic slowdown, emergency, national disaster or any unforeseen circumstance. The priorities inherent to the 2017/2018 budget and future budgets are to make county government: (1) communicative and open to the public and departmental staff; (2) have attainable county and realistic budgets to enhance accountability; (3) recognize employee talent by awarding a continuance pay for every three years of service, (4) establish procedures that are in compliance with statutory requirements and (5) utilize technology to improve efficiency.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Nueces County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

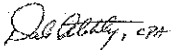
A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last twenty-five years (fiscal years ended 1993 through 2017). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA on March 31, 2019.

Additionally, Nueces County received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the 2017 fiscal year beginning October 1, 2016. This is the third year that the government has achieved this award. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories, including a policy statement, a financial plan, an operations guide, and a communications device. A Distinguished Budget Presentation Award is valid for a period of one year only.

The preparation of the CAFR could not have been possible without the efficient and dedicated services of the entire staff of the Office of County Auditor. I also thank the members of the Commissioners court and their staff and all other county officials, department heads, and employees who have given their support in planning and conducting the financial operations of the County in a responsible manner.

Finally, I would like to thank the Board of District Judges for their support and guidance in matters relating to the discharge of my duties as county auditor. I am honored to serve the citizens of this County and to work with the outstanding officials and employees that help make Nueces County a great place to live.

Respectfully submitted,
NUECES COUNTY AUDITOR



Dale Atchley, CPA



Government Finance Officers Association

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

Presented to

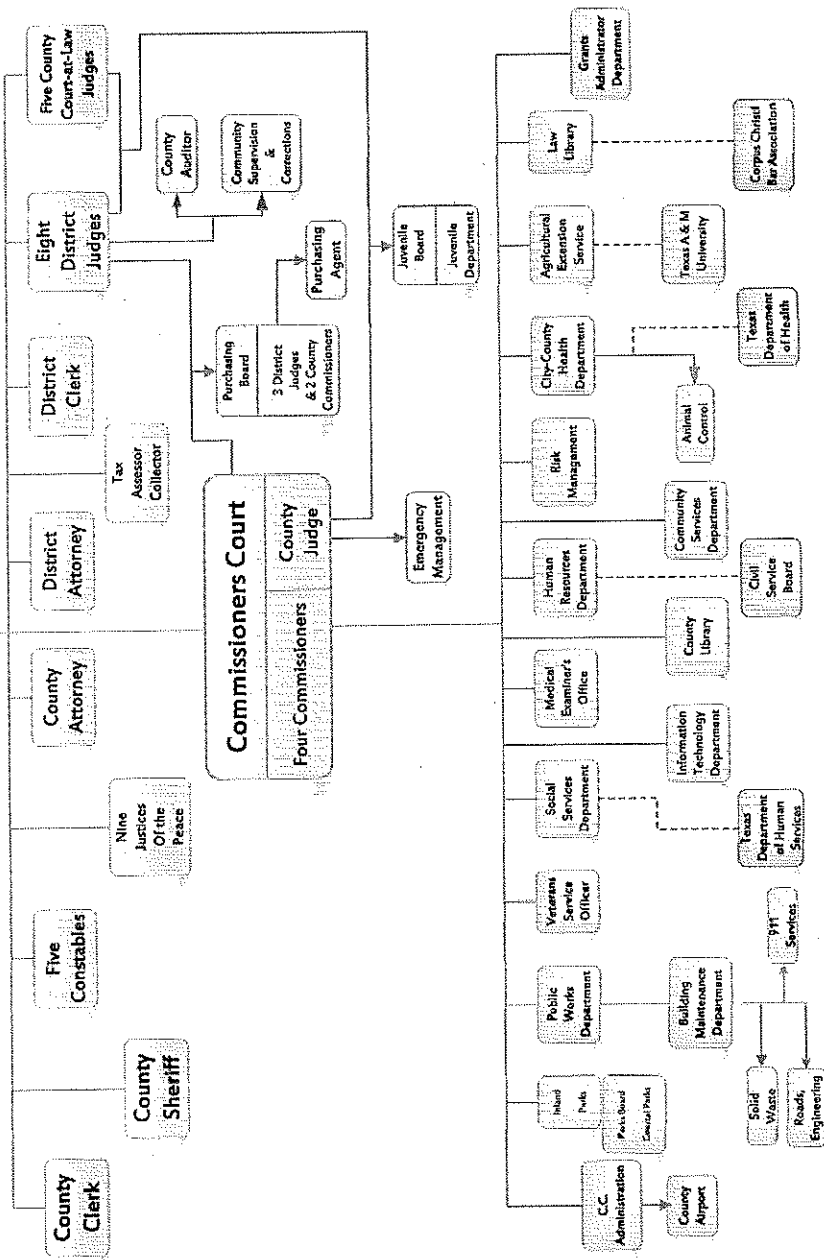
Nueces County Texas

for its Comprehensive Annual Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill
Executive Director/CEO

Citizens of Nueces County



Nueces County, Texas
List of Principal Officials

Elected Officials		Appointed Officials & Dept. Directors	
Samuel L. Neal, Jr.	County Judge	Ida G. Garza	County Librarian
Carolyn Vaughn	County Commissioner Pct. 1	Norma Alicia Davila	County Extension Agent
Joe A. Gonzalez	County Commissioner Pct. 2	Lance Murphy	Chief Information Officer
John Marez	County Commissioner Pct. 3	Jason Ott	County Extension Agent
Brent Chesney	County Commissioner Pct. 4	Timothy Everest	Risk Manager
Laura A. Jimenez	County Attorney	Martin Longoria	Veteran's Service Officer
Kara Sands	County Clerk	Ray Fernandez	Medical Examiner
Kevin Kieschnick	Tax Assessor-Collector	Abraham Gonzales, Jr.	Director of Law Library
Robert J. Vargas	County Court at Law 1	Julie Guerra	Director of Human Services
Lisa Gonzales	County Court at Law 2	Dale Atchley, CPA	County Auditor
Deeanne Galvan	County Court at Law 3	Edward Herrera	Director of Community Services & Inland Parks
Mark Woerner	County Court at Law 4	Roxanna Sandoval	Grants Administrator
Timothy McCoy	County Court at Law 5	Marilee Roberts	Court Administrator
Nanette Hasette	28th District Court	Rebecca Rach	Director of Social Services
Bobby Galvan	94th District Court	Scott Cross	Director of Coastal Parks
Jack Pulcher	105th District Court	Annette Rodriguez	Director of Public Health
Sandra Watts	117th District Court	Elsa Saenz	Purchasing Agent
Guy Williams	148th District Court	Juan Pimentel	County Road Engineer
Inna Klein	214th District Court	Rebecca G. Flanigan	Legal Advisor, Director
David Stith	319th District Court	Homer Flores	Chief Juvenile Probation Officer
Missy McDary	347th District Court	Kristen Tafamantez, CPA	Director of Commissioners Court
Mark Gonzales	District Attorney	Christopher A. Boyce	Emergency Management
Anne E. Lorentzen	District Clerk		
Joe Benavides	Justice of the Peace 1-1		
Henry A. Santana	Justice of the Peace 1-2		
The Late Robert Balderas	Justice of the Peace 1-3		
Jo Woosley	Justice of the Peace 2-1		
Thelma Rodriguez	Justice of the Peace 2-2		
Larry Lawrence	Justice of the Peace 3		
Daniel D. Neblett, Jr.	Justice of the Peace 4		
Roberto H. Gonzalez, Jr.	Justice of the Peace 5-1		
Hermilo Pena, Jr.	Justice of the Peace 5-2		
Jim Kaelin	Sheriff		
Robert Cisneros	Constable Pct. 1		
Mitchell Clark	Constable Pct. 2		
Jimmy Rivera	Constable Pct. 3		
Robert W. Sherwood	Constable Pct. 4		
Frank Flores, III	Constable Pct. 5		

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and
Commissioners' Court
Nueces County, Texas

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely component unit, each major fund, and the aggregate remaining fund information of Nueces County, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Nueces County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Nueces County Hospital District whose assets were \$90,178,131 and revenues were \$128,867,606. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Nueces County Hospital District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Nueces County, Texas, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules 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 Nueces County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Nueces County, Texas' 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 Nueces County, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 29, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Nueces County, Texas (County), offers readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here and in conjunction with the additional information we are furnishing in our letter of transmittal, which can be found beginning on page 1 of this report, the basic financial statements, and the accompanying notes to those financial statements. This management discussion and analysis (MD&A) includes comparative data for the prior year.

FINANCIAL HIGHLIGHTS

- The County's government-wide total assets and deferred outflows (excluding component units) at fiscal year-end exceeded its liabilities and deferred inflows of resources by \$98,119,226. Net position increased by \$3,353,734 or 3.54% compared to the prior year.
- The County's governmental funds in contrast to the government-wide statements reports a combined ending fund balance of \$71,133,095; an increase of \$2,605,182 in comparison with the prior year.
- The general fund total fund balance of \$18,974,819 reflects an increase of \$2,463,931 from the previous year. The total remaining in unassigned is \$0 after adjusting for amounts for prepaid items and inventories (non-spendable) and the minimum general fund reserve of fund balance (committed).
- The County's general obligation debt increased by \$7,900,000 due to the third of four principal distributions in connection with the State Infrastructure Bank loan for the Harbor Bridge Project in the amount of \$3,000,000 and \$4,900,000 due to a new bond issuance. The balance of general obligation debt at year end is \$121,507,095. The debt service fund balance is \$1,866,868 or 17.73% of next year's debt service requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other information in addition to the basic financial statements. Please see the supplementary information and statistical sections toward the end of this report.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. They present the financial picture of the County from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the County and all liabilities. Additionally, certain adjustments have occurred to eliminate duplications in regards to inter-fund activity such as premiums charged by the self-insurance fund, transfers, receivables and payables.

The *Statement of Net Position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, buildings and facilities, administration of justice, law enforcement and corrections, social services, health, safety and

sanitation, agriculture, education and consumer sciences, roads, bridges and transportation (includes rural airport), and parks and recreation.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate hospital district for which the County is financially accountable. Financial information for *component units* is reported separately from the financial information for the *primary government*.

The government-wide financial statements can be found on pages 35-37 of this report.

Fund financial statements

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

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

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

The County maintains twenty-seven governmental funds (excluding proprietary and fiduciary funds): twenty-four special revenue funds, a debt service fund, a capital projects fund, and the general fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund, U.S. Marshal Contract fund, and capital projects fund, which are all considered major funds under the classification guidelines issued by GASB. Although the debt service fund did not meet the criteria to be reported as a major fund, the County has voluntarily elected to report as such. Data from the other twenty-three special revenue funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

The County adopts annual appropriated budgets for all its governmental funds except for its capital projects and grant funds. A budgetary comparison statement has been provided for the general fund and the U.S. Marshal Contract fund to demonstrate budgetary compliance. A budget comparison statement is not presented for the capital projects fund because an annual budget is not adopted on the capital projects fund. Multi-year individual project budgets are adopted and maintained instead. Schedules of budget to actual are presented for all remaining funds elsewhere in the report except the grants fund for which an annual budget is not adopted similar to the capital projects fund. The governmental fund financial statements can be found on pages 38-47 of this report followed by the *Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual* for the general fund and the U.S. Marshal Contract fund.

Proprietary funds. The County maintains one type of proprietary fund, an internal service fund. The internal service fund is used to report activities of the County's self-insurance program. Because these services predominantly benefit governmental rather than business-type functions, the internal service fund is reported with *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is presented as a single presentation in the proprietary fund financial statements. Individual fund data for the internal

service fund is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 48-50 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The funds in custody are held for community supervision and corrections department (CSCD), metropolitan planning organization (MPO), dispute resolutions center, the district clerk court registry, and the permanent school fund.

The basic fiduciary fund financial statements can be found on page 51 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 53 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 84-88 of this report.

Immediately following the notes and the required supplementary information on pensions are the combining statements referred to earlier in connection with the nonmajor governmental funds, the internal service fund, debt service fund, and the fiduciary funds. Combining and individual fund statements and schedules can be found on pages 89-116 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position as stated earlier. The County's assets plus the deferred outflows of resources exceeded liabilities plus deferred inflows of resources at the close of the fiscal year by \$98,119,226 and are summarized below along with comparative data from the previous year.

Governmental Activities		
	Fiscal Year 17/18	Fiscal Year 16/17
Current and other Assets	\$116,202,004	\$99,248,934
Capital Assets(net of depreciation)	<u>172,630,258</u>	<u>177,071,114</u>
Total Assets	288,832,262	276,320,048
Loss on refunding debt	2,186,285	2,799,306
Deferred pension	<u>7,450,533</u>	<u>24,667,447</u>
Total deferred outflow of resources	9,636,818	27,466,753
Current and other liabilities	35,316,956	26,654,171
Long term liabilities	<u>158,128,576</u>	<u>179,437,645</u>
Total liabilities	193,444,632	206,091,816
Deferred pensions	<u>6,905,222</u>	<u>2,926,292</u>
Total deferred inflows of resources	6,905,222	2,926,292
Net Position		
Invested in capital assets	49,851,006	67,620,641
Restricted	12,736,143	14,904,500
Unrestricted	<u>35,532,077</u>	<u>12,240,351</u>
Total net position- restated	\$98,119,226	\$94,765,492

Current and other assets increased by \$16,953,070 or 17.08%. For governmental activities, there was an increase of \$12,310,672 million in cash and cash equivalents, largely due to the improved cash position of the County's general fund and the U.S. Marshal Contract Fund. In addition, receivables were higher by \$5,544,735 million due to housing and care services under the U.S. Marshals Inter-Governmental Services Agreement.

Capital assets (net of depreciation) decreased by \$(4,440,856) or -2.51%. For 2018, fixed assets additions were \$7,643,216, offset by accumulated depreciation of \$(11,887,079) and net loss on disposal of capital asset of \$(196,993).

Deferred outflows of resources decreased by \$(17,829,935) attributable to pension related deferrals in fiscal year 2018 including an additional \$269,364 in employer contributions made subsequent to measurement date, offset with \$(1,307,542) in changes of assumptions or other inputs, and \$(16,178,736) in the net difference between projected and actual earnings on pension plan investments. The decrease also includes \$(611,421) of amortization from the loss on refunding of debt.

Current and other liabilities increased by \$8,661,885 or 32.50%. The largest component of this increase is \$4,440,426 million in accounts payable attributable to accrued expenses. In addition, housing and care services under the U.S. Marshals Inter-Governmental Services Agreement were higher by \$3,222,331 million. Liabilities were also higher due to an increase in accrued compensated absences. Long-term liabilities decreased by \$(21,309,069) or -11.88% compared to the prior year.

The total pension related deferred inflows increased by \$3,978,930 from the prior year. These amounts vary year to year due to differences between projected and actual experience, assumption changes and changes in proportion, as required by GASB 68. Pension matters are discussed in more detail in Note V.C in the notes to the financial statements.

The largest portion of the County's net position 50.81% reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, software systems, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding.

The County's investment in its capital assets is reported net of related debt. It should be noted that the resources needed to repay this debt must be provided for from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Restricted net position totaled \$12,736,143 and comprised 12.98% of total net position. Restricted resources are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and grant conditions. The remaining balance of net position is *unrestricted net position* which totaled \$35,532,077 and may be used to meet any county obligations. The County is able to report positive balances in all three categories of net position at the end of the current fiscal year.

Governmental activities. Governmental activities increased the County's net position. Total revenues increased by \$21,178,489 and total expenses increased by \$2,857,454 in comparison to the prior year. The change in net position for this current fiscal year was a net increase of \$3,353,734 making the ending balance of net position equal to \$98,119,226. Key elements of this increase are discussed below.

The governmental activities change in net position is displayed in a table on the following page. The previous year comparative data is also shown.

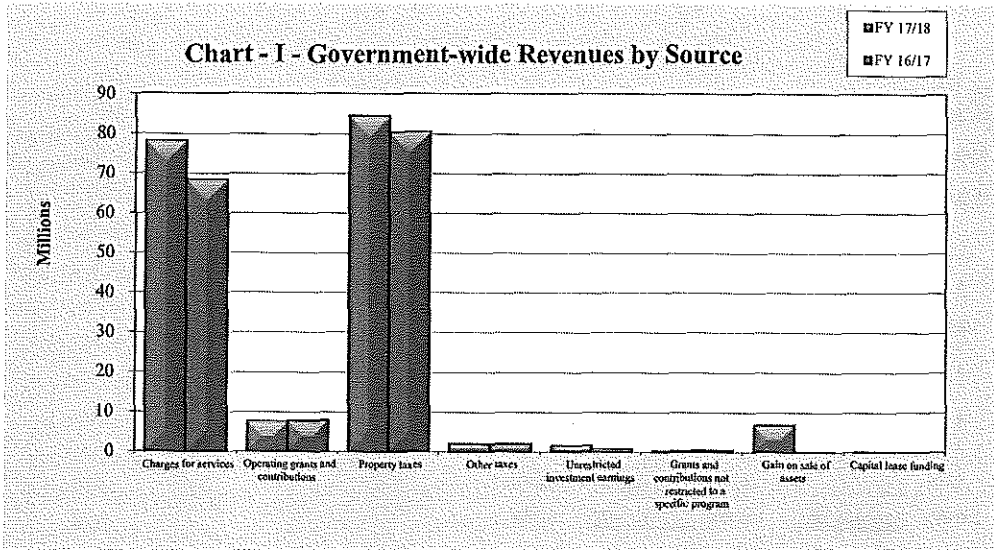
Changes in Net Position
Governmental Activities

	Percent		Percent		Difference	Percent of Change
	FY 17/18	of Total	FY 16/17	of Total		
Revenues:						
Program revenues:						
Charges for services	\$78,264,908	43.10%	\$68,469,622	42.68%	\$9,795,286	14.31%
Operating grants and contributions	7,673,123	4.23%	7,916,730	4.93%	(243,607)	-3.08%
General Revenues:						
Property taxes	84,620,635	46.60%	80,556,818	50.21%	4,063,817	5.04%
Other taxes	2,062,224	1.14%	2,003,689	1.25%	58,535	2.92%
Unrestricted Investment earnings	1,700,294	0.94%	858,835	0.54%	841,459	97.98%
Grants and contributions not restricted to a specific programs	266,769	0.15%	548,501	0.34%	(281,732)	-51.36%
		3.76%		0.04%		9378.14
Gain on sale of assets	6,836,105		72,125		6,763,980	%
Miscellaneous	180,750	0.10%	-	0.00%	180,750	0.00%
Total revenues	181,604,809	100.00%	160,426,320	100.00%	21,178,489	13.20%
Expenses:						
General government:	25,284,890	14.18%	27,026,951	15.41%	(1,742,061)	-6.45%
Buildings and facilities	11,922,706	6.69%	12,897,821	7.35%	(975,115)	-7.56%
Administration of justice	26,594,159	14.92%	26,518,868	15.12%	75,291	0.28%
Law enforcement and corrections	80,936,655	45.41%	73,365,188	41.83%	7,571,467	10.32%
Social services	3,150,333	1.77%	3,201,250	1.83%	(50,917)	-1.59%
Health, safety and sanitation	2,660,831	1.49%	3,113,686	1.78%	(452,855)	-14.54%
Agriculture, education and consumer sciences	1,077,140	0.60%	1,105,893	0.63%	(28,753)	-2.60%
Roads, bridges and transportation	14,251,978	8.00%	15,065,571	8.59%	(813,593)	-5.40%
Parks and recreation	7,110,027	3.99%	7,893,713	4.50%	(783,686)	-9.93%
Interest on long-term debt	5,262,356	2.95%	5,204,680	2.97%	57,676	1.11%
Total Expenses	178,251,075	100.00%	175,393,621	100.00%	2,857,454	1.63%
Increase (Decrease) in net position	3,353,734		(14,967,301)		18,321,035	122.41%
Net position - beginning restated	94,765,492		109,734,393		(14,968,901)	-13.64%
Net position - ending restated	\$98,119,226		\$94,765,492		\$3,353,734	3.54%

REVENUES - Total revenues increased by \$21,178,489 as shown in the table above. Property taxes increased by \$4,063,817, due to adopting a tax rate above the effective tax rate, and an increase in the property valuation.

Gain on the sale of assets increased by \$6,763,980. Operating grants and contributions decreased by \$(243,607) which is mainly due to a decrease in grant funding. Other taxes reflect an increase of \$58,535. Grants and contributions not restricted to specific programs decreased by \$(281,732).

Investment earnings were \$841,459 higher than the prior year. This increase was mainly attributable to higher than average monthly rates in one of the County's external investment pools as compared to the prior year.



The County's government-wide revenue sources are graphically presented in Chart-I. Countywide, 46.60% of total revenues come from property taxes. The second largest revenue source, 43.10% comes from charges for services, which in addition to the fees collected in conjunction with the US Marshal Contract also includes fees of office, medical examiner fees, fine collections, motor vehicle registrations and intergovernmental tax collection fees. Operating grants and contributions comprise 4.23% of the County's total revenues and cover juvenile, senior community services, law enforcement, child support, and other operations.

Chart IIA compares the net of program revenues and expenses for fiscal year 2017.

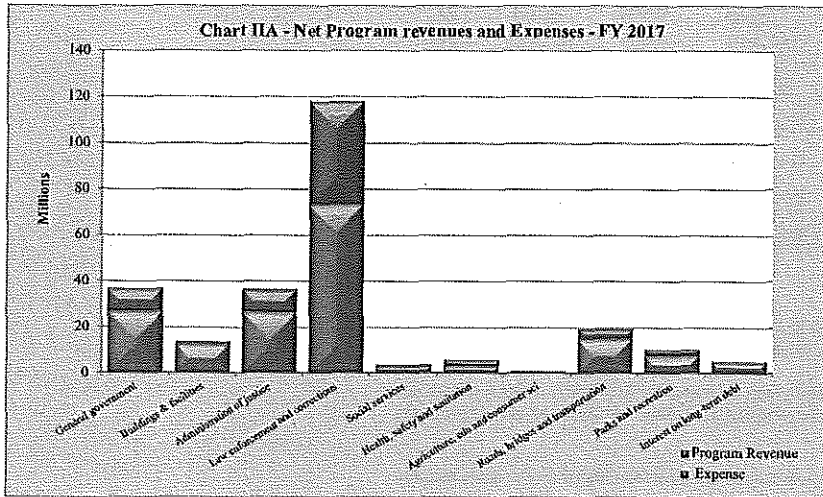
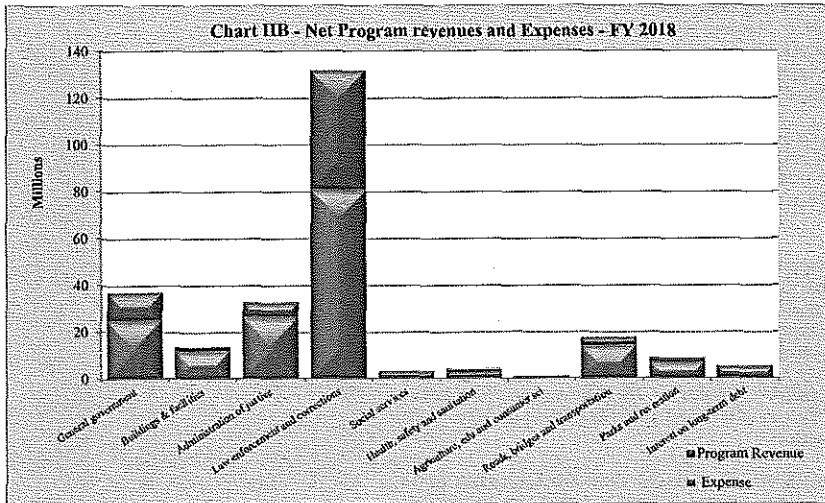


Chart IIB compares the net of program revenues and expenses for fiscal year 2018. In comparing Chart IIA and Chart IIB, they appear to remain very similar.



EXPENSES - Expenses increased by \$2,857,454 or 1.63%. The largest increases in expenses were in law enforcement and administration of justice. The increases in law enforcement and administration of justice were due to increases in personnel expenses for each function.

Program revenues in Chart IIB are matched up with the corresponding governmental activity to show what activities are most dependent on property taxes. As Chart IIB shows, the activity with the lowest net program expense is agriculture, education, and consumer sciences. A large portion of the activity costs of law enforcement, administration of justice, and general government are paid for with program revenues. No excess program revenues are noted in any governmental activity. All governmental activities rely on property tax revenue to maintain services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements as noted earlier. Fund accounting and budget controls are the framework of the County's fiscal management system and for recording accountability. On September 7, 2018 Standard & Poor's and Moody's issued their rating to the County. Standard & Poor's lowered their credit rating on the County's outstanding bonds to "AA". The lower rating incorporates their revised view of the Corpus Christi metropolitan statistical area (MSA), which is no longer considered broad and diverse. Moody's lowered their credit rating on the County's outstanding bonds to "Aa2 Negative". The negative outlook reflects the County's narrowed operating reserve position that is not expected to improve until at least fiscal 2019.

Governmental funds. The focus on the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements.

The County's governmental funds reported combined ending fund balances of \$71,133,095 at the end of the current fiscal year, an increase by \$2,605,182 in comparison with the prior year. Ending balances of governmental funds increased by \$442,939 excluding capital projects fund. This decrease is the result of an increase in operating expenditures attributed mostly to repairs and maintenance, and personnel costs.

The general fund is the chief operating fund of the County. The total general fund balance at the end of the current fiscal year was \$18,974,819. The total fund balance increased by \$2,463,931 compared to the previous year. The total fund balance represents 21% of the sum of total general fund budgeted and transfer in revenues. The Commissioners court adopted a resolution and order on September 13, 2017, establishing the financial guidelines for the minimum general fund reserve of 25% of general fund 2017-2018 budgeted revenues and transfers in to maintain sound fiscal policies and an excellent bond rating. The 25% fund balance reserve was considered necessary since Nueces County is a coastal county and as such has a higher exposure to risk. The minimum general fund reserve for the year ended September 30, 2018, was expected to be \$22,280,829. However, the actual ending general fund balance was \$18,974,819. The general fund was reimbursed for its portion of the purchase price of the election equipment as of November 29, 2017, as a part of the issuance of Series 2017 Certificates of Obligation. Applying the total fund balance toward the general fund expenditures and transfers out approximates 3.03 months of operating expenditures.

The debt service fund was voluntarily included as a major fund and closed with an ending fund balance of \$1,866,868 which resulted in a net decrease of \$(1,406,159) as compared to prior year. Debt service payments and transfers out totaled \$14,190,514 and revenues and transfers in totaled \$12,784,355. The debt service tax rate of 0.044276 appears correct for practical purposes when comparing the revenues to debt service requirements. The ending fund balance in the debt service fund at year end will be applied to future debt payments.

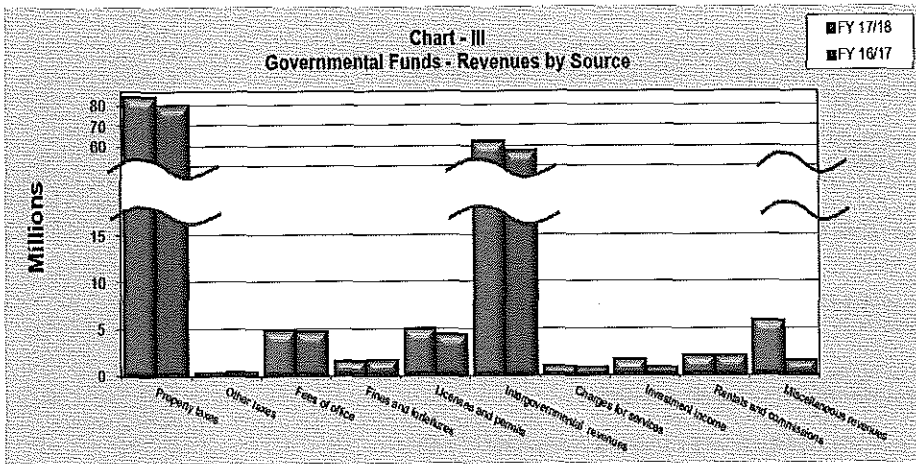
The U.S. Marshal Contract fund is considered a major fund consistent with previous years, because the liabilities revenues and expenditures each exceeded 10% of total liabilities of all governmental funds. This special revenue fund accounts for the federal inmates that the County houses under a contract with the U.S. Marshal Service. However, the County sub-contracts with a private prison for placing the federal inmates instead of housing the inmates in the county jail. Several modifications to the per-diem and guard/transportation rates with the U.S. Marshal Services as well as with the private prison operators were effective during the fiscal year ended September 30, 2018, to adjust the wages for department of labor wage determinations and to reflect the annual wage rate of the collective bargaining agreement; however, there were no changes to the County's negotiated fee. The remaining fund balance was \$(3,055,658). There was a net decrease in fund balance of \$(3,290,200) at the end of the fiscal year. Note D.8 in the notes to the financial statements contains additional information regarding fund balance matters.

The capital projects fund is used to account for all of the major capital projects that are funded by either debt instruments or the general fund. The remaining fund balance at fiscal year-end was \$33,933,200, which is a net increase of \$2,162,243 when compared to prior fiscal year. The increase in fund balance as of year ended September 30, 2018 is the result of the third of four \$3,000,000 principal distributions in connection with the State Infrastructure Bank loan for the Harbor Bridge Construction Project. The County paid the funds directly to the Texas Department of Transportation in accordance with the agreement as soon as the funds were distributed to the County. The funds received and subsequently distributed are included in issuance of debt under other financing sources and the roads, bridges and airport expenditure function, respectively, on the *Statement of Revenues, Expenditures, and Changes in Fund Balances*. The County issued \$4,900,000 Combination Tax and Revenue Certificates of Obligation, Series 2017 on November 15, 2017, which will be used to fund additional multiyear projects; acquisition of equipment for the conduct of elections in Nueces County and upgrading and improving the County's Information Technology Systems.

The County issued a resolution on August 16, 2017 declaring intention to reimburse certain expenditures with proceeds from the aforementioned Series 2017 obligations. The County finds, considers, and declares that the reimbursement of the County for the payment of such expenditures was appropriate and consistent with the lawful objectives of the County and, as such, chose to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issued obligations to finance the equipment. The County purchased \$3,671,344 in elections equipment During September 2017, of which the County used \$3,100,000 of the above Series 2017 obligations to reimburse itself for such payments when it issued obligations to finance the elections equipment.

Other governmental funds have a total combined fund balance of \$19,413,861. The road and bridge fund is included within this category, as well as the other funds restricted to specific purposes. The total combined other governmental fund balance increased by \$2,675,367.

Please refer to next page Chart III, Revenues by Source, for a graphic presentation of the table. Revenues are comparably constant in all categories, except for intergovernmental revenue, rentals and commissions and miscellaneous revenues.



The table below presents revenues by source with comparisons to the prior year. All the funds are included but most of the changes are due to the general fund and U.S. Marshal Contract fund.

Governmental Funds – Revenues by Source

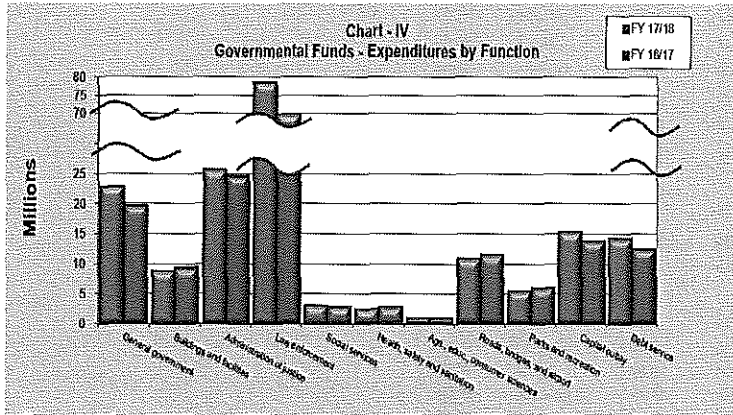
	FY 17/18	Percent of Total	FY 16/17	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$84,054,361	43.14%	\$80,173,689	41.96%	\$3,880,673	4.84%
Other taxes	337,188	0.17%	420,187	0.22%	(82,999)	-19.75%
Fees of office	4,768,777	2.45%	4,746,222	2.48%	22,555	0.48%
Fines and forfeitures	1,527,410	0.78%	1,629,929	0.85%	(102,519)	-6.29%
Licenses and permits	5,042,315	2.59%	4,419,439	2.31%	622,876	14.09%
Intergovernmental revenues	61,945,418	31.79%	57,369,864	30.03%	4,575,554	7.98%
Charges for services	910,699	0.47%	899,685	0.47%	11,014	1.22%
Investment income	1,635,709	0.84%	836,342	0.44%	799,367	95.58%
Rentals and commissions	2,114,329	1.09%	2,122,484	1.11%	(8,155)	-0.38%
Miscellaneous revenues	5,818,372	2.99%	1,596,045	0.84%	4,222,327	264.55%
Total revenues	168,154,578	86.30%	154,213,885	80.71%	13,940,693	9.04%
Other Financing Sources						
Sale of Assets	6,836,105	3.51%	72,125	0.04%	6,763,981	9378.16%
Transfers in	11,603,033	5.96%	13,494,218	7.06%	(1,891,185)	-14.01%
Capital lease funding	112,471	0.06%	17,835	0.01%	94,636	0.00%
Issuance of debt	7,900,000	4.05%	20,920,000	10.95%	(13,020,000)	-62.24%
Premium(discount) on sale of bonds	236,718	0.12%	2,347,546	1.23%	(2,110,828)	0.00%
Total revenues & other financing sources	\$194,842,905	100.00%	\$191,065,609	100.00%	\$3,777,296	1.98%

Some observations on the revenues are as follows:

- The increase in property tax revenues of \$3,880,673 an increase of 4.84%, is attributed to an increase in the net taxable value and adopting a tax rate above the effective rate.
- The decrease of \$(102,519) in fines and forfeitures is mainly attributable to both a \$(160,106) or (41.7%) decrease in County Clerk collections and a \$(75,184) decrease in the Sheriff federal awarded program. County Clerk collections are down, in part, due to the significant focus of resources on a software conversion.
- The increase of \$622,876 in licenses and permits is due to a rate increase in the processing fees collected for online motor vehicle registrations, and the increase in the road and bridge - \$10 optional fee and the motor vehicle registration commission.
- The increase of \$4,575,554 in intergovernmental revenues is the result of additional revenues collected under the U.S. Marshal Service contract.
- The increase in investment income, \$799,367 is mainly attributable to higher than average monthly rates in one of the County's external investment pools as compared to the prior year.
- The increase of \$4,222,327 in miscellaneous revenues is due the reimbursement for the purchase price of the election equipment as of November 29, 2017, as a part of the issuance of Series 2017 Certificates of Obligation.
- The \$(1,891,185) decrease in transfers in is due to the prior years transferring of the remaining fund balance of a debt issuance that is no longer outstanding to two currently outstanding debt issuances that was not needed in the current year.
- Issuance of debt and the premium on sale of bonds increased by \$7,900,000 and \$236,718, respectively, due to the third of four \$3,000,000 principal distributions in connection with the State Infrastructure Bank loan for the Harbor Bridge Construction Project and a \$4,900,000 issuance of Certificates of Obligation, Series 2017 including a \$236,718 bond premium.

The remaining revenue categories show no significant change from the previous year.

Please refer to Chart IV, Governmental Funds - Expenditures by Function, below for a graphic presentation of the table shown on the following page.



The table on the next page presents a comparison of expenditures by function with the prior year. All the funds are included but as with revenues, most of the changes are due to the general fund and U.S. Marshal Contract Fund.

Governmental Funds -- Expenditures By Function

	FY 17/18	Percent of Total	FY 16/17	Percent of Total	Increase (Decrease)	Percent of Change
General government	\$22,877,798	11.90%	\$19,722,815	10.52%	\$3,154,983	16.00%
Buildings and facilities	8,774,254	4.56%	9,366,169	5.00%	(591,915)	-6.32%
Administration of justice	25,647,536	13.34%	24,587,527	13.12%	1,060,009	4.31%
Law enforcement	78,673,348	40.93%	69,651,851	37.16%	9,021,497	12.95%
Social services	3,040,522	1.58%	2,976,398	1.59%	64,124	2.15%
Health, safety and sanitation	2,457,582	1.28%	2,777,533	1.48%	(319,951)	-11.52%
Agri., educ., consumer sciences	1,003,451	0.52%	982,544	0.52%	20,907	2.13%
Roads, bridges, and airport	10,875,995	5.66%	11,507,676	6.14%	(631,681)	-5.49%
Parks and recreation	5,450,472	2.84%	6,036,814	3.22%	(586,342)	-9.71%
Capital outlay	7,643,216	3.98%	13,832,255	7.38%	(6,189,039)	-44.74%
Debt service	14,190,514	7.38%	12,522,275	6.68%	1,668,239	13.32%
Total expenditures	180,634,690	93.96%	173,963,856	92.80%	6,670,834	3.83%
Other financing uses						
Transfers out	11,603,033	6.04%	13,494,217	7.20%	(1,891,184)	-14.01%
Refunding escrow payments	-	0.00%	-	0.00%	-	0.00%
Total expenditures and transfers out	\$192,237,723	100.00%	\$187,458,073	100.00%	\$4,779,650	2.55%

Total expenditures increased by \$6,670,834 or by 3.83% compared to the prior year. The largest increases were from law enforcement, general government and administration of justice. Law enforcement increased by \$9,021,497 or 12.95% due to the additional expenditures under the U.S. Marshal Service contract.

General government increased by \$3,154,983 or 16.00% due to several increases in both the general fund and special revenue funds. The commissioners' special revenue fund increased by approximately \$643,984 due to preliminary costs incurred from Hurricane Harvey. The general fund comprised the remaining increases including funding approximately \$750,586 for estimated claims resulting from a boundary dispute. Also included was a approximately \$3.9 million in capital improvements.

Administration of justice increased by \$1,060,009 or 4.31% due to increases in personnel costs from the 2.5% continuance pay for eligible employees, the increase in the retirement costs.

Other significant increases in expenditures across functions were due to increases in personnel costs from the 2.5% continuance pay for eligible employees, the increase in the retirement costs, the overtime specifically in the law enforcement function and the increase in health insurance premium costs.

The \$(586,342) decrease in parks and recreation is due to expenditures incurred during fiscal year ended September 30, 2018 related to a large capital project from the County's Beach Improvement Fund which did not require additional funding from this source during the current fiscal year.

The \$(1,891,184) decrease in transfers out is due to transferring remaining fund balance of a debt issuance that is no longer outstanding to two currently outstanding debt issuances, as mentioned previously.

In summary, total governmental fund balances increased by \$2,605,182. Combined fund balances for all governmental funds totaled \$71,133,095.

Proprietary funds. The County's only type of proprietary fund is an internal service fund, commonly referred to as the self-insurance fund. The proprietary fund is not included in with the governmental funds just described, but is combined with financial results presented on the government-wide basis. The self- insurance fund reports all liabilities on the full accrual basis. Complete details on each fund can be found on pages 110-112.

Unrestricted net position of the self-insurance fund at the end of the year amounted to \$1,915,715 with \$310,720 belonging to the workers compensation fund, \$668,943 belonging to the general liability fund, and \$972,052 belonging to the group health insurance fund.

GENERAL FUND

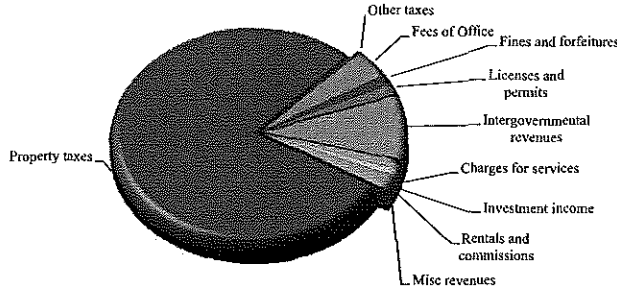
Financial analysis

Previous discussions on the results of operations under the governmental activities and governmental funds sections are also relevant to the general fund in most areas since it is the main operating major fund. The following two tables compare general fund prior year to current for the revenues and expenditures. Two pie charts are also included as a representation of the general fund revenues and expenditures for the current year.

**General Fund
Actual Revenues Comparison to Prior Year Actual**

	FY 17/18	Percent of Total	FY 16/17	Percent of Total	Variance Increase	Percent of
Property taxes	\$70,909,261	77.33%	\$67,632,377	78.70%	\$3,276,884	4.85%
Other taxes	336,859	0.37%	420,187	0.49%	(83,329)	-19.83%
Fees of Office	3,797,422	4.14%	3,640,730	4.24%	156,692	4.30%
Fines and forfeitures	1,274,978	1.39%	1,290,318	1.50%	(15,340)	-1.19%
Licenses and permits	1,549,572	1.69%	1,315,764	1.53%	233,808	17.77%
Intergovernmental	8,621,036	9.40%	8,723,651	10.15%	(102,615)	-1.18%
Charges for services	488,298	0.53%	431,537	0.50%	56,761	13.15%
Investment income	684,457	0.75%	279,231	0.32%	405,225	145.12%
Rentals and commissions	802,956	0.88%	687,441	0.80%	115,515	16.80%
Misc revenues	<u>1,890,906</u>	<u>2.06%</u>	<u>267,565</u>	<u>0.31%</u>	<u>1,623,341</u>	<u>606.71%</u>
Total revenues	90,355,744	98.54%	84,688,802	98.55%	5,666,942	6.69%
Other Financing Sources						
Transfers-in	1,338,216	1.46%	1,248,027	1.45%	90,189	7.23%
Sale of Assets	-	0.00%	214	0.00%	(214)	0.00%
Total Revenues & Other						
Financing Sources	<u>\$91,693,961</u>	100.00%	<u>\$85,937,043</u>	100.00%	<u>\$5,756,918</u>	6.70%

FY 17/18 General Fund Revenues



Some observations of the general fund revenues when compared to the prior year are as follows:

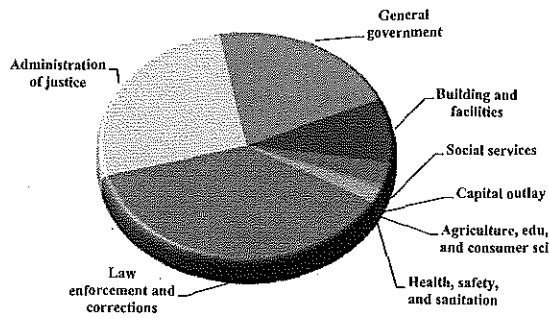
- The 4.85% increase in property tax revenues is attributable to an increase in the net taxable value and adopting a tax rate above the effective tax rate to cover increase in appropriations for the fiscal year.
- Fees of office increased by \$156,692 or 4.30% due to increases in Justice of the Peace deferred adjudication and filing fees followed by constable serving paper fees.
- Fines and forfeitures decreased by \$(15,340) or -1.19% due to a decrease in the County Clerk collections as the result of a shift in the continuous focus of resources from a software conversion.
- Licenses and permits increased by \$233,808 or 17.77% due to car title commissions and motor vehicle registration handling fee.
- Intergovernmental revenues decreased by \$(102,615) or -1.18% due to the decline of Texas Hazardous fees received.
- Charges for services increased by \$56,761 or 13.15% due to an increase medical examiner autopsies and other fees.
- Miscellaneous revenue increased by \$1,623,341 or 606.71% due to a reimbursement from certificate of obligation for election equipment purchased in the previous year.
- Investment income increased by \$405,225 or 145.12% mostly due to higher than average monthly rates in the County's external investment pools and depository accounts as compared to the prior year.
- Rentals and commissions increase by \$115,515 or 16.80% mostly due to increase in telephone commissions.

All other general fund revenues reflect stable and consistent performance.

**General Fund
Actual Expenditures Comparison to Prior Year Actual**

	FY 17/18	Percent of Total	FY 16/17	Percent of Total	Variance Increase (Decrease)	Percentage of Change
Law enforcement and	\$30,629,885	34.33%	\$29,825,278	32.62%	\$804,607	2.70%
Administration of justice	21,571,709	24.18%	20,541,833	22.47%	1,029,876	5.01%
General government	17,507,239	19.62%	17,969,346	19.65%	(462,107)	-2.57%
Building and facilities	7,542,270	8.45%	7,759,474	8.49%	(217,204)	-2.80%
Social services	2,703,587	3.03%	2,622,931	2.87%	80,656	3.08%
Capital outlay	491,547	0.55%	1,974,446	2.16%	(1,482,900)	-75.10%
Agriculture, edu, and consumer sci	933,900	1.05%	927,694	1.01%	6,207	0.67%
Health, safety, and sanitation	753,177	0.84%	674,879	0.74%	78,299	11.60%
Total expenditures	82,133,314	90.01%	82,295,880	89.56%	(162,566)	-0.20%
Transfers-out	7,096,715	7.95%	9,131,912	9.99%	(2,035,197)	-22.29%
Total expenditures and transfers-out	<u>\$89,230,029</u>	100.00%	<u>\$91,427,792</u>	100.00%	<u>\$(2,197,762)</u>	-2.40%

FY 17/18 General Fund Expenditures



Total expenditures and transfers out decreased by \$(2,197,762) or -2.40% from the prior year. In comparison to the national consumer price index (CPI) over the last twelve months, electricity per the CPI increased 2.27% while electricity paid for by the general fund remained steady with a minimal increase of .18%. This is mainly attributable to the reduction of usage at several county facilities.

The highest increases in the general fund expenditures were in administration of justice and law enforcement and corrections with \$1,029,876 or 5.01% and \$804,607 or 2.70%, respectively. Offsetting the increases were large dollars decreases in capital outlay and transfers out with \$(1,482,900) or -75.10% and \$(2,035,197) or -22.29%, respectively. The increase in administration of justice is attributable to increases on personnel costs as stated earlier. Increases in law enforcement and corrections are also due to increase in personnel cost associated in the collective bargaining agreement. The decrease in capital outlay is due to the completion of construction in progress in prior years. The decrease in transfers out is due to transferring the funding source to another fund for this fiscal year.

Budgetary highlights

The original budget and the final amended budget in total were equal. Minor budgetary shortfalls occurred within budget categories of some departments. These minor shortfalls were covered by budget transfers within each department to offset the shortfall. Actual expenditures and transfers out for this fiscal year (budget basis) ended \$8,745,136 under total budgeted appropriations for an expenditure level of 91.07%. Actual revenues and transfers were \$2,570,643 over budget, or 102.88% of budget.

The variance in revenues is primarily attributable to:

- An increase in property taxes of \$3,276,884 due to an increase net taxable values and adopting a tax rate above the effective tax rate.
- A decrease in fines and forfeitures of \$(15,350) due to a decrease in overall collections, specifically with County Clerk collections as the result of a shift in the focus of resources from a software conversion.
- An increase in licenses and permits of \$233,808 due to an increase in motor vehicle registration commission.
- A decrease in intergovernmental revenues of \$(102,615) is due to reductions in income from state grants and indirect cost reimbursements from grants,
- An increase in investment income of \$405,225 is due to higher than average monthly rates in the County's external investment pools and depository accounts as compared to the prior year.
- An increase in rentals and commissions of \$115,515 is due to the telephonic commission received from the County's inmate telephone service provider which was not taken into consideration for budget purposes due to an uncertain Federal Communications Commission's ruling that could affect the amount of the commission.

The variance in expenditures is primarily attributable to:

- A decrease in court appointed attorney's fees led to a significant cost savings for the district and county courts at law.

- Several employee vacancies throughout the year that led to significant cost savings for those departments that did not have to compensate with vacancies with additional overtime for existing positions.
- The full amount of the budgeted contingency in the general administration department was not necessary and professional fees were down for the year.
- The implementation of an online jury administration resulted in a significant cost savings to the County.
- Capital outlay, office expenses, and professional services were controlled during the year leading to positive budget variances.

Last fiscal year actual revenues and transfers in equaled 98.97% of budgeted revenues and expenditures and transfers out equaled 96.71% the budgeted expenditures.

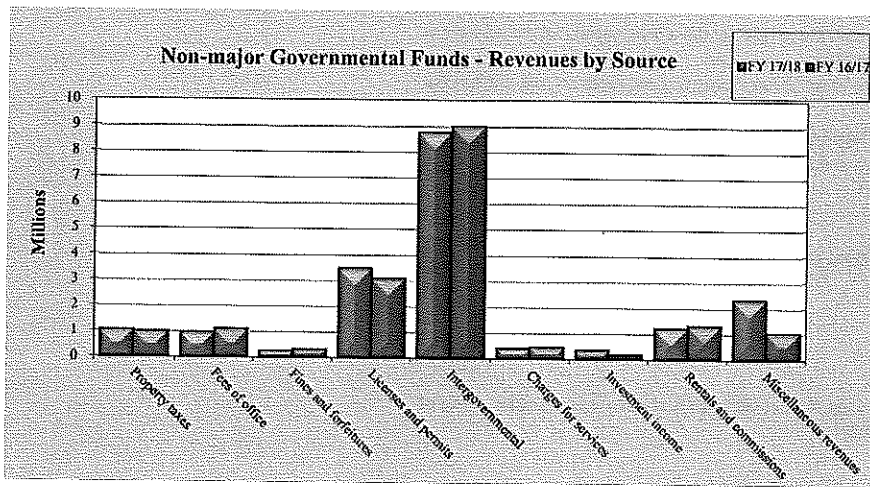
Non-major Governmental Funds

Twenty-three non-major governmental funds are reported in combining statements and individually elsewhere in this report. Most of these funds are subject to restrictions and can be used for only specified purposes.

Non-major Governmental Funds – Revenues by Source

	FY 17/18	Percent of Total	FY 16/17	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$1,060,776	3.74%	\$1,015,710	3.71%	\$45,066	4.44%
Fees of office	971,355	3.43%	1,105,492	4.03%	(134,137)	-12.13%
Fines and forfeitures	252,432	0.89%	339,611	1.24%	(87,179)	-25.67%
Licenses and permits	3,486,051	12.30%	3,097,965	11.30%	388,085	12.53%
Intergovernmental	8,777,829	30.98%	9,016,617	32.89%	(238,788)	-2.65%
Charges for services	422,401	1.49%	468,148	1.71%	(45,747)	-9.77%
Investment income	360,543	1.27%	191,541	0.70%	169,002	88.23%
Rentals and commissions	1,215,439	4.29%	1,336,546	4.88%	(121,107)	-9.06%
Miscellaneous revenues	2,337,331	8.25%	1,059,478	3.86%	1,277,853	120.61%
Total revenues	18,884,156	66.65%	17,631,108	64.31%	1,253,048	7.11%
Other Financing Sources						
Transfers in	9,299,816	32.82%	9,693,066	35.36%	(393,250)	-4.06%
Capital Lease Funding	112,471	0.40%	17,835	0.07%	94,636	0.00%
Sale of Assets	36,455	0.13%	71,911	0.26%	(35,456)	-49.31%
Total Revenues & Other Financing Sources	\$28,332,899	100.00%	\$27,413,921	100.00%	\$918,978	3.35%

Total revenues for the non-major governmental funds increased by \$1,253,048 when compared to the previous year. The majority of the increase was due to the insurance proceeds received for Hurricane Harvey damages. Other changes included increase in investment income and decrease in grant proceeds.

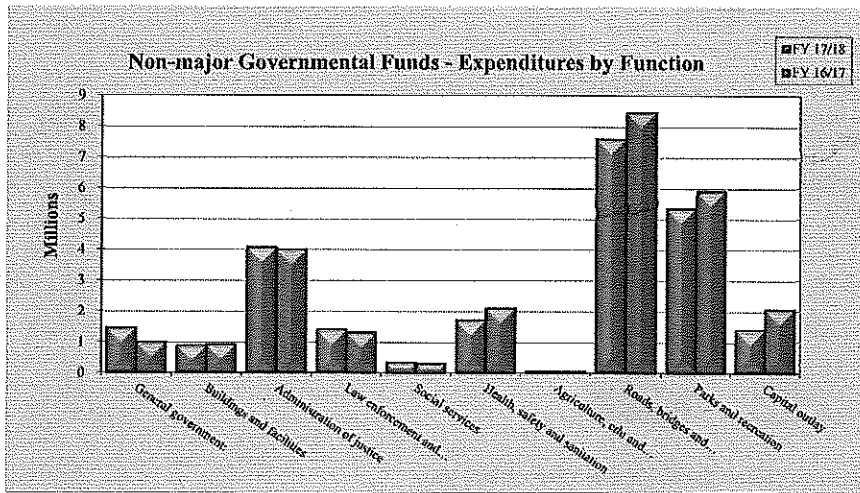


Non-major Governmental Funds – Expenditures by Function

	FY 17/18	Percent of Total	FY 16/17	Percent of Total	Increase (Decrease)	Percent of Change
General government:	\$1,477,768	5.76%	\$999,969	3.57%	\$477,799	47.78%
Buildings and facilities	901,549	3.51%	922,752	3.29%	(21,202)	-2.30%
Administration of justice	4,075,827	15.89%	4,009,411	14.31%	66,416	1.66%
Law enforcement and corrections	1,407,261	5.48%	1,323,991	4.73%	83,270	6.29%
Social services	336,935	1.31%	316,679	1.13%	20,256	6.40%
Health, safety and sanitation	1,722,085	6.71%	2,102,655	7.51%	(380,569)	-18.10%
Agriculture, edu and Consumer Science	69,551	0.27%	54,850	0.20%	14,701	26.80%
Roads, bridges and transportation	7,604,406	29.64%	8,474,873	30.25%	(870,467)	-10.27%
Parks and recreation	5,353,809	20.87%	5,916,836	21.12%	(563,027)	-9.52%
Capital outlay	1,408,289	5.49%	2,072,943	7.40%	(664,654)	-32.06%
Total expenditures	24,357,481	94.93%	26,194,959	93.51%	(1,837,478)	-7.01%
Transfers Out	\$1,300,051	5.07%	\$1,817,658	6.49%	(517,607)	-28.48%
Total expenditures and transfers out	\$25,657,532	100.00%	\$28,012,616	100.00%	\$(2,355,085)	-8.41%

Expenditures and transfers out for the non-major governmental funds decreased by \$(2,355,085) from the prior year. Road, Bridges, and Transportation had the largest dollar decrease of \$(870,467). The decrease in road and bridges is due to decreases in repair and maintenance costs, decreases in other services and charges and decreases in professional services costs. Other decreases in expenditures were in the capital outlay \$(664,654), parks and recreation \$(563,027), and health, safety, and sanitation \$(380,569). The decrease in capital outlay is due to the completion of several capital projects in the prior year. These decreases in expenditures were

offset by an increase in the general government function of \$477,799. The increase in the general government is due to the increase in personnel cost associated with the collective bargaining agreement.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County's investment in capital assets for its governmental activities as of September 30, 2018, amounts to \$172,630,258 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress.

Total investment in the County's net capital assets decreased by \$(4,440,856) or -2.51%.

Nueces County Capital Assets (net of depreciation)

	2018	2017
Land	\$5,063,554	\$5,063,554
Building and improvements	89,632,104	90,061,752
Furniture, equipment and machinery	11,914,056	12,695,516
Computer Software Systems	582,371	550,817
Infrastructure	46,355,986	49,156,027
Construction in progress	19,082,188	19,543,449
	<u>\$172,630,258</u>	<u>\$177,071,114</u>

Additional information on the County's capital assets can be found in note C in the notes to the financial statement beginning on page 53 of this report.

Long-term debt. At September 30, 2018, the County had general obligation debt outstanding in the amount of \$121,507,095. This amount is the total of certificates of obligation, revolving loans and State Infrastructure Bank loan through the State of Texas. This total debt is backed by the full faith and credit of the County. Chapter 1301, as amended, of the Texas Government Code, limits the amount of bonds that is payable from the \$0.80 Constitution Tax Rate issued for the purposes as follows:

Courthouse Bonds	2% of Assessed Valuation
Jail Bonds	1 ½% of Assessed Valuation
Courthouse Bonds and Jail Bonds	3 ½% of Assessed Valuation
Road and Bridge Bonds	1 ½% of Assessed Valuation

Therefore, the County's total indebtedness may not be increased by the issuance of bonds to an amount that exceeds five percent of the County's taxable values, which are according to the most recent appraisal roll. The current applicable limit for the county is \$1,417,822,474. This puts the County's net debt applicable to debit limit of \$119,640,227 at 8.44% of this legal limit.

NUECES COUNTY'S OUTSTANDING DEBT
Governmental Activities

	2018	2017
Combination revenue and certificates of obligation	\$107,685,000	\$111,435,000
LoanSTAR loans/State Infrastructure Bank loans	<u>13,822,095</u>	<u>11,344,252</u>
Sub-total	121,507,095	122,779,252
Premium on debt	<u>8,709,277</u>	<u>9,987,132</u>
Total	<u>\$130,216,372</u>	<u>\$132,766,384</u>

On September 7, 2018 Standard & Poor's and Moody's issued their rating to the County. Standard & Poor's lowered their credit rating on the County's outstanding bonds to "AA". The lower rating incorporates their revised view of the Corpus Christi metropolitan statistical area (MSA), which is no longer considered broad and diverse. Moody's lowered their credit rating on the County's outstanding bonds to "Aa2 Negative". The negative outlook reflects the County's narrowed operating reserve position that is not expected to improve until at least fiscal 2019. Additional information about long-term debt can be found on page 72 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- As explained in Note E, the County experienced a substantial natural disaster on August 25, 2017, resulting from Hurricane Harvey. The County has filed insurance claims and submitted its Public Assistance Project list with the Federal Emergency Management Agency (FEMA) and the State of Texas, seeking reimbursement for its estimated loss from damages.
- The unemployment rate for Nueces County as of September 30, 2018 is 4.8%, which represents a 7.69% decrease from last year. The increase is due in large part to growth within the industrial sector within the County and a 300 employment gain in the financial activities industry sector alone in September 2017 as a result of Hurricane Harvey. The County's unemployment rate is higher than the State's unemployment rate which was 3.7 percent at September 2018. The State of Texas is slightly lower than the national rate of 4.04 percent for the same time period; however, the County was 1.86% higher than the national rate.
- School enrollment decreased by (275) students from last year, for 2018 the enrollment is 61,075.
- Retail sales went up this year by 10.45% as compared to prior year for a total increase of \$534,727,287.
- Net taxable value (NTV) increased by 4.37%. In the previous year, there was also an increase of 23.06%.
- Port tonnage increased by 5.77% from the prior year to \$79,332,779 in 2018.
- It is estimated that population of the County increased by 2.19%.

All these factors were considered in preparing the County's budget for the 2017/2018 fiscal year. Through the budget process, the Commissioners court set the goals for the County. The priorities inherent to the 2017/2018 budget were to make county government: (1) more transparent; (2) have attainable and realistic budgets to enhance accountability; (3) recognize employee service and

dedication by funding the continuance pay policy for the tenth year in a row, and (4) make county government more efficient and effective by establishing procedures that are in compliance with statutory requirements and utilizing technology to maximize performance.

The issues affecting the 2017-2018 budget included: countering cuts in state and federal funding, funding pay increases for law enforcement according to collective bargaining agreement, funding continuance pay increases to several employees, and trying to maintain the fund balance at 25% of the sum of General fund revenues and transfer in.

The County budget for FY 2017/2018 included the following to enact the priorities within the current economic conditions:

- Commissioners court adopted the current tax rate above the effective tax rate. The adopted tax rate is 0.307991 per \$100 value, which was equal to the prior year's tax rate.
- Provided salary increases for employees including a salary increase for law enforcement personnel under the Nueces County Sheriff's officers Association Collective Bargaining Agreement. There is also a continuance pay increase for approximately 140 employees. Continuance pay is a 2.5% pay increase every 3 years of service.
- Provided \$294,515 in funding for an increase in employer contribution rate for the pension plan.
- Provided \$900,000 additional funding for employee health insurance benefits.
- Provided reclassification of a limited number of positions at a cost of \$23,687.
- Provided \$147,576 in continuance pay for approximately 140 non-law enforcement employees.
- Provided \$275,000 and \$310,000 for election costs and jail overtime, respectively which typically have not been budgeted items.
- Provided an additional \$223,678 in repairs and maintenance, respectively, for the County's building and facilities.
- Sets aside \$1,750,000 as a contingency funding related to possible principle taxpayer property tax protests.

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 government's finances including the component units. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Nueces County Auditor
901 Leopard, Room 304
Corpus Christi, TX 78401
Telephone: (361) 888-0556
Fax: (361) 888-0584

Or visit our website at: www.nuecesco.com



NUECES COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2018

	Primary	Component Unit
	Governmental Activities	Hospital District
ASSETS		
Cash and cash equivalents	\$ 79,842,130	\$ 51,809,892
Investments	17,703,702	27,751,465
Accrued Interest	-	120,874
Receivables (net of allowance for uncollectibles)	17,650,663	1,770,562
Other Receivables	-	1,313,714
Due from component unit	97,090	-
Inventories	93,517	-
Prepaid items	814,902	131,467
Capital assets (not being depreciated):		
Land	5,063,554	3,076,926
Construction in progress	19,082,188	-
Capital assets (net of accumulated depreciation):		
Buildings and improvements	89,632,104	4,203,231
Furniture, equipment and machinery	11,914,055	-
Computer Software Systems	582,371	-
Infrastructure	46,355,986	-
Total assets	288,832,262	90,178,131
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding debt	2,186,285	-
Deferred pensions	7,450,533	-
Total deferred outflows of resources	9,636,818	-
LIABILITIES		
Accounts payable and other current liabilities	29,531,482	1,182,672
Accrued payroll payable	3,206,172	200,610
Accrued interest payable	1,270,600	-
Unearned revenue	1,307,802	-
Non-current liabilities:		
Due within one year	10,293,677	-
Due in more than one year	147,834,899	30,175
Total liabilities	193,444,632	1,413,457
DEFERRED INFLOWS OF RESOURCES		
Deferred pensions	6,905,222	-
Total deferred inflows of resources	6,905,222	-
NET POSITION		
Invested in capital assets	49,851,006	7,280,157
Restricted for:		
Debt service	1,866,868	-
Commissioners court purposes	4,017,715	-
County attorney funds	48,383	-
County clerk purposes	2,803,366	-
Tax assessor collector purposes	21,260	-
Juvenile programs	575,494	-
District attorney purposes	247,171	-
District clerk purposes	153,348	-
County sheriff purposes	790,231	-
Judicial and law enforcement purposes	1,377,926	-
Law enforcement & district attorney education	87,521	-
Other purposes	746,859	-
Unrestricted	35,532,077	81,484,517
Total net position	\$ 98,119,226	\$ 88,764,674

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

NUECES COUNTY, TEXAS
 STATEMENT OF ACTIVITIES
 For the Year Ended September 30, 2018

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<u>Functions/Programs</u>			
Primary government:			
Governmental Activities:			
General government	\$ 25,269,404	\$ 11,889,981	\$ 982,182
Buildings and facilities	11,940,386	1,886,533	38,054
Administration of justice	26,594,159	6,282,168	3,734,736
Law enforcement and corrections	80,936,656	51,082,366	547,441
Social services	3,150,333	169,193	521,332
Health, safety and sanitation	2,661,336	1,610,791	879,638
Agriculture, education and consumer sciences	1,077,140	43,864	87,566
Roads, bridges and transportation	14,251,978	3,593,807	404,034
Parks and recreation	7,107,327	1,706,205	478,141
Interest and fees on long-term debt	5,262,356	-	-
Total primary government	<u>178,251,075</u>	<u>78,264,908</u>	<u>7,673,123</u>
Component Units:			
Hospital district	<u>124,021,961</u>	<u>91,553,344</u>	<u>659,092</u>
Total component units	<u>\$ 124,021,961</u>	<u>\$ 91,553,344</u>	<u>\$ 659,092</u>

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

Program Revenues	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
	Governmental Activities	Hospital District
\$ -	\$ (12,397,241)	\$ 2,062,674
-	(10,015,799)	360,101
-	(16,577,255)	-
-	(29,306,849)	-
-	(2,459,808)	-
-	(170,907)	121,599,186
-	(945,710)	-
-	(10,254,137)	-
-	(4,922,981)	-
-	(5,262,356)	-
-	<u>(92,313,044)</u>	<u>124,021,961</u>
-	-	<u>(31,809,525)</u>
\$ -	\$ -	\$ <u>(31,809,525)</u>

General revenues:		
Property taxes	84,620,635	34,340,148
Alcohol beverage and other taxes	2,062,224	-
Unrestricted investment earnings	1,700,294	1,133,557
Grants and contributions not restricted to specific programs	266,769	-
Gain on sale of assets	6,836,105	-
Miscellaneous	180,750	1,181,465
Total general revenues	<u>95,666,778</u>	<u>36,655,170</u>
Change in net position	3,353,734	4,845,645
Net position - beginning	<u>94,765,492</u>	<u>83,919,029</u>
Net position - ending	\$ <u>98,119,226</u>	\$ <u>88,764,674</u>

NUECES COUNTY, TEXAS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 September 30, 2018

	General Fund	Debt Service
ASSETS		
Cash and cash equivalents	\$ 22,323,874	\$ 954,004
Investments	2,819,161	908,496
Receivables (net of allowance for uncollectibles)	5,291,486	593,729
Due from component unit	97,090	-
Due from other funds	3,020,360	-
Prepaid items	696,667	-
Inventories	68,800	-
Total assets	\$ 34,317,437	\$ 2,456,229
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 7,934,656	\$ 750
Accrued payroll	2,727,820	-
Due to other funds	1,006,764	-
Unearned revenue	343	-
Other liabilities	150,073	-
Total liabilities	11,819,656	750
Deferred inflows of resources:		
Unavailable revenue - property taxes	3,521,781	588,611
Unavailable revenue - other	1,181	-
Total deferred inflows of resources	3,522,962	588,611
Fund balances:		
Nonspendable	765,467	-
Restricted	-	1,866,868
Committed	18,209,353	-
Assigned	-	-
Unassigned	-	-
Total fund balances	18,974,819	1,866,868
Total liabilities, deferred inflows of resources and fund balances	\$ 34,317,437	\$ 2,456,229

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

U.S. Marshal Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 7,645,937	\$ 25,500,783	\$ 18,469,004	\$ 74,893,606
-	9,184,948	4,538,754	17,451,360
9,317,479	26,906	2,305,933	17,535,533
-	-	-	97,090
-	54,689	39,420	3,114,469
707	-	117,528	814,902
-	-	24,717	93,517
<u>\$ 16,964,123</u>	<u>\$ 34,767,327</u>	<u>\$ 25,495,356</u>	<u>\$ 114,000,476</u>

\$ 16,654,111	\$ 828,592	\$ 3,205,878	\$ 28,623,988
3,815	-	474,538	3,206,172
-	5,534	621,393	1,633,691
-	-	1,307,458	1,307,802
-	-	351,979	502,052
<u>16,657,926</u>	<u>834,126</u>	<u>5,961,246</u>	<u>35,273,705</u>

-	-	68,649	4,179,041
<u>3,361,855</u>	-	<u>51,600</u>	<u>3,414,636</u>
<u>3,361,855</u>	-	<u>120,249</u>	<u>7,593,677</u>

707	-	122,741	888,916
-	-	13,945,144	15,812,014
-	33,933,200	-	52,142,554
-	-	5,345,976	5,345,976
<u>(3,056,365)</u>	-	-	<u>(3,056,365)</u>
<u>(3,055,658)</u>	<u>33,933,200</u>	<u>19,413,861</u>	<u>71,133,095</u>

\$ 16,964,123 \$ 34,767,327 \$ 25,495,356

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 in the funds.	172,630,258
Property taxes earned in the current fiscal year but are not available to provide for current financial resources, and therefore are unavailable in the funds (GASB 63).	4,179,041
Other revenue earned in the current fiscal year but are not available to provide for current financial resources, and therefore are unavailable in the funds (GASB 63).	3,414,636
Internal service funds are used by management to charge the costs of workers compensation insurance, general liability coverage and group health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,951,715
Unamortized loss on the refunding of bond issues, shown as a deferred outflow of resources on statement of net position (GASB 65).	2,186,285
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(138,146,732)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds (GASB 68).	(19,774,383)
Deferred Resource Outflows related to the pension plan are not reported in the funds (GASB 68).	7,450,533
Deferred Resource Inflows related to the pension plan are not reported in the funds (GASB 68).	(6,905,222)
Net position of governmental activities	<u>\$ 98,119,226</u>

NUECES COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the year ended September 30, 2018

	General Fund	Debt Service	U.S. Marshal Contract
REVENUES			
Property taxes	\$ 70,909,261	\$ 12,084,324	\$ -
Other taxes	336,859	-	-
Fees of office	3,797,422	-	-
Fines and forfeitures	1,274,978	-	-
Licenses and permits	1,549,572	-	-
Intergovernmental revenue	8,621,036	-	44,546,002
Charges for services	488,298	-	-
Investment income	684,457	69,281	-
Rentals and commissions	802,956	-	-
Miscellaneous revenues	1,890,906	750	-
Total revenues	<u>90,355,744</u>	<u>12,154,355</u>	<u>44,546,002</u>
EXPENDITURES			
Current:			
General government	17,507,239	-	-
Buildings and facilities	7,542,270	-	-
Administration of justice	21,571,709	-	-
Law enforcement and corrections	30,629,885	-	46,636,202
Social services	2,703,587	-	-
Health, safety and sanitation	753,177	-	-
Agriculture, education and consumer sciences	933,900	-	-
Roads, bridges and airport	-	-	-
Parks and recreation	-	-	-
Capital outlay	491,547	-	-
Debt Service:			
Principal retirement	-	9,172,156	-
Bond issuance costs	-	10,000	-
Interest and other fees	-	5,008,358	-
Total expenditures	<u>82,133,314</u>	<u>14,190,514</u>	<u>46,636,202</u>
Excess (deficiency) of over (under) expenditures	<u>8,222,431</u>	<u>(2,036,159)</u>	<u>(2,090,200)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,338,216	630,000	-
Transfers out	(7,096,715)	-	(1,200,000)
Sale of assets	-	-	-
Capital lease funding	-	-	-
Issuance of debt	-	-	-
Premium on sale of bonds	-	-	-
Total other financing sources and	<u>(5,758,499)</u>	<u>630,000</u>	<u>(1,200,000)</u>
Net change in fund balances	2,463,932	(1,406,159)	(3,290,200)
Fund balances - beginning	16,510,888	3,273,027	234,542
Fund balances - ending	<u>\$ 18,974,819</u>	<u>\$ 1,866,868</u>	<u>\$ (3,055,658)</u>

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

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,060,776	\$ 84,054,361
-	330	337,188
-	971,355	4,768,777
-	252,432	1,527,410
-	3,492,744	5,042,315
-	8,778,380	61,945,418
-	422,401	910,699
521,428	360,543	1,635,709
106,731	1,204,641	2,114,329
<u>1,586,161</u>	<u>2,340,555</u>	<u>5,818,372</u>
<u>2,214,320</u>	<u>18,884,156</u>	<u>168,154,578</u>
3,892,791	1,477,768	22,877,798
312,755	901,549	8,756,574
	4,075,827	25,647,536
	1,407,261	78,673,348
	336,935	3,040,522
	1,722,085	2,475,263
	69,551	1,003,451
3,271,589	7,604,406	10,875,995
96,663	5,353,809	5,450,472
5,743,381	1,408,289	7,643,216
-	-	9,172,156
-	-	10,000
-	-	5,008,358
<u>13,317,179</u>	<u>24,357,481</u>	<u>180,634,690</u>
<u>(11,102,859)</u>	<u>(5,473,325)</u>	<u>(12,480,112)</u>
335,000	9,299,816	11,603,033
(2,006,267)	(1,300,051)	(11,603,033)
6,799,650	36,455	6,836,105
-	112,471	112,471
7,900,000	-	7,900,000
<u>236,718</u>	<u>-</u>	<u>236,718</u>
<u>13,265,102</u>	<u>8,148,692</u>	<u>15,085,295</u>
2,162,243	2,675,367	2,605,182
<u>31,770,957</u>	<u>16,738,494</u>	<u>68,527,912</u>
<u>\$ 33,933,200</u>	<u>\$ 19,413,861</u>	<u>\$ 71,133,095</u>

NUECES COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

Amounts reported for governmental activities in the statement of activities (page 36 through 37) are different because:

Net change in fund balances--total governmental funds (page 41)	2,605,182
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(4,243,863)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	(196,994)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (GASB 63).	3,931,234
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas only the premium and discount are deferred and amortized in the statement of activities, per (GASB 65). This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,201,735
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(303,223)
The net revenue of certain activities of internal service funds is reported with governmental activities.	1,313,155
Pension expense relating to (GASB 68) is recorded in the Statement Of Activities but not in the funds.	<u>(1,953,494)</u>
Change in net position of governmental activities (page 37).	<u>\$3,353,734</u>

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

Nueces County, Texas
 General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
 Budget to Actual
 For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - to Actual GAAP Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property Taxes	\$70,684,048	\$70,684,048	\$70,909,261	\$225,213
Other Taxes	443,000	443,000	336,859	(106,141)
Fees of Office	3,653,600	3,653,600	3,797,422	143,822
Fines & Forfeitures	1,595,000	1,595,000	1,274,978	(320,022)
Licenses & Permits	1,740,000	1,740,000	1,549,572	(190,428)
Intergovernmental Revenue	8,055,000	8,055,000	8,621,036	566,036
Charges For Services	500,000	500,000	488,298	(11,702)
Investment Income	200,000	200,000	684,457	484,457
Rentals and Commissions	610,000	610,000	802,956	192,956
Other Income	286,500	286,500	1,890,906	1,604,406
Total Revenues	87,767,148	87,767,148	90,355,744	2,588,596
Expenditures				
General Government				
County Commissioner Pct. 1	165,557	165,557	155,829	9,728
County Commissioner Pct. 2	181,005	180,650	174,173	6,477
County Commissioner Pct. 3	197,000	197,355	183,496	13,859
County Commissioner Pct. 4	171,018	171,018	164,321	6,697
County Judge	309,734	309,734	301,415	8,319
Commissioners Court Management	490,344	490,344	484,736	5,608
Grants Administration	246,602	257,702	247,979	9,723
Risk Management	186,285	186,285	181,955	4,330
County Attorney	1,600,667	1,600,667	1,512,079	88,588
County Clerk	760,732	760,732	710,559	50,173
County Clerk-Treasury	326,573	354,573	320,806	33,767
County Clerk Collections	297,129	297,129	266,066	31,063
Election Expense	888,695	888,695	828,725	59,970
Tax Assessor-Collector	3,423,832	4,043,832	4,020,297	23,535
Information Technology	3,448,546	3,448,546	3,006,570	441,976
Human Resources	404,805	404,805	391,052	13,753
County Auditor	1,954,753	1,954,753	1,923,962	30,791
County Purchasing	616,695	616,695	600,875	15,820
Veteran's Service	137,513	137,513	131,267	6,246
General Employee Benefits	205,346	205,346	88,249	117,097
General Administration	3,807,371	2,685,681	1,788,527	897,154
Total General Government	19,820,202	19,357,612	17,482,939	1,874,673
Building and Facilities				
Courthouse General Repairs	100,697	100,697	97,998	2,700
Ronnie H. Polston Bldg	61,051	61,051	55,196	5,855
Bill Bode County Building	71,785	71,785	60,991	10,794
Robert N Barnes Regional Juvenile Facility	335,257	335,257	229,749	105,508
Broadway Warehouse	6,392	6,692	6,029	663
Records Management Department	650,984	650,984	614,083	36,901
CSCD Cook Building	181,554	182,254	159,079	23,175

(continued)

Nueces County, Texas
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Budget to Actual
For the Year Ended September 30, 2018

	Budgeted		Actual Amounts	Variance with Final Budget - to Actual GAAP Positive (Negative)
	Original	Final		
Expenditures				
Mechanical Maintenance	2,518,878	2,518,878	1,638,244	880,634
Agua Dulce Building	45,236	45,236	36,139	9,097
Bishop Building	41,550	49,550	44,516	5,034
Port Aransas Building	36,039	36,039	14,990	21,049
Johnny S Calderon Building	234,144	234,144	217,169	16,975
Keach Library Building	242,777	244,277	192,901	51,376
Agricultural Building - Robstown	36,183	36,183	4,456	31,727
Medical Examiner Building	29,735	33,235	25,232	8,003
Building Superintendent	3,530,704	3,519,104	3,169,631	349,473
Welfare Building - Robstown	22,046	22,046	15,343	6,703
Hilltop Facility	214,917	214,917	167,946	46,971
Precinct III Yard Buildings	19,000	20,100	15,289	4,811
McKenzie Annex	762,107	766,607	643,414	123,193
Robstown Community Center	85,505	85,505	59,026	26,479
Senior Community Service Buildings	66,947	66,947	44,105	22,842
David Berlanga, Sr. Building	38,051	38,051	17,658	20,393
Total Buildings and Facilities	9,331,539	9,339,539	7,529,182	1,810,357
Administration of Justice				
County Court at Law 1	678,668	628,641	575,806	52,835
County Court at Law 2	629,454	586,780	576,379	10,401
County Court at Law 3	618,286	575,859	557,499	18,360
County Court at Law 4	622,314	579,125	530,260	48,865
County Court at Law 5	885,660	1,197,278	1,189,906	7,372
Legal Aid	101,800	101,800	101,184	616
Magistrate/Drug/DWI	266,397	269,797	268,273	1,524
Court Administration	754,003	574,003	469,961	104,042
Title IV-D Court	174,614	178,588	178,045	543
28th District Court	618,943	618,857	506,462	112,395
94th District Court	624,907	634,368	596,577	37,791
105th District Court	415,298	485,283	472,736	12,547
117th District Court	637,904	637,810	548,832	88,978
148th District Court	609,022	608,735	578,324	30,411
214th District Court	601,055	631,032	624,114	6,918
319th District Court	599,999	598,650	586,606	12,044
347th District Court	647,651	664,935	661,630	3,305
Juvenile Probation	2,569,845	2,594,345	2,519,472	74,873
Juvenile Detention	1,508,417	1,500,917	1,425,507	75,410
Juvenile Justice Post Adjudication	1,687,742	1,670,742	1,475,490	195,252
District Clerk - Jury Administration	952,904	952,904	552,593	400,311
District Clerk	2,964,531	2,964,531	2,915,877	48,654
Justice of the Peace 1-1	282,084	282,084	277,309	4,776
Justice of the Peace 1-2	270,460	270,460	252,043	18,417
Justice of the Peace 1-3	256,497	256,497	240,377	16,120
Justice of the Peace 2-1	317,611	357,611	303,607	54,004
Justice of the Peace 2-2	254,230	254,230	249,547	4,683

(continued)

Nueces County, Texas
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Budget to Actual
For the Year Ended September 30, 2018

	Budgeted		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Justice of the Peace 3	220,564	220,564	189,564	31,000
Justice of the Peace 4	193,659	193,659	180,009	13,650
Justice of the Peace 5-1	263,278	263,278	246,152	17,126
Justice of the Peace 5-2	200,595	200,595	195,202	5,393
Medical Examiner	1,480,612	1,537,251	1,511,661	25,690
Total Administration of Justice	22,909,004	23,091,309	21,557,005	1,534,304
<u>Law Enforcement & Corrections</u>				
District Attorney	5,057,870	5,057,870	4,778,319	279,551
County Sheriff	6,152,976	6,201,261	5,938,711	262,550
Id Bureau	850,140	850,140	771,494	78,646
Jail	15,351,535	15,551,535	15,519,219	32,316
Constable 1	787,975	806,975	798,509	8,466
Constable 2	733,590	733,590	714,282	19,308
Constable 3	503,116	503,116	470,390	32,726
Constable 4	595,635	595,635	593,877	1,758
Constable 5	992,070	992,070	969,950	22,120
Total Law Enforcement & Corrections	31,024,907	31,292,192	30,554,750	737,442
<u>Social Services</u>				
Social Services - Administration	1,083,710	1,083,710	987,552	96,158
Social Services - Social Services	581,307	581,307	541,605	39,702
Children Protective Services	106,958	106,958	91,376	15,582
Senior Community Services	949,080	949,080	934,466	14,614
Hilltop Community Services	58,132	58,132	56,166	1,966
Social Mental Services	143,714	143,714	89,759	53,955
Total Social Services	2,922,901	2,922,901	2,700,926	221,975
<u>Health, Safety and Sanitation</u>				
Emergency Services	34,800	39,800	39,330	470
Emergency Management	205,467	205,467	201,558	3,909
911 Program	54,431	54,431	50,262	4,169
Code Enforcement	137,029	137,029	124,947	12,082
Animal Control	338,287	338,287	336,474	1,813
Total Health, Safety and Sanitation	770,014	775,014	752,571	22,443
<u>Agriculture, Education & Consumer Sciences</u>				
Agricultural Extension	303,189	303,189	283,224	19,965
Family & Consumer Sciences	92,683	92,683	86,960	5,723
County Library	568,527	568,527	555,127	13,400
Total Agriculture, Education & Consumer	964,399	964,399	925,310	39,089
<u>Capital Outlay</u>				
Capital Outlay greater than \$5,000	1,070,000	1,070,000	630,631	439,369
Total Capital Outlay	1,070,000	1,070,000	630,631	439,369
Total Expenditures	88,812,966	88,812,966	82,133,314	6,679,652
Excess (deficiency) of revenues over (under) expenditures	(1,045,818)	(1,045,818)	8,222,431	9,268,249

(continued)

Nueces County, Texas
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Budget to Actual
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - to Actual GAAP Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Transfers in	1,356,169	1,356,169	1,338,216	(17,953)
Transfers out	<u>(9,162,199)</u>	<u>(9,162,199)</u>	<u>(7,096,715)</u>	<u>2,065,484</u>
Total other financing sources (uses)	<u>(7,806,030)</u>	<u>(7,806,030)</u>	<u>(5,758,499)</u>	<u>2,047,531</u>
Net change in fund balances	(8,851,848)	(8,851,848)	2,463,932	11,315,780
Fund balances - beginning	<u>18,543,152</u>	<u>18,543,152</u>	<u>16,510,888</u>	<u>(2,032,264)</u>
Fund balances - ending	<u>\$9,691,304</u>	<u>\$9,691,304</u>	<u>\$18,974,819</u>	<u>\$9,283,515</u>

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

NUECES COUNTY, TEXAS
U. S. MARSHAL CONTRACT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ <u>44,954,102</u>	\$ <u>44,954,102</u>	\$ <u>44,546,002</u>	\$ <u>(408,100)</u>
Total revenues	<u>44,954,102</u>	<u>44,954,102</u>	<u>44,546,002</u>	<u>(408,100)</u>
EXPENDITURES				
Law Enforcement:				
Personnel services	83,034	83,199	74,230	8,969
Reserve appropriations	53,044	52,879	-	52,879
Other services and charges	<u>44,500,000</u>	<u>44,500,000</u>	<u>46,561,972</u>	<u>(2,061,972)</u>
Total expenditures	<u>44,636,078</u>	<u>44,636,078</u>	<u>46,636,202</u>	<u>(2,000,124)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>318,024</u>	<u>318,024</u>	<u>(2,090,200)</u>	<u>(2,408,224)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>
Net change in fund balances	(881,976)	(881,976)	(3,290,200)	(2,408,224)
Fund balances - beginning	<u>195,980</u>	<u>195,980</u>	<u>234,542</u>	<u>38,562</u>
Fund balances - ending	\$ <u>(685,996)</u>	\$ <u>(685,996)</u>	\$ <u>(3,055,658)</u>	\$ <u>(2,369,662)</u>

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

NUECES COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Governmental Activities - Internal Service Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$4,948,528
Investments	252,342
Receivables (net of allowance for uncollectibles)	115,130
Total current assets	5,316,000
LIABILITIES	
Current liabilities	
Accounts payable	907,494
Due to other funds	1,480,778
Total current liabilities	2,388,272
Noncurrent liabilities	
Estimated claims liability	976,013
Total noncurrent liabilities	976,013
Total liabilities	3,364,285
NET POSITION	
Unrestricted	1,951,715
Total net position	\$1,951,715

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

NUECES COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year ended September 30, 2018

	Governmental Activities - Internal <u>Service Fund</u>
Operating revenues:	
Premiums and reimbursements	\$13,774,969
Operating expenses:	
Benefit payments	9,749,330
Insurance premiums and bonds	1,879,567
Self-insurance claims	56,811
Capital Outlay	25,007
Administration	<u>815,684</u>
Total operating expenses	<u>12,526,400</u>
Operating income (loss)	<u>1,248,569</u>
Non-operating revenues:	
Investment income	<u>64,586</u>
Total non-operating revenue	<u>64,586</u>
Change in net position	1,313,155
Total net position - beginning	<u>638,560</u>
Total net position - ending	<u>\$1,951,715</u>

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

NUECES COUNTY, TEXAS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended September 30, 2018

	Governmental Activities - Internal <u>Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$11,826,882
Receipts from employees	1,535,762
Receipts from other participants	605,549
Receipts from reimbursements and refunds	411,833
Payments for benefit claims	(9,868,446)
Payments for insurance and bond policies	(1,921,912)
Payments for administration	(728,061)
Payments for settlements and claims	<u>(33,759)</u>
Net cash provided in operating activities	<u>1,827,849</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(51,437)
Interest received	<u>64,414</u>
Net cash provided by investing activities	<u>12,978</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Financing Activity	<u>(86,265)</u>
Net cash provided by financing activities	(86,265)
Net increase in cash and cash equivalents	1,754,561
Cash and cash equivalents - beginning	<u>3,193,967</u>
Cash and cash equivalents - ending	<u>\$4,948,528</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$1,248,569
Adjustments to reconcile operating income to net cash provided:	
(Increase) decrease in accounts receivable	12,302
Increase (decrease) in estimated claims liabilities	591,524
Increase (decrease) in accounts payable	<u>(24,547)</u>
Total adjustments	<u>579,279</u>
Net cash provided by operating activities	<u>\$1,827,849</u>

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

NUECES COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2018

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$12,771,048
Investments	6,852,127
Due from other governments and	427,268
Accounts receivable	170,210
Prepays	<u>38,632</u>
Total assets	<u>\$20,259,285</u>
Liabilities	
Accounts payable	\$17,979,789
Accrued payroll payable	501,990
Due to other governments and agencies	61,002
Funds held in escrow	<u>1,716,504</u>
Total liabilities	<u>\$20,259,285</u>

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



I. Summary of significant accounting policies

The accounting and reporting policies of Nueces County, Texas (the "County") reflected in the accompanying financial statements conform to accounting principles generally acceptable in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB). This financial report has been prepared in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999 and implemented by the County in fiscal year FY 2003.

