APPENDIX

BEXAR COUNTY

STATEMENT OF FINANCIAL POLICIES

I. GENERAL

1.01 The County will operate on a fiscal year which begins on October 1 and ends on September 30.

1.02 The County will conduct its financial affairs in conformity with State and Federal laws. This Statement of Financial Policies shall be approved by Commissioners Court and reviewed on an annual basis as a part of the budget process.

II. ACCOUNTING, AUDITING, & FINANCIAL PLANNING

2.01 The Bexar County Auditor's Office maintains records on a basis consistent with accepted principles and standards for local government accounting, as determined by GASB and GFOA.

2.02 Regular monthly and annual financial reports are issued summarizing financial activity. The monthly financial reports are presented to Commissioners Court and are distributed to offices and departments.

2.03 A financial audit is performed annually by an independent public accounting firm, and an official opinion and annual financial report is published and issued.

2.04 Annually, Commissioners Court will accept the audited Comprehensive Annual Financial Report for the past fiscal year.

2.05 Full disclosure