The County evaluated four GASB statements for applicable implementation in fiscal year ended September 30, 2018, as follows:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* ("GASB 75"), replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement requires cost-sharing employers, in financial statements prepared using the accrual basis of accounting, to recognize a liability for its proportionate share of the net OPEB liability (of all employers for benefits provided through the OPEB plan) the collective net OPEB liability. An employer's proportion is required to be determined on a basis that is consistent with the manner in which contributions to the OPEB plan are determined. The use of the employer's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers as the basis for determining an employer's proportion is encouraged.

A cost-sharing employer is required to recognize OPEB expense and report deferred outflows of resources and deferred inflows of resources related to OPEB for its proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB. In fiscal year ended September 30, 2018, the County determined that these requirements do not currently impact the County; consequently this Statement is not currently applicable.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements* ("GASB 81"), improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interest. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. In fiscal year ended September 30, 2018, the County determined that these requirements do not currently impact the County; consequently this Statement is not currently applicable.

GASB Statement No. 85, *Omnibus 2017* ("GASB 85"), addresses practice issues that have been identified during implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). In fiscal year ended September 30, 2018, the County determined that these requirements do not currently impact the County; consequently this Statement is not currently applicable.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* ("GASB 86"), improves consistency in accounting and financial reporting for insubstance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. GASB 86 also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. In fiscal year ended September 30, 2018, the County determined that these requirements do not currently impact the County; consequently this Statement is not currently applicable.

A. Reporting entity
Primary Government

The County was created and organized by the State of Texas in 1846 from San Patricio County. The principal city and county seat is the City of Corpus Christi. The County operates as a subdivision of the State of Texas and is governed by the Commissioners court. The County provides the following services as authorized by the statutes of the State of Texas: general government (national and state voting operations, property records, auto registration), judicial (district attorney, courts, juvenile), law enforcement and corrections (sheriff, constables, jail), roads, bridges and transportation (includes rural airport, inland and island parks, and social services).

The accompanying basic financial statements present the government and the discretely presented component unit defined according to criteria 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-an amendment of GASB Statements No. 14 and No. 34*. There are no blended component units included in this financial report, including those defined in GASB Statement No. 80.

Component Unit

Nueces County Hospital District (the District), a discretely presented component unit of Nueces County, Texas (the County), was created by an Act of the Legislature of the State of Texas and subsequently approved by the votes of Nueces County, Texas. The District is constitutionally responsible for furnishing medical and hospital care for indigent and needy persons residing in Nueces County.

The District is presented as a discrete component unit of Nueces County, Texas. The District is legally separate from the County, however, members of the District's governing board (the Board) are appointed by the County Commissioners court. Although the County neither provides funding to the District, nor holds title to any of the District's assets, nor has any rights to any surpluses of the District, the Commissioners court does approve the District's tax rate and annual budget as required by state law.

Beginning in 1996, Christus Spohn Health System (Spohn) leased the District's hospital, Memorial Medical Center (MMC), and its satellite clinics and was responsible for their operations. The lease called for payments to be made over 30 years at which point the operating responsibility of MMC reverts back to the District unless such agreement is extended. Effective October 1, 2012 the District's previous agreement with Spohn was renegotiated and the relationship between the District and Spohn is now governed by the Spohn Membership Agreement described on Note 3. The subsequent changes were effective for the entire fiscal year and the District now contributes the use of MMC and the satellite clinics to Spohn rent free in return for a share of net patient revenue and Spohn is responsible for maintaining MMC.

The District's primary mission is to coordinate with Spohn in making available high quality, accessible, and cost-effective hospital and healthcare services to the indigent and needy residents of Nueces County, consistent with statutory requirements and available resources.

The District has no component units as defined by Governmental Accounting Standards Board. Although the District and the County Commissioners court appoint three of the members of the Board of Trustees of Spohn as part of the Spohn Membership Agreement between the two parties, Spohn does not qualify as a component unit. The District does not approve the budget of Spohn, nor have any rights to surpluses of Spohn.

Additionally, the District serves as the region 4 Anchor and funds voluntary intergovernmental transfers (IGTs) for certain healthcare providers under provisions of the Texas Health and Human Services Commission's (HHSC) Medicaid Payment Programs. This allows Spohn and certain other Region 4 healthcare providers to participate in supplemental Medicaid Payment Programs.

The District is a special purpose government engaged in a single governmental program, GASB allows the District to combine the required fund financial statements and government-wide statements.

Complete financial statements for this component unit above may be obtained at the entity's administrative office.

Nueces County Hospital District
Administrative Offices
555 N. Carancahua, Suite 950
Corpus Christi, Texas 78401-0835
<http://www.nchdec.org/contact.cfm>

B. Government-wide and fund financial statements

Primary Government

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Changes in Net Position*) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, inter-fund activity has been removed from these statements to eliminate duplication. Inter-fund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate fund financial statements are provided for the governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The general fund, U.S. Marshals fund, and capital projects fund are major funds. The debt service fund, which did not meet the criteria to be reported as major; however, the County has voluntarily elected to report as such and all are reported in separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows including claims and judgments reported in the County's internal service fund (proprietary fund). Property taxes are recognized as revenues in the year for which they are levied. Fees and fines are considered as earned when paid. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The County reports four major governmental funds, including the debt service fund, which did not meet the criteria to be reported as major; however, the County has voluntarily elected to report as such:

The General Fund is the County's primary operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the property tax revenues received which were specifically levied for the purpose of meeting debt service requirements.

The U.S Marshal Contract Fund is used to account for the millions of dollars that the County receives under a contract with the U.S. Marshals and then pays to a private prison company for housing federal inmates.

The Capital Projects Fund is used to account for the proceeds from debt instruments and major capital projects funded with general fund monies.

All other governmental funds are combined and reported as non-major. Non-major funds include grants, road and bridge, stadium and fairgrounds, inland parks, coastal parks, and other special revenue.

Additionally, the County reports the following fund types:

Internal service funds account for and finance the County's uninsured risks of loss from workers compensation coverage, general liability, and group health insurance. Revenues are derived from County contributions, employee and retiree/cobra premiums, investment income, and premiums from some external entities. Expenses are for benefits, claims and administrative expenses. Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. Activities include payments to medical providers for services provided and payments to litigants related to suits and claims against the County.

Fiduciary funds are classified into private purpose trust and agency funds. The County has only agency funds which are used to account for the assets that are held for the benefit of others or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Activities vary depending on whose funds the County has custody of. Examples of the funds held are: inmate trust funds, district clerk minor trust funds, metropolitan planning organization, dispute resolution, permanent school fund, community supervision and corrections department, contract elections, vector control, and City-County Health District.

D. Assets, liabilities, and net position

1. Deposits and investments

The *Statement of Cash Flows* for proprietary funds presents the change in cash and cash equivalents during the fiscal year. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, short term investments with original maturities of less than 90 days, and local government pools. State statutes and the County's official Investment Policy authorize the County to invest in obligations of the U.S. and its agencies, certificates of deposit, brokered CD's, local government pools, repurchase agreements, and direct obligations of states, agencies, counties, cities, and other political subdivisions of any state rated "A" or its equivalent. The majority of the County's cash and investments are administered using a pooled concept, which combines the monies of various funds for investment purposes.

Investments are reported at fair value, with some exceptions, in accordance with GASB 72, which was implemented for the fiscal year ended September 30, 2016. GASB 72 requires governments to use valuation techniques in assessing fair value and establishes a hierarchy of three levels used to categorize the inputs that are used to measure fair value. All investment income is recognized as revenue in the appropriate fund's statement of revenues, expenditures and changes in fund balance. Texas local government investment pool (TexPool) meets the criteria for a qualifying external investment pool under GASB 79 and therefore continues to be reported at amortized cost. The Board of Trustees of The Texas Cooperative Liquid Assets Securities System (Texas CLASS) external

investment pool determined that the investment pool does not meet all the criteria in GASB 79 and therefore participants should measure their investments in the pool at fair value as provided in paragraph 11 of GASB 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The fair value hierarchy and valuation techniques for all investments reported at fair value as well as cash and investment limitations are disclosed in Note IV. All investment income is recognized as revenue in the appropriate fund's statement of revenues, expenditures and changes in fund balance. Deposit and Investment Risk Disclosures are in accordance with GASB Statement No. 40.

Component Unit

The District's Cash and Cash Equivalents include currency on hand, demand deposits with banks, and amounts included in pooled cash or liquid investments with a maturity of three months or less when purchased.

Statutes give the District the authority to invest its funds in obligations of the United States, direct obligations of the State of Texas, other obligations guaranteed or insured by the State of Texas or the United States, obligations of states, agencies, counties, or cities of any state that have been rated not less than one or its equivalent by a nationally recognized investment firm; certificates of deposit guaranteed insured or secured by approved obligations, certain commercial paper, fully collateralized repurchase agreements, and Securities & Exchange Commission-registered, no-load money market mutual funds whose assets consist exclusively of approved obligations. Investments are recorded at fair value, except for investments pools which are reported at amortized costs and included in cash and cash equivalents.

2. Receivables and payables

Primary Government

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade receivables are directly written-off when circumstances indicate a receivable is no longer collectible usually within two years a receivable was incurred. The County estimates the allowance for property tax receivable to include 100 percent of the delinquent balances older than 11 years plus 10 percent of the delinquent balances less than 11 years old which includes the current year's levy. Property taxes are levied prior to September 30 based on taxable value as of January 1 and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivables include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and unearned revenue (a liability) at the time the contracts are approved and signed. Grant revenues are recognized when eligibility requirements established by the grantor have been met at which time unearned revenue (the liability account) is reduced.

Lending or borrowing between funds is reflected as "due to or due from" (current position) or "advances to/from other funds" (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources. Inter-fund activity reflected in "due to or due from" is eliminated on the government-wide statements.

Component Unit

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide statement of net assets column of the combined financial statements. Tax receivables are shown net of an allowance for uncollectible. The property tax receivable allowance is equal to 3% of the annual tax levy. IGTs are not accrued because they cannot be reasonably estimated and are not legal obligations of the District.

3. Inventories and prepaid items

Primary Government

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories are comprised of expendable supplies and gasoline held for consumption. All inventory items are expensed when used. Reported inventories are offset by a reservation of fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net position. Inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the fund financial statements, advances and prepayments are offset by a reservation of fund balance which indicates they do not represent "available spendable resources."

4. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. On the *Statement of Net Position*, deferred inflows and outflows consist of deferred costs on refunding debt obligations that are applicable to future period(s) and certain changes in net pension liability. Unavailable revenue is reported only on the governmental funds balance sheet. The

governmental funds report unavailable revenues from two sources: property taxes and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In fiscal year 2013, the County implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and also requires related disclosures. In addition to assets/liabilities, the statement of financial position and/or balance sheet reports a separate section called deferred outflows/inflows of resources.

In fiscal year 2014, the County implemented GASB Statement 65, *Items Previously Reported as Assets and Liabilities* ("GASB 65"), which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of GASB 65 is reflected in the financial statements and notes to the financial statements.

With this implementation, deferred charges, consisting of bond issuance costs, which were previously amortized over the term of the bonds, are now accounted for as expenses in the period incurred. Also, GASB 65 required that deferred losses on the refunding of bond issue be reported as a deferred outflow of resources.

5. Capital assets

Capital assets, which include land, buildings and improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years, plus items shown on the exception list. Examples of items on the exception list are computers, radios, tablets, guns, and other items considered necessary.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In prior years, donated capital assets were valued at estimated fair market value at the time of donation. With the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*, this year, donated capital assets are valued at acquisition value at the time of donation. There is no significant change in the reported value of donated assets due to the implementation of GASB 72. The County has paintings, sculptures and other assets which are insured and are reflected on the statement of insurance coverage. The County has taken the position that these paintings, sculptures and other assets meet the criteria of the GASB 34 exemption which encourages, but does not require governments to capitalize collections that are (a) held for public exhibition, education, or research in furtherance of public service, rather than financial gain; (b) protected, kept unencumbered, cared for, and preserved; and (c) subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. Therefore, these paintings and sculptures have not been capitalized, nor depreciated and are not reflected in the annual financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

GASB Statement No. 51 *Accounting and Financial Reporting for Intangible Assets* requires the County to report and depreciate new software systems with the beginning of the current year. The County has elected to depreciate these systems over 20 years. Millions of dollars are capitalized in construction in progress until completed for a new case management system, jail management system, automated time keeping attendance, and financial system upgrade.

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* ("GASB 42"), establishes standards that define capital asset impairment and specifies how various types of impairment losses will be measured, reported, and disclosed. It also clarifies and establishes reporting and disclosure of all insurance recoveries. Nueces County cannot evaluate the impact affecting capital assets to determine whether impairment of capital assets has occurred due to Hurricane Harvey, because the amount of insurance recoveries and restoration costs are not known at this time. No impairment losses of capital assets have been recognized during the year ended September 30, 2018.

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

Assets	Life in Years
Buildings	40
Building improvements	20
Equipment	10-15
Automotive	6
Furniture	12
Heavy Equipment	15
Computer Equipment	7
Software Systems	20
Infrastructure	30
Infrastructure Improvements	10-30

Component Unit

All fixed assets are valued at historical cost if purchased or constructed. Donated fixed assets are valued at their estimated fair value on the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight line basis over the following estimated useful lives:

<u>Assets</u>	<u>Life In Years</u>
Buildings and Improvements	20-40
Furniture and Equipment	10
Computer Equipment	5

6. Compensated absences

Primary Government

Accumulated vacation and sick leave is accrued when incurred and reported in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All full-time employees accumulate vacation benefits in varying amounts depending on years of service and sick leave benefits accrue at the rate of twelve days per year as determined by the employee's work schedule. On termination and retirement, the County pays employees for unused, accumulated vacation leave time up to maximum of 96 hours for civilian personnel and 102 hours for law enforcement. Unused compensatory time of non-exempt employees is fully paid upon termination or retirement. Sick leave benefits are payable only upon retirement, and not termination of employment. One half of the unused sick leave is paid up to a maximum of thirty days to those employees who retire from the County.

Component Unit

District employees earn paid time off and sick leave. Paid time off accumulates from year to year up to a maximum of two years accrual. Semi-annually, employees can elect to be paid in lieu of utilizing paid time off and sick leave at a rate of 80% of time earned. Sick leave accumulates up to a maximum of 1,440 hours. Upon termination of employment, employees may receive pay for their unused time off. The cost of paid time off and sick leave is recognized when earned by employees.

7. Long-term obligations

Primary Government

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the related debt. Per GASB 63, any gain or loss on refunding of a bond is reported as a Deferred Inflow or Outflow of Resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Bonds payable are reported net of the applicable bond premiums or discounts. Also per GASB 65, issuance costs are now expensed immediately.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the period issued.

8. Fund Balance

Primary Government

As prescribed by GASB 54, governmental funds report fund balance in classifications based on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of September 30, 2018, fund balances for the governmental funds are made up of the following:

Non-spendable Fund Balance – includes amounts that cannot be spent because they are not in spendable form, or 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, for example: inventories, prepaid amounts and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changes or lifted only with the consent of resource providers. When restricted and unrestricted fund balance exists for the same purpose, restricted fund balance will be used first.

Committed Fund Balance – includes amounts that can be used for specific purposes determined by the Commissioners court. The commitment of fund balance requires the highest level action of the Commissioners court to constitute a binding constraint on fund balance. This can only be achieved by a majority vote of approval of the Commissioners court. Commitments may only be changed or lifted by a majority vote of approval of the Commissioners court. The proposed action of the Commissioners court with regard to

creation or modification of a commitment must also be clearly posted on the Commissioners court agenda in advance of taking any action.

Assigned Fund balance – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. *Intent* is expressed by the Commissioners court or an official to which the Commissioners court has delegated the authority to assign amounts to be used for specific purposes. As of the date of this report the Commissioners court has not authorized any other official to have authority to assign fund balance; therefore the assignment of fund balance must be made by approval of the Commissioners court.

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.

County Fund Balance Policy

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's total unassigned fund balance is negative \$3.06 million for the year ended September 30, 2018. Unearned revenue represented the most significant factor associated with the reported deficit due to housing and care services under the U.S. Marshals Inter-Governmental Services Agreement, and per GASB 65, when an asset is recorded in a governmental fund, but the revenue is not available, *deferred inflows of resources* are reported in the *governmental fund financial statements* until such time the revenue becomes available. In accordance with modified accrual basis of accounting the County considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The Commissioners court adopted a resolution and order on September 13, 2017 establishing the financial guidelines for the minimum general fund reserve of 25% of general fund 2017-2018 budgeted revenues and transfers in order to maintain sound fiscal policies and an excellent bond rating. The 25% fund balance was considered necessary since Nueces County is a coastal county and as such has a higher exposure to risk. The minimum general fund reserve for the year ended September 30, 2018, was expected to be \$22,280,829; however, the actual ending general fund balance was \$18,974,819.

E. Employee Benefit Plans

The adoption of GASB 68 in fiscal year ended September 30, 2015, replaced the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they related to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria.

GASB Statement 71, *Pension Transition for Contributions Made for Subsequent to the Measurement Date* ("GASB 71"), was an amendment to Statement No. 68, *Accounting and Financial Reporting for Pensions* and was adopted in fiscal year ended September 30, 2015. GASB 71 eliminated the source of a potential significant understatement of restated beginning net position and expense in the first year implementation of Statement 68 in accrual basis financial statements.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (the "TCDRS") and additions to/deductions from TCERS' Fiduciary Net Position have been determined on the same basis as they are reported to TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms.

Component Unit

The District has a 403(b) tax sheltered annuity retirement plan and a deferred compensation plan. The assets, liabilities, fund equity, and operations of this plan are not presented on the District's financial statements as both plans are independently administered.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund *Balance Sheet* and the government-wide *Statement of Net Position*

Primary Government

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide *Statement of Net Position*. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are presented on the following page:

General obligation debt	\$121,507,095
Premium (net)	8,709,277
Capital Lease	4,518,211
Accrued interest payable	1,270,600
Compensated absences	<u>2,141,547</u>
Net adjustments to reduce <i>fund balance - total governmental fund to arrive at net position - governmental activities</i>	<u>\$138,146,730</u>

B. Fund Explanation of certain differences between the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* and the government-wide *Statement of Activities*.

The governmental fund *Statement of Revenue, Expenditures, and Change in Fund Balances* includes reconciliation between *net changes in fund balance - total governmental funds and changes in net position of governmental activities* as reported in the government-wide *Statement of Activities*. One element of that reconciliation indicates, "Governmental funds report capital outlays as expenditures. However, in the *Statement of Activities* the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$(4,243,863) difference are as follows:

Capital outlay	\$7,618,209
Capital outlay Internal Service Fund	25,007
Depreciation expense	<u>(11,887,079)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities</i>	<u>\$(4,243,863)</u>

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of the 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." The details of this \$2,201,735 difference are as follows:

General obligation debt principal repayment	\$9,172,156
Capital lease reconciliation	263,145
Issuance of general obligation debt	(8,136,718)
Amortization of premium and deferred charges	<u>903,152</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$2,201,735</u>

Another element of that reconciliation states that "Some expenses reported in the *Statement of Activities* do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(303,223) difference are as follows:

Changes in compensated balances	\$(59,225)
Accrued interest	<u>(243,998)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$(303,223)</u>

III. Stewardship, compliance and accountability

A. Budgetary information

The county auditor serves as the County's budget officer. After requests have been submitted by County departments, a base line budget is presented to Commissioners court with no tax increase as a starting point. The Commissioners court reviews the requests, adjusts budget requests to final form, and conducts public hearings. One copy of the proposed budget must be filed with the county clerk. Copies must be available to the public for review. The Commissioners court must hold a public hearing on the budget on some date within ten (10) calendar days after the filing of the proposed budget and prior to October 31 of the current year.

Annual budgets are adopted for all governmental funds except for the Main Grants Fund, the Texas Juvenile Justice Department Fund, and Capital Projects Fund. Project length budgets are adopted for these grants and capital project funds. Budgetary integration is not employed for

the internal service fund because expenses are not controllable by management. The amounts budgeted for expenditures in various funds may not exceed the fund balances in those funds as of the first day of the fiscal year plus anticipated revenue for the fiscal year as estimated by the county auditor.

An appropriated budget is prepared by line item for the following expenditures: personnel expenditures (salaries and overtime), special personnel services (court appointed attorneys for example), insurance premiums, and other specific expenditures designated by Commissioners court in the general fund, road fund, airport, inland parks, and coastal parks funds. Remaining expenditures, non-personnel items mainly, are controlled at the category level. For all other special revenue funds, the legal level of control is at the fund level.

Budget transfers may be made among the line items, categories, and departments only with the approval of the Commissioners court. Such transfers were made during the fiscal year but did not increase the County's overall budget. The budgets are prepared on a basis consistent with generally accepted accounting principles. The final budgets presented in this report reflect the budget amendments for all appropriation transfers processed during the fiscal year.

Component Unit

The Board adopts an annual budget for all funds. The annual budget and revisions must be approved by the Board of Managers and then the County Commissioners Court.

B. Encumbrances

Primary Government

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized in the governmental funds to the extent - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation. Encumbrances outstanding at fiscal year-end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. As of September 30, 2017, the encumbrance balances for the governmental funds are reported as follows:

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General Fund	\$ -	\$ 115,623	\$ -	\$ -	\$ 115,623
US Marshal Contract	-	-	-	10,189,849	10,189,849
Capital Projects Fund	-	2,867,868	-	-	2,867,868
Non-major Governmental	131,700	-	51,283	-	182,983
Total	\$ 131,700	\$ 2,983,491	\$ 51,283	\$ 10,189,849	\$ 13,356,323

IV. Detailed notes on all funds

A. Deposits and Investments

Deposits

The County's investment policy is in accordance with the laws of the State of Texas. The policy identifies authorized investments and investment terms, collateral requirements, and safekeeping requirements for collateral. Chapter 2257 of the Texas Government Code is known as the Public Funds Collateral Act provides guidelines for the amount of collateral that is required to secure the deposit of public funds. Federal Depository Insurance Corporation (FDIC) is available for funds deposited at any financial institution up to a maximum of \$250,000 each for demand deposits, time and savings deposits, and deposits pursuant to indenture. The Public Funds Collateral Act requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of FDIC insurance available. Our policy requires that at all times the market value of collateral must be equal to or greater than 102% of the par value of the certificate of deposit plus accrued interest and equal to or greater than 102% of the bank deposit less amount insured by the Federal Deposit Insurance Corporation.

The County's demand deposits are fully covered by collateral held in the County's name by the County's agents, the Federal Reserve Bank of Boston, and the Federal Home Loan Bank of Dallas. The County's collateral agreements require the market value of securities held by its agents to exceed the total amount of cash and investments held by Frost Bank (the County depository bank) and Wells Fargo Bank and American Bank continue to collateralize our demand deposits. The Treasury is required to monitor the adequacy of collateral at least weekly but in practice is actually monitored daily.

Pooled Cash and Investments

The County maintains a cash and investment pool fund that is internal and is used primarily for investment purposes. Participation in the internal pooled fund is limited to the funds or departments with the larger cash available balances. The other funds that do not have excess funds or smaller fund balances are not in the pooled fund invest in Texas Class, an external pool, because monies are more readily available for longer term investment. Earnings from the Pool are allocated to the individual funds based upon its equity position of the funds in the Pool. A summary of balances in pooled and non-pooled accounts can be found on the following page.

	Total Cash and Cash Equivalents	Investments	Total Cash and Investments	Pooled Funds	Non-Pooled
Governmental Funds:					
General	\$ 22,323,874	\$ 2,819,161	\$ 25,143,035	\$ 5,483,191	\$ 19,659,844
Debt Service	954,004	908,496	1,862,500	1,767,001	95,500
U.S. Marshall Contract	7,645,937	-	7,645,937	-	7,645,937
Capital Projects Fund	25,500,783	9,184,948	34,685,731	17,617,190	17,068,542
Other Governmental Funds	18,469,004	4,538,754	23,007,758	8,821,120	14,186,638
	<u>74,893,602</u>	<u>17,451,360</u>	<u>92,344,962</u>	<u>33,688,501</u>	<u>58,656,461</u>
Proprietary Funds:					
Internal Service Funds	4,948,528	252,342	5,200,870	490,798	4,710,072
	<u>4,948,528</u>	<u>252,342</u>	<u>5,200,870</u>	<u>490,798</u>	<u>4,710,072</u>
Fiduciary Funds:					
Agency Funds	12,771,048	6,852,127	19,623,175	-	19,623,175
	<u>12,771,048</u>	<u>6,852,127</u>	<u>19,623,175</u>	<u>-</u>	<u>19,623,175</u>
TOTAL ALL FUNDS	<u>\$ 92,613,178</u>	<u>\$ 24,555,829</u>	<u>\$ 117,169,007</u>	<u>\$ 34,179,299</u>	<u>\$ 82,989,709</u>

In February 2015, GASB issued Statement No. 72 (GASB 72), designed to enhance the comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. GASB 72 amended the definitions of fair value and investments, provided guidance for determining a fair value measurement for assets and liabilities required to be reported at fair value, provided guidance for applying fair value to investments required to be reported at fair value, and provided for disclosures in addition to those already required by GASB Statements No. 3, 31, 40, and 53 for all investments measured at fair value.

GASB 72 redefined investments as securities or other assets that governments hold primarily for the purpose of income or profit having a present service capacity based solely on its ability to generate cash or to be sold to generate cash. According to GASB 72, the investment designation must be made when the asset is acquired and would remain over the life of the asset, even if the use of the asset changes over time. GASB 72 further redefined fair value as the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. By expanding how governments define investments, GASB 72 expands the scope of fair value reporting to include investments that were not previously reported at fair value.

In addition to expanding the definitions of fair value and investments, the standard provides requirements for the valuation and disclosure of assets and liabilities reported at fair value. Governments are to use valuation techniques that are appropriate and for which sufficient data is available to measure assets and liabilities at fair value. Valuation techniques should be applied consistently from one accounting period to the next and should maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach.

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.
- The cost approach reflects the amount that would be required to replace the present service capacity of an asset.
- The income approach converts future amounts (such as cash flows or income and expenses) to a single current (discounted) amount.

Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

To help financial statement users better understand the quality of the inputs used in determining fair value, GASB 72 establishes a three-tier fair value hierarchy that prioritizes the inputs based on relative reliability, as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for assets or liabilities.
- Level 3 inputs are inputs that are unobservable and only used when relevant Level 1 or 2 inputs are unobservable such as nonbinding quotes on interest rate swaps that cannot be corroborated by observable market data.

GASB 72 requires disclosure of the fair value level and valuation technique for each type of asset or liability measured at fair value. GASB 72 requires that these disclosures be organized by type of asset or liability as opposed to reporting entity segment. Also, for investments in certain entities that calculate the use net asset value per share or its equivalent as a measure of fair value, GASB 72 requires additional disclosures on any unfunded commitments and redemption terms.

None of the County's investments are valued using Level 1 and Level 3 inputs. The Pool uses the market approach as a valuation technique in the application of GASB 72. This method uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

The following chart summarizes pooled investments recurring fair value measurements and the fair value hierarchy at September 30, 2018.

	Total Value	Quoted Prices in Active Markets for Identical Assets		
		(Level 1 Inputs)	Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Investments by Fair Value Level				
Negotiable Certificates of Deposit	\$ 3,476,649	\$ -	\$ 3,476,649	\$ -
Municipal Bonds	3,846,106	-	3,846,106	-
U.S. Agency Obligations	10,380,947	-	10,380,947	-
External Investment Pool-Texas CLASS	48,933,486	-	48,933,486	-
Total Investments by Fair Value Level	\$ 66,637,187	\$ -	\$ 66,637,187	\$ -
Investments Measured at Amortized Cost				
External Investment Pool-TexPool	\$ -			
Total Investments at Amortized Cost	\$ -			
TOTAL ALL INVESTMENTS	\$ 66,637,187			

The County's investments are comprised of an external investment pool with ratings no lower than AAAm or AAA-, brokered CD's, and US Agencies and Municipal Bonds with ratings no lower than the County's AA+. Total pooled investments as of September 30, 2018, were valued at \$66.64 million. The fair value of pooled investments categorized according to the GASB Statement No. 72 fair value hierarchy totaled \$66.64 million and are all classified as Level 2. Pooled investments also include external investment fund Texas CLASS. The County's total investment in Texas CLASS is \$48.93 million, which is valued at fair value.

The Texas CLASS Board of Trustees has determined that Texas Class is not a government entity and therefore does not meet all the criteria in GASB 79. Therefore, the pool's participants should measure their investments in that pool at fair value as provided in paragraph 11 of Statement 31, as amended.

The County uses Frost Bank as the custodian of securities including its negotiable certificates of deposit, municipal bonds, and government sponsored enterprise (GSEs) obligations. Unlike Treasury securities, government agency bonds are expressly backed by the full faith and credit of the U.S. government, but they do carry and implied backed due the continuing ties the agencies and the U.S. government. Frost Bank uses Interactive Data as its primary securities data provider. Interactive Data's evaluations are based on market data. Interactive Data utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information and for structured securities, cash flow, and when available, loan performance data. Because many fixed income securities do not trade on a daily basis, Interactive Data's evaluated pricing application apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations. The securities were valued using matrix pricing, which is consistent with the market approach. The matrix pricing technique is used to value some types of financial instruments, such as debt securities, without relying exclusively on quoted prices for the specific securities. Instead, matrix pricing relies on the securities' relationship to other benchmark quoted securities.

At year end, the County's governmental investment balances and weighted average were as follows:

	Fair Value	Less Than One Year	One to Four Years	Weighted Average Days to Maturity
External Investment Pools	\$ 48,933,486	\$ 48,933,486	\$ -	1
Brokered CD's	3,476,649	-	3,476,649	648
U S Agencies	10,380,947	-	10,380,947	343
Municipal Bonds	3,846,106	-	3,846,106	471
	\$ 66,637,187	\$ 48,933,486	\$ 17,703,702	115

Credit risk

Nueces County seeks to control the risk of loss of a security issuer or grantor by purchasing only eligible investments and requiring prior approval of investment vendors with which it transacts business and by having the bank collateralize deposits account at greater than 100% at the market value. In addition, Nueces County executes the purchase of individual eligible investments only on the "delivery versus payment" (DVP) method through Frost Bank serving as Nueces County's depository for the safekeeping of collateral with both Nueces County and a third party safekeeping agent to define Nueces County's rights to the collateral in case of default.

Texas statutes authorize the County to invest in (1) obligations 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, insured by, or backed by the full faith and credit of this State 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.); and certificates of obligations issued by a state or national bank domiciled in Texas.

A certificate of deposit that is purchased through a brokerage firm, or a sales representative other than a bank is called a brokered CD. Each invested brokered CD is guaranteed or insured by the Federal Deposit Insurance Corporation up to \$250,000 per investment instrument. House Bill 2226 (effective 6/17/2011) amends Section 2256.010(b) of the Government Code which allows the County to invest in certificates of deposit through a broker or depository institution. This allows the broker or depository institution to arrange investing for certificates of deposit in one or more federally insured depository institutions, wherever located. Currently the County is investing in brokered certificate of deposits.

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (PFIA), Chapter 2256.016 of the Texas Government Code. In addition to other provision of the PFIA designed to promote liquidity and safety of principal, the (PFIA) requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. All investments noted above are rated AAAM by Standard & Poor's.

Concentration of credit risk

The County's investment policy states that the investment committee must maintain diversity in the type of eligible investments purchased by limiting the percentage of the combined portfolios for each type from a range of 10% to 85%. Nueces County also maintains diversity of vendors by purchasing from more than one vendor. The County strives to obtain more than one bid when purchasing investments.

Interest rate risk

In accordance with the County's investment policy, the County manages exposure to declines in the fair market value by laddering its investment portfolio and by limiting its weighted average days to maturity to less than 365 days. With the declining interest rates the County has shortened our investment ladder and cash equivalents have increased. As a result we were 115 weighted average days to maturity. Due to the low interest environment the County has been investing toward the lower end of the range of the ladder in order to reduce the interest rate risk. Nueces County mitigates the interest rate risk by having several different bonds that have varying maturation schedules.

Component Unit

The District's investment policies and types of investments are governed by the Texas Public Funds Investment Act ("PFIA"). The District's management believes that it has complied with the requirements of the PFIA and the District investment policies. At September 30, 2018, the District segmented time distribution analysis of the portfolio by market sector including the Health Benefit Trust. At year end, the District's investment balances were as follows:

	<u>INVESTMENT MATURITIES IN YEARS</u>		
	<u>TOTAL</u>	<u>LESS THAN</u>	<u>ONE TO THREE</u>
		<u>ONE YEAR</u>	<u>YEARS</u>
Cash and Equivalents			
Collateralized Bank Accounts	96,537	96,537	-
Money Market Mutual Funds	173,349	173,349	-
Petty Cash	150	150	-
AAA-Rate Local Government			
Investment Pools:			
Texpool	41,633,649	41,633,649	-
Logic	17,912	17,912	-
TexStar	10,061,643	10,061,643	-
Total Cash and Equivalents	51,983,240	51,983,240	-
Investments At Fair Value			
US Treasury Securities	999,275	999,275	-
US Agencies:			
Federal Home Loan Mortgage Corporation	3,956,832	3,956,832	-
Federal Farm Credit Banks	2,980,782	-	2,980,782
Federal National Mortgage Association	19,814,576	17,857,864	1,956,712
Total Investments	27,751,465	22,813,971	4,937,494
TOTAL VALUE	79,734,705	74,797,211	4,937,494
% of Total Portfolio	100%	93.81%	6.19%

The District's policy is to report money market investments at amortized cost. U.S. Government Agency Securities are reported at fair value based on quoted market values. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

Credit risk

The primary stated objectives of the District's adopted Investment Policy are the safety of principal, liquidity, diversification and yield. Credit risk within the District's portfolio among the authorized investments approved by the District's adopted Investment Policy is present only in time and demand deposits, repurchase agreements, commercial paper, municipal obligations and money market mutual funds. All investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities. State law and the District's adopted Investment Policy require inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating. State law and the District's adopted Investment Policy also require a procedure to verify continued FDIC insurance weekly.

State law and the District's adopted Investment Policy restrict both time and demand deposits, including certificates of deposit (CD), to those banks doing business in the State of Texas and further requires full insurance and/or collateralization from these depositories (banks and savings banks). Depository certificates of deposit are limited to a stated maturity of three years. Collateral, with a 102% margin, is required and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities. Independent safekeeping is required outside the pledging bank's holding company with monthly reporting. Securities are at market on a daily basis as a contractual responsibility of the bank.

Brokered CD's must be FDIC insured and delivered versus payment to the District's depository. Maximum maturity is one year and FDIC insurance must be verified before purchase. By policy any change in FDIC status of the banks requires a review to assure FDIC status has not changed and immediate liquidation in the case of a merger or acquisition.

By policy and state law repurchase agreements are limited to those with defined termination dates executed with a Texas bank or a primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed one year to stated maturity. Reverse repurchase agreements may not exceed 90 days and must be matched with reinvestment maturities.

By policy and state law commercial paper must be rated not less than A1/P1 or equivalent by at least two NRSRO's or by one NRSRO if fully secured by an irrevocable letter of credit issued by a bank organized and existing under US law or the law of a state of the US. Commercial paper is restricted to a stated maturity of 90 days or less. The District adopted Investment Policy restricts investment in money

market mutual funds to those rated AAA and registered with the SEC. Each fund must strive to maintain a \$1 net asset value.

Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating agency. The Policy further restricts investments to AAA-rated local government investment pools which strive to maintain a \$1 net asset value.

As of September 30, 2018 the cash and investments contained:

- FDIC insured or fully collateralized bank deposits representing 0.12% of the total portfolio
- Investment in three local government investment pools representing 64.86% of the total portfolio,
- AAA-rated money market funds striving to maintain \$1 net asset value represented 0.22% of the total portfolio, and
- US Government agency securities representing 33.55% of the total portfolio.
- US Treasury Securities represented 1.25% of the total portfolio.

Concentration of credit risk

The District recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The District's adopted Investment Policy establishes diversification as a major objective of the investment program and 33% of the District's investments are designed to be in obligations of the US Government. As of September 30, 2018, the portfolio met its diversification requirements.

Interest rate risk

In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy sets a maximum stated maturity date of three years and at least a 33% of the District's investments shall be obligations of the U.S. Government. To insure liquidity, a minimum of 10% shall be liquid. The maximum weighted average maturity (WAM) of twelve (12) months. At the time any investment is placed, the overall compliance with the Investment Policy is verified. A segmented time distribution analysis is shown above. As of September 30, 2018, holdings in the portfolio with stated maturity dates beyond one year representing 6.19% of the total portfolio all of which were US agencies.

Custodial credit risk

To control custody and safekeeping risk, State law and the District's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements. All pledged securities are to be transferred delivery versus payment and held by an independent party approved by the District and held in the District's name by an independent custodian. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% of market value and collateral terms to be detailed in executed written agreements. Depository agreements are executed under the terms of U.S. Financial Institutions Resource and Recovery Enforcement Act (FIRREA). The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2018, the portfolio contained no certificates of deposit and no repurchase agreements. The portfolio contained 0.12% in fully insured and collateralized demand deposit accounts. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

GASB 72, *Fair Value Measurement and Application*, for financial reporting purposes categorized financial instruments within three different levels of risk dependent upon the measure of their fair value and pricing as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Because the investments are restricted by Policy and state law to active secondary market, the market approach is used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The fair market prices used for these fair market valuations of the Districts portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

All of the investments held by the District as of September 30, 2018 are US Treasury or US Government Agency Bonds.

B. Receivables
Primary Government

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

Receivables -- Unavailable / Unearned

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (general fund) net	\$ 3,521,781	\$ -
Delinquent property taxes receivable (debt service fund) net	588,611	-
Delinquent property taxes receivable (road fund) net	68,649	-
Other accounts receivable	3,414,636	-
Grant advances prior to meeting all eligibility requirements	-	1,307,802
Total unavailable/unearned revenue for governmental funds	<u>\$ 7,593,677</u>	<u>\$ 1,307,802</u>

Receivables as of September 30, 2018 for each major fund, non-major and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	Taxes	Accounts	Grants	Total
Governmental activities:				
General fund	4,272,971	1,769,705	-	6,042,676
Debt Service	714,159	5,118	-	719,277
U.S. Marshal	-	9,317,479	-	9,317,479
Capital projects fund	-	26,906	-	26,906
Non-major funds	92,814	898,505	1,338,780	2,330,099
Internal Service fund	-	115,130	-	115,130
Subtotal	<u>5,079,944</u>	<u>12,132,843</u>	<u>1,338,780</u>	<u>18,551,567</u>
Less:				
Allowance for uncollectible taxes	<u>(900,904)</u>	<u>-</u>	<u>-</u>	<u>(900,904)</u>
Total	4,179,041	12,132,843	1,338,780	17,650,663

Component Unit

The following table shows a schedule of delinquent taxes receivable and the allowance for uncollectible taxes for the District.

	BALANCE OCTOBER 1, 2017	CURRENT YEAR LEVY	TOTAL COLLECTIONS	ADJUSTMENTS	BALANCE SEPTEMBER 30, 2018
Delinquent Taxes Receivable	2,027,332	35,037,066	34,010,008	(232,716)	2,821,674
Allowance for Uncollectible Taxes	<u>(1,040,967)</u>	-	-	(10,145)	<u>(1,051,112)</u>
NET DELINQUENT TAXES RECEIVABLE	<u>986,365</u>	<u>35,037,066</u>	<u>34,010,008</u>	<u>(242,861)</u>	<u>1,770,562</u>

C. Capital Assets
Primary Government

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Completed Projects	Retirements	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 5,063,554	\$ -	\$ -	\$ -	\$ 5,063,554
Construction in progress	19,543,449	5,561,124	(6,022,385)	-	19,082,188
Total Capital assets, not being depreciated	24,607,003	5,561,124	(6,022,385)	-	24,145,742
Capital assets being depreciated:					
Buildings and improvements	185,588,860	52,034	5,298,692	-	190,939,586
Furniture, equipment and machinery	24,907,937	1,861,294	78,344	(1,176,788)	25,670,787
Software	982,917	80,700	-	-	1,063,617
Infrastructure	189,131,548	88,064	645,349	-	189,864,961
Total capital assets, being depreciated	460,611,262	2,082,092	6,022,385	(1,176,788)	461,537,856
Less accumulated depreciation for:					
Buildings and improvements	(95,527,108)	(5,780,374)	-	-	(101,307,482)
Furniture, equipment and machinery	(12,212,421)	(2,524,105)	-	979,795	(13,756,731)
Software	(432,100)	(49,146)	-	-	(481,246)
Infrastructure	(139,975,522)	(3,533,454)	-	-	(143,508,976)
Total accumulated depreciation	(248,147,151)	(11,887,079)	-	979,795	(258,054,435)
Total capital assets, being depreciated, net	152,464,111	(9,804,987)	6,022,385	(196,993)	148,484,516
Governmental activities capital assets, net	\$ 177,071,114	\$ (4,243,863)	\$ -	\$ (196,993)	\$ 172,630,258

Depreciation expense for the year ended September 30, 2018 was charged to functions/programs of the County as follows:

Governmental activities:	FY 2018	FY 2017	Increase (Decrease)
General Government	\$ 881,316	\$ 549,912	\$ 331,404
Building and facilities	3,630,106	3,625,176	4,930
Administration of justice	466,441	526,693	(60,252)
Law enforcement and corrections	1,644,991	1,564,097	80,894
health, safety and sanitation	136,609	143,492	(6,883)
Social services	62,211	63,365	(1,154)
Agriculture, education and consumer sciences	55,100	51,863	3,237
Road, bridges and transportation	3,290,190	3,277,429	12,761
Parks and recreation	1,720,115	1,726,084	(5,969)
Total depreciation expense - governmental activities	\$ 11,887,079	\$ 11,528,111	\$ 358,968

At September 30, 2018 the County's construction commitments are as follows:

Project Description	Project Budget	Balance
Building Improvements	\$ 16,037,877	\$ 10,343,285
Information technology Systems & Upgrades	11,003,001	1,307,143
Jail Renovations	3,987,921	1,539,737
Park Improvements	5,344,865	3,417,008
Road Improvements	10,382,162	4,775,064
Airport Improvements	3,658,156	1,756,166
Other Improvement Projects	14,835,778	7,670,450

Component Unit

Capital assets activity for the District for the year ended September 30, 2018 was as follows:

	BALANCE OCTOBER 1, 2017	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2018
Capital Assets, Not Being Depreciated:				
Land	3,076,926	-	-	3,076,926
Capital Assets, Being Depreciated:				
Equipment	1,247,734	978	-	1,248,712
	28,073,021	-	362,594	27,710,427
Total Capital Assets, Being Depreciated	29,320,755	978	362,594	28,959,139
Less Accumulated Depreciation for:				
Equipment	1,140,524	50,132	-	1,190,656
Buildings	23,531,287	309,969	276,004	23,565,252
Total Accumulated Depreciation	24,671,811	360,101	276,004	24,755,908
Total Capital Assets, Being Depreciated Net	4,648,944	(359,123)	86,590	4,203,231
TOTAL CAPITAL ASSETS, NET	7,725,870	(359,123)	86,590	7,280,157

D. Inter-fund receivables, payables and transfers

Primary Government

The composition of inter-fund balances as of September 30, 2018, is presented on the following page:

Short-term due to/from other funds:

Receivable Due from	Payable Due to	Amount
General Fund	General Fund - Expense	\$ 392,365
General Fund - Expense	General Fund	2,535
General Fund - Payroll	General Fund	1,771
General Fund - Jury	General Fund	10,093
Nonmajor - Road Fund	General Fund - Expense	7,007
Nonmajor - Stadium/fairgrounds	General Fund - Expense	15,938
Nonmajor - Airport	General Fund - Expense	2,366
Nonmajor - Inland Parks	General Fund - Expense	15,462
Nonmajor - Coastal Parks	General Fund	24,241
	General Fund - Expense	27,993
Capital Projects	Capital Projects	1,114
	Nonmajor - Main Grants Fund	4,420
Nonmajor - Main Grants Fund	Capital Projects	53,575
Nonmajor - Main Grants Fund	General Fund	347,125
	Nonmajor - Special Revenue Fund	35,000
Nonmajor - TJJJ Fund	General Fund	92,687
Internal Service - Group Health Fund	General Fund	480,778
		\$ 1,514,469

The purpose of short-term inter-fund loans is to provide operating cash flow to payroll and expense clearing accounts as well as other funds as expenditures are incurred, and also includes year-end accrual of investment interest. Inter-funds loans are settled upon cash availability in the owing fund/checking account or upon receipt of grant funds.

Long term due to/from other funds:

Receivable Due from	Payable Due to	Amount
General Fund -Expense	General Fund	\$ 600,000
Internal Service - Group Health Fund	General Fund	<u>1,000,000</u>
		\$ 1,600,000

Long-term inter-fund loans do not have a specific due date but may extend over one year, and some can be forgiven under certain conditions. The first long-term inter-fund loan of \$ 600,000 is due from the main grant fund to the general fund for advancing monies to fund grant expenditures until grants are received. The second long term inter-fund loan of \$ 1,000,000 is due from the Internal Service – Group Health Fund to the general fund to fund claims which have increased substantially over the last several years

Due to/from primary government and component units:

Receivable Entity	Payable Entity	Amount
Primary government - governmental funds	Component unit - district	\$ 97,090

Inter-fund transfers:

	Transfers In				Total Transfers Out
	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	
Transfers out					
General Fund	\$ -	\$ -	\$ 250,000	\$ 6,846,715	\$ 7,096,715
U.S. Marshal Contract	1,200,000	-	-	-	1,200,000
Capital Projects Fund	-	-	-	2,006,267	2,006,267
Nonmajor Governmental Fund	<u>138,216</u>	<u>630,000</u>	<u>85,000</u>	<u>446,834</u>	<u>1,300,051</u>
Total Transfers In	<u>\$ 1,338,216</u>	<u>\$ 630,000</u>	<u>\$ 335,000</u>	<u>\$ 9,299,816</u>	<u>\$ 11,603,033</u>

The General Fund provides most of the transfers. The Road Fund, Inland Parks Fund, Stadium and Fairgrounds Fund, Coastal Parks Fund, and other non-major funds are dependent upon the General Fund for financial support. The General Fund also provides most of the required matching funds for grants.

E. Leases

1. Operating Leases

Operating lease payments are recorded as expenditures or expenses during the life of the lease. Rental expenditures or expenses related to operating leases for the year ended September 30, 2018 were \$410,122. The following table presents minimum future rental obligation on non-cancelable operating leases as of September 30, 2018.

Noncancelable operating leases	
Fiscal Year	Primary Government
2019	\$399,158
2020	403,690
2021	353,227
2022	<u>75,756</u>
Total	<u>\$1,231,831</u>

2. Capital Leases

Leases that are purchases in substance are reported as capital lease obligations. The capital assets are recorded at the present value of the future minimum lease payments at the inception of the lease. For governmental activities, the assets and liabilities are recorded in the government-wide financial statements.

During fiscal year ended September 30, 2018 the County entered into one new capital lease agreement for the purchase of a Wheel Loader. The County is also still obligated to prior lease agreements for the purchase of heavy equipment and building improvements. Payments during the fiscal year ended September 30, 2018 for all capital leases totaled \$509,498. Payments include interest ranging from 2.795% and 4.740% per annum.

The tables below are a summary of the future minimum lease payments for all capital leases and any analysis of the property recorded under capital leases by asset category, respectively at September 30, 2018.

Future Capital Lease Payments			Assets Under Capital Leases			
Fiscal Year	Principal	Interest	Total	Type	Assets under	Accumulated
			Minimum Lease Payments		Capital Lease	Depreciation
2019	\$369,429	\$127,653	\$497,082	Buildings and improvements	\$5,562,891	\$997,510
2020	391,947	116,653	508,600.00	Furniture, equipment machinery	251,101	91,852
2021	376,226	104,994	481,220.00			
2022	383,959	94,464	478,423.00	Total	\$5,813,992	\$1,089,362
2023	393,516	83,756	477,272.00			
2024-2028	2,138,839	247,522	2,386,361.00			
2029	464,295	12,977	477,272.00			
Total	<u>\$4,518,211</u>	<u>\$788,019</u>	<u>\$5,306,230</u>			

Component Unit

The District leases office space for its administrative offices under an operating lease expiring in May 31, 2023. Rental payments under all operating leases amounted to \$127,163 during the year ended September 30, 2018. As of September 30, 2018, the District had the following minimum commitments under a non-cancelable lease for the next five years:

Year Ended September 30,:	
2019	110,385
2020	110,998
2021	112,838
2022	114,678
2023	<u>77,270</u>
TOTAL	<u>526,169</u>

The District and Spohn entered into a Spohn Membership Agreement to establish a structure for the joint membership of Spohn with the District effective October 1, 2012. The Agreement includes (1) provisions stipulating the parameters for the healthcare services that Spohn will continue to provide to the Nueces County indigent residents during the term of the Spohn Membership Agreement, without payment by the District to Spohn for such services, (2) operative provisions and parameters for Spohn's continued use of the District's Memorial Medical Center (MMC) facilities and satellite clinics during the term of the Spohn Membership Agreement in a manner consistent with the substantive and maintenance provisions in the former Lease Agreement, without payment of rent by Spohn to the District for such use, and (3) a Spohn net patient revenue allocation and sharing arrangement between Spohn and the District, the amount of which is determined each year prior to October 1.

The Spohn Membership agreement serve multiple purposes including to facilitate (1) continued provision of indigent health care services in Nueces County, (2) Spohn's and other Region 4 healthcare providers' ability to participate in Medicaid supplemental funding under the Waiver based on the providers' achievement of Waiver-related project metrics and milestones and their provision of uncompensated care, to the benefit of the Nueces County indigent residents served by the District and (3) the District's ability to serve as the Region 4 Anchor under the Waiver.

The Spohn Membership Agreement was amended and restated effective November 18, 2015; Spohn will be permitted to renovate and transform the MMC campus. Spohn has constructed a new Family Health Center on the MMC Campus and is currently expanding its Christus Spohn Hospital Shoreline Emergency Department, trauma center and in-patient bed capacity. When the expansion is complete,

ensuring that the community will have access to the health care services currently available, Spohn will be allowed to cease operation and demolish MMC.

Each year under the Spohn Membership Agreement, Spohn and the District confer regarding the support necessary for the operations of Spohn over the ensuing fiscal year starting October 1. Spohn prepares a budget that contemplates any modifications or additions in cost to provide healthcare services at MMC and the Satellite Clinics. Upon review of the Spohn budget, economic resources of Spohn, the Members and other factors, Spohn and the District agree on a "Specified Annual Percentage", (as defined in the agreement), of Spohn's net patient revenue that the District will receive. Based on this year's estimate the District budgeted \$85,051,200 and received \$91,206,130 in member revenues for the year ended September 30, 2018.

According to management, estimating the Specified Annual Percentage for membership revenue sharing is difficult due to the number of changing factors in the health care system that affect costs, as well as, revenues. Management intends to adjust the membership revenue sharing "Specified Annual Percentage" annually according to the Spohn Membership Agreement.

3. Long-term debt

Primary Government

The following items comprise the County's outstanding general obligation debt at September 30, 2018:

Description	Interest Rates (%)	Date of Issuance	Date of Maturity	Bonds Outstanding
General Obligation Refunding Bonds, Series 2010	3.00%	2010	2022	\$21,740,000
State Energy Conservation Office LoanStar Revolving Program Loan	2.00%	2012	2027	\$4,822,095
General Obligation Refunding Bonds, Series 2012	3.00%-5.00%	2012	2026	\$22,345,000
Certificate of Obligation Comb. Tax & Revenue, Series 2015	2.00%-5.00%	2015	2026	\$16,935,000
General Obligation Refunding, Series 2015	2.00%-5.00%	2015	2027	\$24,635,000
State Infrastructure Bank	3.47%	2016	2035	\$9,000,000
Certificate of Obligation Comb. Tax & Revenue, Series 2016	4.00%-5.00%	2016	2036	\$17,260,000
Certificate of Obligation Comb. Tax & Revenue, Series 2017	2.50%-4.00%	2017	2037	\$4,770,000
Sub - total general obligation debt				<u>121,507,095</u>
Premium on debt (net)				<u>8,709,277</u>
Total general obligation debt at September 30, 2018				<u>\$130,216,372</u>

On May 12, 2010, the County approved LoanSTAR, a revolving loan mechanism up to a maximum of \$7,930,497 plus capitalized interest during construction from the State Energy Conservation Stimulus Program under the Comptroller of Public Accounts. Nueces County obtained debt of \$8,064,228 and the first payment due November 2012. The interest rate on the loan is at 2.00 % for a payback period of 11.9 years with quarterly payments of \$156,289. The purpose of this program is to increase the energy efficiency of public sector buildings and facilities in order to create or retain jobs, reduce energy consumption, reduce greenhouse gas emissions, increase energy cost savings and install commercially-available renewable energy. The County is repaying this loan from the energy savings measures implemented through building and facility improvements. The loan payments were set up to be paid quarterly.

The County issued \$42,310,000 in General Obligation Refunding, Series 2010 on October 12, 2010 due in installments of \$830,000 to \$5,265,000 through February 15, 2022, with interest ranging from 3.00% to 5.00%. The bonds were issued to refund certain outstanding obligations of the County (Refunded Obligations) and for the payment of the costs related to the bonds. The refunding met the requirements of an in-substance defeasance and \$43,240,000 from the 2001, 2002, and 2004 series of certificate of obligation were removed from the county's government-wide financial statements. As a result of the current refunding, the cash flows required to service the old debt amounted to \$59,794,248 and the cash flow to service the new debt will amount to \$57,890,163. The refunding resulted in a loss of (\$4,611,227) and a net present value savings of \$1,627,233. The reacquisition premium exceeded the net carrying amount of the old debt by \$5,074,413. This balance is reported as a deferred outflow of resources, per GASB 65.

The County issued \$26,005,000 in General Obligation Refunding, Series 2012 on March 26, 2012 due in installments of \$84,000 to \$6,179,275 through February 15, 2026, with interest ranging from 3.00% to 5.00%. The bonds were issued to refund certain outstanding obligations of the County (Refunded Obligations) and for the payment of the costs related to the bonds. The refunding met the requirements of an in-substance defeasance and \$26,720,000 from the 2004 series of certificate of obligation was removed from the County's government-wide financial statements. As a result of the current refunding, the cash flows required to service the old debt amounted to \$41,747,750 and the cash flow to service the new debt will amount to \$38,471,152. The refunding resulted in a loss of (\$1,679,146) and a net present value savings of \$2,676,171. The reacquisition premium exceeded the net carrying amount of the old debt by \$2,410,180. This amount is reported as a deferred outflow of resources, per GASB 65.

The County issued \$27,550,000 in General Obligation Refunding, Series 2015 on April 1, 2015 due in installments of \$1,205,000 to \$7,645,000 through February 15, 2027, with interest ranging from 2.00% to 5.00%. The bonds were issued to refund certain outstanding obligations of the County (Refunded Obligations) and for the payment of the costs related to the bonds. The refunding met the requirements of an in-substance defeasance and \$29,875,000 from the 2007 series of certificate of obligation was removed from the County's government-wide financial statements with the exception of \$1,540,000 the final payment which was paid February 15, 2016. As a result of the current refunding, the cash flows required to service the old debt amounted to \$40,631,043 and the cash flow to service the new debt will amount to \$37,203,540. The refunding resulted in a loss of (\$1,250,992) and a net present value savings of \$2,789,560. The reacquisition premium exceeded the net carrying amount of the old debt by \$3,708,563. This amount is reported as a deferred outflow of resources, per GASB 65.

The County issued \$18,070,000 Combination Tax and Revenue Certificates of Obligation, Series 2015 on April 1 2015 due in installments of \$555,000 to \$1,270,000 (average installment equals \$951,053) through February 15, 2035, with interest ranging from 2.00% to 5.00% with a net interest cost of 3.44% to the County. The proceeds will be used for providing funds for the payment of contractual obligations of the County constructing, repairing and improving County roads and bridges, the McKenzie County Jail Annex, County facilities to comply with the American Disabilities Act, the County Airport runway extension, the County park system and facilities. The proceeds will also be used to purchase materials, supplies, equipment, land, and right-of-ways for authorized needs related to the aforementioned improvements and to pay professional services related services.

The County adopted a resolution on December 17, 2014 for local project advance funding agreement for voluntary local government contribution with no required match for the design and construction of the US 181 Harbor Bridge Replacement Project. The County also entered a local project agreement between the County and the Texas Department of Public Transportation for advance funding agreement for voluntary local contribution for this project. The County agreed to pay \$3,000,000 to the State of Texas on December 31, 2015, 2016, 2017 and 2018. Due to pending litigation from area residents affected by the project, the construction and consequently the funding for the project were delayed and therefore funding was not obtained nor scheduled payments made until April 2016. On March 23, 2016, Commissioners Court approved a resolution and order approving entering into a loan agreement with the State of Texas – State Infrastructure Bank (“SIB”) for \$12,000,000 for purposes of funding Nueces County's portion of the Texas Department of Transportation US 181 Harbor Bridge Project. The SIB agreement calls for four principal distributions of \$3,000,000 be made on April 15, 2016; December 1, 2016, 2017 and 2018 to the State accruing interest at the rate of 3.47%. Principal and interest payments from Nueces County to the SIB will begin on February 15, 2019.

The County issued \$17,920,000 Combination Tax and Revenue Certificates of Obligation, Series 2016 on November 15, 2016 due in installments of \$660,000 to \$1,640,000 (average installment equals \$995,556) through February 15, 2036, with interest ranging from 4.00% to 5.00% with a net interest cost of 3.89% to the County. The proceeds will be used for providing funds for the payment of contractual obligations incurred or to be incurred by the County, to-wit: acquiring, designing, constructing, renovating, repairing and improving various County facilities to comply with the American With Disabilities Act and other federal laws: upgrading and improving the County's Information Technology Systems; acquiring, designing, constructing, renovating, repairing, and improving various County facilities, County parks, County airport runway and facilities; purchasing materials, supplies, equipment, machinery, landscaping, land and rights-of-way in the County for authorized needs and purposes related to the aforementioned capital improvements; constructing and improving to various roads, bridges and drainage facilities throughout the County; and paying professional, fiscal, engineering and legal fees incurred in connection therewith.

The County issued \$4,900,000 Combination Tax and Revenue Certificates of Obligation, Series 2017 on November 15, 2017 due in installments of \$115,000 to \$330,000 (average installment equals \$245,000) through February 15, 2037, with interest ranging from 2.50% to 4.00% with a net interest cost of 2.754368% to the County. The proceeds will be used for providing funds for the payment of contractual obligations incurred or to be incurred by the County, to-wit: acquiring, designing, constructing, renovating, repairing and improving various County facilities to comply with the American With Disabilities Act and other federal laws: upgrading and improving the County's Information Technology Systems; acquisition equipment for conduct of elections in Nueces County; designing, constructing, renovating, repairing, and improving various County parks system facilities; construction of and improvements to various roads, bridges and drainage facilities throughout Nueces County; purchase of material supplies, equipment, machinery, landscaping, land and rights-of-way in Nueces County for authorized needs and purposes related to the aforementioned capital improvements; and paying professional, fiscal, engineering and legal fees incurred in connection therewith.

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.

Debt service requirements to maturity for general obligation debts are as follows:

Fiscal Year Ending	Governmental Activities		Total Debt Service Requirements
	September 30	Principal	
2019	\$9,414,248	\$5,106,683	\$14,520,931
2020	9,822,528	4,727,102	14,549,630
2021	9,772,122	4,340,608	14,112,730
2022	10,201,926	3,912,755	14,114,681
2023	10,142,067	3,465,939	13,608,006
2024-2028	45,907,055	10,613,758	56,520,813
2029-2033	15,805,004	4,735,294	20,540,298
2034-2038	10,442,145	1,102,017	11,544,162
Totals	\$121,507,095	\$38,004,156	\$159,511,251

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation debt	\$122,779,252	\$7,900,000	\$(9,172,156)	\$121,507,095	\$9,414,248
Unamortized premium on debt	9,987,132	236,718	(1,514,573)	8,709,277	-
Capital leases	4,781,356	112,471	(375,616)	4,518,211	369,429
Compensated absences	2,082,322	3,727,618	(3,668,393)	2,141,547	100,000
General liabilities claims	\$384,489	1,202,135	(610,611)	976,011	300,000
Net pension liability	39,016,733	37,381,832	(56,624,183)	19,774,382	-
Judgements and other claims	407,963	585,895	(491,806)	502,051	110,000
	<u>\$179,439,247</u>	<u>\$51,146,669</u>	<u>\$(72,457,338)</u>	<u>\$158,128,575</u>	<u>\$10,293,677</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. General liability claims are paid from the self-insurance fund. The funds are used to liquidate the liability for compensated absences depending on what fund the employee is attached. The general fund and road fund have the highest number of employees and pay the most toward compensated absences. Judgments and other claims are reported in the general fund and special revenue funds and include seizures, bonds and other.

Component Unit

The following is a summary of long-term obligation transactions of the District for the year ended September 30, 2018:

Changes in Long-term Liabilities

	BALANCE OCTOBER 1, 2017	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2018
Other Liabilities				
Accrued Paid Time Off	103,651	274,252	200,776	177,127
TOTAL	<u>103,651</u>	<u>274,252</u>	<u>200,776</u>	<u>177,127</u>

4. Fund balance by designations

Primary Government

In fiscal year 2012, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The fiscal year 2017 financial report continues to reflect these changes. GASB 54 is intended to enhance the usefulness of fund balance information by providing clear fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classification that compromise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds.

The table on the following page provides detail of the classification of fund balances as reported in the fund financial statements:

	General Fund	Debt Service Fund	U.S. Marshal Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$ 68,800	\$ -	\$ -	\$ -	\$ 24,717	\$ 93,517
Prepays	696,667	-	707	-	98,024	795,398
Restricted for:						
Debt Service Reserve	-	1,866,868	-	-	-	1,866,868
U.S. Marshal Contract	-	-	-	-	-	-
Commissioners Precinct	-	-	-	-	1,336,209	1,336,209
Commissioners Court	-	-	-	-	2,681,506	2,681,506
County Attorney	-	-	-	-	48,383	48,383
County Clerk	-	-	-	-	2,803,366	2,803,366
Tax Assessor Collector	-	-	-	-	21,260	21,260
Juvenile Programs	-	-	-	-	575,494	575,494
District Attorney	-	-	-	-	247,171	247,171
District Clerk	-	-	-	-	153,348	153,348
County Sheriff	-	-	-	-	790,231	790,231
Asset Forfeiture	-	-	-	-	1,377,926	1,377,926
Law Enforcement Education	-	-	-	-	87,521	87,521
Social Services	-	-	-	-	14,442	14,442
Community Health Program	-	-	-	-	3,638,419	3,638,419
Parks & Recreation	-	-	-	-	165,561	165,561
Library	-	-	-	-	4,307	4,307
Committed to:						
Capital Projects	-	-	-	33,933,200	-	33,933,200
Policy on minimum reserves	18,209,353	-	-	-	-	18,209,353
Assigned to:						
Road & Bridges	-	-	-	-	1,937,162	1,937,162
Stadium & Fairgrounds	-	-	-	-	2,011,977	2,011,977
Law Library	-	-	-	-	143,011	143,011
Airport	-	-	-	-	136,750	136,750
Inland Parks	-	-	-	-	276,363	276,363
Coastal Parks	-	-	-	-	840,714	840,714
Unassigned:						
Total Fund Balances	\$ 18,974,819	\$ 1,866,868	\$ (3,054,951)	\$ 33,933,200	\$ 19,413,861	\$ 71,133,798

5. Intergovernmental Transfers (IGTs)

Component Unit

The District participates in the State sponsored Medicaid payment program serving as the Region 4 Anchor. The District provides IGT's for certain healthcare providers in Region 4 so they can participate in Medicaid payment programs. The District budgets IGTs based on provider's cost estimates. HHSC determines the amount of available State funds available to providers under the various Medicaid payment programs. After these complicated calculations are made by HHSC for all providers in the entire State, then HHSC calculates the amount of IGT needed by each provider and determines timing of the payments to providers. Therefore, of the District's budgeted \$113,975,038 for IGT's, the District paid \$114,273,204 in IGT's in the current fiscal year.

Additionally, IGTs are not accrued as liabilities by the District on the government-wide financial statements because of the following factors:

- There is no legal obligation for the District to remit IGTs to HHSC;
- The amount to pay cannot be reasonably estimated

V. Other Information

A. Risk management

Primary Government

The County is exposed to various risks of loss related to injuries to employees; torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters for which the County carries commercial insurance; and medical health claims provided to employees and retirees. The Self Insurance Fund (an internal service fund) is used to account for and finance the County's uninsured risks of loss. Premiums are paid into the Self-Insurance Fund by all other funds based on estimates of the amounts needed to pay insurance premiums, claims, administrative costs, and to establish a reserve for catastrophic losses.

Workers Compensation

The County provides coverage for all workers compensation claims arising from accidents that occurred prior to July 12, 1995. The County participates in a public entity risk pool operated by Texas Association of Counties (TAC) and liability for workers compensation claims dated July 12, 1995 and thereafter is covered by TAC.

Property & Liability

The County has elected to self-insure for the risks from tort claims and law enforcement public official liability. The following are the County coverage:

	Coverage	Maximum Limit	Deductible
Auto Liabilities		\$100,000	\$5,000
Auto Body Injury Liabilities		\$100,000/\$300,000	\$5,000
Property Damages	Windstorm/Hail Only	\$246,000,000	1% per item/others property \$100,000- \$1,500,000
Property Damages	Excluding Windstorm/Hail/Flood & Terrorism	\$310,443,159 Buildings/ \$33,664,386 Contents; \$100,000,000 Boil & Mach; \$5,000,000 BI-EE	\$100,000
Property Damages	Flood	\$3,856,400 Building/\$415,900 Contents	\$1,250-\$3,000
Property Damages	Excess Flood	\$2,049,584	\$500,000
Property Damages	Inland Marine Floater	\$860,000 Valuable Papers; \$2,012,000 Voting Machines; \$193,000 Fine Arts	\$2,500 min all other than 5% to \$10,000 min Windstorm-Hail
Property Damage & Medical	Airport Legal Liability; Hangarkeepers; Medical	\$1,000,000 Airport Legal Liability; \$1,000,000 Hangarkeepers; \$1,000 Medical	Hangarkeeper \$500
Crime Policy		\$5,000-\$100,000	\$2,500
Public Official Liabilities	Excluding Law Enforcement	\$1,000,000	\$50,000

Group Health

The County is self-insured on providing group health medical benefits to employees and retirees. Other participants in the program include small organizations and districts such as the local credit union, the District, and a fire district. Retirees and other participants pay 100% of their own premiums. The County does not have a liability for any postemployment benefits. Boon Chapman serves as the County's third-party administrator. A stop loss policy which covers health claims in excess of \$325,000 per individual with unlimited maximum lifetime coverage is kept in force. The balance in the accounts payable includes an estimate for ninety days of run off claims.

	Group Health 9/30/2017	Group Health 9/30/2018
Unpaid claims, beginning of fiscal year	\$ 613,026	\$ 876,243
incurred claims	13,903,579	11,023,131
payment on claims	(13,903,579)	(11,023,131)
Changes in estimate	263,217	(132,062)
Unpaid claims, end of fiscal year	<u>\$ 876,243</u>	<u>\$ 744,181</u>

General Liabilities

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Settlements have not exceeded coverage for each of the past three fiscal years.

	General Liability 9/30/2017	General Liability 9/30/2018
Unpaid claims, beginning of fiscal year	\$ 425,889	\$ 384,489
Incurred claims	-	-
Payment on claims	-	(610,611)
Changes in estimate	(41,400)	1,202,135
Unpaid claims, end of fiscal year	<u>\$ 384,489</u>	<u>\$ 976,013</u>

B. Contingent liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. A contingent liability was not established because potential reimbursements are considered immaterial.

The County is a defendant in various lawsuits. An estimated claims liability of \$976,011 has been established in the internal service fund. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney and legal counsel for the Commissioners court the resolution of these matters will not have a material adverse effect on the financial condition of the County.

C. Employee retirement systems and pension plans

Texas County and District Retirement System

I. Plan Description

Nueces County provides pension, disability, and death benefits for all of its full-time employees through an agent, multiple-employer, defined-benefit plan. This plan is administered by the statewide, public-employee retirement system through the Texas County District Retirement System (the "TCDRS"). The system serves 738 actively participating counties and districts throughout Texas. Each employer has its own defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in the plan. The TCDRS 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 by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age, or when the sum of their age and years of service equals 80 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

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

contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Contributions

Nueces County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

Employees of Nueces County were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the County were 12.36% and 12.95% in calendar years 2017 and 2018, respectively. Nueces County's contributions to TCDRS for the fiscal year ended September 30, 2018 were \$7,184,610 and were equal to the required contributions.

3. Discount Rate

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 8.0%. The long-term expected rate of return 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 below are based on January 2018 information for a 7-10 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 2013.

Asset Class	Benchmark	Target Allocation (1)	General Real Rate of Return(2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.53%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index(3)	16.00%	7.53%
Global Equities	MSCI World (net) Index	1.50%	4.83%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	11.00%	4.53%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	8.00%	5.53%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities Index (4)	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.00%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRF) Fund of Funds Composite Index	18.00%	4.10%
Total		100%	

(1)Target Asset allocation adopted at the April 2018 TCDRS Board meeting.

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

(3)Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

(4)Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(5)Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

4. Changes in the Net Pension Liability

At December 31, 2017, Nueces County reported a net pension liability of \$19,774,383. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances at December 31, 2016	343,953,244	304,936,510	39,016,734
Changes for the year:			
Service cost	7,674,494	-	7,674,494
Interest on total pension liability	27,724,198	-	27,724,198
Effect of economic/demographic gains or losses	(1,403,396)	-	(1,403,396)
Effect of assumptions changes or inputs	1,644,030	-	1,644,030
Refund of contributions	(855,323)	(855,323)	-
Benefit payments	(18,223,505)	(18,223,505)	-
Administrative expenses	-	(226,603)	226,603
Member contributions	-	3,927,920	(3,927,920)
Net investment income	-	44,377,621	(44,377,621)
Employer contributions	-	6,915,246	(6,915,246)
Other charges	-	(112,507)	112,507
Net Changes	16,560,498	35,802,849	(19,242,351)
Balances at December 31, 2017	360,513,742	340,739,358	19,774,383

The 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 and for the year then ended.

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

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

5. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
Net pension liability	\$63,644,945	\$19,774,384	\$(17,368,306)

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

For the year ended September 30, 2018, Nueces County recognized pension expense of \$9,138,103.

At September 30, 2018, Nueces County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience (net of current year amortization)	\$ -	\$ 2,636,287
Changes in actuarial assumptions	2,129,557	-
Differences between projected and actual investment earnings (net of current year amortization)	-	4,268,935
Contributions subsequent to the measurement date	5,320,976	-
Total	\$ 7,450,533	\$ 6,905,222

\$5,320,976 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ended September 30,	
2018	\$ 1,866,516
2019	\$ 955,458
2020	\$ (3,593,983)
2021	\$ (4,003,656)
2022	\$ -
Thereafter	\$ -

Component Unit

The District maintains a single-employer, defined contribution retirement plan available to all employees. The Plan is a tax-qualified plan pursuant to section 403(b) of the Internal Revenue Code. All full-time employees are eligible for participation in the plan. As of September 30, 2018, twenty-two employees were enrolled in the plan.

The Plan is administered by an outside party. Employees can contribute a percentage of their compensation as permitted by the Internal Revenue Code Section 403(b). The District can make a discretionary matching contribution ranging from 5% to 7% of the employee's earnings based on tenure. The vesting schedule provides for employees to be 100% vested in their contributions. The District's contributions are vested at a rate of 20% per year of employment. The plan permits employees to borrow from the plan and the related administration cost thereof shall be borne by the employee participant. The normal retirement age has been designated as 65 years of age. During the year ended September 30, 2018, the District had retirement plan expenses of \$78,011.

The District has a deferred compensation agreement with a key employee which allows the employee to defer a percentage of his annual compensation to future periods as permitted by the Internal Revenue Code. The Plan is administered by an outside party.

D. Tax Abatements
Primary Government

The County enters into property tax abatement agreements with local businesses under the state Property Redevelopment and Tax Abatement Act, Chapter 312, as well as its own guidelines and criteria, which is required under the Act. The statute permits the creation of tax abatement reinvestment zones to attract new commercial investment, to expand existing facilities, and to contribute to retaining or expanding primary employment within areas of economic development interests. The designation of a zone should contribute to the County's economic development and guidelines and criteria for governing tax phase-in agreements and must be adopted at the discretion of Commissioners Court. Once a reinvestment zone has been designated, the County may offer a tax phase-in agreement to owners or lessees of taxable property within the reinvestment zone on a case-by-case basis. Areas designated as an enterprise zone under the Texas Enterprise Zone Act also constitute designation as a reinvestment zone. Tax phase-in agreements are contracts between the County and an owner or lessee of property wherein the owner or lessee makes an amount of new capital investment and jobs and the County abates all or a portion of ad valorem taxes under its authority on the new eligible real and personal property improvements within a reinvestment zone for a specific period of time. Tax phase-in agreements may abate up to 100% on real and/or personal property improvement values for up to 10 years. Provisions for recapturing abated taxes are enforced in such instances that the owner of a facility subject to abatement fails to commence operations with the minimum number of permanent jobs during the term of agreement or fails to maintain the minimum number of permanent jobs upon discontinuance of operations during the term of agreement. The said agreement shall be subject to termination and the applicable taxes shall be recaptured and paid within 60 days of termination.

For the fiscal year ended September 30, 2018, the County abated property taxes totaling \$1,573,823 under this program, which included the

following tax abatement agreements in effect for the fiscal year ended September 30, 2018:

- The Commissioners Court approved on October 24, 2012 a temporary property tax abatement for M & G Resins for construction of a new PET Plant; the abatement provided 100% abatement during the construction period (not to exceed 3 years, and a 70% abatement for 7 additional years). The Commissioners Court amended the abatement agreement On July 26, 2017 to provide for 100% abatement during the construction period (not to exceed 5 years, and the remainder of the 10-year agreement at 70%). The abatement amounted to \$1,468,760 for the year ended September 30, 2018.
- The Commissioners Court approved on December 4, 2013 a temporary property tax abatement for Ticona Polymers, Celencse, LTD for construction of a new building to be used to "compound" specialty plastics; the abatement provided 100% abatement during the construction period (not to exceed 5 years, and a 50% abatement for 5 additional years). The abatement amounted to \$2,772 for the year ended September 30, 2018.
- The Commissioners Court approved on June 18, 2017 a temporary property tax abatement for Ticona Polymers, Celencse, LTD for construction of a new methanol production facility; the abatement provided 100% abatement during the construction period (not to exceed 5 years, and a 70% abatement for 5 additional years). The abatement amounted to \$42,065 for the year ended September 30, 2018.
- The Commissioners Court approved on July 23, 2014 a temporary property tax abatement for voestalpine Texas, LLC for construction of new facilities comprised of a dock and marine improvements; the abatement provided 100% abatement during the construction period (not to exceed 5 years, and a 50% abatement for 5 additional years). The abatement amounted to \$46,618 for the year ended September 30, 2018.
- The Commissioners Court approved on February 4, 2015 a temporary property tax abatement for Corpus Christi Liquefaction LLC (Cheniere Energy) for construction of new facilities comprised of a dock and marine improvements; the abatement provided 100% abatement during the construction period (not to exceed 5 years, and a 50% abatement for 5 additional years). The abatement amounted to \$13,608 for the year ended September 30, 2018.
- The Commissioners Court approved on December 17, 2017 a temporary property tax abatement for CCI Corpus Christi LLC for construction of new facilities to receive, store, process and deliver onto vessels crude oil, condensate and processed products; the abatement provided 100% abatement during the construction period (not to exceed 3 years, and a 50% abatement for 5 additional years). This project has not begun construction and therefore the gross dollar amount of taxes abated during the period was zero.

The County also participates in two Tax Increment Reinvestment Zones (TIRZs) currently, passed by ordinances of the City Council of Corpus Christi, TX as follows:

TIRZ	Amount of Taxes Abated during the Fiscal Year
Corpus Christi Reinvestment Zone No. 2	\$ 1,178,938
Corpus Christi Reinvestment Zone No. 3	251,114

A county or a city may create one or more tax increment financing reinvestment zones within a county or city ("TIRZ"), under which the tax values on property in the zone are "frozen" at the value of the property at the time of creation of the zone. Under prior law, taxes of overlapping taxing units levied against the value of property in the TIRZ in excess of the "frozen values" were captured and collected by the TIRZ to pay or finance the costs of certain public improvements in the TIRZ. Under current law, other overlapping taxing units levying taxes in the TIRZ may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIRZ in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIRZ.

Taxes levied by a county or city against the values of real property in a TIRZ created by a county or a city in excess of the "frozen" value are not available for general county or city use but are restricted to paying or financing "project costs" within the TIRZ.

The City Council passed an ordinance on November 14, 2000 creating the Corpus Christi Reinvestment Zone No. 2 ("Zone No. 2") encompassing approximately 1,934 acres on North Padre Island. The preliminary plan calls for funding the local share of the reopening of a channel to the Gulf of Mexico, Packery Channel, along with beach restoration in front of the Padre Island seawall and related improvements. Nueces County, the Nueces County Hospital District, and Del Mar College (formerly Corpus Christi Junior College, a junior college district and leasing unit whose boundaries are coterminous with those of Nueces County) have agreed to participate in Zone No. 2. Pursuant to rights reserved to and exercised by the citizens of the City in its Charter, a referendum petition was filed to require an election on whether to repeal the City's ordinance adopted on November 14, 2000. In response to the petition, the City Council called an election on repeal of this ordinance for April 7, 2001. At this election citizens voted not to repeal the November 14, 2000 ordinance. In 2003, \$5,000,000 in bonds were issued, in 2004 \$4,100,000 in bonds and in 2006 \$2,900,000 in bonds were issued by the North Padre Island Development Corporation (the "Corporation"), a non-profit corporation created by the City for the purpose of issuing bonds in furtherance of the development of Zone No. 2. In March 2008, the Corporation issued \$13,445,000 in refunding bonds, refinancing all of the previously issued bonds, to generate a debt service savings.

The City Council approved on December 16, 20018 a 20-year Tax Increment Financing Zone for the downtown area of the City, designated as the Corpus Christi Reinvestment Zone No. 3 ("Zone No. 3"). Zone No. 3 is intended to address the problem of substandard,

slum and or deteriorating structures within the boundaries of Zone No. 3, the predominance of defective or inadequate sidewalk and street layouts and conditions that endanger life or property by fire or other cause. The boundaries of Zone No. 3 start along the Bayfront from the Sea town area (ship channel) on the North, Morgan Avenue to the South and west to Tancagua Street.

The primary function of Zone No. 3 is the planning, design and construction of public improvements. Zone No. 3 is only one of a variety of planned funding sources and programs that will act in concert to accomplish certain changes to the public environment in downtown. Over the last ten (10) years the City has invested over \$150 million in the downtown area, and \$47 million is planned for locations partly or wholly within Zone No. 3 intended to rehabilitate and improve existing public infrastructure. Some examples of possible improvements include:

- Streetscape, sidewalks and crosswalks
- Roadways and Traffic management
- Parks, public spaces and public facilities
- Utilities and drainage
- Land assembly
- Environmental remediation and safety improvements

The City's contribution of its tax increment revenues to Zone No. 3 is projected to be \$28.5 million over the 20 year period. The City requested the participation of Nueces County and Del Mar College, in Zone No. 3. In 2009, Nueces County agreed to participate for the remaining 19 years of Zone 3. Nueces County has participated over the last five years, and has fourteen years remaining in this commitment. Del Mar College, however, only agreed to pay the tax increment through tax year 2018.

E. Hurricane Harvey

Primary Government

The County experienced a natural disaster on August 25, 2017, resulting from Hurricane Harvey. All financial activity related to Hurricane Harvey is recorded in the Disaster Recovery department under the Special Revenue Fund. The Disaster Recovery department is used to account for disaster related expenditures, insurance proceeds, and Federal Emergency Management Agency (FEMA) grant distributions as well as other grants that are available. The County continues to evaluate the hurricane's effects and anticipates submitting reimbursement request to FEMA.

Hurricane Harvey resulted in the County incurring expenses over \$1.3 million for the year ended September 30, 2018. Capital repairs are expected to cost approximately \$1.4 million. The County will be seeking reimbursement from FEMA and Insurance.

The County received \$266,662 from FEMA, and \$1.2 million from Insurance during fiscal 2018. Also, the County received \$300,000 from Rebuild Texas Fund to restructure the I.B Magee Beach Park's pump station and the Horace Caldwell Fishing Pier. Total projects cost under FEMA review are \$709,856 and total cost for projects in process approximately \$396,986.

Repairs and assessments regarding County's capital assets are ongoing by County's and FEMA engineers. Potentially, impairment calculations will be performed and recorded. As the FEMA projects are obligated in subsequent years, the advances and addition inflows will be recognized as revenue as eligible expenditures are incurred.

The County authorized Balance Companies to review Nueces County's Hurricane Harvey Windstorm Claim. In addition to known damages, Balance Companies will review all county properties for unknown Hurricane Harvey related damages which had not been previously identified.

F. Recent Accounting Pronouncements

Primary Government

GASB Statement No. 83, *Certain Asset Retirement Obligation* ("GASB 83"), addresses 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. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. GASB 83 will be implemented by the County in fiscal year 2019 and the impact has not yet been determined.

GASB Statement No. 84, *Fiduciary Activities* ("GASB 84"), establishes criteria for identifying fiduciary activities of all state and local government. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 will be implemented by the County in fiscal year 2020 and the impact has not yet been determined.

GASB Statement No. 87, *Leases* ("GASB 87"), requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease

receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 will be implemented by the County in fiscal year 2021 and the impact has not yet been determined.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* ("GASB 88"). This Statement clarifies which liabilities governments should include when disclosing information related to debt and defines debt for purposes of disclosure in financial statements. It also requires that additional essential information related to debt be disclosed in notes to financial statements, and that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. GASB 88 will be implemented by the County in fiscal year 2019 and the impact has not yet been determined.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89"). This Statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that it be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. It also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. GASB 89 will be implemented by the County in fiscal year 2021 and the impact has not yet been determined.

GASB Statement No. 90, *Majority Equity Interest, an amendment of GASB Statements No. 14 and No. 61* ("GASB 90"). This Statement establishes that ownership of a majority equity interest in a legally separated organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as an investment or a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest, accounts for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value, at the acquisition date. GASB 90 will be implemented by the County in fiscal year 2020 and the impact has not yet been determined.

REQUIRED SUPPLEMENTAL INFORMATION

NUECES COUNTY
 SCHEDULE OF CONTRIBUTIONS
 TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 LAST TEN FISCAL YEARS*

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 7,184,610	\$ 6,870,671	\$ 6,619,937	\$ 6,283,390	\$ 6,242,443
Contributions in relation to actuarially determined contribution	(7,184,610)	(6,870,671)	(6,619,937)	(6,283,390)	(6,242,443)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$56,166,554	\$55,821,258	\$54,232,195	\$50,957,170	\$49,939,474
Contributions as a percentage of covered payroll	12.79%	12.31%	12.21%	12.33%	12.50%

Note: GASB 68, Paragraph 81.2b requires that the data in this schedule be presented as the County's current fiscal year as opposed to the time period covered by the measurement date of January 1, 2017- December 31, 2017

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

NUECES COUNTY
 SCHEDULE OF CONTRIBUTIONS
 TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 LAST TEN FISCAL YEARS*

	2013	2012	2011	2010	2009
\$	-	-	-	-	-
<hr/>					
\$	-	-	-	-	-
<hr/>					
\$	-	-	-	-	-

NUECES COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Plan Year Ended December 31,	2017	2016	2015	2014	2013
Total Pension Liability					
Service cost	\$ 7,674,494	\$ 7,889,821	\$ 6,906,773	\$ 6,819,879	\$ -
Interest (on the total pension liability)	27,724,198	26,287,050	25,213,058	24,018,245	-
Changes of benefit terms	-	-	(1,236,992)	-	-
Difference between expected and actual experience	(1,403,396)	(1,680,573)	(2,973,812)	(715,821)	-
Change of assumptions	1,644,030	-	3,586,139	-	-
Benefit payments, including refunds of employee contributions	(19,078,828)	(18,061,219)	(17,090,200)	(16,061,500)	-
Net Change in Total Pension Liability	16,560,498	14,435,079	14,404,966	14,060,803	-
Total Pension Liability - Beginning	343,953,244	329,518,164	315,113,198	301,052,395	-
Total Pension Liability - Ending (a)	\$ 360,513,741	\$ 343,953,244	\$ 329,518,164	\$ 315,113,198	\$ -
Plan Fiduciary Net Position					
Contributions - employer	\$ 6,915,246	\$ 6,663,093	\$ 6,560,227	\$ 6,242,443	\$ -
Contributions - employee	3,927,920	3,835,516	3,746,343	3,496,680	-
Net investment income	44,377,620	21,549,442	(649,272)	19,403,544	-
Benefit payments, including refunds of employee contributions	(19,078,828)	(18,061,219)	(17,090,200)	(16,061,500)	-
Administrative expense	(226,603)	(234,167)	(212,475)	(225,709)	-
Other	(112,507)	(502,725)	(438,332)	299,103	-
Net Change in Plan Fiduciary Net Position	35,802,848	13,249,940	(8,083,709)	13,154,561	-
Plan Fiduciary Net Position - Beginning	304,936,510	291,686,570	299,770,280	286,615,719	-
Plan Fiduciary Net Position - Ending (b)	\$ 340,739,358	\$ 304,936,510	\$ 291,686,570	\$ 299,770,280	\$ -
Net Pension Liability - Ending (a) - (b)	\$ (19,774,383)	\$ 39,016,734	\$ 37,831,594	\$ 15,342,918	\$ -
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.51%	88.66%	88.52%	95.13%	
Covered Payroll	\$ 55,948,644	\$ 54,705,324	\$ 53,422,045	\$ 49,939,474	\$ -
Net Pension Liability as a Percentage of Covered Payroll	35.34%	71.32%	70.82%	30.72%	

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, this schedule provides the information only for those years for which information is available.

NUECES COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Nueces County
NOTES TO SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	13.1 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.0%, net of investment expenses, including inflation
Retirement Age	Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age, or when the sum of their age and years of service equals 80 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan to receive any employer-financed benefit.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule:	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018

	<u>Road Fund</u>	<u>Stadium & Fairgrounds</u>	<u>Law Library</u>	<u>Airport</u>
ASSETS				
Cash and cash equivalents	\$ 2,045,432	\$ 1,649,078	\$ 85,140	\$ 154,765
Investments	68,352	608,235	69,389	-
Receivable (net)	212,735	31,200	226	319
Due from other funds	-	-	-	-
Prepaid expense	47,565	-	1,306	653
Inventories, at cost	-	-	-	5,375
Total assets	<u>\$ 2,374,084</u>	<u>\$ 2,288,512</u>	<u>\$ 156,062</u>	<u>\$ 161,113</u>
LIABILITIES				
Accounts payable	\$ 119,656	\$ 194,598	\$ 7,350	\$ 5,067
Accrued payroll payable	194,045	-	4,394	2,202
Due to other funds	7,007	15,938	-	2,366
Unearned revenues	-	66,000	-	8,700
Other liabilities	-	-	-	-
Total liabilities	<u>320,708</u>	<u>276,535</u>	<u>11,744</u>	<u>18,335</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - property tax	68,649	-	-	-
Total deferred inflow of resources	<u>68,649</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	47,565	-	1,306	6,028
Restricted	-	-	-	-
Assigned	1,937,162	2,011,977	143,011	136,750
Fund balance	<u>1,984,727</u>	<u>2,011,977</u>	<u>144,318</u>	<u>142,778</u>
Total liabilities and fund balances	<u>\$ 2,374,084</u>	<u>\$ 2,288,512</u>	<u>\$ 156,062</u>	<u>\$ 161,113</u>

NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Inland Parks	Coastal Parks	Commissioners Precinct Funds	Commissioners Court Funds
ASSETS				
Cash and cash equivalents	\$ 376,731	\$ 945,619	\$ 537,818	\$ -
Investments	-	180,826	803,391	2,808,560
Receivable (net)	-	527	-	357,768
Due from other funds	-	-	-	-
Prepaid expense	17,170	10,508	-	11,951
Inventories, at cost	-	19,342	-	-
Total assets	\$ 393,900	\$ 1,156,822	\$ 1,341,209	\$ 3,178,279
LIABILITIES				
Accounts payable	\$ 32,292	\$ 190,754	\$ 5,000	\$ 45,493
Accrued payroll payable	52,614	43,271	-	38,106
Due to other funds	15,462	52,234	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	351,979
Total liabilities	100,368	286,259	5,000	435,578
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	49,245
Unavailable revenue - property tax	-	-	-	-
Total deferred inflow of resources	-	-	-	49,245
FUND BALANCES				
Nonspendable	17,170	29,849	-	11,951
Restricted	-	-	1,336,209	2,681,506
Assigned	276,363	840,714	-	-
Fund balance	293,532	870,563	1,336,209	2,693,456
Total liabilities and fund balances	\$ 393,900	\$ 1,156,822	\$ 1,341,209	\$ 3,178,279

NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018

	County Attorney Funds	County Clerk Funds	Tax Assessor Funds	Juvenile Programs
ASSETS				
Cash and cash equivalents	\$ 120,095	\$ 2,870,730	\$ 2,264,395	\$ 517,832
Investments	-	-	-	-
Receivable (net)	-	-	8,515	57,662
Due from other funds	-	-	-	-
Prepaid expense	-	-	-	-
Inventories, at cost	-	-	-	-
Total assets	\$ 120,095	\$ 2,870,730	\$ 2,272,909	\$ 575,494
LIABILITIES				
Accounts payable	-	13,717	2,249,087	-
Accrued payroll payable	1,712	72	2,562	-
Due to other funds	-	53,575	-	-
Unearned revenues	70,000	-	-	-
Other liabilities	-	-	-	-
Total liabilities	71,712	67,365	2,251,649	-
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - property tax	-	-	-	-
Total deferred inflow of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	48,383	2,803,366	21,260	575,494
Assigned	-	-	-	-
Fund balance	48,383	2,803,366	21,260	575,494
Total liabilities and fund balances	\$ 120,095	\$ 2,870,730	\$ 2,272,909	\$ 575,494

NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	District Attorney Funds	District Clerk Funds	County Sheriff Funds	Asset Forfeiture Funds
ASSETS				
Cash and cash equivalents	\$ 258,902	\$ 153,445	\$ 614,671	\$ 1,255,130
Investments	-	-	-	-
Receivable (net)	1,139	-	184,389	106,851
Due from other funds	-	-	-	35,000
Prepaid expense	2,965	-	-	1,985
Inventories, at cost	-	-	-	-
Total assets	\$ 263,005	\$ 153,445	\$ 799,060	\$ 1,398,966
LIABILITIES				
Accounts payable	-	-	8,828	11,516
Accrued payroll payable	12,869	98	-	7,539
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	12,869	98	8,828	19,055
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - property tax	-	-	-	-
Total deferred inflow of resources	-	-	-	-
FUND BALANCES				
Nonspendable	2,965	-	-	1,985
Restricted	247,171	153,348	790,231	1,377,926
Assigned	-	-	-	-
Fund balance	250,136	153,348	790,231	1,379,911
Total liabilities and fund balances	\$ 263,005	\$ 153,445	\$ 799,060	\$ 1,398,966

NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Law Enforcement Education	Social Services Funds	Community Health Programs	Parks & Recreation Funds
ASSETS				
Cash and cash equivalents	\$ 87,962	\$ 18,258	\$ 3,757,272	\$ 170,209
Investments	-	-	-	-
Receivable (net)	801	-	5,023	-
Due from other funds	-	-	-	-
Prepaid expense	-	-	3,922	-
Inventories, at cost	-	-	-	-
Total assets	\$ 88,763	\$ 18,258	\$ 3,766,217	\$ 170,209
LIABILITIES				
Accounts payable	\$ 442	\$ 3,816	\$ 97,382	\$ 4,648
Accrued payroll payable	-	-	24,938	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	442	3,816	122,320	4,648
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	801	-	1,555	-
Unavailable revenue - property tax	-	-	-	-
Total deferred inflow of resources	801	-	1,555	-
FUND BALANCES				
Nonspendable	-	-	3,922	-
Restricted	87,521	14,442	3,638,419	165,561
Assigned	-	-	-	-
Fund balance	87,521	14,442	3,642,341	165,561
Total liabilities and fund balances	\$ 88,763	\$ 18,258	\$ 3,766,217	\$ 170,209

NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	<u>Library Funds</u>	<u>Main Grants</u>	<u>TJJD Grants</u>	<u>Total Non-major Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 4,947	\$ 575,105	\$ 5,468	\$ 18,469,004
Investments	-	-	-	4,538,754
Receivable (net)	-	1,101,826	236,954	2,305,933
Due from other funds	-	4,420	-	39,420
Prepaid expense	-	5,332	14,173	117,528
Inventories, at cost	-	-	-	24,717
Total assets	<u>\$ 4,947</u>	<u>\$ 1,686,682</u>	<u>\$ 256,595</u>	<u>\$ 25,495,356</u>
LIABILITIES				
Accounts payable	\$ 640	\$ 125,123	\$ 90,468	\$ 3,205,878
Accrued payroll payable	-	22,144	67,972	474,538
Due to other funds	-	382,125	92,687	621,393
Unearned revenues	-	1,157,290	5,468	1,307,458
Other liabilities	-	-	-	351,979
Total liabilities	<u>640</u>	<u>1,686,682</u>	<u>256,595</u>	<u>5,961,246</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	51,600
Unavailable revenue - property tax	-	-	-	68,649
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,249</u>
FUND BALANCES				
Nonspendable	-	-	-	122,741
Restricted	4,307	-	-	13,945,144
Assigned	-	-	-	5,345,976
Fund balance	<u>4,307</u>	<u>-</u>	<u>-</u>	<u>19,413,861</u>
Total liabilities and fund balances	<u>\$ 4,947</u>	<u>\$ 1,686,682</u>	<u>\$ 256,595</u>	<u>\$ 25,495,356</u>

NUECES COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 For the period ending September 30, 2018

	Road Fund	Stadium & Fairgrounds	Law Library	Airport
REVENUES				
Property taxes	\$ 1,060,776	\$ -	\$ -	\$ -
Other Taxes	330	-	-	-
Fees of office	-	-	161,285	-
Fines and forfeitures	-	-	-	-
Licenses and permits	3,140,330	-	-	-
Intergovernmental revenues	524,965	22,000	-	-
Charges for services	-	-	140	-
Investment income	24,800	37,042	2,495	2,264
Rentals and commissions	-	47,525	350	90,588
Miscellaneous revenue	10,734	13,200	543	9,930
Total revenues	<u>4,761,934</u>	<u>119,767</u>	<u>164,813</u>	<u>102,782</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	-
Administration of justice	-	-	206,343	-
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	7,428,944	-	-	116,967
Parks and recreation	-	1,113,042	-	-
Capital outlay	625,030	2,700	-	-
Total expenditures	<u>8,053,974</u>	<u>1,115,742</u>	<u>206,343</u>	<u>116,967</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,292,040)</u>	<u>(995,974)</u>	<u>(41,530)</u>	<u>(14,185)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,721,856	1,240,000	-	79,880
Transfers out	(16,080)	(30,051)	-	(24,025)
Sale of Assets	-	-	-	-
Capital lease funding	-	-	-	-
Total other financing sources and (uses)	<u>2,705,776</u>	<u>1,209,949</u>	<u>-</u>	<u>55,855</u>
Change in Fund Balance	<u>(586,264)</u>	<u>213,975</u>	<u>(41,530)</u>	<u>41,669</u>
Fund balance - beginning	<u>2,570,991</u>	<u>1,798,002</u>	<u>185,848</u>	<u>101,109</u>
Fund balance - ending	<u>\$ 1,984,727</u>	<u>\$ 2,011,977</u>	<u>\$ 144,318</u>	<u>\$ 142,778</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2018

	Inland Parks	Coastal Parks	Commissioners Precinct Funds	Commissioners Court Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Fees of office	-	-	-	397,917
Fines and forfeitures	-	-	-	5,369
Licenses and permits	-	317,929	-	1,000
Intergovernmental revenues	-	106,165	-	1,002,247
Charges for services	-	-	-	-
Investment income	6,287	18,369	-	181,110
Rentals and commissions	-	1,040,401	-	-
Miscellaneous revenue	166	65,034	-	1,256,481
Total revenues	<u>6,453</u>	<u>1,547,898</u>	<u>-</u>	<u>2,844,124</u>
EXPENDITURES				
Current:				
General government	-	-	140,063	986,156
Buildings and facilities	-	-	-	827,672
Administration of justice	-	-	-	539,255
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	60,000
Health, safety and sanitation	-	-	-	22,179
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	49,245
Parks and recreation	1,469,556	2,290,262	-	2,302
Capital outlay	<u>58,956</u>	<u>190,313</u>	<u>5,378</u>	<u>55,898</u>
Total expenditures	<u>1,528,513</u>	<u>2,480,575</u>	<u>145,441</u>	<u>2,542,706</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,522,060)</u>	<u>(932,677)</u>	<u>(145,441)</u>	<u>301,418</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,654,172	1,420,000	359,357	1,698,548
Transfers out	-	(220,000)	(145,000)	(785,620)
Sale of Assets	-	2,735	-	27,987
Capital lease funding	-	112,471	-	-
Total other financing sources and (uses)	<u>1,654,172</u>	<u>1,315,206</u>	<u>214,357</u>	<u>940,915</u>
Change in Fund Balance	132,113	382,529	68,916	1,242,333
	<u>161,420</u>	<u>488,034</u>	<u>1,267,294</u>	<u>1,451,123</u>
	<u>\$ 293,532</u>	<u>\$ 870,563</u>	<u>\$ 1,336,209</u>	<u>\$ 2,693,456</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2018

	County Attorney Funds	County Clerk Funds	Tax Assessor Funds	Juvenile Programs
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Fees of office	-	365,900	-	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	70,000	40,937	27,343	683,683
Charges for services	-	-	-	3,623
Investment income	-	-	14,612	8,220
Rentals and commissions	-	-	-	-
Miscellaneous revenue	-	220,215	-	5,027
Total revenues	<u>70,000</u>	<u>627,052</u>	<u>41,954</u>	<u>700,553</u>
EXPENDITURES				
Current:				
General government	68,077	253,089	30,383	-
Buildings and facilities	-	-	-	-
Administration of justice	-	-	-	583,640
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	155,652	-	-
Total expenditures	<u>68,077</u>	<u>408,741</u>	<u>30,383</u>	<u>583,640</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,923</u>	<u>218,310</u>	<u>11,572</u>	<u>116,913</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	6,000
Transfers out	-	(30,000)	-	(6,851)
Sale of Assets	-	-	-	-
Capital lease funding	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(851)</u>
Change in Fund Balance	1,923	188,310	11,572	116,062
	<u>46,461</u>	<u>2,615,056</u>	<u>9,689</u>	<u>459,432</u>
	<u>\$ 48,383</u>	<u>\$ 2,803,366</u>	<u>\$ 21,260</u>	<u>\$ 575,494</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2018

	District Attorney Funds	District Clerk Funds	County Sheriff Funds	Asset Forfeitures Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Fees of office	-	35,796	-	-
Fines and forfeitures	-	-	-	247,063
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,729	-	-	1,652
Charges for services	380,829	-	-	-
Investment income	-	-	9,165	19,202
Rentals and commissions	-	-	3,512	-
Miscellaneous revenue	-	-	626,598	-
Total revenues	<u>382,558</u>	<u>35,796</u>	<u>639,275</u>	<u>267,917</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	-
Administration of justice	-	2,534	-	-
Law enforcement and corrections	317,243	-	319,962	307,170
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	132,252	13,758
Total expenditures	<u>317,243</u>	<u>2,534</u>	<u>452,214</u>	<u>320,927</u>
Excess (deficiency) of revenues over (under) expenditures	<u>65,315</u>	<u>33,262</u>	<u>187,061</u>	<u>(53,010)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Sale of Assets	-	-	-	5,733
Capital lease funding	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,733</u>
Change in Fund Balance	65,315	33,262	187,061	(47,278)
	<u>184,821</u>	<u>120,086</u>	<u>603,170</u>	<u>1,427,188</u>
	<u>\$ 250,136</u>	<u>\$ 153,348</u>	<u>\$ 790,231</u>	<u>\$ 1,379,911</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2018

	Law Enforcement Education	Social Services Funds	Community Health Programs	Parks & Recreation Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Fees of office	-	-	10,458	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	33,485	-
Intergovernmental revenues	22,122	3,195	1,456,054	-
Charges for services	-	-	-	-
Investment income	-	-	36,965	-
Rentals and commissions	-	-	-	22,265
Miscellaneous revenue	-	66,184	74	50
Total revenues	<u>22,122</u>	<u>69,378</u>	<u>1,537,036</u>	<u>22,315</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	9,952
Administration of justice	-	-	-	-
Law enforcement and corrections	19,435	-	-	-
Social services	-	102,437	-	-
Health, safety and sanitation	-	2,923	842,764	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	500
Capital outlay	-	-	6,690	-
Total expenditures	<u>19,435</u>	<u>105,360</u>	<u>849,454</u>	<u>10,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,687</u>	<u>(35,982)</u>	<u>687,581</u>	<u>11,863</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	19,307	-
Transfers out	-	-	(20,866)	-
Sale of Assets	-	-	-	-
Capital lease funding	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>(1,559)</u>	<u>-</u>
Change in Fund Balance	<u>2,687</u>	<u>(35,982)</u>	<u>686,022</u>	<u>11,863</u>
Fund balance - beginning	84,834	50,423	2,956,319	153,698
Fund balance - ending	<u>\$ 87,521</u>	<u>\$ 14,442</u>	<u>\$ 3,642,341</u>	<u>\$ 165,561</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2018

	Library Funds	Main Grants	TJJD Grants	Non-major Governmental Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 1,060,776
Other Taxes	-	-	-	330
Fees of office	-	-	-	971,355
Fines and forfeitures	-	-	-	252,432
Licenses and permits	-	-	-	3,492,744
Intergovernmental revenues	-	2,275,379	2,540,910	8,778,380
Charges for services	-	37,809	-	422,401
Investment income	-	13	-	360,543
Rentals and commissions	-	-	-	1,204,641
Miscellaneous revenue	5,993	60,326	-	2,340,555
Total revenues	<u>5,993</u>	<u>2,373,527</u>	<u>2,540,910</u>	<u>18,884,157</u>
EXPENDITURES				
Current:				
General government	-	-	-	1,477,768
Buildings and facilities	-	63,925	-	901,549
Administration of justice	-	253,240	2,490,815	4,075,827
Law enforcement and corrections	-	443,451	-	1,407,261
Social services	-	174,498	-	336,935
Health, safety and sanitation	-	854,219	-	1,722,085
Agriculture, education and consumer sciences	5,183	64,368	-	69,551
Roads, bridges and transportation	-	9,250	-	7,604,406
Parks and recreation	-	478,147	-	5,353,809
Capital outlay	-	111,568	50,095	1,408,289
Total expenditures	<u>5,183</u>	<u>2,452,667</u>	<u>2,540,910</u>	<u>24,357,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>810</u>	<u>(79,140)</u>	<u>-</u>	<u>(5,473,324)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	100,697	-	9,299,816
Transfers out	-	(21,557)	-	(1,300,051)
Sale of Assets	-	-	-	36,455
Capital lease funding	-	-	-	112,471
Total other financing sources and (uses)	<u>-</u>	<u>79,140</u>	<u>-</u>	<u>8,148,692</u>
Change in Fund Balance	<u>810</u>	<u>-</u>	<u>-</u>	<u>2,675,368</u>
Fund balance - beginning	3,497	-	-	16,738,494
Fund balance - ending	<u>\$ 4,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,413,862</u>

NUECES COUNTY, TEXAS
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
REVENUES				
Property taxes, penalty & interest	\$ 1,077,235	\$ 1,077,235	\$ 1,060,776	\$ (16,459)
Licenses and permits	2,907,000	2,907,000	3,140,881	233,881
Intergovernmental revenue	540,000	540,000	524,413	(15,587)
Investment income	15,000	15,000	24,800	9,800
Miscellaneous revenue	3,100	3,100	11,063	7,963
Total revenues	<u>4,542,335</u>	<u>4,542,335</u>	<u>4,761,934</u>	<u>219,599</u>
EXPENDITURES				
Roads, bridges and transportation:				
Personnel services	4,382,576	4,372,576	3,759,411	613,165
Maintenance, materials and supplies	3,495,736	3,514,236	3,420,728	93,508
Telephone & utilities	111,632	111,632	50,655	60,977
Professional and special services	100,420	105,620	69,930	35,690
Other services and charges	1,260,853	1,260,653	128,220	1,132,433
Capital outlay	641,270	627,770	625,030	2,740
Total expenditures	<u>9,992,487</u>	<u>9,992,487</u>	<u>8,053,974</u>	<u>1,938,513</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,450,152)</u>	<u>(5,450,152)</u>	<u>(3,292,040)</u>	<u>2,158,112</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,665,686	2,665,686	2,721,856	56,170
Transfers out	(16,080)	(16,080)	(16,080)	-
Total other financing Sources (uses)	<u>2,649,606</u>	<u>2,649,606</u>	<u>2,705,776</u>	<u>56,170</u>
Net change in fund balances	<u>(2,800,546)</u>	<u>(2,800,546)</u>	<u>(586,264)</u>	<u>2,214,282</u>
Fund balances - beginning	<u>3,171,419</u>	<u>3,171,419</u>	<u>2,570,991</u>	<u>(600,428)</u>
Fund balances - ending	<u>\$ 370,873</u>	<u>\$ 370,873</u>	<u>\$ 1,984,727</u>	<u>\$ 1,613,854</u>

NUECES COUNTY, TEXAS
STADIUM & FAIRGROUNDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Rentals and commissions	\$ 46,500	\$ 46,500	\$ 60,725	\$ 14,225
Intergovernmental Revenue	-	-	22,000	22,000
Investment income	5,000	5,000	37,042	32,042
Total revenues	<u>51,500</u>	<u>51,500</u>	<u>119,767</u>	<u>68,267</u>
EXPENDITURES				
Parks and recreation:				
Maintenance, materials and supplies	103,000	160,426	111,061	49,365
Telephone & utilities	143,200	143,200	101,570	41,630
Reserve appropriations	1,275,000	1,239,804	-	1,239,804
Professional services	3,000	3,000	693	2,307
Other services and charges	966,131	966,131	899,718	66,413
Other Expenses	5,088	5,088	-	5,088
Capital outlay	88,000	65,770	2,700	63,070
Total expenditures	<u>2,583,419</u>	<u>2,583,419</u>	<u>1,115,742</u>	<u>1,467,677</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,531,919)</u>	<u>(2,531,919)</u>	<u>(995,974)</u>	<u>1,535,945</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,180,000	1,180,000	1,240,000	60,000
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(30,051)</u>	<u>(5,051)</u>
Total other financing Sources (uses)	<u>1,155,000</u>	<u>1,155,000</u>	<u>1,209,949</u>	<u>54,949</u>
Net change in fund balances	<u>(1,376,919)</u>	<u>(1,376,919)</u>	<u>213,975</u>	<u>1,590,894</u>
Fund balances - beginning	<u>1,723,497</u>	<u>1,723,497</u>	<u>1,798,002</u>	<u>74,505</u>
Fund balances - ending	<u>\$ 346,578</u>	<u>\$ 346,578</u>	<u>\$ 2,011,977</u>	<u>\$ 1,665,399</u>

NUECES COUNTY, TEXAS
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fees of office	\$ 170,000	\$ 170,000	\$ 161,285	\$ (8,715)
Charges for Services	1,100	1,100	140	(960)
Investment Income	1,000	1,000	2,495	1,495
Rentals and commissions	700	700	350	(350)
Miscellaneous revenue	<u>2,000</u>	<u>2,000</u>	<u>543</u>	<u>(1,457)</u>
Total revenues	<u>174,800</u>	<u>174,800</u>	<u>164,813</u>	<u>(9,987)</u>
EXPENDITURES				
Administration of Justice				
Personnel services	99,346	99,346	98,988	358
Maintenance, materials and supplies	1,100	1,100	183	917
Professional and special services	38,687	38,687	37,158	1,529
Reserve appropriations	10,000	10,000	-	10,000
Other services and charges	75,955	75,955	70,014	5,941
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>227,088</u>	<u>227,088</u>	<u>206,343</u>	<u>20,745</u>
Deficiency of revenues under expenditures	(52,288)	(52,288)	(41,530)	10,758
Fund balances - beginning	<u>236,095</u>	<u>236,095</u>	<u>185,848</u>	<u>(50,247)</u>
Fund balances - ending	<u>\$ 183,807</u>	<u>\$ 183,807</u>	<u>\$ 144,318</u>	<u>\$ (39,489)</u>

NUECES COUNTY, TEXAS
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2018

	<u>Budgeted Amounts</u>			Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget	Favorable
					<u>(Unfavorable)</u>
REVENUES					
Investment income	\$ 150	\$ 150	\$ 2,264	\$	2,114
Rentals and commissions	92,117	92,117	90,588		(1,529)
Miscellaneous revenue	<u>11,300</u>	<u>11,300</u>	<u>9,930</u>		<u>(1,370)</u>
Total revenues	<u>103,567</u>	<u>103,567</u>	<u>102,782</u>		<u>(785)</u>
EXPENDITURES					
Roads, bridges and transportation:					
Personnel services	57,326	57,926	57,882		44
Maintenance, materials and supplies	33,600	32,600	20,625		11,975
Telephone & utilities	23,248	23,248	18,699		4,549
Professional and special services	11,960	12,360	11,076		1,284
Reserve appropriations	34,364	34,364	-		34,364
Other services and charges	<u>11,605</u>	<u>11,605</u>	<u>8,685</u>		<u>2,920</u>
Total expenditures	<u>172,103</u>	<u>172,103</u>	<u>116,967</u>		<u>55,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,536)</u>	<u>(68,536)</u>	<u>(14,185)</u>		<u>54,351</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	79,880	79,880	79,880		-
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(24,025)</u>		<u>25,975</u>
Total other financing Sources (uses)	<u>29,880</u>	<u>29,880</u>	<u>55,855</u>		<u>25,975</u>
Net change in fund balances	(38,656)	(38,656)	41,669		80,325
Fund balances - beginning	<u>69,280</u>	<u>69,280</u>	<u>101,109</u>		<u>31,829</u>
Fund balances - ending	<u>\$ 30,624</u>	<u>\$ 30,624</u>	<u>\$ 142,778</u>	\$	<u>112,154</u>

NUECES COUNTY, TEXAS
INLAND PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Investment income	\$ 2,000	\$ 2,000	\$ 6,287	\$ 4,287
Miscellaneous revenue	-	-	166	166
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>6,453</u>	<u>4,453</u>
EXPENDITURES				
Parks and recreation:				
Personnel services	1,088,499	1,088,499	998,249	90,250
Maintenance, materials and supplies	268,551	285,551	263,248	22,303
Telephone & utilities	196,020	196,020	157,972	38,048
Professional and special services	5,000	23,000	11,305	11,695
Other services and charges	48,964	63,964	38,783	25,181
Capital outlay	155,000	105,000	58,956	46,044
Total expenditures	<u>1,762,034</u>	<u>1,762,034</u>	<u>1,528,513</u>	<u>233,521</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,760,034)</u>	<u>(1,760,034)</u>	<u>(1,522,060)</u>	<u>237,974</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,667,216	1,667,216	1,654,172	(13,044)
Total other financing Sources (uses)	<u>1,667,216</u>	<u>1,667,216</u>	<u>1,654,172</u>	<u>(13,044)</u>
Net change in fund balances	(92,818)	(92,818)	132,113	224,931
Fund balances - beginning	<u>182,588</u>	<u>182,588</u>	<u>161,420</u>	<u>(21,168)</u>
Fund balances - ending	<u>\$ 89,770</u>	<u>\$ 89,770</u>	<u>\$ 293,532</u>	<u>\$ 203,762</u>

NUECES COUNTY, TEXAS
COASTAL PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental Revenue	\$ 110,000	\$ 110,000	\$ 106,165	\$ (3,836)
Interest Income	9,000	9,000	18,369	9,369
Rentals and commissions	1,355,000	1,355,000	1,361,884	6,884
Other Income	46,750	46,750	176,687	129,937
Total revenues	<u>1,520,750</u>	<u>1,520,750</u>	<u>1,663,104</u>	<u>142,354</u>
EXPENDITURES				
Parks & Recreation:				
Personnel services	1,264,431	1,236,088	1,064,051	172,037
Maintenance, materials and supplies	328,228	393,852	318,968	74,884
Telephone & utilities	584,500	564,500	421,110	143,390
Professional and special services	94,900	96,500	75,441	21,059
Reserve appropriations	128,186	962	-	962
Other services and charges	487,148	484,491	410,692	73,799
Capital outlay	85,000	196,000	190,313	5,687
Total expenditures	<u>2,972,393</u>	<u>2,972,393</u>	<u>2,480,575</u>	<u>491,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,451,643)</u>	<u>(1,451,643)</u>	<u>(817,471)</u>	<u>634,172</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,607,000	1,607,000	1,420,000	(187,000)
Transfers out	(390,000)	(390,000)	(220,000)	170,000
Sale of assets	-	-	2,735	2,735
Total other financing Sources (uses)	<u>1,217,000</u>	<u>1,217,000</u>	<u>1,315,206</u>	<u>(17,000)</u>
Net change in fund balances	(234,643)	(234,643)	497,736	617,172
Fund balances - beginning	617,283	617,283	488,034	(129,249)
Fund balances - ending	<u>\$ 382,640</u>	<u>\$ 382,640</u>	<u>\$ 985,769</u>	<u>\$ 487,923</u>

NUECES COUNTY, TEXAS
SPECIAL REVENUES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Commissioners Court Funds	810,977	810,977	2,844,124	2,033,147
County Attorney Funds	70,000	70,000	70,000	-
County Clerk Funds	580,000	580,000	627,052	47,052
Tax Assessor Collector	25,701	25,701	41,954	16,253
Juvenile Programs	738,457	738,457	700,553	(37,904)
District Attorney Funds	455,900	455,900	382,558	(73,342)
District Clerk Funds	36,200	36,200	35,796	(404)
County Sheriff Funds	405,750	405,750	639,275	233,525
Asset Forfeiture Funds	232,000	232,000	267,917	35,917
LEOSE Funds	29,715	29,715	22,122	(7,593)
Social Services Funds	113,000	113,000	69,378	(43,622)
Community Health Programs	1,417,500	1,417,500	1,537,036	119,536
Parks & Recreation Funds	24,000	24,000	22,315	(1,685)
Library Funds	6,000	6,000	5,993	(7)
Total revenues	4,945,200	4,945,200	7,266,072	2,320,872
Current:				
General government				
Commissioners Precinct Funds	1,618,078	1,603,800	140,063	1,463,737
Commissioners Court	658,763	1,601,030	1,036,653	564,377
County Attorney	96,626	96,626	68,077	28,549
County Clerk	3,307,854	2,179,199	253,089	1,926,110
Tax Assessor Collector	33,430	33,430	30,383	3,047
Buildings and facilities				
Commissioners Court	950,819	970,352	827,672	142,680
Parks & recreation funds	105,610	105,610	9,952	95,658
Administration of justice				
Commissioners Court	907,487	907,487	544,655	362,832
Juvenile Programs	1,190,003	1,190,003	583,640	606,363
District Clerk Funds	52,553	52,553	2,534	50,019
Law enforcement and corrections				
District Attorney Funds	309,419	320,619	317,243	3,376
County Sheriff Funds	908,495	908,495	319,962	588,533
Asset Forfeiture	1,266,840	1,241,838	307,170	934,668
Law Enforcement Education	116,378	116,378	19,435	96,943
Social services				
Commissioners Court	114,192	114,192	60,000	54,192
Social Services	124,427	124,427	102,437	21,990
Parks & Recreation Funds	12,622	12,622	-	12,622
Health, safety and sanitation				
Commissioners Court	25,122	25,122	22,179	2,943
Social Services	9,893	9,893	2,923	6,970
Community Health Programs	4,283,188	4,282,926	842,764	3,440,162
Agriculture, education and consumer sciences				
Library Funds	8,752	8,752	5,183	3,569

(Continued)

NUÈCES COUNTY, TEXAS
SPECIAL REVENUES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Roads, bridges, and transportation				
Commissioners Court	\$ 408,337	\$ 408,337	\$ 49,245	\$ 359,092
Parks & recreation				
Commissioners Court	10,219	10,219	2,302	7,917
Parks & recreation funds	57,193	57,193	500	56,693
Capital Outlay				
Commissioners Precinct Funds	-	14,278	5,378	8,900
County Clerk	30,000	185,655	155,652	30,003
County Sheriff Funds	260,000	260,000	132,252	127,748
Asset Forfeiture	151,000	176,002	13,758	162,244
Community Health Programs	35,000	35,262	6,690	28,572
Total expenditures	<u>17,052,300</u>	<u>17,052,300</u>	<u>5,861,791</u>	<u>11,190,509</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,107,100)</u>	<u>(12,107,100)</u>	<u>1,404,281</u>	<u>13,511,381</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,048,314	2,048,314	2,083,211	34,897
Transfers out	(836,169)	(836,169)	(988,337)	(152,168)
Sale of Assets	-	-	33,720	33,720
Total other financing sources and (uses)	<u>1,212,145</u>	<u>1,212,145</u>	<u>1,128,594</u>	<u>(83,551)</u>
Net change in fund balances	<u>(10,894,955)</u>	<u>(10,894,955)</u>	<u>2,532,875</u>	<u>13,427,830</u>
Fund balances - beginning	<u>11,906,502</u>	<u>11,906,502</u>	<u>10,214,065</u>	<u>(1,692,437)</u>
Fund balances - ending	<u>\$ 1,011,547</u>	<u>\$ 1,011,547</u>	<u>\$ 12,746,940</u>	<u>\$ 11,735,393</u>

NUECES COUNTY, TEXAS
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ 12,150,375	\$ 12,150,375	\$ 12,084,324	\$ (66,051)
Investment income	7,500	7,500	69,281	61,781
Other Income	-	-	750	750
Total revenues	<u>12,157,875</u>	<u>12,157,875</u>	<u>12,154,355</u>	<u>(3,520)</u>
EXPENDITURES				
Debt Service:				
Principal	9,042,156	9,042,156	9,172,156	(130,000)
Interest	5,138,110	5,138,110	5,006,208	131,902
Fiscal agents & other fees	13,500	13,500	12,150	1,350
Total expenditures	<u>14,193,766</u>	<u>14,193,766</u>	<u>14,190,514</u>	<u>3,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,035,891)</u>	<u>(2,035,891)</u>	<u>(2,036,159)</u>	<u>(268)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	630,000	630,000	630,000	-
Total other financing sources (uses)	<u>630,000</u>	<u>630,000</u>	<u>630,000</u>	<u>-</u>
Net change in fund balances	<u>(1,405,891)</u>	<u>(1,405,891)</u>	<u>(1,406,159)</u>	<u>(268)</u>
Fund balances - beginning	<u>3,529,385</u>	<u>3,529,385</u>	<u>3,273,027</u>	<u>(256,358)</u>
Fund balances - ending	<u>\$ 2,123,494</u>	<u>\$ 2,123,494</u>	<u>\$ 1,866,868</u>	<u>\$ (256,626)</u>

NUECES COUNTY, TEXAS
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
September 30, 2018

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$310,720	\$1,401,492	\$3,236,316	\$4,948,528
Investments	-	252,342	-	252,342
Receivables (net of allowance)	-	2,556	112,574	115,130
TOTAL CURRENT ASSETS	<u>310,720</u>	<u>1,656,389</u>	<u>3,348,890</u>	<u>5,316,000</u>
LIABILITIES				
Current liabilities				
Accounts payable	-	11,433	896,061	907,494
Due to Other Funds	-	-	1,480,778	1,480,778
Total current liabilities	-	11,433	2,376,838	2,388,272
Noncurrent liabilities				
Estimated claims liability	-	976,013	-	976,013
Total noncurrent liabilities	-	976,013	-	976,013
TOTAL LIABILITIES	<u>-</u>	<u>987,446</u>	<u>2,376,838</u>	<u>3,364,285</u>
NET POSITION				
Unrestricted	<u>310,720</u>	<u>668,943</u>	<u>972,052</u>	<u>1,951,715</u>
TOTAL NET POSITION	<u>\$310,720</u>	<u>\$668,943</u>	<u>\$972,052</u>	<u>\$1,951,715</u>

NUECES COUNTY, TEXAS
 INTERNAL SERVICE FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 For the Year Ended September 30, 2018

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
Operating revenues:				
Premiums and reimbursements	\$460,904	\$1,444,479	\$11,869,586	\$13,774,969
Total operating revenues	<u>460,904</u>	<u>1,444,479</u>	<u>11,869,586</u>	<u>13,774,969</u>
Operating expenses:				
Benefit payments	-	-	9,749,330	9,749,330
Insurance premiums and bonds	375,799	1,045,652	458,116	1,879,567
Capital outlay	-	25,007	-	25,007
Claims and settlements	-	56,811	-	56,811
Administration	-	-	815,684	815,684
Total operating expenses	<u>375,799</u>	<u>1,127,470</u>	<u>11,023,131</u>	<u>12,526,400</u>
Operating income (loss)	<u>85,105</u>	<u>317,009</u>	<u>846,455</u>	<u>1,248,569</u>
Non operating revenues:				
Investment income	10,763	26,255	27,568	64,586
Financing Income	-	-	-	-
Total non-operating revenue	<u>10,763</u>	<u>26,255</u>	<u>27,568</u>	<u>64,586</u>
Income (loss) before transfers	<u>95,868</u>	<u>343,264</u>	<u>874,023</u>	<u>1,313,155</u>
Change in net position	95,868	343,264	874,023	1,313,155
Net position at beginning of year	<u>214,852</u>	<u>325,679</u>	<u>98,029</u>	<u>638,560</u>
Net position at end of year	<u>\$310,720</u>	<u>\$668,943</u>	<u>\$972,052</u>	<u>\$1,951,715</u>

NUECES COUNTY, TEXAS
 INTERNAL SERVICE FUND
 COMBINING STATEMENT OF CASH FLOWS
 For the Year Ended September 30, 2018

	Workers Compensatio Fund	General Liability	Group Health Insurance	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$460,904	\$2,019,888	\$9,346,091	\$11,826,882
Receipts from employees	-	-	1,535,762	1,535,762
Receipts from other participants	-	(1,684)	607,233	605,549
Receipts from reimbursements and refunds	-	16,116	395,718	411,833
Payments for benefit claims	-	-	(9,868,446)	(9,868,446)
Payments for insurance and bond policies	(375,799)	(1,084,374)	(461,739)	(1,921,912)
Payments for administration	-	-	(728,061)	(728,061)
Payments for settlements and claims	-	(35,264)	1,505	(33,759)
Net cash provided in operating activities	<u>85,105</u>	<u>914,681</u>	<u>828,063</u>	<u>1,827,849</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investments	-	(51,437)	-	(51,437)
Interest received	10,763	26,083	27,568	64,414
Net cash provided by investing activities	<u>10,763</u>	<u>(25,353)</u>	<u>27,568</u>	<u>12,978</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Financing activities	<u>(350,000)</u>	<u>(900,000)</u>	<u>1,163,735</u>	<u>(86,265)</u>
Net cash provided in financing activities	<u>(350,000)</u>	<u>(900,000)</u>	<u>1,163,735</u>	<u>(86,265)</u>
Net increase in cash and cash equivalents	(254,132)	(10,672)	2,019,366	1,754,561
Cash and cash equivalents at beginning of year	<u>564,852</u>	<u>1,412,164</u>	<u>1,216,950</u>	<u>3,193,967</u>
Cash and cash equivalents at end of year	<u><u>\$310,720</u></u>	<u><u>\$1,401,492</u></u>	<u><u>\$3,236,316</u></u>	<u><u>\$4,948,528</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$85,105	\$317,009	\$846,455	\$1,248,569
Adjustments to reconcile operating loss to net cash provided:				
(Increase) decrease in accounts receivable	-	(1,684)	13,986	12,302
Increase (decrease) in estimated claims liabilities	-	591,524	-	591,524
Increase (decrease) in accounts payable	-	7,832	(32,379)	(24,547)
Total Adjustments	<u>-</u>	<u>597,672</u>	<u>(18,393)</u>	<u>579,279</u>
Net cash provided by operating activities	<u><u>\$85,105</u></u>	<u><u>\$914,681</u></u>	<u><u>\$828,063</u></u>	<u><u>\$1,827,849</u></u>

NUECES COUNTY, TEXAS
 COMBINING STATEMENT FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 SEPTEMBER 30, 2018

ASSETS	CSCD	Nueces County Trust	Metropolitan Planning Organization	Total
Cash, equivalents & pooled funds	\$1,894,501	\$10,384,641	\$491,906	\$12,771,048
Investments	-	6,852,127	-	6,852,127
Due from other governments and agencies	-	427,268	-	427,268
Accounts receivable	84,757	-	85,453	170,210
Prepays	-	30,632	8,000	38,632
TOTAL ASSETS	<u>\$1,979,258</u>	<u>\$17,694,669</u>	<u>\$585,359</u>	<u>\$20,259,285</u>
LIABILITIES				
Accounts payable	\$520,843	\$17,181,920	\$277,027	\$17,979,789
Accrued payroll payable	417,601	66,522	17,867	501,990
Due to other governments and agencies	6,640	54,362	-	61,002
Funds held in escrow	1,034,174	391,866	290,464	1,716,504
TOTAL LIABILITIES	<u>\$1,979,258</u>	<u>\$17,694,669</u>	<u>\$585,359</u>	<u>\$20,259,285</u>

NUECES COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Balance 9/30/2017	Additions	Deductions	Balance 9/30/2018
ASSETS				
Cash and cash equivalents	\$12,296,678	\$46,431,715	\$45,957,345	\$12,771,048
Investments	6,697,374	864,787	710,034	6,852,127
Due from other governments and agencies	370,222	7,234,087	7,177,040	427,268
Accounts receivable	185,545	27,595,636	27,610,971	170,210
Prepays	24,246	38,982	24,596	38,632
TOTAL ASSETS	<u>\$19,574,064</u>	<u>\$82,165,207</u>	<u>\$81,479,986</u>	<u>\$20,259,285</u>
LIABILITIES				
Accounts payable	16,972,490	38,090,719	39,098,018	17,979,789
Accrued payroll payable	541,411	10,553,775	10,514,354	501,990
Due to other governments and agencies	91,630	62,045	31,417	61,002
Funds held in escrow	1,968,534	16,216,792	15,964,762	1,716,504
TOTAL LIABILITIES	<u>\$19,574,064</u>	<u>\$64,923,332</u>	<u>\$65,608,552</u>	<u>\$20,259,285</u>

NUECES COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2018

CSCD

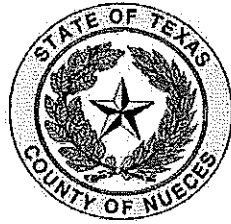
	Balance 9/30/2017	Additions	Deductions	Balance 9/30/2018
ASSETS				
Cash, equivalents & pooled funds	\$2,780,795	\$30,053,102	\$30,939,396	\$1,894,501
Accounts receivable	39,188	26,955,725	26,910,156	84,757
TOTAL ASSETS	\$2,819,983	\$57,008,827	\$57,849,552	\$1,979,258
LIABILITIES				
Accounts payable	\$1,053,275	\$19,688,421	\$19,155,988	\$520,843
Accrued payroll payable	453,769	8,554,054	8,517,886	417,601
Due to other governments and agencies	7,919	32,676	31,397	6,640
Funds held in escrow	1,305,020	10,315,011	10,044,165	1,034,174
TOTAL LIABILITIES	\$2,819,983	\$38,590,162	\$37,749,437	\$1,979,258

NUECES COUNTY TRUST

	Balance 9/30/2017	Additions	Deductions	Balance 9/30/2018
ASSETS				
Cash, equivalents & pooled funds	\$9,133,556	\$15,672,715	\$14,421,629	\$10,384,641
Investments	6,697,374	864,787	710,034	6,852,127
Due from other governments and agencies	370,222	6,104,937	6,047,891	427,268
Accounts receivable	-	51,485	51,485	-
Prepays	16,281	30,632	16,281	30,632
TOTAL ASSETS	\$16,217,432	\$22,724,556	\$21,247,319	\$17,694,669
LIABILITIES				
Accounts payable	\$15,647,171	\$17,741,647	\$19,276,396	\$17,181,920
Accrued payroll payable	64,907	1,500,734	1,502,349	66,522
Due to other governments and agencies	83,711	29,350	0	54,362
Funds held in escrow	421,643	5,305,405	5,275,628	391,866
TOTAL LIABILITIES	\$16,217,432	\$24,577,137	\$26,054,373	\$17,694,669

METROPOLITAN PLANNING ORG.

	Balance 9/30/2017	Additions	Deductions	Balance 9/30/2018
ASSETS				
Cash, equivalents & pooled funds	\$382,327	\$705,899	\$596,320	\$491,906
Due from other agencies	-	1,129,150	1,129,150	-
Accounts Receivable	146,357	588,426	649,330	85,453
Prepays	7,966	8,350	8,316	8,000
TOTAL ASSETS	\$536,650	\$2,431,824	\$2,383,115	\$585,359
LIABILITIES				
Accounts Payable	\$272,044	\$660,651	\$665,634	\$277,027
Accrued payroll payable	22,735	498,987	494,120	17,867
Due to other governments and agencies	-	19	19	-
Funds Held in Escrow	241,871	596,376	644,969	290,464
TOTAL LIABILITIES	\$536,650	\$1,756,033	\$1,804,742	\$585,359



Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends	118-127
<i>These schedules contain trend information to help the reader understand how the governments financial performance and well-being have changed over time.</i>	
Revenue Capacity	128-137
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	138-147
<i>These present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	148-157
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	158-167
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the governments financial report relates to the services the government provides and the activities it performs.</i>	

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

Nueces County, Texas
 Net Position by Component
 Last Ten Fiscal Years
 September 30, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities:				
Primary government (excludes component units)				
Net investment in capital assets	\$114,418,905	\$84,990,779	\$106,372,898	\$90,846,187
Restricted	14,855,823	14,739,132	16,108,044	17,328,598
Unrestricted	<u>21,545,294</u>	<u>48,795,609</u>	<u>19,479,502</u>	<u>30,480,260</u>
Total primary government net position	<u>\$150,820,022</u>	<u>\$148,525,520</u>	<u>\$141,960,444</u>	<u>\$138,655,045</u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$83,933,928	\$78,879,070	\$66,467,569	\$65,482,574	\$67,620,641	\$49,851,006
12,502,545	13,843,763	15,687,500	16,016,006	14,904,500	12,736,143
<u>36,247,660</u>	<u>37,193,225</u>	<u>40,557,779</u>	<u>28,235,813</u>	<u>12,241,951</u>	<u>35,532,077</u>
<u>\$132,684,133</u>	<u>\$129,916,058</u>	<u>\$122,712,848</u>	<u>\$109,734,393</u>	<u>\$94,767,092</u>	<u>\$98,119,226</u>

Nueces County, Texas
Changes in Net Position
Last Ten Fiscal Years
September 30, 2018

	2009	2010	2011	2012
Expenses				
General government	\$13,922,786	\$13,483,612	\$13,436,667	\$13,319,250
Building and facilities	9,216,536	10,165,122	9,463,249	9,490,211
Administration of justice	26,870,285	27,292,561	26,967,846	23,654,964
Law enforcement and corrections	23,257,876	24,468,809	24,806,867	27,986,723
Social services	2,664,755	2,679,502	2,683,841	2,606,445
Health, safety and sanitation	3,083,653	2,023,424	1,527,275	1,992,715
Agriculture, education and consumer sciences	788,629	865,488	820,589	776,594
Roads, bridges and transportation	13,662,879	14,143,486	14,813,218	14,810,777
Parks and recreation	5,595,232	5,948,582	5,937,483	6,140,480
Interest and fees on long-term debt	6,086,736	5,823,695	5,171,328	5,019,143
Total primary government expenses	<u>\$105,149,367</u>	<u>\$106,894,281</u>	<u>\$105,628,363</u>	<u>\$105,797,302</u>
Program Revenues				
Charges for services:				
General government	\$7,419,814	\$7,631,054	\$6,931,136	\$6,889,479
Buildings and facilities	1,004,650	1,010,740	974,075	762,958
Administration of justice	6,290,997	8,381,617	6,498,942	7,027,556
Law enforcement and corrections	2,976,714	2,826,083	3,329,600	3,741,178
Social services	88,258	168,321	156,370	149,331
Health, safety, and sanitation	52,928	55,058	67,508	109,275
Agriculture, education, and consumers sciences	16,049	20,361	23,543	25,384
Roads, bridges and transportation	2,903,756	2,835,769	2,920,096	3,109,675
Parks and recreation	998,061	1,077,838	1,040,947	1,245,215
Operating grants and contributions	9,256,087	8,625,300	7,494,922	9,230,257
Capital grants and contributions	1,302,695	654,404	1,012,911	194,861
Total primary government revenues	<u>\$32,310,009</u>	<u>\$33,286,545</u>	<u>\$30,450,050</u>	<u>\$32,485,169</u>
Net (Expense) Revenue				
Governmental activities	<u>(72,839,358)</u>	<u>(73,607,736)</u>	<u>(75,178,313)</u>	<u>(73,312,133)</u>
Total primary government net expenses	<u>\$(72,839,358)</u>	<u>\$(73,607,736)</u>	<u>\$(75,178,313)</u>	<u>\$(73,312,133)</u>
General revenues and other changes in net position				
General Revenues				
Property taxes	\$66,024,875	\$67,091,123	\$64,229,777	\$65,494,382
Alcohol beverage and other taxes	2,741,543	3,028,318	3,396,993	3,858,512
Unrestricted investment earnings	1,785,507	841,701	477,878	226,253
Grants and contributions not restricted to specific program	354,973	281,025	232,961	343,915
Gain or loss on sale of capital assets	-	71,067	275,630	83,682
Miscellaneous	-	-	-	-
Total general revenues	<u>\$70,906,898</u>	<u>\$71,313,234</u>	<u>\$68,613,239</u>	<u>\$70,006,744</u>
Change in Net Position	<u>\$(1,932,460)</u>	<u>\$(2,294,502)</u>	<u>\$(6,565,074)</u>	<u>\$(3,305,389)</u>

2013	2014	2015	2016	2017	2018
\$14,441,357	\$15,341,758	\$17,896,010	\$19,933,512	\$27,026,951	\$25,269,404
11,214,282	10,972,546	10,940,747	13,588,683	12,897,821	11,940,386
23,559,375	24,916,824	25,843,255	26,355,960	26,518,868	26,594,159
28,701,541	30,303,203	31,747,809	69,361,956	73,365,188	80,936,656
2,797,707	2,682,643	2,752,636	3,128,854	3,201,250	3,150,333
2,343,115	2,815,645	2,835,744	3,104,344	3,113,686	2,661,336
761,011	794,140	870,691	1,006,618	1,105,893	1,077,140
17,441,342	15,575,863	15,164,446	12,976,912	15,065,571	14,251,978
6,290,622	6,415,580	6,375,073	9,736,734	7,893,713	7,107,327
4,895,833	4,607,852	4,975,345	4,731,881	5,204,680	5,262,356
<u>\$112,446,185</u>	<u>\$114,426,054</u>	<u>\$119,401,756</u>	<u>\$163,925,454</u>	<u>\$175,393,621</u>	<u>\$178,251,075</u>

\$9,385,296	\$10,341,220	\$10,876,084	\$9,981,778	\$9,814,176	\$11,889,981
501,910	519,209	794,881	1,516,386	899,212	1,886,533
6,078,678	6,046,685	6,429,888	6,036,695	6,497,192	6,282,168
4,720,538	4,537,276	5,050,560	42,285,271	44,305,861	51,082,366
95,401	103,285	156,408	125,148	18,755	169,193
601,846	1,355,657	1,774,832	1,559,093	1,543,880	1,610,791
36,355	37,573	61,175	48,458	75,048	43,864
3,805,227	3,829,878	3,588,409	3,576,036	3,362,377	3,593,807
1,355,013	1,597,108	1,496,995	1,849,368	1,953,121	1,706,205
7,298,475	8,179,157	8,568,805	8,478,930	7,916,730	7,673,123
<u>\$33,878,739</u>	<u>\$36,547,048</u>	<u>\$38,798,037</u>	<u>\$75,457,163</u>	<u>\$76,386,352</u>	<u>\$85,938,031</u>

(78,567,446)	(77,879,006)	(80,603,719)	(88,468,291)	(99,007,269)	(92,313,044)
<u>\$(78,567,446)</u>	<u>\$(77,879,006)</u>	<u>\$(80,603,719)</u>	<u>\$(88,468,291)</u>	<u>\$(99,007,269)</u>	<u>\$(92,313,044)</u>

\$68,079,584	\$72,960,037	\$78,234,367	\$76,391,071	\$80,556,818	\$84,620,635
1,562,313	1,915,600	2,018,548	2,047,110	2,003,689	2,062,224
134,583	163,578	254,574	594,122	858,835	1,700,294
380,041	962,838	850,976	499,403	548,501	266,769
2,440,008	-	470,458	150,652	72,125	6,836,105
-	-	-	-	-	180,750
<u>\$72,596,529</u>	<u>\$76,002,053</u>	<u>\$81,828,923</u>	<u>\$79,682,358</u>	<u>\$84,039,968</u>	<u>\$95,666,778</u>
<u>\$(5,970,917)</u>	<u>\$(1,876,953)</u>	<u>\$1,225,204</u>	<u>\$(8,785,933)</u>	<u>\$(14,967,301)</u>	<u>\$3,353,734</u>

Nueces County, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
September 30, 2018

	2009	2010	2011	2012
General Fund				
Non-spendable	\$ -	\$ -	\$ 428,906	\$ 400,035
Committed	-	-	17,604,083	17,626,642
Unassigned	-	-	3,889,668	3,993,232
Reserved	612,027	-	-	-
Unreserved	<u>20,386,046</u>	<u>24,029,489</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 20,998,073</u>	<u>\$ 24,029,489</u>	<u>\$ 21,922,657</u>	<u>\$ 22,019,909</u>
All Other Governmental Funds				
Non-spendable	\$ -	\$ -	\$ 94,987	\$ 87,606
Restricted	30,485,845	22,932,604	3,965,499	4,138,701
Committed	3,182,479	3,585,711	-	12,002,482
Assigned	13,467,060	12,568,896	25,625,179	12,702,255
Unassigned	<u>-</u>	<u>-</u>	<u>(18,249)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 47,135,384</u>	<u>\$ 39,087,211</u>	<u>\$ 29,667,416</u>	<u>\$ 28,931,044</u>

The above schedule has been modified to comply with GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" for period after June 15, 2010.

2013	2014	2015	2016	2017	2018
457,844	\$ 428,321	\$ 754,746	\$ 775,109	\$ 728,576	\$ 765,467
18,373,139	20,148,361	20,722,982	21,039,425	15,782,312	18,209,353
2,681,591	2,000,021	2,090,307	187,100	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,512,574</u>	<u>\$ 22,576,703</u>	<u>\$ 23,568,035</u>	<u>\$ 22,001,634</u>	<u>\$ 16,510,888</u>	<u>\$ 18,974,820</u>

96,178	\$ 112,592	\$ 127,314	\$ 150,756	\$ 223,262	\$ 123,449
12,438,727	14,993,121	14,805,438	15,090,137	14,903,856	15,812,014
10,332,775	10,430,217	28,024,779	21,752,391	31,704,891	33,933,200
7,308,362	6,747,522	7,631,015	5,925,451	5,186,615	5,345,976
-	-	-	-	-	(3,056,365)
<u>30,176,042</u>	<u>\$ 32,283,452</u>	<u>\$ 50,588,546</u>	<u>\$ 42,918,735</u>	<u>\$ 52,018,624</u>	<u>\$ 52,158,275</u>

Nueces County, Texas
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 September 30, 2018

	2009	2010	2011	2012
Revenues				
Property taxes	\$ 66,035,245	\$ 67,018,275	\$ 64,567,154	\$ 65,803,580
Other taxes	356,538	319,549	361,415	382,730
Fees of office	4,967,966	6,619,757	4,885,117	5,296,898
Fines and forfeitures	3,044,301	2,641,095	2,880,933	2,551,595
Licenses and permits	3,942,987	3,994,255	4,190,771	4,418,683
Intergovernmental revenue	17,594,903	17,421,622	16,687,845	18,088,623
Charges for services	958,227	780,845	766,868	940,888
Investment revenue	1,755,508	827,724	466,015	215,294
Rentals and commissions	879,767	1,282,655	1,363,402	1,500,566
Miscellaneous revenue	1,700,521	1,545,928	1,126,807	1,417,049
Total Revenues	\$ 101,235,963	\$ 102,451,705	\$ 97,296,327	\$ 100,615,906
Expenditures				
General government	\$ 12,783,442	\$ 12,569,919	\$ 12,665,314	\$ 13,194,301
Building and facilities	7,098,274	7,899,760	7,559,472	9,054,524
Administration of justice	22,829,285	26,416,814	25,912,952	22,663,249
Law enforcement and corrections	24,624,057	22,892,651	23,249,015	26,507,891
Social services	2,569,661	2,586,380	2,580,656	2,500,076
Health, safety and sanitation	2,466,245	2,171,854	1,511,612	1,717,358
Agriculture, education and consumer sciences	716,056	802,707	752,931	712,929
Roads, bridges and transportation	6,504,456	6,559,432	7,535,294	7,040,143
Parks and recreation	3,775,725	4,119,390	4,115,220	4,155,893
Capital outlay	5,733,618	10,853,369	19,835,436	3,893,507
Debt service:				
Interest and Other fees	6,108,091	5,877,733	5,612,767	5,038,809
Debt Issuance Costs				
Principal	4,553,649	4,957,377	4,796,040	5,724,864
Total Expenditures	\$ 99,762,559	\$ 107,707,386	\$ 116,126,709	\$ 102,203,544
Excess of Revenues over (under) expenditures	\$ 1,473,404	\$ (5,255,681)	\$ (18,830,382)	\$ (1,587,638)
Other Financing Sources (Uses)				
Transfers In	\$ 8,453,858	\$ 9,987,541	\$ 8,409,659	\$ 8,778,061
Transfers Out	(8,453,858)	(9,987,541)	(8,409,659)	(8,778,061)
Sale of Assets	-	71,067	275,630	86,789
Capital lease funding	-	-	-	861,731
Issuance of debt	-	-	49,374,640	-
Bond Defeasance	-	-	(48,716,774)	-
Premium on Bonds Issued	-	-	6,370,260	-
Proceeds of General Obligation Bonds	-	-	-	-
Total Other Financing Sources (uses)	\$ -	\$ 71,067	\$ 7,303,756	\$ 948,520
Net Changes in Fund Balances	\$ 1,473,404	\$ (5,184,614)	\$ (11,526,626)	\$ (639,118)
Debt Service as a percentage of noncapital expenditures	11.3%	11.2%	10.8%	10.9%

	2013	2014	2015	2016	2017	2018
\$	68,227,630	\$ 72,903,015	\$ 75,196,369	\$ 76,406,029	\$ 80,173,689	\$ 84,054,361
	391,784	411,398	439,777	431,990	420,187	337,188
	5,089,036	4,820,592	4,866,275	4,931,127	4,746,222	4,768,777
	2,287,821	2,139,483	2,244,060	2,305,539	1,631,529	1,527,410
	4,402,803	5,085,459	4,815,602	4,842,727	4,413,729	5,035,622
	17,645,491	20,557,700	20,197,720	56,080,858	57,369,568	61,944,867
	970,996	858,493	858,055	914,955	899,685	910,699
	128,746	139,723	250,178	585,697	836,342	1,635,709
	1,521,251	1,659,351	1,655,121	2,141,501	2,128,489	2,125,127
	1,062,154	1,022,938	2,068,530	2,028,527	1,596,045	5,814,818
\$	<u>101,727,712</u>	<u>\$ 109,598,152</u>	<u>\$ 112,591,687</u>	<u>\$ 150,668,950</u>	<u>\$ 154,215,485</u>	<u>\$ 168,154,578</u>
\$	14,139,402	\$ 14,758,277	\$ 18,115,425	\$ 16,925,894	\$ 19,722,815	\$ 22,877,798
	8,071,874	7,655,261	8,153,192	8,971,418	9,366,169	8,756,574
	22,370,784	23,462,077	24,226,484	24,797,069	24,587,527	25,647,536
	27,313,577	28,646,136	29,102,479	67,302,369	69,651,851	78,673,348
	2,672,416	2,524,416	2,545,213	2,896,112	2,976,398	3,040,522
	2,171,721	2,423,912	2,546,715	2,894,456	2,777,533	2,475,263
	682,633	713,296	835,399	906,736	982,544	1,003,451
	7,809,892	7,742,469	7,743,709	7,561,744	11,507,676	10,875,995
	4,471,466	4,652,352	5,721,271	7,746,614	6,036,814	5,450,472
	2,756,107	2,779,781	4,237,547	11,131,516	13,832,255	7,643,216
	6,031,337	4,648,721	4,318,152	4,653,564	7,591,221	9,172,156
			376,859	83,469	8,950	10,000
	4,938,849	6,419,915	6,714,187	7,184,854	4,922,104	5,008,358
\$	<u>103,430,058</u>	<u>\$ 106,426,613</u>	<u>\$ 114,636,632</u>	<u>\$ 163,055,815</u>	<u>\$ 173,963,856</u>	<u>\$ 180,634,690</u>
\$	<u>(1,702,346)</u>	<u>\$ 3,171,539</u>	<u>\$ (2,044,945)</u>	<u>\$ (12,386,865)</u>	<u>\$ (19,748,371)</u>	<u>\$ (12,480,112)</u>
\$	10,829,801	\$ 10,518,868	\$ 12,127,133	\$ 12,586,914	\$ 13,494,218	\$ 11,603,033
	(10,829,801)	(10,518,868)	(12,127,133)	(12,586,914)	(13,494,218)	(11,603,033)
	2,440,008	-	288,113	150,652	72,125	6,836,105
	-	-	-	-	17,835	112,471
	-	-	663,896	3,000,000	20,920,000	7,900,000
	-	-	45,620,000	-	-	-
	-	-	(31,125,992)	-	2,347,546	236,718
	-	-	5,895,355	-	-	-
\$	<u>2,440,008</u>	<u>\$ -</u>	<u>\$ 21,341,372</u>	<u>\$ 3,150,652</u>	<u>\$ 23,357,506</u>	<u>\$ 15,085,295</u>
\$	<u>737,662</u>	<u>\$ 3,171,539</u>	<u>\$ 19,296,427</u>	<u>\$ (9,236,213)</u>	<u>\$ 3,609,136</u>	<u>\$ 2,605,182</u>
	10.9%	10.7%	10.0%	7.8%	7.8%	8.2%

Nueces County, Texas
 Assessed and Taxable Valuations
 Last Ten Fiscal Years
 September 30, 2018

Fiscal Year Ending Sept. 30,	Tax Roll Year	Mineral Roll	Real Estate Roll	Railroads & Intangible Personal	Spccial Inventory	Personal Property
2009	2008	630,187,640	19,074,304,898	4,349,437	74,314,714	2,043,613,181
2010	2009	448,474,373	20,458,356,089	4,642,526	69,261,166	2,558,065,865
2011	2010	445,455,710	20,528,145,997	4,472,987	56,531,587	2,862,212,497
2012	2011	299,717,668	21,451,380,309	5,735,797	66,941,822	2,954,037,106
2013	2012	308,127,002	22,925,125,820	6,055,007	85,389,968	3,211,461,360
2014	2013	224,488,217	24,884,890,271	6,157,250	105,718,556	3,758,538,797
2015	2014	209,200,272	24,233,699,495	7,609,314	118,095,651	4,045,069,843
2016	2015	131,637,245	25,805,518,983	8,987,386	128,318,904	4,046,395,435
2017	2016	80,287,997	31,993,586,074	10,023,976	126,901,251	3,642,583,230
2018	2017	81,728,348	34,441,215,194	11,074,057	115,513,648	3,474,180,608

Exemptions include: Homestead Exemptions for 2006 shall include 20% for homestead exemption (but not less than \$5,000); and \$62,500 for over age 65 or disabled exemption, plus a tax limitation on the total amount of taxes that may be imposed on the residence homestead of a disabled individual or those 65 or older, pursuant to Article VIII 1-b (h) of the Texas Constitution and exemptions mandated by state law.

Source: Nueces County Appraisal District

Utilities Pipelines	Gross Market Valuation	Less Exemptions & Abatements	Net Taxable Assessed Valuation	Direct Tax Rate		
				County Tax Rate	Hospital Tax Rate	Total Tax Rate
441,662,715	22,268,432,585	(4,097,252,632)	18,171,179,953	0.355678	0.144782	0.500460
448,894,815	23,987,694,834	(4,618,079,656)	19,369,615,178	0.355259	0.154678	0.509937
439,349,608	24,336,168,386	(5,810,394,569)	18,525,773,817	0.355259	0.162428	0.517687
417,964,423	25,195,777,125	(6,347,144,376)	18,848,632,749	0.355259	0.162428	0.517687
447,583,575	26,983,742,732	(7,453,162,690)	19,530,580,042	0.355259	0.162428	0.517687
532,888,811	29,512,681,902	(7,965,439,445)	21,547,242,457	0.345187	0.148077	0.493264
566,049,702	29,179,724,277	(8,429,072,802)	20,750,651,475	0.335130	0.137455	0.472585
643,562,930	30,764,420,883	(8,677,204,445)	22,087,216,438	0.316900	0.129750	0.446650
666,699,889	36,520,082,417	(9,339,129,118)	27,180,953,299	0.307991	0.126836	0.434827
733,627,603	38,857,339,458	(10,489,815,916)	28,367,523,542	0.307991	0.121297	0.429288

Nueces County, Texas
Property Tax Levies - Direct and Overlapping Governments
Last Ten Fiscal Years
September 30, 2018

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2009 2008	2010 2009	2011 2010	2012 2011
Nueces County - General Fund	\$54,636,632	\$55,456,844	\$53,624,613	\$54,495,366
Nueces County - Debt Service	10,908,756	11,379,441	10,924,694	10,835,130
Subtotal	65,545,388	66,836,285	64,549,307	65,330,496
Nueces County - Farm to Market	804,802	824,104	791,360	788,479
Total	\$66,350,190	\$67,660,389	\$65,340,667	\$66,118,975
Special Districts:				
Hospital District	27,667,730	30,075,910	30,144,807	31,381,381
Downtown Management District	159,691	165,584	158,258	156,357
Corpus Christi Junior College District	41,484,470	44,196,050	43,545,490	44,477,385
Drainage District No. 2	1,193,703	1,280,248	1,184,406	1,262,100
Drainage District No. 3	64,045	65,721	68,347	68,933
South Texas Water Authority	329,056	352,589	381,888	360,780
Cities:				
Agua Dulce	55,254	56,321	56,054	54,354
Bishop	669,179	718,038	717,361	777,224
Corpus Christi	77,246,481	80,059,041	79,419,087	79,241,020
Driscoll	119,117	136,750	140,333	150,721
Port Aransas	3,892,916	4,406,448	4,211,939	4,250,061
Robstown	2,298,460	2,453,516	2,547,737	2,561,579
School Districts:				
Agua Dulce ISD	1,637,940	1,738,741	1,774,476	1,718,702
Banquete ISD	3,158,296	3,753,016	3,899,640	3,743,103
Bishop ISD	6,740,678	7,412,684	7,057,666	7,224,087
Calallen ISD	15,292,156	14,837,798	14,285,938	14,521,821
Corpus Christi ISD	124,364,289	138,205,927	134,509,386	137,310,628
Driscoll ISD	1,827,693	1,674,838	1,736,141	1,602,741
Flour Bluff ISD	23,011,873	24,686,703	24,152,098	23,066,097
London ISD	3,099,680	2,770,807	2,751,523	2,908,575
Port Aransas ISD	20,136,951	18,723,992	17,114,597	16,908,910
Robstown ISD	3,792,182	4,616,958	5,177,291	5,854,557
Tuloso Midway ISD	18,651,309	19,361,393	19,194,283	21,958,877
West Oso ISD	6,633,690	7,418,412	7,536,112	7,375,479
Fire Districts:				
Fire Prevention District 1	1,655,807	1,763,463	1,745,305	1,840,015
Fire Prevention District 2	613,532	655,742	646,663	613,808
Fire Prevention District 3	280,209	163,126	155,554	154,935
Fire Prevention District 4	228,663	271,938	275,763	259,741
Fire Prevention District 5	33,210	33,295	31,177	36,531
Fire Prevention District 6	-	-	397,627	390,428
Total	<u>\$452,688,450</u>	<u>\$479,715,438</u>	<u>\$470,357,614</u>	<u>\$478,349,905</u>

2013 2012	2014 2013	2015 2014	2016 2015	2017 2016	2018 2017
\$56,498,344	\$61,167,064	\$66,201,428	\$66,517,122	\$69,352,816	\$72,167,419
11,243,542	11,593,241	10,305,916	11,023,768	11,870,460	12,354,436
67,741,886	72,760,305	76,507,344	77,540,890	81,223,276	84,521,855
833,275	902,847	976,332	989,396	1,042,241	1,098,142
\$68,575,161	\$73,663,152	\$77,483,676	\$78,530,286	\$82,265,517	\$85,619,997
32,624,036	32,699,744	32,737,721	33,268,991	34,698,916	35,037,066
185,497	189,596	186,740	198,775	205,129	200,462
45,729,322	49,096,901	52,752,191	56,481,130	60,295,665	65,696,908
1,633,415	1,745,224	1,662,848	1,686,679	1,697,606	1,924,241
71,391	74,217	72,536	78,008	77,152	81,648
367,599	505,060	510,598	553,610	543,790	581,415
53,496	63,246	75,248	80,597	84,838	80,375
748,251	800,212	825,351	849,174	878,339	915,817
81,261,225	89,824,944	97,674,230	108,626,928	114,823,952	119,303,280
147,844	149,152	150,063	152,696	153,083	156,289
4,495,666	4,781,884	4,946,077	5,102,333	5,651,656	6,343,780
2,553,456	2,584,634	2,622,658	3,537,157	3,703,155	4,091,492
1,926,609	1,857,313	1,884,088	2,062,765	2,023,618	2,016,080
3,746,471	3,822,213	4,062,174	4,927,755	5,010,812	5,403,145
7,165,452	7,711,383	7,460,523	7,292,047	6,895,829	7,196,628
14,981,256	16,289,883	18,962,029	20,241,154	20,147,493	20,773,953
141,131,198	153,986,528	167,484,620	173,447,371	185,294,982	187,768,712
1,647,685	1,532,157	1,761,613	1,526,181	1,443,883	1,489,556
23,763,633	27,633,038	29,856,693	31,465,881	32,530,709	34,136,773
3,457,943	3,288,774	3,899,911	4,384,876	4,566,109	5,132,340
16,782,015	19,750,081	22,084,177	23,963,124	27,041,043	29,161,650
6,753,486	7,768,053	8,491,130	8,804,845	8,571,974	9,039,718
24,256,964	28,860,372	30,648,853	33,353,456	36,080,308	36,770,252
8,132,776	9,295,268	10,328,417	10,992,080	11,174,081	11,076,448
1,994,810	2,433,646	2,732,664	3,297,952	3,583,128	3,879,968
634,574	772,626	843,039	920,915	961,158	1,011,512
155,731	163,190	156,586	162,535	154,977	552,366
261,248	268,091	285,874	353,659	361,522	389,155
40,827	39,291	39,921	40,820	37,652	36,647
393,287	411,320	396,764	445,325	397,154	410,992
\$495,672,324	\$542,061,19	\$583,079,013	\$616,829,105	\$651,355,230	\$676,278,665

Nueces County, Texas
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
September 30, 2018

	FISCAL YEAR	2009	2010	2011	2012
	TAX ROLL YEAR	2008	2009	2010	2011
Nueces County		0.356	0.355	0.355	0.355
Special Districts:					
Hospital District		0.145	0.155	0.162	0.162
Downtown Management District		0.370	0.370	0.370	0.370
Corpus Christi Junior College District		0.242	0.251	0.258	0.258
Drainage District No. 2		0.385	0.347	0.310	0.318
Drainage District No. 3		0.890	0.189	0.189	0.189
South Texas Water Authority		0.056	0.057	0.062	0.062
Cities:					
Agua Dulce		0.593	0.536	0.477	0.480
Aransas Pass		0.000	0.593	0.607	0.723
Bishop		0.828	0.809	0.914	0.911
Corpus Christi		0.564	0.564	0.582	0.571
Driscoll		0.930	0.930	0.857	0.899
Port Aransas		0.276	0.322	0.332	0.332
Robstown		1.000	1.000	0.975	0.954
School Districts:					
Agua Dulce ISD		1.389	1.400	1.379	1.400
Aransas Pass ISD		0.000	1.071	1.071	1.071
Banquete ISD		1.449	1.439	1.473	1.512
Bishop ISD		1.300	1.526	1.563	1.556
Calallen ISD		1.277	1.299	1.299	1.329
Corpus Christi ISD		1.176	1.237	1.237	1.237
Driscoll ISD		1.239	1.239	1.250	1.265
Flour Bluff ISD		1.070	1.069	1.070	1.072
London ISD		1.144	1.210	1.250	1.263
Port Aransas ISD		1.058	1.058	1.062	1.063
Robstown ISD		1.254	1.374	1.523	1.650
Tuloso Midway ISD		1.332	1.332	1.332	1.332
West Oso ISD		1.340	1.420	1.420	1.420
Fire Districts:					
Fire District No. 1		0.100	0.100	0.100	0.100
Fire District No. 2		0.026	0.026	0.026	0.026
Fire District No. 3		0.048	0.030	0.030	0.030
Fire District No. 4		0.100	0.100	0.100	0.100
Fire District No. 5		0.028	0.270	0.240	0.030
Fire District No. 6		0.000	0.000	0.070	0.070
TOTAL:		<u>21.965</u>	<u>23.678</u>	<u>23.945</u>	<u>24.110</u>

2013 2012	2014 2013	2015 2014	2016 2015	2017 2016	2018 2017
0.355	0.345	0.335	0.317	0.308	0.308
0.162	0.148	0.137	0.130	0.127	0.121
0.370	0.370	0.370	0.370	0.370	0.370
0.258	0.251	0.248	0.248	0.246	0.259
0.398	0.390	0.350	0.334	0.333	0.338
0.189	0.189	0.178	0.193	0.193	0.193
0.062	0.085	0.085	0.083	0.083	0.085
0.462	0.500	0.500	0.502	0.500	0.485
0.696	0.680	0.680	0.680	0.689	0.689
0.805	0.823	0.825	0.785	0.764	0.794
0.571	0.585	0.585	0.606	0.606	0.606
0.907	0.902	0.763	0.773	0.734	0.704
0.351	0.323	0.299	0.276	0.272	0.281
0.956	0.866	0.812	1.011	1.005	0.932
1.400	1.400	1.400	1.351	1.510	1.516
1.071	1.071	1.071	1.071	1.231	1.222
1.513	1.513	1.513	1.513	1.513	1.513
1.551	1.533	1.533	1.406	1.399	1.359
1.359	1.359	1.359	1.376	1.375	1.375
1.237	1.237	1.237	1.237	1.237	1.237
1.265	1.265	1.555	1.625	1.706	1.700
1.071	1.178	1.168	1.154	1.150	1.145
1.238	1.251	1.395	1.356	1.358	1.349
1.086	1.126	1.126	1.118	1.118	1.118
1.610	1.630	1.645	1.650	1.650	1.665
1.332	1.317	1.395	1.377	1.409	1.372
1.370	1.370	1.450	1.450	1.450	1.450
0.100	0.100	0.100	0.100	0.100	0.100
0.026	0.030	0.030	0.030	0.030	0.030
0.030	0.030	0.030	0.030	0.030	0.100
0.100	0.100	0.100	0.100	0.100	0.100
0.030	0.030	0.030	0.030	0.030	0.030
0.070	0.070	0.070	0.075	0.070	0.068
<u>24.001</u>	<u>24.067</u>	<u>24.374</u>	<u>24.357</u>	<u>24.696</u>	<u>24.614</u>



Nueces County, Texas
Principal Taxpayers
Current Year and Nine Years Ago
September 30, 2018

Exhibit 8

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value Principal	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value Principal
Flint Hills Resources	\$994,320,270	1	21.73%	\$859,953,932	1	28.16%
Valero Refining Company	992,797,910	2	21.69%	854,927,496	2	27.99%
Citgo	636,936,720	3	13.92%	496,996,857	3	16.27%
Equistar Chemicals LP	498,920,600	4	10.90%	180,005,743	4	5.89%
AEP Texas Central	343,791,420	5	7.51%	174,919,855	5	5.73%
Chapman Ranch Wind I LLC	283,500,000	6	6.20%	-	-	-
Buckeye Texas Processing LLC	266,934,130	7	5.83%	-	-	-
Hoechst Cel-Plastics Division	197,636,150	8	4.32%	174,159,940	6	5.70%
Valero Marketing & Supply	186,972,890	9	4.09%	-	-	-
Flint Hills Res LLC-East Plant	174,379,320	10	3.81%	-	-	-
Corpus Christi Retail Venture LP	-	-	-	82,864,222	7	2.71%
Apache Corporation	-	-	-	78,947,618	8	2.58%
Corpus Christi Cogeneration LP	-	-	-	78,881,330	9	2.58%
Butt H E Grocery Co	-	-	-	72,650,028	10	2.38%
Total	<u>\$4,576,189,410</u>		<u>100.00%</u>	<u>\$3,054,307,021</u>		<u>100.00%</u>
Total Assessed Value and Percentage of Total	<u>\$28,367,523,542</u>		<u>100.00%</u>	<u>\$18,171,179,953</u>		<u>100.00%</u>

Nueces County, Texas
 Tax Levies
 Last Ten Fiscal Years
 September 30, 2018

FISCAL YEAR	2009	2010	2011	2012
TAX ROLL YEAR	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Levy for maintenance and operations (M & O):				
General Fund	\$54,636,632	\$55,456,844	\$53,624,613	\$54,495,366
Road Fund	<u>804,802</u>	<u>824,104</u>	<u>791,360</u>	<u>788,479</u>
Total M & O levy	<u>55,441,434</u>	<u>56,280,948</u>	<u>54,415,973</u>	<u>55,283,845</u>
Levy for debt service (I & S):				
Debt Service Fund	<u>10,908,756</u>	<u>11,379,441</u>	<u>10,924,694</u>	<u>10,835,130</u>
Total I & S levy	<u>10,908,756</u>	<u>11,379,441</u>	<u>10,924,694</u>	<u>10,835,130</u>
Total County levy	<u>\$66,350,190</u>	<u>\$67,660,389</u>	<u>\$65,340,667</u>	<u>\$66,118,975</u>

<u>2013</u> <u>2012</u>	<u>2014</u> <u>2013</u>	<u>2015</u> <u>2014</u>	<u>2016</u> <u>2015</u>	<u>2017</u> <u>2016</u>	<u>2018</u> <u>2017</u>
\$56,498,344	\$61,167,064	\$66,201,428	\$66,517,122	\$69,352,816	\$72,167,419
<u>833,275</u>	<u>902,847</u>	<u>976,332</u>	<u>989,396</u>	<u>1,042,241</u>	<u>1,098,142</u>
<u>57,331,619</u>	<u>62,069,911</u>	<u>67,177,760</u>	<u>67,506,518</u>	<u>70,395,057</u>	<u>73,265,561</u>
<u>11,243,542</u>	<u>11,593,241</u>	<u>10,305,916</u>	<u>11,023,768</u>	<u>11,870,460</u>	<u>12,354,436</u>
<u>11,243,542</u>	<u>11,593,241</u>	<u>10,305,916</u>	<u>11,023,768</u>	<u>11,870,460</u>	<u>12,354,436</u>
<u>\$68,575,161</u>	<u>\$73,663,152</u>	<u>\$77,483,676</u>	<u>\$78,530,286</u>	<u>\$82,265,517</u>	<u>\$85,619,997</u>

Nueces County, Texas
Property Tax Levies and Collections -
General Fund and Debt Service Funds
Last Ten Fiscal Years
September 30, 2018

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2009 2008	2010 2009	2011 2010	2012 2011
Tax Levy (original levy) (1)	65,545,388	66,836,285	64,549,307	65,330,496
Current Tax Collections (2)	62,719,961	64,656,554	62,146,816	63,364,158
Percent of Current Taxes Collected	96%	97%	96%	97%
Unpaid as of June 30th	2,825,427	2,179,731	2,402,491	1,966,338
Subsequent Collections & Adjustments	1,421,968	658,713	1,099,494	825,937
Total Collections & Adjustments	64,141,929	65,315,267	63,246,310	64,190,095
Percent Total Collections of Tax Levy	97.86%	97.72%	97.98%	98.25%
Unpaid Taxes	1,403,459	1,521,018	1,302,997	1,140,401

(1) The original levy is the levy calculated on certified valuations on July 25th of each fiscal year. Subsequent adjustments made to the levy are included in with subsequent collections.

(2) Current tax collections include all collections including tax increment financing zones that were collected by June 30th of each fiscal year.

2013 2012	2014 2013	2015 2014	2016 2015	2017 2016	2018 2017
67,741,886	72,760,305	76,507,344	77,540,890	81,223,276	84,521,855
66,008,745	70,450,668	74,267,821	73,849,526	78,131,456	80,769,940
97%	97%	97%	95%	96%	96%
1,733,141	2,309,637	2,239,523	3,691,364	3,091,820	3,751,915
626,494	1,017,372	1,028,313	2,364,877	1,552,955	1,853,627
66,635,239	71,468,040	75,296,134	76,214,403	79,684,411	82,623,567
98.37%	98.22%	98.42%	98.29%	98.11%	97.75%
1,106,647	1,292,265	1,211,210	1,326,487	1,538,865	1,898,288

Nueces County, Texas
Property Tax Levies and Collections -
Farm To Market
Last Ten Fiscal Years
September 30, 2018

FISCAL YEAR ENDING SEPTEMBER 30, TAX ROLL YEAR	2009 2008	2010 2009	2011 2010	2012 2011
Tax Levy (1)	804,802	824,104	791,360	788,479
Current Tax Collections (2)	769,669	790,533	761,190	761,310
Percent of Current Taxes Collected	.96%	96%	96%	97%
Unpaid as of June 30th	35,133	33,571	30,170	27,169
Subsequent Collections & Adjustments	17,998	14,989	14,263	13,463
Total Collections & Adjustments	787,667	805,522	775,453	774,773
Percent Total Collections of Tax Levy	97.87%	97.75%	97.99%	98.26%
Unpaid Taxes Sept. 30	17,135	18,582	15,907	13,706

(1) The original levy is the levy calculated on certified valuations on July 25th of each fiscal year. Subsequent adjustments made to the levy are included in with subsequent collections.

(2) Current tax collections include all collections including tax increment financing zones that were collected by June 30th of each fiscal year.

Exhibit 11

<u>2013</u> <u>2012</u>	<u>2014</u> <u>2013</u>	<u>2015</u> <u>2014</u>	<u>2016</u> <u>2015</u>	<u>2017</u> <u>2016</u>	<u>2018</u> <u>2017</u>
833,275	902,847	976,332	989,396	1,042,241	1,098,142
812,362	874,926	949,013	942,609	1,002,278	1,031,719
97%	97%	97%	95%	96%	94%
20,913	27,921	27,319	46,787	39,963	66,423
7,616	12,180	12,144	30,119	20,397	23,391
819,978	887,106	961,157	972,728	1,022,675	1,055,110
98.40%	98.26%	98.45%	98.32%	98.12%	96.08%
13,297	15,741	15,175	16,668	19,566	43,032

Nueces County, Texas
 Ratio Of Annual Debt Service Expenditures
 For General Obligation Bonded Debt (1)
 To Total General Governmental Expenditures
 Last Ten Fiscal Years
 September 30, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Principal	4,553,649	4,957,377	4,796,040	5,724,864
Interest	6,104,074	5,869,233	5,179,967	5,054,843
Fiscal Agents & Other Fees	4,017	8,500	432,800	(16,034)
Total Debt Service	10,661,740	10,835,110	10,408,807	10,763,673
Total General governmental expenditures (2)	65,036,510	66,283,738	67,009,800	66,516,869
Ratio of Debt Service to General governmental expenditures	16.39%	16.35%	15.53%	16.18%

(1) Special assessment debt with government commitment are excluded.

(2) Includes general, special revenue, capital projects, grants and debt service funds.

2013	2014	2015	2016	2017	2018
6,031,337	6,419,915	6,714,187	7,184,854	7,591,221	9,172,156
4,923,149	4,639,571	4,311,152	4,653,564	4,922,104	5,006,208
15,700	9,150	7,000	5,375	8,950	10,000
10,970,186	11,068,636	11,032,339	11,843,793	12,522,275	14,188,364
67,511,560	70,872,605	75,484,771	77,602,577	82,273,765	82,133,314
16.25%	15.62%	14.62%	15.26%	15.22%	17.27%

Nueces County, Texas
 Ratios of Gross Bonded Debt Outstanding including Capital Leases
 Last Ten Fiscal Years
 September 30, 2018

Fiscal Year Ending	Bonded Debt	Bond Premium/ Discount	Gross Bonded Debt	Less Debt Service Funds	Outstanding	
					Net Bonded Debt	Capital Leases
2009	126,114,820	1,718,362	127,833,182	(3,182,479)	124,650,703	23,216
2010	121,157,443	1,770,849	122,928,292	(3,585,711)	119,342,581	-
2011	122,633,900	1,862,695	124,496,595	(3,982,739)	120,513,856	-
2012	117,055,767	2,201,958	119,257,725	(3,945,987)	115,311,738	143,995
2013	111,024,428	1,835,039	112,859,467	(4,165,398)	108,694,069	196,358
2014	104,604,513	6,033,024	110,637,537	(4,595,623)	106,041,914	130,857
2015	113,635,326	10,727,735	124,363,061	(4,175,638)	120,187,423	5,807,359
2016	109,450,473	9,194,153	118,644,626	(3,592,453)	115,052,173	5,300,548
2017	122,779,252	9,987,132	132,766,384	(3,273,027)	129,493,357	4,781,356
2018	121,507,095	8,709,277	130,216,372	(1,866,868)	128,349,504	4,518,211

<u>Personal Income (in thousands)</u>	<u>Percentage of Personal Income</u>	<u>Assessed Valuation</u>	<u>Gross Debt of Valuation %</u>	<u>Estimated Population</u>	<u>Net Debt Per Capita</u>
12,004,999	9.52%	18,171,179,953	0.70%	338,220	377.96
12,438,913	10.27%	18,543,081,236	0.66%	340,314	361.22
13,196,232	10.76%	17,737,980,901	0.70%	343,190	362.76
14,226,934	12.14%	18,035,454,760	0.66%	347,816	342.88
14,841,683	13.34%	18,710,372,638	0.60%	352,728	319.96
15,117,598	14.43%	20,613,089,617	0.54%	356,325	310.50
15,416,870	12.91%	22,309,191,166	0.56%	360,118	345.34
14,743,237	12.85%	23,871,896,271	0.50%	361,350	328.34
15,125,406	11.86%	25,690,394,131	0.52%	361,221	367.55
not available	not available	26,698,695,590	0.49%	369,142	352.75



Bonded Debt of Individual Governmental Subdivisions:	Estimated Gross Debt	Percent Applicabl	Nueces County Share Of Gross Debt
Special Districts:			
Corpus Christi Junior College District	\$228,195,000	100.00%	\$228,195,000
County-Line Special Districts:			
Nueces County Drainage District 2	283,372	100.00%	283,372
South Texas Water Authority	4,095,000	38.19%	1,563,881
Cities:			
Agua Dulce	724,000	100.00%	724,000
Aransas Pass	24,890,000	1.74%	433,086
Bishop	3,846,000	100.00%	3,846,000
Corpus Christi	479,495,000	100.00%	479,495,000
Driscoll	176,046	100.00%	176,046
Port Aransas	19,440,000	100.00%	19,440,000
Robstown	15,452,272	100.00%	15,452,272
School Districts:			
Agua Dulce ISD	5,210,000	58.12%	3,028,052
Aransas Pass ISD	17,490,000	1.35%	236,115
Banquete ISD	7,650,000	99.87%	7,640,055
Bishop ISD	31,803,756	100.00%	31,803,756
Calallen ISD	73,160,000	100.00%	73,160,000
Corpus Christi ISD	526,935,000	99.19%	522,666,827
Driscoll ISD	7,611,306	100.00%	7,611,306
Flour Bluff ISD	47,225,000	100.00%	47,225,000
London ISD	34,569,968	100.00%	34,569,968
Port Aransas ISD	9,144,000	99.99%	9,143,086
Robstown ISD	50,344,868	100.00%	50,344,868
Tuloso-Midway ISD	66,361,807	100.00%	66,361,807
West Oso ISD	23,281,994	100.00%	23,281,994
Total overlapping and underlying debt	1,677,384,389	96.98%	1,626,681,490
Nueces County	<u>134,734,583</u>	100.00%	<u>134,734,583</u>
Total direct and overlapping debt	<u>\$1,812,118,97</u>	97.20%	<u>\$1,761,416,07</u>

Estimated Nueces County: Population: 369,142

Nueces County share of Gross Debt per Capita is \$ 352.75
 source: The Municipal Advisory of Texas (Texas MAC)

Nueces County, Texas
Legal Debt Margin Information
Bonds and Certificates of Obligation
Issued Under Texas General Laws
Last Ten Fiscal Years
September 30, 2018

Fiscal Year Ending	2009	2010	2011	2012
Assessed market value of taxable property	23,170,211,252	24,044,540,087	24,347,389,404	25,190,041,328
Less exemptions and abatements	(4,097,252,632)	(4,623,171,657)	(5,810,394,569)	(6,347,136,935)
Assessed value of all taxable property	19,072,958,620	19,421,368,430	18,536,994,835	18,842,904,393
Debt limit rate	x 5%	x 5%	x 5%	5%
Amount of debt limit	953,647,931	971,068,422	926,849,742	942,145,220
Amount of debt applicable to debt limit:				
Total Bonded Applicable Debt	126,114,820	121,157,443	122,633,900	117,055,767
Less: Amounts set aside to repay general debt	3,182,479	3,585,711	3,982,739	3,945,987
Total amount of net debt applicable to debt limit	122,932,341	117,571,732	118,651,161	113,109,780
Legal debt margin	\$830,715,590	\$853,496,690	\$808,198,581	\$829,035,440
Total net debt applicable to the limit as a percentage of debt limit	12.89%	12.11%	12.80%	12.01%

Bonds issued under the Texas General Laws have, in addition to the debt limit of 5 percent of assessed value of all taxable property, a constitutional limit on the tax rate which may be levied to service general law bonds and provide funds for the general operations of the County. This limit for Nueces County is \$.80 annually on the \$100 assessed valuation plus a levy of \$.15 annually for the maintenance of public roads.

Article VIII, Section 9 of the Texas Constitution, as amended, specified that the Commissioners Court "shall levy whatever tax rate may be needed for the four (4) constitutional purposes; namely, general fund, permanent improvement fund, road and bridge fund and jury fund so long as the Court does not impair any outstanding bonds or other obligations and so long as the total of the foregoing tax levies does not exceed Eighty Cents (\$.80) on the One Hundred Dollars (\$100) valuation in any one (1) year."

Notes: Excludes applicable exemptions.

(1) Include General Obligation Bonds Net of Premium on related debt and Certificates of Obligation and Energy Conservation Loans.

	2013	2014	2015	2016	2017	2018
	26,977,687,725	29,506,524,652	31,887,031,407	33,875,864,077	36,510,058,441	38,846,265,401
	(7,453,162,690)	(7,965,439,445)	(8,429,072,802)	(8,677,204,445)	(9,339,129,118)	(10,489,815,916)
	19,524,525,035	21,541,085,207	23,457,958,605	25,198,659,632	27,170,929,323	28,356,449,485
x	5%	5%	5%	5%	5%	5%
	<u>976,226,252</u>	<u>1,077,054,260</u>	<u>1,172,897,930</u>	<u>1,259,932,982</u>	<u>1,358,546,466</u>	<u>1,417,822,474</u>
	111,024,428	104,604,513	113,635,326	109,450,473	122,779,252	134,734,583
	<u>4,165,398</u>	<u>4,595,623</u>	<u>4,175,638</u>	<u>3,592,453</u>	<u>3,273,027</u>	<u>1,866,868</u>
	<u>106,859,030</u>	<u>100,008,890</u>	<u>109,459,688</u>	<u>105,858,020</u>	<u>119,506,225</u>	<u>132,867,715</u>
	<u>\$869,367,222</u>	<u>\$977,045,370</u>	<u>\$1,063,438,242</u>	<u>\$1,154,074,962</u>	<u>\$1,239,040,241</u>	<u>\$1,284,954,759</u>
	10.95%	9.29%	9.33%	8.40%	8.80%	9.37%

Nueces County, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years
September 30, 2018

Combination Tax and Revenue Certificates of Obligation 2000, 2002, 2004, 2007 and 2015

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Solid Waste Fees	1,356	1,000	1,244	1,248
Total Revenues Available (1)	1,000	1,000	1,000	1,000
Debt Service Requirements				
Interest	6,031,276	5,834,759	5,632,640	5,155,948
Principal	3,885,000	4,255,000	4,670,000	5,724,865

(1) Per official statements, "not to exceed \$1000."

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1,568	1,984	1,872	1,940	2,368	1,060
1,000	1,000	1,000	1,000	1,000	1,000
4,923,149	4,639,571	4,311,152	4,653,564	4,922,104	5,006,208
6,031,337	6,419,915	6,714,187	7,184,854	7,591,221	9,172,156

Nueces County Texas
 Miscellaneous Statistical Data
 Last Ten Fiscal Years
 September 30 2018

Year	(1) Estimated Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Public School Enrollment Corpus Christi
2009	338,220	11,479,369	33,940	53,391
2010	340,314	12,184,494	35,804	52,993
2011	343,190	13,162,872	38,354	53,795
2012	347,816	13,706,561	39,408	53,968
2013	352,728	14,024,085	39,759	54,574
2014	356,325	14,883,008	41,768	54,911
2015	360,118	14,901,830	41,380	54,448
2016	361,250	14,743,237	40,800	54,292
2017	361,221	15,125,406	41,873	54,037
2018	369,142	not available	not available	53,743

Form of Government

A public corporation and political subdivision of the State of Texas.

Area - 847 Square Miles

Transportation

Air: American, United and Southwest
 Bus: Regional Transit Authority and 2 interstate bus lines
 Taxis: 6 taxicab services; 1 airport limousine service
 Highways (running to or through city): U.S. 77 and 181; Texas 35, 44, 257
 286, 358 and Interstate 37 and 69
 Rail: Union Pacific Burlington Northern/Santa Fe & Texas-Mexican Railway
 Motor Freight: 17
 Water: Steamship agencies representing dry cargo carriers and bulk
 carriers; canal barges that offer service to and from Corpus Christi
 on Intracoastal Canal.
 Port: The deepest port on the Gulf of Mexico; authorized to 45 (now 52) feet.
 Corpus Christi Harbor Bridge: Dedicated October 23, 1959; main span
 across the channel is 640 feet; 235 feet high with free vertical
 clearance under the span of 140 feet.

Communications

Publications:
 Newspaper - 1 morning (7 days a week) and 5 weekly; 2 daily business-
 Legal publications; 1 monthly magazine.
 Radio Stations: 22 with 15 FM stations and 3 spanish stations.
 Television stations: 8, 3 major networks, cable, public television,
 Spanish language stations and other independent stations.

- (1) Source: 2016 U.S. Census Bureau
- (2) Source: The Bureau of Economic Analysis
- (3) Source: Corpus Christi Independent School District Flour Bluff
 Calallen ISD Tuloso Midway ISD and West Oso ISD
- (4) Source: Bishop ISD Banquete ISD Agua Dulce ISD Port Aransas ISD,
 Driscoll ISD London ISD and Robstown ISD
- (5) Source: Texas Workforce Commission
- (6) Source: Port Authority - calendar year 2016
- (7) Source: Texas State Comptroller

(4) Public School Rural County	(5) Nueces County Unemployment Rate	(6) Port Tonmage	(7) Retail Sales
6,855	7.6%	56,857,481	3,917,568,280
6,963	7.6%	60,744,779	3,840,034,538
6,939	7.8%	61,858,320	4,288,389,104
7,058	5.7%	57,296,567	4,772,060,753
7,046	5.8%	65,544,987	5,169,529,102
7,043	4.8%	72,878,577	5,505,775,116
7,115	4.8%	77,890,428	7,500,324,301
7,193	6.0%	70,089,873	5,248,625,725
7,313	5.2%	75,003,446	5,119,216,442
7,332	4.6%	79,332,779	5,653,943,729



Nueces County, Texas
Principal Employers
Current Year and Nine Years Ago
September 30, 2018

Exhibit 18

Employer Name	2018			2009		
	Number of Employees	Rank	Percent of total County Employment	Number of Employees	Rank	Percent of total County Employment
Corpus Christi ISD	5,944	1	17.87%	5,178	2	16.34%
Naval Air Station Corpus Christi	4,500	2	13.53%	1,630	7	5.14%
H.E.B. Stores & Bakery	3,840	3	11.55%	5,000	3	15.77%
Christus Spohn Hospital	3,400	4	10.22%	5,400	1	17.04%
Corpus Christi Army Depot	3,400	4	10.22%	4,876	4	15.38%
City of Corpus Christi	3,202	5	9.63%	3,171	5	10.00%
Driscoll Children's Hospital	2,136	6	6.42%	1,500	9	4.73%
Corpus Christi Medical Center	1,885	7	5.67%	1,300	10	4.10%
Kiewit Offshore Services	1,750	8	5.26%	-	-	-
Bay, Ltd.	1,700	9	5.11%	2,100	6	6.63%
Del Mar College	1,500	10	4.51%	1,542	8	4.86%
Total	33,257		100.00%	31,697		100.00%
Total Employed in the County ⁽¹⁾	157,908			154,451		

Source: Corpus Christi Regional Economic Development Corporation
(1) Bureau of Labor Statistics

Nueces County, Texas
 Construction and Commercial Permits Valuations
 Last Ten Fiscal Years
 September 30, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New Construction (1)				
Residential				
Dwelling Units	806	913	880	1,217
Permits	738	657	660	951
Valuation	93,209,375	98,637,278	118,003,701	178,113,660
Commercial				
Permits	140	190	214	198
Valuation	<u>60,853,477</u>	<u>118,984,064</u>	<u>172,797,003</u>	<u>155,968,117</u>
Total Permits Valuations	<u>154,062,852</u>	<u>217,621,342</u>	<u>290,800,704</u>	<u>334,081,777</u>

(1) Source: City of Corpus Christi Building Division (Calendar Year)

Exhibit 19

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1,790	1,367	1,090	954	865	952
976	998	1,090	954	865	952
193,356,876	183,877,132	191,238,582	176,846,614	154,152,293	165,647,055
196	272	311	269	137	138
<u>105,906,153</u>	<u>210,751,936</u>	<u>243,951,272</u>	<u>310,971,822</u>	<u>407,641,669</u>	<u>292,864,942</u>
<u>299,263,029</u>	<u>394,629,068</u>	<u>435,189,854</u>	<u>487,818,436</u>	<u>561,793,962</u>	<u>458,511,997</u>

**Nueces County, Texas
Housing & Motor Vehicle Sales Volume
Last Ten Fiscal Years
September 30, 2018**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Home Sales Volume(1)	535,561,527	524,798,817	534,980,028	689,413,715
Units Sold(1)	3,444	3,445	3,396	4,058
Median Price Real Estate(1)	134,800	136,500	135,700	142,300
Registered Vehicles(2)	268,198	269,639	276,139	285,373
Motor vehicle sales tax(3)	33,145,384	35,560,228	46,167,854	56,734,057

Source:

(1) Real Estate Center at Texas A&M University

(2) Texas Department of Transportation

(3) Nueces Tax Office

Exhibit 20

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
829,025,327	930,473,282	996,087,857	884,478,979	874,706,343	949,356,771
4,589	4,690	4,811	4,156	3,889	4,322
152,200	168,600	178,700	186,900	189,765	191,392
292,278	300,564	301,993	289,017	285,911	287,512
65,516,565	67,508,283	67,756,629	62,301,881	58,197,613	65,387,700

Nueces County, Texas
 Full-Time Equivalent
 County Government Employees by Function Last Ten Fiscal Years
 September 30, 2018

	<u>08/09</u>	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>
General Government	183	183	183	184
Buildings & Facilities	41	41	41	41
Administration of Justice	359	358	355	355
Law Enforcement & Corrections	384	385	384	388
Social Services	36	36	36	36
Health, Safety & Sanitation	23	23	22	18
Agr, Ed & Consumer Sciences	16	16	16	16
Roads, Bridges & Airport	91	92	92	92
Parks & Recreation	38	38	38	40
Total Employee Positions	<u>1,171</u>	<u>1,172</u>	<u>1,167</u>	<u>1,170</u>

Source: Nueces County Clerk, adopted annual budgets.

Exhibit 21

<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>
184	190	197	201	205	195
39	37	37	37	39	39
308	307	307	308	307	306
442	444	444	446	448	456
36	36	36	36	37	36
28	55	57	55	57	48
15	15	15	16	16	16
93	93	93	93	93	92
40	42	42	46	46	46
<u>1,184</u>	<u>1,219</u>	<u>1,227</u>	<u>1,238</u>	<u>1,247</u>	<u>1,234</u>

Nueces County, Texas
 Operating Indicators by Function/Program
 Last Ten Fiscal Years
 September 30, 2018

	2009	2010	2011	2012
Administration of Justice				
JP Courts				
Cases Filed	29,851	99,578	27,150	22,041
Cases Disposed	26,941	24,095	22,532	15,833
Cases Appealed	85	87	83	4
County Courts at Law				
Civil Cases Filed	1,969	2,002	2,425	2,242
Child Protective Services	231	207	192	181
Civil Cases Disposed	1,967	1,910	2,474	2,378
Criminal Cases Filed	8,952	8,590	6,963	7,826
Criminal Cases Disposed	10,925	9,353	8,126	7,350
District Courts				
Civil Cases Filed	7,649	7,261	7,945	6,322
Child Protective Services	1	1	1	1
Civil Cases Disposed	8,094	7,401	6,561	6,414
Criminal Cases Filed	5,304	4,608	3,138	2,878
Criminal Cases Disposed	5,236	5,027	4,501	4,813
Juvenile				
Juvenile Cases Filed	345	242	184	243
Juvenile Cases Disposed	372	242	74	249
General Government				
County Clerk Filing	99,206	80,715	73,729	85,517

(1) Information required for GASB Statement 44 not previously tracked before this fiscal year
 Sources:

Office of Court Administration
 Nueces County District Clerk

Exhibit 22

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
25,797	22,079	17,702	15,529	18,995	25,676
75,316	20,231	19,795	23,386	15,467	19,723
112	97	99	136	119	119
2,057	2,174	2,367	2,463	2,110	1,900
152	229	249	346	396	383
1,836	1,944	2,190	2,269	2,120	1,892
7,868	8,912	6,627	4,960	3,347	6,807
8,142	7,489	7,030	6,520	7,012	5,007
6,472	6,308	6,657	6,945	6,408	7,072
1	1	28	21	3	2
6,126	5,721	4,844	5,752	7,254	7,233
2,795	3,055	2,941	2,685	1,989	3,199
4,728	4,668	4,642	4,032	4,423	5,912
244	175	139	151	131	1,183
295	261	222	231	109	191
110,525	147,679	99,254	96,330	92,062	81,095

Nueces County, Texas
 Capital Asset Statistics By Function
 Last Ten Fiscal Years
 September 30, 2018

<u>Functions</u>	2009	2010	2011	2012
General Government				
Number of Vehicles	6	7	6	11
Number of Buildings	2	2	2	2
Administration of Justice				
Number of Buildings	5	5	5	4
Number of Vehicles	9	7	9	8
Law Enforcement				
Number of Buildings	2	2	2	2
Jail Capacity - Main Jail	656	656	656	656
Jail Capacity - McKenzie Jail	412	412	412	412
Number of Vehicle	106	107	104	113
Health, Safety, and Sanitation				
Number of Vehicles	12	12	12	10
Social Services				
Number of Buildings	2	2	2	2
Number of Vehicles	9	8	9	8
Roads, Bridges, and Transportation				
Number of Buildings	13	14	14	14
Number of Bridges	80	80	80	80
Number of Miles (Paved Roads)	475	475	475	475
Number of Miles (Improved Caliche Roads)	50	50	50	50
Number of Miles (Dirt Roads)	178	178	178	178
Number of Vehicles	51	49	51	57
Parks and Recreation				
Number of Buildings	32	32	35	25
Number of Parks	13	13	13	13
Number of Vehicles	17	21	22	22
Building and Facilities				
Number of Buildings	26	26	26	37
Number of Vehicles	11	11	10	13
Agriculture, Education, Consumer Science				
Number of Vehicles	4	4	4	4

2013	2014	2015	2016	2017	2018
11	11	6	19	22	28
2	2	2	2	2	2
4	4	4	4	4	4
6	7	7	7	7	7
2	2	2	2	2	2
656	656	656	656	656	656
412	412	412	412	412	412
102	105	122	119	119	129
11	11	11	11	12	13
2	2	2	2	2	2
13	12	8	8	8	8
14	14	17	17	17	17
80	80	80	80	80	80
475	475	475	475	475	475
50	50	50	50	50	50
178	178	178	178	178	178
54	55	54	52	57	60
25	25	25	25	25	25
13	13	13	13	13	13
22	22	21	22	23	23
36	36	37	37	37	37
17	16	11	11	11	11
4	4	3	4	4	4



Nueces County, Texas
Salaries and Surety Bonds of Elected Officials
September 30, 2018

Exhibit 24

Official Title	Incumbent	Budget Salary	Surety Bond	Term Ending Dates
Elected Officials:				
Commissioner, Precinct 1	Carolyn Vaughn	\$77,140	\$3,000	12/31/2020
Commissioner, Precinct 2	Joe A. Gonzalez	81,045	3,000	12/31/2018
Commissioner, Precinct 3	John Marcz	77,140	3,000	12/31/2020
Commissioner, Precinct 4	Brent Chesney	77,140	3,000	12/31/2018
County Judge	Samuel L. Neal, Jr.	101,388	10,000	12/31/2018
County Attorney	Laura A. Jimenez	121,920	2,500	12/31/2020
County Clerk	Kara Sands	82,049	500,000	12/31/2018
Assessor-Collector of Taxes	Kevin Kieschnick	79,068	100,000	12/31/2020
District Clerk	Anne Lorentzen	85,148	100,000	12/31/2018
Sheriff	Jim Kaelin	90,583	30,000	12/31/2020
County Court At Law Judge, Court At Law 1	Robert J. Vargas	157,000	10,000	12/31/2018
County Court At Law Judge, Court At Law 2	Lisa Gonzales	157,000	10,000	12/31/2018
County Court At Law Judge, Court At Law 3	Decanne Galvan	157,000	10,000	12/31/2018
County Court At Law Judge, Court At Law 4	Mark Woerner	157,000	10,000	12/31/2018
County Court At Law Judge, Court At Law 5	Timothy McCoy	157,000	10,000	12/31/2018
District Judge, 28th District Court	Nanette Hasette	18,000	N/A (1)	12/31/2020
District Judge, 94th District Court	Bobby Galvan	18,000	N/A (1)	12/31/2018
District Judge, 105th District Court	Jack Pulcher	18,000	N/A (1)	12/31/2018
District Judge, 117th District Court	Sandra Watts	18,000	N/A (1)	12/31/2018
District Judge, 148th District Court	Guy Williams	18,000	N/A (1)	12/31/2018
District Judge, 214th District Court	Inna Klein	18,000	N/A (1)	12/31/2020
District Judge, 319th District Court	David Stith	18,000	N/A (1)	12/31/2018
District Judge, 347th District Court	Missy Medary	18,000	N/A (1)	12/31/2020
District Attorney	Mark Gonzalez	12,000	5,000 (1)	12/31/2020
Constable, Precinct 1	Robert Cisneros	59,701	1,500	12/31/2020
Constable, Precinct 2	Mitchell Clark	54,086	1,500	12/31/2020
Constable, Precinct 3	Jimmy Rivera	56,824	5,000	12/31/2020
Constable, Precinct 4	Robert W. Sherwood	59,701	1,500	12/31/2020
Constable, Precinct 5	Frank Flores III	59,701	1,500	12/31/2020
Justice of the Peace, Pet. 1, Place 1	Joe Benavides	59,057	5,000	12/31/2020
Justice of the Peace, Pet. 1, Place 2	Henry A. Santana	63,598	5,000	12/31/2018
Justice of the Peace, Pet. 1, Place 3	The Late Roberto Balderas	63,598	5,000	12/31/2018
Justice of the Peace, Pet. 2, Place 1	Jo Woolsey	57,616	5,000	12/31/2020
Justice of the Peace, Pet. 2, Place 2	Thelma Rodriguez	63,598	5,000	12/31/2018
Justice of the Peace, Pet. 3	Larry Lawrence	57,616	5,000	12/31/2018
Justice of the Peace, Pet. 4	Duncan Neblett, Jr.	63,598	5,000	12/31/2018
Justice of the Peace, Pet. 5, Place 1	Roberto H Gonzalez Jr.	63,598	5,000	12/31/2020
Justice of the Peace, Pet. 5, Place 2	Hermilo Peña, Jr.	63,598	5,000	12/31/2018

Notes:

(1) Official of the State of Texas. Salary represents County portion only.

Nueces County, Texas
 Summary of Insurance Coverage
 Last Ten Fiscal Years
 September 30, 2018

Type of Coverage	Premiums Paid FY 08-09	Premiums Paid FY 09-10	Premiums Paid FY 10-11	Premiums Paid FY 11-12
Property Without Excess Windstorm	123,117	111,913	123,259	136,120
Primary Windstorm	378,162	1,028,516	755,168	858,524
Subtotal Windstorm	501,279	1,140,429	878,427	994,644
Flood Insurance	84,397			
Building and Contents		76,260	83,441	91,802
Excess Flood	80,012	56,323	56,530	56,415
Subtotal Flood	164,409	132,583	139,971	148,217
Inland Marine:	13,212	5,939	7,418	7,051
Subtotal Inland Marine	13,212	5,939	7,418	7,051
Public Official Employee Liability	33,435	24,567	31,361	30,153
Crime Policy Includes Dishonesty Money & Securities	2,783	2,783	2,783	2,783
Auto Liability Blanket	119,122	111,242	115,029	106,706
Airport Hangar keepers Legal	3,783	2,888	2,837	2,258
Total	838,023	1,420,431	1,177,826	1,291,812

Exhibit 25

Premiums Paid FY 12-13	Premiums Paid FY 13-14	Premiums Paid FY 14-15	Premiums Paid FY 15-16	Premiums Paid FY 16-17	Premiums Paid FY 17-18
154,343	179,542	179,542	152,646	234,470	234,660
845,948	824,545	747,536	961,438	971,775	868,350
1,000,291	1,004,087	927,078	1,114,084	1,206,245	1,103,010
86,043	98,677	106,988	101,844	115,829	110,154
61,324	65,228	64,001	63,640	59,728	59,728
147,367	163,905	170,989	165,484	175,557	169,882
7,418	7,785	7,785	7,826	7,474	7,474
7,418	7,785	7,785	7,826	7,474	7,474
32,771	32,771	32,771	35,805	35,175	44,337
4,231	4,397	4,700	5,000	4,700	5,025
87,812	91,902	91,180	118,545	91,561	96,791
2,258	1,734	1,734	3,258	1,734	1,770
1,282,148	1,306,581	1,236,237	1,450,002	1,522,446	1,428,289



FEDERAL AND STATE AWARDS
PROGRAMS





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

The Honorable County Judge and
Commissioners' Court
Nueces County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Nueces County, Texas as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Nueces County, Texas' basic financial statements, and have issued our report thereon dated March 29, 2019.

Internal Control over Financial Reporting

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 29, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM
GUIDANCE AND THE STATE OF TEXAS *UNIFORM
GRANT MANAGEMENT STANDARDS***

The Honorable County Judge and
Commissioners' Court
Nueces County, Texas

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Nueces County, Texas' 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Texas *Uniform Grant Management Standards* ("UGMS"). Those standards, the Uniform Guidance, and UGMS 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 or state program occurred. An audit includes examining, on a test basis, evidence about Nueces County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



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 Nueces County, Texas' compliance.

Opinion on Each Major Federal and State Program

In our opinion, Nueces County, Texas 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.

Report on Internal Control over Compliance

Management of Nueces County, Texas 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 Nueces County, Texas' 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 UGMS, 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 Nueces County, Texas' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 29, 2019

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

Summary of Auditors' Results

Financial Statements:
 Type of auditors' report issued Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? None

Federal and State Awards:
 Internal control over major programs:
 Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance
 for major programs Unmodified

Any audit findings disclosed that are required to be reported
 in accordance with Uniform Guidance or *the State of Texas*
Single Audit Circular? None

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal or State Program or Cluster:</u>
14.228	Community Development Block Grant
93.563	Child Support Enforcement Grant
97.067	Homeland Security Grant Program
State	Indigent Defense Formula Grant

Dollar threshold used to distinguish between type A
 and type B federal programs \$750,000

Dollar threshold used to distinguish between type A and type
 B state programs \$300,000

Auditee qualified as low-risk auditee for federal single audit? Yes

Auditee qualified as low-risk auditee for state single audit? Yes

**Findings Related to the Financial Statements Which Are
 Required to be Reported in Accordance With Generally
 Accepted Government Auditing Standards**

None

Findings and Questioned Costs for Federal and State Awards

None

NUECES COUNTY, TEXAS
Corrective Action Plan
For The Year Ended September 30, 2018

None Required

NUECES COUNTY, TEXAS
Schedule of Prior Audit Findings
For The Year Ended September 30, 2018

None Noted

NUECES COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

FEDERAL / STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES, INDIRECT COSTS AND REFUNDS	PASS THROUGH AMOUNT TO RECIPIENTS
FEDERAL AWARDS:				
US DEPARTMENT OF AGRICULTURE				
Pass Through: Texas Department of Agriculture				
3499-4464 School Breakfast Program	10.533	01216	23,549	-
3490-4469 National School Lunch Program	10.535	01216	37,460	-
3492-4469 Emergency Assistance Program (Food Commodities)	10.569	01216	3,429	-
TOTAL CLUSTER PROGRAM:			64,438	-
2058 NSLP Equipment Assistance Grant	10.579	6TX300353	24,999	-
TOTAL US DEPARTMENT OF AGRICULTURE:			89,437	-
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass Through: Texas Department of Agriculture				
2792 Community Development Block Grant	14.228	7214085	224,723	-
2794 Community Development Block Grant	14.228	7215115	4,658	-
Total CFDA 14.228			229,381	-
TOTAL US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			229,381	-
US DEPARTMENT OF THE INTERIOR				
Direct Grant				
1307 Gulf of Mexico Energy Security Act Program	15.435	664025911	6,949	-
TOTAL US DEPARTMENT OF THE INTERIOR			6,949	-
US DEPARTMENT OF JUSTICE:				
Pass Through: US Attorney, SW Region (OCDETF) State & Local Overtime and Authorized Expense Agreement				
2228	16.111	SW-TXS-1051	18,141	-
Direct Grant				
3720-4463 State Criminal Alien Assistance Program	16.006	2017-AP-DX-0043	39,966	-
Pass Through: Texas Office of the Governor - Criminal Justice Division				
2077 Juvenile Justice and Delinquency Prevention	16.540	2315207	3,190	-
2018 Victims of Crime Act Formula Grant Program	16.575	2987403	44,000	-
3948 Edward Byrne Memorial J.A.G. Program	16.738	3183302	8,000	-
Through: City of Corpus Christi				
2397 Edward Byrne Memorial J.A.G. Program	16.738	2015-DJ-BX-0616	7,394	-
2358 Edward Byrne Memorial J.A.G. Program	16.738	2016-DJ-BX-0829	50,845	-
2399 Edward Byrne Memorial J.A.G. Program	16.738	2017-DJ-BX-0571	1,862	-
TOTAL CFDA 16.738			63,101	-
TOTAL US DEPARTMENT OF JUSTICE			168,398	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass Through: Texas State Library & Archives Commission				
2159 Grants to States	45.310	478-18016	69,222	-
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			69,222	-
US ENVIRONMENTAL PROTECTION AGENCY				
Pass Through: Texas Water Development Board				
2793 Capitalization Grants for Drinking Water-State Revolving Fund	66.468	LF1000340	18,994	-
2795 Capitalization Grants for Drinking Water-State Revolving Fund	66.468	LF1000661	191,491	-
Total CFDA Number 66.468			210,485	-
Pass Through: Texas General Land Office				
2638 Beach Monitoring & Notification Program Implementation Grants	66.472	16-099-000-9299-02	92,230	-
2639 Beach Monitoring & Notification Program Implementation Grants	66.472	16-099-000-9299-03	13,380	-
Total CFDA Number 66.472			105,610	-
TOTAL US ENVIRONMENTAL PROTECTION AGENCY			316,095	-
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass Through: Texas Department of Aging and Disability Services Through: Coastal Bend Council of Governments:				
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers, Title III, B				
4190-4445	93.044	AA3-0848-11	21,633	-
4190-4446	93.045	AA3-0848-11	57,484	-
4190-4447	93.045	AA3-0848-11	63,369	-
Total Cluster			142,486	-
Pass Through: Texas Health and Human Services Commission				
2557 Public Health Emergency Preparedness	93.069	537-18-0349-00001	132,479	-
2698 Public Health Emergency Preparedness	93.074	537-18-0172-00001	169,953	-
2699 Public Health Emergency Preparedness	93.074	537-18-0172-00001-	90,543	-
Total CFDA 93.074			392,975	-

NUECES COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

FEDERAL / STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES, INDIRECT COSTS AND REFUNDS	PASS THROUGH AMOUNT TO RECIPIENTS
FEDERAL AWARDS - continued				
2557 Epidemiology and Laboratory Capacity for Infectious Diseases Through: Office of the Attorney General	93.323	537-18-0349-00001	\$ 180,917	\$ -
3530-4363 Child Support Enforcement	93.563	17-C0061	\$ 223,013	\$ -
3530-4365 Child Support Enforcement	93.563	17-C0061	583	-
3540-4365 Child Support Enforcement	93.563	00-3721,00-082010	13,316	-
	Total CFDA 93.563		\$ 236,913	\$ -
Through: Texas Department of Family and Protective Services				
1317-16 Title IV-E Foster Care	93.658	TJJD-E-2016-178	\$ 7,605	\$ -
1317-17 Title IV-E Foster Care	93.658	TJJD-E-2017-178	47,881	-
1317-18 Title IV-E Foster Care	93.658	TJJD-E-2018-178	31,800	-
1130 Title IV-E Foster Care Legal Services	93.658	23940957	55,046	-
4130 Title IV-E Foster Care Child Welfare Services	93.658	23940956	30,257	-
	Total CFDA 93.658		\$ 172,589	\$ -
Pass Through: Department of Aging and Disability Services				
4190-4450 Social Services Block Grant	93.667	167600	\$ 19,138	\$ -
US DEPARTMENT OF HEALTH AND HUMAN SERVICES - continued				
Pass Through: Department of State Health Services				
2597 HIV Prevention Health Department Based	93.940	2016-001347-02	\$ 22,372	\$ -
2598 HIV Prevention Health Department Based	93.940	2016-001347C	81,107	-
	Total CFDA 93.940		\$ 103,479	\$ -
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 1,208,497	\$ -
EXECUTIVE OFFICE OF THE PRESIDENT				
Pass Through: Office of National Drug Control Policy				
2377 High Intensity Drug Trafficking Area Programs	95.001	G178N0007A	\$ 64,073	\$ -
2378 High Intensity Drug Trafficking Area Programs	95.001	G184N0007A	14,371	-
	Total CFDA 95.001		\$ 78,444	\$ -
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			\$ 78,444	\$ -
US DEPARTMENT OF HOMELAND SECURITY				
Pass Through: United Way				
1350 Emergency Food and Shelter National Board Program	97.024	34-8284-00-001	3,195	-
2168 Emergency Food and Shelter National Board Program	97.024	35-8284-00-001	12,500	-
	Total CFDA 97.024		\$ 15,694	\$ -
Pass Through Department of Public Safety				
0104 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01097	\$ 14,940	\$ -
0104 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW00833	5,130	-
0104 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01502	9,099	-
0104 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW02015	4,579	-
0104 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01096	3,715	-
0104 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01095	53,446	-
0104 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01182	28,309	-
0104 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW02700	10,152	-
0104 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01723	137,291	-
2463 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4223-PW01413	6,938	-
2471 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4223-PW01535	2,120	-
2472 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4223-PW1820	5,540	-
	Total CFDA 97.036		\$ 281,259	\$ -
2465 Hazard Mitigation Grant Program	97.039	HMGF DR-4223-008	\$ 2,062	\$ -
2470 Hazard Mitigation Grant Program	97.039	HMGF DR-4245-007	13,260	-
	Total CFDA 97.039		\$ 15,322	\$ -
5105 Emergency Management Performance Grant	97.042	18TX-EMPG-578	31,806	-
Pass Through Texas Office of the Governor-HSGD				
2767 Homeland Security Grant Program	97.067	3400801	\$ 8,488	\$ -
2415 Homeland Security Grant Program	97.067	3173501	75,924	-
2416 Homeland Security Grant Program	97.067	3173502	147,554	2,489
2417 Homeland Security Grant Program	97.067	3173503	42,115	-
	Total CFDA 97.067		\$ 274,081	\$ 2,489
TOTAL US DEPARTMENT OF HOMELAND SECURITY			\$ 618,162	\$ 2,489
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,784,583	\$ 1,489

NUECES COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

FEDERAL / STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CEDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES, INDIRECT COSTS AND REFUNDS	PASS THROUGH AMOUNT TO RECIPIENTS
STATE AWARDS:				
TEXAS DEPARTMENT OF AGRICULTURE				
4190-4450 Texans Feeding Texans - HDM Pass through: Texas A&M AgriLife Extension Service	N/A	HDM-18-3148	\$ 28,202	\$ -
2448 Hog Abatement Grant	N/A	LF 6079/18	\$ 16,644	\$ -
TOTAL TEXAS DEPARTMENT OF AGRICULTURE			<u>\$ 44,846</u>	<u>\$ -</u>
DEPARTMENT OF STATE HEALTH SERVICES				
Pass through: Texas Health and Human Services Commission				
2618 HIV Surveillance	N/A	537-18-0368-00001	\$ 38,560	\$ -
TOTAL DEPARTMENT OF STATE HEALTH SERVICES			<u>\$ 38,560</u>	<u>\$ -</u>
TEXAS DEPARTMENT OF TRANSPORTATION				
2118 Routine Airport Maintenance Program	N/A	M1816ROBS	\$ 23,858	\$ -
2119 Routine Airport Maintenance Program	N/A	M1916ROBS	168	-
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION			<u>\$ 24,026</u>	<u>\$ -</u>
TEXAS INDIGENT DEFENSE COMMISSION				
2067 Technical Support Grant	N/A	18-TS-178	\$ 105,821	\$ -
3300 Indigent Defense Formula Grant	N/A	212-18-178	261,726	-
3300 Indigent Defense Formula Grant	N/A	EX-18-178	180,115	-
3300 Indigent Defense Formula Grant	N/A	GRSF-18-178	18,652	-
TOTAL TEXAS INDIGENT DEFENSE COMMISSION			<u>\$ 566,314</u>	<u>\$ -</u>
TEXAS OFFICE OF THE GOVERNOR-CRIMINAL JUSTICE DIVISION				
2078 Juvenile Justice Mental Health Program	N/A	3325901	\$ 54,908	\$ -
2438 Rifle-Resistant Body Armor Grant Program	N/A	3495401	55,730	-
TOTAL OFFICE OF THE GOVERNOR-CRIMINAL JUSTICE DIVISION			<u>\$ 110,638</u>	<u>\$ -</u>
TEXAS VETERANS COMMISSION				
2178 Veterans Assistance Grant	N/A	FVA_17_0423	\$ 105,819	\$ -
2179 Veterans Assistance Grant	N/A	FVA_18_0530	56,180	-
TOTAL TEXAS VETERANS COMMISSION:			<u>\$ 161,999</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 946,381</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS:			<u>\$ 3,730,964</u>	<u>\$ 2,489</u>

NUECES COUNTY, TEXAS

Notes to Schedule of State/Federal Awards

For the year ended September 30, 2018

1. General

The accompanying Schedule of State/Federal Awards presents the activity of all State and Federal Awards programs of Nueces County, Texas. The reporting entity, Nueces County (the County) was created and organized by the State of Texas in 1846 from San Patricio County. The principal city and county seat is the City of Corpus Christi. Nueces County operates as a subdivision of the State of Texas and is governed by the Commissioners Court. All State and Federal Awards received directly from Federal agencies and passed through to other governmental agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of State/Federal Awards is presented using the modified accrual basis of accounting. Grant revenues are recognized as soon as all eligibility requirements imposed by the provider have been met. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

3. Basic Financial Statements

State and Federal Awards revenues are reported in the County's basic financial statements as follows:

<u>Special Revenue Funds</u>			<u>Federal</u>	<u>State</u>	<u>Total</u>
			\$ 2,164,534	\$ 457,687	\$ 2,622,221
(13)	\$ 364,091	(13)	\$		
(20)	1,800,443	(20)	457,687		
Federal \$	<u>2,164,534</u>	State \$	<u>457,687</u>		
		General Fund (11)	616,620	488,694	1,105,314
		Commodities (11)	<u>3,429</u>	<u>-0-</u>	<u>3,429</u>
		TOTAL	<u>\$ 2,784,583</u>	<u>\$ 946,381</u>	<u>\$ 3,730,964</u>

4. Relationship to State/Federal Financial Reports

Amounts reported in the Schedule of State/Federal Awards are in agreement with the amounts reported in the related Federal financial reports filed with grantor agencies. The schedule of expenditures of federal/state awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and by the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning and is also not a required part of the financial statements.

5. Commodities Valuation

The Juvenile Probation Department receives allotments of donated commodity items from the United States Department of Agriculture. A unit cost list provided by the Department is used to determine the valuation of the Federal/State financial assistance. Ending inventory is valued at cost.

6. Requests for Information

This financial report is designed to provide a general review of Nueces County's State and Federal Financial Awards for the Fiscal Year Ended September 30, 2018. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Dale Atchley, CPA
County Auditor
901 Leopard St., Rm. 304
Corpus Christi, Texas 78401
(361) 888-0556 Phone
(361) 888-0584 Fax

Anna Velazquez
Supervisor Payroll and Grants
901 Leopard St., Rm. 304
Corpus Christi, Texas 78401
(361) 888-0612 Phone
(361) 888-0584 Fax

Key Staff Listing

**All county personnel can be contacted at the Nueces County Courthouse located at 901
Leopard St. Corpus Christi, TX 78401**

Honorable Judge Barbara Canales; Nueces County Judge

Contact Information: 361-888-0444; barbara.canales@nuecesco.com

Barbara Canales was elected Nueces County Judge on November 6, 2018. She was born and raised in Corpus Christi, Texas. Barbara was valedictorian of the W. B. Ray High School graduating class of 1984. She was offered a Presidential Scholarship Award to attend the University of Texas (UT). She earned a degree in Petroleum Engineering from U.T. in 1989. Barbara went to the University of Houston School of Law and earned her Juris Doctorate degree in 1992. From 1992 to 2004, Barbara was co-owner of an independent oil and gas exploration and production company active in the development of natural gas reserves in South Texas. In 2004, she formed her own exploration and production company, Canales Exploration LLC; and later became a partner in the real estate investment firm Mother Ocean LLC. Barbara also maintained an active law practice in Corpus Christi until her 2018 election to become Nueces County Judge. Barbara served as the Nueces County appointee to the Port of Corpus Christi Commission for three terms. She was an officer of the Port Commission when she resigned from that position after taking office as Nueces County Judge on January 1, 2019. Barbara is the mother of five adult children - Caroline, David, Natalie, Daniel and Jacqueline. She has a long history of civic and community engagement in Nueces County.

Dale Atchley; County Auditor

Contact Information: 361-888-0556; dale.atchley@nuecesco.com

Dale Atchley took office on April 16, 2013 and is a CPA. He is Appointed by the district judge(s). His duties as County auditor include:

- Prepares and administers accounting records for all county funds.
- Audits the records and accounts of the various county departments.
- Verifies the validity and legality of all county disbursements.
- Forecasts financial data for budgetary formulation purposes.
- Serves as budget officer in counties with more than 225,000 residents. (Counties with more than 125,000 residents may opt for an appointed budget officer.)

Laura Jimenez; County Attorney

Contact information: 361-888-0391; laura.jimenez@nuecesco.com

Laura Garza Jimenez, who is licensed in state and federal courts, along with her staff of seventeen employees proudly serve the people of Nueces County. The Chief of Litigation, the Chief of Administrative Services, and support staff sustain the functions and operations of the Nueces County Attorney's office.

Juan Pimentel; Director of Public Works Department

Contact Information: 361-888-0491; juan.pimentel@nuecesco.com

The mission of the Department of Public Works is to manage and operate the County's system of roads and bridges, provide facilities management services for the County's buildings, and provide engineering services and management for various county programs.

Maria Bedia; Grants Administrator

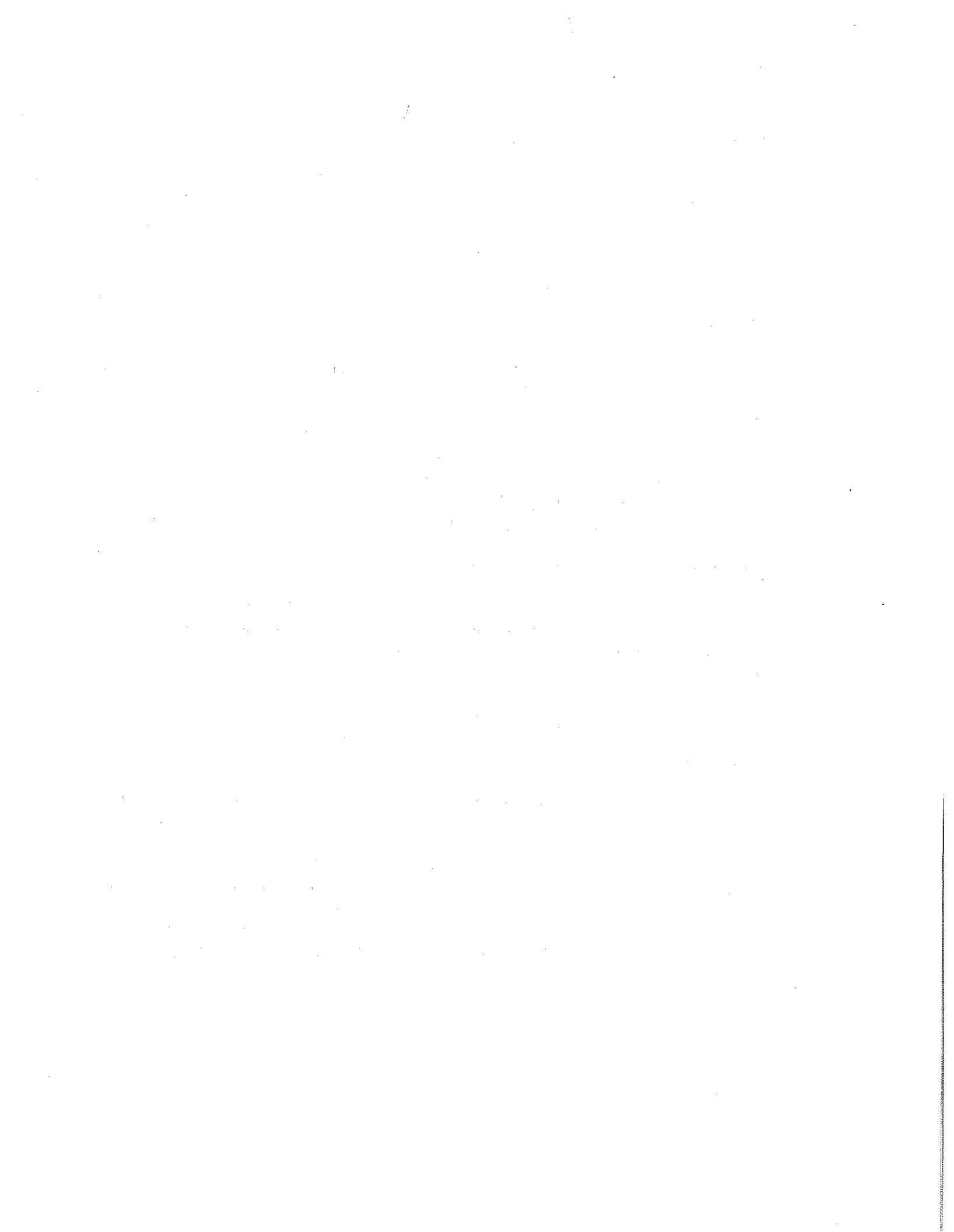
Contact information: 361-888-0225; maria.bedia@nuecesco.com

It is vision of the Nueces County Grants Administration Department to continually provide first-rate grants administration services to the departments within Nueces County for the betterment of the County as a whole. We are committed to serving all County departments in providing grant support from the application phase to implementation and finally, project closeout. We understand that the welfare of our citizens is a priority and that grant funding can be a useful tool in making a potential project into a reality. We encourage successful collaborations between our office, other departments and external partners to ensure quality work and to improve our success rate in obtaining grant funds that ultimately provide a great service to the County and its citizens by saving taxpayer dollars.

Natalie Eckstrom; Grants Writer/Coordinator

Contact information: 361-888-0225; natalie.eckstrom1@nuecesco.com

It is vision of the Nueces County Grants Administration Department to continually provide first-rate grants administration services to the departments within Nueces County for the betterment of the County as a whole. We are committed to serving all County departments in providing grant support from the application phase to implementation and finally, project closeout. We understand that the welfare of our citizens is a priority and that grant funding can be a useful tool in making a potential project into a reality. We encourage successful collaborations between our office, other departments and external partners to ensure quality work and to improve our success rate in obtaining grant funds that ultimately provide a great service to the County and its citizens by saving taxpayer dollars.



Nueces County

Purchasing Policy and Procedures Manual



Office of the Nueces County Purchasing Agent

**Adopted March 17, 2010
REVISED February 24, 2016, February 7, 2018**

Nueces County Purchasing Policy and Procedures Table of Contents

CHAPTER 1: INTRODUCTION-----	1
CHAPTER 2: PURCHASING AUTHORITY AND POLICY-----	3
CHAPTER 3: NUECES COUNTY PURCHASING CODE OF ETHICS-----	5
CHAPTER 4: PURCHASING AGENT AUTHORITY AND RESPONSIBILITIES-----	9
CHAPTER 5: PURCHASING PROCESS, POLICY, ROLES AND RESPONSIBILITIES-----	10
CHAPTER 6: PROCUREMENT CARD POLICY AND PROCEDURES-----	13
CHAPTER 7: OTHER GENERAL PURCHASING POLICIES-----	14
CHAPTER 8: THE REQUISITIONING PROCESS-----	18
CHAPTER 9: OPEN MARKET PURCHASES UNDER \$50,000-----	21
CHAPTER 10: SPECIFICATIONS-----	23
CHAPTER 11: COMPETITIVELY SOLICITED PURCHASES EXCEEDING \$50,000-----	25
CHAPTER 12: STATE PURCHASING PROGRAMS-----	33
CHAPTER 13: COOPERATIVE PURCHASING AGREEMENTS-----	35
CHAPTER 14: PROCUREMENT OF PROFESSIONAL SERVICES-----	37
CHAPTER 15: CONSTRUCTION PROCUREMENT-----	42
CHAPTER 16: EXEMPTIONS TO THE COMPETITIVE PROCUREMENT PROCESS-----	48
CHAPTER 17: RENEWAL OF EQUIPMENT LEASES AND MAINTENANCE CONTRACTS-----	51
CHAPTER 18: RECEIPT OF GOODS-----	52
CHAPTER 19: CONTRACT MODIFICATIONS-----	54
CHAPTER 20: CONTRACT ADMINISTRATION-----	55
CHAPTER 21: PROFESSIONAL DEVELOPMENT AND CERTIFICATION-----	59
CHAPTER 22: SALE OR LEASE OF COUNTY PROPERTY-----	61
CHAPTER 23: DISPOSITION OF SALVAGE OR SURPLUS PROPERTY CERTIFICATION-----	62
CHAPTER 24: MISCELLANEOUS PROCEDURES-----	63
CHAPTER 25: DEFINITIONS-----	64
TABLE OF EXHIBITS-----	70
EXHIBIT 1: PURCHASING DEPARTMENT ORGANIZATIONAL CHART-----	71
EXHIBIT 2: EXAMPLE NUECES COUNTY CONFIDENTIALITY MEMORANDUM-----	72
EXHIBIT 3: DISCLOSURE OF CERTAIN RELATIONSHIPS--FILED BY VENDOR-- CONFLICT OF INTEREST QUESTIONNAIRE-----	74
EXHIBIT 3A: DISCLOSURE OF CERTAIN RELATIONSHIPS FILED BY LOCAL GOVERNMENT OFFICER-- CONFLICTS DISCLOSURE STATEMENT-----	75
EXHIBIT 3B: DISCLOSURE OF CERTAIN RELATIONSHIPS -- RELATIONSHIP CHART-----	80
EXHIBIT 4: PURCHASE ORDER STANDARD TERMS AND CONDITIONS-----	82
EXHIBIT 5: NUECES COUNTY POLICY FOR MOBILE AND TELEPHONIC USAGE-----	89
EXHIBIT 6: PURCHASING PROCESS ROLES AND RESPONSIBILITIES-----	95
EXHIBIT 7: POLICY AND PROCEDURES MANUAL PURCHASING CARD PROGRAM-----	98
EXHIBIT 8: OPEN MARKET REQUISITION CHECKLIST-----	148
EXHIBIT 9: ORDER OF COMMISSIONERS' COURT FOR EXTENSIONS-----	149

EXHIBIT 10: ORDER OF COMMISSIONERS' COURT FOR ADDENDA (S) -----	152
EXHIBIT 11: PROCUREMENT METHODS -----	155
EXHIBIT 12: ADOPTS THE PROCEDURE AS OUTLINED IN SALE OF LAND -----	156
EXHIBIT 13: ADOPTS THE PROCEDURE AS OUTLINED IN LEASE OF LAND -----	163
EXHIBIT 14: OUTLINE THE RULES FOR SURPLUS OR SALVAGE PROPERTY -----	167
EXHIBIT 15: ORDER OF COMMISSIONERS' COURT FOR EXEMPTIONS -----	198
EXHIBIT 16A: ORDER OF COMMISSIONERS' COURT FOR CONCESSIONAIRES -----	200
EXHIBIT 16B: ORDER OF COMMISSIONERS' COURT FOR COUNTY CAFÉ -----	207
EXHIBIT 17: ORDER OF COMMISSIONERS' COURT FOR PURCHASES BETWEEN \$25,000- \$50,000 -----	211
EXHIBIT 18: COMMISSIONERS' COURT INCREASED THRESHOLD TO \$5,000 FOR TRACKING FIXED ASSETS ---	214
EXHIBIT 19: COMMISSIONERS COURT AMENDMENT FOR INVOICES TO BE SENT TO USER DEPARTMENT -----	217
EXHIBIT 20: DEBARMENT POLICY -----	220
EXHIBIT 21: DISCLOSURE OF INTERESTED PARTIES – FORM 1295 -----	227

Special Thanks to Travis County and Travis Purchasing Agent for permitting Nueces County to model Nueces County Purchasing Manual like theirs

Chapter 1: Introduction

This manual provides County Departments enough information to make decisions necessary to request the purchase of goods and services needed to perform the functions of their offices effectively.

The mission of the Nueces County Purchasing Department is to:

- Ensure compliance with the County Purchasing Act as well as other state and federal laws applying to county purchasing;
- Provide equal access to all vendors, participating through competitive acquisition of goods and services;
- Provide the County Auditor with a physical inventory list of supplies material and equipment for each budget year. The County Auditor shall account for all County assets through an effective fixed asset management system (Exhibit 18); and
- Protect the interests of Nueces County taxpayers without regard to any undue influence or political pressures.

Public purchasing has several goals including:

- purchasing the proper goods and services;
- obtaining the best possible price for the goods or services, without sacrificing the quality needed;
- ensuring goods and services are available where and when needed and there is a continuing supply available; and
- guarding against the misappropriation of assets that have been acquired through the procurement process.

Public purchasing must also ensure:

- **Responsible bidders are given a fair opportunity to compete for the County's business.** This will be accomplished by abiding by statutory requirements regarding competitive bids and proposals, and by the County's purchasing policy.
- **Public funds are safeguarded.** Although the Purchasing Department does not usually designate the types of purchases to be made, it should attempt to see that the best offer is received for the public dollar.
- **Public spending is not used to enrich elected officials or County employees, or to confer favors.** Adoption and implementation of a code of ethics and employee training and awareness of their responsibilities in the public purchasing area accomplish this.

Nueces County Commissioners Court has adopted a centralized purchasing function that provides many benefits:

- It allows for the consolidation of smaller purchases by individual departments into larger purchases for the entire county, resulting in lower unit prices and savings;

- Vendors and the business community have a single, central link to the county procurement process to facilitate consistent communication and understanding;
- Purchasing Department personnel accumulate a solid foundation of knowledge and experience about purchasing, marketing trends, prices, and vendors. This expertise assists users to define their needs better to save the County money and promotes a more efficient procurement process; and
- Centralized expertise puts the purchasing processes on a professional footing and inspires public confidence in the actions of the County.

In addition to the above, the Purchasing Department is responsible for:

- Procurement for the Nueces County Juvenile Department and the Island Parks and per inter-local agreements with Community Supervision and Corrections Department, and Metropolitan Planning Organization as Commissioners Court approves.
- Interlocal Purchasing Agreements and Cooperative Purchasing Agreements
- Fixed Asset and Warehouse Management (Exhibit 18)
- Disposition of Seized and Abandoned Property
- Auctions of Surplus and Salvaged Property
- Sale and Lease of land
- Administration of Purchasing Card Program (P-Card) and fuel card
- Administration of specific contracts like cell phone, printing, etc.
- Development and distributing bid and proposal packets; Receive and open bids and proposals; present bids and proposals for award and contract to Commissioners Court.
- Upon completion of construction of a new building or renovations to an existing structure, obtain WPI-8 certification and have the property insured.

The Purchasing Department is committed to promoting effective, professional, and consistent procurement in Nueces County, as well as championing the public perception that tax dollars are wisely spent.

This purchasing manual is not static. Purchasing procedures in Nueces County will change as needed, particularly evolving to incorporate technological advances and changing legislation.

The organization chart of the Purchasing Department is attached as Exhibit 1.

There are many terms that are used throughout this manual that pertain to purchasing activities. Definitions of key terms are found in Chapter 25.

Elsa N. Saenz, Nueces County Purchasing Agent

Chapter 2: Purchasing Authority and Policy

The Texas Legislature has enacted purchasing laws. It is the policy of Nueces County, acting through its duly appointed Purchasing Agent, to fully comply in all aspects with these laws as they are amended from time to time.

The Purchasing Board, composed of three District Court Judges and two members of the Commissioners Court, by majority vote may appoint and shall set the salary of a suitable person to act as the County Purchasing Agent for a term of two years. The Board may also remove the County Purchasing Agent from office.

The Commissioners Court has directed the Purchasing Agent to provide a centralized purchasing structure. The Commissioners Court by order for a Request for Proposal may delegate its purchasing authority for items of \$50,000 or more to the Purchasing Agent; selects the method of procurement and appoints an evaluation committee.

The Purchasing Department, as well as officials, Department Head/Directors and employees provide equitable and competitive access to the County procurement process to all responsible vendors. Further, County procurement is conducted in a manner that promotes and fosters public confidence in the integrity of the County procurement process.

The Purchasing Agent and assistants may have any help, equipment, supplies and traveling expenses that are approved by Commissioners Court and considered advisable by the Board.

On July 1 of each year, the County Purchasing Agent shall file with the County Auditor and each of the members of the Board an inventory of all the property on hand and belonging to the County and each subdivision, officer, and employee of the County.

The purpose of the County Purchasing policy is to:

- Seek the best, lowest priced goods and services that meet the needs of the County and its personnel;
- Provide all responsible vendors and contractors equitable access to servicing the needs of the County and its personnel through competitive acquisition of goods and services;
- Comply with all federal and state laws that apply to county purchasing and comply with the policies and procedures in this manual.
- Manage County assets and inventory so that replacement costs are minimized and the County can account for all assets over \$5,000 and items on an exception list; and
- Dispose of all surplus, salvage, seized and abandoned property in a manner that both provides the most benefit to the taxpayers of the County and complies with the law.

The Purchasing Act applies to all departments, all district, county, and precinct officials and employees and all subdivisions of all district, county, and precinct offices. The Purchasing Agent must purchase or lease all goods and services, including maintenance and repair, for all departments. The Purchasing Agent must perform all purchasing for all officials, County Directors, employees, and precinct employees.

These policies and procedures are adopted by the County Purchasing Agent and approved by the Commissioners Court under the authority of the Texas Local Government Code, Chapter 262.

These policies and procedures shall become effective upon approval by the Commissioners Court and hereby replaces and supersedes all prior orders approved by the Commissioners Court delegating authority to the Purchasing Agent.

- (a) These policies and procedures shall be construed liberally to accomplish their purpose.
- (b) If there is any conflict, not contrary to State Law, between these policies and procedures and a State Law, or a rule adopted under a State Law, the State Law and/or rules prevails.
- (c) The masculine, feminine, and neuter genders shall be construed to include the other genders as required. The singular and plural shall be construed to include the other number as required.
- (d) Headings and titles at the beginning of the various sections of these policies and procedures have been included only to make it easier to locate the subject matter covered by that section or subsection and are not to be used in construing these policies and procedures.
- (e) If any provision of these policies and procedures or the application of them to any person or circumstances is held invalid, the validity of the remainder of these policies and procedures and the application of them to other persons and circumstances shall not be affected.
- (f) In general, the Purchasing Agent interprets these policies and procedures but the Commissioners Court shall resolve any question about any interpretation of these policies and procedures when there is a conflict related to an area that is not within the statutory authority of the Purchasing Agent.

Chapter 3: Nueces County Purchasing Code of Ethics

- It is the policy of Nueces County that the following ethical principles govern the conduct of every employee and anyone doing business with the County involved, directly or indirectly, in the County procurement process.
-
- The following is adapted from the American Bar Association's 2000 Model Procurement Code for State and Local Governments:

Public employment is a public trust. It is the policy of Nueces County to promote the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by the County. Such policy is implemented by prescribing essential standards of ethical conduct without unnecessary obstacles to entering public service.

Public employees must discharge their duties impartially so as to assure fair competitive access to County procurement by responsible contractors. Moreover, public employees should conduct themselves in such a manner that fosters public confidence in the integrity of the Nueces County procurement process.

To achieve the purpose of this policy, it is essential that those doing business with the Nueces County Purchasing Department also observe the ethical standards prescribed in this policy.

Employees shall avoid activities that compromise or give the perception of compromising the best interests of Nueces County. Employees shall not knowingly use confidential proprietary information for actual or anticipated personal gain.

Employees shall avoid any activity that would create a conflict between their personal interests and the interest of Nueces County. Conflicts exist in any relationship where the County's best interest may be different from the employee's best interests or the best interest of someone associated with the employee. Conflicts of interest include an employee participating in any way in any procurement in which:

- The employee or any member of the employee's family has a financial interest in the results of the County procurement process;
- A business or organization in which the employee, or any member of the employee's family, has a financial interest in the result of the County procurement process; or
- Any other person, business, or organization with whom the employee or a member of the employee's family is negotiating for or has an arrangement concerning prospective employment.

If conflicts of interest exist, the employee shall notify the Purchasing Agent in writing and remove him or herself from the County procurement process.

Employees shall avoid the appearance of unethical or compromising practices in relationships, actions, and communications associated with County procurement.

Employees shall not solicit or accept money, loans, gifts, favors, or anything of value, from present or potential contractors that might influence or appear to influence a purchasing decision. Generally, goods or services with a value of \$50 or less in the aggregate during a year from a vendor do not violate this prohibition unless they influence or appear to influence a

specific purchasing decision. If anyone is in doubt about whether a specific transaction complies with this policy, the person should disclose the transaction to the Purchasing Agent for a determination of compliance.

Employees shall keep the proprietary information of vendors confidential. Employees shall keep County information obtained from a solicitation by the County confidential until after contract award if the response solicitation provides for it to be kept secret.

The Nueces County Purchasing Department uses a confidentiality memorandum (Exhibit 2) to ensure compliance with the ethics policy for keeping proprietary information confidential. Before the evaluation of confidential proposals, the Purchasing Department sends a memorandum to evaluation committee members for signature and certification. Upon a request from a member of commissioners court, not a member of the evaluation committee, for access of the confidential proposals a confidentiality memorandum, exhibit 2, will be executed and certified before obtaining access to the proposals and only after the evaluation committee has completed the evaluation.

The memorandum contains the following requirements to which the evaluation committee member is expected to adhere during the course of the competitive process and **until an award is approved by the Commissioners Court**:

- All information in the vendor's response is to be kept confidential.
- No discussion of the proposal that would compromise the award and negotiations of a contract is to occur with anyone outside of the proposal evaluation committee members and members of commissioners court. Committee members may clarify or request additional information to successfully complete the evaluation.
- Proposal responses are not to be reproduced and should be returned to the designated Purchasing Department staff after evaluation is completed.
- The Purchasing Department is the sole point of communication for any questions from vendors that arise during the evaluation. All questions and requests for information should be referred to the Purchasing Department. There should not be any discussions between evaluation committee members, members of commissioners court, and vendors of the proposals' contents received during the evaluation and award process. Proposal contents that are trademarked or proprietary may remain confidential pursuant to the Texas Public Information Act. This information is only to be released after the Attorney General's office authorized its release.
- The Purchasing Agent is the sole point of communication for any questions from members of commissioners court, who are not on the evaluation committee, that arise and only after the evaluation committee has completed the evaluation. If you are a member of the Commissioners Court and have requested access to these proposals, there will be no discussion of these proposals until such time during a Commissioners Court meeting in order to avoid any allegation of a violation of the Open Meetings Act.
- Evaluation committee members and members of commissioners court must be familiar with and read the Nueces County Purchasing Code of Ethics and agree to comply with its requirements including reporting any potential conflict of interest, undue influence from vendors, or attempted communications from vendors during the evaluation process.

Compliance with the requirements outlined in the Confidentiality Memorandum is crucial. If

proprietary information of any vendor is compromised during the procurement process, all proposals may be rejected.

Those doing business with Nueces County must observe the ethical requirements prescribed in this policy.

Chapter 176 of the Texas Local Government Code - Disclosure of Certain Relationships with Local Government Officers:

Chapter 176 of the Texas Local Government Code is applicable to a Vendor or local government officer of a local governmental entity.

- Vendor

A vendor or agent of the vendor who enters or seeks to enter into a contract for the sale or purchase of real property, goods, or services with a local government entity thereof shall file a conflict of interest questionnaire with the governmental entity as prescribed.

"Agent" means a third party who undertakes to transact some business or manage some affair for another person by the authority or account of the other person. The term includes an employee.

A conflict of interest questionnaire form (CIQ-exhibit 3) must be submitted not later than the seventh (7th) business day after the date the vendor begins discussion, negotiation, applies or response to a request for proposal or bids, or correspondence in writing related to a potential contract with the local governmental entity. An updated conflict of interest questionnaire shall be submitted to the County Clerk not later than the seventh (7) business day after the date on which the vendor becomes aware of an event that would make the statement in the questionnaire incomplete or inaccurate.

- Local Government officer

A Local Government officer of a local government entity shall file a conflicts disclosure statement (exhibit 3a) with respect to the vendor if :

- (1) The vendor enters into a contract with the local governmental entity or the local governmental entity is considering entering into a contract with the vendor AND
- (2) if the local government officer:
 - a) has an employment or business relationship with a vendor,
 - b) the officer or a family member of the officer receives taxable income that exceeds \$2,500 during the 12-month period preceding the date the office becomes aware that a contract between the local governmental entity and vendor has been executed or the local governmental entity is considering entering into a contract with the vendor,
 - c) the officer or a family member of the officer has received one or more gifts that have an aggregate value of more than \$100 during the 12-month period preceding the date the office becomes aware that a contract between the local governmental entity and vendor has been executed or the local governmental entity is considering entering into a contract with the vendor.
 - d) the officer has a family relationship with the vendor . A family relationship chart is provided as Exhibit 3b.

A conflicts disclosure statement (CIS-exhibit 3a) must be submitted not later than 5 p.m. on the seventh (7th) business day after the date in which the officer becomes aware of the facts that require the filing of the statement.

Chapter 2252.908 of the Government Code - Disclosure of Interested Parties (Exhibit 21):

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

Filing Process

On January 1, 2016, the Texas Ethics Commission made available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with the governmental body or state agency with which the business entity is entering into the contract.

The governmental entity or state agency must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the contract binds all parties to the contract. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the governmental entity or state agency.

- Information regarding how to use the filing application will be available on this site by January 1, 2016. <https://www.ethics.state.tx.us/tec/1295-Info.htm>, please follow Instructional Video for Business Entities.

Ethics:

The Bidder shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, elected or appointed official or agent of Nueces County.

GRATUITIES:

Benefits, gifts, or favors shall not be accepted from contractors, vendors, or other person who deal with Nueces County except as provided by law.

No Public Official shall have interest in this contract except in accordance with Vernon's Texas Codes Annotated, Local Government Code Title 5, Subtitle C, and Chapter 171.

Chapter 4: Purchasing Agent Authority and Responsibilities

The Commissioners Court and the District Judges have created a Purchasing Board to implement a centralized purchasing structure and have given the Purchasing Department that mission.

Texas Local Government Code, Chapter 262, Subchapter B outlines the following duties for purchasing agents:

- The Purchasing Agent shall purchase all goods required or used, and contract for all repairs to property used by the County or a department or employee, except purchases and contracts required by law to be made on competitive bid. **A person other than the Purchasing Agent may not purchase the goods or make the contract for repairs.**
- The Purchasing Agent shall supervise all purchases made on competitive bid and shall see that all purchased goods are delivered to the proper department in accordance with the purchase contract.
- A purchase made by the Purchasing Agent shall be paid for by a warrant drawn by the County Auditor on funds in the County treasury in the manner provided by law. The County Auditor may not draw and the County Treasurer may not honor a warrant for a purchase unless the purchase is made by the Purchasing Agent or on competitive bid as provided by law.
- On July 1 of each year, the Purchasing Agent shall file with the County Auditor and each member of the Purchasing Board an inventory of all property on hand and belonging to the County and each subdivision, officer, and employee. The County Auditor shall carefully examine the inventory and make an accounting for all property purchased or previously inventoried and not appearing in the inventory. The filed inventory consists of the running list that ends September 30th of the previous year.
- Subject to Commissioners Court approval, to prevent unnecessary purchases, the Purchasing Agent shall recommend the transfer of County goods that are not needed or used, from one department or employee, to another department or employee requiring the goods or the use of the goods. The Purchasing Agent shall furnish the County Auditor a list of transferred goods.
- Subject to Commissioners Court approval, the Purchasing Agent shall adopt the rules and procedures necessary to implement the Purchasing Agent's duties.
- Rules and procedures adopted by the Purchasing Agent may include rules and procedures for persons to use County purchasing cards to pay for County purchases under the direction and supervision of the County Purchasing Agent.

In addition to these statutory duties, the Purchasing Agent:

- Develops, implements, and manages a physical inventory to provide to the County Auditor for inclusion in a Fixed Asset Management System (see Exhibit 18);
- Encourages and supports compliance with Texas purchasing laws;
- Works in conjunction with the County Auditor and other County officials in the development of efficient financial processes;
- Promotes local business participation in County procurement processes;
- Provides the business community with a central link to County business, and
- Procures goods and services for the Nueces County Juvenile Probation Department, and other government entities pursuant to inter-governmental agreements.

Chapter 5: Purchasing Process, Policy, Roles and Responsibilities

The general purchasing process responsibilities as outlined below contain several stages with responsibilities that are often designated by statute. It begins with requirements planning and identification and culminates with the receipt of and payment for goods and services. For procurements \$50,000 or more, see the following chapters.

For purchases less than \$50,000 this process will apply unless specifically addressed elsewhere. The process begins with the department obtaining three quotes from vendors for a purchase between \$5,000 and \$49,999. The department selects the lowest offer unless there is justification to select other than the lowest price. Purchases between \$25,000 and \$49,999 shall be forwarded to the Purchasing Agent so that a recommendation for the purchase can be presented to Commissioners Court at a noticed meeting for approval. This procedure is by Commissioners Court order (see exhibit 17). The Purchasing Agent will notify the requesting department of Commissioners Court's decision.

Quotes are thereafter entered into the ONESolution system for all approvals. If the purchase is between \$25,000 and \$49,999, a statement that indicates the date that the purchase was approved by Commissioners Court will be included in the requisition. The final approved purchase order including terms and conditions are then forwarded to the vendor (see exhibit 4 for sample PO with terms and conditions). The vendor sends the goods and invoice to the department. The Department forwards the invoice for payment to the County Auditor. The vendor must insure that the PO number is noted on the invoice.

Purchasing Process

Step	Performed By:
Identify requirements and obtain budget	User Department ("Department") (Purchasing Department may assist)
Define/finalize requirements	Department and Purchasing Department
Submit electronic requisition outlining requirements to Purchasing	Department
Solicit, advertise, and generate purchase orders from requisition and send to vendor	Purchasing
Deliver good/service as outlined in purchase orders and submit invoice	Vendor
Receive good/service and verify completeness against purchase orders	Department (Purchasing Department coordinates, especially for fixed assets)
Electronically receive item in ONESolution system and submit original invoice to County Auditor's Office	Department
Match received amount with invoice and audit	County Auditor
Submit payment claim to Commissioners Court for approval	County Auditor
Approve payment of claim	Commissioners Court
Disburse payment of claim	County Treasurer

Coordination among many County departments and offices is necessary for the process to work smoothly. To avoid delays and comply with County policy and State law, user departments should remember the following:

- **Do not authorize the purchase of any goods or services.**
- **Do not purchase any goods or services for your own personal benefit.**
- **Do not obligate the purchase of goods that are delivered for use on a trial basis.**
- **Do not commit to acquire goods or services without an authorized purchase order.** Anyone obligating an expenditure of funds for goods or services before securing a purchase order may be held personally responsible for the payment.
- **Adhere to the County Purchasing Code of Ethics Chapter 3 and avoid activities and behaviors that are unethical or create a conflict of interest or the perception of a conflict of interest.** Examples of activities that are inappropriate include:
 - soliciting or accepting gratuities of any kind from present or potential contractors which might influence or appear to influence a purchasing decision;
 - failing to disclose in writing to the Purchasing Agent a conflict of interest and not removing yourself from the procurement process when there is a conflict; and
 - disclosing confidential proprietary information from solicitations to other vendors or using the information for personal gain.
- **Do not use purchasing strategies that violate the law to avoid competition.** Strategies that are prohibited by law include:
 - purchasing items in a series of separate purchases that normally would be purchased as a single purchase (separate purchases);
 - purchasing over a period of time, that normally would be done as one purchase (sequential purchases) and;
 - purchasing a series of component parts that would normally be purchased as a whole (component purchases).

A County officer or employee who intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Texas Local Government Code, Section 262.023, is committing a Class B misdemeanor according to Texas Local Government Code, section 262.034(a).

- **Do not violate or authorize the violation of the Purchasing Act.** Any person who knowingly violates or authorizes the violation of the Purchasing Act and any county or precinct person who fails to use the Purchasing Agent for purchases, including an agent or employee of the County or of a department of the County commits a criminal offense which is a misdemeanor. Each act in violation of the law is a separate offense.
- **Ensure funding is available before submitting a requisition.** The law does not allow expenditures that exceed budgets. Purchasing will not process requisitions for which there is not adequate funding.
- **Plan purchases to minimize the use of emergency and expedited purchases.** Rush purchases are generally more expensive and they delay other requisitions already in the system. Vendors may attempt to charge premium prices for goods and services when there is insufficient time allowed to explore alternative sources or options.

- **Plan purchases to allow sufficient time to process purchase requests.** The Purchasing Department is committed to processing all requisitions within a reasonable amount of time. In general, departments should allow an estimated 2–3 weeks for all non-contract purchases under \$50,000 and an estimated 6–8 weeks on all purchases requested over \$50,000 that are not covered by an existing contract.
- **Ensure that purchasing policies and procedures are understood before ordering.** Departments must assure that all employees responsible for making department purchase requests (“purchasing liaisons”) have read and understand the purchasing procedures in this manual. Departments should also ensure that liaisons attend any training provided by the Purchasing Department.
- **Coordinate with Purchasing on receipt of goods and services.** Since the County does not have centralized receiving, each department is responsible for individually receiving goods and services. Departments should contact the individual listed as the buyer on the purchase order to make Purchasing aware of vendor performance issues such as shortages, late delivery, or damaged merchandise. If the item received is a fixed asset that must be tracked and reported, departments should contact the Inventory Control Specialist in Purchasing to coordinate tagging. (see Exhibit 18)
- **Insure that the Nueces County policy for mobile and telephonic usage is followed.** The Commissioners Court has passed a policy regarding mobile and telephonic usage (see Exhibit 5, disregard item # 5 of the policy). The user department shall follow this policy.

There are specific roles and responsibilities for both user Departments and the Purchasing Department during the competitive procurement process. They protect the integrity of the process and provide fair and equal access to all vendors seeking to do business with Nueces County. Exhibit 6 outlines the primary roles and responsibilities.

Chapter 6: Procurement Card Policy and Procedures

The Commissioners Court entered into a Purchasing Card Program with a bank to provide a Commercial Credit Card.

The purpose of the purchasing card program is to streamline and simplify the requesting, purchasing, and payment process for small dollar transaction.

All employees are to adhere to the policies and procedure manual purchasing card program (Exhibit 7) as approved by Commissioners Court.

Chapter 7: Other General Purchasing Policies

The Commissioners Court by adoption of this manual, hereby directs Departments to do the following.

The Commissioners Court directs the Purchasing Agent to include a provision in County contracts that allows the County to pay the Nueces County Tax Assessor-Collector directly any sums due as a result of tax delinquencies by any Contractor from sums due to the Contractor instead of paying the Contractor.

According to Texas Local Government Code, section 111.093, the County Auditor shall:

- Charge all purchase orders, requisitions, contracts, and salary and labor allowances to the appropriate account, and
- Certify the budget contains an ample provision for the obligation and that funds are or will be available to pay the obligation when due.

The Information Telecommunications Department (IT) reviews all purchase requests made by departments for software, hardware and other data processing equipment and provides a written specification to Purchasing Department. The Purchasing Department takes the written specification and solicits bids. Upon receiving quotes, the Purchasing Department provides the requesting department the lowest quote. This procedure is to ensure compatibility and standardization. To purchase any other data processing goods or services, the User Department must obtain IT's approval.

Before procurement, the Purchasing Department may require the user Department to perform or obtain needs assessments for County wide purchase use (such as copies, cell phones and uniform). A needs assessment at the user Department level shall be conducted and provided to the Purchasing Agent before the procurement process is under taken.

For facility upgrades in all County Departments, such as carpet replacement, paint, and tiles, a request shall be submitted by the user Department. A needs assessment may be required from the Department responsible for the building before the procurement process is followed.

For equipment, such as furniture, fax machines, desk, chairs, etc., the Purchasing Department proceeds with the procurement process without any pre-approved needs assessment requirement.

When departments sustain loss or damage to goods or buildings, funding and quotes for replacement or repair is coordinated by the affected department. Additionally, in the case of a complete loss an Inventory Form is completed by the department and forwarded to the Inventory Control Specialist so that inventory files can be updated if applicable.

If there is a public calamity or other local state of disaster emergency situation, the County Judge is the authority to approve purchases. When purchases are necessary because any other emergency situation exists, the Purchasing Agent must be contacted to ensure compliance with the Purchasing Act. Emergency, as used in the Purchasing Act and this chapter, is an urgent unforeseeable need to make a purchase that does not result from a local state of disaster as described in Local Government Code section 262.024 subsection a.1,2,3.

If the purchase amount exceeds \$50,000 and it meets the emergency exemption under Section

262.024 of the Texas Local Government Code, the Commissioners Court by Order must grant the exemption from formal competitive bidding even in the case of an emergency situation.

All interlocal agreements that involve purchase of goods, services, repair, or maintenance agreements must be approved in writing by the Purchasing Agent before being submitted to Commissioners Court for approval. Interlocal agreements approved by the Purchasing Agent are assigned a number and entered into the ONESolution system for tracking and payment purposes. Other Interlocal Agreements may be added to the ONESolution system on request.

Bonds for construction contracts are dealt with in chapter 15. For all other contracts, the Purchasing Agent determines whether a bond of any sort is required.

Bid bonds are not required for contracts that are less than \$100,000. Bid bonds are not required from any bidder or proponent whose rates (see Local Government Code 262.032 d) are subject to regulation by a state agency.

Bid bonds may be requested for the construction of public works, or for a contract exceeding \$100,000. The county may require the bidder to furnish a good and sufficient bid bond in the amount of 5% of the total contract price. A surety company authorized to do business in Texas must execute the bond.

If a bid bond is **not** required by law, the Purchasing Agent may accept a Letter of Credit in place of a bid bond on the following conditions:

- the County Attorney reviews and acknowledges in writing the legal sufficiency of using a Letter of Credit for this contract,
- the County Attorney reviews and acknowledges in writing the legal sufficiency of the terms of the proposed Letter of Credit, and
- the Purchasing Agent has verified the acceptability of the financial condition of the institution providing the Letter of Credit.

Performance bonds are not usually required for contracts that are less than \$50,000, but may be required at the Purchasing Agent's discretion. Performance Bonds are not required from any bidder or proponent whose rates are subject to regulation by a state agency. If the Purchasing Agent decides that a performance bond is required for a particular contract, the solicitation states a performance bond in the full amount of the contract price is required and that it must be executed by a surety company authorized to do business in Texas before the contractor commences work and within 30 days after the notice of contract award is sent to the contractor.

If a performance bond is **not** required by law, the Purchasing Agent may accept a Letter of Credit in place of a performance bond or a bond to cover the repurchase price of equipment on the following conditions:

- the County Attorney reviews and acknowledges in writing the legal sufficiency of using a Letter of Credit for this contract,
- the County Attorney reviews and acknowledges in writing the legal sufficiency of the terms of the proposed Letter of Credit, and
- the Purchasing Agent has verified the acceptability of the financial condition of the institution providing the Letter of Credit.

In a contract for the purchase of earth moving, material-handling, road maintenance or construction equipment, the Commissioners Court may require the contractor to furnish a bond to the County to cover the repurchase costs of the equipment.

A **payment bond** shall be required on all public works projects exceeding \$50,000.

If a payment bond is **not** required by law, the Purchasing Agent may accept a Letter of Credit in place of a payment bond on the following conditions:

- the County Attorney reviews and acknowledges in writing the legal sufficiency of using a Letter of Credit for this contract,
- the County Attorney reviews and acknowledges in writing the legal sufficiency of the terms of the proposed Letter of Credit, and
- the Purchasing Agent has verified the acceptability of the financial condition of the institution providing the Letter of Credit.

Commissioners Court by order may require the consideration of the safety record of the bidder, of the firm, corporation, partnership, or institution represented by the bidder, or of anyone acting for such a firm, corporation, partnership, or institution. If the IFB states that the safety record may be considered in determining the responsibility of the bidder and includes the Safety Record Questionnaire in its Appendix, Commissioners Court takes into account the bidder's safety record in determining the responsible bidder. The safety record includes compliance with requirements for the safety of the environment. In relation to the safety record, bidder includes not only the bidder; but also the firm, corporation, partnership or institution represented by the bidder; or anyone acting for such a firm, corporation, partnership, or institution.

The definition and criteria for determining the safety record of a bidder are as follows:

1. If the bidder reveals more than two (2) cases in which final orders have been entered by the Occupational Safety and Health Review Commission (OSHRC) against the bidder for serious violations of OSHA regulations within the past three (3) years, Commissioners Court will, at its discretion, determine whether to disqualify the bidder.
2. If the bidder reveals more than one (1) case in which bidder has received a citation from an environmental protection agency for violations within the past five (5) years, Commissioners Court will, at its discretion, determine whether to disqualify the bidder.

Environmental Protection Agencies include the U.S. Army Corps of Engineer (USACOE), the U.S. Fish and Wildlife Service (USFWS), the Environmental Protection Agency (EPA), the Texas Commission on Environmental Quality (TCEQ), and its past associated agency, the Texas Natural Resource Conservation Commission (TNRCC), the Texas Department of Health, the Texas Parks and Wildlife Department (TPWD), the Structural Pest Control Board (SPCB), agencies of local governments responsible for enforcing environmental protection laws or regulations, and similar regulatory agencies of other states of the United States.

Citations include notice of violation, notice of enforcement, suspension/revocations of state or federal licenses or registrations, fines assessed pending criminal complaints, indictments, or convictions, administrative orders, draft orders, final orders, and judicial final judgments. Notice of Violations and Notice of Enforcement received from TCEQ shall include those classified as major violations and moderate violations under TCEQ's

regulations for documentation of Compliance History, 30TAC, Chapter 60.2 (c) (1) and (2).

3. If the bidder reveals that the bidder has been convicted of a criminal offense within the past ten (10) years which resulted in serious bodily harm or death, Commissioners Court will determine whether to disqualify the bidder.

For IFB solicitations and certain other contracts as determined by the Purchasing Agent, vendors may submit their response electronically though the third party vendor selected by the Purchasing Agent. Responses may be electronically signed and the ethics affidavit may be electronically sworn. All electronic transactions must comply with the Uniform Electronic Transactions Act in Chapter 43 of the Texas Business and Commerce Code and all other applicable law.

The Purchasing Department may elect to maintain a list of vendors who have requested that they be sent notices of advertised solicitations. The vendor list is categorized by the commodity and sub-commodity codes for the goods and services that the vendor has indicated it is capable of providing. The Purchasing Department may utilize a third party vendor for maintenance of the vendor list and publication of solicitations. Vendors interested in participating in County solicitations may register with the third party vendor selected by the Purchasing Agents.

As a courtesy to vendors and as a means of encouraging competition; notification of each solicitation is provided to appropriate vendors. Notices of solicitations may be sent by a variety of methods including e-mail and facsimile transmission whenever the vendor has provided appropriate contact information in the manner prescribed by the Purchasing Agent. The Purchasing Department may advertise solicitations on the County Purchasing website at <http://www.co.Nueces.tx.us>.

- Generally, prepayment is not authorized for any purchase of supplies, materials, equipment or services. Exceptions are:
- Library materials
- Realty rental
- Subscriptions
- Insurance
- Rental fee for meeting rooms
- Annual maintenance agreements for information technology
- Training and Travel expenses per budget rules
- Other prepayments as authorized by the County Auditor

Chapter 8: The Requisitioning Process

Requisitioning is the formal request for a purchase to be made. It is the first step after the need for goods or services is recognized.

The department's purchase requisition authorizes the Purchasing Department to enter into a contract with a vendor to purchase goods or services. This automated form is for internal use and cannot be used by a department to order materials directly from a vendor.

Nueces County uses an automated requisitioning system, commonly referred to as the ONESolution system. Based on pre-established budget line items, the user department enters purchase requisitions into the ONESolution system. Adequate budget funds must be available in the departmental line items before the Purchasing Department can purchase the requested goods and services. Manual requisitions and purchase orders are not acceptable.

The only exceptions to automated purchase orders are the Requests for Payment processed directly by the County Auditor's Office for the following goods or services:

- Utilities,
- cellular telephones,
- attorney's vouchers,
- foster parents,
- court related expenditures,
- routine duty travel,
- long distance trunk lines,
- travel, meals, and lodging,
- appropriations to other governments,
- mileage reimbursements
- Training and seminars
- Quantum Merit
- Legal Settlement
- Debt Service Payment
- Risk Management claims
- Purchases not required by statute to be processed by the Purchasing Agent

Purchase requisitions should fully describe what to buy, when it is required, and where the goods are to be delivered or the services are to be performed. For contract items, the ONESolution system "builds" the description of the item from a pre-loaded contract. For non-contract or "open market" requisitions, the user department needs to "build" a complete description of the item(s) needed. Exhibit 8 identifies the information and steps the user department should follow to obtain the full descriptive information needed to process open market requisitions expeditiously. The information should be researched and obtained **before** the user department enters a requisition in the ONESolution system.

After the Purchasing Department receives a purchase requisition, it determines the appropriate purchasing method based on the cost of the purchase, the goods and services to be purchased, the existing contracts for goods and services and other relevant factors.

Specific instructions on entering purchase requisitions into the automated ONESolution system are not covered in this manual. The user department can contact the Auditor's Department for training.

The Purchasing Department classifies purchase requisitions according to the type of action and

the time required for the purchase. There are four types: contract, routine, expedited, and emergency.

- **Contract Requisitions** - Normal purchases of items ordered from existing contracts that are loaded in the ONESolution system. Contract requisitions generally require one working day to process.
- **Routine** – Normal purchases that are not under contract (i.e. “open market” requisitions) under \$50,000. These generally require 3 to 10 working days to process.
- **Expedited** - Open market purchases where the goods or services are needed sooner than the routine cycle time. Expedited purchases generally do not qualify as emergency purchases and are subject to all applicable bidding requirements. Expedited purchase requisitions require 1 to 3 working days to process. Expedited purchases are **not** emergency purchases. They are goods or services needed quickly to prevent costly delays, and therefore warrant the additional cost and effort caused by the interruption of the normal work routine. **They should not be used unless absolutely required.** There are two types of expedited purchase requisitions:
 - **Walk Through** – Open market purchases for goods or services needed within three working days to avoid work interruption, loss of service or significant added cost of operations. The user department should hand-carry all paperwork to the Purchasing Department immediately after entering the purchase requisition into the ONESolution system.
 - **Work Stoppage** – Open market purchases for goods or services needed immediately to prevent work stoppage due to unanticipated conditions. The user department should telephone or e-mail the Purchasing Department immediately upon entering the purchase requisition into the ONESolution system and should also provide written documentation of the existence of a work stoppage for the contract file (written comments in the requisition or e-mail justification from Department head or designee are acceptable documentation). The Purchasing Department instructs the user department on what action to take.
- **Emergency** - Purchase of any goods or services needed because of an emergency condition that the Commissioners Court has ordered exempt, in compliance with the Purchasing Act (TEX. LOC. GOV'T CODE ANN., section 262.024 (a) (1)). All emergency exemption orders must be processed through the Purchasing Department. Emergency purchases with a total cost exceeding \$50,000 must be exempted from the requirements of the Purchasing Act by order of Commissioners Court. The Purchasing Agent submits the order and agenda request for Commissioners Court approval for emergency purchases exceeding \$50,000.

Emergency purchases with a total cost under \$50,000 are handled like an expedited purchase requisition. The user department should immediately contact the Purchasing Agent so that proper action can be initiated immediately.

Note: Cycle time to process a requisition refers to the time between when a purchase requisition is received in the Purchasing Department and when an actual purchase order is placed with a vendor. Cycle time does not include the time required for delivery, or the time it takes for the Purchasing Department or the user department to make corrections to budget line item accounts, commodity codes, and similar actions associated with a purchase that are not processed by the Purchasing Department.

Reminder: It is the department's responsibility to follow their requisition to make sure it is released through the ONESolution.

Chapter 9: Open Market Purchases Under \$50,000

For open market purchases of goods and services totaling less than \$50,000, the Purchasing Agent is authorized to select the exact goods or services to meet the requests of user departments. The Purchasing Agent is authorized to select the vendor and to perform all actions necessary to conclude a contract for the purchase of the goods and services, including execution of the contract without specific approval of the Commissioners Court (TEX. LOC. GOV'T CODE ANN., section 262.011 (d)).

In selecting the exact goods or services requested by the user departments, the Purchasing Agent considers the following:

- the stated needs of the user department and whether the selected goods or services meet those needs;
- available information about sources and prices of the goods and services;
- the delivery requirements of the vendor and the user department; and
- any other information that a reasonable and prudent purchasing professional would consider in all the circumstances of the purchase.

The user department submits an open market purchase requisition to the Purchasing Department with detailed descriptions of the goods or services required.

Based on the information in the purchase requisition, wherever reasonable and practical the Purchasing Agent or Purchasing Department:

- attempts to obtain at least three quotations before selecting a vendor;
- documents in writing the vendors notified and prices offered;
- selects the vendor who makes the best offer taking into account not only price but also the urgency of the user departmental need and the speed of delivery and the quality of the goods and services offered; and,
- orders these goods and services from the vendor who provides the quality, cost, and delivery schedule most consistent with the best interest of the County.

If quality and delivery terms meet County needs, the vendor who provides the lowest price is selected. If the vendor offering the lowest price is not used, a notation is made to the quotation documentation to indicate the reason another vendor is selected.

The Purchasing Agent may deviate from the policy for purchases under \$50,000 if it is in Nueces County's best interest and if it facilitates specific County operations.

Important: If cumulative purchases from a single commodity code are anticipated to exceed \$50,000 in a fiscal year, then formal competitive bidding is required and an annual term contract is established. Cumulative purchases include countywide purchases, and are not limited to departmental requirements.

Intentionally separating purchases or invoices to avoid the \$50,000 formal competitive bidding limit is a violation of the Purchasing Act. The final conviction of a County officer or employee for this violation results in the immediate removal from office or employment. For three years after the final conviction, the removed officer or employee is ineligible:

- to be a candidate for or to be appointed or elected to a public office in Texas;
- to be employed by Nueces County; and
- to receive any compensation through a contract with Nueces County.

Chapter 10: Specifications

A specification is a concise description of goods or services that user departments seek to buy, and the requirements the vendor must meet to be considered for the award. A specification may include requirements for testing, inspection, or preparing any goods or services for delivery, or preparing or installing them for use. The specification is the total description of the goods and services to be purchased.

The primary purposes of any specification is to provide vendors with firm criteria about a minimum standard acceptable for goods or services by providing reasonable tests and inspections to determine their acceptability and to provide purchasing personnel with clear guidelines from which to purchase. As a result, the specification also:

- promotes competitive bidding, and
- provides a means to make an equitable award to the lowest and best bid from a responsible bidder.

In writing specifications, user departments are encouraged to obtain an existing specification before starting to write a new one. The existing specification can provide ideas and examples that can be customized for Nueces County purposes. The user department should contact the Purchasing Department for assistance in obtaining existing specifications to facilitate the specification development process.

There are numerous sources for specifications. These include other governments, professional trade associations, professional purchasing associations and user knowledge. Some specification libraries that are available include:

- Texas Specification Library located at the Texas Building and Procurement Commission website: <http://www.window.state.tx.us/procurement/pub/specifications-library/>
- General Services Administration, Federal Supply Service – Specifications Section found at www.gsa.gov
- Texas Department of Transportation Standard Specification Index located at http://www.dot.state.tx.us/gsd/purchasing/tssi_alpha.htm
- National Institute of Governmental Purchasing. Contact Purchasing for assistance because this is available to members only.

The user department, occupant department, or an outside agency may propose specifications. **To ensure compliance with legal purchasing requirements, the Purchasing Department has final acceptance of the specifications, except those for construction projects that require technical (designed) specification certified by licensed professional.** This ensures proper quality control and avoids the proliferation of conflicting specifications in the different County departments. The Purchasing Department may submit any purchase that was not approved in the budget process to Commissioners Court before specifications are prepared and advertised.

To facilitate specification development and avoid duplication of effort, user departments shall submit their specifications in electronic format to the Purchasing Department.

An effective specification has the following characteristics:

- **Simple:** Avoids unnecessary detail, but is complete enough to ensure that purchased goods and services satisfy their intended purpose.

- **Clear:**
 - Uses terminology that is understandable to the user department and vendors.
 - Eliminates confusion by using correct spelling and appropriate sentence structure.
 - Avoids the use of jargon and “legalese”.
- **Accurate:** Uses units of measure that are compatible with industry standards, identifies all quantities, and describes packing requirements.
- **Competitive:** Identifies at least two commercially available brands, makes, or models (whenever possible) that satisfy the intended purpose. Avoids unneeded “extras” that could reduce or eliminate competition and increase costs.
- **Flexible:**
 - Avoids situations that prevent the acceptance of a response that could offer greater performance for fewer dollars.
 - Uses approximate values that are within a 10% range for the dimensions, weight, speed, etc. (whenever possible) if these values can satisfy the intended purpose.

The Purchasing Department uses a number of specification types:

- **Design** - Details description of a good or service, including details of construction or production, dimensions, chemical composition, physical properties, materials, ingredients and all other details needed to produce an item of minimum acceptability. Design specifications are usually required for construction projects, custom-produced items and many services.
- **Performance** – Details required performance parameters such as required power, strength of material, test methods, standards of acceptability, and recommended practices. Performance specifications are usually used for capital equipment purchases.
- **Brand Name or Equal** - Lists goods or services by brand-name, model, and other identifying specifics, except that products with performance equivalent to the characteristics of the named brand are specified as acceptable. Other manufacturers may provide a nearly identical product under another brand name. **The Purchasing Department uses this method only if there is sound justification. The burden of justification rests with the user department.**
- **Industry Standard** – States an industry standard that is identical, regardless of manufacturer that results in acquisition of goods of uniform quality. The UL standard for electrical products is an example of an industry standard

Chapter 11: Competitively Solicited Purchases Exceeding \$50,000

There are two types of solicited purchases - competitive bidding and competitive proposals. Competitive bidding means letting available vendors compete with each other to provide goods or services.

The Texas Supreme Court states:

"Competitive bidding requires due advertisement, giving opportunity to bid, and contemplates a bidding on the same undertaking upon each of the same material items and services covered by the contract; upon the same thing. It requires that all bidders be placed upon the same plane of equality and that they each bid upon the same terms and conditions involved in all the items and services and parts of the contract, and that the proposal specify as to all bids the same, or substantially similar specifications." Sterrett v. Bell, 240 S.W. 2d 516 (Tex. Civ. App.-Dallas 1951, no writ).

The Texas Supreme Court also states:

"The purpose of competitive bidding is to stimulate competition, prevent favoritism, and secure the best work and materials at the lowest practicable price for the best interest of the taxpayers and property owners." Sterrett v. Bell, 240 S.W. 2d 516 (Tex. Civ. App.-Dallas 1951, no writ).

The first purpose of competitive solicitations is to ensure the best possible value (monetary and quality) is received. Competitive solicitations also increase the likelihood that public monies are spent properly, legally, and for public projects only.

The second purpose is to give those qualified and responsible vendors who desire to do business with the County a fair and equitable opportunity to do so.

Competitive Bidding: The term "Formal Competitive Bidding" used in this manual is generally used in public purchasing when the solicitation process complies with Texas Local Government Code, section 262.023, which requires approval by the Commissioners Court.

"Sealed" bids are solicited through an Invitation for Bid (IFB) for contracts expecting to exceed \$50,000. The IFB is the document used to solicit bids from vendors in response to the County's specifications and contractual terms and conditions. The Commissioners Court at a noticed meeting awards IFB with the lowest and best bid. The Purchasing Agent sends a letter to the awarded vendor requesting a contract and additional documents as required as the IFB. The Commissioners Court must approve the contract with the awarded vendor/contractor at a noticed Commissioners Court meeting. **Competitive bids are not negotiated.** With few exceptions, price is the sole determinant factor if the vendor's product or services meet the requirements of the specification.

The IFB method is the most preferred method of procuring goods and supplies and non-personal services such as janitorial services. It is used when the requirement can be definitively described, is readily available, and is an off-the-shelf kind of requirement.

Competitive proposals: The term "Formal Competitive Proposal" used in this manual is generally used in public purchasing when the solicitation process complies with Texas Local Government Code, section 262.030, which requires approval by the Commissioners Court.

Competitive proposals are solicited through a sealed Request for Proposals (RFP) process. Vendors submit responses to the RFP for consideration. The RFP solicits proposals from vendors in response to the County's requirements and contractual terms and conditions. A formal contract, reviewed by the County Attorney's Office, must be approved by the Commissioners Court.

Formal "sealed" proposals can only be used to procure **insurance, high technology goods and services, landscape maintenance, travel management and recycling.**

"High technology" goods or services mean goods or services of a highly technical nature, including:

- data processing equipment and software and firmware used in conjunction with data processing equipment;
- telecommunications, radio, and microwave systems;
- electronic distributed control systems, including building energy management systems; and
- technical services related to those goods and services.

While the competitive proposal (RFP) process is similar to the competitive bidding (IFB) process, there are notable differences. The primary difference is that the RFP results in a negotiated procurement. Cost is not the only determining evaluation factor; however, its relative importance to other evaluation factors must be specified in the RFP and considered in recommending award. Also, the proposals are received, but are not opened publicly. Proposal contents are not disclosed until after the contract is awarded. However, upon request, a member of commissioners court may have access to the proposals before an award after a confidential memorandum (exhibit 2) has been executed and certified prior to access to the proposals and only after the evaluation committee has completed the evaluation. Questions may be posed to the purchasing agent by the member of commissioners court requesting access. Proposal contents that are trademarked or proprietary may remain confidential pursuant to the Texas Public Information Act.

In Nueces County, competitive solicited procurements which call for approval by Commissioners Court due to an expenditure in excess of \$50,000 is required to comply with the requirements of Subchapter C of the Purchasing Act and, with few exceptions, and are accomplished by the following process. Throughout this chapter, "bids" are bidder responses in the IFB process and "proposals" are offeror responses in the RFP process. Unless specifically noted, the procedures apply to both the IFB and RFP.

IFB: When the need for a good or service costing more than \$50,000 is identified, the user department should immediately contact the Purchasing Department for assistance in developing the specifications. The specification should be comprehensive and broadly defined to allow for maximum competition.

RFP: When the need for the goods or services (greater than \$50,000) is identified, the user department should immediately contact the Purchasing Department for assistance in defining the requirements to be used for the solicitation. The user department is responsible for submitting a Statement of Work (SOW) or Technical Requirements, which functionally defines its needs and requirements. Purchasing Department staff ensure that the SOW or Technical Requirement is quantified and structured to:

- secure the best economic advantage utilizing best value;
- state the needs clearly;
- be contractually sound;
- be unbiased toward vendors;
- encourage innovative solutions to the requirement described; and
- permit free and open competition to the maximum extent reasonably possible.

A written memo submitted to the Purchasing Agent and signed by the Official or Director or a direct e-mail from the Official or Director serves as the initial purchase requisition for goods or services. The memo must include the budget line items from which the purchase is funded or an explanation about how funding is obtained before the Purchasing Department proceeds with the preparation of the competitive solicitation.

Requirements or specifications should be attached to the memo and forwarded electronically to the Purchasing Department. If requirements or specifications are not attached, Purchasing and the user department jointly develop them.

The Purchasing Department does not proceed with a purchase unless:

- the appropriate budget line item includes sufficient unencumbered funds for the purchase; or
- the County Auditor verifies that funds are available through budget transfers.

Once the Purchasing Department has finalized the specification or requirements with the user department, the Purchasing Department prepares the solicitation for issuance and publishes a notice of the proposed purchase that complies with the requirements in Texas Local Government Code, section 262.025.

According to section 262.025, notice of a proposed purchase must be published at least once a week in a newspaper of general circulation in the County, with the first day of publication occurring before the 14th day before the date of the solicitation opening. To ensure vendors sufficient time to complete and return the solicitation, Purchasing generally advertises from 16 up to 21 days. If necessary, advertising time can be extended or decreased, but must be at least 15 days. The notice must include:

- the specifications (requirements) describing the goods and services to be purchased, or a statement of where the specifications (requirements) may be obtained;
- the time and place for receiving and opening solicitations and the name and position of the employee to whom the solicitations are sent;
- whether the vendor should use lump-sum or unit pricing;
- the type of bond required of the vendor; and
- the method of payment by the County.

IFB: If unit pricing is required, County must specify approximate quantities estimated on the best available information. The Purchasing Agent explains how the lowest price is calculated in the IFB.

RFP:

- The Purchasing Department publishes a notice of the proposed purchase unless Commissioners Court approval of the RFP is required.
- If the RFP is for high technology goods and services, IT Department must review it before it is advertised.
- IT Department may also review any technology purchases related to record management.
- For all other purchases, the Commissioners Court delegates its authority to approve the requirements to the Purchasing Agent.
- The Commissioners Court authorizes the Purchasing Agent to extend the proposal opening date on the notice of a solicitation if an error is discovered, or the nature of the goods or services requires an extension (in accordance to Commissioners Court order exhibit 9). The Purchasing Agent may amend (in accordance to Commissioners Court order exhibit 10) a solicitation:
 - If inquiries about the meaning indicate the need for an amendment to clarify its original intent or to correct clerical errors;
 - If the changes are so insignificant that they are not likely to matter to the vendor in determining ability to respond; and
 - If the amendment does not change the general scope.

There should be at least three days between the date of the amendment and the opening date in the notice. If there are less than three days, the opening date is extended to allow for a minimum of three days between the date of the amendment and the opening date in the amendment. To extend the opening date the Purchasing Agent is required by order of Commissioners Court to obtain the consent from the County Judge or a Commissioner (exhibit 9).

Texas Local Government Code, section 262.0256 allows counties to require potential vendors to attend a mandatory pre-bid (pre-proposal) conference to discuss contract requirements and answer vendor questions. The Purchasing Agent works with the user department to determine if a pre-bid (pre-proposal) conference is necessary and whether attendance is mandatory or optional. Purchasing staff manages any pre-bid (pre-proposal) conference and requests that the user department makes staff available to answer questions at the conference. If the user department does not attend the pre-bid (pre-proposal), then the Purchasing Agent shall collect all inquiries and the user department provides answers which will be issued as an addenda to all vendors.

To ensure the identification, security, and confidentiality of responses to solicitations, both electronic and paper, the following procedures shall be adhered to:

- The Purchasing Agent receives all responses as specified by the solicitation document.
- **Solicitations are not received after the opening time on the day of response opening.** All responses received after the opening time are returned unopened to the vendor with a letter from the Purchasing Agent notifying the vendor that the submitted response was received after the due date and time. Purchasing staff will retain a photo copy of mailing document that contains the name of vendor and date and time received.
- The Purchasing Department records the name of the vendor's representative submitting the solicitation, and the time and date the response was submitted.
- After a response is received, the Purchasing Department provides a secure place to hold it until the opening date. The responses are only received sealed and remain sealed until the Purchasing Department opens them in a public forum on the advertised date and time.
- On occasion, responses that are received in the mail or by other independent carrier may be inadvertently opened. If this situation occurs, another employee of the Purchasing Department is immediately called to act as a witness that the details of the response (especially the price for a bid) were not reviewed and the response is resealed by that employee of the Purchasing Department, and the incident is documented.

The above process is undertaken to preclude any perception of favoritism, revealing prices or response information. Publicly receiving sealed responses and recording the submission of requested responses is intended to inhibit any perception that the Purchasing Department is manipulating the receipt of solicitations.

IFB: The Purchasing Agent publicly opens and documents the bids on the date, time, and place specified in the notice. Preliminary tabulations and open bids shall be kept on file and be made available to the public for inspection in accordance to County's retention order upon request.

RFP: The Purchasing Agent publicly opens and documents sealed proposals on the date, time, and place specified in the notice. Only the names of vendors submitting proposals are announced.

Proposals are opened but to avoid disclosure of contents to competing proposers they are kept secret during the process of negotiation. Members of commissioners court may request access to proposals before an award but a confidential memorandum, exhibit 2, shall be executed and certified prior to access to the proposals and only after the evaluation committee has completed the evaluation. Questions may be posed to the Purchasing Agent by the member of Commissioners Court requesting access. All proposals that have been submitted are available and open for public inspection after the contract is awarded, except for trade secrets and confidential proprietary information contained in them. Disclosure of all information obtained from a vendor is subject to the provisions of the Texas Public Information Act.

RFP: As fully described in Chapter 2 of this manual, the Purchasing Department uses a confidentiality memorandum to ensure compliance with the ethics policy for keeping proprietary information confidential. Before the evaluation of confidential proposals, the Purchasing Department sends a memorandum to evaluation committee members for signature and certification. Upon request by a member of commissioners court, not a member of the evaluation committee, for access to the proposals the member of commissioners court shall execute and certify the confidential memorandum, exhibit 2, before access to the proposals and only after the evaluation committee has completed the evaluation. Questions may be posed to the purchasing agent by the member of commissioners court requesting access. The

memorandum contains requirements to which the evaluation committee member and any Commissioners Court member who requested information is expected to adhere to during the competitive process to keep information confidential **until the Commissioners Court approve and award the contract**. These requirements also include disclosure of any potential conflict of interest, or any attempted communication by the proponent to evaluation committee members during evaluation.

IFB: The Purchasing Department evaluates all bids with assistance from the user department and recommends the lowest responsible bid to the Commissioners Court for award. The Purchasing Department evaluates bids based on:

- the relative price, including the cost of repair and maintenance if heavy equipment is the subject of the bid or the cost of delivery and hauling if road construction is involved;
- the compliance of goods and services with specifications; and
- the vendor's past performance, the responsibility of the vendor, including the vendor's financial and practical ability to perform the contract, and the vendor's safety record if the IFB states that it is to be considered.

The Purchasing Agent forwards the Bid Tabulation Package and other appropriate documentation to Commissioners Court with the agenda request to justify the award.

Commissioners Court either approves the recommendation or rejects all bids and authorizes the Purchasing Agent to re-bid the goods or services. If the lowest priced bid is not the best bid and the Commissioners Court is considering another bid the Commissioners Court shall direct the Purchasing Agent to send notice to each low bidder of the proposed award and is given an opportunity to appear before Commissioners Court and present evidence considering the lower bidders responsibility.

RFP: The Purchasing Department supervises the evaluation process performed by the user department or committee to ensure that the evaluation is conducted fairly and consistently and that the integrity of the process is maintained. Depending on the procurement, there may be additional technical evaluation assistance provided by the county staff, if applicable.

The RFP must specify the relative importance of price and other evaluation factors including the relative weight of each factor. Evaluators only use these specified factors in evaluating the proposals. Purchasing Agent leads the evaluation team and is responsible for:

- tabulating scores;
- calculating values; and
- **either**
 - coordinating follow-up meetings for Best and Final Offer negotiations and recommending an award; or
 - discontinuing the process.

After the evaluation is completed, Purchasing Agent presents the evaluation documentation and other appropriate documentation to Commissioners Court at a noticed meeting to justify the award. Purchasing Agent or other county staff makes the recommendation to Commissioners

Court.

The Purchasing Agent supervises all negotiations unless delegated to other County staff. Individuals that contact proposers without coordinating with the Purchasing Agent or other delegated County staff risk jeopardizing the integrity of the County procurement process.

All proposers must be accorded fair and equitable treatment with respect to any opportunity for discussion and revision of proposals and submittal of a "Best and Final Offer" (BAFO).

After negotiations are complete, the Purchasing staff requests qualified proposers to submit a BAFO to a specified location by a specified date to the Purchasing Department. Based on the negotiations, the BAFO must allow the proponent to:

- Modify the initial offer;
- Update pricing based on any changes the user department or County has made; and
- Include any added inducements to improve the overall score in accordance with the evaluation plan of the RFP.

IFB: The Purchasing Agent recommends contract award to Commissioners Court. The Commissioners Court either:

- Awards the contract to the responsible bidder who submits the lowest and best bid; or
- Rejects all bids and publishes a new notice if the goods or services are still needed.

If two responsible bidders submit the lowest and best bid, the Commissioners Court decides between the two by drawing lots in a manner prescribed by the County Judge.

A contract may not be awarded to a bidder who is not the lowest priced bidder meeting specifications unless, before the award, each lower bidder is given notice of the proposed award and is given an opportunity to appear before the Commissioners Court and present evidence about its responsibility.

After the Commissioners Court approves the contract, the Purchasing Agent issues a Notice of Contract Award. A complete contract is maintained in the Purchasing Department. Original contract is furnished to the Contractor and the County Clerk. The Purchasing Agent will provide copies of the contract to the user department, the County Auditor's Office, and the County Attorney. The user department enters a purchase requisition in the ONESolution system.

RFP: The BAFO is the basis of a recommendation of contract award. The award of the contract is made by Commissioners Court to the responsible proposer, whose proposal is determined to be the lowest evaluated offer resulting from negotiation, taking into consideration the relative importance of price and other evaluation factors in the RFP.

The Purchasing Department monitors the expiration dates of contracts that have been previously awarded. Purchasing notifies user departments by memo at least four months before contract expiration to verify whether the goods or services need to be re-bid or extended, if extensions are available. Purchasing also sends the existing specification or requirements to the user department and requests any changes be provided before the solicitation is reissued. The user department returns the specifications or requirements to the Purchasing Department with any additions, deletions, or corrections.

Note: The user department shall be responsible for monitoring and administering all contracts within its Department unless otherwise specified in the contract.

- In purchasing goods and services, the Purchasing Agent may use reverse auction procedures under Texas Government Code, chapter 2155. Reverse auction means:
 -
 - a real-time bidding process usually lasting less than one hour and taking place at a previously scheduled time and Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services; or
 - a real-time bidding process, usually lasting less than two weeks and taking place during a previously scheduled period and at a previously scheduled Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services.

See Exhibit 11: Procurement Methods

Chapter 12: State Purchasing Programs

There are four types of purchasing programs that allow local governments to purchase goods and services using contracts previously competed by the State of Texas or other governments. The Texas Comptroller of Public Accounts (TCOPA) manages three of them; State Term Contracts, TMAS, and DIR. The DIR program allows local governments to purchase computer technology directly from the state's Department of Information Resources (DIR).

- **State Term Contracts** (authorized by sections 271.081 through 271.083 of the Texas Local Government Code). The County may purchase from vendors on the same terms and conditions as the State. The State has entered into term contracts after using competitive bidding procedures. The Texas Building and Procurement Commission (TBPC) manages this program for the State.
- **Texas Multiple Award Schedule (TXMAS)** (authorized by section 2155.502 of the Texas Government Code). The County may purchase goods and services from a schedule of multiple award contracts developed by the TBPC. The schedule is adapted from General Services Administration (GSA) Federal Supply Service contracts. TXMAS contracts take advantage of the most favored customer (MFC) pricing and under certain circumstances the County may negotiate a lower price for the goods or services offered on a scheduled contract.
- **DIR** (authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code). The County may purchase computer-related equipment through the DIR and its contracted
- Other state contracts may be available. The Purchasing Agent shall be contacted before any purchases are made.

The Purchasing Agent acts for Nueces County (County elected offices and departments) in all matters related to the purchase of goods and services from a vendor under any contract based on any State Purchasing program regardless of the funding source. Nueces County is responsible for making payments directly to these vendors.

- The award of any purchase order contract from state agency, TXMAS, DIR, or other available state contracts must be in writing and shall include state contract number, approved and signed by the Purchasing Agent before any goods are delivered or services are rendered. The Commissioners Court shall take action at a noticed meeting authorizing the execution of all contracts. The Commissioners Court authorizes the Purchasing Agent to execute all contracts for state contract purchases that are procured in compliance with this chapter, including purchases in excess of \$50,000, if funding for the purchase was approved by the Commissioners Court.
- In the case of a purchase in the amount less than \$50,000, the purchase order process may be used by the Purchasing Agent. For purchases between \$25,000 and \$49,999, Commissioners Court must approve at a noticed meeting before the purchase can be made.

State Term Contract Purchases

Nueces County participates in the purchasing program of TCOPA for local governments.

The Purchasing Agent either submits requisitions to the TCOPA under a contract or electronically sends purchase orders directly to vendors and reports to the TCOPA on actual purchases in compliance with its regulations. The Purchasing Agent monitors vendor's compliance with all the conditions of delivery and quality of the purchased goods and services. The Purchasing Agent may sign and deliver all necessary documents for all purchases under

this program made for the County.

To initiate this process, the user department submits a purchase requisition. The Purchasing Department determines whether or not the requested goods or services are available from TBPC contracts. If they are available, the Purchasing Department assigns a state requisition number that is used for reporting and payments.

Texas Multiple Award Schedules (TXMAS)

Nueces County participates in the purchasing program of the TCOPA using TXMAS contracts developed from contracts that have been competitively awarded by the federal government or any other governmental entity of any State.

The Purchasing Agent monitors the vendor's compliance with all the conditions of delivery and quality of the purchased goods and services. The Purchasing Agent may sign and deliver all necessary documents for purchases under this program for Nueces County.

To initiate this process, the user department may research goods and services on the TCOPA website to determine if the goods or services are available from TXMAS. Based on its research, the user department submits an "open market" purchase requisition and identifies in the requisition comments that the good or service may be available through TXMAS. The Purchasing Department determines whether or not the requested goods or services are available from TXMAS and compares prices among TXMAS vendors to obtain the best value. The Purchasing Department works with the user department to determine best value and then issues a purchase order with the selected vendor providing the best value.

Computer Purchases (DIR)

The County may purchase computer-related equipment from the state's TCOPA Department of Information Resources (DIR) and its contracted vendors. The County contracts with DIR and uses its Go DIRect program.

The Purchasing Agent either submits requisitions to the DIR under any contract or electronically sends purchase orders directly to DIRect vendors. The Purchasing Agent monitors vendor's compliance with all the conditions of delivery and quality of the purchased goods and services.

To initiate this process, the user department may research goods and services on the DIR website to determine if the goods or services are available from DIR or its contracts. Based on its research, the user department submits an "open market" purchase requisition and identifies in the requisition comments that the good or service is available from DIR. The Purchasing Department determines whether or not the requested goods or services are available from DIR, and if available, the Purchasing Department compares prices among DIR vendors to obtain the best value. The Purchasing Department works with user department to determine best value and issues a purchase order with the selected vendor providing the best value.

If the purchase is from a vendor who is part of the Go DIRect program, the County issues the purchase order directly to the vendor and pays the vendor directly. If the purchase is to a vendor that is not part of the Go DIRect program, the County issues the purchase order to DIR, which authorizes a separate purchase order to the vendor.

Chapter 13: Cooperative Purchasing Agreements

The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes local governments to contract directly with other governments to increase their efficiency and effectiveness. Texas Government Code, Section 791.025(c) states that a local government that purchases goods and services under the Interlocal Cooperation Act satisfies the requirement of the local government to seek competitive bids for the purchase of goods and services. The County has a variety of interlocal agreements that are filed with the County Clerk's Office and copies are kept with the Purchasing Agent.

The County participates in the purchasing programs of various local, state, and national cooperatives such as Houston Area Council of Governments (H-GAC), Texas Association of School Boards (BuyBoard), the Cooperative Purchasing Network (TCPN) and U.S. Communities. Before using any cooperative, the Purchasing Agent researches and recommends cooperatives to the Commissioners Court. The Commissioners Court approves an interlocal agreement acknowledging the terms and conditions for using each cooperative, including any fee schedules, and authorizes the Purchasing Agent to make purchases under the terms of the interlocal agreement.

The Purchasing Agent acts for Nueces County at (all county elected offices and departments) the direction of Commissioners Court in all matters relating to all cooperative purchasing programs, including the purchase of goods and services from the vendor under any contract.

The Purchasing Agent must approve all interlocal agreements involving the purchase of goods, repair, or maintenance agreements before the agreement is submitted to Commissioners Court for approval.

To initiate this process, the user department may research goods and services on the approved cooperative's website to determine if the goods or services are available from the cooperative. Based on its research, the user department submits the information to the Purchasing Department to verify that the County has an active interlocal agreement with the cooperative. The Purchasing Department determines whether or not the requested goods or services are available from a specific cooperative. If available, the Purchasing Department compares prices among cooperative and local vendors to obtain the best value. The Purchasing Department works with the user department to determine best value and issues a purchase order with the selected vendor using the purchasing method that provides the best value.

The Purchasing Agent either submits requisitions to the applicable cooperative or electronically sends purchase orders directly to vendors using the processes defined by the specific cooperative. The Purchasing Agent monitors vendor compliance with all the conditions of delivery and the quality of the purchased goods and services.

- The award of any purchase order contract from a state agency, TXMAS, DIR, or other available state contracts must be in writing and shall include state contract number, approved and signed by the Purchasing Agent before any goods are delivered or services are rendered. The Commissioners Court shall take action at a noticed meeting authorizing the execution of all contract. The Commissioners Court authorizes the Purchasing Agent to execute all contracts for state contract purchases that are procured in compliance with this chapter, including purchases in excess of \$50,000, if funding for the purchase was approved by the Commissioners Court.
- In the case of a purchase, less than \$50,000 the purchase order process may be used by the Purchasing Agent. For purchases between \$25,000 and \$49,999, Commissioners Court

. must approve at a noticed meeting before the purchase can be made.

Chapter 14: Procurement of Professional Services

In procuring professional services, the County must comply with two statutes: the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and the County Purchasing Act (Chapter 262 of the Texas Local Government Code). **Also the County Purchasing Code of Ethics, Chapter 3, must be adhered to and avoid activities and behaviors that are unethical or create a conflict of interest or the perception of a conflict of interest. Refer back to Chapter 3 of these Policies for compliance.**

There are two kinds of professional services:

- Those professional services specifically listed in the Professional Services Procurement Act; and,
- Those "other" professional services that are not specifically listed which must be obtained in compliance with the County Purchasing Act. The Purchasing Agent relies on court cases and attorney general opinions to determine what services are included in these "other" professional services.

"Professional services" is defined in Chapter 2254 of the Texas Government Code as:

- those within the scope of the practice of accounting, architecture, landscape architecture, optometry, medicine, land surveying, professional engineering, real estate appraising or professional nursing, or
- provided in connection with the professional employment or practice of a person who is licensed or registered as an architect, an optometrist, a physician, a surgeon, a certified public accountant, a land surveyor, a landscape architect or professional engineer, a state certified or state licensed real estate appraiser, or a registered nurse.

Contracts for the procurement of these professional services **may not be awarded on the basis of price**. Instead, services must be awarded on the basis of demonstrated competence and qualifications.

To ensure professional vendors a fair and equal opportunity to do business with the County, and to ensure that the services of the most qualified professional are obtained, professional services may be procured using the Request for Qualifications (RFQ) or any other method approved by state law. A Request for Proposal (RFP) process may be required by granting sources in order to receive grant money. The County, through the Commissioners Court, may grant by Order at a noticed meeting a discretionary exemption for a personal or professional service. The Court will then select the professional and enter into a Professional Service Contract with the selected professional at a noticed meeting. Thus, if the user department does not proceed with the RFQ process and/or RFQ and RFP process, then it shall request the Commissioners Court to exempt the bidding requirement by Order and approve the selection of the professional at a noticed meeting. A professional service agreement shall be considered and approved by Commissioners Court at a notice meeting.

If the user Departments determines the necessity to procure professional services through the Request for Qualification process it shall forward a recommendation memo to the Purchasing Agent. The memo identifies the following:

- scope of work
- qualification and experience requirements

- project description and deliverables
- time frames
- budgeted amount and budget line items
- suggested professionals
- selection criteria

Based on the information provided in the memo, applicable state laws, and all relevant facts, the Purchasing Agent makes a determination about implementing a formal RFQ procurement process.

After development of requirements and preparation of the RFQ, a notice of the proposed purchase is published by the Purchasing Department with Commissioners Court approval.

Notice of a proposed purchase must be published at least once a week in a newspaper of general circulation in the County, with the first day of publication occurring before the 14th day before the date of the solicitation opening. To ensure vendors sufficient time to complete and return their solicitation, Purchasing generally advertises for 16 to 21 days. If necessary, the advertising time can be extended or decreased, but must be at least 15 days.

The Commissioners Court authorizes the Purchasing Agent to extend the proposal opening date on the notice of a solicitation if an error is discovered, or the nature of the goods or services requires an extension (in accordance to Commissioners Court order exhibit 9). The Purchasing Agent may amend (in accordance to Commissioners Court order exhibit 10) a solicitation:

- If inquiries about the meaning indicate the need for an amendment to clarify its original intent or to correct clerical errors;
- If the changes are so insignificant that they are not likely to matter to the vendor in determining ability to respond; and
- If the amendment does not change the general scope.

There should be at least three days between the date of the amendment and the opening date in the notice. If there are less than three days, the opening date is extended to allow for a minimum of three days between the date of the amendment and the opening date in the amendment. To extend the opening date the Purchasing Agent is required by order of Commissioners Court to obtain the consent from the County Judge or a Commissioner (exhibit 9)

To ensure confidentiality, the following procedures are adhered to when receiving vendor responses:

- The Purchasing Agent receives all responses as specified by the RFQ.
- All responses are stamped with the time and date received. The "Date Stamp Clock" in the Purchasing Department serves as the **official** time clock for identifying the date and time responses is received in the Purchasing Department.
- **Responses are not received after the opening time on the day of opening. All**

responses received after the opening time are returned unopened to the vendor with a letter from the Purchasing Agent notifying the vendor that the submitted response was received after the due date and time.

- The Purchasing Department records the name of the vendor's representative submitting the response.
- After responses are received, the Purchasing Department keeps them secured until the opening date. The responses are to be received sealed and remain sealed until they are opened by the Purchasing Department on the advertised date and time.
- On occasion, responses that are received in the mail, or by some other independent carrier, may be inadvertently opened. If this situation occurs, another employee of the Purchasing Department is immediately called to act as a witness that the details of the response were not reviewed and the response was sealed again by an employee, and the event is documented.

The above process is undertaken to preclude any perception of favoritism, and avoid revealing response information. Publicly receiving sealed responses and recording the submission of requested responses inhibits any perception that the Purchasing Department is manipulating the receipt of responses.

Sealed responses are opened and documented by the Purchasing Department. Only the names of vendors submitting responses are announced. The Purchasing Agent opens the responses on the date specified in the notice.

Proposals are opened but to avoid disclosure of contents to competing proposers they are kept secret during the process of negotiation. A member of commissioners court may request access to the proposals and shall execute and certify a confidentiality memorandum, exhibit 2, before access and only after the evaluation committee has completed the evaluation. Questions may be posed to the purchasing agent by the member of commissioners court requesting access. All proposals that have been submitted are available and open for public inspection after the contract is awarded, except for trade secrets and confidential proprietary information. Disclosure of all information obtained from a vendor is subject to the provisions of the Texas Public Information Act.

As described in Chapter 2 of this manual, the Nueces County Purchasing Department uses a confidentiality memorandum to ensure that proprietary information is kept confidential. Before the evaluation of confidential proposals begins, the Purchasing Department sends a confidentiality memorandum to evaluation committee members for signature and certification. A member of commissioners court, not a member of the evaluation committee, may request access to the proposals and a confidentiality memorandum, exhibit 2, is executed and certified before access to the proposals and only after the evaluation committee has completed the evaluation. Questions may be posed to purchasing agent by the member of commissioners court requesting access. The memorandum contains requirements to which the evaluation committee member and any Commissioners Court member who requested information is expected to adhere during the evaluation process to keep information confidential **until the Commissioners Court approve an award**. This memorandum includes disclosure of any potential conflict of interest, or any attempted communication by the vendor to evaluation committee members.

The Purchasing Department supervises the evaluation process performed by the user department or committee to ensure that it is conducted fairly and consistently and that the

integrity of the process is maintained. Depending on the procurement, there may be additional technical evaluation assistance provided by County staff.

The RFQ must specify the evaluation factors to be used to determine minimum qualifications. Price is not a factor in this type of solicitation. Evaluators may use only the specified evaluation factors in evaluating the responses. Purchasing staff leads the evaluation team and is responsible for:

- tabulating scores;
- calculating values; and
- **either**
 - coordinating follow-up meetings for Best and Final Offer (BAFO) negotiations and recommending an award; or
 - discontinuing the process.

After the evaluation has been completed, Purchasing Agent presents the evaluation documentation and other appropriate documentation to Commissioners Court at a noticed meeting to justify the recommended award. Purchasing Agent or other County staff makes the recommendation to Commissioners Court.

The Purchasing Agent supervises all negotiations unless delegated to County staff. In the procurement of engineers or architect service, the County Engineer negotiates the fee. In the procurement of legal services, the County Attorney negotiates the fee. Individuals that contact proposers without coordinating with the Purchasing Agent or other delegated County Staff risk jeopardizing the integrity of the County procurement process.

The Purchasing Agent works with the user department to develop the recommendation for award and present it for approval to the Commissioners Court.

When procuring architectural or engineering services, the County may follow the RFQ process described above and adds a second step. First, vendors responding to the RFQ are evaluated. The Purchasing Department works with the evaluation committee to develop a rank ordering of vendors. Based on the committee's evaluation of responses, they identify the "most highly qualified" vendors with whom the County wishes to negotiate. The Purchasing Agent or other County staff recommends to Commissioners Court the most highly qualified vendors and requests authorization to negotiate on the basis of demonstrated competence and qualifications. The Purchasing Agent or other delegated County Staff enters into negotiations for a contract at a fair and reasonable price.

If the County is unable to negotiate a satisfactory contract with the most highly qualified vendor, negotiations formally end with that vendor. The next most highly qualified vendor is then asked to negotiate. Negotiations are continued in this sequence until a contract is finalized.

Any contract with professional vendors based on a competitive bid is void because it is contrary to state law.

Before any services are rendered, a contract for professional services, in writing, is approved by Commissioners Court and signed by the County Judge. User Department shall verify that the services sought have been approved by Commissioners Court and adequate funds are

budgeted for it and the County Attorney has reviewed the contract. The user department follows up the contract with entry of a requisition into the ONESolution system.

As defined in this manual "other" personal or professional services are those services usually referred to as a professional service, but not specifically listed in the Professional Services Procurement Act. Various court opinions have stated that these "other" professional services are services requiring technical skill and expertise; labor and skill which is predominantly mental or intellectual, rather than physical or manual; or, a special skill and experience. "Other" personal services have been defined as services that must be performed by a particular person and, by the terms of the contract, no substitutions are allowed. Examples include computer programmers, lawyers, and facilitators.

Chapter 15: Construction Procurement

Subsection 262.011 (e) of the Texas Local Government Code states that "The County Purchasing Agent shall supervise all purchases made on competitive bid..." Chapter 271 Subchapter C is used only for public works projects funded by Certificates of Obligation. Chapter 271, Subchapter H provisions are used when an alternative project delivery method (other than traditional competitive bidding) is used for public works projects not funded with certificate of obligation.

Construction procurement is consistent with other procurement procedures in this manual and with pertinent statutes. The Purchasing Agent supervises all construction procurements. All competitive bids are accomplished by the following process:

- A memo submitted to the Purchasing Agent, signed by the user department serves as the initial notification that a competitive bid is needed. The user department or outside professional vendor develops the plans and technical specifications, when applicable. An electronic copy of the technical specifications is submitted with the memo to assist in the development of the project manual. Before the project manual and plans are submitted to the printer for copying, the Purchasing Agent and County Attorney review and approve the Bidding and General Requirements. The Purchasing Agent reviews the specifications for compliance with the Purchasing Act and the County Attorney reviews them for legal considerations.
- NOTE: Purchasing prints the document when there is only a project manual and no plans.

The user department must provide the Purchasing Department at least ten (10) workdays to develop the IFB, circulate it for the appropriate reviews, and printing. During this time, Purchasing develops a procurement schedule detailing the milestones of the solicitation, including dates and times for the pre-bid conference, bid opening, and pre-construction conference. The Purchasing Department assigns an IFB number and contract number to the project at this time if it has not already been assigned.

The user department enters all construction contracts into the ONESolution system. The County uses the ONESolution system to process and track payments to the prime contractor.

The Purchasing Department publishes the advertisement for bid, which must include the following:

- Description of Work;
- Location at which the bidding documents, plans, specifications, or other data may be examined without charge by all potential bidders. The location at which plans and specifications may be obtained and the amount of the deposit required;
- Time and place for submitting bids and time and place of bid opening;
- The method of payment. If payment is by certificate of obligation, the advertisement must state either :
 - that the bidder must accept certificates, or
 - that the bidder must elect to accept certificates or assign them to a financial institution with which county has made an arrangement.

- If the contract is to be awarded on a unit price basis, the notice must also include the approximate quantities of the goods and services needed that are to be bid on and the quantities must be based on the best available information.

Notice of a proposed purchase must be published at least once a week in a newspaper of general circulation in the County, with the first day of publication occurring before the 14th day before the date of the bid opening. To ensure bidders (proposers) sufficient time to complete and return IFB's, Purchasing generally advertises for 16 up to 21 days. If necessary, advertising time can be extended or decreased, but must be at least 15 days.

Commissioners Court by order may require the consideration of the safety record of the bidder, of the firm, corporation, partnership, or institution represented by the bidder, or of anyone acting for such a firm, corporation, partnership, or institution. If the IFB states that the safety record may be considered in determining the responsibility of the bidder and includes the Safety Record Questionnaire in the IFB, County takes into account the bidder's safety record in determining the responsible bidder. The safety record includes compliance with requirements for the safety of the environment. In relation to the safety record, bidder includes not only the bidder; but also the firm, corporation, partnership or institution represented by the bidder; or anyone acting for such a firm corporation, partnership or institution.

The definition and criteria for determining the safety record of a bidder:

1. If the bidder reveals more than two (2) cases in which final orders have been entered by the Occupational Safety and Health Review Commission (OSHRC) against the bidder for serious violations of OSHA regulations within the past three (3) years, County will, at its discretion, determine whether to disqualify the bidder.
2. If the bidder reveals more than one (1) case in which bidder has received a citation from an environmental protection agency for violations within the past five (5) years, County will, at its discretion, determine whether to disqualify the bidder.

Environmental Protection Agencies include the U.S. Army Corps of Engineer (USACOE), the U.S. Fish and Wildlife Service (USFWS), the Environmental Protection Agency (EPA), the Texas Commission on Environmental Quality (TCEQ), and its past associated agency: the Texas Natural Resource Conservation Commission (TNRCC), the Texas Department of Health, the Texas Parks and Wildlife Department (TPWD), the Structural Pest Control Board (SPCB), agencies of local governments responsible for enforcing environmental protection laws or regulations, and similar regulatory agencies of other states of the United States.

Citations include notice of violation, notice of enforcement, suspension/revocations of state or federal licenses or registrations, fines assessed pending criminal complaints, indictments, or convictions, administrative orders, draft orders, final orders, and judicial final judgments.

Notice of Violations and Notice of Enforcement received from TCEQ shall include those classified as major violations and moderate violations under TCEQ's regulations for documentation of Compliance History, 30TAC, Chapter 60.2 (c) (1) and (2).

3. If the bidder reveals that the bidder has been convicted of a criminal offense within the past ten (10) years which resulted in serious bodily harm or death, County will determine whether to disqualify the bidder.

Bonds are not required for construction contracts that are less than \$50,000.

Bid bonds are not required from any bidder whose rates are subject to regulation by a state agency. If the Purchasing Agent decides that a bid bond is required for a particular contract, the IFB states that a bid bond in the amount of 5% of the contract price is required and that it must be executed by a surety company authorized to do business in Texas.

Letters of Credit may not be substituted for any bid bonds related to a public works project, if the cost of the project exceeds \$50,000.

For all contracts in excess of \$100,000 for the construction, repair, or alteration of a public work or the prosecution or completion of any public work, before commencing work, the vendor must execute a performance bond that is:

- payable to Nueces County, Texas,
- in the full amount of the contract,
- conditioned on faithful performance of the work in accordance with the plans, specifications, and contract documents,
- solely for the protection of the County,
- executed by a corporate surety or sureties in accordance with the Insurance Code, and
- in a form approved by the Commissioners Court.
- Any performance bond that is furnished by a contractor in attempted compliance with the requirements of Texas Government Code, chapter 2253 is construed as if it conforms to that chapter in relation to rights created, limitations on the bonds and remedies provided.

Letters of Credit may not be substituted for any performance bonds related to a public works project if the cost of the project exceeds \$50,000.

For all contracts in excess of \$50,000 for the construction, repair, or alteration of a public work or the prosecution or completion of any public work, the vendor, before commencing work, must execute a payment bond that is:

- solely for the protection and use of payment bond beneficiaries who have a direct contractual relationship with the prime contractor or a subcontractor to supply labor or material for a public work,
- payable to Nueces County, Texas,
- in the amount of the contract,
- executed by a corporate surety or sureties in accordance with the Insurance Code, and
- in a form approved by the Commissioners Court.

Payment bonds must be effective from commencement of performance until the end of the fourth month after releases are obtained from all subcontractors and materialmen. Any payment bond that is furnished by a contractor in attempted compliance with the requirements of chapter 2253 of the Texas Government Code are construed as if it conforms with that chapter in relation

to rights created, limitations on the bond, and remedies provided.

A bond required under this section must clearly and prominently display on the bond or on an attachment to the bond: (1) the name, mailing address, physical address, and telephone number, including the area code, of the surety company to which any notice of claim should be sent; or (2) the toll-free telephone number maintained by the Texas Department of Insurance under Article 1.35D, Insurance Code, and a statement that the address of the surety company to which any notice of claim should be sent may be obtained from the Texas Department of Insurance by calling the toll-free telephone number.

The County may not require a contractor for any public building or other construction contract to obtain a surety bond from any specific insurance or surety company, agent, or broker.

Letters of Credit may not be substituted for any payment bonds related to a public works project if the cost of the project exceeds \$50,000.

The Purchasing Department provides detailed information on the bidding requirements of the IFB to ensure that purchasing procedures are complied with and the user department provides technical information and ensures that technical standards are complied with. Purchasing schedules the pre-bid conference and assists in conducting the conference as follows:

- Have all attendees sign the attendance roster and provide a detailed Agenda which:
 - Provides a brief introduction of the project title, magnitude, and performance period.
 - Indicates whether there has been any addendum issued, and if so, all attendees and project document holders must receive a copy.
 - Discusses the Purchasing Department role in the procurement and administration process.
 - Establishes a "cut-off" date for questions and request for clarifications, as well as a final date for issuance of addendum
- Has the project Engineer, Architect or Project Manager discuss the specifics of the project including review of the plans and specifications and allows for a question and answer session.
- Determines any issues discussed during the conference that require issuance of an addendum. The Purchasing Agent may extend the date specified in the notice if needed. The Purchasing Department issues the amendment only if there are at least five (5) days between the date of the addendum and the date specified for bid opening (exhibit 10). If less than five days exist, the opening date should be extended to allow for a minimum of five days between the date of the addendum and the opening date specified in the addendum.
- Have the user department provide Purchasing with the technical documents (i.e. changes or additions to the plans and or specifications). Purchasing prepares addendum using standard form and distributes the addendum to all applicable vendors.
- Records questions from bidders and distributes addendum if applicable to all attendees and those that have requested solicitations.

The following procedures are adhered to when receiving bids:

- The Purchasing Department receives all bids as specified by the IFB.
- **Bids are not received after the opening time on the day of bid opening.** All bids received after the opening time are returned unopened to the bidder with a letter from the Purchasing Agent notifying the bidder that the submitted bid was received after the due date and time.
- The Purchasing Department records the name of the vendor submitting the bid.
- After bids are received, the Purchasing Department provides a secure place to hold the bids until the opening date. The bids are to be received sealed and remain sealed until the Purchasing Department opens them in a public forum on the advertised date and time.
- On occasion, bids that are received in the mail or by some other independent carrier may be inadvertently opened. If this situation occurs, another employee of the Purchasing Department is immediately called to act as a witness that the details of the bid, especially the price, were not reviewed, then the bid was sealed again by that employee, and the incident is documented.

The above process shall be undertaken in a manner that precludes any perception of favoritism and avoids revealing bid prices or any bid information. Publicly receiving sealed bids and recording the submission of requested bids inhibits the perception that the Purchasing Department is manipulating the receipt of bids.

The Purchasing Department publicly opens and documents sealed bids on the date, time and place specified in the notice. Preliminary bid tabulations are provided to the public upon request. The Purchasing Department and the user department determine who is responsible for creating the bid tabulation and, if it is the user department, then the user department provides a copy to the Purchasing Department for distribution to the general public. For those bids that contain numerous line items, a tabulation that includes the total bid amount, excluding individual line item amounts per bidder, can be provided immediately after bid opening. Requests for all-inclusive bid tabulation are honored after it is completed and may require at least four (4) workdays.

The Purchasing Department evaluates all bids with assistance from the user department and they jointly develop a recommendation for award to Commissioners Court. The evaluation of bids is based on the following factors:

- the relative prices of the bids, including the cost of repair and maintenance of heavy equipment if that is subject of the bid, or the cost of delivery and hauling if road construction equipment is the subject of the bids;
- the compliance of goods and services offered with specifications; and
- the responsibility of the vendor, including the vendor's past performance, the vendor's financial and practical ability to perform the contract, and the vendor's safety record if Commissioners Court has adopted a definition of safety that is stated in the IFB.

Purchasing forwards a complete bid packet to the Official or Department Head for completion and signature. The form and any other documentation from the user department is submitted with the agenda request to justify the award. Purchasing is responsible for placing the item on the agenda of the Commissioners Court.

When the lowest priced bid is not the best bid, clear justification for not selecting the lowest bidder must be documented to the Commissioners Court. This recommendation may be supported by clear and concise documentation from the user department that determines the rationale for awarding to a bidder other than the lowest bidder. A joint review of the bid by the user Department and the Purchasing Department is required.

The Purchasing Agent recommends contract award to Commissioners Court at a noticed meeting. The Court shall:

- Award the contract to the responsive and responsible bidder who submits the lowest and best bid; or
- Reject all bids and publish a new notice if the goods and services are still needed.

If two responsive and responsible bidders submit the lowest and best bid, the Commissioners Court shall decide between the two by drawing lots in a manner prescribed by the County Judge.

A contract may not be awarded to a bidder who is not the lowest dollar bidder meeting specifications unless, before the award, each lower bidder is given notice of the proposed award and is given an opportunity to appear before the Commissioners Court and present evidence about its responsibility. After award, the County Judge signs the contract for the County and the Purchasing Agent returns the bid bonds of any vendor that was not awarded a contract.

After an award is made, a notice of contract award form is processed. An original contract, along with contract award form, is maintained in Purchasing. The other originals, along with a contract award form, are furnished to the Contractor and the County Clerk when approved by Court. Copies of all documents are furnished to the user department, the County Auditor's Office, and the County Attorney.

A Notice-of-Award ("NOA") letter, issued by the Purchasing Department, accompanies the contractor's copy of the contract. The NOA letter includes the requirements for the contractor to submit various documents, and the time period within which they must be submitted. For example, Payment Bonds, Performance Bonds and an Insurance Certificate must be submitted within ten (10) workdays after contractor receipt of the NOA letter.

The Purchasing Agent supervises return of bonds in cooperation with the user department/County Engineer to ensure that the contract is complete in all respects before these are returned. The release must state that the subcontractor or materialman releases Nueces County from all claims arising from labor or materials provided for the project.

Chapter 271, Subchapter H of the Texas Local Government Code applies if an alternative project delivery method (that is, not "traditional" competitive bidding) is being utilized. Specific procedures and requirements are developed for each specific project using an alternative delivery method. If an alternative project delivery method is not being used, the provisions of Chapter 262 of the Texas Local Government Code apply.

If funds for the project for construction of Public Works or the purchase of materials, equipment, supplies or machinery is derived by certificate of obligation then the method of procurement as prescribed by Section 271.054 of the Texas Local Government code shall be by competitive bidding and the notice for the bidding requirement shall follow Section 271.055 as provided by section 271.057 of Texas Local Government Code.

Chapter 16: Exemptions to the Competitive Procurement Process

Some goods and services can be exempted from the competitive procurement process if the Commissioners Court orders the purchase exempt. Section 262.024 of the Texas Local Government Code lists all the circumstances when discretionary exemptions are available for purchases made out of current funds, bond funds, or through time warrants. The following is a list of these circumstances:

- Goods and services that must be purchased in a case of public calamity, if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the County;
- Goods and services necessary to preserve or protect the public health or safety of the residents of the County;
- Goods and services necessary because of unforeseen damage to public property;
- Personal or professional services;
- Work performed and paid for by the day, as the work progresses to a maximum of 20 days within any three-month period;
- Any land or right of way;
- Goods and services that can only be obtained from one source (sole source), including:
 - Goods and services for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies;
 - Films, manuscripts, or books;
 - Electric power, gas, water, and other utility services; and
 - Captive replacement parts for equipment.
- Food goods;
- Personal property sold at auction by a state licensed auctioneer, in a going out of business sale held in compliance with the Business and Commerce Code, or by a political subdivision, state agency or federal government entity;
- Work performed under a community and economic development contract under section 381.004 of the Texas Local Government Code; and
- Renewal of a lease or equipment maintenance agreement if the lease was competitively bid within the last year and the extension does not exceed one year.

In addition, section 271.056 of the Texas Local Government Code lists all the circumstances when exemptions are available for purchases made from funds obtained from certificates of obligation. The following is a list of these circumstances:

- Goods and services that must be purchased in a case of public calamity, if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the County;
- Goods and services necessary to preserve or protect the public health or safety of the residents of the County;
- Goods and services necessary because of unforeseen damage to public property;
- Personal or professional services;
- Work performed by the County's employees and paid for as the work progresses;
- The purchase of any land, building, existing utility system, or right of way for authorized needs and purposes authorized under the certificate of obligation;
- A contract paid entirely from current funds or bond funds or a contract for which advertising was done in compliance with Chapter 271 of the Texas Local Government Code and certificates of obligation are issued to provide for a deficiency in current funds or bond funds;
- The sale of a public security as defined in section 1204.001 of the Texas Government Code;
- A contract that is not required to be made in accordance with competitive bidding procedures under the County Purchasing Act.

Discretionary exemption orders must be processed through the Purchasing Agent. For purchases exceeding \$50,000, the Purchasing Agent requests the exemption order from Commissioners Court in all cases except the acquisition of interests in land for county purposes. (Exhibit 15)

The Official or Department Head submits a memo to the Purchasing Agent requesting a discretionary exemption to the competitive procurement process and identifying the basis for the exemption (e.g. emergency, sole source). The memo must state specific details and explain why an exemption from the competitive procurement process should be requested and granted. When possible, it should also contain the name of the vendor, goods or services covered by the order and the expected maximum cost and other relevant programmatic information justifying the exemption.

Emergency means circumstances where an immediate response is required to provide for the safety of persons or property, but does not include any situation which results in the County Judge declaring a local state of disaster.

Emergency purchases exceeding \$50,000 require a discretionary exemption order granted by the Commissioners Court before a purchase order can be issued.

Sole-source goods and services require a signed statement from the Purchasing Agent about the existence of only one source, and specifically noting which type of listed sole source good or service is being purchased. For purchases over \$50,000, the statement is submitted for acceptance by Commissioners Court, and must be reflected in the minutes of the meeting of the Commissioners Court. Sole-source items include:

- Goods and services for which competition is precluded from bidding because of the

existence of patents, copyrights, secret processes, or monopolies;

- Films, manuscripts, or books;
- Electric power, gas, water, and other utility services; and
- Captive replacement parts for equipment.

The Commissioners Court by Order may exempt food purchases from bidding requirement for Nueces County adult and juvenile correctional facilities. Under this exemption, Department head or elected official shall contact the Purchasing Agent and County Judge to coordinate continual food operations at the Nueces County adult and juvenile facilities. Commissioners Court at all times reserves the right to require a competitive procurement process (IFB/RFP) for food purchases through competitive bids.

Purchases of land or right-of-way are exception from the bidding process pursuant to the Purchasing Act. The Commissioners Court, by Order, may exempt the purchase of land or right-of-way from the bidding requirement under Section of 262.023 of the Texas Local Government Code. The Commissioners Court shall designate a specific Department head, with the advice of the County Attorney, to handle any purchases of real property.

Chapter 17: Renewal of Equipment Leases and Maintenance Contracts

The first renewal or extension of a lease or of an equipment maintenance contract can be exempted from formal competitive bidding, if the Commissioners Court orders the exemption and if:

- the lease or contract has gone through formal competitive bidding within the preceding year; and
- the renewal or extension does not exceed one year.

The Purchasing Department processes the procurement of all equipment leases and maintenance contracts and exemption orders for all renewals or extensions. If the request is for a sole source lease or maintenance contract, the user Department must provide a memo justifying why it is a sole source purchase. The Purchasing Agent supervises all negotiations with vendors. Purchasing maintains a copy of the document and sends the user Department a copy. User Department monitors maintenance contracts and equipment leases for expiration dates and treats their renewal as annual term contracts.

Commissioners Court shall approve and authorize execution of any contracts for equipment leases and maintenance contracts that are procured in compliance with the Purchasing Act.

Once the Commissioners Court approves and executes, the user Department enters a requisition into the ONESolution system identifying the budget line item account. The requisition identifies the purchase as either a lease or maintenance contract. The requisition should include the serial number, model number and physical location of equipment. The beginning and end dates of coverage should be specified.

If the user Department is processing a renewal, the original contract number should also be identified in the requisition (either the County contract number or the State term contract number).

If the lease or maintenance contract is from an authorized State vendor, the user Department must include the Vendor ID number, state contract number, and contact person on the requisition.

Chapter 18: Receipt of Goods

Departments **must** notify the Purchasing Department if goods are not received by the due date or if damaged freight is delivered.

Department employees receiving shipments must pay particular attention to the delivery ticket, to ensure it matches the County's purchase order. The person receiving the goods must verify that all goods were received as stated on the purchase order, and sign **in his or her own name (a full signature in ink)** on all of the appropriate receiving documentation, particularly the County copy.

The user Department must acknowledge receipt and acceptance of delivered goods through the ONESolution system within five working days. (Please **do not** accept items in the ONESolution system if damaged freight has to be returned.) Timely receipt of goods in the ONESolution system is critical to the timely processing of payments to vendors in compliance with Texas Government Code, section 2251.021 Prompt Payment Act. According to this section, payment for goods or services received is overdue on the 31st day after the later of:

- the date the County receives the good under the contract,
- the date the performance of the service under the contract is complete, or
- the date the County receives an invoice for the goods or service.

When a shipment arrives, the user Department must inspect the condition of all cartons. If freight is undamaged, the Department receiving the shipment should sign the freight bill. If freight is visibly damaged, the receiving Department must instruct the freight line driver to:

1. Note the damage on the freight bill, and;
2. Sign the freight bill.

If there is concealed damage, save the shipping cartons so that the Purchasing Department can notify the freight line and request an "inspection and report of concealed damage". A receiving report noting the damage should be completed and matched with the receiving copy of the purchase order.

All boxes and packing materials should be kept in the event of visibly damaged and concealed damage freight shipments.

Damaged freight must be reported to the freight line within 15 days after delivery. After 15 days the freight line is no longer liable for the damage.

All goods not received properly or not in compliance with the contract should be documented and reported to the Purchasing Department as soon as possible so that the vendor can be notified and instructed about corrective action. To comply with the Prompt Payment Act, the Department making the purchase notifies the vendor within 21 days of any damaged goods received to avoid interest being paid to the vendor.

Damaged goods should not be returned to the freight line or the vendor, unless specifically requested to do so and then only if a claim has been filed or if authorization has been given by the vendor or the Purchasing Department.

All receiving documentation must be maintained by the user Department for their record. All

vendor invoices are sent directly to the user Department and after receiving the items and or service are forwarded to the County Auditor. (See Exhibit 19) The Department should provide documentation to the County Auditor's Office regarding any disputes in receipts of goods.

Chapter 19: Contract Modifications

During the term of a contract, it may be necessary to make changes to the contract. These changes can be minor, administrative changes such as a change of address or they can be substantial changes that affect the price and delivery.

There are basically two ways to change a contract. One way is a bilateral modification, in which both parties to the contract agree that a modification is necessary. Both parties must sign to indicate their agreement. The second way is a unilateral modification. In this case, terms and conditions in the original contract set forth the situations under which the County may exercise a right to modify the contract without the contractor's consent.

Note: For Contract modification of Construction contracts see Chapter 15.

The County may modify contracts, in writing, if the changes are within the general scope of the contract including changes. Depending on the contract the Purchasing Agent or user department may request the Court to approve a modification at a noticed meeting. The following changes are required to be approved by Commissioners Court at a noticed meeting:

1. drawings, designs, or specifications when the goods to be furnished are to be specially manufactured for the County in accordance with the drawings, designs, or specifications;
2. increases in the quantity of items purchased;
3. increases or decreases in cost of \$50,000 or less; however, the original contract price may not be increased by more than 25 percent unless the change order is necessary to comply with a federal or state statute, rule, regulation, or judicial decision enacted, adopted, or rendered after the contract was made or decreased by 18 percent or more without the consent of the contractor; and
4. time extensions allowed by the contract terms and conditions.

The following changes require to be approved by Commissioners Court at a noticed meeting if it involves an added expenditure:

1. method of shipment or packing;
2. place of delivery;
3. correction of errors of a general administrative nature or other mistakes .

Note: The total contract price may not be increased unless the cost of the change can be paid from current and available funds.

Chapter 20: Contract Administration

Contract administration and oversight includes four general processes:

- Planning
- Monitoring Contractor Performance
- Payment Approval
- Change Management

This aspect of the procurement process is important. Documentation of specific non-compliance must be available to enforce contractual terms. Documentation includes a description of specific dates, locations, examples, etc. of non-performance and any contact or communication with the contractor about non-compliance.

The user Department has primary responsibility for monitoring and documenting contractor performance and compliance. The user Department must provide copies of all documentation of non-compliance to the Purchasing Department. Copies may be sent by e-mail to the Purchasing Agent. The Purchasing Department maintains all documents about events during the term of the contract including contract performance including documentation related to clarification of expected performance. The user Department does not need to provide copies of documentation about clarification of expected performance standards with which the contract complied after clarification. The user Department should contact the Purchasing Department if there is any question about what should or should not be documented.

If the user Department observes poor performance or non-compliance with the contract, the user Department or Commissioners Court Administration Director communicates with the contractor and initiates any corrective action. The Purchasing Agent takes all steps related to obtaining contract compliance, but consults with the County Attorney before taking any steps toward contract suspension or termination. Before any letters, notices and other communication related to termination or suspension are sent to the contractor, they are reviewed by the County Attorney as the initial steps toward potential litigation.

For construction contract administration see chapter 15

The primary objectives of contract administration are to:

- Ensure the contract requirements are satisfactorily performed,
- Properly discharge of the responsibilities of both parties,
- Verify contractor performance before payment,
- Identify any material breach of contract by assessing the difference between contract performance and material non-performance, and
- Determine if corrective action is necessary and take that action if required.

The statement of work is the guide for contract administration. Therefore, planning for contract administration occurs before issuance of the solicitation. Effective contract administration

minimizes or eliminates problems and potential claims and disputes.

Good contract management ensures that the contract requirements are satisfied, that the goods and services are delivered in a timely manner, and that the financial interests of the County are protected.

The contractor must perform and meet the requirements of the contract. To do so, contractors sometimes need technical direction and approval from County personnel. County personnel must provide this technical direction and approval in a timely and effective manner. All guidance provided to a contractor must be within the scope of the contract.

The primary responsibilities of the contract manager are:

- Participating, as necessary, in developing the solicitation and writing the draft documents,
- Monitoring the contractor's progress and performance to ensure goods and services conform to the contract requirements,
- Managing any county property used in contract performance,
- Authorizing payments consistent with the contract documents,
- Exercising remedies, as appropriate, where a contractor's performance is deficient,
- Resolving disputes in a timely manner,
- Documenting significant events, and
- Maintaining appropriate records.

A good contract manager ensures that the contract requirements are satisfied, that the goods and services are delivered in a timely manner, and that the financial interests of the County are protected.

A post award conference is a meeting with the contractor and includes the principals responsible for administering the contract. The conference is typically held soon after the contract is awarded. It is an orientation for the contractor to ensure a clear and mutual understanding of all contract terms and conditions, and the responsibilities of all parties. The conference also serves as a tool to clarify and resolve any potential misunderstandings early. Although both the contractor and County personnel should be fully aware of the contract requirements, the post award conference ensures that those involved directly in the contract administration process understand all requirements of contract performance.

Monitoring the performance of a contractor is a key function of proper contract administration. The purpose is to ensure that the contractor is performing all duties in accordance with the contract and for the user Department to be aware of and address any developing problems or issues.

In some instances the obligation to monitor the progress of a contract is assigned to another contractor. This is known as independent oversight. For example, in a construction contract, the architectural firm that provided the construction plans may perform the task of ensuring progress in accordance with the contract.

To avoid escalation of problems to the next level and ensure the County has not exacerbated potential problems, County personnel must respond promptly to all contractor inquiries. Initial steps to be taken are:

- Identify the problem – what may appear to be a problem can sometimes be resolved by providing the contractor with information or clarification
- Research facts – Purchasing should obtain all the information about the potential problem from all relevant sources, including the project manager and the contractor.
- Evaluation – Purchasing should review all of the facts in conjunction with the requirements and terms and conditions of the contract. Purchasing determines the appropriate course of action.

Proper dispute resolution is a core skill of successful contract management. Identifying problems early in the performance period, effectively communicating, and formalizing the process in writing through a cure note procedure or less formal written procedure is essential. A contract termination is a failure by BOTH parties to a contract. Termination is the last resort.

A termination for convenience, also known as a no-fault termination, allows the County to terminate any contract, in whole or in part, at any time in its sole discretion, if it is determined that the termination is in the best interest of the County.

Purchasing provides the contractor a written notice specifying the extent of termination and the effective date, providing as much notice as possible.

The Contractor is generally paid for allowable costs incurred up to the termination. The County is not liable for payment to the contractor related to the terminated portion of the work or any work performed or costs incurred after the effective date of the termination

A contract may be terminated for default when the County concludes that the contractor fails to perform, make progress, or in any way breaches the contract.

Termination for default should be used as the last resort and not as punishment. The County should do everything within reason to assist the contractor in curing any default. Factors to consider before making a termination for default decision include:

- The provisions of the contract and applicable regulations,
- The specific contractual failure(s) and the explanation provided for the failures,
- The urgency of the need for the contracted supplies or services,
- The availability of the supplies or services from other sources and the time required to obtain them, and
- Availability of funds or resources to re-purchase if the costs cannot be recovered from the delinquent contractor. Under a termination for default, the County may demand re-procurement costs from the defaulting contractor.

Keeping one complete master contract administration file is critical. The file provides a basis for settling claims and disputes if they arise in administrative or court actions. Throughout the life of the contract, the Purchasing Department contract administration file should contain such things

as:

- An original copy of the current contract and all modifications,
- An original copy of the agenda request(s),
- A copy of all specifications, drawings or manuals incorporated into the contract by reference,
- The solicitation document, the contractor's response, evaluation determination, and the notice of award document,
- A list of contractor submittal requirements,
- A list of County furnished property or services,
- A copy of the pre-award conference summary, if applicable,
- A copy of all general correspondence related to the contract,
- The originals of all contractor data or report submittals,
- A copy of all notices to proceed, to stop work, to correct deficiencies and change orders,
- The records or minutes of all meetings, both internal and external, including sign-in sheets and agendas,
- A copy of the original bidders list, and
- Any other information required by the standard contract file checklist

Chapter 21: Professional Development and Certification

The policy of the Nueces County Purchasing Department is to develop and maintain a professional procurement staff that achieves these broad purposes:

- To provide the best service possible to all County Departments in a fair and equitable manner;
- To ensure an atmosphere of equality to all vendors without regard to undue influence or political pressures; and
- To protect the interest of county taxpayers in all expenditures.

Within the stated purposes, the Purchasing Department strives to meet the following key objectives:

- The actions of the office must be legal, ethical, and defensible.
- The office contributes to the attainment of Nueces County's organizational goals.
- The office effectively communicates with all county employees and vendors.
- The office consistently provides sound management data, including historical performance records.
- The professional staff obtains the skills and training necessary to perform their duties effectively and efficiently.
- The professional staff attempt to obtain purchasing certification.

To support these purposes and objectives, the training policy of the Purchasing Department is:

- All staff must maintain an extensive knowledge of software programs to perform effectively within each related job. They must be current on all software applications used by the office. Training courses are assigned depending on knowledge and position requirements of the individual. Staff takes advantage of computer training offered by the County before pursuing external sources.
- Professional staff are required, as funding is available, to attend the following standard seminars:
 - Basic Public Purchasing
 - Public Purchasing Law
 - Advanced Public Purchasing
 - Specification Writing
- Depending on availability, these courses may be substituted for other approved courses. The professional staff may continue their professional education to remain current on

purchasing issues through applicable seminars as available.

- All professional staff is encouraged to participate in relevant training to enhance their efficiency and effectiveness in performing their duties.
- Professional staff is encouraged to pursue professional certification through the National Institute of Governmental Purchasing or the Institute of Supply Management.
- Management support and funding are provided for training to allow staff educational opportunities related to the position. Registration for training must have prior approval of the Purchasing Agent, and all expenses must comply with Nueces County Travel and Training policies.

Chapter 22: Sale or Lease of County Property

The Commissioners Court may by order sale or lease real property owned by the county by the following methods:

- A. By public auction in accordance with section 263.001 Texas Local Government Code;
- B. Through a sealed –bid procedure in accordance section 263.007 of the Texas Local Government Code;
- C. Or through a contract with a real estate broker to sale a track of real property.

The Commissioners Court may adopt a procedure by which the County may sell or lease through a sealed bid or a sealed proposal procedure any real property including space in a building owned by the county. The Commissioners Court adopts the procedure as outlined in Exhibit 12. The Commissioners Court adopts the procedure for the lease of land as outlined in Exhibit 13.

The Commissioners Court authorizes and directs the Purchasing Agent by order to carry out the Proposal Procedure and to take such other actions as may, be necessary or useful for effectuating and carrying out the terms and provisions of the Proposal Procedure for the sale or lease of land.

Chapter 23: Disposition of Salvage or Surplus Property Certification

The policy of the Commissioners Court is to dispose of all surplus, salvage, seized and abandoned property in a manner that both provides the most benefit to the tax payers of the County and complies with the law. The Commissioners Court designates the Purchasing Agent to administer the disposition of surplus, salvaged and abandoned property in accordance to Chapter 263 of the Texas Local Government Code and these policies and rules.

The Commissioners Court adopts rules necessary to administer the disposition of property under this chapter. Exhibit 14 outlines the rules to be followed by the Purchasing Agent.

Chapter 24: Miscellaneous Procedures

The Commissioners Court has determined that it is in the best interest of the County to enter into operating agreements for cafeteria food service and concessions at County Island and Inland Parks. Although these agreements are not purchases under Chapter 262 nor leases under Section 263.001 of the Texas Local Government Code requiring competitive bidding, the Commissioners Court desires to use competitive bidding procedures to promulgate a fair and confidential manner of procuring the operational service and chooses to issue either competitive sealed bid or sealed proposal methods.

The Commissioners Court authorizes and directs the Purchasing Agent by order to carry out the Proposal or bid Procedure and to take such other actions as may be necessary or useful for effectuating and carrying out the terms and provisions of the Bid or Proposal Procedure under this chapter.

The Commissioners Court adopts rules necessary to administer the procedure under this chapter. Exhibit 16a and Exhibit b outlines the rules to be followed by the Purchasing Agent.

Chapter 25: Definitions

Advertisement - A public notice published in a newspaper of general circulation containing information about a solicitation in compliance with legal requirements

Alternate Delivery Method – a method of procuring construction services through other than "traditional" competitive bidding. Methods may include design-build, construction manager (either at risk or as agent), and job order.

Amendment/Addendum - A document used to change the provisions of a solicitation. Addendum is the preferred term in the Construction Industry.

Annual Term Contract - A recurring contract for goods or services, usually in effect for a 12 month basis.

Acquisition – The act of getting or obtaining possession of goods or services.

County Auditor - Nueces County Auditor and her designated representatives.

BAFO – Best and final offer. This term is used generally in the procurement process and not to be confused in awarding contracts

Best Value - The best available offer, in the County's best interest, based on all factors including software cost, hardware costs, overall life cycle cost of equipment, the estimated cost or increased cost of employee training, employee productivity, installation and maintenance costs.

Bid Deposit – A deposit required of bidders to protect the County if a low bidder withdraws its bid or fails to enter into a contract. Acceptable forms of bid deposits are limited to: cashier's check, certified check, or irrevocable letter of credit issued by a financial institution subject to the laws of Texas and entered on a US Department of the Treasury's listing of approved sureties; a surety or blanket bond from a company chartered or authorized to do business in Texas.

Bidder – A vendor that submits a bid including anyone acting on behalf of the vendor that submits a bid, such as agents, employees, and representatives.

Bidders List - An automated list of vendors who states in writing an interest in submitting bids for particular categories of goods and services.

Certified Information System Vendor (CISV) – A manufacturer or reseller of automated information systems who is authorized by the Texas Building and Procurement Commission to publish catalogues of products and services which may be purchased directly by state agencies covered by the Information Resources Management Act in compliance with Texas Government Code, Chapter 2157.

Centralized Master Bidders List (CMBL) - A list maintained by the Texas Building and Procurement Commission containing the names and addresses of prospective bidders.

Change Order - A document used in construction contracts to change the contract by modifying the specifications, increasing or decreasing the cost, adjusting the time for performance or changes the goods or services to be delivered.

Commissioners Court - Nueces County Commissioners Court.

Commodity Code - The accounting system classification of goods and services with a unique number assigned to each description.

Competitive Bidding – Process that allows available vendors to compete with each other to provide goods or services.

Competitive Proposal Process – Process that allows available vendors to compete with each other to provide goods and services that permits flexibility in product solicitation and negotiation in compliance with TEX. LOC. GOV'T CODE ANN., section 262.030.

Component Purchases - A series of purchases of component parts of goods that are normally purchased as a whole.

Consultant – A person who provides or proposes to provide advice and counsel in a specialized area.

Contract - A formal, written agreement executed by the County and a vendor containing the terms and conditions under which goods or services are furnished to the County which commits the County's funds.

Contractor - A vendor who has been awarded a contract by Nueces County.

County - Nueces County.

County Attorney - Nueces County Attorney or his designated representatives.

County Clerk - Nueces County Clerk or her designated representatives.

Customers - The County's Departments and officers

Cycle Time - The time between when a purchase requisition is received in the Purchasing Department and placement of a purchase order with a vendor. Cycle time does not include the time required for delivery or the time it takes for the Purchasing Department to obtain corrections to line item accounts, commodity codes, and other necessary information.

Design-Build Contract – A single contract with a vendor for the design and construction of a facility that includes an engineer or architect and builder qualified to engage in building construction in Texas.

Design Criteria Package – A set of documents that provides sufficient information to permit a vendor to prepare a response to County's request for qualifications and any additional information requested, including criteria for selection.

Department - All County and Precinct offices and subdivisions of them, as well as District Court offices and District Attorneys when the purchases are funded even partially with County funds.

Emergency Purchase - An item that must be purchased in a case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the county

Employee - Any county or precinct elected official, appointed official, or employee and any district elected official, appointed official or employee when the purchase is funded even

partially with county funds or anyone who acts on behalf of any of them.

Department Head/Director - Any Director of a department and any person authorized to act on his or her behalf.

Formal Competitive Bidding - The bidding process in compliance with the County Purchasing Act which requires approval by the Commissioners Court.

Goods - Any personal property purchased by the County, including equipment, supplies, material, and component or repair parts.

ONESolution system - Nueces County Financial Management System which includes modules for purchasing and fixed asset management.

Invitation For Bid (IFB) - Specifications and formal bidding documents requesting pricing for a specified good or service which has been advertised for bid in a newspaper.

Items Less Than \$50,000 - Purchases of goods and services that are accounted for in the same commodity code in the County Chart of Accounts, and purchases of goods and services from a single vendor in a single purchase as defined in the County Purchasing Act.

Lease - A contract for the use of personal property for a period of time in return for a specified compensation.

Lowest Responsible Bid - The offer from a bidder who submits the lowest and best bid meeting all requirements of the specifications, terms, and conditions of the invitation for bid and includes any related costs to the county in a total cost concept and who has the financial and practical ability to perform the contract and whose past performance complies with the contract.

Modification - A document used to change the provisions of a contract.

Negotiations - A consensual bargaining process in which the County and vendors attempt to reach agreement on differences in desired contract provisions or a potentially disputed matter for the purpose of reaching an understanding.

Occupant Department - The department that ultimately uses the finished goods or services when the purchase or construction is completed, which may be different from the user Department.

Official - Any elected or appointed official and any person authorized to act on his or her behalf.

Payment Bond - A surety bond executed in connection with a contract that secures the payment requirement of the contractor. It guarantees that a contractor will pay suppliers, laborers, and subcontractors (subject to contract terms) for labor and materials.

Performance Bond - A surety bond that provides assurance of a bidder's performance of a certain contract.

Pre-Bid/Proposal Conference - A conference conducted by the Purchasing Department for the benefit of those wishing to submit a response for services or supplies required by the County which is held in order to allow vendors to ask questions about the proposed contract and particularly about the contract specifications.

Procurement Process - The operational steps undertaken to purchase through which

solicitations are issued, offers are made, contracts awarded and goods and services are received.

Professional Services - Services directly related to professional practices as defined by the Professional Services Procurement Act, including those services within the scope of the practice of accounting; architecture; optometry; medicine; land surveying; and professional engineering.

Proprietary Information - Information provided in responses to solicitations to which vendor claims ownership or exclusive rights and which is protected from disclosure under the Texas Public Information Act (TEX. GOV'T CODE ANN., chapter 551).

Public Works - Constructing, altering, or repairing a public building or carrying out or completing any public work.

Purchase Order (PO)- An order by the Purchasing Department for the purchase of goods and services written on the county's standard Purchase Order form and which, when accepted by the vendor without qualification within the specified time limit, becomes a contract or an amendment to an existing contract which operates as the vendor's authority to deliver and invoice for goods or services specified, and is the County's commitment to accept the specified goods or services for an agreed upon price.

Purchase Requisition - An automated request from a user Department submitted to the Purchasing Department that authorizes the Purchasing Department to enter into a contract with a vendor to purchase goods or services for the County and authorizes the County Auditor to charge the appropriate department budget and which is for internal use and cannot be used by a department to order materials directly from a vendor.

Purchasing - The acquisition of goods and services including construction and professional services.

Purchasing Act - Chapter 262, subchapter C of the Texas Local Government Code, which governs the conduct of purchasing activity for counties.

Purchasing Agent - A person appointed by the Purchasing Board of County to make contracts on behalf of the County for: (1) erecting or repairing a county building; (2) supervising the erecting or repairing of a county building; or (3) any other purpose authorized by law.

Purchasing Board - A board composed of three district judges and two members of Commissioners Court who are responsible for appointing the Purchasing Agent and approving the office's budget.

Purchasing Laws - The laws that govern county purchasing including the following laws:

Purchasing Act, (TEX. LOC. GOV'T CODE ANN., ch. 262, subch. C)

Public Property Finance Act, (TEX. LOC. GOV'T CODE ANN., ch. 271, subch. B)

State Contract, (TEX. LOC. GOV'T CODE ANN., sec. 262.002, 271.081-3)

State Catalog, (TEX. LOC. GOV'T CODE ANN., ch. 2157 in coordination with TEX. LOC. GOV'T CODE ANN., sections 271.101 through 271.103)

Services and Products of Severely Disabled, (TEX. HUM. RES. CODE ANN., chapter. 122.)

Interlocal Cooperation Agreement, (TEX. GOV'T CODE ANN., ch. 791)

Prompt Payment Act, (TEX. GOV'T CODE ANN., ch. 2251)

Bidders from other States and 5% Retainage, (TEX. GOV'T CODE ANN., ch. 2252)

Public Works Performance and Payment Bonds, (TEX. GOV'T CODE ANN., ch. 2253)

Professional Services Procurement Act, (TEX. GOV'T CODE ANN., ch. 2254, subch. A)

Wage Rate for Construction Projects, (TEX. GOV'T CODE ANN., ch. 2258)

Sales tax exemption for governmental entities (TEX. TAX CODE ANN. 151.309)

Worker's Compensation Compliance (Workers Compensation Rule 110.110)

Uniform Electronic Transaction Act (TEX. BUS. & COM. CODE ANN. Chapter 43)

Purchasing Department - Nueces County Purchasing Department and its staff.

Purchasing Liaisons – designated purchasing contact within each department

Request for Information (RFI) - A general request to contractors for information for a potential future solicitation which is used as a research and information gathering tool for preparation of specifications and requirements.

Request for Offer (RFO) - A process for soliciting offers from at least three catalog vendors authorized by the Texas Building and Procurement Commission pursuant to TEX. GOV'T CODE ANN., ch. 2157 and negotiating with them for the best value.

Request for Proposal (RFP) - A document requesting an offer from vendors, which allows for negotiations after a proposal has been received and before award of the contract for goods and services procured in compliance with TEX. LOC. GOV'T CODE ANN., sections 262.0295 and 262.030.

Request for Qualifications (RFQ) - A document that requests details about the qualifications of professionals whose services must be obtained in compliance with the Professional Services Procurement Act.

Request for Services (RFS) - A document that requests information about qualifications and details of services to be provided and costs for other professional services that are not covered by in the Professional Services Procurement Act, but may be exempted from competitive solicitation under the County Purchasing Act.

Responsive – A vendor who has complied with all material aspects of the solicitation document, including submission of all required documents.

Responsible – A vendor who has the capability to perform fully and deliver in accordance with the contract requirements based on consideration of past performance, financial capabilities, and business management.

Sealed Bids - Offers in response to an Invitation for Bids that is advertised in a newspaper and

submitted to the Purchasing Department in a manner that conceals the price.

Separate Purchases - Acquisitions made in a series of different orders for goods and services that in normal purchasing practices that would be purchased in a single order.

Sequential Purchases - Acquisitions made over a period of time that in normal purchasing practices, would be made at one time.

Services - The furnishing of labor by a contractor that does not include the delivery of a tangible end product and includes all work or labor performed for the County on an independent contractor basis, including maintenance, construction, manual, clerical, personal or professional services.

Sole Source Good or Service - A good or service that can be obtained from only one source that is purchased in compliance with TEX. LOC. GOV'T CODE ANN., section 262.024.

Solicitation - A document, such as an invitation for bid, request for proposal, request for offers or request for qualifications, issued by the Purchasing Department that contains terms and conditions for a contract solicits a response from vendors to provide goods or services needed by the County.

Solicitation Conference – A meeting chaired by purchasing staff, designed to help potential vendors understand the requirements of a solicitation. Also known as a pre-bid or pre-proposal conference

Specifications - A total description of a good or service to be purchased by the County, and the requirements the vendor must meet to be considered for the contract which may include requirements for testing, inspection, or preparing any good or service for delivery, or preparing or installing it for use.

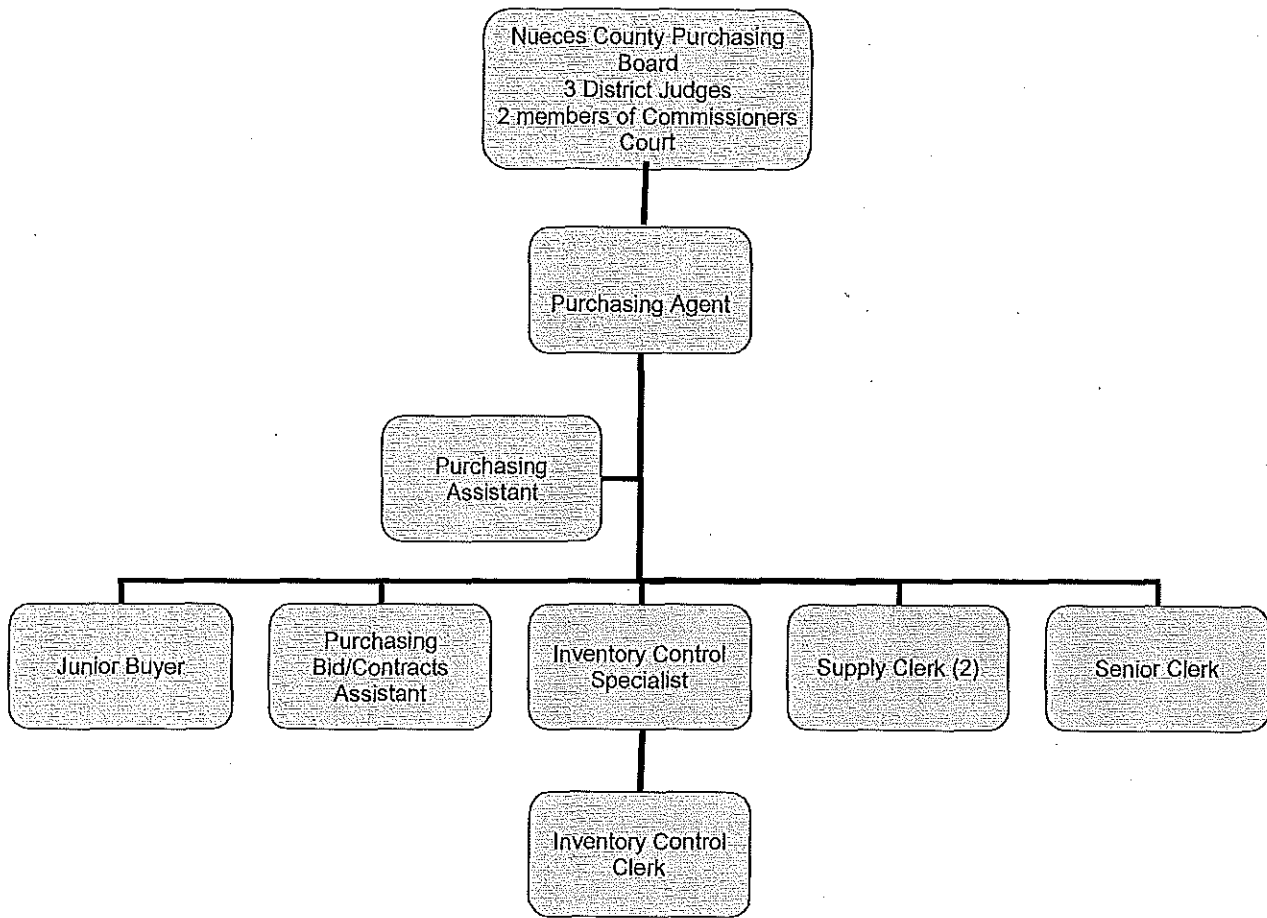
User Department - The department from whose budget line item the contract is paid.

Vendor - A business entity or individual that seeks to have or has a contract to provide goods or services to the County.

Table of Exhibits

Exhibit No	Description	Page	Refer in Chapter	Rev.Date
Exhibit 1	Purchasing Department Organizational Chart	71	1	
Exhibit 2	Confidentiality Memorandum	72	3, 11, 14	
Exhibit 3	Disclosure of Certain Relationships-filed by vendor-Conflict of Interest Questionnaire	74	3	
Exhibit 3a	Disclosure of Certain Relationships filed by Local Government Officer-Conflicts Disclosure Statement	77	3	
Exhibit 3b	Relationship Chart	80	3	
Exhibit 4	Purchase Order standard terms and Conditions	82	5	
Exhibit 5	Nueces County Policy for mobile and telephonic usage	89	5	
Exhibit 6	Purchasing Process Roles and Responsibilities	95	5	
Exhibit 7	Policy and procedures Manual Purchasing Card Program	98	6	
Exhibit 8	Open Market Requisition Checklist	148	8	
Exhibit 9	Order of Commissioners' Court for extensions	149	11,14	
Exhibit 10	Order of Commissioners' Court for addenda (s)	152	11,15	
Exhibit 11	Open Market Requisition Checklist	155	11	
Exhibit 12	Adopts the procedure as outlined in sale of land	156	22	
Exhibit 13	Adopts the procedure as outlined in lease of land	163	22	
Exhibit 14	Outline the rules for surplus or Salvage property	167	23	
Exhibit 15	Order of Commissioners' Court for exemptions	198	16	
Exhibit 16a	Order of Commissioners' Court for Concessionaires	200	24	
Exhibit 16b	Order of Commissioners' Court for County Cafe	207	24	
Exhibit 17	Order of Commissioners' Court for purchases between \$25,000-\$50,000	211	5	
Exhibit 18	Commissioners' Court increased threshold to \$5,000 for tracking fixed assets	214	1, 4, 5	
Exhibit 19	Commissioners Court amendment for invoices to be sent to user department	217	18	
Exhibit 20	Debarment Policy	220	n/a	
Exhibit 21	Disclosure of Interested Parties – Form 1295	227	3	

Exhibit 1: Purchasing Department Organizational Chart



Total Staffing: 9 FTE Positions

Note: Job Description for positions in Purchasing Department are located in the County Human Resources Department

Exhibit 2: Example Nueces County Confidentiality Memorandum



COUNTY PURCHASING DEPARTMENT

901 Leopard Street, Room 106, Corpus Christi, TX 78401 (361) 888-0426 FAX (361) 888-0458

13.1 MEMORANDUM

TO: Proposal Evaluation Team Member or Member of Commissioners Court

FROM: Elsa N. Saenz, County Purchasing Agent

DATE:

SUBJECT: Request For Proposal (RFP) _____

In accordance with the County Purchasing Act, this project was issued as a competitive proposal, and, therefore, all information contained in the responses is to be kept **CONFIDENTIAL** until the contract is awarded by the Commissioner's Court. All proposals that have been submitted are available and open for public inspection after the contract is awarded, except for trade secrets and confidential proprietary information contained in them. Disclosure of all information obtained from a vendor is subject to the provisions of the Texas Public Information Act.

Until that time, and due to the confidential nature of these proposals, **no discussion of these proposals shall occur with anyone outside the Proposal Evaluation Committee members.** If you are a member of the Commissioners Court and have requested access to these proposals, there will be no discussion of these proposals until such time during a Commissioners Court meeting in order to avoid any allegation of a violation of the Open Meetings Act. Proposal documents may not be reproduced for any reason and must be returned to the Purchasing Agent after the evaluation is complete.

Certain information about the proposal, such as vendor name, is public information but may only be release by the Purchasing Department. **Please refer all questions or requests for information to the Purchasing Agent.**

Please note that if any information about these proposals is compromised, it may be cause for rejection of all proposals.

I understand the above information and instructions and agree to not reveal any content of any proposal to anyone outside the evaluation committee membership. I will not discuss the deliberations of the committee with anyone outside the evaluation committee. I will report any vendor contact concerning this evaluation process or any undue influence on my evaluation of proposals to the Purchasing Agent.

Additionally, I have read the attached "Nueces County Purchasing Code of Ethics," extracted from the Nueces County Purchasing Policy and Procedures Manual, and agree to conduct myself

in accordance with that code of ethics. As a local government officer of the County I am aware that a conflict disclosure statement may be required to be submitted if there is a conflict of interest with respect to the vendor that is being considered to enter into a contract.

Signature of Evaluation Committee Member
Or Member of Commissioners Court

Date

Attached: Chapter 3 Nueces County Purchasing Code of Ethics

Exhibit 3: Disclosure of Certain Relationships –filed by Vendor– Conflict of Interest Questionnaire

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.
 This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).
 By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.
 A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY
Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

**Exhibit 3a: Disclosure of Certain Relationships filed by local government officer-
Conflicts Disclosure Statement**

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

FORM CIS

(Instructions for completing and filing this form are provided on the next page.)

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with Chapter 176, Local Government Code.

OFFICE USE ONLY

Date Received

1 Name of Local Government Officer

2 Office Held

3 Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code

4 Description of the nature and extent of each employment or other business relationship and each family relationship with vendor named in item 3.

5 List gifts accepted by the local government officer and any family member, if aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100 during the 12-month period described by Section 176.003(a)(2)(B).

Date Gift Accepted _____ Description of Gift _____

Date Gift Accepted _____ Description of Gift _____

Date Gift Accepted _____ Description of Gift _____

(attach additional forms as necessary)

6 **AFFIDAVIT**

I swear under penalty of perjury that the above statement is true and correct. I acknowledge that the disclosure applies to each family member (as defined by Section 176.001(2), Local Government Code) of this local government officer. I also acknowledge that this statement covers the 12-month period described by Section 176.003(a)(2)(B), Local Government Code.

Signature of Local Government Officer

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day
of _____, 20 _____, to certify which, witness my hand and seal of office.

Signature of officer administering oath

Printed name of officer administering oath

Title of officer administering oath

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

Section 176.003 of the Local Government Code requires certain local government officers to file this form. A "local government officer" is defined as a member of the governing body of a local governmental entity; a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. This form is required to be filed with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of this statement.

A local government officer commits an offense if the officer knowingly violates Section 176.003, Local Government Code. An offense under this section is a misdemeanor.

Refer to chapter 176 of the Local Government Code for detailed information regarding the requirement to file this form.

INSTRUCTIONS FOR COMPLETING THIS FORM

The following numbers correspond to the numbered boxes on the other side.

- 1. Name of Local Government Officer.** Enter the name of the local government officer filing this statement.
- 2. Office Held.** Enter the name of the office held by the local government officer filing this statement.
- 3. Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code.** Enter the name of the vendor described by Section 176.001(7), Local Government Code, if the vendor: a) has an employment or other business relationship with the local government officer or a family member of the officer as described by Section 176.003(a)(2)(A), Local Government Code; b) has given to the local government officer or a family member of the officer one or more gifts as described by Section 176.003(a)(2)(B), Local Government Code; or c) has a family relationship with the local government officer as defined by Section 176.001(2-a), Local Government Code.
- 4. Description of the nature and extent of each employment or other business relationship and each family relationship with vendor named in item 3.** Describe the nature and extent of the employment or other business relationship the vendor has with the local government officer or a family member of the officer as described by Section 176.003(a)(2)(A), Local Government Code, and each family relationship the vendor has with the local government officer as defined by Section 176.001(2-a), Local Government Code.
- 5. List gifts accepted, if the aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100.** List gifts accepted during the 12-month period (described by Section 176.003(a)(2)(B), Local Government Code) by the local government officer or family member of the officer from the vendor named in item 3 that in the aggregate exceed \$100 in value.
- 6. Affidavit.** Signature of local government officer.

Local Government Code § 176.001(2-a): "Family relationship" means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code.

Local Government Code § 176.003(a)(2)(A):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Exhibit 3b: Disclosure of Certain Relationships – Relationship chart

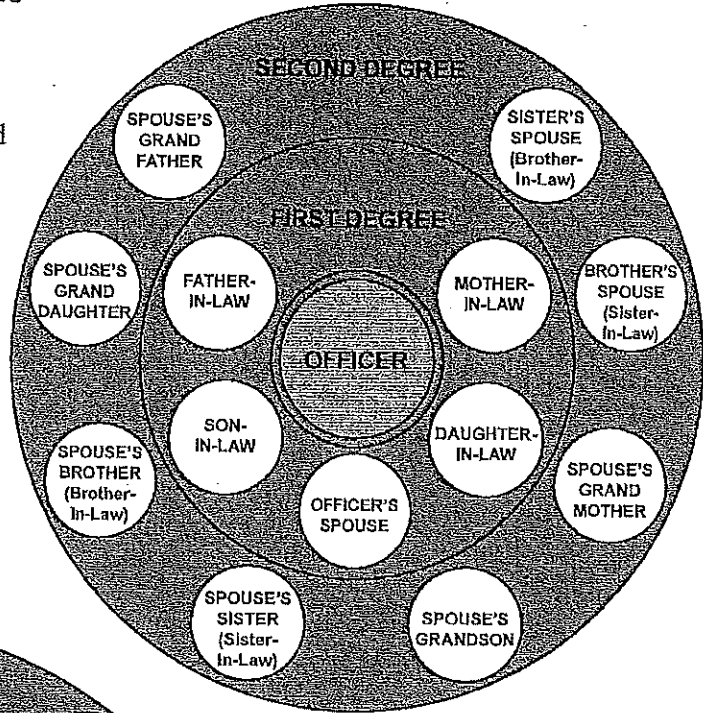
NEPOTISM CHART

The chart below shows:

- **Affinity Kinship** (relationship by marriage)
- **Consanguinity Kinship** (relationship by blood)
for purposes of interpreting nepotism as defined in VTCA Government Code, Chapter 573, §§573.021 - .025

Also applicable to Conflict of Interest as outlined in Chapter 171 of the Local Government Code

Affinity Kinship
(Relationship by Marriage)



Consanguinity Kinship
(Relationship by Blood)

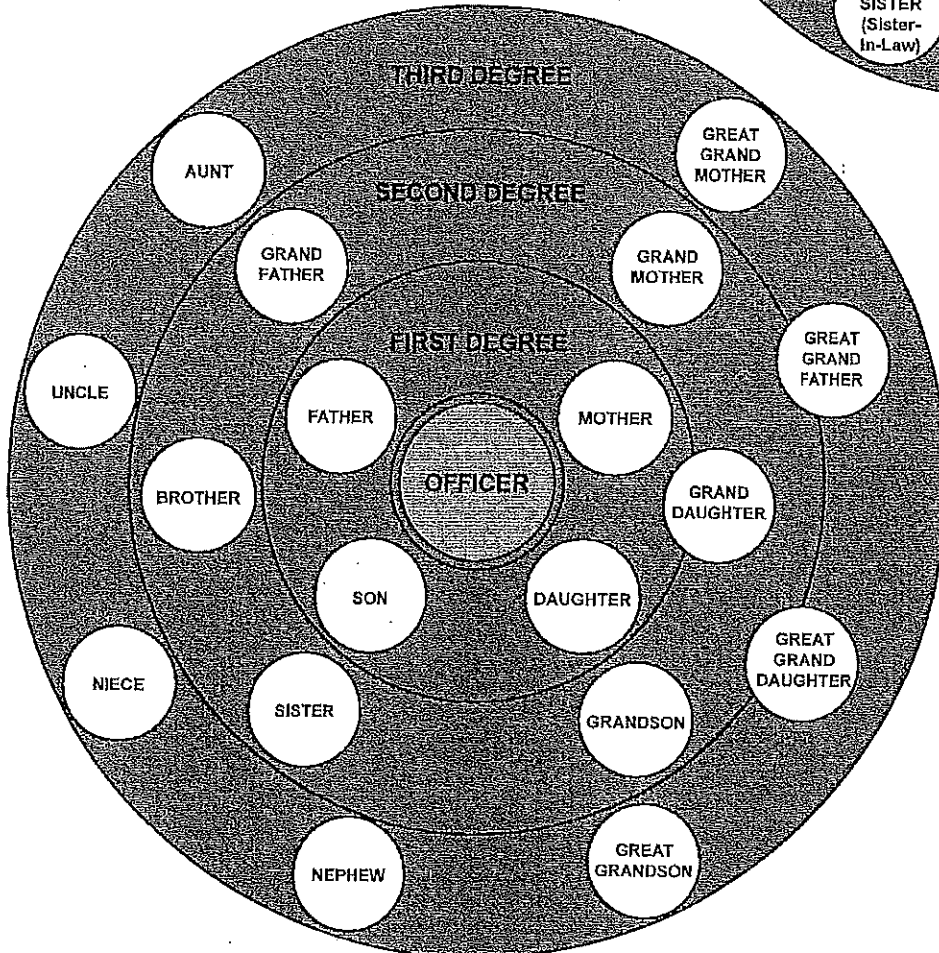


Exhibit 4: Purchase Order standard terms and Conditions

County of Nueces

Purchasing Department
 901 Leopard Rm 106
 Corpus Christi, TX 78401

PURCHASE ORDER	
PO NUMBER	349349
DATE	02/26/2016
VENDOR NO.	V09390
REQUISITION NO	R158949
OUR PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING LISTS, AND CORRESPONDENCE.	

SAMPLE

TO: Demco Inc
 P O Box 8048
 Madison, WI 53708-8048

DELIVER ITEMS TO:

County Library
 1000 Terry Shamsie Blvd
 Robstown, TX 78380

SEND INVOICE TO:

County Library
 1000 Terry Shamsie Blvd
 Robstown, TX 78380

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	EXTENSION
0001	Standard Office Cart. 37 1/2"H x 33"W x 20"D 6310-5211	1.00	EA	286.70	286.70
0002	3/4" Color-Coding Dot Labels Red 500/Roll 6310-5211	1.00	EA	5.04	5.04
0003	3/4" Color-Coding Dot Labels Sky Blue 500/Roll 6310-5211	1.00	EA	5.04	5.04
0004	3/4" Color-Coding Dot Labels Yellow 500/Roll 6310-5211	1.00	EA	5.04	5.04
0005	3/4" Color-Coding Dot Labels Green 500/Roll 6310-5211	1.00	EA	5.04	5.04
0006	3/4" Color-Coding Dot Labels Deep Blue 500/Roll 6310-5211	1.00	EA	5.04	5.04
0007	3/4" Color-Coding Dot Labels Fluorescent Hot Pink 500/Roll 6310-5211	1.00	EA	5.04	5.04
0008	3/4" Color-Coding Dot Labels Orange 500/Roll 6310-5211	1.00	EA	5.04	5.04
0009	Shipping/Processing 6310-5211	1.00	EA	99.19	99.19

Please email copy of PO to
 Christopher Perez
 christopher.perez@nuecesco.com

Total	421.17
--------------	---------------

THE ARTICLES SPECIFIED ARE SUBJECT TO THE FOLLOWING CONDITIONS:

1. Goods other than those specified on this order must not be substituted or prices changed without authorization.
2. The right of cancellation in case of long delay in shipment is reserved.
3. If the quantity shipped is short of the purchase order quantity, specify on the packing slip if that quantity is on back order or cancelled.
4. Prepay shipping charges, if any, and add to invoice.
5. Ship "Open Account." No C.O.D.'s will be accepted.
6. Purchase Order Terms and Conditions apply as published on Nueces County Website in Purchasing Section.

AUTHORIZED SIGNATURE



PURCHASING AGENT

Nueces County: Purchase Order Standard Terms and Conditions

SELLER TO PACKAGE GOODS:

The seller will package goods in accordance with good commercial practice. Each shipping container shall be clearly and permanently packed as follows: (a) the seller's name and address; (b) the consignee's name, address and purchase order or purchase release number and the supply agreement number if applicable; (c) the container number and total number of containers, e.g. box 1 of 4 boxes; and (d) the number of the container bearing the packing slip. The seller shall bear cost of packaging unless otherwise provided. Goods shall be suitably packed to secure lowest transportation costs and to conform to requirements of common carriers and any applicable specifications. The County's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

SHIPMENT UNDER RESERVATION PROHIBITED:

The seller is not authorized to ship the goods under reservation and no tender of a bill of lading will operate as a tender of goods.

TITLE AND RISK OF LOSS:

The title and risk of loss of the goods shall not pass to the County until the County actually receives and takes possession of the goods at the point or points of delivery.

DELIVERY TERMS AND TRANSPORTATION CHARGES:

F.O.B. destination freight prepaid unless delivery terms are specified otherwise in bid: the County agrees to reimburse the seller for transportation costs in the amount specified in the seller's bid, or actual costs, whichever is lower, if the quoted delivery terms do not include transportation costs, provided the County shall have the right to designate what method of transportation shall be used to ship the goods.

NO PLACEMENT OF DEFECTIVE TENDER:

Every tender or delivery of goods must fully comply with all provisions of this contract as to time of delivery, quality and the like. If a tender is made which does not fully conform, this shall constitute a breach and the seller shall not have the right to substitute a conforming tender provided, where the time for performance has not yet expired, the seller may seasonably notify the County of his intention to cure and may then make a conforming tender within the contract time but not afterward.

PLACE OF DELIVERY:

The place of delivery shall be that set forth on the purchase order. Any change thereto shall be effected by modification as provided for in Clause 20, "Modifications," hereof. The terms of this agreement are no arrival, no sale.

INVOICES AND PAYMENTS:

The seller shall submit separate invoices, in duplicate, on each purchase order after each delivery. Invoices shall indicate the purchase order number, shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading, and the freight weigh bill when applicable, should be attached to the invoice. Mail to the SEND INVOICE TO indicated on the purchase order. Payment shall not be due until the above instruments are submitted after delivery. Suppliers

should keep the Auditor's department advised of any changes in your remittance addresses.

The County's obligation is payable only and solely from funds available for the purpose of the purchase. Lack of funds shall render this contract null and void to the extent funds are not available. Goods delivered but unpaid because of lack of funds will be returned by the County to seller.

Do not include Federal Excise, State or City Sales Tax. The county shall furnish tax exemption certificate, if required.

GRATUITIES:

The County may, by written notice to the seller, cancel this contract without liability to the seller if it is determined by the County that gratuities, in the form of entertainment, gifts, or otherwise, were offered or given by the seller, or any agent, or representative of the seller, to any officer or employee of Nueces County with a view toward securing a contract or securing favorable treatment with respect to awarding or amending or making any determination with respect to the performance of such a contract. In the event the County cancels this contract pursuant to this provision.

SPECIAL TOOLS AND TEST EQUIPMENT:

If the price stated on the face hereof includes the cost of any special tooling or special test equipment fabricated or required by the seller for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the County and to the extent feasible shall be identified by the seller as such.

WARRANTY PRICE:

The price to be paid by the County shall be that contained in seller's bid which seller warrants to be no higher than the seller's current prices on orders by others for products of the kind and specification covered by this agreement for similar quantities under similar or like conditions and methods of purchase. In the event the seller breaches this warranty, the prices of the items shall be reduced to the seller's current prices on orders by others, or in the alternative, the County may cancel this contract without liability to the seller for breach or the seller's actual expense.

The seller warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for commission, percentage, brokerage, or contingent fee excepting bona fide employees of bona fide established commercial or selling agencies maintained by the seller for the purpose of securing business. For breach or violation of this warranty, the County shall have the right in addition to any other right or rights to cancel this contract without liability and to deduct from the contract price, or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

WARRANTY PRODUCTS:

The seller shall not limit or exclude any implied warranties and any attempt to do so shall render this contract voidable at the option of the County. The seller warrants that the goods furnished will conform to the specifications, drawings and descriptions listed in the bid invitation and to the sample(s) furnished by the seller, if any. In the event of a conflict between the specifications, drawings and descriptions, the specifications shall govern.

SAFETY WARRANTY:

The seller warrants that the product sold to the County shall conform to the standards promulgated by the U.S. Department of Labor under the Occupational Safety and Health Act (OSHA) of 1970. In the event the product does not conform to OSHA standards, the County may return the product for correction or replacement at the seller's expense. In the event the seller fails to make the appropriate correction within a reasonable time, correction made by the County will be at the seller's expense.

NO WARRANTY BY COUNTY AGAINST INFRINGEMENTS:

As part of this contract for sale the seller agrees to ascertain whether goods manufactured in accordance with the specifications attached to this agreement will give rise to the rightful claim of any third person by way of infringement or the like. The County makes no warranty that the production of goods according to the specification will not give rise to such a claim, and in no event shall the County be liable to the seller for indemnification in the event that the seller is sued on the grounds of infringement or the like. If the seller is of the opinion that an infringement or the like will result, he will notify the County to this effect in writing within two weeks after the signing of this agreement. If the County does not receive notice and is subsequently held liable for the infringement or the like, the seller will indemnify and save the County harmless. If the seller in good faith ascertains that production of the goods in accordance with the specifications will result in infringement or the like, this contract shall be null and void.

RIGHT OF INSPECTION:

The County shall have the right to inspect the goods at delivery before accepting them.

CANCELLATION:

The County shall have the right to cancel for default of all or any part of the undelivered portion of this order if the seller breaches any of the terms hereof including warranties of the seller or if the seller becomes insolvent or commits acts of bankruptcy. Such right of cancellation is in addition to and not in lieu of any other remedies that the County may have in law or equity.

TERMINATION:

The County may terminate performance of work under this order in whole or in part in accordance with this provision. Termination of work hereunder shall be affected by the delivery to the seller of a notice of termination specifying the extent to which performance of work under the order is terminated and the date upon which such termination becomes effective. Such right of termination is in addition to and not in lieu of rights of the County set forth in the Cancellation clause above.

ASSIGNMENT DELEGATION:

No right or interest in this contract shall be assigned or delegation of any obligation made by the seller without the written permission of the County. Any attempted assignment or delegation by the seller shall be wholly void and totally ineffective for all purposes unless made in conformity with this paragraph.

WAIVER:

No claim or right arising out of a breach of this contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved

MODIFICATIONS:

This contract can be modified or rescinded only by a writing signed by both of the parties or their duly authorized agents.

INTERPRETATION PAROLE EVIDENCE:

This writing is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this agreement. Acceptance or acquiescence in a course of performance rendered under this agreement shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Whenever a term defined by the Uniform Commercial Code is used in this agreement, the definition contained in the Code is to control.

APPLICABLE LAW:

This Uniform Commercial Code shall govern this agreement. Wherever the term "Uniform Commercial Code" is used, it shall be construed as meaning the Uniform Commercial Code as adopted in the state of Texas as effective and in force on the date of this agreement.

ADVERTISING:

The seller shall not advertise or publish, without the County's prior consent, the fact that the County has entered into this contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, state or local government.

RIGHT TO ASSURANCE:

Whenever one party to this contract in good faith has reason to question the other party's intent to perform, he may demand that the other party give written assurance of his intent to perform. In the event that a demand is made and no assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of the contract.

GOVERNING LAW AND VENUE:

This Agreement has been executed and delivered and shall be interpreted and enforced in accordance with the laws of the State of Texas. Both parties agree that venue for any litigation arising from this contract shall lie in Nueces County, Texas.

PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS:

Any elected or appointed official who has any substantial interest, either direct or indirect, in any business entity seeking to contract with the county, shall, before any vote or decision on any matter involving the business entity, file an affidavit stating the nature and extent of interest and shall abstain from any participation in the matter. This is not required if the vote or decision will not have any special effect on the entity other than its effect on the public. However, if a majority of the governing body are also required to file, and do file similar affidavits, then the member is not required to abstain from further participation. Vernon's Texas Codes Annotated, Local Government Code, Chapter 171.

COMPLIANCE WITH LAWS:

Seller shall comply with all applicable Federal, State, and local laws, statutes, codes, rules, and regulations, and the orders and decrees of any court, or administrative bodies or tribunal, in any manner affecting the performance of this agreement, including, without limitation, worker's compensation laws, minimum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Seller shall furnish the Buyer with satisfactory proof of its compliance.

INDEMNIFICATION:

THE SELLER SHALL SAVE HARMLESS THE BUYER AND ITS OFFICERS AND EMPLOYEES FROM ALL CLAIMS AND LIABILITY DUE TO ACTIVITIES OF ITSELF, ITS AGENTS, OR EMPLOYEES PERFORMED UNDER THIS CONTRACT AND WHICH ARE CAUSED BY OR RESULT FROM ERROR, OMISSION, OR NEGLIGENT ACT OF THE SELLER OR OF ANY PERSON EMPLOYED BY THE SELLER. THE SELLER SHALL ALSO SAVE HARMLESS THE BUYER FROM ANY AND ALL EXPENSE, INCLUDING, BUT NOT LIMITED TO, ATTORNEY FEES WHICH MAY BE INCURRED BY THE BUYER IN LITIGATION OR OTHERWISE RESISTING SAID CLAIM OR LIABILITIES WHICH MAY BE IMPOSED ON THE BUYER AS A RESULT OF SUCH ERROR, OMISSION, OR NEGLIGENT ACTIVITY BY THE SELLER, ITS AGENTS, OR EMPLOYEES.

Exhibit 5: Nueces County Policy for mobile and telephonic usage

*Co. Clerk
Raguel*

STATE OF TEXAS

19940021

COUNTY OF NUECES

WHEREAS, Nueces County Employees have need for mobile and portable telephonic service and equipment in the effective performance of their job, and;

WHEREAS, Nueces County seeks to implement policies and procedures to make cost-effective and efficient the distribution and use of mobile and portable telephonic service and equipment and services by Nueces County Employees.

IT IS HEREBY ORDERED that the following is adopted and immediately implemented as the Policy of Nueces County for Mobile and Portable Telephonic Service and Equipment by Nueces County Employees.

**NUECES COUNTY POLICY FOR
MOBILE AND TELEPHONIC USAGE**

PURPOSE: To ensure that mobile and portable telephonic service and equipment are used in a responsible and cost effective manner.

DEFINITION: For the purposes of this policy, mobile and portable telephonic equipment includes cellular telephones, pagers, and portable radios.

POLICY: Mobile and portable telephonic service and equipment will be provided to Nueces County employees who by the nature of their job duties must have continuous access to telephonic communications capabilities. Service and equipment will be provided to those employees for whom an application and statement of justification is submitted on the authorized for currently in use along with a purchase order request for the equipment by the department head to the Nueces County Judge. The request should specifically articulate the need based on the job duties of the employee or the department head, addressing other county employees or departments, or private sector firms.

The following rules and principles shall apply to the application and use of mobile and portable telephonic service and equipment:


1. All requests for mobile and portable telephonic service and equipment shall be submitted in accord with the existing purchase order procedures, except that in addition to the purchase order the department head shall submit a written justification for the equipment and service on a form approved by the Commissioners' Court.
2. The Nueces County Judge, with the advice of the Nueces County Purchasing Agent and the Nueces County Auditor, shall review all requests for mobile and portable telephonic

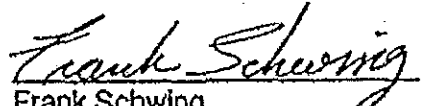
service and approve or reject those requests in his sound discretion. The County Judge may modify the request to provide for blocks on certain services or to provide for the use of a pager system in lieu of mobile telephones.

3. Under no circumstances shall any Nueces County department head or employee be provided by Nueces County with more than one mobile telephone.
4. Mobile and portable telephonic service provided by Nueces County is not provided for personal use of the employee or department head, and any expense incurred as a result of the personal use of the telephonic equipment shall be reimbursed to the County by the employee. Audits which reveal an inordinate amount of personal use shall be brought to the attention of the Nueces County Judge and Commissioners' Court who shall be authorized to reconsider the grant of the mobile and portable telephonic privileges to that employee.
5. Replacement of damaged, stolen or lost equipment is the responsibility of the employee. Reimbursements owed to the County may be done through a payroll deduction.

5. 6. Upon separation from employment with Nueces County, an Employee Release Form, NCF-5, must signed by the appointing authority and employee before a release of financial responsibility can be made. The NCF-5 must accompany the NCF-1 terminating the employee.

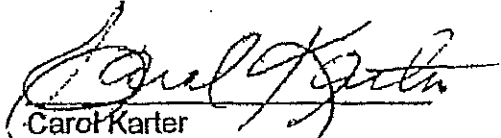
ADOPTED as the Policy of Nueces County, Texas this the 30th day of
November, 1994.


Robert N. Barnes
County Judge

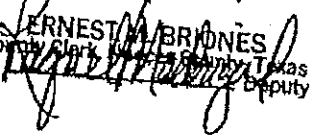

Frank Schwing
County Commissioner, Prct. 1.


David Berlanga, Sr.
County Commissioner, Prct. 2


Oscar Ortiz
County Commissioner, Prct. 3


Carol Karter
County Commissioner, Prct. 4

(rev.11/30/94)
Mobilepo.am

FILED
NOV 30 1994
ERNEST M. BRIDGES
County Clerk
By  Deputy

NUECES COUNTY EMPLOYEE RELEASE FORM

NAME: _____ DEPT: _____ EMPLOYEE ID: _____

Instructions: Please put a check in the box beside the items that have been returned to the County or that were used by the employee. There shall be a signature in all four sections of this form. Employees will not receive their last paycheck until this form is completed and turned in to the Payroll Department.

Communication Equipment (Release of Financial Responsibility)

Pagers S/N: _____ Phone# _____ Mobile Radios S/N: _____
 Mobile Phone S/N: _____ Phone# _____ Portable Radios S/N: _____
 Portable Phone S/N: _____ Phone# _____ No Equipment Issued

Value of Lost/Damaged Equipment
\$ _____

Signature of Person Receiving Property (Purchasing) _____ Date _____

Computer Information

Email Address: _____ User ID: _____

Systems Used (Check all that apply):

Agenda Management Elections/Voter Reg. Full Court Jail System
 Jury Mainframe Odyssey TMA (PW Work Request)
 TokOpen Other(s) _____

Signature of Person Verifying Information (Info Tech) _____ Date _____

General Items

County ID Keys Door Pass Card Long Distance Calling Card No General Items

Value of Lost/Damaged Equipment
\$ _____

Signature of Person Receiving Property (Bldg. Maint.) _____ Date _____

Departmental Items

Credit Cards Keys Computer/Equipment Review of Tuition Reimbursement Form
 Other _____ No Items Issued

Value of Lost/Damaged Equipment
\$ _____

Signature of Person Receiving Property (Dept. Head) _____ Date _____

EMPLOYEE PLEASE NOTE:

Notify the Payroll Department of your permanent mailing address so your W-2, information on insurance, and deferred compensation, if applicable, can be mailed to you.

Employee's Address _____ Street _____ City _____ State _____ Zip _____

I understand and agree that the total value of the above noted property or other amounts owed to the County will be withheld from my paycheck(s).

Employee Signature _____ Date _____ \$ _____
 Total Amount

Payroll Checkoff

- NCF-1
- TCDRS – Acknowledgement – "Special Tax Notice"
- TCDRS – Refund Application Form – 11
- Final Time Sheet
- Letter of Separation

For Auditors Office Use Only:	
<input type="checkbox"/> Cobra Notification	Date Mailed _____
<input type="checkbox"/> Life Insurance Notification	Date Mailed _____
<input type="checkbox"/> Deferred Compensation Notification	Date Mailed _____

**NUECES COUNTY
APPLICATION FOR COMMUNICATION EQUIPMENT**

Department: _____

User: _____

Department #: _____

Job Title: _____

Department Head: _____

Cellular Phone	Pager	Radio	Other
Reassignment..... <input type="radio"/>	Reassignment..... <input type="radio"/>	Reassignment..... <input type="radio"/>	Reassignment..... <input type="radio"/>
New..... <input type="radio"/>	New..... <input type="radio"/>	New..... <input type="radio"/>	New..... <input type="radio"/>
<u>Type</u>	<u>Type</u>	<u>County #</u>	<u>Type:</u>
Mobile..... <input type="radio"/>	Numeric..... <input type="radio"/>	_____	_____
Smartphone..... <input type="radio"/>	Alphanumeric..... <input type="radio"/>	_____	_____
<u>Accessories</u>	<u>Coverage</u>	<u>Logical ID #</u>	_____
Holster..... <input type="checkbox"/>	Local..... <input type="radio"/>	_____	_____
Car Charger..... <input type="checkbox"/>	Statewide..... <input type="radio"/>	<u>Charger County #</u>	<u>County #</u>
_____	_____	_____	_____
<u>Current Phone #</u>	<u>Current Pager #</u>		
_____	_____		

JUSTIFICATION

The issuance of the above equipment is essential for the completion of the duties assigned to this department and the specific duties of the assigned user. Provide a brief justification.

Incomplete applications will be returned to requesting department for additional information prior to consideration for reassignment/approval.

User's signature below represents acceptance of financial responsibility for assigned communications equipment lost or damaged due to his/her negligence

Date: _____

Department Head Signature: _____ User Signature: _____

REVIEW COMMITTEE'S RECOMMENDATIONS TO COUNTY JUDGE

APPROVED : Y / N IF "N", STATE REASON: _____

DATE: _____

Exhibit 6: Purchasing Process Roles and Responsibilities

Process	User Department Role/Responsibility	Purchasing Department Role/Responsibility
Requirements Definition/ Specification Development	<ol style="list-style-type: none"> 1. Identifies what is needed, when it is needed, the quantity needed and where it is needed and works with Purchasing Department to document need in writing a specification 2. Ensures funding (budget) is available to support need 3. Sends specification and requisition with funding to Purchasing Department 4. Works with Purchasing Department to develop evaluation criteria/ formats (as applicable) 	<ol style="list-style-type: none"> 1. Consults with User Department in development of specification and procurement process to be used 2. Reviews specification to ensure that it is descriptive and specific but does not prevent competitive bidding of comparable goods 3. Works with user department to develop evaluation criteria/formats (as applicable) 4. Prepares agenda item and order as required for Commissioners Court (if applicable)
Solicitation	<ol style="list-style-type: none"> 1. Reviews solicitation documents before issuance to ensure department needs are met 2. Provides Purchasing Department with a list of potential vendors that can meet the solicitation requirements 3. Provides technical clarifications to Purchasing Department if vendor questions arise 4. Supports pre-solicitation conferences (as applicable) 	<ol style="list-style-type: none"> 1. Develops solicitation documents based on specification and sends to user department for review before final issuance 2. Issues solicitation to vendors on the vendor list (and those identified by user department) 3. Advertises solicitation in accordance with State law 4. Conducts pre-solicitation conferences (as applicable) 5. Provides answers or clarifications to vendors before solicitation closes 6. Receives and logs vendor responses 7. Prepares responses for evaluation and sends to user department
Evaluation and Negotiation (as applicable)	<ol style="list-style-type: none"> 1. Evaluators from Department signs confidentiality memorandum and sends to Purchasing Department (as applicable) 2. Evaluates response based on established evaluation criteria and formats 3. Completes evaluation and submits recommendation to Purchasing Department 4. Works with Purchasing 	<ol style="list-style-type: none"> 1. Issues confidentiality memorandum to all evaluators before evaluation commences (as applicable), Commissioners Court members requesting access to proposal information sign a confidentiality memorandum. 2. Supervises evaluation process to ensure consistent and fair application of evaluation criteria 3. Acts as point of contact for

Process	User Department Role/Responsibility	Purchasing Department Role/Responsibility
	<p>Department to develop negotiation strategy (as applicable)</p> <p>5. Participates as member of negotiating team to negotiate Best and Final Offers (BAFOs) (BAFO not to be confused with statutory terms used in awarding contracts.</p> <p>6. Works with Purchasing Department to co-develop final recommendation for award</p> <p>7. Provides information to Purchasing Department (memorandum) to support contract award agenda development</p>	<p>evaluator requests and communications to vendors for additional information</p> <p>4. Compiles individual evaluation results and works with users to develop recommendation for award and prepares contract award agenda item for Commissioners Court or</p> <p>5. Works with user department to develop negotiation strategy (as applicable)</p> <p>6. Leads negotiating team to negotiate BAFOs (if applicable)</p> <p>7. Receives BAFOs and co-develops final recommendation for award (if applicable) and</p> <p>8. Prepares contract award agenda request for Commissioners Court</p>
Contract Modifications	<p>1. Request modifications in writing to Purchasing Department</p> <p>2. Reviews draft and final modification to ensure it meets department needs</p>	<p>1. Evaluates modification request and works with user department to develop modifications</p> <p>2. Coordinates with vendor and user department to develop draft modifications</p> <p>3. Works with County Attorney to review and finalize modifications</p> <p>4. Obtains appropriate signatures (vendor, attorney, etc.)</p> <p>5. Purchasing Agent approves modifications or develops Commissioners Court agenda item for approval depending on type and amount of modification</p>
Contract Performance Monitoring	<p>2. Receives copy of contract and monitors vendor performance and delivery</p> <p>3. Notifies Purchasing Department of non-performance and provides written documentation outlining details of non-performance (dates, description of problem, etc.)</p> <p>4. Works with Purchasing Department to develop acceptable corrective actions</p>	<p>1. Maintains complete contract file with supporting documentation during term of contract</p> <p>2. Works with vendor to resolve performance issues as identified by user department</p> <p>3. Develops corrective actions and timetables for completion to resolve performance issues and documents in contract file (as applicable)</p> <p>4. Works with user department</p>

Process	User Department Role/Responsibility	Purchasing Department Role/Responsibility
	(as applicable)	and County Attorney to terminate contract when necessary because of non-performance 5. Prepares contract termination agenda item for Commissioners Court action (if required)

Exhibit 7: Policy and procedures Manual Purchasing Card Program



PURCHASING CARD PROGRAM

POLICY AND PROCEDURES MANUAL

Table of Contents

Introduction.....	3
General Guidelines.....	4
➤ Card Issuance	
➤ Account Maintenance	
➤ Card Usage	
➤ Vendors Not Accepting P-Card	
➤ Limitations and Restrictions	
➤ Lost or Stolen Cards	
Purchases.....	7
➤ Authorized Purchases	
➤ Unauthorized Purchases	
➤ Warning Letters	
Statement Review and Reconciliation.....	9
➤ Receipt Retention/Record Log	
➤ Reconciliation of Purchases	
➤ Disputed or Fraudulent Charges	
Sales and Use Tax.....	12
Appendices.....	13
I. Cardholder Agreement Form	
II. Acknowledgement	
III. Account Maintenance Form	
IV. Nueces County Warning Letter	
V. Wells Fargo CCER – System Email Messages	
VI. Cycle to Date Transactions	
VII. Purchasing Card Record Log	
VIII. Purchasing Card Cover For Auditor’s Office	
IX. Wells Fargo Bank Purchasing Card Dispute Form	
X. Declaration of Forgery or Unauthorized Use	
XI. Nueces County Sales And Use Tax Exemption Certificate	
XII. Wells Fargo CCER – New User Sign On Instructions	
XIII. Wells Fargo CCER – Cardholder Quick Reference Guide	
XIV. Wells Fargo CCER – Cycle Dates	
XV. Statement Review Process for Reconcilers	
XVI. Wells Fargo CCER – Reconciler Quick Reference Guide	
XVII. Nueces County Auditor Chart of Accounts – General Ledger	
XVIII. Frequently Asked Questions	
XIX. Wells Fargo Bank Purchasing Card Application Form	

INTRODUCTION

Welcome to the Nueces County/ Wells Fargo Bank WellsOne® Commercial Card (Purchasing Card Program).

The purpose of the Purchasing Card Program is to streamline and simplify the requisitioning, purchasing and payment process for small dollar transactions. The Purchasing Card Program is designed to shorten the approval process and reduce the paperwork of procurement procedures such as purchase orders, check requests and expense reimbursements. The goal of the Purchasing Card Program is to:

- reduce the cost of processing small dollar purchases
- receive faster delivery of required merchandise
- simplify the payment process

This reference guide will provide you (the cardholder) with the particulars of the Purchasing Card Program, including general guidelines, reconciliation and record keeping procedures, and customer service information. It is important to read the following information carefully, as you will be responsible for adhering to the County-established policy and procedures.

IMPORTANT:

The WellsOne® Commercial Cards are tied directly to your department's budget. The credit limits established are not a line of credit. It is important that any spending is both approved by your department head and below your budgeted limits.

In addition, all WellsOne® Commercial Card purchases need to be conducted in accordance with the Nueces County Purchasing Policy and Procedures Manual as adopted by Order of the Nueces County Commissioners Court on March 17, 2010.

If you have any questions, please contact your Departmental Administrator (approver) or your Program Administrator at:

Departmental Administrator
(enter your department info here)

Program Administrator

Phone: _____

Phone: (361) 888-0426

Fax: _____

Fax: (361) 888-0458

Email: _____

Email: _____

GENERAL GUIDELINES

CARD ISSUANCE

As a cardholder, you will be required to sign the cardholder user agreement. An example of the Cardholder Agreement form is displayed in **Appendix I**. By signing the cardholder user agreement form, you have agreed to adhere to the guidelines established in this manual. Most importantly, you are the only person entitled to use the purchasing card and the card IS NOT to be used for personal use. As each purchasing card is linked to a specific person and specific department, the card CANNOT be transferred from one employee to another.

Upon receipt of this purchasing card, you will need to activate the account by calling the toll-free number printed on the card. For verification purposes, you will be asked to provide a piece of information, such as the last four digits of your Social Security Number. Although the purchasing card will be issued in your name, your personal credit history will not affect your ability to obtain a purchasing card. Nueces County is responsible for payment of all authorized purchases.

As a cardholder, after you have read the Nueces County Policy and Procedures Manual for the Purchasing Card Program, you will be required to sign the Acknowledgement. An example of the Acknowledgement form is displayed in **Appendix II**.

ACCOUNT MAINTENANCE

If there's a need to change any information on your account, such as a department mailing address or expense account coding, your Departmental Administrator will complete the Account Maintenance Form and forward to your Program Administrator. Your Program Administrator will only process account changes that are authorized by your Department Head. An example of the Account Maintenance Form is displayed in **Appendix III**.

CARD USAGE

The Wells Fargo Bank WellsOne® Commercial Card (Purchasing Card Program) can be used at any Nueces County approved vendor that accepts the card. It may be used for in-store purchases as well as phone, fax, internet and mail orders. There is no special terminal or equipment needed by the vendor to process a purchasing card transaction.

When using the purchasing card with vendors, please emphasize that an invoice must not be sent to the County Auditor's Office, as this may result in a duplicate payment.

For phone, fax, internet and mail orders, please instruct the merchant to send a receipt only, to your department mailing address. Receipts must be retained for your records and for monthly transaction reports submitted to the County Auditor's Office.

VENDORS NOT ACCEPTING P-CARD

Not all vendors will accept the purchasing card. If you have a vendor who does not accept the purchasing card, please contact your Program Administrator.

LIMITATIONS AND RESTRICTIONS

Nueces County has assigned credit limits to your purchasing card. There is a single transaction limit and a total monthly transaction placed on your purchasing card, which means your purchasing card, will be declined if you attempt to purchase more than this set amount. **DO NOT split a purchase to avoid the single transaction limit. Splitting a transaction may lead to disciplinary action up to and including termination.**

The Wells Fargo Bank WellsOne® Commercial Card (Purchasing Card Program) allows for vendor category blocking. You will not be able to use your purchasing card at a blocked vendor and your purchase will be declined (e.g., jewelry stores). We have made an effort to ensure that the vendors used during the normal course of business are not restricted.

If your purchasing card is declined at a merchant where you believe it should have been accepted, you should call Wells Fargo Bank Customer Service at 800-932-0036 to determine the reason for the decline. Depending on the result of your inquiry, you may want to discuss the issue further with your Departmental Administrator.

The Departmental Administrator may request the Program Administrator to modify the restrictions on your account subject to the following conditions:

IMPORTANT: All requests for changes in spending limits and restrictions **MUST** be:

- ✓ Authorized by your department head
 - ✓ Made in writing from your Departmental Administrator to the Program Administrator.
 - ✓ Subject to review and final approval by the Program Administrator.
-

LOST OR STOLEN CARDS

You are responsible for the security of your purchasing card and any purchases made on your account. If you believe you have lost your purchasing card or that it has been stolen, immediately report this information to Wells Fargo Bank Customer Service at 800-932-0036. Immediately after reporting this to customer service, you must inform your Program Administrator. It is extremely important to act promptly in the event of a lost or stolen card to avoid liability for fraudulent transactions.

As with a personal charge card, you will no longer be able to use the account number after notifying the bank. A new purchasing card should be issued within 2-3 business days after notice is provided to Wells Fargo Bank. The Program Administrator will receive the card and you will be notified to pick it up.

PURCHASES

The Nueces County / Wells Fargo Bank WellsOne® Commercial Card (Purchasing Card Program) is intended for maintenance, repair, operating and other low value purchases needed during the course of business. As with any county purchase, the card is NOT to be used for any product, service or with any merchant considered being inappropriate for County funds. If you are unsure of the purchase, contact your Departmental Advisor and/or the Purchasing Program Administrator **BEFORE** incurring any expense.

If Federal funds are to be used, the Debarment Policy must be followed. Conduct a searched on the <https://www.sam.gov> for the vendor and print a verification statement.

AUTHORIZED PURCHASES

1. Professional membership dues
2. Travel (with prior approval)
3. Seminar/Conference Registration (with prior approval)
4. Spare parts, not under contract
5. Miscellaneous items (e.g., daily operating items)
6. Minor car repairs and maintenance
7. Food (Limited circumstances – i.e. working lunch. Requires prior approval by Department Head, Not for Per diem travel expenses)
8. Gasoline (Limited circumstances, for County vehicles outside Nueces County when fleet fuel card provider's stations are not available or for rental vehicles when on approved travel)

UNAUTHORIZED PURCHASES

1. Items for personal use
2. Splitting a transaction to avoid the single transaction limit (i.e. two payments to one invoice where the total amount exceeds your single transaction limit.
3. Office Supplies or Janitorial items available through the Purchasing Department Supply Room
4. Items/Services available through the Building Maintenance Department
5. Capital Equipment Goods / Fixed Assets (furniture, computers, printers, cameras, these items must be placed on purchase orders. Exceptions require prior approval of County Purchasing Agent)
6. Food (if purchased without prior approval of Department Head)
7. Gasoline (for Nueces County vehicles, not authorized inside Nueces County when fleet fuel card provider's stations are available, and not authorized for personal vehicles)

WARNING LETTERS

Any unauthorized purchases or failure to comply with the Policy and Procedures Manual Purchasing Card Program will result in a "Warning Letter" being sent to the card holder. A copy will also be sent to the Department Head, the Auditor's office, and maintained in the individual cardholder's file. An example of the Warning Letter is displayed in Appendix IV.

IMPORTANT: Failure to comply with the above guidelines for authorized purchases under the Nueces County/Wells Fargo Bank WellsOne® Commercial Card (Purchasing Card Program) may result in the cardholder being subject to disciplinary action, including termination, and the cardholder could be subject to criminal prosecution.

STATEMENT REVIEW AND RECONCILIATION

STATEMENT REVIEW

It is the cardholder's responsibility to check their statement after the closing date at the end of each month to ensure that all transactions posted are legitimate transactions made by the cardholder. Either the cardholder or departmental reconciler may perform the reconciliation activity. This includes obtaining original receipts for all transactions, ensuring the validity of the statement's transactions, entering description text of item(s) purchased, and making required adjustments to the default accounting codes charged against each transaction.

Cardholders (or their reconciler) will receive an e-mail reminder from the *Wells Fargo Commercial Card Expense Reporting system (CCER)* stating their statement is ready to be reviewed at the end of each month's cycle date. (See email samples in **Appendix V**)

Using a password and user ID, cardholders and reconcilers can log onto the CCER system during the month to view the Cycle-to-Date transactions. The Cycle-to-Date Transactions will summarize purchasing card activity in chronological order displaying the transaction date, vendor name, and the total amount of the purchase. Additionally, cardholders and reconcilers can add description text and make adjustments to the default accounting codes at any time during the open cycle. An example of the Cycle-to-Date Transactions form is displayed in **Appendix VI**.

IMPORTANT: Cardholders should review Cycle-to-Date transactions during the billing cycle to reduce the number of transactions requiring review at the close of the cycle.

RECEIPT RETENTION/RECORD LOG

The Purchasing Card Program requires that you keep all receipts for goods and services purchased. For orders via phone, fax, internet or mail, you must request a receipt, detailing merchandise price, freight, etc., to be included with the goods mailed/shipped. It is extremely important to request and retain purchase receipts, as this is the only original documentation that authenticates the transaction.

If a cardholder fails to submit a receipt, the first occurrence will result in a Warning Letter being sent to the cardholder. If it occurs a second time, the cardholder's card will be suspended. In addition, the Department may take disciplinary action up to and including termination.

A Purchasing Card Log Record will assist you in retaining receipts. A sample of the Purchasing Card Log Record has been provided (see **Appendix VII**).

IMPORTANT: The purchasing card transactions will be audited. It is essential to adhere to the above record keeping guidelines.

RECONCILEMENT OF PURCHASES

When everything is in order, the cardholder signs the *Purchasing Card Cover for Auditor's Office* form and attaches a copy of their completed statement with all original receipts and forwards it to their Departmental Administrator for review and approval. If there is no Department Administrator, then submit items directly to the County Auditor. An example of the *Purchasing Card Cover for Auditor's Office* form is displayed in **Appendix VIII**.

Monthly Statement Review Packet Checklist:

- ✓ **Purchasing Card Cover for Auditor's Office Form** signed by Cardholder and Cardholder's Department Head
 - ✓ **Completed copy of Monthly Statement** with correct description text and validated department numbers, project codes, and activity codes
 - ✓ **Original receipts for all items purchased under the program.** Cardholder must have a receipt for every transaction listed on their statement.
-

The Nueces County Accounts Payable Department is responsible for paying Program invoice(s) each billing cycle.

DISPUTED OR FRAUDULENT CHARGES

If there is a discrepancy between your record log and your statement, it is imperative that the issue be addressed immediately. Depending on the type of discrepancy, you will need to contact either the vendor or your Program Administrator to resolve the disputed transaction.

If you believe the merchant has charged you incorrectly, you must first contact the merchant and try to resolve the problem or error. If you are able to resolve the matter with the vendor, and the error involved an overcharge, a credit adjustment should be requested and you should verify that proper credit appears on your next statement.

If the vendor disagrees that an adjustment is necessary, immediately contact your Program Administrator who will work with Wells Fargo to resolve the dispute. Wells Fargo Bank will request complete details of the dispute in writing in order to research the item in question. The details of the disputed transaction should be reported on departmental letterhead or on the Wells Fargo Bank Purchasing Card Dispute Form. An example of the form is displayed in **Appendix IX**.

Any charge dispute must be received by Wells Fargo Bank within 60 days of the transaction date. While pending resolution, Wells Fargo Bank will credit the County's account for the amount of the disputed transaction. Although Wells Fargo Bank acts as the arbitrator in any dispute, you should never assume that a dispute will be resolved in your favor.

Any fraudulent charge, i.e., a charge appearing which was not authorized by yourself, must be reported immediately to your Program Administrator. Prompt reporting of any such charge will help to prevent the County from being held responsible. A Declaration of Forgery or Unauthorized Use form must be completed to facilitate notification of any such transactions. An example of the form is displayed in **Appendix X**.

SALES AND USE TAX

Nueces County is exempt from sales tax. Please advise vendors when ordering or using the purchasing card. Questions regarding this policy and any other questions concerning tax issues should be addressed to your Program Administrator.

The Purchasing Department has a "Sales and Use Tax Exemption Certificate" form that can be given to a vendor that requests a certificate. An example of the certificate is displayed in **Appendix XI**. Additional certificates may be obtained from the Purchasing Department or copies of the example may be made.

**WELLS FARGO BANK WELLSONE® COMMERCIAL CARD
CARDHOLDER AGREEMENT**

I _____, agree to the following regarding my use of the Wells Fargo Bank WellsOne® Commercial Card (purchasing card).

1. I understand that I am being entrusted with a purchasing card and will be making financial commitments on behalf of Nueces County.
2. I will not allow others to use my purchasing card and will ensure that my purchasing card is kept securely at all times.
3. I understand that under no circumstances will I use the purchasing card to make personal purchases, either for myself or for others.
4. I agree that the purchasing card will only be used for authorized County expenses.
5. I will not make payments to "Form 1099-MISC" vendors with my purchasing card.
6. I will obtain receipts, which reflect the amount paid to the vendor and which detail the items purchased. If a receipt is misplaced or lost, I will contact the vendor in order to obtain a copy of the receipt.
7. I will follow the established procedures for use of the purchasing card and submit my statement, with all receipts attached, to my Departmental Administrator within five working days of distribution of cardholder statements. Failure to do so may result in revocation of my use privileges and/or may result either my purchases being reported as income to me or my purchases being considered personal purchases, therefore requiring me to reimburse Nueces County.
8. I am aware of my purchasing card credit limits and will abide by those limits.
9. I agree that if I should willfully violate the terms of this Agreement and use the purchasing card for personal use or gain, that I will reimburse Nueces County for all incurred charges and any fees related to the collection of those charges through payroll deduction and will be subject to disciplinary action, including termination.
10. I understand that if I abuse the use of the purchasing card by purchasing personal or unauthorized purchases, I could be subject to criminal prosecution.

Employee Name (Print)

Department Name

Employee Name (Signature & Date)

Department Number

**NUECES COUNTY POLICY AND PROCEDURES
PURCHASING CARD PROGRAM
ACKNOWLEDGEMENT**

By signing below, I am acknowledging that I have read and understood the above Nueces County Policy and Procedures for the Purchasing Card Program. I further understand that if I abuse the use of the purchasing card by purchasing personal or unauthorized purchases, that I will be subjected to disciplinary action, up to and including termination, and could be subject to criminal prosecution.

Employee Name (Print)

Department Name

Employee Name (Signature & Date)

Department Number

**WELLS FARGO BANK WELLSONE® COMMERCIAL CARD
ACCOUNT MAINTENANCE FORM**

Cardholder Information:

Department name: Nueces County _____

Cardholder Name _____

Cardholder Account Number (last 8 digits): _____ - _____

Please indicate requested change(s):

___ Change control restrictions as follows:

___ Increase/Decrease monthly credit line from \$ _____ to \$ _____

___ Increased/Decrease single transaction limit from \$ _____ to \$ _____

___ Accept the following Merchant Category Codes currently blocked:

___ Block the following Merchant Category Codes currently accepted:

___ Other _____

___ Change Cardholder name to: _____
(Maximum 20 characters to be embossed on card)

___ Change address to: _____

___ Change Accounting/Dept. Code to: _____
(Maximum 22 characters)

___ Change Reporting Unit from _____ to _____

___ Issue card replacement due to:

___ lost card ___ stolen card ___ not received

___ embossing error ___ damaged ___ other _____

___ Account Closure/Cancellation (effective immediately)

Reason: _____

Other _____

X _____
Cardholder signature Date

X _____
Administrator signature Date

NUECES COUNTY WARNING LETTER



NUECES COUNTY PURCHASING DEPARTMENT

901 Leopard Street, Room 106, Corpus Christi, TX 78401 (361) 888-0426 FAX (361) 888-0458

Subject: PCard Policy Violation Warning Letter

Dear P-Cardholder,

This is a warning that you are in violation of the Policy and Procedures Manual for the Purchasing Card Program.

Please review the Manual and also the Cardholder Agreement that you signed. Failure to comply with the program may result in revocation of your privilege to use this card and also result in further disciplinary action.

If you have any questions, please contact your Program Administrator.

_____ Splitting a purchase to avoid the single transaction limit.
Specifically:

_____ Unauthorized purchase of an item(s).
Specifically:

_____ Failure to submit your statement for approval within the required time period
Please do so immediately.

_____ Failure to submit a receipt

_____ Other:

cc: Dept. Head
Auditor's Office
File

**WELLS FARGO BANK WELLSONE® COMMERCIAL CARD
SYSTEM EMAIL MESSAGES**

Email Reminders Sent Automatically:

Statement Ready for review

Statement Review for mm/dd/yyyy

Dear Cardholder:

Your previous cycle's statement is ready for review at _____

Please complete your review in a timely manner and forward your receipts as appropriate.

Reminder mail (reminder period end date)

REMINDER: Statement Review overdue for mm/dd/yyyy

Dear Cardholder:

Your most recent statement has not been reviewed. Please review it as soon as possible at _____

If you do not review your statement, your approver will be notified.

AUM Mail (after grace period end date)

Cardholder Statement Review overdue for mm/dd/yyyy

Dear Approver:

The following cardholder(s) have not reviewed their most recent statement:

FirstName LastName Card No

Two notifications have been sent to each cardholder but they have still failed to review their statements. If you choose, you may review the statement on the cardholder's behalf. The statement(s) can be accessed at _____

CH reviewed his statement

Dear Approver:

CardHolder_Name has reviewed his/her most recent statement and it is ready for your review at _____

Please complete your review in a timely manner.

CYCLE TO DATE TRANSACTIONS

Sample screen view:

WELLS FARGO
Commercial Card Expense Reporting
Help
Close

Role: | Cardholder
Welcome

Charges — Cycle-to-Date

Manage Statements

[Review Open Statements](#)

[View Cycle-to-Date](#)

[View Previous Statements](#)

Reports

[Create Transaction Report](#)

[Transaction Summary](#)

[View Declines](#)

User Information

[Personal Profile](#)

[Bank Information](#)

[Credit Limit Change Request](#)

To filter items, select from the Charge Type drop-down menu. Select charge transactions, and click a function. Click Save to continue.

[Print Version](#)

* Required Field [View Details](#)

Card Number: xxxx-xxxx-xxxx

Reminder Period: 03/01/2011 through 03/02/2011

Grace Period: 03/03/2011 through 03/04/2011

Charges

Charge Type: All Transactions

Viewing 1 to 11 of 11 items

Charges
Out-of-pocket Expenses

Select All Clear All		Transaction Date	Posting Date	Merchant	Custom Fields	CA Code	Receipt Attached	Amount / Original Currency
1.	<input type="checkbox"/>	01/28/2011	01/31/2011	kon Management Services 800-665-0283, PA		1461	<input type="checkbox"/>	77.50 USD
		<i>Description:</i> * KOH invoice ... 37058 dated 12-28-2010						
2.	<input type="checkbox"/>	01/27/2011	01/31/2011	A&w Office Supply 361-8838784, TX		1500	<input type="checkbox"/>	97.50 USD
		<i>Description:</i> * office supplies for supply room inventory						
3.	<input type="checkbox"/>	01/27/2011	01/31/2011	A&w Office Supply 361-8838784, TX		1500	<input type="checkbox"/>	75.52 USD
		<i>Description:</i> * office supplies for supply room inventory						

Total Charges: 3,568.82 USD

Viewing 1 to 11 of 11 items

PURCHASING CARD RECORD LOG

PERIOD COVERED: FROM _____ TO _____

Employee Name _____ Card Number _____

Date	Vendor	Description of purchase / Other Information	Total Charge

PURCHASING CARD COVER FOR AUDITOR'S OFFICE

--	--	--	--

Year/Mo

--	--	--	--

Dept. #

--	--	--	--

Pcard Last Digits

Cardholder:
PRINT _____
Last name First

SIGN _____
Date

Approved:
PRINT _____
Last name First

SIGN _____
Date

SEND TO:

**PC ADMINISTRATION
NUECES COUNTY AUDITOR'S OFFICE
NUECES COUNTY COURTHOUSE, ROOM 304**

NO CHECKS NO PAPER STATEMENTS
--

WELLS FARGO BANK PURCHASING CARD DISPUTE FORM

Date _____
 Company Name _____
 Account Number _____
 Transaction Date _____ Amount _____
 Merchant Description _____

Please take a moment and check the appropriate statement that validates your dispute. Please attach any supporting documentation that validates your dispute, such as: credit memos, letter to merchants, sales slips or proof of payments.

- I certify that the transaction disputed was not made by me, nor were the goods or services represented by this transaction received by myself.
- Although I did engage in the above transaction, I am disputing the entire charge, or a portion in the amount of \$_____. I have contacted the merchant and requested a credit to my account for the reason explained in the attached letter.
- The enclosed sales slip for \$_____ appeared on my statement as \$_____.
- The enclosed credit memo: ___ has not posted to my account OR was listed as a purchase on my statement/activity report.
- I did not receive the service and/or merchandise. I have contacted the merchant and they have not resolved my dispute. I expect to receive the merchandise services on ___/___/___ (date).
- I have already paid for the transaction shown above by:
 check cash money order other credit card

 Your signature

 Date

 Phone Number

Please return this form immediately. We appreciate your cooperation and urge you to contact us at 800-932-0036, if you have any questions. Fax completed form to 415-975-6635.

Transaction dispute must be received by Wells Fargo within 60 days of posting to your account.

DECLARATION OF FORGERY OR UNAUTHORIZED USE

Re: Wells Fargo VISA Purchase Card

Account Number _____

I, _____, have reported that my above numbered card or account (please check and complete applicable section).

_____ with an expiration date of _____ was not received by me.

_____ was discovered missing on _____.

_____ was stolen on _____, at _____.

_____ I have notified the _____ police, who took report # _____.

_____ may have been used without my authorization, though valid card was in my possession at all times.

_____ additional information enclosed on separate sheet.

I last used the said card on _____/_____/_____ (date) in the city of _____ at _____.

Any duplicate of such card has been destroyed.

The transaction(s) listed below or on the attached sheet and / or transaction made after the date of the last usage were not made by me. I received no benefit whatsoever from such use. I further authorize you to accept my telephone verification of any subsequent transaction(s).

TRANSACTION DESCRIPTION	TRANSACTION DATE	AMOUNT
_____	_____	_____
_____	_____	_____

I declare under penalty of perjury that the foregoing is true and correct, and I will testify, declare, depose or certify to the truth hereof before any competent tribunal, officer or person in any case now hereafter pending in connection with the matters contained within this declaration.

Executed at (City/County and State) _____

Date _____

Signature of cardholder (Required) _____

NUECES COUNTY SALES AND USE TAX EXEMPTION CERTIFICATE



SALES AND USE TAX EXEMPTION CERTIFICATION

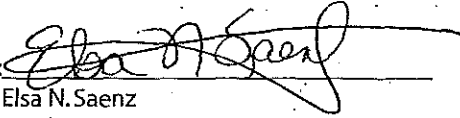
NUECES COUNTY, TEXAS
NUECES COUNTY COURTHOUSE
901 LEOPARD STREET, ROOM 106
CORPUS CHRISTI, TX 78401
PHONE: (361) 888-0426
REGISTRATION NUMBER: 74-6000585

Presented to: _____

Account No. _____

The undersigned hereby claims exemption on purchases of tangible personal property and certifies that this claim is based upon the purchaser's proposed use of the items purchased, the activity of the purchaser, or both, as shown hereon:

Nueces County, Texas is a political subdivision of the State of Texas and is exempt from taxes under Section 151.309(5) of the Tax Code Chapter 151 limited Sales, Excise and Use Tax.

By: 
Elsa N. Saenz
Purchasing Agent
Nueces County

3/14/07

Commercial Electronic Office[®]



Welcome to the *Commercial Electronic Office (CEO®)* portal.

The *CEO* portal delivers secure, commercial Internet banking solutions that suit your business needs. Follow these instructions to sign on and begin using the *CEO* portal today.

New User Sign On

1. Sign On. Open your Web browser, and go to <https://wellsoffice.wellsfargo.com>. At the *CEO* log in page, select the **Bookmark this page** button for instructions on how to bookmark the log in page. Then enter your company ID, user ID, and temporary password, and click **Sign On**.

Note: Your IDs and RSA SecurID® token card (if required) are available from your company administrator. Your temporary password is included in your welcome letter.

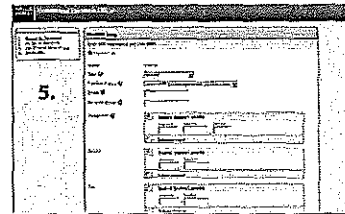
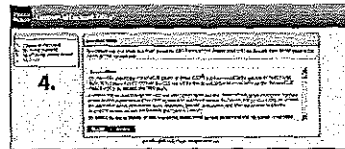
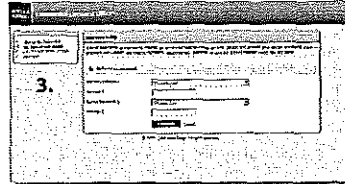
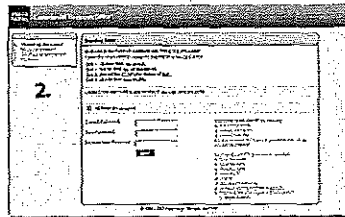
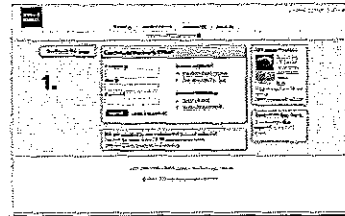
2. New User Setup. Enter your temporary password for **Current Password**. Create and re-enter your **New Password**. Click **Save**.

3. Secret Question. Choose secret questions and enter your answers. Click **Save**. Click **Continue** to confirm your changes.

4. Terms of Use. Read the *CEO* Terms of Use Agreement and click **Accept**.

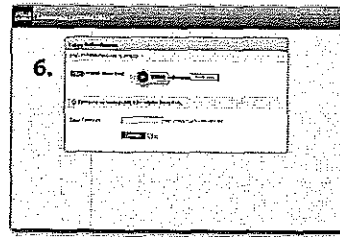
5. Profile Entry. Enter your profile information and click **Save**. Click **OK** to confirm your changes.

If your *CEO* services do not require strong authentication, you have successfully signed on. Otherwise, complete the remaining steps to sign on with your RSA SecurID token.



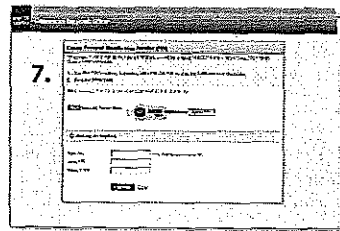
6. **Login Request.** In the **Token Passcode** field, enter the six-digit numeric code displayed on your RSA SecurID token. Click **Continue**.

Note: Your token will display a new code every 60 seconds, as shown by the countdown bars next to the numeric code. If the time for the token code runs out, click **Clear** and enter the new code.



7. **Create Your Personal Identification Number (PIN).** Wait for a new code to appear on your token, and enter it in the **Token Code** field. Create and verify your **New PIN**.

This will be your permanent PIN for all of your services that require strong authentication. Click **Continue**.

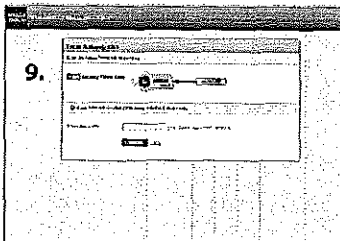


8. **PIN Accepted.** Click **Continue**.



9. **Login Request.** This time, use your new PIN with a new token code to enter your **Token Passcode**. This is your PIN followed (without a space) by the numeric code that appears on your RSA SecurID token. Click **Continue**.

Example: If your PIN is "1fargo" and the token code is "234836," the passcode would be "1fargo234836".



10. You have successfully signed on to the *CEO* portal.

As a reminder, Wells Fargo will never request that you send confidential information (IDs, passwords, and PINs) through emails, Web sites, pop-up windows, or unsolicited telephone calls. You should consider these attempts as potentially fraudulent and report them immediately without responding to them to ReportPhish@wellsfargo.com. If you do disclose confidential information to a suspicious or fraudulent source, you should immediately contact your relationship manager or customer service contact -or call 1-800-289-3557.

Developing **RELATIONSHIPS**. Providing **SOLUTIONS**.
© 2008 Wells Fargo Bank, N.A. All rights reserved.

The Commercial Card Expense Reporting (CCER) service

Quick reference — Cardholder



Accessing the Commercial Card Expense Reporting (CCER) service

1. Sign on to the *Commercial Electronic Office*® (CEO®) portal at the following address.
<https://wellsoffice.wellsfargo.com/portal/signon/index.jsp>
2. If this is your first time signing on to the CEO portal, follow the steps to create a new password, edit your profile, and provide answers to the secret questions.
3. Once you successfully sign on to the CEO portal, select Commercial Card Expense Reporting under My Services. A separate browser window opens and displays the CCER service.

Exiting the CCER service

To exit the CCER service, click Close at the upper right corner of the window.

Switching roles

If you have more than one role, your roles are listed above the navigation bar. To switch to a different role, click on the link for the role.

Managing statements

Reviewing a statement

At the end of a statement period, you will be notified by email that it is time to review your statement.

Note The options available depend on the options selected by your company and privileges assigned to your profile.

To review a statement

1. Do one of the following:
 - To view an open statement (a statement not yet closed by the Program Administrator), select Manage Statements > Review Open Statements in the navigation bar.
 - To view charges for the current statement period, select Manage Statements > View Cycle-to-Date in the navigation bar.
 - To view a closed statement, select Manage Statements > View Previous Statements in the navigation bar.

2. If you are reviewing an open statement or a previous statement, select the statement and click View.

If you are reviewing cycle-to-date charges and have multiple cards, select a card from the list.

3. When reviewing a statement, you can:
 - Click View Receipt Images (only displayed if images are available) to display images of receipts for charges in the statement.
 - Click Print and then select Selected Statement to print the statement.
 - Limit the type of charges listed by selecting an option from the Charge Type list.
4. When reviewing cycle-to-date charges or charges for an open statement, you can do the following:


Task	See page
Split a charge. Do this to: <ul style="list-style-type: none"> • Assign amounts to different G/L codes, custom fields, or units. • Assign part of the amount as a personal expense. 	2



Reviewing a statement (continued)

Task	See page
Reclassify charges. Do this to change G/L codes or custom fields assigned to charges.	2
Mark a charge as a personal expense.	3
Enter a description for a charge.	3
Dispute a charge.	3
Request a copy of a transaction receipt.	3
Mark a charge as receipt attached.	3
Enter any out-of-pocket expenses.	4

You can also:

- Click a merchant link to view merchant details.
- Click the  icon (if shown) to display custom fields (data unique to your company, such as a project ID or department code).

When reviewing a previous statement, you can:

- Add or edit descriptions (available up to 60 days after the end of the statement period).
 - Mark a charge as receipt attached (available up to 60 days after the end of the statement period).
 - Click a merchant link to view merchant details.
5. For cycle-to-date charges or a previous statement, click **Save** to save any changes.

For an open statement, do one of the following:

- To save your changes and keep the statement open, click **Save**.
- If you have reviewed all charges, input all information, and made all changes to the statement, you can click **Statement Reviewed** to save your changes and close the statement.

Note Once you click **Statement Reviewed**, you can no longer modify the statement.


When you click **Statement Reviewed**, the system sends an email to let the approver know that the statement is ready for approval.


Note To save your changes, you must click **Save** or **Statement Reviewed**. Otherwise, your changes are not saved when you exit the statement.

Splitting a charge

1. To split a charge, check the box for the charge and click **Split** or, if you have reclassify privileges, **Split & Reclassify**.

To modify information for a split charge, click the **View Split** link in the **G/L Code** or **Split** column.


2. On the **Charges - Split and Reclassify** page:
 - Use **Split Type** to indicate whether to specify the split by amount or percentage.
 - To create additional splits, click **Add a Split**.
 - If there are more than two splits and you want to delete a split, click the  icon at the upper right for the split.
 - To delete all splits, click **Delete**.
3. Enter information for each split

Personal	Check the box if the split is a personal expense.
Amount / Percentage	Enter the amount or percentage for each split. Apply amounts/percentages to the splits until the amount/percentage remaining (shown at the bottom of the page) is zero.
Split data fields	Complete as needed. If displayed, you can click the  icon to select an entry.
Split Description	Enter a description for the split.

4. When finished, click **Save**.

Reclassifying a charge

1. Check the box for one or more charges. Click **Reclassify**.
2. Enter information for each charge.

Personal	Check the box if the charge is a personal expense.
Receipt Attached	Check the box if you are submitting a receipt for the charge.
Data fields	Complete as needed. If displayed, you can click the  icon to select an entry.
Description	Enter a description for the charge. To apply the description from the first charge to the other charges, click Apply to All .

3. If there are additional charges to reclassify, use the **Save & Previous** and **Save & Next** buttons to view all charges. When finished with all charges, click **Save**.

Marking a charge as a personal expense

Note Depending on your company setup, you may need to enter your bank account information before you can mark a charge as a personal expense. See *Specifying bank information for out-of-pocket and personal expenses* on page 6.

You can mark a charge as a personal expense by checking the Personal box:

- In the list of charges.
- When splitting a charge.
- When reclassifying a charge.

Entering a description for a charge

You can enter a description for a charge the following ways:

- By clicking the Description link for a charge.
- By checking the box for one or more charges and clicking Add Description.
- When splitting a charge.
- When reclassifying a charge.

Disputing a charge

1. Check the box for the transaction and click Dispute.

If a charge is already disputed, you can click View Dispute in the G/L Code or Split column to display information for the dispute.

2. Enter information for the dispute.

Dispute Type	Specify the type of dispute and complete any fields required for the dispute type.
Contact Information	Enter your phone number (10 digits max). Include digits only — no hyphens, spaces or other characters. For example, for (800) 555-1212, you would enter 8005551212.
Reason for Dispute	Enter the reason for the dispute and any steps you've taken to resolve the dispute with the merchant. If available, enter a merchant cancellation number.

When finished, click Submit.

Requesting a copy of a transaction receipt

To request a copy of a transaction receipt, contact the merchant directly. If you are unable to obtain a copy of the receipt from the merchant, you can use this feature to request a copy. Your company may be charged for copy requests.

Do not request a copy if you:

- Do not recognize the transaction.
- Did not authorize the transaction.
- Want to dispute the transaction (see *Disputing a charge*).

To request a copy of a transaction receipt

1. Check the box for the transaction and click Copy Request.
2. Enter information for the request.

Contact Information	Enter your phone number.
Reason for Request	Explain why you are requesting a copy, such as Lost original receipt or Original receipt illegible .

3. When finished, click Submit.

Marking transactions as receipt attached

You can indicate that you are submitting a receipt for a charge the following ways:

- Checking the Receipt Attached box in the list of charges.
- When reclassifying a charge.

Printing a cover sheet for receipts

1. Select Manage Statements > Review Open Statements or Manage Statements > View Previous Statements in the navigation bar.
2. Select a statement.
3. Click Print, then select Fax Cover Sheet.
4. After printing the cover sheet, use it to fax or otherwise submit copies of receipts.

Viewing historical receipt images

You can view or download receipt images from statements up to seven years in the past.



To view or download historical receipt images

1. Select Manage Statements > View Historical Images.
2. If applicable, select a division from the list.
3. Select a statement period and click View.
4. The system displays receipt information for the selected period. Click View Receipts to view the available images.

Entering out-of-pocket expenses

Note Depending on your company setup, you may need to enter your bank account information before you can enter an out-of-pocket expense. See *Specifying bank information for out-of-pocket and personal expenses* on page 6.

- When viewing charges for an open statement or the cycle-to-date period, click the **Out-of-Pocket Expenses** tab.
- To enter a new expense, click **Add an Expense**.
To edit an existing expense, check the box for one or more expenses and click **Modify**.
To delete an existing expense, check the box for one or more expenses and click **Delete**.
- When entering or editing an expense, complete the following fields for the expense.


Transaction Date	Click the  icon to select the date, or enter the date as MM/DD/YYYY.
Amount	When entering an amount: <ul style="list-style-type: none"> Do not include a dollar sign. If you do not include a decimal point, the amount is assumed to be whole dollars. For example, if you enter 100, the amount applied is \$100.00.
Description	Enter a description for the expense.
Other data fields	Complete as needed. If displayed, you can click the  icon to select an entry.

- When adding expenses, you can click **Add Another** to enter information for another expense.
- When finished, click **Save**.


Using AP Control

Note This feature is only available if your company elects to use it and access privileges are assigned to your profile.

Reviewing items


- Select **AP Control > Accounts Payable** in the navigation bar.
- On the **AP Control – Search** page, specify search criteria and click **Search**.
- If multiple batches match your search criteria, you can select a batch from the drop-down list and click **Select Batch**. You can also use **Next Batch** and **Previous Batch** to navigate between batches.
- You can review items on the **Pre-Approval, Pending, or Closed** tab. When reviewing items, you can:
 - Click the  icon to the left of a transaction to display details for the transaction.
 - Click the **Expand All** link to display details for all transactions on the tab.

Regarding the Closed tab:

- Each transaction on the **Closed** tab is assigned a disposition (displayed in the details when you click the  icon). The disposition is **Settled** when a payee has received payment.
- To only display items with a particular disposition, make a selection from the **Disposition Type** drop-down list and click **Select Type**.
- Items are assigned the **Expired** disposition if the transaction has not settled and the transaction expiration date passes. The **Expired** disposition does not refer to the master account expiration date.

Generating AP Control reports

- Select **AP Control > Reports** in the navigation bar.
- Set the report options.

Report Type	Select a report from the drop-down list.
Division	If a drop-down list is displayed, you can select a division from the list.
Cardholder Name	(AP Download Report only.) If a drop-down list is displayed, you can select a Cardholder from the list.
Cardholder Number	(AP Download Report only.) If you selected a Cardholder from Cardholder Name and that Cardholder has multiple cards, you can select a card from the drop-down list.
Date Range	Select the date range for the report. Click the  icon to select a date.
Batch Number	(AP Download Report only.) You can select a batch from the drop-down list.
Delimiter Option	Select an option from the drop-down list to indicate which character to use to separate fields in the report file. You can select either the ASCII tab or ASCII pipe () character as the delimiter.

You are only required to make a selection for **Report Type** and **Delimiter Option**.


After completing the fields as needed, click **Submit**.

- When asked whether to open or save the file, click **Save**.
- Specify a file name and location for the file and click **Save**.

Generating reports

Requesting a Transaction report

1. Select Reports > Create Transaction Report in the navigation bar.
2. Enter report criteria.

Card Number	If you have multiple cards, select a card from the list (or All).
Date Type	Select Transaction Date to include transactions based on the date they occurred. Select Posting Date to include transactions based on the date they post to the card account.
Date Range	To list a single date, enter the date in the left field. To enter a range of dates, use both fields. Click the  icon to select a date, or enter a date as MM/DD/YYYY.
Amount Range	To limit transactions by amount, specify a start amount, end amount, or both. Use the operator lists to specify how to apply an amount. For example, select >= as the start amount operator to include transactions with an amount greater than or equal to the amount you enter. To include only transactions with a specific amount: <ul style="list-style-type: none"> • Select = as the start amount operator. • Enter a start amount. • Leave the end amount field blank. When entering an amount: <ul style="list-style-type: none"> • Do not include a dollar sign. • If you do not include a decimal point, the amount is assumed to be whole dollars. For example, 100 is assumed to be \$100.00.
G/L Status	Specify whether to include open transactions, closed transactions, or both (All).

3. Click Submit. The system sends you an email when the report is ready.

Accessing Transaction reports

1. Select Reports > Transaction Summary in the navigation bar.
2. The system lists reports you have requested within the last six weeks. For each report, you can do one of the following:

View & Print	Click to display the report in a separate window. Click Print to print the report.
Download Excel	Click to download the report in Microsoft Excel format.

Viewing declined charges

1. Select Reports > View Declines in the navigation bar.
2. Declined charges are displayed.

If you have multiple cards, you can list declines for another card by selecting a different card from the list and clicking Select Card.

Viewing/editing user information

Editing your personal profile

1. Select User Information > Personal Profile in the navigation bar.
2. Most of the information in your profile is for display only. You can use the following fields.

Card Number	If you have multiple cards, select a card from the list.
User Information	You can make changes to the name and email fields.
Available Credit	Click to redisplay the page with the current available credit amount.

3. After making any changes, click Save.

Specifying bank information for out-of-pocket and personal expenses

Use this option to enter information for your personal bank account. You receive credits to this account to reimburse you for any out-of-pocket expenses, and your account is debited to pay for any personal expenses.

Note Wells Fargo uses the bank information you enter here solely to manage reimbursements and any personal expense payments related to your commercial card use. Your bank information is not displayed or otherwise accessed by any other CCER user.

To specify bank information

1. Select User Information > Bank Information in the navigation bar.
2. Complete the following fields.

Authorization	Check the box to authorize your company to use electronic transactions to reimburse you for out-of-pocket expenses and/or debit you for personal expenses. Transactions will not occur unless the box is checked.
Account Type	Indicate whether the account is a checking or savings account.
Bank Account Number	Enter your account number.
Bank Routing & Transit Number	Enter your bank's nine-digit routing transit number (RTN). The number is usually the first field in the MICR line at the bottom of a check between two @ symbols. <i>Note</i> Do not use the RTN on a deposit slip, since it may have a different number your bank uses for internal routing.

3. After making any changes, click Save.

Submitting a credit limit change request

1. Select User Information > Credit Limit Change Request in the navigation bar.
2. Complete the following fields.

Card Number	If you have multiple cards, select a card from the list.
Requested Monthly Limit	Enter the requested limit amount. When entering the amount: <ul style="list-style-type: none">• Do not include a dollar sign.• Enter the amount in whole dollars. For example, to input the amount as \$1,000.00, you would enter 1000.

3. Click Submit. The request is sent to a Program Administrator or Approver for approval.

WELLS FARGO BANK WELLSONE® COMMERCIAL CARD CYCLE DATES

Identification of Email Reminder Days & Dates for CCER

There are (4) four time frames identified to manage the approval process for statements:

- 1) **Reminder** – An initial email is sent to the cardholder the day the statement cycles.
- 2) **Grace** – An email is sent to the cardholder on the first day of the grace period if the statement has not been noted as review complete by the cardholder.
- 3) **Cleanup** – On the first day of cleanup, an email is sent to the approver noting any statements that have not been reviewed by the cardholders. At cleanup, only the approver has access to the statement.
- 4) **Download** – During download, only the PA's can perform reclassifications and the end of the download period no further changes can be made to the statements.

Note: Email batch runs 7 days a week. Emails are sent on weekends and holidays.

Period Title	Who has access to the statement to reclassify	Receiver of Email	# of Days
Reminder	Cardholder	Cardholder	2 days
Grace	Cardholder	No email	2 days
Cleanup	Approver (<i>Purchasing</i>)	Approver	3 days
Download	PA (<i>Auditors</i>)	No email	5 days

Additional Cycle Date / Timing Information

The CCER batches run 5 days per week – Tuesday to Saturday. The following table identifies the day the cycle processes for each day of the week.

If Cycle Ending Date is this day:	Statement will be available on:
Sunday	Tuesday
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday
Friday	Saturday
Saturday	Tuesday

STATEMENT REVIEW PROCESS FOR RECONCILERS

DESCRIPTION

Statement Reviews are to be completed monthly. It is your responsibility to either perform the reconciliation yourself *or* ensure that your departmental reconciler completes the activity on your behalf. This includes ensuring the validity of the transactions, entering description text of item(s) purchased, and making required adjustments to the default accounting codes charged against each transaction.

There are (3) tabs available to **Manage Statements**:

- Review Open Statements** (available after monthly closing date)
- View Cycle-to-Date** (available anytime during the month)
- View Previous Statements** (available anytime)

Below is a sample screen view of the Cardholder's screen with **View Cycle Date** tab selected:

The screenshot shows the Wells Fargo Commercial Card Expense Reporting interface. The main title is "Charges - Cycle-to-Date". On the left, there is a navigation menu with options like "Manage Statements", "Reports", and "User Information". The main content area displays a summary of the card number, reminder period, and grace period. Below this, there is a table of charges with columns for Transaction Date, Posting Date, Merchant, Custom Fields, G/L Code, Receipt Attached, and Amount / Original Currency. Three transactions are listed, all from A&W Office Supply. At the bottom, there are buttons for "Reclassify", "Add Descriptions", "Split & Reclassify", "Dispute", and "Copy Request", along with a "Save" button.

Transaction Date	Posting Date	Merchant	Custom Fields	G/L Code	Receipt Attached	Amount / Original Currency
01/28/2011	01/31/2011	Ron Management Services 800-585-0283, PA		1481	<input type="checkbox"/>	77.68 USD
Description: * KOH Invoice ... 37058 dated 12-28-2010						
01/27/2011	01/31/2011	A&W Office Supply 381-6838784, TX		1500	<input type="checkbox"/>	97.58 USD
Description: * office supplies for supply room inventory						
01/27/2011	01/31/2011	A&W Office Supply 381-6838784, TX		1500	<input type="checkbox"/>	75.52 USD
Description: * office supplies for supply room inventory						

Total Charges: 3,568.82 USD

SYSTEM ENTRY PROCEDURES

Statement Reviews must be completed on time.

You **MUST** complete the statement review within the time frame. Once the allowable days are past, you no longer have access to the data. If you are going to be out of town or on vacation, provide your reconciler with the information.

Select the transaction(s) you wish to modify

From the Statement Review page select individual transaction check boxes or click on **Select All** to select all transactions.

Charges		Out-of-pocket Expenses					
Select All Clear All							
Transaction Date	Posting Date	Merchant	Custom Fields	GL Code	Receipt Attached	Amount / Original	Currency
1. <input type="checkbox"/>	01/28/2011	01/31/2011	Kon Management Services 800-565-0283, PA		1461	<input type="checkbox"/>	777.50 USD
Description: *		KON Invoice C0737058 dated 12-28-2010 for supplemental charges bw and color overages					
2. <input type="checkbox"/>	01/27/2011	01/31/2011	A&w Office Supply 361-8838784, TX		1500	<input type="checkbox"/>	97.50 USD
Description: *		office supplies for supply room inventory					

Then select the corresponding action button:

Reclassify	Add Descriptions	Split & Reclassify	Dispute	Copy Request
-------------------	-------------------------	-------------------------------	----------------	---------------------

Reclassify

From the Statement Review page, you may reclassify transactions. Select individual transactions or select all then press **Reclassify** to make changes to department numbers, project codes, activity codes and descriptions. Press **Save** button after entering changes.

Please be sure the proper key codes are used.
When in doubt, call the Auditor's office at 888-0556.

For vehicles, the location for the 500 + county number is the project code.

Add Descriptions

You may also add descriptions to all of your expenses from one page. Select individual transactions or select all then press **Add Descriptions** and enter the information in the Description fields. Press **Save** button after entering changes.

You can also add a description to a single transaction by selecting the **Description** field for the transaction you wish to modify.
Detailed and specific descriptions must be entered in the "Description" box.

These are a few examples....

Example: lumber, nails, tape for repair of Horace Caldwell Pier
NOT repairs to Horace Caldwell Pier

Example: oil and filter change transmission repair engine repair
NOT car repairs

Invoice numbers are not required in the description. The vehicle unit # is not required in the description. If your department wants these two things listed in the description, please put them after the detailed description.

Split & Reclassify

From the Statement Review page, you may split and reclassify transactions by amount or percentage. Select individual transactions then press **Split & Reclassify** to make changes to department numbers, project codes, activity codes and descriptions. Select **Add** to create a new row and continue the split process. Press **Save** button after entering changes.

Receipt Attached Checkbox

Check all receipt attached checkboxes then hit **Save**

Statement Reviewed Button

Once you have reviewed your statement and made any necessary changes, select **Statement Reviewed** button. You will see a message box indicating that an email will be sent to your approver. Then select **OK**.

Print completed Statement

Select **Print Version** to print a copy of the completed statement. Attach original receipts (in order with keycodes) behind completed Statement printout and attach Purchasing Card Cover for Auditor's Office on top. Sign cover sheet, obtain department head signature, and make copies for your records before submitting packet to the County Auditor.

Monthly Statement Review Packet Checklist:

- ✓ **Purchasing Card Cover for Auditor's Office Form** signed by Cardholder and Cardholder's Department Head
 - ✓ **Completed copy of Monthly Statement** with correct description text and validated department numbers, project codes, and activity codes
 - ✓ **Original receipts for all items purchased under the program.** Cardholder must have a receipt for every transaction listed on their statement.
-

The Commercial Card Expense Reporting (CCER) service Quick reference — Reconciler



Accessing the Commercial Card Expense Reporting (CCER) service

1. Sign on to the *Commercial Electronic Office*® (CEO®) portal at the following address.
<https://wellsoffice.wellsfargo.com/portal/signon/index.jsp>
2. If this is your first time signing on to the CEO portal, follow the steps to create a new password, edit your profile, and provide answers to the secret questions.
3. Once you successfully sign on to the CEO portal, select **Commercial Card Expense Reporting** under **My Services**. A separate browser window opens and displays the CCER service.

Exiting the CCER service

To exit the CCER service, click **Close** at the upper right corner of the window.

Switching roles

If you have more than one role, your roles are listed above the navigation bar. To switch to a different role, click on the link for the role.

Managing statements

Reviewing a statement

Note The options available depend on the options selected by your company and privileges assigned to your profile.

To review a statement

1. Do one of the following:
 - To view an open statement (a statement not yet closed by the Program Administrator), select **Manage Statements > Review Open Statements** in the navigation bar.
 - To view charges for the current statement period, select **Manage Statements > View Cycle-to-Date** in the navigation bar.
 - To view a closed statement, select **Manage Statements > View Previous Statements** in the navigation bar.
2. If you are reviewing an open statement or a previous statement, select the statement and click **View**.
If you are reviewing cycle-to-date charges:
 - a. Select a user from the **User Name** list.
 - b. If the user has multiple cards, select a card from the **Card Number** list.
3. When reviewing a statement, you can:
 - Click **View Receipt Images** (only displayed if images are available) to display images of receipts for charges in the statement.
 - Click **Print** and then select **Selected Statement** to print the statement.
 - Limit the type of charges listed by selecting an option from the **Charge Type** list.
4. When reviewing cycle-to-date charges or charges for an open statement, you can do the following:


Task	See page
Split a charge. Do this to:	2
<ul style="list-style-type: none"> • Assign amounts to different G/L codes, custom fields, or units. • Assign part of the amount as a personal expense. 	



Reviewing a statement (continued)

Task	See page
Reclassify charges. Do this to change G/L codes or custom fields assigned to charges.	2
Mark a charge as a personal expense.	3
Enter a description for a charge.	3
Dispute a charge.	3
Request a copy of a transaction receipt.	3
Mark a charge as receipt attached.	3
Enter any out-of-pocket expenses.	4

You can also:

- Click a merchant link to view merchant details.
- Click the  icon (if shown) to display custom fields (data unique to your company, such as a project ID).

When reviewing a previous statement, you can:

- Add or edit descriptions (available up to 60 days after the end of the statement period).
 - Mark a charge as receipt attached (available up to 60 days after the end of the statement period).
 - Click a merchant link to view merchant details.
5. For cycle-to-date charges or a previous statement, click **Save** to save any changes.
- For an open statement, do one of the following:
- To save your changes and keep the statement open, click **Save**.
 - If you have reviewed all charges, input all information, and made all changes to the statement, you can click **Statement Reviewed** to save your changes and close the statement.

Note Once you click **Statement Reviewed**, you can no longer modify the statement.


When you click **Statement Reviewed**, the system sends an email to let the approver know that the statement is ready for approval.


Note To save your changes, you must click **Save** or **Statement Reviewed**. Otherwise, your changes are not saved when you exit the statement.

Splitting a charge

- To split a charge, check the box for the charge and click **Split** or, if you have reclassify privileges, **Split & Reclassify**.

To modify information for a split charge, click the **View Split** link in the **G/L Code** or **Split** column.


- On the **Charges - Split and Reclassify** page:
 - Use **Split Type** to indicate whether to specify the split by amount or percentage.
 - To create additional splits, click **Add a Split**.
 - If there are more than two splits and you want to delete a split, click the  icon at the upper right for the split.
 - To delete all splits, click **Delete**.
- Enter information for each split.

Personal	Check the box if the split is a personal expense.
Amount / Percentage	Enter the amount or percentage for each split. Apply amounts/percentages to the splits until the amount/percentage remaining (shown at the bottom of the page) is zero.
Split data fields	Complete as needed. If displayed, you can click the  icon to select an entry.
Split Description	Enter a description for the split.

- When finished, click **Save**.

Reclassifying a charge

- Check the box for one or more charges. Click **Reclassify**.
- Enter information for each charge.

Personal	Check the box if the charge is a personal expense.
Receipt Attached	Check the box if you are submitting a receipt for the charge.
Data fields	Complete as needed. If displayed, you can click the  icon to select an entry.
Description	Enter a description for the charge. To apply the description from the first charge to the other charges, click Apply to All .

- If there are additional charges to reclassify, use the **Save & Previous** and **Save & Next** buttons to view all charges. When finished with all charges, click **Save**.

Marking a charge as a personal expense

Note Depending on your company setup, the cardholder may need to enter bank account information before you can mark a charge as a personal expense.

You can mark a charge as a personal expense by checking the Personal box:

- In the list of charges.
- When splitting a charge.
- When reclassifying a charge.

Entering a description for a charge

You can enter a description for a charge the following ways:

- By clicking the Description link for a charge.
- By checking the box for one or more charges and clicking Add Description.
- When splitting a charge.
- When reclassifying a charge.

Disputing a charge

1. Check the box for the transaction and click Dispute.
If a charge is already disputed, you can click View Dispute in the G/L Code or Split column to display information for the dispute.
2. Enter information for the dispute.

Dispute Type	Specify the type of dispute and complete any fields required for the dispute type.
Contact Information	Enter your phone number (10 digits max). Include digits only — no hyphens, spaces or other characters. For example, for (800) 555-1212, you would enter 8005551212.
Reason for Dispute	Enter the reason for the dispute and any steps you've taken to resolve the dispute with the merchant. If available, enter a merchant cancellation number.

When finished, click Submit.

Requesting a copy of a transaction receipt

To request a copy of a transaction receipt, contact the merchant directly. If you are unable to obtain a copy of the receipt from the merchant, you can use this feature to request a copy. Your company may be charged for copy requests.

Do not request a copy if you:

- Do not recognize the transaction.
- Did not authorize the transaction.
- Want to dispute the transaction (see Disputing a charge).

To request a copy of a transaction receipt

1. Check the box for the transaction and click Copy Request.
2. Enter information for the request.

Contact Information	Enter your phone number.
Reason for Request	Explain why you are requesting a copy, such as Lost original receipt or Original receipt illegible.

3. When finished, click Submit.

Marking transactions as receipt attached

You can indicate that you are submitting a receipt for a charge the following ways:

- Checking the Receipt Attached box in the list of charges.
- When reclassifying a charge.

Printing a cover sheet for receipts

1. Select Manage Statements > Review Open Statements or Manage Statements > View Previous Statements in the navigation bar.
2. Select a statement.
3. Click Print, then select Fax Cover Sheet.
4. After printing the cover sheet, use it to fax or otherwise submit copies of receipts.

Viewing historical receipt images

You can view or download receipt images from statements up to seven years in the past.

To view or download historical receipt images

1. Select Manage Statements > View Historical Images.
2. If applicable, select a division from the list.
3. Select a statement period and click View.
4. The system displays receipt information for the selected period. Click View Receipts to view the available images.

Entering out-of-pocket expenses



Note Depending on your company setup, the cardholder may need to enter bank account information before you can enter an out-of-pocket expense.

1. When viewing charges for an open statement or the cycle-to-date period, click the Out-of-Pocket Expenses tab.
2. To enter a new expense, click Add an Expense.

To edit an existing expense, check the box for one or more expenses and click Modify.

To delete an existing expense, check the box for one or more expenses and click Delete.

3. When entering or editing an expense, complete the following fields for the expense.


Transaction Date	Click the  icon to select the date, or enter the date as MM/DD/YYYY.
Amount	When entering an amount: <ul style="list-style-type: none"> • Do not include a dollar sign. • If you do not include a decimal point, the amount is assumed to be whole dollars. For example, if you enter 100, the amount applied is \$100.00.
Description	Enter a description for the expense.
Other data fields	Complete as needed. If displayed, you can click the  icon to select an entry.

4. When finished, click Save.


Using AP Control

Note This feature is only available if your company elects to use it and access privileges are assigned to your profile.

Reviewing items


1. Select AP Control > Accounts Payable in the navigation bar.
2. On the AP Control – Search page, specify search criteria and click Search.
3. If multiple batches match your search criteria, you can select a batch from the drop-down list and click Select Batch. You can also use Next Batch and Previous Batch to navigate between batches.
4. You can review items on the Pre-Approval, Pending, or Closed tab. When reviewing items, you can:
 - Click the  icon to the left of a transaction to display details for the transaction.
 - Click the Expand All link to display details for all transactions on the tab.

Regarding the Closed tab:

- Each transaction on the Closed tab is assigned a disposition (displayed in the details when you click the  icon). The disposition is Settled when a payee has received payment.
- To only display items with a particular disposition, make a selection from the Disposition Type drop-down list and click Select Type.
- Items are assigned the Expired disposition if the transaction has not settled and the transaction expiration date passes. The Expired disposition does not refer to the master account expiration date.

Generating AP Control reports

1. Select AP Control > Reports in the navigation bar.
2. Set the report options.

Report Type	Select a report from the drop-down list.
Division	If a drop-down list is displayed, you can select a division from the list.
Cardholder Name	(AP Download Report only.) If a drop-down list is displayed, you can select a Cardholder from the list.
Cardholder Number	(AP Download Report only.) If you selected a Cardholder from Cardholder Name and that Cardholder has multiple cards, you can select a card from the drop-down list.
Date Range	Select the date range for the report. Click the  icon to select a date.
Batch Number	(AP Download Report only.) You can select a batch from the drop-down list.
Delimiter Option	Select an option from the drop-down list to indicate which character to use to separate fields in the report file. You can select either the ASCII tab or ASCII pipe () character as the delimiter.

You are only required to make a selection for Report Type and Delimiter Option.


After completing the fields as needed, click Submit.

3. When asked whether to open or save the file, click Save.
4. Specify a file name and location for the file and click Save.

Generating reports

Requesting a Transaction report

1. Select Reports > Create Transaction Report in the navigation bar.
2. Select a cardholder from the list (or All).
3. Enter report criteria.

Card Number	If the user has multiple cards, select a card from the list (or All).
Date Type	Select Transaction Date to include transactions based on the date they occurred. Select Posting Date to include transactions based on the date they post to the card account.
Date Range	To list a single date, enter the date in the left field. To enter a range of dates, use both fields. Click the  icon to select a date, or enter a date as MM/DD/YYYY.
Amount Range	To limit transactions by amount, specify a start amount, end amount, or both. Use the operator lists to specify how to apply an amount. For example, select >= as the start amount operator to include transactions with an amount greater than or equal to the amount you enter. To include only transactions with a specific amount: <ul style="list-style-type: none">• Select = as the start amount operator.• Enter a start amount.• Leave the end amount field blank. When entering an amount: <ul style="list-style-type: none">• Do not include a dollar sign.• If you do not include a decimal point, the amount is assumed to be whole dollars. For example, 100 is assumed to be \$100.00.
G/L Status	Specify whether to include open transactions, closed transactions, or both (All).

4. Click Submit. The system sends you an email when the report is ready.

Accessing Transaction reports

1. Select Reports > Transaction Summary in the navigation bar.
2. The system lists reports you have requested within the last six weeks. For each report, you can do one of the following:

View & Print	Click to display the report in a separate window. Click Print to print the report.
Download Excel	Click to download the report in Microsoft Excel format.

Editing your personal profile

Note If you have multiple roles, you can edit your profile under one role only. If this function is not available for the role you are currently using, it is available for another role.

1. Select User Information > Personal Profile in the navigation bar.
2. The system displays your personal profile.
3. After making any changes, click Save.

APPENDIX XVII

Nueces County, Texas
 Chart of Accounts - General Ledger
 Effective - October 01, 2003

PO Sec	Bud Cate	Acct Type	Object Code	Object Code Description	Examples
Expenditures					
5100 Salaries					
XXX	510	500	5101	Salaries - Official	
XXX	510A	500	5111	Salaries - Department Head	
XXX	510B	500	5122	Salaries - Attorneys	
XXX	511	500	5123	Salaries - Regular	
XXX	511	500	5124	Salaries - Secretary	
XXX	512	500	5129	Salaries - Overtime	
XXX	513	500	5126	Salaries - Temporary Employees	
XXX	513B	500	5127	Salaries - Court Reporters	
XXX	514	500	5128	Salaries - Seasonal	
XXX	512	500	5129	Holiday Pay	
XXX	512	500	5130	Compline Pay	
XXX	514A	500	5131	Salaries - Longevity	
XXX	514B	500	5132	Salaries - Supplemental Pay	
XXX	511	500	5136	Appraisal District	
XXX	514C	500	5140	Reimb-Salaries & Supplement	
XXX	514C	500	5149		
XXX	511	500	5355	Reserve - Salaries	
5150 Employee Benefits					
XXX	515	500	5151	Retirement	
XXX	515	500	5152	FICA	
XXX	515	500	5153	Medicare	
XXX	515	500	5154	Unemployment Tax	
XXX	515	500	5155	Group Health Insurance	
XXX	515	500	5155	Workers Compensation Ins	
XXX	515	500	5157	Life Insurance	
XXX	515	500	5158	CAF - 125 Admin Exp	Cafeteria Plan
XXX	515	500	5357	Reserve - Benefits	
5180 Other Personnel Expense					
XXX	518	500	5181	Vehicle Allowance Expense	
XXX	518	500	5182	Uniform Allowance Expense	
HRI	518	500	5185	Contract Personnel	Hired through commercial agencies. Dr. Rupp, Rebecca Winquist, Security Guards
5210 Office Expense & Supplies					
500	521	500	5211	Office Expense & Supplies	Paper, office supplies, etc. from outside vendors
500	521	500	5212	Central Supply Charges	Supplies purchased from Purchasing Dept inv YE adj.
ITI	521	500	5213	PC Software Programs	New Software; updates, Requires Data's Approval
500	521	500	5215	Postage Equipment Rentals	P.O. Box rent, postage meter
500	521	500	5217	Postage & Federal Express	Outgoing Items
500	521	500	5218	Books, Magazines & Subscriptions	Except Law Library & County Library
500	521	500	5219	Safeguard Accounting System	ME Office, Law Library
5220 Food & Kitchen Supplies					
500	522	500	5221	Food & Edible Items	
500	522	500	5222	Food for Animals	
500	522	500	5225	Kitchen Supplies & Tools	Utensils, mixers, pans, cleaning solutions
500	522	500	5226	USDA Commodity Costs	Sr Comm Serv, Juvenile & Jail, freight & storage, etc.
500	522	500	5227	Inmate Kitchen Supplies	
500	522	500	5228	Contract Meals	Speedy's, Mikalales

Nueces County, Texas
Chart of Accounts - General Ledger
Effective - October 01, 2003

PO Sec	Bud Cate	Acct Type	Object Code	Object Code Description	Examples
5230 Telephone & Utilities					
UTL	523	500	5231	Telephone Expense	Desk telephone expense
UTL	523	500	5232	Cellular Phones	Cost of phone, excess long distance chgs, etc.
UTL	523	500	5233	Electricity	Utility expense
UTL	523	500	5234	Gas, Water, Sewage, Garbage	Utility expense
500	523	500	5235	Pagers & Other Telephone Expense	All costs on pagers
ITI	523	500	5236	Internet Fees	
WEL	523	500	5237	Utilities Welfare Assistance	Human Services Dept. only
WEL	523	500	5238	Utilities Emergency Assistance	Human Services Dept. only
500	523	500	5239	Tipping & Dump Fees	Landfill fees, dumpy dumpster tipping & disposal
5240 Maint & Repair-Equip & Vehicles					
500	524	500	5241	Gasoline - Credit Card & Bulk	Includes YE Inv adj., credit cards bulk purchases, diesel
500	524	500	5247	* Car Wash & Cleaning Expense	
500	524	500	5248	* Car Accessories	Light bars, window guards, etc.
500	524	500	5249	* Car Repairs, Supplies & Service	Repairs on vehicles & trucks, tires for cars
500	524	500	5250	* Shop Supplies-Oil, Tires, Antifreeze, Filters	Bulk items for vehicle use
500	524	500	5251	Office Equip Maint & Repairs	Copiers, printers
500	524	500	5252	* Heavy Motor Equip & Mech M&R	Off-road heavy equip repairs, supplies & service, tires, & boats
500	524	500	5254	Small Equip Repairs	Lawnmower, edgers, cameras, gun repairs, etc.
500	524	500	5255	Tools & Supplies	Tools, cleaners, gloves, etc. used by employees
ITI	524	500	5256	PC Maintenance & Repairs	Keyboards, maint agreements, internal parts
ITI	524	500	5257	Mainframe Hardware Maint	
500	524	500	5258	Radios - Maintenance & Repair	Handset radios, battery packs, speakers, maint, backbone exp, etc.
vehicle maintenance					
5260 Maint & Repair-Bldg & Grounds					
500	526	500	5261	Building Maintenance & Repair	Major items, carpet, roofs, contract jobs, wallpaper, Etc.
500	526	500	5262	Janitorial & Misc Supplies	Aerosols, paper towels, cleaners, etc., from outside vendors
500	526	500	5263	Elevator/Escalator Repairs	
500	526	500	5264	Landscape & Grounds Maint	Fences, driveway, parking lot, sidewalks, grounds upkeep
500	526	500	5265	Mechanical System Repairs	Electrical, plumbing, HVAC & supplies
500	526	500	5266	Contract Services - Buildings	Pest Ctrl, Janitorial, Fire Alarm, Safety System
500	526	500	5267	Home Road Bldg. Expenses	
500	526	500	5268	Parts, Supplies & Misc	Light Bulbs, small repairs, stock supplies, etc.
500	526	500	5269	Bldg Stores Inventory Charges	Supplies purchased from Bldg Maint, Inv YE adj.
5270 Maint & Repair-Roads & Bridges					
500	527	500	5271	Cracks & Rock Materials	
500	527	500	5272	Oil & Other Paving Materials	Cement
500	527	500	5273	Pipe, Culverts & Other Material	Steel beams
500	527	500	5274	Parts & Supplies	
500	527	500	5275	Contract Services R&B	
500	527	500	5276	Road Sign Materials	Includes sign purchases
500	527	500	5280	Bridge Repair	
500	527	500	6290	Brush Control	

Nueces County, Texas
Chart of Accounts - General Ledger
Effective - October 01, 2003

PO Sec	Bud Code	Acct Type	Object Code	Object Code Description	Examples
5300 Professional Services					
LEG	530	500	5301	Attorney Fees	Attorneys hired by the Comm Crt & County Attorney
TRV	530	500	5302	Education Registration Fees	Cost for seminars & conferences
SPC	530	500	5303	Medical, Dental, Hospital, Lab	Physicians off medical services
500	530	500	5304	Prescription Drugs	Prescription Drugs
SPC	530	500	5305	Administrative & Consultant Fees	Verlex
500	530	500	5306	Empl Eval/Med/EAP	Pre-employment Drug Screening, Psych
LEG	530	500	5307	County Legal Expenses - Other	Transcripts, depositions, temp ctt personnel, investigators, etc.
SPC	530	500	5309	Architects	Architects only, not to exceed contract percentage
SPC	530	500	5310	Engineers, Surveyors, etc.	Includes soil testing
ITI	530	500	5311	Computer Software Service & Maint	Includes consultants, mainframe programs
SPC	530	500	5312	General Contractor - Capital Projects	Remodeling, new construction
SPC	530	500	5314	Additional Professional Fees	Out of pocket reimbursable expenses
SPC	530	500	5315	Audit Services	Outside auditing costs
ITI	530	500	5316	Wrestlaw Internet Services	Internet Services
500	530	500	5317	Training Costs - In House, Contract	Contract instructors, defensive driving, computer training
500	530	500	5320	Soil Tests & Other	
5330 Special Personnel Services					
XXX	533	500	5331	Election Judges and Clerks	
500	533	500	5332	Park Commissioners	
XXX	533	500	5335	Jurors - Grand Jury	
XXX	533	500	5336	Jurors - All Courts	District, County & JP Courts
XXX	533	500	5337	Jurors - Special Venue	Change of Venue
500	533	500	5339	Jurors - Hotel & Meals	
ORD	533	500	5340	Visiting & Special Judges	District & County Courts
ORD	533	500	5341	Appointed Attny Fees AG Cases	Appointed Attorney Fees
ORD	533	500	5342	Appointed Attny Fees	Mental Hearings, public defense, District & County Courts
ORD	533	500	5343	Temporary Court Personnel	Mediators, interpreters, court reporters, guardian investigators
ORD	533	500	5344	Appointed Attorneys-Capital Trials	Appointed Attorney Fees
500	533	500	5345	Special Commissioners	Right of way appointments
500	533	500	5347	Investigators - ME & DA	Investigators (not court appointed), ME, DA
ORD	533	500	5348	Defense Costs Other	Misc court cost for defense, appointed investigators & Doctors
500	533	500	5349	Prosecutions Costs - Other	DA Appl Attorneys, J.P. Courts, transcripts, filing fees, depositions
5350 Reserve Appropriation					
XXX	535	500	5351	Reserve Appropriation	
XXX	535	500	5352	Reserve for Jail operations	
XXX	535	500	5353	Reserve for Court Costs	

Nueces County, Texas
Chart of Accounts - General Ledger
Effective - October 01, 2003

PO Sec	Bud Code	Accl Type	Object Code	Object Code Description	Examples
=====					
5410 Other Services and Charges					
500	541	500	5414	Advertisements & Public Notices	Advertisements, published legal notices
SPC	541	500	5416	Ambulance EMS Service	
500	541	500	5417	Employee Services Awards	Retirees
500	541	500	5422	Bldg & Space Rent	
500	541	500	5423	Boarding Costs, Juv., Foster Jail	Residential services, nonreimbursable
500	541	500	5424	Books & Subscriptions Inventory	County & Law Libraries, Inmate Library
CPS	541	500	5425	Childs Clothing & Supplies	Child Protective Services - Direct benefit only
CPS	541	500	5426	Child's Personal Allowance	Child Protective Services - Direct benefit only
500	541	500	5427	Clinical & Hygienic Supplies	Gloves, syringes, medications, med supplies
500	541	500	5433	Educational & Demo Supplies	Demonstration supplies
500	541	500	5434	Electronic Monitoring & ID Costs	
500	541	500	5435	Equipment Rentals	
500	541	500	5437	Fees & Permits	Filing, birth cert, brk chgs, beach parking permits
500	541	500	5438	General Operating Supplies	Bottle water, O2, Acetylene, ice, film, pesticides
XXX	541	500	5439	Indirect-Indirect Costs	For grants only, in-kind, general adm
500	541	500	5440	Inmate General Supplies	Clothing, mattresses, blankets, care kits (Juv & Jail)
XXX	541	500	5441	Insurance Charges (Self Ins Fund)	
500	541	500	5442	Investigation Costs	
XXX	541	500	5443	Inter-Local Agreements	
500	541	500	5444	Law Enforcement Supplies	Ammunition, badges, belts, helmets, dogs
500	541	500	5445	Linens, Towels, etc	Linens/Uniform Services
500	541	500	5447	Memberships, Dues & Certifications	
500	541	500	5449	Pauper Burial Expense	
500	541	500	5453	Recreation Supplies	Toys, gym & playground equip (includes jail)
500	541	500	5455	Services - Other	Moving voting machines, Skid-O-Cans, razing bldg
500	541	500	5459	Transportation of Persons	Inmates, juveniles, deceased, CPS
500	541	500	5461	Truck Weighing Expense	
500	541	500	5462	Video & Recording Exp	Commissioners Court tape recordings
500	541	500	5463	Wearing Apparel Expenses	Judges' robes, emp uniforms, bes suits, cleaning services, aprons
WEL	541	500	5464	Welfare Assistance - Other	Housing, travel, medical, etc.
XXX	541	500	5465	Witness Expense	Witness Expense
CC	541	500	5468	Avance Programs	Contract Payment
CC	541	500	5469	Alcohol & Drug Rehab Charlie's	Contract Payment
CC	541	500	5470	Council on Alcohol & Drug Abuse	Contract Payment
SPC	541	500	5471	Other Community Program	Area Oil Spill Contr
XXX	541	500	5472	Coastal Bays & Estuaries	
CC	541	500	5473	Coastal Bend Council of Gov't's	Interlocal Governmental Services
CC	541	500	5475	Dispute Resolution Subsidy	Contract Payment
CC	541	500	5476	Economic Development - CG	Contract Payment
CC	541	500	5477	Economic Development - Robstown	Contract Payment
CC	541	500	5479	GCC of La Raza	Contract Payment
CC	541	500	5480	Hispanic Chamber of Commerce	Contract Payment
500	541	500	5481	Historical Commission	All expenses for historical commission

Nueces County, Texas
Chart of Accounts - General Ledger
Effective - October 01, 2003

PO Sec	Bud Code	Acct Type	Object Code	Object Code Description	Examples
CC	541	500	5483	Local Emergency Planning Comm	Interlocal Governmental Services
CC	541	500	5484	MHMR Comm Cenjar	Interlocal Governmental Services
CC	541	500	5485	Palmer Drug Abuse	Contract Payment
CC	541	500	5486	Padres Drug Abuse	Contract Payment
CC	541	500	5488	Robstown Fire Dept	Contract Payment
CC	541	500	5489	Soil & Water Conservation	Contract Payment
CC	541	500	5490	So TX Military Fac Task Force	Interlocal Governmental Services
CC	541	500	5491	Tax Appraisal District	TAC Internet Information Services
CC	541	500	5492	Texas Legislative Service	Contract Payment
CC	541	500	5493	Texas National Guard	Contract Payment
CC	541	500	5494	Texas State Guard	Contract Payment
CC	541	500	5495	Teen Court	Contract Payment
CC	541	500	5496	Teen Leadership	Contract Payment
500	541	500	5498	Tower Rental	Contract Payment
CC	541	500	5499	Women's Shelter	Contract Payment
5510 Other Expenses					
XXX	551	500	5511	Principle Payments	Semi-annual I&S Payments
XXX	551	500	5512	Interest Expense	Semi-annual I&S Payments
XXX	551	500	5513	Fiscal Agent's Fee	Paying Agent Fees
XXX	551	500	5514	Arbitrage Expense	
500	551	500	5516	Contract Lease Payments	Copier contracts, Lease payments
XXX	551	500	5516	Other Financing Costs	Bond Issuance costs - Legal & financial advisors
5540 Travel Expenses					
TRV	554	500	5541	Mileage - Local	Reimbursement for local travel
TRV	554	500	5542	Travel, Food & Lodging	Per diem, hotel, out of county mileage, airfare
TRV	554	500	5545	Change of Venue Travel	All costs related to change of venue travel expense
5610 Capital Outlay					
SPC	561	500	5611	Land & Building Purchases & Impr	Includes ROW condemnations
XXX	561	500	5616	Road Right of Way Purchase	Plating Fees
500	561	500	5620	Purchase of Drug Dogs	
500	561	500	5625	MPD Projects	Used for budgetary purposes only
FA	561	500	5641	Equipment & Furniture	File cabinets, calculator, typewriters, copiers, beds, tables, etc.
FA	561	500	5643	Information Tech Equipment	All capital outlay for data processing equipment.
FA	561	500	5657	Grant Equip < \$500	Equipment for Grants Costing less than \$500
FA	561	500	5659	Heavy Machinery	Off road motor equipment
FA	561	500	5661	Motor Vehicles	Cars, pickups, buses, vans, etc.
5930 Insurance Fund Costs					
CC	593	500	5932	Impairment Benefit Payments	
XXX	593	500	5933	Accrued Claims	
CC	593	500	5935	Lifetime Income Benefits	
500	593	500	5936	Auto Claims/Deductibles	
CC	593	500	5937	Property Liab Claims	Windshield Damages, Tree damages, broken fences, etc.
CC	593	500	5939	Settlements	Slips & Falls, Civil Settlements
500	593	500	5940	Insurance Policy Premiums	
500	593	500	5941	Professional Liab Premiums	For Judges only
500	593	500	5942	Notary Bonds & Other Bonds	
CC	593	500	5944	Public Official Bonds	
5950 Agency/Department Ledgers (Non Budgetary)					
XXX	595	500	5432	Collectors Commission	
XXX	595	500	5520	Distribution Payouts	

FREQUENTLY ASKED QUESTIONS

- Can another employee use my purchasing card for purchases?

No. Each purchasing card will be embossed with the individual employee's name. The employee is responsible for the proper use of the card.

- What should I do if my purchasing card is lost or stolen?

First contact the Wells Fargo Bank Customer Service toll-free number (800) 932-0036 and then contact your Program Administrator. Both contacts should be done IMMEDIATELY.

- When can I start to use the purchasing card?

Once you receive the purchasing card, after receiving PCard instruction and policy training, you will be instructed to call Wells Fargo Bank's toll-free number and provide certain information (e.g., your Unique ID - last four digits of social security number or some other meaningful data) to activate the card.

- What is the procedure when I pay for something with my purchasing card?

It is basically the same process as when using your personal credit card. **Be sure that you always ask for a receipt for your records.**

- Are there any restrictions associated with the use of the purchasing card?

Yes, in addition to the policy stating the type of products you can buy using the purchasing card, other controls and limits are placed on your card including: a monthly dollar limit; a "per transaction" dollar limit; and "blocked" merchant categories.

Yes, capital equipment goods, furniture, computers, printers or cameras should NOT be purchased using the P-card. Computer related items require an Attachment 4 form to be submitted to I.T. and, if approved, should be obtained via a purchase order.

Yes, office supplies should not be purchased using the P-card. (Exceptions limited to emergency purchases of office supplies having prior approval from PCard Administrator)

Please see your Departmental Administrator or Program Administrator for your specific restrictions.

- How will I know if Nueces County is getting billed correctly for the purchases I have made?

You will log onto the Wells Fargo Commercial Card internet website to get a cardholder statement listing all the purchases made and credits received in the previous month. This statement is for your review only and allows you to reconcile your purchases. All statements must be reviewed and approved in a timely manner. Any disputed or fraudulent transactions must also be reported in a timely manner.

- How will I know if I have exceeded my monthly limit?

You should maintain a log of your purchases to keep a running total of expenditures. Once your limit has been reached within a given month, your purchasing card will not be accepted for additional purchases. To determine your outstanding balance at any given time, you may call toll-free Wells Fargo Bank Customer Service number (800) 932-0036 as shown on the back of your card. You may also go on-line and view your purchases and balance.

- What should I do if a vendor does not accept the purchasing card?

Contact your Program Administrator with the name of the vendor, address and phone number.

- What happens if I purchase something that is not approved or authorized with the purchasing card (e.g., personal items, fixed assets, and items on the unauthorized list)

Strict guidelines should be adhered. For those who do not comply, they will be subjected to disciplinary action, including termination, and could be subject to criminal prosecution.

- What happens if I misplace or lose a receipt?

You must contact the vendor and obtain another copy. For those who do not comply, they will receive a warning letter which will be placed in their file. A second offense will result in the suspension of the P-card.

- How will the purchasing card bills be paid?

Nueces County Accounts Payable will make one monthly payment to Wells Fargo Bank covering purchasing card expenses for all departments using the card.

- Who in the County should I talk to if I have questions regarding the purchasing card?

First, contact your Department Administrator who should be able to answer any questions. If they cannot answer the question, they will contact the Program Administrator.

The following individuals in the Purchasing Department have been designated Program Administrators:

Assistant Purchasing Agent	888-0426
Buyer	888-0426

WELLS FARGO BANK PURCHASING CARD APPLICATION FORM

Cardholder Information:	
Cardholder Name: _____ <small>(As it will appear on card-maximum 20 characters)</small>	
Mailing Address: _____ _____	
City	State
Zip Code	
Business Telephone (____) _____	E-Mail Address: _____
Social Security No.: _____	Birth Date: _____ <small>MM/DD/YY:</small>
Reconciler Name: _____	
Reconciler's E-Mail Address: _____	
Department Information:	
Department Name _____	Requested Single Purchase Limit: \$ _____
Department No. _____	Requested Overall Monthly Limit: \$ _____
X _____ <small>Cardholder Signature</small>	X _____ <small>Department Head Signature</small>

***FORWARD COMPLETED FORM TO PURCHASING DEPT RM 106, ATTN: PCARD ADMINISTRATOR.**

Authorized Limits and Restrictions (to be completed Purchasing Card Administrator)		
Template Name	Single Purchase Limit	Overall Monthly Limit
1. _____	\$ _____	\$ _____
2. _____		
3. _____		
4. _____		
5. _____		

Cardholder Information (to be completed by Purchasing Card Administrator)	
User Login: _____	
Password: _____	Card No: _____

Other Information (to be completed by Purchasing Card Administrator)	
Accounting Code _____ <small>(This is assigned by Wells Fargo Bank)</small>	
Special Instructions: _____	
X _____ <small>Purchasing Card Administrator</small>	X _____ <small>Date</small>

Exhibit 8: Open Market Requisition Checklist

Step	Reference Source:
Identify the user department and key code for the item(s) to determine the accounting line item(s) to be used and ensure that there is sufficient budget. Perform budget transfer if necessary, before submitting requisition.	ONESolution system (purchasing module for department number/ key code and financial module for account line item balances)
Find the desired item(s) and obtain the following information: <ul style="list-style-type: none"> ✓ Manufacturer Name (e.g. Dell) ✓ Model Number (e.g. Pentium series II, model Number 135867) ✓ Unit of measure (e.g. each) ✓ Unit price, quantity, and total price ✓ Item description (complete description with as much detail as possible) 	Vendor catalog, Internet research Helpful hint: copy the model description information from the source and either type it in the requisition or forward via interoffice mail or e-mail to purchasing. Also, identify where you got the information (e.g. Office Depot catalog p.22 or online at www.officedepot.com , item xxx)
Obtain the full description for the item(s) being purchased.	Example of full description (file cabinet): File Cabinet, Vertical, 2 Drawer, Letter Size, Dimensions 27 3/4"H x 17 11/16"W x 25"D, Color: Steel Gray Shipping Weight: 320 Lb. MFG: FireKing P/N FK25 (seen online at Office Depot catalog)
Check the vendor name to see if the vendor exists in the ONESolution system and verify the vendor number. If the vendor does not exist, obtain the following to enter into requisition comments: <ul style="list-style-type: none"> ✓ Vendor name ✓ Vendor address ✓ Vendor telephone number ✓ Vendor point of contact (who you talked with to get product information) 	ONESolution system Purchasing module (requisition function)
Identify shipping and delivery information including: <ul style="list-style-type: none"> ✓ Date required ✓ Shipping (determine if it is included in price or is a separate item) ✓ Department point of contact to whom item will be delivered ✓ The "Ship to" location ✓ Any specific delivery instructions (location, time of day etc.) ✓ Any special options that are available, but not part of description (color, fabric, etc.) 	ONESolution system Purchasing module (requisition function)
User department must identify method of distributing the requisition once it becomes a PO (fax or mail PO to company)	ONESolution system Purchasing module (requisition function)

Exhibit 9: Order of Commissioners' Court for extensions

**Order of Commissioners' Court
Nueces County, Texas**

On February 21, 2007, The Commissioners Court of Nueces County, Texas ("Court") considered the issue of delegation of authority to the Purchasing Agent in extending bid opening dates under special circumstances.

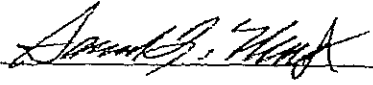
According to Texas Local Government Code Sec. 262.026, (a) the county official who makes purchases for the county shall open the bids on the date specified in the notice. The date specified in the notice may be extended if the Commissioners Court determines that the extension is in the best interest of the county. All bids, including those received before an extension is made, must be opened at the same time. The Commissioners Court may adopt an order that delegates the authority to make extensions under this subsection to the county official who makes purchases for the county.

The Court discussed this issue of delegation and is of the opinion that it would be in the best interest of the county to delegate the authority of extending bid opening dates when there is not sufficient time to request an agenda item for Commissioners Court to meet and take action extending a bid opening date.

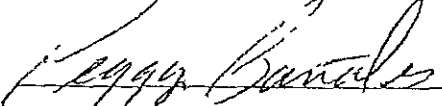
NOW, THEREFORE, THE COURT MAKES THE FOLLOWING FINDING AND ORDERS AS FOLLOWS:

The Court finds that it will be in the best interest of the County to delegate the authority to the Purchasing Agent and ORDERS that the Purchasing Agent may extend the bid opening date after receiving consent from the County Judge or in the absence of the County Judge, a Commissioner of the Court when there is not sufficient time to request an agenda item for Commissioners Court to meet and take action extending the bid opening date.

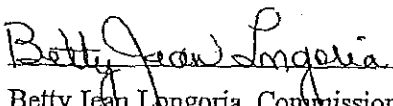
Dated this 21 day of February 2007.



Samuel L. Neal Jr., County Judge



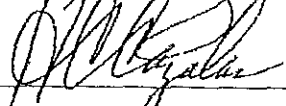
Peggy Bañales, Commissioner Pct. #1



Betty Jean Longoria, Commissioner Pct. #2



Oscar O. Ortiz, Commissioner Pct. #3



H.C. Cazalas, Commissioner Pct. #4

Exhibit 10: Order of Commissioners' Court for addenda (s)

County of Nueces

PEGGY BAÑALES
Commissioner
Precinct 1

BETTY JEAN
LONGORIA
Commissioner
Precinct 2



SAMUEL L. NEAL, JR.
County Judge
Nueces County Courthouse, Room 303
901 Leopard Street
Corpus Christi, Texas 78401-3697

OSCAR ORTIZ
Commissioner
Precinct 3

H.C. "CHUCK"
CAZALAS
Commissioner
Precinct 4

ORDER OF COMMISSIONERS COURT

WHEREAS, Nueces County, through its Commissioners Court, shall comply with the competitive bidding or competitive proposal procedures prescribed by Chapter 262 of the Texas Local Government Code before the county may purchase one or more items under a contract that will require an expenditure exceeding \$25,000;

WHEREAS, in the procedure for competitive bidding under Chapter 262 of the Texas Local Government Code, the Commissioners Court shall provide all bidders with the opportunity to bid on the same items on equal terms and have bids judged according to the same standards as set forth in the specifications;

WHEREAS, until the Commissioners Court approves Purchasing Policies and Procedures that delegate purchasing authority to the Purchasing Agent not statutorily provided, the Commissioners Court is the governing body that implements all purchasing procedures. The Texas Local Government Code does not provide the Purchasing Agent with authority to issue addendas prior to an opening of bids or proposals;

WHEREAS, on February 21, 2007, the Commissioners Court by Order delegated their authority to issue an addendum to extend the opening date of a competitive bid under Section 262.026 when there is no sufficient time to request an agenda item for commissioners court to meet and take action extending a bid opening date (see attached Order). There are additional specific circumstances that require the Purchasing Agent to issue addendas and such delegation of authority has not been given;


WHEREAS, specific circumstances that require the Purchasing Agent to issue an addenda prior to opening of a bid or proposal are: if inquiries about the meaning indicate the need for an addenda to clarify its original intent or to correct clerical errors; if the changes are so insignificant that they are not likely to matter to the bidder/offeror in determining ability to respond; if the addenda does not change the general scope of the bid or proposal. The intent is to comply with Section 262.0225 of the Texas Local Government Code;

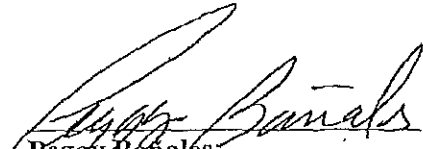
WHEREAS, the Purchasing Agent is requesting the Court to delegate the authority of issuing an addenda in specific circumstances outlined in the previous paragraph until the Commissioners Court has approved Purchasing Policies and Procedures; and

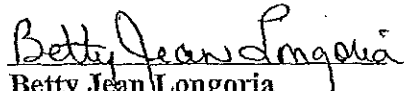
NOW, THEREFORE, THE COURT MAKES THE FOLLOWING FINDINGS AND ORDERS: the Court finds and **ORDERS** that it is in the best interest of the County to authorize the Purchasing Agent to issue an addenda to address the following circumstances: if inquiries about the meaning indicate the need for an addenda to clarify its original intent or to correct clerical errors, if the changes are so insignificant that they are not likely to matter to the bidder/offeror in determining ability to respond, and if the addenda does not


change the general scope of the bid or proposal. This Order is in effect until the Commissioners Court approves Nueces County Purchasing Policies and Procedures.

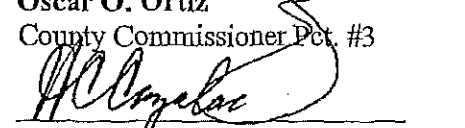
ORDINANCE NO. 2007-0001
RESOLVED, ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS
ON THIS 25 DAY OF July, 2007.

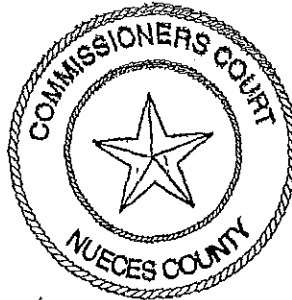

Samuel L. Neal, Jr.
Nueces County Judge


Peggy Banales
County Commissioner Pct. #1


Betty Jean Longoria
County Commissioner Pct. #2


Oscar O. Ortiz
County Commissioner Pct. #3


H.C. Cazallas
County Commissioner Pct. #4



ATTEST:

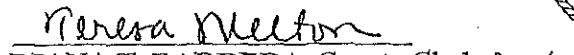

DIANA T. BARRERA, County Clerk, Deputy
TELESA MELTON

Exhibit 11: Procurement Methods

Procurement Method	Use When	Advantages	Disadvantages
<p>Competitive Bids (Invitation for Bids)</p>	<p>Adequate competition exists.</p> <p>The product or service is available from more than one source.</p>	<p>Award process is simpler.</p> <p>Award is made to the lowest responsive, responsible bidder providing the best value to the County.</p>	<p>Defined specifications may be difficult to develop.</p> <p>Does not encourage innovative solutions.</p>
<p>Competitive Proposals (Request for Proposals, Request for Offer)</p>	<p>When factors other than price are evaluated.</p> <p>When negotiations are desired.</p> <p>Vendor is expected to provide innovative ideas.</p> <p>When it is impractical to prepare detailed specifications</p>	<p>Allow factors other than price to be considered.</p> <p>Allows for customized proposals suggesting different approaches to the same business need.</p> <p>Allows for negotiations in order to obtain the best value for the County.</p>	<p>RFPs can only be used for high technology goods and services, landscape maintenance, travel management and recycling. Lead times for procurement may be greater.</p> <p>Evaluations are more complex and subjective.</p>
<p>Request for Qualification [This method is required by statute (e.g. Professional Services)]</p>	<p>Selection is made solely on the skills and qualifications of the contractor. Price is not a factor until after a vendor is selected.</p>	<p>Emphasizes the competency of the proposed contractors</p>	<p>Contractor is selected before price is negotiated.</p>

Exhibit 12: Adopts the procedure as outlined in sale of land

County of Nueces

4.26

2147-01

LD. 4.

VOL. 39

PAGE 742

PEGGY BAÑALES
Commissioner
Precinct 1

BETTY JEAN
LONGORIA
Commissioner
Precinct 2



SAMUEL L. NEAL, JR.
County Judge
Nueces County Courthouse, Room 303
901 Leopard Street
Corpus Christi, Texas 78401-3697

OSCAR ORTIZ
Commissioner
Precinct 3

H.C. "CHUCK"
CAZALAS
Commissioner
Precinct 4

ORDER OF COMMISSIONERS COURT

WHEREAS, Nueces County ("County") owns approximately 516 acres of real property in the surrounding area of the Richard M. Borchard Fairgrounds. This real property includes approximately 162 acres of real property ("county property") in the City of Robstown, Nueces County, Texas, a portion of which has been used as the Richard M. Borchard Fairgrounds ("Fairgrounds");

WHEREAS, the County, acting through its Commissioners Court ("Court") wishes to develop and administer a program pursuant to Chapter 381 of the Texas Local Government Code ("Economic Development Program") to stimulate, encourage and develop business location and commercial activity in the County through the sale and development of a portion of the County's property located near the Fairgrounds;

WHEREAS, the Court has identified a 4.26 acre portion of the County property, designated as Education Service Center Region 2 on the survey attached hereto in Exhibit "A" (the "land"), which the Court wishes to have developed, in whole or in part, in a manner which will (i) promote the economic development of the area in which the Fairgrounds is located through the attraction of new businesses and the creation of new jobs, (ii) increase sales and ad valorem property tax revenues to the City and County; and (iii) contribute to the vitality of the Fairgrounds by providing shops, hotels, and/or other facilities which will be available for the use of visitors to the Fairgrounds (collectively, the County's goals); and

WHEREAS, the Court has determined that the best method for developing the land is by the sale of all or a portion of the land to a person who will undertake the development of the land in a manner acceptable to the County which will promote the County's goals for the land; and

WHEREAS, the Court has determined that it is in the best interest of the County to so sell the land, or a portion thereof, in order to generate income to the County in the form of sales proceeds and to obtain the benefits of the County's goals; and

WHEREAS, the Court has determined that the best method of sale for accomplishing the County's goals is through the sealed-proposal procedure authorized by Section 263.007 of the Texas Local Government Code; and

WHEREAS, the Court wishes to adopt a sealed proposal procedure for the sale of the land as set forth herein ("Proposal Procedure"), authorize and direct the County Purchasing Agent to carry out the Proposal Procedure and to take such other action as may, in her opinion, be necessary or useful for effectuating and carrying out the terms and provisions of the Proposal Procedure for the sale of the land,

NOW, THEREFORE, THE COURT MAKES THE FOLLOWING FINDINGS AND ORDERS;

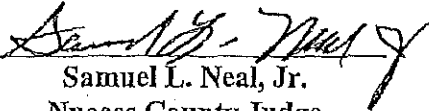
1. The Court finds and **ORDERS** that the recitals set forth above are true and correct, that the County hereby adopts an Economic Development Program to be administered by the County pursuant to Chapter 381 of the Texas Local Government Code to stimulate, encourage and develop business location and commercial activity within the County through the sale and development of the land, as described herein, and that the method of selling the land will be by request for sealed proposals in accordance with the Proposal Procedure hereby adopted by the Court pursuant to Section 263.007 of the Texas Local Government Code.
2. The Court finds and **ORDERS** that the County's Purchasing Agent order an appraisal of the land, publish the notice of sale of the land through the Proposal Procedure, and undertake and administer the Economic Development Program and the Proposal Procedure, and that she take such other action or actions as may, in her opinion, be necessary or useful for effectuating and carrying out the terms and provisions of the Economic Development Program and the Proposal Procedure for the sale of the land. In carrying out her duties, the Purchasing Agent may delegate such tasks and activities as she deems appropriate.
3. The Proposal Procedure for the sale of the land, in whole or in part, shall be as follows:
 - (1) The County's Purchasing Agent, or her designee, shall publish a notice of the sale of the land through a request for sealed proposals in a newspaper of general circulation in Nueces County, Texas, as follows:
 - i. The notice must be published on two dates, with the date of the second publication occurring before the 14th day before the date the award of the sale is made;
 - ii. The notice must include a description of the land, including its location;
 - iii. The notice must include a description of the procedure by which sealed proposals for the sale may be submitted.
 - (2) The Purchasing Agent may provide in the Request for Proposals that the County will consider a proposal to purchase less than all of the land.
 - (3) The Purchasing Agent, at her discretion, may publish, in addition to the required notice of sale set forth above, notice of sale in any additional newspaper or publication, or on the internet, including the County's website, and such additional notices may be published on only one date or on more than one date, as the Purchasing Agent shall deem advisable, in her discretion. In addition, beginning on the date that the first required notice is published, the Purchasing Agent may provide a notice of the sale and a copy of the Request for Proposals to any person who may be interested in receiving the information, or who makes a request to receive it.
 - (4) The Purchasing Agent, or her designee, shall have an appraisal made of the land, by an appraiser selected by the Purchasing Agent, who is licensed by the State of Texas to conduct appraisals for real property.
 - (5) The minimum proposal amount for the land shall be the fair market value of the land, as determined by the appraisal; provided, however, that in determining the amount of a proposal, the County may

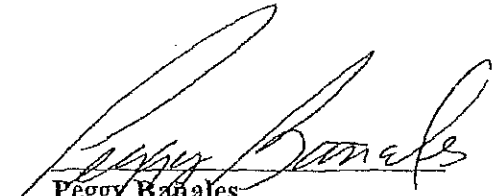
look not only at the monetary portion of the proposal, but also at (i) the value to the County of any other property or service to be provided by or on behalf of the proposer, before or after closing of the sale of the land, as part of the consideration for the sale, (ii) the extent and manner in which the proposal contributes to the achievement of the County's goals; and (iii) the benefit to be derived by the County in reaching the County's goals.

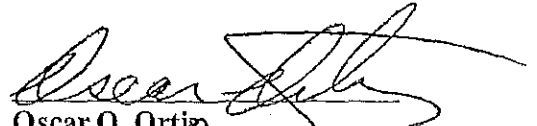
- (6) The Purchasing Agent shall prepare a written "Request for Proposals" which shall be made available to prospective proposers, and which (i) describes the land and its location, (ii) states the County's goals for the development of the land, (iii) sets out the instructions for preparing and submitting proposals, (iv) identifies the place and deadline for submitting proposals, and (v) describes the County's evaluation criteria, and the procedure for evaluating proposals and awarding a sale, (vi) states that the County has the right to reject any and all proposals submitted, and (vii) provides the form of the sales and development agreement which will be used in the sale, which may be modified to set out the complete agreement of the County and the proposer. The Request for Proposals may contain any additional information that the Purchasing Agent wishes to include. The Request for Proposals shall be made available to prospective proposers beginning on the first date on which the notice of sale is published in the newspaper. The Purchasing Agent shall establish the time frame and deadlines for the Proposal Procedure, including, but not limited to, the submission deadline.
- (7) The Purchasing Agent is authorized to issue any amendments or addenda to the Request for Proposals that she may deem appropriate and in the best interest of the County, including amendments or addenda to (i) correct or clarify terms of the Request for Proposals, (ii) add information, or (iii) extend the time periods provided in the Request for Proposals, including the deadline for submission of proposals.
- (8) An Evaluation Committee is hereby established to evaluate the proposals and make recommendations to the Court regarding the proposals. The Evaluation Committee shall consist of the following members: (i) the Purchasing Agent, (ii) the Director of the Office of Court Administration, (iii) the County Attorney, (iv) the County Judge, and (v) Julie Smith Wilsey, County's Real Estate Consultant. In the event that any of these persons is unable to serve for any reason, the remaining members shall constitute the Evaluation Committee, as long as the Evaluation Committee consists of at least the Purchasing Agent and two additional members. If the membership does not meet this requirement, the Court shall appoint a new Evaluation Committee. The Evaluation Committee is hereby delegated the authority to (i) read the proposals, (ii) request a proposer to provide additional information to assist in evaluating the proposal, or the financial position, reputation, credentials, expertise or experience of the proposer; (iii) obtain information and/or advise from any other County employee or consultant, (iv) discuss, clarify and negotiate the terms of a proposal with the proposer; (v) disregard proposals submitted after the requisite deadline for submission, (vi) evaluate the proposals based on the selection criteria set out in the Request for Proposals, (v) rank the proposals based on the results of the evaluations, (vi) recommend the rejection of all or any of the proposals; (vii) recommend the waiver of any requirements of the Request for Proposal that may be waived under applicable law, if the committee believes such waiver to be in the County's best interest; (viii) rank the proposers based on the selection criteria and make recommendations for award based on the committee's evaluations, and (ix) take such other action as may be necessary or incidental to the carrying out of any of the foregoing. The Purchasing Agent will preside over the meetings and establish the meeting schedule based on the availability of the committee members. Meetings will be held in person.


- (9) Award of any sale will be authorized by the Court at a Commissioners court meeting. The Court is not bound by the recommendations of the Evaluation Committee and may reorder the ranking of the proposals. If the Court does not reject all proposals, the Court may authorize acceptance of a proposal and execution of a mutually-acceptable agreement for the sale and development of the land, or if a final agreement has not been fully negotiated, authorize a representative of the County to begin negotiations of the complete terms of the agreement with the first-ranked proposer. If an agreement is not reached by the deadline established by the Purchasing Agent, then negotiations with the first-ranked proposer will be terminated, and the County representative will begin negotiations with the second-ranked proposer. This method will be followed until an agreement is reached and approved by the Commissioners court or all proposals are rejected. An award by the Commissioners court will not be deemed complete until (i) the commissioners court has approved the sale, (ii) the proposer and the County have duly signed the sale agreement, and (iii) the proposer has made the deposit of all earnest money required by the agreement.
- (10) The County will not be obligated to sell the land, or a portion thereof, until all of the following have occurred:
- (i) The commissioners court has awarded the agreement for sale and development of the land or designated portion thereof to a proposer; and
 - (ii) The proposer and the County have duly executed a mutually-acceptable agreement; and
 - (iii) The proposer has deposited the earnest money in accordance with the terms of the agreement, and has complied with all terms of the agreement; and
 - (iv) All contingencies set out in the agreement (if any), have been satisfied, or at the County's discretion, waived by the County in writing, prior to closing; and
 - (v) No default has occurred under the terms of the agreement and there is no other legal impediment to closing; and
 - (vi) The County has received the purchase price provided in the agreement, with the cash component being in good funds, and the delivery of all required closing documents has been completed.
- (11) The Court reserves the right to modify the terms of this Proposal Procedure and the Economic Development Program. The County reserves the right to discontinue the Proposal Procedure or to withdraw the land from the market at any time prior to execution by County and the successful proposer of an agreement for sale and development of the land or any part thereof. In such event, County will notify the proposers of such discontinuation. The County reserves the right, after discontinuance or termination of the proposal process, to sell or otherwise dispose of the land, or an interest in the land, as provided by Texas law, on terms acceptable to County. County reserves the right to waive any irregularity or informality in the proposal or the Proposal Procedure or in the submission of a proposal.

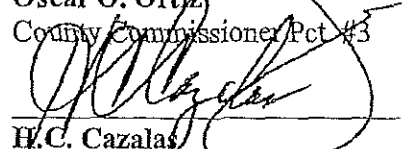
DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS
ON THIS 27th DAY OF NOVEMBER, 2007.


Samuel L. Neal, Jr.
Nueces County Judge


Peggy Banales
County Commissioner Pct. #1

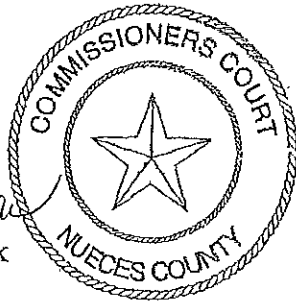

Oscar O. Ortiz
County Commissioner Pct. #3

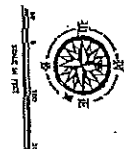
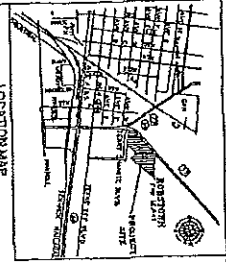

Betty Jean Longoria
County Commissioner Pct. #2


H.C. Cazalas
County Commissioner Pct. #4

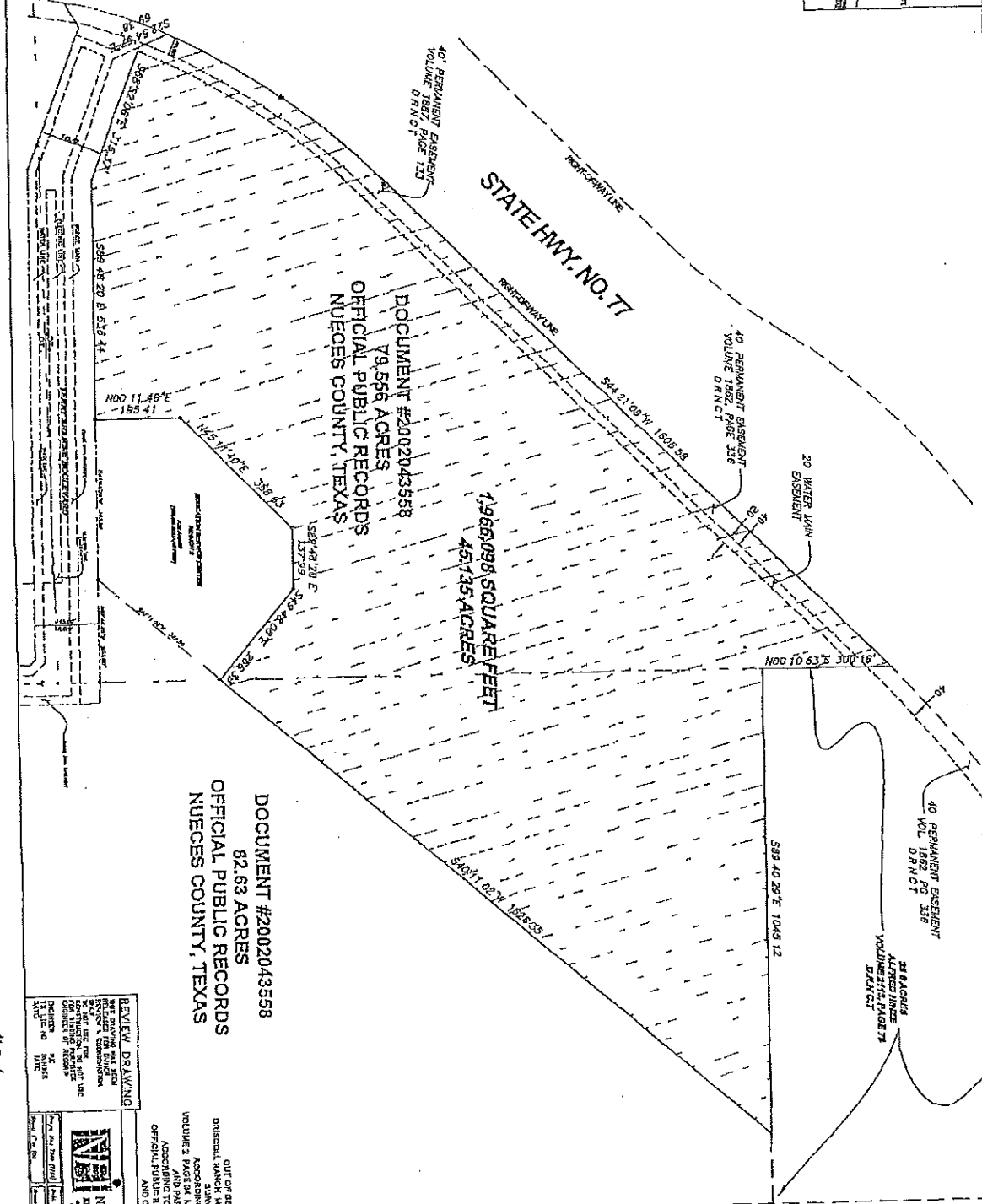
ATTEST


DIANA T. BARRERA, County Clerk





- LEGEND**
- - Pole top shown
 - - Survey loc. as indicated on 20' x 30' volumetric plan
 - 1" = 100' - DOTTED LINE
 - 2" = 100' - DOTTED LINE
 - 3" = 100' - DOTTED LINE
 - 4" = 100' - DOTTED LINE
 - 5" = 100' - DOTTED LINE
 - 6" = 100' - DOTTED LINE
 - 7" = 100' - DOTTED LINE
 - 8" = 100' - DOTTED LINE
 - 9" = 100' - DOTTED LINE
 - 10" = 100' - DOTTED LINE
 - 11" = 100' - DOTTED LINE
 - 12" = 100' - DOTTED LINE
 - 13" = 100' - DOTTED LINE
 - 14" = 100' - DOTTED LINE
 - 15" = 100' - DOTTED LINE
 - 16" = 100' - DOTTED LINE
 - 17" = 100' - DOTTED LINE
 - 18" = 100' - DOTTED LINE
 - 19" = 100' - DOTTED LINE
 - 20" = 100' - DOTTED LINE
 - 21" = 100' - DOTTED LINE
 - 22" = 100' - DOTTED LINE
 - 23" = 100' - DOTTED LINE
 - 24" = 100' - DOTTED LINE
 - 25" = 100' - DOTTED LINE
 - 26" = 100' - DOTTED LINE
 - 27" = 100' - DOTTED LINE
 - 28" = 100' - DOTTED LINE
 - 29" = 100' - DOTTED LINE
 - 30" = 100' - DOTTED LINE
 - 31" = 100' - DOTTED LINE
 - 32" = 100' - DOTTED LINE
 - 33" = 100' - DOTTED LINE
 - 34" = 100' - DOTTED LINE
 - 35" = 100' - DOTTED LINE
 - 36" = 100' - DOTTED LINE
 - 37" = 100' - DOTTED LINE
 - 38" = 100' - DOTTED LINE
 - 39" = 100' - DOTTED LINE
 - 40" = 100' - DOTTED LINE
 - 41" = 100' - DOTTED LINE
 - 42" = 100' - DOTTED LINE
 - 43" = 100' - DOTTED LINE
 - 44" = 100' - DOTTED LINE
 - 45" = 100' - DOTTED LINE
 - 46" = 100' - DOTTED LINE
 - 47" = 100' - DOTTED LINE
 - 48" = 100' - DOTTED LINE
 - 49" = 100' - DOTTED LINE
 - 50" = 100' - DOTTED LINE
 - 51" = 100' - DOTTED LINE
 - 52" = 100' - DOTTED LINE
 - 53" = 100' - DOTTED LINE
 - 54" = 100' - DOTTED LINE
 - 55" = 100' - DOTTED LINE
 - 56" = 100' - DOTTED LINE
 - 57" = 100' - DOTTED LINE
 - 58" = 100' - DOTTED LINE
 - 59" = 100' - DOTTED LINE
 - 60" = 100' - DOTTED LINE
 - 61" = 100' - DOTTED LINE
 - 62" = 100' - DOTTED LINE
 - 63" = 100' - DOTTED LINE
 - 64" = 100' - DOTTED LINE
 - 65" = 100' - DOTTED LINE
 - 66" = 100' - DOTTED LINE
 - 67" = 100' - DOTTED LINE
 - 68" = 100' - DOTTED LINE
 - 69" = 100' - DOTTED LINE
 - 70" = 100' - DOTTED LINE
 - 71" = 100' - DOTTED LINE
 - 72" = 100' - DOTTED LINE
 - 73" = 100' - DOTTED LINE
 - 74" = 100' - DOTTED LINE
 - 75" = 100' - DOTTED LINE
 - 76" = 100' - DOTTED LINE
 - 77" = 100' - DOTTED LINE
 - 78" = 100' - DOTTED LINE
 - 79" = 100' - DOTTED LINE
 - 80" = 100' - DOTTED LINE
 - 81" = 100' - DOTTED LINE
 - 82" = 100' - DOTTED LINE
 - 83" = 100' - DOTTED LINE
 - 84" = 100' - DOTTED LINE
 - 85" = 100' - DOTTED LINE
 - 86" = 100' - DOTTED LINE
 - 87" = 100' - DOTTED LINE
 - 88" = 100' - DOTTED LINE
 - 89" = 100' - DOTTED LINE
 - 90" = 100' - DOTTED LINE
 - 91" = 100' - DOTTED LINE
 - 92" = 100' - DOTTED LINE
 - 93" = 100' - DOTTED LINE
 - 94" = 100' - DOTTED LINE
 - 95" = 100' - DOTTED LINE
 - 96" = 100' - DOTTED LINE
 - 97" = 100' - DOTTED LINE
 - 98" = 100' - DOTTED LINE
 - 99" = 100' - DOTTED LINE
 - 100" = 100' - DOTTED LINE



DOCUMENT #2002043558
 79.566 ACRES
 OFFICIAL PUBLIC RECORDS
 NUECES COUNTY, TEXAS

DOCUMENT #2002043558
 82.63 ACRES
 OFFICIAL PUBLIC RECORDS
 NUECES COUNTY, TEXAS

Exhibit 'A'

REVIEW DRAWING
 RELATED TO THE SURVEY
 BY THE ENGINEER
 FOR THE PURPOSES OF
 RECORDING IN THE
 PUBLIC RECORDS OF
 NUECES COUNTY, TEXAS
 DATE: 08/14/18
 DRAWN BY: M. H. HARRIS
 CHECKED BY: M. H. HARRIS

MHI MANSKITH ENGINEERING, INC.
 ENGINEERING & ENVIRONMENTAL SERVICES
 1000 W. 10th St., Suite 1000, Brownsville, TX 77801
 Phone: 361-833-1111 Fax: 361-833-1112
 www.manskith.com

Project No.	18-001	Scale	AS SHOWN
Sheet No.	1 of 1	Date	08/14/18
Client	NUECES COUNTY, TEXAS	Drawn By	M. H. HARRIS
Project Name	STATE HWY. NO. 77	Checked By	M. H. HARRIS

SURVEY OF
 A TRACT OF LAND
 OWNED BY
 THE STATE OF TEXAS
 AND PART OF THE
 PUBLIC RECORDS OF
 NUECES COUNTY, TEXAS
 AND CONTAINING 45.135 ACRES

Exhibit 13: Adopts the procedure as outlined in lease of land

Approved
11/14/07

County of Nueces

PEGGY BAÑALES
Commissioner
Precinct 1

BETTY JEAN
LONGORIA
Commissioner
Precinct 2



SAMUEL L. NEAL, JR.
County Judge
Nueces County Courthouse, Room 303
901 Leopard Street
Corpus Christi, Texas 78401-3697

OSCAR ORTIZ
Commissioner
Precinct 3

H.C. "CHUCK"
CAZALAS
Commissioner
Precinct 4

ORDER OF COMMISSIONERS COURT

WHEREAS, Nueces County ("County") owns 121.63 acres of real property ("county property") adjacent to the Robstown Airport. This land is contained in the Nueces County Airport Lands (totaling 220 acres), the said acreage is not included any of the lands being used as Nueces County Airport. The 121.63 acres is used for farming and related use, and for no other purpose;

WHEREAS, the County, acting through its Commissioners Court ("Court") wishes to lease the property for a period of three(3) years, payable in advance by cash in one year increments for each year of the lease.

WHEREAS, the Court has determined that the best method of leasing the county property is through the sealed-bid procedure authorized by Section 263.007 of the Texas Local Government Code; and

WHEREAS, the Court wishes to adopt a sealed bid procedure for the of the real property as set forth herein ("Bid Procedure"), authorize and direct the County Purchasing Agent to carry out the Bid Procedure and to take such other action as may, in her opinion, be necessary or useful for effectuating and carrying out the terms and provisions of the Bid Procedure for the lease of the real property,

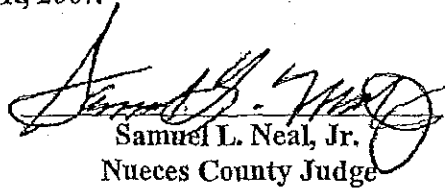
NOW, THEREFORE, THE COURT MAKES THE FOLLOWING FINDINGS AND ORDERS;

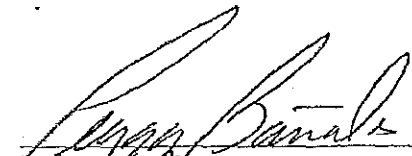
1. The Court finds and **ORDERS** that the recitals set forth above are true and correct and that the method of leasing the real property will be by an invitation for sealed bids in accordance with the Bid Procedure hereby adopted by the Court pursuant to Section 263.007 of the Texas Local Government Code.
2. The Court finds and **ORDERS** that the County's Purchasing Agent publish the notice of lease of the real property through the Bid Procedure, and undertake and administer the Bid Procedure, and that she take such other action or actions as may, in her opinion, be necessary or useful the Bid Procedure for the lease of the real property. In carrying out her duties, the Purchasing Agent may delegate such tasks and activities as she deems appropriate.
3. The Bid Procedure for the lease of the real property, in whole, shall be as follows:
 - (1) The County's Purchasing Agent, or her designee, shall publish a notice of the lease of the real property through an Invitation for sealed bids in a newspaper of general circulation in Nueces County, Texas, as follows:

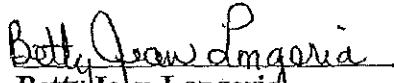
- i. The notice must be published on two dates, with the date of the second publication occurring before the 14th day before the date the award of the lease is made;
 - ii. The notice must include a description of the real property, including its location;
 - iii. The notice must include a description of the procedure by which sealed bids for the lease may be submitted.
- (2) The Purchasing Agent, at her discretion, may publish, in addition to the required notice of lease set forth above, notice of lease in any additional newspaper or publication, or on the internet, including the County's website, and such additional notices may be published on only one date or on more than one date, as the Purchasing Agent shall deem advisable, in her discretion. In addition, beginning on the date that the first required notice is published, the Purchasing Agent may provide a notice of the lease and a copy of the Invitation for Bids to any person who may be interested in receiving the information, or who makes a request to receive it.
- (3) The Purchasing Agent shall prepare a written "Invitation for Bids" which shall be made available to prospective bidders, and which (i) describes the real property and its location, (ii) sets out the instructions for preparing and submitting bids, (iii) identifies the place and deadline for submitting bids, and (iv) describes the County's evaluation criteria, and the procedure for evaluating bids and awarding a lease, (v) states that the County has the right to reject any and all bids submitted, and (vi) provides the lease agreement which will be used in the lease, which may be modified to set out the complete agreement of the County and the bidder. The Invitation for Bids may contain any additional information that the Purchasing Agent wishes to include. The Invitation for Bids shall be made available to prospective bidders beginning on the first date on which the notice of lease is published in the newspaper.
- (4) Award of any lease will be authorized by the Court at a Commissioners Court meeting. If the Court does not reject all bids, the Court may authorize acceptance of a bid and execution of a mutually-acceptable agreement for the lease of the real property. An award by the Commissioners Court will not be deemed complete until (i) the Commissioners Court has approved the lease, and (ii) the bidder and the County have duly signed the lease agreement.
- (5) The County will not be obligated to lease the real property until all of the following have occurred:
 - (i) The commissioners court has awarded the agreement for lease of the real property to a bidder; and
 - (ii) The bidder and the County have duly executed a mutually-acceptable agreement; and
 - (iii) The County has received the lease amount provided in the lease agreement, with the cash component being in good funds, and the delivery of all required documents has been completed.
- (6) The Court reserves the right to modify the terms of this Bid Procedure. The County reserves the right to discontinue the Bid Procedure or to withdraw the real property from the market at any time prior to execution by County and the successful bidder of an agreement for lease of the real property. In such event, County will notify the bidders of such discontinuation. The County


reserves the right, after discontinuance or termination of the bid process, to lease or otherwise dispose of the real property, or an interest in the real property, as provided by Texas law, on terms acceptable to County. County reserves the right to waive any irregularity or informality in the bid or the Bid Procedure or in the submission of a bid.


DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS
ON THIS 14th DAY OF NOVEMBER, 2007.


Samuel L. Neal, Jr.
Nueces County Judge


Peggy Barales
County Commissioner Pct. #1


Betty Jean Longoria
County Commissioner Pct. #2


Oscar O. Ortiz
County Commissioner Pct. #3


H.C. Cazalas
County Commissioner Pct. #4

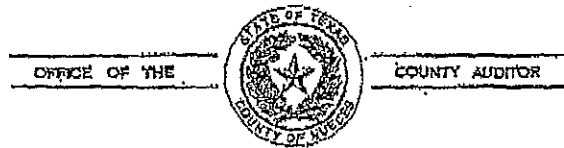
ATTEST:

DIANA T. BARRERA, County Clerk



Exhibit 14: Outline the rules for surplus or Salvage property

Margaret L. Hayes, CPA
County Auditor



Cathy Kelley
First Assistant County Auditor

Data Atchley, CPA
Internal Audit Supervisor

*Comm Ct approved
on 12-10-03, msh*

Agenda Item Summary for: Item 16. Revisions to Nueces County's Capitalization Policy

Commissioners Court Meeting December 10, 2003

RECOMMENDATION: Commissioners Court approve changes to the Nueces County Purchasing Policy and Procedures by making property costing \$5000.00 or more capital item subject to depreciation under GASB 34. Items costing \$1,000.00 to \$4,999.00 will be maintained under numbered equipment control for managerial purposes. The following items will be maintained under numbered equipment control regardless of the cost: laptops, palm pilots, radios, and computers.

BACKGROUND: The current policy requires all items costing \$50.00 to be capitalized.

DISCUSSION: The Governmental Accounting Standards Board (GASB) now requires governments to depreciate fixed assets. The cost of maintaining the records on all assets costing \$50.00 and more is counterproductive to controlling the assets that have to be controlled. It is recommended that by increasing the threshold, the purchasing agent and county auditor offices can focus on those assets that need to be tracked and perform all the duties necessary to safeguard public assets.

FISCAL IMPACT: This action has no direct impact on the bottom line, but may affect how purchases of items costing \$50.00 to \$4,999.00 may be budgeted for in the future.

Submitted by: Margaret (Peggy) Hayes, CPA
County Auditor

msh

A/b or 5641
5643

5680 items under \$1,000 to be tracked [REDACTED]

- Computer Workstations
- Monitors
- Laptops
- Laser Printers
- Cameras (digital, video)
- Palm Pilots (Pocket PC)
- Scanners
- Cash Registers
- Radios:
 - Portable w/charger
 - Gang chargers
 - Mobile
- Weapons (hand guns, shot guns, rifles)
- Riding Lawn Mowers
- Welding Machines
- Trailers
- Televisions
- Light Bars
- Refrigerators/Freezers
- Typewriters (IBM Wheelwriters)
- Floor Buffers/Scrubbers

EXCEPTIONS.
Items to be tagged
if less 1,000.00

Longoria, the Court voted to adopt a resolution authorizing the County Judge to execute an application for the Juvenile Justice Alternatives Grant from the Criminal Justice Division, Office of the Governor, in the amount of \$39,265.00. Document #20030135. See Vol. 34, page 945.

Agenda Item #10

On motion of Commissioner Cazalas, seconded by Commissioner Longoria, the Court voted to adopt a resolution approving submission of a grant application to the Texas Commission on Environmental Quality (TCEQ) under the Solid Waste Implementation Program for Litter and Illegal Dumping Cleanup. See Vol. 34, page 946.

Agenda Item #11

On motion of Commissioner Longoria, seconded by Commissioner Cazalas, the Court voted to approve the submission of a grant application to the Criminal Justice Division, Office of the Governor for continuation of the District Attorney's Crime Victim Outreach Program.

Agenda Item #12

On motion of Commissioner Cazalas, seconded by Commissioner Longoria, the Court voted to approve the following modifications of Contract No. 03-309, of the Texas General Land Office , CMP #7 Alternate Project, related to the Aransas Channel Waterfront Improvement Project.

- a. Modify work plan into two (2) parts; Parts I & II.
- b. Select professional service for Part II-Real Property Surveying/Title Search.

Agenda Item #14

On motion of Commissioner Ortiz, seconded by Commissioner Longoria, the Court voted to accept Reimbursement Grant from the Coastal Bend Council of Governments to prepare an Advanced Emergency Management Plan. Document #20030139.

Agenda Item #15

On motion of Commissioner Ortiz, seconded by Commissioner Longoria, the Court voted to approve the recommended meeting schedule of Commissioner Court for calendar year 2004.

Agenda Item #16

On motion of Commissioner Cazalas, seconded by Commissioner Longoria, the Court voted to approve revisions to Nueces County's Capitalization Policy.

Agenda Item #17

On motion of Commissioner Longoria, seconded by Commissioner Cazalas, the Court voted to approve execution of an agreement with Patillo, Brown & Hill, L.L. P., for independent auditing services. Document #20030137.

COMMISSIONERS' COURT MINUTES FOR APRIL 20, 1994

On motion of Commissioner Karter, seconded by Commissioner Berlanga, the Court voted to recess until 2:00 p.m.

On motion of Commissioner Berlanga, seconded by Commissioner Karter, the Court voted to reconvene at 2:00 p.m. Commissioner Schwing not present.

On motion of Commissioner Karter, seconded by Commissioner Berlanga, the Court voted to approve the Inventory Property Procedures. See Vol. 27, pages 82-107.

Commissioner Schwing joined the Commissioners Court at 2:10 pm.

On motion of Commissioner Schwing, seconded by Commissioner Berlanga, the Court voted to accept the following new title changes: Console Operator - pay group, Booking Clerk - pay group 9, Timekeeper - pay group 9, and Building Maintenance Technician - pay group 24.

On motion of Commissioner Karter, seconded by Commissioner Berlanga, the Court voted to approve mileage reimbursement for the Chief Investigator of the Medical Examiner's Office at \$.28 per mile, and to present the mileage already traveled for reimbursement.

On motion of Commissioner Karter, seconded by Commissioner Berlanga,

NUECES COUNTY Inventory Property Procedures

The following procedures on inventory property and disposition of salvage or surplus property are designed for the safeguard of public property and provide a measure of accountability on the officials and department heads to whom the property is entrusted. The Nueces County Commissioners Court has approved these procedures under the authority of Vernon's Texas Codes Annotated Local Government sections 262.011 (o) and 263.158.

DEFINITIONS

Inventory Property

1. All property of a non-consumable nature costing more than \$50 will be maintained under numbered equipment control.

Property of a non-consumable nature are items with the following characteristics:

- A. Useful life of more than one year.
 - B. Has a separate identity or is not considered a component.
 - C. Any property especially designated by the County Judge to be maintained under numbered equipment control.
2. Property of a non-consumable nature costing \$50 or less will not be maintained under numbered equipment control unless one or more of the following conditions exist:
 - A. Other identical or nearly identical items cost more than \$50 and are treated as numbered equipment.
 - B. Because of the nature (size, home usefulness, or other traits) of the item renders it subject to easy disappearance, it is considered necessary to number.
 3. Property of a non-consumable nature not considered as numbered equipment will be charged as a supply or small tool and controlled as such.
 4. Property that is determined to be numbered for equipment control will be charged to a capital outlay key code and assigned an inventory number and entered on the Inventory Property List.

DEFINITIONS - CONTINUED

Salvage Property

Salvage property means personal property, other than items routinely discarded as waste, that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended.

Surplus Property

Surplus property means personal property that:

- A. is not salvage property or items routinely discarded as waste;
- B. is not currently needed by its owner;
- C. is not required for the owner's foreseeable needs; and
- D. possesses some usefulness for the purpose for which it was intended.

RESPONSIBILITIES OF:

Elected Officials and Department Heads

1. Every department shall have at least one employee responsible for inventory control. The departmental inventory control liaisons will work closely with the purchasing agent/inventory control specialist on filing transfer forms, tagging property, taking physical property inventory, handling dispositions, and maintaining the department's Inventory Property List.
2. The primary responsibility for maintaining an accurate Inventory Property List belongs to the elected officials and department heads whose custody the property is placed. By March 1 of each fiscal year, the elected official or department head must certify a departmental Inventory Property List dated September 30th of the fiscal year just ended and file it with the purchasing agent. The Inventory Property List certified by the elected official or department head should reflect the changes necessary to make an accurate listing. The designated certification form herein approved should be used for this purpose.

County Auditor/Accounts Payable Division

1. Complete form PROP-6 Nueces County Fixed Property Record card (see Illustration A-1) for capital expenditures of land, building improvements and buildings. Complete form PROP-5 Nueces County Movable Property Record card (see Illustration A-2) for all other inventory property.

RESPONSIBILITIES - CONTINUED

Every block on the property card must be answered. No spaces should be left blank. When completing a property card the following guidelines should apply.

- A. Use only authorized classes and items specified on the Authorized Classes and Items list in the appropriate blocks.
 - B. The official's main general fund department number should be emphasized when designating the department in situations where there are several departments and more than one fund. Example: Health Department 5110 and County Attorney 1130.
 - C. Use only authorized source codes specified on the Authorized Source Codes list in the appropriate blocks.
 - D. The cost should always equal the total amount paid and coded to the capital outlay key code. Normally this includes freight and any credits given. For assets purchased through a finance contract, consult the accounts payable supervisor to determine the cost of the asset.
 - E. The date of purchase normally is the date of payment (the Accounts Payable run date); except for at the end of a fiscal year when invoices are accrued to September 30th. The property card purchase date must agree with the same date in which the expenditure is distributed (recorded) in the general ledger.
2. Attach a copy of the purchase order and invoice to the property card. Complete the "Processed By:" block by writing initials and date. Forward the property card with attachments to the GL/Budget Assistant Auditor.

County Auditor/GL & Budget Assistant Auditor

1. Review and approve all property cards, transfer forms, inventory reports, or other written authorizations for keypunching into the Fixed Assets computer system. Make necessary changes or insert additional information. Complete the "Audited By:" block on the property card and sign off on the other source documents where appropriate by writing initials and date.
2. Ensure that every property card is entered into the Fixed Asset computer system according to Fixed Assets - Key punching Instructions. Key punching is the primary responsibility of the designated Accounting Assistant.

RESPONSIBILITIES - CONTINUED

3. Maintain the following annual files:

- A. Additions - Purchase orders and invoices.
- B. Deletions - Purchasing Agent's inventory reports or other written authorization.
- C. Transfers - P3 Transfer Forms or other written authorization.

Records and files are expected to be maintained in good standard form that facilitates supervisory review.

- 4. Prepare the reports necessary for inventory accountability and preparation of the audited financial report.
- 5. Coordinate with purchasing agent/inventory control specialist to maintain the supply of property cards, provide continuity of inventory numbers, and update the Authorized Classes and Items list.
- 6. Initiate or obtain the property cards on any assets that have not been previously inventoried, assets that are donated, or those other assets for which property cards are not originated by accounts payable, i.e. Federal Drug Forfeiture funds, Commissary, District and County Attorney's funds, etc.
- 7. Review and issue final approval on the asset information keypunched by the accounting assistant. Forward the property cards to the purchasing agent inventory control specialist.
- 8. Monitor and assist in all phases of the inventory process for procedural adherence. Submits proposals for changing the inventory procedures to the first assistant county auditor.

Purchasing Agent/Inventory Control Specialist

- 1. Affix a property tag with the same number as on the movable property card to each asset belonging to all Nueces County departments, Sheriff's, District Attorney's, and Constables' Drug Forfeitures *, Jail Commissary, Dispute Resolution, Drainage Districts, and CSCD.

* A separate file must be kept on the tags assigned to capital items used for undercover investigations. This type of equipment cannot be physically tagged.

RESPONSIBILITIES - CONTINUED

2. Approve all property transfers and initiate and/or assist departments with preparation of P3 Transfer Form. A P3 Transfer Form is required to be filed with the purchasing agent/inventory control specialist for all property removed from a department. Determine the condition status on assets transferred to Department 9980 Warehouse Holding. The different conditions are:

- For Auction
- Reusable - Good
- Reusable - Poor
- For Disposal or Scrap
- Reusable - Fair

Forward a copy of the P3 Transfer Form to the GL/Budget assistant auditor after the physical transfer of the asset is complete.

3. Furnish one copy of purchase order stamped "Inventory Control" to departmental inventory control liaisons to hold until a county inventory number is assigned and affixed to property.
4. Distribute two Inventory Property Lists to every departmental control liaison no later than by January 15th of each year for the fiscal year just ended. Inventory Property Lists are available for each department and are used for making changes to property records and taking physical inventories. The Inventory Property Lists are available in alpha order, inventory number order, class order, purchase date, and other sorting orders as the user may prefer.
5. Conduct a physical inventory of all property assigned to each department at a minimum of once every three years. The departmental inventory control liaison should assist in completing the physical inventory.

Steps to Taking the Physical Inventory

- A. Determine what departments and when a physical inventory shall be conducted on after considering management changeover, amount of property, history, and activity. The inventory control specialist will notify elected official or department head and inventory control liaison of date scheduled for physical inventory.
- B. Prior to completion of the physical inventory the inventory control specialist will schedule a meeting with inventory control liaison and elected official or department head to discuss findings and obtain clarification of inventory results.

RESPONSIBILITIES - CONTINUED

- C. Prepare a report and present to the elected official or department head for review and comment. Report will consist of additions to, transfers, deletions categorized according to Step 6 below, a brief summary on the findings, and recommendations for improving inventory control. The report shall then be submitted along with the elected official's or department head's response to the commissioner court for approval and authorization to update the inventory computer records by the county auditor and/or for other appropriate action.
6. Request approval to dispose all surplus or salvage property. Quarterly reports of property recommended for disposal shall be submitted to the Commissioners Court for proper disposition (see LGC section 263.152). The report must use one of the following categories as the reasons for disposal. With final approval from the commissioners court, file the report with the county auditor for updating the inventory computer records.
- | | |
|--------------|------------------------------|
| ■ Sold | ■ Traded-In |
| ■ Stolen | ■ Disposed or Scraped |
| ■ Donated | ■ Unaccounted for or missing |
| ■ Vandalized | |
7. On July 1 of each year, shall file with the purchasing board and the county auditor an inventory of all the property on hand and belonging to the county and each subdivision, officer, and employee of the county.
8. Keep custody of and maintain the index property card files.
- A. The property cards should be filed in inventory number order.
- Inventory numbers 00001-79999 should be assigned to property Classes 4 (Equipment), 5 (Furniture), 6 (Heavy Equipment & Auto Accessories), and 7 (Vehicles)
- Inventory numbers 80000-99999 should be assigned to property classes 1 (Land), 2 (Building), and 3 (Building Improvements).
- B. When property is disposed, the date the property was disposed and the reason should be entered in the appropriate space. The Property Clerk completes the "Purchasing Copy:" block by writing initials and date. The property card is then pulled and filed in the inactive index file.

RESPONSIBILITIES - CONTINUED

9. Coordinate with GL/Budget assistant auditor to maintain the supply of property cards, provide continuity of inventory numbers, and update the Authorized Classes and Items List.
10. Manage and account for the assets in Department 9000 Warehouse Holding.

COMMON RESPONSIBILITIES:

1. Although these procedures do not require changing any of the existing records, and were designed to incorporate existing records, the existing records should be continually evaluated for eventual change.
2. Every person shares in the responsibility of keeping all sections of the County's Inventory procedures current and up-to-date.

Inventory reports present a complete picture on inventory property from the date of purchase to disposal date and provides a measure of accountability on the officials and department heads to whom the property is entrusted. At the end of each fiscal year the county auditor makes an accounting for all property purchased, previously inventoried property, dispositions, and property transfers. Property information is stored in the Bi-Tech program on the county's mainframe computer and is obtained from purchase orders attached to actual invoices, transfer slips, and the results from physical inventories performed by the county purchasing agent. The taking of physical inventory is the most important process because it measures the effectiveness of the other procedures and certifies the official records. The preceding procedures and the following section Key punching Instructions in conjunction with other county policies establishes an internal control system with high accountability standards.

NUECES COUNTY
Fixed Assets - Key punching Instructions

There are a total of seven (7) computer screens available, but only five (5) screens are used to input the various information relating to the assets of Nueces County. The fifth (5th) and sixth (6th) computer screens are not utilized and no keypunching is required. Which screen to use depends upon what type of transaction has taken place. A determination has to be made as to whether the transaction is (1) an addition, (2) a deletion or (3) a transfer.

For Additions:

The source document for keypunching should always be a property card (See Illustrations A-1 and A-2). The first four (4) computer screens are required for keypunching all the information associated with new or additional assets. Screens 1 through 4 Illustrations are cross referenced to the property cards, Illustrations A-1 and A-2 for easy identification of what computer fields the property card information is keypunched to.

For Deletions:

The source document for keypunching in most cases will be an inventory report prepared by the Purchasing Agent. To complete the keypunching process for a deletion:

- A) Go to screen four (4) and change Department field to 9980. Department Number 9980 is used for deletions only.

- B) After completing screen four (4) go to screen seven (7) and keypunch:

Date of Deletion - Same date as the source
(In the Date of Transfer field) document.

Department From - The department number where the
property was last recorded in.

Department To - For a deletion this department
number is always 9980.

Reason for Disposal - Use only one of the following
(In the Comments field) reasons:

- Sold
- Traded-In
- Stolen
- Disposed or Scrapped
- Missing
- Donated
- Correction

For Transfers:

The source document for keypunching should always be a P3 Transfer Form (See Illustration B-1).

- A) Go to screen four (4) and change the Department field to the receiving department number.
- B) After completing screen four (4), go to screen seven (7) and keypunch:

- Date of Transfer - Same date as the P3 Transfer Form.
- Department From - The department number where the property was last recorded in.
- Department To - The department number that has received the property. Use department number 9990 for Warehouse Holding.
- Condition - Required only when property is transferred to Department 9990 Warehouse Holding.
(In the Comments Field) Use only one of the following conditions:

- For Auction
- For Disposal or Scrap
- Reusable-Good
- Reusable-Fair
- Reusable-Poor

The following general guidelines apply to any of the transactions to be keypunched

- 1) All source documents must first be approved in writing by the GL/Budget Assistant Auditor before keypunching.
- 2) Although all source documents should be complete and reveal all the required information prior to keypunching, it is the primary responsibility of the person performing the keypunching task to see that all the computer fields are completed as herein instructed. The GL/Budget Assistant Auditor should be consulted whenever insufficient or missing information is found.
- 3) After keypunching, the keypunched information must be reviewed and compared to the source documents for accuracy. Upon completion of the keypunching process fill in the "Keypunched By" block on the property card or write on the other source documents your initials and date and return the source documents along with the computer reports covering the current batch processed to the GL/Budget Assistant.

The designated Accounting Assistant having the primary responsibility for keypunching property inventory must also be able to proficiently demonstrate knowledge of the filing system maintained by the GL/Budget Assistant Auditor and interpret and produce computer reports.

INVENTORY PROPERTY LIST CERTIFICATION FORM

(Use a separate form for each Inventory Property List)

"I _____ due certify that to the best of my knowledge the attached Inventory Property List for Department No. _____ dated September 30, _____ is complete and correct, as annotated."

_____ Department Name

_____ Signature

_____ Date

The following additions/deletions have been annotated on the attached Inventory Property List.

Additions:

<u>Item Description</u>	<u>Price</u>	<u>ACQ Date</u>	<u>P.O. No</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Deletions:

<u>Item Description</u>	<u>Reason to Delete</u>	<u>Price</u>	<u>ACQ Date</u>	<u>Inventory No.</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Nueces County
Authorized Source Codes for Inventory Property

Fund Name	Fund Source Code 8 Characters
General Fund	11
Road & Bridge Fund	12
Law Library Fund	15
Air Port Fund	16
Park Fund	17
C.S.C.D. Fund	19-Dept #
Capital Project Fund	21-Dept #
Construction Fund	0210
Performance Reward Program	0211
Road/Right of Way Fund	0215
Courthouse&Jail Maint Fund	0217
Road Dist IV-Capital Proj	0218
Coastal Management Fund	44
Drainage District Fund #2	61
Drainage District Fund #3	62
Special Revenue Fund	79-Dept #
D.A. Hot CK Collection	6172
C.A. Hot CK Collection	6178
Hilltop Trust	6184
Hilltop Salary trust	6185
Historical Society	6504
C.A. Prosecutorial	6510
D.A. Drug Forfeiture	6515
Shrf's State Drug Foreiture	6516
School Dare Program	6518
Courthouse Security	6539
Records Management	8886
Trust & Agency Fund	80-Dept #
Dispute Resolutions	6205
Grants Funds	82-Dept #
Due to the numerous grant departments, the department #'s are not shown here. Refer to the County Auditor's department listing.	
T.J.P.C. Fund	83-Dept #
T.J.P.C. Fund	0830
T.J.P.C. - Placement	0831
Shrf's Federal Drug Forefeiture	88
Jail Commissary	89
Voters Registration	95
Donated Property	99-Dept #

The Source Code identifies the funds used to purchased the property. In most cases this will be the same as the fund number. However, when funds like grants or other special revenue funds are involved, both the fund number and department number must be used for the source code.
Fund number - Department number 00.0000

VOL 27 093

Nueces County
 Authorized Classes &
 Item List

VOL 27 094

CLASS	Item, 30 Spaces	EXAMPLE OR EXPLANATION
1 Land	80000-90000 Serial#s Address	214 44th St, CC
2 Building	80000-90000 Serial#s Address	701 MAIN, ROBSTOWN
3 Bldg Impr	80000-90000 Serial#s Address	10110 COMPTON ROAD, CC
4 Equipment	00001-79999 Serial#s AIR COMPRESSOR AIR CONDITIONER AIR PURIFICATION SYSTEM AMPLIFIER ANSWERING MACHINE AUDIO PROCESSOR AUGER BACK REST BALLOT TABULATOR BASKET, DROP SHOT BASKETBALL GOAL BEAR RIDE BED BENCH, ... BIN BINDER THERMAL BINDING MACHINE BINOCULARS BLOWER, GARDEN BREATHING APPARATUS BRIEFCASE BUCKET BUFFERS BULLETIN BOARD, SIZE CALCULATOR CAMERAS, ... CAN OPENER CAPMIX CARD CATALOG CART CASSETTE RECORDER CHAIN SAW	WITH OR WITHOUT HEAT PUMP JUDGES, HALL, SHOP MADE, FLOORS 3x5', ETC. 35MM, VIDEO, POLAROID, MUGSHOT

CLASS	Item,30 Spaces	EXAMPLE OR EXPLANATION
	CHALKBOARD	
	CHARGER,BATTERY	
	COMPACTOR	
	COMPUTER,...	PC 386,DX/SPEED
	COPIER	
	CUTTER,LETTUCE	
	DETECTOR,METAL	
	DICTATING MACHINE	
	DIGITAL DIARY	
	DISPENSER	
	DISPOSER	
	DOLLY	
	DRILL	
	DRYER	
	EAGLES PURCH	
	EASLE	
	EDGER	
	FANS	
	FAX	
	FENCE	
	FLASH LIGHTS	
	FOLDER ,PAPER,...	
	FOOD SERVER	HOT, COLD
	FOOD WARMER	
	FREEZER,...	WALK-IN
	FRYER	
	GENERATOR	
	GRILL, BAR-B-Q PIT	
	GRINDER	
	HAMPER	
	HEAD SET	
	HEATER	
	HOIST	
	HORSE SHOES	
	ICE MAKER	
	IMPACT RACHET	
	JACK,...	HYDRAULIC,FLOOR,20 TONS
	KENNEL,DOG	
	LABEL MAKER	
	LABELING SYSTEM	
	LADDER	
	LAWNMOWER	
	LEVEL,AUTO	
	LIGHT,...	WORKSHOP,LAMPS,DESK
	LOCKER	
	MAGNETIC LOCATOR	
	MAILING MACHINE	
	MEGAPHONE	
	MICROPHONE	
	MODEM,EXTERNAL	
	MONITOR	MONOCHROME,COLOR,IBM,...

VOL 27 095

CLASS	Item, 30 Spaces	EXAMPLE OR EXPLANATION
	MULCHER	
	MULTIPLEXER & MODEM	
	NUMBERING MACHINE	
	OVEN,...	MICROWAVE, CONVENTIONAL, CONVECTION
	PAGER	
	PLAY UNIT, MODULAR	
	POST, BARRIER	
	PRINTER	
	PROJECTOR, OVERHEAD	
	PUMP,...	AIR, WATER, GAS, HYDRAULIC
	RADAR	HAND HELD
	RADIO,...	WALKIE TALKIE, C.B., CAR, HAND, MOBIL
	RAKE	
	RECEIVER	
	REFRIGERATOR	
	REPEATERS	
	ROD,...	
	SAFE, SIZE,...	
	SALAD BAR, STEEL	
	SANDERS	DESK TYPES
	SAW,...	RADIAL, CHAIN, SKILL, ELECTRIC, BAND, JIG, TABLE
	SCALE, WEIGHT	
	SCANNER,...	HAND HELD, OPTICAL, BAR CODE
	SCOPE	
	SCREEN, FILM	
	SEWING MACHINE	
	SHREDDER	
	SIRENS	
	SLICER	
	SLIDE	
	SORTER, FILE	
	SPEAKER SYSTEM	
	SPRAYERS	
	STANDS, JACKS, ENGINES	
	STAPLERS	ELECTRIC
	STAR BOOSTERS	
	STETHOSCOPE	
	SURVEYOR, PRISM	
	TAMPER	
	TANKS	
	TAPE WRITER	
	TELEPHONE	HAND SET, CONTROL BOX, SPEAKER BOX, ETC.
	TELEVISIONS	
	TERMINALS	
	TIME STAMPS	
	TOASTERS	
	TOOL BOX	
	TRANSCRIBER	
	TRANSMITTER	
	TRIMMER	
	TRIPOD	

CLASS	Item,30 Spaces	EXAMPLE OR EXPLANATION
6 Heavy Equipment & Auto Accessories	00001-79999 Serial#'s CLAMPS DUMP BODY GRADALL GRADER LIGHT BARS,AUTO LOADER,YR.,TYPE MOTOR GRADER MOWERS RACKS SIREN,AUTO SPEAKERS SPOTLIGHTS SWITCH BOX,AUTO TRACTORS,YR.,TYPE TRAILER,YR.,TYPE	BACKHOE
7 Vehicles	00001-79999 Serial#'s AMBULANCE,YR.,TYPE AUTO,YR.,TYPE BUS,YR.,TYPE TRUCK,YR.,TYPE	AUTO 93 4DR CC,VANS TRUCK 93 PU 2 1/2 TON

VOL 27 197

ILLUSTRATION A-1

NUECES COUNTY FIXED PROPERTY RECORD

ADDRESS: (B) Screen 1	ITEM NO.: (A) Screen 1
BUILDING OR LAND NAME: (XX) Screen 4	DEPT. NO.: (K) Screen 4
LEGAL DESCRIPTION: (BB) Screen 2 TRACT #, LOT #, BLOCK #, ACRES, UNIT OR SUBDIVISION	SOURCE FUND: (H) Screen 3
	CLASS: (C) Screen 1
	DATE: (H) Screen 3
PURCHASED FROM: (F) Screen 4	DEPARTMENT:
GROSS COST:	
OTHER COSTS:	
	PROCESSED BY:
NET COST OR VALUE: \$ (I) Screen 3	AUDITED BY:
	KEYPUNCHED BY:
DATE DISPOSED & REASON:	PURCHASING COPY:

ILLUSTRATION A-2

NUECES COUNTY MOVABLE PROPERTY RECORD

ITEM: (B) Screen 1	ITEM NO.: (A) Screen 1
DESCRIPTION: (BB) Screen 2	DEPT. NO.: (K) Screen 4
	SOURCE FUND: (H) Screen 3
	CLASS: (C) Screen 1
DATE: (J) Screen 3	
MAKE: (D) Screen 2	DEPARTMENT:
SERIAL NO.: (E) Screen 2	PURCHASE ORDER NO.: (G) Screen 3
PURCHASED FROM: (F) Screen 4	
GROSS COST:	PROCESSED BY:
LESS TRADE-IN:	AUDITED BY:
NET COST OR VALUE: \$ (I) Screen 3	KEYPUNCHED BY:
DATE DISPOSED & REASON:	PURCHASING COPY:

FORM: PROP-5.WK3 (5/93) PK

VOL 27 (39)

ILLUSTRATION B-1

TRANSFER FORM
(Numbered Equipment Only)

Date: L Screen 7

Transfer From:	<u> M </u> Screen 7	Dept. No.	Location
	Department Name		
Transfer To:	<u> N </u> Screen 7	Dept. No.	Location
	Department Name		

Description of Item	Condition	Inventory Tag No.	Serial No.
	<u> P </u> Screen 7		

Released By: _____
Signature Date

Received By: _____
Signature Date

Audited By: _____
Signature Date

Approved: _____
Purchasing Agent

Keypunched By: _____
Date

SCREEN 2 ILLUSTRATION

```

ZQQQQQQQQQQ4          Nueces County          CQQQQQQQQQQ?
COOOOOOOOOO4  DESC      Descriptive Information  COOOOOOOOOO4
: ID:          Desc:          Class:          :
CDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDD4
:
:      Manufacturer ID: BLANK
E
:      Model: (D)          Serial No: (E)          Tagged?Blank
:
E          Status: AC          Condition: Blank
:
:          Quantity: 1
E
:
:      Comment: (BB)
:
:
E
:
:
CQQ4      Next COLLECT Cluster:ACCT      Cluster Lookup?      Name Lookup?      CQQ4
@OO4 Find ID:          Find Name:          Find Cluster:      COOY
A330 <1.6>  FA_DESC_D01      KAMBIZ BAHARI      11:17      COLLECT
1 HEAD 2REFRESH 3 PRINT 4 HELP      3 9 5PREVIOUS6 NEXT 7 BROWSE 8 EXIT

```

SCREEN 3 ILLUSTRATION

```

Z000000000004          Nueces County          C00000000000?
C000000000004  ACCT      Account Description    C000000000004
: ID:                  Desc:                    Class:                  :
CDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDD4
:
:   GL Account Key    GL Object    P.O.-Ref    A/P Ref    Check No.      :
E   Blank              Blank        (G)         (H)         Blank          E
:
:   Acquired Price    Acquired Date    List Price    Salvage Value :
:   (I)                (J)              Blank          Blank          :
EDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDE
:
:   Funding Source: Blank    Contract#: Blank
:
:
:   Acquisition Code: Blank
:
:   Title: Blank
E
:
:
C004  Next COLLECT Cluster:SITE  Cluster Lookup?  Name Lookup?  C004
@004 Find ID:                Find Desc:        Find Cluster:  COOY
A330 <1.6>  FA_ACCT_D01      KAMBIZ BAHARI    11:18         COLLECT
1 HEAD 2REFRESH 3 PRINT 4 HELP 3 9 5PREVIOUS6 NEXT 7 BROWSE 8 EXIT

```

```

ZQQQQQQQQQQQ4          Nueces County          CQQQQQQQQQQQ?
COOOOOOOOOO04  SITE          Site (Location)  COOOOOOOOOO04
: ID:          Desc:          Class:          :
CDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDD4
:
:
E  Department:  (K)          E
:
:  Building:    (XX)         :
E
:  Room: Blank   Count: 1   :
:
:
:  Responsible Person ID:  (F)  :
E
:
:
E
:
:
CQQ4  Next COLLECT Cluster:HOLD  Cluster Lookup?  Name Lookup?  CQQ4
@OO4 Find ID:          Find Desc:          Find Cluster:  COOY
A330 <1.6>  FA_SITE_D01  KAMBIZ BAHARI  11:19  COLLECT
1 HEAD 2REFRESH 3 PRINT 4 HELP 3 9 5PREVIOUS6 NEXT 7 BROWSE 8 EXIT

```

SCREEN 5 ILLUSTRATION

SKIP WHOLE SCREEN PRESS F4

```

ZQQQQQQQQQQQ4          Nueces County          CQQQQQQQQQQQ?
COOOOOOOOOOOO4  HOLD          999-HOLDING      COOOOOOOOOOOO4
: ID:              Desc:              Class:              :
CDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDD4
:
:
E   Holding Date:  [      ]
:
E   Condition:     [      ]
:
:   Location:      [      ]
E
:   Release Date:  [      ]
:
:
E
:
:
E
:
CQQ4  Next COLLECT Cluster:DISP  Cluster Lookup?  Name Lookup?  CQQ4
@004 Find ID:          Find Desc:  Find Cluster:  COOY
A330 <1.6>  FA_HOLD_D01  KAMBIZ BAHARI  11:20        COLLECT
1 HEAD 2REFRESH 3 PRINT 4 HELP 3 9 SPREVIOUS6 NEXT 7 BROWSE 8 EXIT

```

SKIP WHOLE SCREEN PRESS F4

SCREEN 6 ILLUSTRATION

*** SKIP WHOLE SCREEN *** PRESS F4

```

ZQQQQQQQQQQ4          Nueces County          CQQQQQQQQQQ?
C00000000004  DISP      Asset Disposal Information  C00000000004
: ID:          Desc:          Class:          :
CDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDD4
:
:      Date of Disposal:          :
E                                  E
:
:      Reason for Disposal:          :
E                                  E
:                                  :
:                                  :
E                                  E
:                                  :
:                                  :
E                                  E
:                                  :
:                                  :
E                                  E
:                                  :
:                                  :
CQQ4      Next COLLECT Cluster:TRAN  Cluster Lookup?  Name Lookup?  CQQ4
@004 Find ID:          Find Desc:          Find Cluster:  COOY
A330 <1.6>  FA_DISP_D01  KAMBIZ BAHARI  11:21  COLLECT
1 HEAD  2REFRESH 3 PRINT 4 HELP  3 9 5PREVIOUS6 NEXT 7 BROWSE 8 EXIT

```

*** SKIP WHOLE SCREEN *** PRESS F4

SCREEN 7 ILLUSTRATION

```
ZQQQQQQQQQQQ4          Nueces County          CQQQQQQQQQQQ?
COOOOOOOOOO04  TRAN      Transfer Among Departments  COOOOOOOOOO04
: ID:           Desc:           Class:           :
CDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDDD4
:
:
E
:
:   Date of transfer: [ (L) ]
E
:   Department from: [ (M) ]           Department to: [ (N) ]
:
:
E
:
:   Comments: [ (P) ]
:
:
E
:
:
CQQ4   Next COLLECT Cluster:NAME   Cluster Lookup?   Name Lookup?   CQQ4
@GO4 Find ID:           Find Desc:           Find Cluster:   COOY
A330 <1.6>   FA_TRAN_D01   KAMBIZ BAHARI   11:22   COLLECT
1 HEAD 2REFRESH 3 PRINT 4 HELP 3 9 5PREVIOUS6 NEXT 7 BROWSE 8 EXIT
```

Exhibit 15: Order of Commissioners' Court for exemptions

DISCRETIONARY EXEMPTION ORDER

WHEREAS, the Commissioners Court has the authority to contract for the purchase of goods and services ("Item") under different methods of procurement, such as competitive bidding (IFB) and sealed competitive proposals (RFP);

WHEREAS, the Texas Local Government Code provides for discretionary exemptions that exempts the purchase of an Item without the requirement of a bidding method as outlined by different sections of the Texas Local Government Code;

WHEREAS, the User Department has requested that the Purchasing Agent seek an Order from the Commissioners Court to exempt the Item, _____, from the bidding requirement;

WHEREAS, the Purchasing Agent has reviewed the Texas Local Government Code to determine if the Item sought to be purchased falls within one of the discretionary exemptions;

WHEREAS, the Purchasing Agent recommends and requests an Order at a Commissioners Court noticed meeting that exempts the purchase of this item from the bidding process; and

NOW THEREFORE IT IS ORDERED that the Item, _____, falls within the list of Discretionary Exemptions to the bidding process and hereby grants a Discretionary Exemption Order to the Purchasing Agent and exempts the Item from the bidding requirements.

Executed this _____ day of _____, 200__.

Samuel L. Neal, Jr.
County Judge

Mike Pusley
County Commissioner Prct. #1

Oscar O. Ortiz
Commissioner Prct. #3

Betty Jean Longoria
Commissioner Prct. #2

H.C. Cazalas
Commissioner Prct. #4

ATTEST:

Diana Barrera, County Clerk

Exhibit 16a: Order of Commissioners' Court for Concessionaires

County of Nueces



ANALES
Commissioner
Precinct 1

OSCAR ORTIZ
Commissioner
Precinct 3

BETTY JEAN
LONGORIA
Commissioner
Precinct 2

H.C. "CHUCK"
CAZALAS
Commissioner
Precinct 4

SAMUEL L. NEAL, JR.
County Judge
Nueces County Courthouse, Room 303
901 Leopard Street
Corpus Christi, Texas 78401-3697

ORDER OF COMMISSIONERS COURT

WHEREAS, the Nueces County Park Board ("Board") was created in 1949 by order of the Commissioners Court pursuant to the statutory predecessor to Chapter 321 of the Local Government Code for the purpose of improving, equipping, maintaining, financing, and operating one or more island parks;

WHEREAS, the Board controls two piers, Bob Hall Pier and Horace Caldwell Pier, as well as a marina on the shores of Aransas Channel (collectively "Facilities");

WHEREAS, the Board has determined that it is in the best interest of the County to enter into operating agreements ("Agreements") with outside concessionaires to run these Facilities;

WHEREAS, the Board may without advertisement enter into contracts with any person as the Board considers necessary or convenient to carry out the purposes and powers granted by Chapter 321, including a contract connected with, incident to, or affecting the acquisition, financing, construction, equipment, maintenance, or operation of a facility located or to be located in or pertaining to a park under its control;

WHEREAS, the Agreements do not qualify as purchases under Section 262.022 of the Local Government Code and do not qualify as leases for purposes of Section 263.001 of the Local Government Code, further removing them from the requirements of competitive bidding;

WHEREAS, the Board desires to use competitive bidding procedures to promulgate a fair and confidential manner of procuring the operational services and choose to utilize the County Purchasing Agent to issue the Requests for Proposals ("RFP's") on behalf of the Board; See attached Board Order exhibit A.

WHEREAS, the Court has determined that the best method to procure operational services to accomplish the Board's goals is through the sealed-proposal procedure authorized by Chapter 262 of the Texas Local Government Code with award of the Agreement based on the best evaluated offer; and

WHEREAS, the Court wishes to adopt a sealed proposal procedure for procurement of operational services as set forth herein ("Proposal Procedure"), authorize and direct the County Purchasing Agent to carry out the Proposal Procedure, and to take such other action as may, in her opinion, be necessary or useful for effectuating and carrying out the terms and provisions of the Proposal Procedure for the awarding of the Agreements,

NOW, THEREFORE, THE COURT MAKES THE FOLLOWING FINDINGS AND ORDERS:

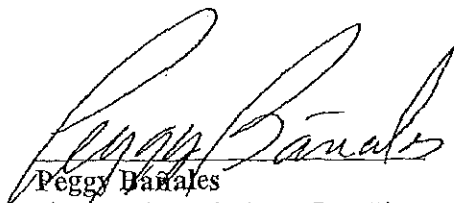
1. The Court finds and **ORDERS** that the recitals set forth above are true and correct, that the County hereby finds that the method of procuring operational services will be by request for sealed proposals in accordance with the Proposal Procedure hereby adopted by the Court pursuant to Chapter 262 of the Texas Local Government Code with award of the Agreement based on the best evaluated offer.
2. The Court finds and **ORDERS** that the County's Purchasing Agent undertake and administer the Proposal Procedure, and that she take such other action or actions as may, in her opinion, be necessary or useful for effectuating and carrying out the terms and provisions of the Proposal Procedure for the awarding of the Agreements. In carrying out her duties, the Purchasing Agent may delegate such tasks and activities as she deems appropriate.
3. The Proposal Procedure for the services Agreements, in whole or in part, shall be as follows:
 - (1) The County's Purchasing Agent, or her designee, shall publish a notice of the proposed concessionaire service Agreement through a request for sealed proposals in a newspaper of general circulation in Nueces County, Texas, as follows:
 - i. The notice must be published on two dates, with the date of the second publication occurring before the 14th day before the date of the bid opening;
 - ii. The notice must include specifications describing the services to be provided and other terms of the Agreement or a statement of where the specifications may be obtained;
 - iii. The notice must include the time and place for receiving and opening bids and the name and position of the county official or employee to whom the bids are to be sent; and
 - iv. The notice must include the type of bond required by the bidder.
 - (2) The Purchasing Agent, at her discretion, may publish, in addition to the required notice set forth above, notice in any additional newspaper or publication, or on the internet, including the County's website, and such additional notices may be published on only one date or on more than one date, as the Purchasing Agent shall deem advisable, in her discretion. In addition, beginning on the date that the first required notice is published, the Purchasing Agent may provide the notice and a copy of the Request for Proposals to any person who may be interested in receiving the information, or who makes a request to receive it.
 - (3) The Purchasing Agent shall prepare a written "Request for Proposals" which shall be made available to prospective proposers, and which (i) describes the property and its location, (ii) states the Board's goals for the operation of the facilities, (iii) sets out the instructions for preparing and submitting proposals, (iv) identifies the place and deadline for submitting proposals, (v) describes the County's evaluation criteria, and the procedure for evaluating proposals and awarding the contract, (vi) states that the County has the right to reject any and all proposals submitted, and (vii) provides the form of the service agreement which will be used, which may be modified to set out the complete agreement of the County and the proposer. The Request for Proposals may contain any additional information that the Purchasing Agent wishes to include. The Request for Proposals shall be made available to prospective proposers beginning on the first date on which the notice of sale is published in the newspaper. The Purchasing Agent shall establish the time frame and deadlines for the Proposal Procedure, including, but not limited to, the submission deadline.

- (4) The Purchasing Agent is authorized to issue any amendments or addenda to the Request for Proposals that she may deem appropriate and in the best interest of the County, including amendments or addenda to (i) correct or clarify terms of the Request for Proposals, (ii) add information, or (iii) extend the time periods provided in the Request for Proposals, including the deadline for submission of proposals.
- (5) An Evaluation Committee is hereby established to evaluate the proposals and make recommendations to the Board regarding the proposals. The Evaluation Committee shall consist of the following members: (i) the Purchasing Agent, (ii) the Director of Island Parks, and (iii) two Board members. In the event that any of these persons is unable to serve for any reason, the remaining members shall constitute the Evaluation Committee. The Evaluation Committee is hereby delegated the authority to (i) read the proposals, (ii) request a proposer to provide additional information to assist in evaluating the proposal, or the financial position, reputation, credentials, expertise or experience of the proposer; (iii) obtain information and/or advice from any other County employee or consultant, (iv) discuss, clarify and negotiate the terms of a proposal with the proposer; (v) disregard proposals submitted after the requisite deadline for submission, (vi) evaluate the proposals based on the selection criteria set out in the Request for Proposals, (vii) rank the proposals based on the results of the evaluations and determine the best evaluated offer, (viii) recommend the rejection of any or all of the proposals; (ix) recommend the waiver of any requirements of the Request for Proposal that may be waived under applicable law, if the committee believes such waiver to be in the County's best interest, and (x) take such other action as may be necessary or incidental to the carrying out of any of the foregoing. The Purchasing Agent will preside over the meetings and establish the meeting schedule based on the availability of the committee members. Meetings will be held in person.
- (6) The award of the contract will be authorized by the Board at a properly noticed park board meeting. The Board is not bound by the recommendations of the Evaluation Committee and may reorder the ranking of the proposals. If the Board does not reject all proposals, the Board may authorize acceptance of a proposal and execution of a mutually-acceptable agreement, or if a final agreement has not been fully negotiated, authorize a representative of the County to begin negotiations of the complete terms of the agreement with the first-ranked proposer. If an agreement is not reached by the deadline established by the Purchasing Agent, then negotiations with the first-ranked proposer will be terminated, and the County representative will begin negotiations with the second-ranked proposer. This method will be followed until an agreement is reached and approved by the Board or all proposals are rejected. An award by the Board will not be deemed complete until (i) the Board has approved the award, (ii) the proposer and the Board have duly signed the agreement, and (iii) the proposer has provided the insurance and bond required by the agreement.
- (7) The Court reserves the right to modify the terms of this Proposal Procedure. The County reserves the right to discontinue the Proposal Procedure prior to execution by Board and the successful proposer of an agreement. In such event, County will notify the proposers of such discontinuation. County reserves the right to waive any irregularity or informality in the proposal or the Proposal Procedure or in the submission of a proposal.

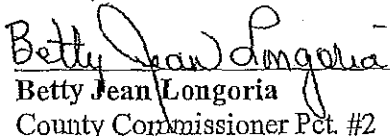
DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS
ON THIS 17 DAY OF DECEMBER, 2008.



Samuel L. Neal, Jr.
Nueces County Judge




Peggy Bañales
County Commissioner Pct. #1

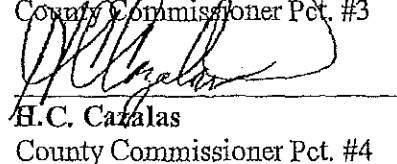


Betty Jean Longoria
County Commissioner Pct. #2





Oscar O. Ortiz
County Commissioner Pct. #3



H.C. Cazalas
County Commissioner Pct. #4

ATTEST:



DIANA T. BARRERA, County Clerk

Diana Rosar-Medina, Clrit Deputy



Nueces County Board of Park Commissioners

P.O. Box 18608
Corpus Christi, Texas
78480
361-949-8122
John Trice Chairman

ORDER OF NUECES COUNTY BOARD OF PARK COMMISSIONERS

WHEREAS, the Nueces County Park Board ("Board") was created in 1949 by order of the Commissioners Court pursuant to the statutory predecessor to Chapter 321 of the Local Government Code for the purpose of improving, equipping, maintaining, financing, and operating one or more island parks;

WHEREAS, the Board controls two piers, Bob Hall Pier and Horace Caldwell Pier, as well as a marina on the shores of Aransas Channel (collectively "Facilities");

WHEREAS, the Board has determined that it is in the best interest of the County to enter into operating agreements ("Agreements") with outside concessionaires to run these Facilities;

WHEREAS, the Board may without advertisement enter into contracts with any person as the Board considers necessary or convenient to carry out the purposes and powers granted by Chapter 321, including a contract connected with, incident to, or affecting the acquisition, financing, construction, equipment, maintenance, or operation of a facility located or to be located in or pertaining to a park under its control;

WHEREAS, the Agreements do not qualify as purchases under Section 262.022 of the Local Government Code and do not qualify as leases for purposes of Section 263.001 of the Local Government Code, further removing them from the requirements of competitive bidding;

WHEREAS, the Board desires from time to time, at the sole discretion of the Board, to use competitive bidding procedures to promulgate a fair and confidential manner of procuring the operational services utilizing the County Purchasing Agent to issue the Requests for Proposals ("RFP's") on behalf of the Board;

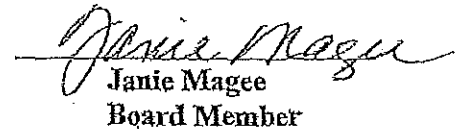
NOW, THEREFORE, THE BOARD MAKES THE FOLLOWING FINDINGS AND ORDERS:

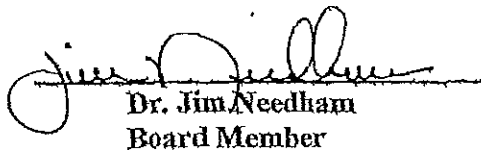
1. The Board finds and **ORDERS** that the recitals set forth above are true and correct, that the Board hereby finds that procuring operational services by use of competitive bid procedures pursuant to Chapter 262 of the Texas Local Government Code with award of the Agreement based on the best evaluated offer is in the best interest of the County.
2. The Board finds and **ORDERS** that the County's Purchasing Agent undertake and administer the Proposal Procedure, and that she take such other action or actions as may, in her opinion, be necessary or useful for effectuating and carrying out the terms and provisions of the Proposal Procedure for the awarding of the Agreements. In carrying out her duties, the Purchasing Agent may delegate such tasks and activities as she deems appropriate.

DULY ADOPTED BY VOTE OF THE NUECES COUNTY BOARD OF PARK COMMISSIONERS ON THIS 30th DAY OF August, 2007.

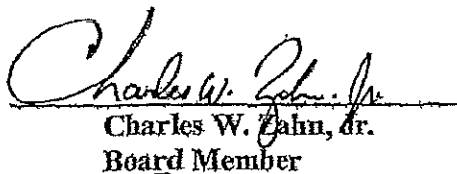

John Trice
Chair


Joe Wilson
Board Member


Janie Magee
Board Member


Dr. Jim Needham
Board Member


Garry Camp
Board Member


Charles W. Zahn, Jr.
Board Member

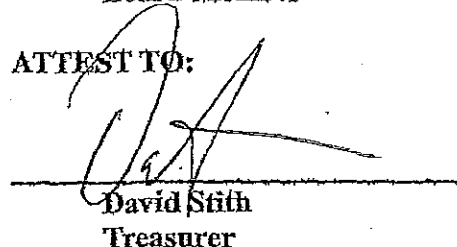
ATTEST TO:

David Stith
Treasurer

Exhibit 16b: Order of Commissioners' Court for County Café

246

County of Nueces

PEGGY BAÑALES
Commissioner
Precinct 1

BETTY JEAN
LONGORIA
Commissioner
Precinct 2



SAMUEL L. NEAL, JR.
County Judge
Nueces County Courthouse, Room 303
901 Leopard Street
Corpus Christi, Texas 78401-3697

OSCAR ORTIZ
Commissioner
Precinct 3

H.C. "CHUCK"
CAZALAS
Commissioner
Precinct 4

ORDER OF COMMISSIONERS COURT

WHEREAS, the Nueces County (County) has determined that it is in the best interest of the County to enter into operating agreements ("Agreement") for cafeteria food services at the County Courthouse located at 901 Leopard Street, Corpus Christi, Texas;

WHEREAS, the Agreement does not qualify as purchases under Section 262.022 of the Local Government Code and does not qualify as leases for purposes of Section 263.001 of the Local Government Code, further removing them from the requirements of competitive bidding;

WHEREAS, the County desires to use competitive bidding procedures to promulgate a fair and confidential manner of procuring the operational services and choose to issue the Requests for Proposals ("RFP's");

WHEREAS, the County, through its Commissioners Court (Court), has determined that the best method to procure operational services to accomplish these goals is through a sealed-proposal procedure authorized by Chapter 262 of the Texas Local Government Code with the award of the Agreement based on the best evaluated offer; and

WHEREAS, the Purchasing Agent is requesting that the court delegate the authority to evaluate all proposals in accordance to the criteria in the advertisement and to appoint several members to the evaluation committee. The appointed committee will meet to evaluate all the proposals and make a recommended selection to the court;

WHEREAS, the Court considered the procurement method of selecting a cafeteria food services for the County Courthouse and the designation of a evaluation committee; and

NOW, THEREFORE, THE COURT MAKES THE FOLLOWING FINDINGS AND ORDERS:

1. The Court finds and **ORDERS** that the recitals set forth above are true and correct, that the County hereby finds the method of procurement will be by request for sealed proposals in accordance with the Proposal Procedure hereby adopted by the Court pursuant to Chapter 262 of the Texas Local Government Code with the award of the Agreement based on the best evaluated offer;
2. The Court finds and **ORDERS** that the County's Purchasing Agent undertake and administer the Proposal Procedure, and she take such other action or actions as may, in her opinion, be necessary or useful for effectuating and carrying out the terms and provisions of the Proposal Procedure for the awarding of the Agreements. In carrying out her duties, the Purchasing Agent may delegate such tasks and activities as she deems appropriate.

3. The Proposal Procedure for the services Agreement, in whole or in part, shall be as follows:

(1) The County's Purchasing Agent, or her designee, shall publish a notice of the proposed Cafeteria Service Agreement through a request for sealed proposals in a newspaper of general circulation in Nueces County, Texas, as follows:

- i. The notice must be published on two dates, with the date of the first publication occurring before the 14th day before the date of the award of the service Agreement is made;
- ii. The notice must include specifications describing the services to be provided and other terms of the Agreement or a statement of where the specifications may be obtained;
- iii. The notice must include the time and place for receiving and opening proposals and the name and position of the county official or employee to whom the proposals are to be sent; and

(2) The Purchasing Agent, at her discretion, may publish, in addition to the required notice set forth above, notice in additional newspaper or publication, or on the internet, including the County's website, and such additional notices may be published on only one date or on more than one date, as the Purchasing Agent shall deem advisable, in her discretion. In addition, beginning on the date that the first required notice is published, the Purchasing Agent may provide the notice and a copy of the Request for Proposals to any person who may be interested in receiving the information, or who makes a request to receive it.

(3) The Purchasing Agent shall prepare a written "Request for Proposals" which shall be made available to prospective offerors, and which (i) describes the property and its location where services are to be performed, (ii) states the County's goals for the operation of the facilities, (iii) sets out the instructions for preparing and submitting the proposals, (iv) identifies the place and deadline for submitting proposals, (v) describes the County's evaluation criteria, and the procedure for evaluating proposals and awarding the contract, (vi) states that the County has the right to reject any and all proposals submitted, and (vii) provides the form of the service agreement which will be used, which may be modified to set out the complete agreement of the County and the Offeror. The Request for Proposals may contain any additional information that the Purchasing Agent wishes to include. The Request for Proposals shall be made available to the prospective offerors beginning on the first date on which the notice is published in the newspaper. The Purchasing Agent shall establish the time frame and deadlines for the Proposal Procedure, including, but not limited to, submission deadline.

(4) The Purchasing Agent is authorized to issue any amendments or addenda to the request for Proposals that she may deem appropriate and in the best interest of the County, including amendments or addenda to (i) correct or clarify terms of the Request for Proposals, (ii) add information, or (iii) extend the time periods provided in the Request for Proposals, including the deadline for submission of proposals.


(5) An evaluation Committee is hereby established to evaluate the proposals and make recommendations to Commissioners Court regarding the proposals. The Evaluation Committee shall consist of the following members: (i) the Purchasing Agent, (ii) the Director of Office of Administration, and (iii) Human Resources Director, and the County Judge or his designee shall serve on the Committee that constitutes the Designated Representative. In the event that any of these persons is unable to serve for any reason, the remaining members shall constitute the Evaluation Committee. The Evaluation Committee is hereby delegated the authority to (i) read the proposals, (ii) request an Offeror to provide additional information to assist in evaluating the proposal, or the financial position, reputation, credentials, expertise or experience of the Offeror (iii) obtain information and/or advice from any other County employee or consultant, (iv) discuss, clarify and negotiate the terms of a proposal with the Offeror; (v) disregard proposals submitted after the requisite deadline for submission, (vi) evaluate the proposals based on the selection criteria set out in the Request for Proposals, (vii) rank the

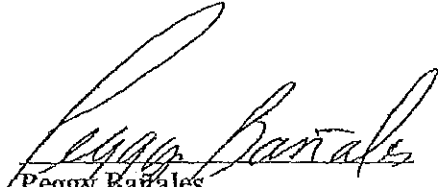
proposals based on the results of the evaluations and determine the best evaluated offer, (vii) recommend the rejection of any or all of the proposals; (ix) recommend the waiver of any requirements of the Request for Proposal that may be waived under applicable law, if the committee believes such waiver to be in the County's best interest, and (x) take such other action as may be necessary or incidental to the carrying out of any of the foregoing. The Purchasing Agent will preside over the meetings and establish the meeting schedule based on the availability of the committee members. Meetings will be held in person.

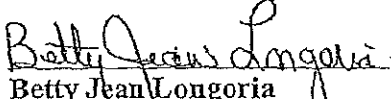
6. The award of the contract will be authorized by the Court at a noticed meeting. The Court is not bound by the recommendations of the Evaluation Committee and may reorder the ranking of the proposals. If the Court does not reject all proposals, the Court may authorize acceptance of a proposal and execution of a mutually-acceptable agreement, or if a final agreement has not been fully negotiated, authorize a representative of the county to begin negotiations of the complete terms of the agreement with the first-ranked offeror. If an agreement is not reached by the deadline established by the Purchasing Agent, then negotiations with the first-ranked offeror will be terminated, and the County representative will begin negotiations with the second-ranked offeror. This method will be followed until an agreement is reached and approved by the Court or all proposals are rejected. An award by the Court will not be deemed complete until (i) the Court has approved the award, (ii) the offeror and the Court have duly signed the agreement, and (iii) the offeror has provided the insurance required by the agreement.


7. The Court reserves the right to modify the terms of this Proposal Procedure. The Court reserves the right to discontinue the Proposal Procedure prior to execution by County and the successful offeror of an agreement. In such event, County will notify the offerors of such discontinuation. County reserves the right to waive any irregularity or informality in the proposal or the Proposal Procedure or in the submission of a proposal.

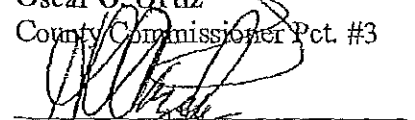
**DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS
ON THIS 22 DAY OF Jan, 2008.**


Samuel L. Neal, Jr.
Nueces County Judge


Peggy Barales
County Commissioner Pct. #1


Betty Jean Longoria
County Commissioner Pct. #2


Oscar O. Ortiz
County Commissioner Pct. #3


H.C. Cazalas
County Commissioner Pct. #4



ATTEST:


DIANA T. BARRERA, County Clerk

Exhibit 17: Order of Commissioners' Court for purchases between \$25,000- \$50,000

County of Nueces



MIKE PUSLEY
Commissioner
Precinct 1

BETTY JEAN
LONGORIA
Commissioner
Precinct 2

SAMUEL L. NEAL, JR.
County Judge
Nueces County Courthouse, Room 303
901 Leopard Street
Corpus Christi, Texas 78401-3697

OSCAR ORTIZ
Commissioner
Precinct 3

H.C. "CHUCK"
CAZALAS
Commissioner
Precinct 4

ORDER OF COMMISSIONERS COURT

WHEREAS, House Bill 987 signed by Governor Rick Perry on June 19, 2009 effective immediately, increased the dollar requirement for competitive procurement by Counties. The dollar requirement was increased from \$25,000 to \$50,000;

WHEREAS, Nueces County, through its Commissioners Court, shall comply with the competitive procurement or competitive proposal procedures as prescribed by Chapter 262, Chapter 271, Chapter 325, and Chapter 351, of the Texas Local Government Code and amendments thereto;

WHEREAS, until the Commissioners Court approves Purchasing Policies and Procedures that delegate purchasing authority to the Purchasing Agent not statutorily provided, the Commissioners Court is the governing body that implements all purchasing procedures;

WHEREAS, the Court wishes to adopt an Order that outlines a procedure for procuring purchases requiring expenditures from \$25,000 to \$50,000 as set forth herein ("Expenditure Procedure"), that authorizes and directs the County Purchasing Agent to carry out the Expenditure Procedure and to take such other action as may, in her opinion, be necessary or useful for effectuating and carrying out the terms and provisions of the Expenditure Procedure;

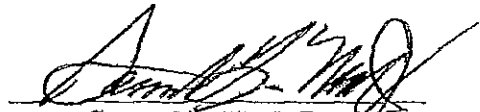
NOW, THEREFORE, THE COURT MAKES THE FOLLOWING FINDINGS AND ORDERS:


The Expenditure Procedure for expenditures of \$25,000 to \$50,000 shall be as follows:


1. The Requesting Department shall provide the Purchasing Agent a copy of a minimum of three quotes and an agenda item summary. When three quotes are not available from the Requesting Department, the Purchasing Agent, or designee, shall solicit additional quotes as appropriate;
2. The Purchasing Agent, or designee, shall review quotes with Requesting Department and formulate a recommendation to Commissioners Court;
3. The Purchasing Agent, or designee, shall present the recommendation to Commissioners Court at a noticed meeting for approval;
4. The Purchasing Agent, or designee, shall notify the Requesting Department of Commissioners Court's decision:
 - a. Request was approved. The Requesting Department shall submit a requisition in the Bi-Tech system with text indicating the date Commissioners Court approved the purchase;
 - b. Request was denied. No requisition shall be submitted.

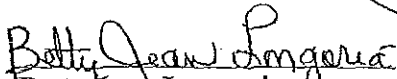
This Order is effective in the interim until the Nueces County Purchasing Policies and Procedures are approved by Commissioners Court.

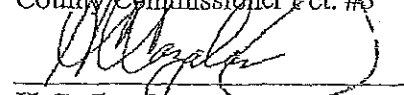
DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS
ON THIS 26 DAY OF August, 2009.


Samuel L. Neal, Jr.
Nueces County Judge


Mike Pusley
County Commissioner Pct. #1


Oscar O. Ortiz
County Commissioner Pct. #3


Betty Jean Longoria
County Commissioner Pct. #2


H.C. Cazallas
County Commissioner Pct. #4

ATTEST:


DIANA T. BARRERA, County Clerk

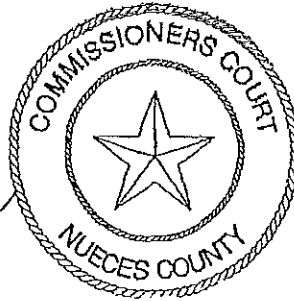


Exhibit 18: Commissioners' Court increased threshold to \$5,000 for tracking fixed assets

cc-reg

Item #: 4.A.7.

Date: 12/01/2010

Fixed Assets threshold

Submitted By: Sheri Brooks, County Auditor

Department: County Auditor



Information

RECOMMENDATION

Discuss and consider updating the Nueces County Purchasing Policy and Procedures affecting fixed assets inventory by making the threshold for additions to the fixed assets inventory records to be \$5,000 and greater, unless an item is on the exceptions list.

BACKGROUND

The Commissioners Court discussed the fixed asset inventory policy in budget workshop on August 9, 2010. The county auditor and purchasing agent are now bringing this issue before Commissioners Court for formal action.

DISCUSSION

A cost benefit analysis has been conducted. The cost of maintaining the records on all assets costing \$1,000 to \$4,999 is counterproductive to controlling the assets that have to be controlled. It is recommended that by increasing the threshold, the purchasing agent and county auditor's office can focus on those assets that need to be tracked and perform all the duties necessary to safeguard public assets.

Everything costing \$5,000 and more and items on the exception list will be tracked and inventoried according to county policy. The items on the exception list are: palm pilots, laptops, radios, computers and weapons. Items which cost less than \$5,000 will be removed from the fixed asset data base.



4. REGULAR AGENDA

A. AGENDA ITEMS

1. On motion of Commissioner Ortiz, seconded by Commissioner Longoria, the Court voted to authorize execution of an Amendment to Sale and Development Agreement between Dolphin Ventures I LLC and Nueces County to extend the feasibility period for the purchase of the County's 49.395 acre tract of land to January 14, 2013. Contract No. 20100251.
PUBLIC COMMENT
Rick Carduner, Dolphin Ventures
2. On motion of Judge Neal, seconded by Commissioner Cazalas, the Court voted to authorize execution of a contract with Texas Rio Grande Legal Aid Inc., for the provision of legal services to low income residents of Nueces County.
Contract No. 20100252.
3. On motion of Commissioner Longoria, seconded by Commissioner Ortiz, the Court voted to authorize execution of a contract with the Texas A&M University Corpus Christi, National Youth Wellness Program for the purpose of diabetes education and awareness for the benefit of the youth of Nueces County.
Contract No. 20100253.
4. On motion of Commissioner Longoria, seconded by Commissioner Pusley, the Court voted to authorize execution of a contract with the Banquete Independent School District for funding of diabetes related projects and supplies for students and the rural community of Nueces County. Contract No. 20100254.
5. On motion of Commissioner Longoria, seconded by Commissioner Cazalas, the Court voted to authorize execution of a contract with the Texas A&M University Corpus Christi, Antonio E. Garcia Arts & Education Center for the purpose of diabetes education and awareness. Contract No. 20100255.
6. On motion of Judge Neal, seconded by Commissioner Cazalas, the Court voted to approve an increase in salary and car allowance for the Nueces County Medical Examiner.
PUBLIC COMMENT
Dr. Ray Fernandez
7. On motion of Commissioner Pusley, seconded by Commissioner Cazalas, the Court voted to approve the update of the Nueces County Purchasing Policy and Procedures affecting fixed assets inventory by making the threshold for additions to the fixed assets inventory records to be \$5,000 and greater, unless an item is on the exceptions list.

Exhibit 19: Commissioners Court amendment for invoices to be sent to user department

Commissioners Court - Regular

3. P.

Meeting Date: 09/19/2012

Amend the Nueces County Purchasing Policy and Procedures Manual

Submitted By: Elsa Saenz, Purchasing
Department

Department: Purchasing Department

Information

RECOMMENDATION

Approve amendment to the Nueces County Purchasing Policy and Procedures Manual to provide for invoices to be sent to the user departments first and then forwarded to the Auditor's Office.

BACKGROUND

On August 22, 2012, Commissioners Court approved to have all invoices or statements be sent directly to the user department instead of the Auditor's office. This policy change requires the Nueces County Purchasing Policy and Procedures Manual to be amended.

DISCUSSION

No fiscal impact.

Attachments

Purchasing Manual pages
Revised purchasing manual

updates pages 9447

- N. Approve annual maintenance agreement with Intergraph for the Jail Management System in the amount of \$104,866.26 for FY2012-13; and authorize prepayment of \$7,759.20 from the Information Technology budget for FY2011-12 for the Oracle portion of the agreement.
- O. Authorize/Execute a contract for RFP No. 2914-12 Solid Waste Collection and Disposal Services for County Residents with Absolute Waste Services, Inc.
- P. Approve amendment to the Nueces County Purchasing Policy and Procedures Manual to provide for invoices to be sent to the user departments first and then forwarded to the Auditor's Office.
- Q. Approve the following personal services agreement:
1. Tomas Duran, employee benefits coordinator.
- R. Discuss and consider appointment of Commissioner Joe A. Gonzalez as the 2nd Vice President and Commissioner Joe McComb as Treasurer to the Nueces County Housing Finance Corporation.

Motion by: Commissioner Gonzalez, Second by: Commissioner Pusley
Motion: Approve Consent Agenda Items 3.A. through 3.H., 3.J. through 3.P. and 3.R., with the exception of 3.I. and 3.Q.

Vote: 5 - 0 Approved

Motion by: Judge Neal, Second by: Commissioner Pusley
Motion: Approve Consent Agenda Item 3.I.

Vote: 4 - 1 Approved

Against: Commissioner Gonzalez

Motion by: Commissioner Gonzalez,
Motion: Reduce the amount for personal services agreement for Consent Agenda Item 3.Q., motion died for lack of second.

Vote: 1 - 0 Approved

Motion by: Judge Neal, Second by: Commissioner McComb
Motion: Approve Consent Agenda Item 3.Q.

Vote: 4 - 1 Approved

Against: Commissioner Gonzalez

Exhibit 20: Debarment Policy

Commissioners Court - Regular

4. C. 3.

Meeting Date: 02/13/2013

Discuss and consider adopting the Nueces County Debarment Policy.

Submitted By: Elsa Saenz, Purchasing
Department

Department: Purchasing Department

Information

RECOMMENDATION

Discuss and consider adopting the Nueces County Debarment Policy.

BACKGROUND

Texas Department of Public Safety/Texas Homeland Security-State Administrative Agency (THSSAA) conducted a homeland security grant monitoring and compliance review.

THSSAA requires all Homeland Security Grant Program subrecipients (to include all programs administered by the TXDPS/THS-SAA) to check the debarment status of all vendors before contracting with or making any purchases with funds from any federal grant.

The monitoring report and corrective action plan required to develop and adopt a written policy for the verification and documentation of Federal Debarment of Vendors using the Excluded Parties Listing System (EPLS). The EPLS system is an electronic database of parties excluded from federal procurement and non-procurement programs and is located at <https://www.sam.gov>. The EPLS identifies those parties excluded throughout the U.S. Government (unless otherwise noted) from receiving Federal contracts or certain subcontracts and from certain types of Federal financial and nonfinancial assistance and benefits based upon statutory or administrative debarments.

THSSAA requires a copy of the debarment policy once it is complete and official.

DISCUSSION

The Office of Management and Budget (OMB) gives direction on debarment policy and standards.

The implementation of this policy will be applicable at the procurement, non-procurement processes including POs, Requisitions, PCards etc. The proposed action is to approve the debarment policy. Once approved, the implementation will require more work, specifically there will need to be included language in the following:

1. For Procurement : Purchasing Policies and Bidding documents: Instructions to bidders/offerers or under General conditions;
2. For Non-procurement: Purchasing Policies, P-cards;
3. For Grants: Grant Policy;
4. For emergency purchases and policies and set a time frame to suspend the debarment policy during Disaster Declaration.

The federal agencies made up of United States executive department, military department, defense agency or any other agency of the executive branch are the debarring officials. Other agencies of the

Federal Government can be considered an agency if they issue regulations adopting the governmentwide debarment and suspension system under executive orders 12549 and 12689.

The federal agencies have federal guidelines that require due process before a company is added to the debarment list; such as notice of intent to debar, hearing, decision, appeal. By the time a company is on the list they are aware of the debarment and the reasons for debarment.

The U. S. General Services Administration manages the EPLS system. In the Sam.gov website record for the excluded company, it contains the name of the Federal Agency who issued the debarment, a contact person with the Federal Agency and a phone number.

Failure to complete the corrective action specified may lead to the grant funding being withheld or suspended.

Attachments

[Debarment Policy](#)

[THSSAA Report](#)

[State - Federal Awards](#)

6. Discuss and consider execution of a resolution authorizing the submission of a grant application to the Governor's Criminal Justice Division for funding of the Nueces County Enrichments for Criminal Justice Project.

Motion by: Commissioner Gonzalez, Second by: Commissioner Pusley

Motion: Authorize execution of a resolution authorizing the submission of a grant application to the Governor's Criminal Justice Division for funding of the Nueces County Enrichments for Criminal Justice Project.

Vote: 5 - 0 Approved

C. PURCHASING

1. Discuss and consider making a finding for the method of procurement (request for proposals) for Maintenance Services of Nueces County Chillers; authorize the Purchasing Agent to publish a notice; and adopt an order delegating evaluation authority to a selection committee.

Motion by: Commissioner Gonzalez, Second by: Commissioner Pusley

Motion: Make a finding for the method of procurement (request for proposals) for Maintenance Services of Nueces County Chillers; authorize the Purchasing Agent to publish a notice; and adopt an order delegating evaluation authority to a selection committee.

Vote: 5 - 0 Approved

2. Discuss and consider purchase of a Safety Tool Kit from MSDSONline for development and implementation of an OSHA approved annual training plan.

Motion by: Commissioner Gonzalez, Second by: Commissioner Pusley

Motion: Authorize purchase with MSDSONline Safety Training Kit for development and implementation of OSHA approved annual training plan.

Vote: 5 - 0 Approved

3. Discuss and consider adopting the Nueces County Debarment Policy.

Motion by: Commissioner Pusley, Second by: Commissioner Gonzalez

Motion: Adopt the Nueces County Debarment Policy.

Vote: 5 - 0 Approved

4. Authorize TASB BuyBoard State Contract No. 358-10 purchase of a Chevrolet Silverado Truck from Caldwell Country for the Public Works Department.

Motion by: Commissioner Pusley, Second by: Commissioner Gonzalez

Motion: Authorize TASB BuyBoard State Contract No. 358-10 purchase for Public Works from Caldwell for a Chevrolet Silverado Truck.

Vote: 5 - 0 Approved

NUECES COUNTY DEBARMENT POLICY

PURPOSE

It shall be the Policy of Nueces County that all Departments/Offices shall comply with this Debarment Policy in an effort to provide assurance to the Federal Government that Nueces County complies (a) with Federal Executive Order 12549, 44 CFR § 13.35 ("Sub-awards to debarred and suspended parties"), and the Texas Uniform Grant Management System (UGMS), (b) with the Texas Department of Public Safety/Texas Homeland Security-State Administrative Agency who requires all recipients to verify the debarment status of all vendors before contracting with or making any purchases with federal grant funds.

All Debarment verifications shall be conducted by reviewing the Excluded Parties Listing Systems (EPLS). The Excluded Parties Listing Systems (EPLS) is an electronic database of parties excluded from federal procurement and non-procurement programs and is located at <https://www.sam.gov>. The EPLS identifies those parties excluded throughout the U.S. Government (unless otherwise noted) from receiving Federal contracts or certain subcontracts and from certain types of Federal financial and nonfinancial assistance and benefits based upon statutory or administrative debarments.

RESPONSIBILITY OF COUNTYWIDE DEPARTMENTS/OFFICES:

Nueces County shall award all contracts and purchases through procurement processes or through non procurement process, such as the Purchase Order or P-Card or Requisition, Transaction, to responsible vendors that have not been excluded under the excluded parties listing systems.

All Departments/Offices of Nueces County shall verify the debarment status of a vendor by using the EPLS prior to procuring or entering into contract(s) for any goods/services regardless whether it is a unit price or quantity. The Department/Office shall document that verification and retain such record in accordance with the County's Retention Policy .

In cases of non-procurement processes, the Department/Office shall verify if the vendor has been excluded when placing the order (requisition, p-card transaction, purchase order, etc.) in order to insure that the selected vendor is NOT on the EPLS System before the purchase is made or the "contract" start date.

Furthermore, because vendors are being removed and new ones added on a daily basis, all Departments/Offices shall be required to verify the vendor for exclusion before issuing a new purchase order, blanket purchase order, contract or single time purchase.

If verification has been performed prior to entering into multiple invoice or multiple billing period contracts, such as a yearly wireless phone subscription, then verification is not required prior to making each payment to the vendor. However, verification should be performed prior to extending a contract, renegotiating a contract, or entering into a new contract.

If any Department/Office end user does not verify EPLS and the vendor was on the exclusion list, all other County Department/Offices may be disallowed of any federal funding in the future. Thus, if needed, a Department/Office may notify the Purchasing Department to conduct the search before placing the order.

VERIFICATION PROCESS:

In verifying the status of debarment exclusion the Department/Office shall:

1. Go to the EPLS web-site. The internet address is <http://sam.gov>.
2. Government employees (Department/Office) must create a SAM user account with their government email address. Log in before searching in order to see FOUO (for official use only) information and those registrants who selected to opt out of the public search.
3. Select "Search Record".
4. You can enter a DUNS number, CAGE code or Business Name to search for the entities that you are interested in reviewing. You can also enter exclusion search terms to search for exclusion records. Once a search has returned results, use the filters provided to narrow results.
 - a. If the vendor is not found to be debarred, a copy of the screen print indicating the vendor is not debarred at the time of the procurement should be included with the paperwork for that purchase and retained with the procurement records for audit and monitoring purposes.
 - b. If the search finds a match, more research is required to rule out the possibility of a "false hit."
 - Is the name an exact match?
 - Is the name very close?
 - Is the vendor you are searching for located in the same general area as the name returned in the search?
 - If the match appears to be valid, print the page
 - c. If the vendor is debarred, the County shall not do business with this vendor.

EMERGENCY PURCHASES

From time to time, the County Judge may declare a Disaster Declaration because of a disaster, such as a hurricane. In those emergency circumstances the implementation of the County's debarment policy is suspended during this emergency period but no longer than sixty (60) days. On FEMA grants, FEMA may honor this suspension. However other Federal Agencies may not honor any suspension of the County's Debarment Policy.

CONSEQUENCES

In order to continue receiving Federal funds either directly or through a pass through state funding, the department/Office shall follow this Debarment policy. Failure to follow may result in forfeiting of federal funds in future countywide grant applications. Implementation of this Debarment Policy is County wide, which includes all Departments/Offices, such as including but not limited to Juvenile Department, City-County Health District, County and District Courts, District Attorney etc.

Exhibit 21: Disclosure of Interested Parties – Form 1295

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.	OFFICE USE ONLY
1 Name of business entity filing form, and the city, state and country of the business entity's place of business.	
2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.	

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day
of _____, 20____, to certify which, witness my hand and seal of office.

Signature of officer administering oath

Printed name of officer administering oath

Title of officer administering oath

ADD ADDITIONAL PAGES AS NECESSARY

PRESENTATION POINTS

HB 1295/GC Section 2252.908

What=>

- Form 1259 is required to be completed if a governmental entity requires an action or vote for a contract to be signed or the contract value is at least \$1 million.
- Texas Ethics Commission adopted rules that further defined Government Code 2252.908
 - Defines a contract to include amended, extended, or renewed contract.
 - Controlling interest is
 - ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 %
 - member of a board of directors or governing body is more than 10 members
 - officer of a business entity which has 4 or fewer officers or are one of the top four officers with the highest compensation.
- A completed Form 1295 is not required for:
 - a sponsored research contract of an institution of higher education;
 - an interagency contract of a state agency or an institution of higher education;
 - a contract related to health and human services if:
 - the value of the contract cannot be determined at the time the contract is executed; and

- any qualified vendor is eligible for the contract;

- a contract with a publicly traded business entity, including a wholly owned subsidiary of the business entity,*

"Business entity" defined by section 2252.908 of the Government Code means "any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation." The exemption is limited to a "publicly traded" business entity. Therefore, in practice that means corporations are the only business entities that will be exempted from the 1295. To be "publicly traded" means that ownership is dispersed among the general public in many shares of stock which are traded.

- a contract with an electric utility, as that term is defined by Section 31.002, Utilities Code,* or

- a contract with a gas utility, as that term is defined by Section 121.001, Utilities Code.*

Who=>

- A business entity must:
 - Complete Form 1259 if they will be receiving a signed contract from the governmental entity.
 - The business entity must create an account on the Texas Ethnic Commission website.
 - They must complete a Form 1259, print it and complete the unsworn declaration.

In 2017, the legislature amended the law to require Form 1295 to include an "unsworn declaration" which includes, among other things, the date of birth and address of the authorized representative signing the form. The change in the law applies to contracts entered into, renewed, or amended on or after January 1, 2018. The unsworn declaration, including the date of birth and address of the signatory, replaces the notary requirement that applied to contracts entered into before January 1, 2018.

In terms of releasing dates of birth or addresses: currently under the Texas Public Information Act dates of birth can be withheld after asking the Attorney General; however there is no exception to release of addresses of vendors (whether it be their personal home address or their business address).

A statement indicating that the form was received will be noted in the agenda item indicating the certificate number.

- It must be turned in with the contract to be signed by the governmental entity.
- The governmental entity must:
 - Create an account on the Texas Ethics Commission website
 - Search for the Form 1259 submitted by the business entity
 - Acknowledge receipt of the form on the Texas Ethics Commissioner Website

When=>

- Business entity provides Form 1259 upon submitting contract for governmental entity to signed

- The governmental entity has 30 days from contract being signed

Any questions of Form 1295...

Communication with vendors of the requirements => <=

Vendors are informed in the bid packet information that a Form 1295 will be required.

- Form 1295 is requested from vendor with the contract documents. The vendor who is awarded the project is sent an award letter that includes the list of documents necessary to complete the contract (performance/payment bonds, insurance certificate, Form 1295, etc.). The Contract documents are then provided to the Court for contract approval. A statement indicating that the form was received will be noted in the agenda item indicating the certificate number.
- Departments that post Contracts on the agenda have been requested to get Form 1295 from the vendors and must approve them after the contract has approved the contract (Engineering contracts, personal contracts, etc.).

Departments need to be informed of these forms and the requirements needed to be completed when purchases are made through the department.

Are there any questions or comments?

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address _____ (street) _____ (city) _____ (state) _____ (zip code) _____ (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
 (month) (year)

 Signature of authorized agent of contracting business entity
 (Declarant)

ADD ADDITIONAL PAGES AS NECESSARY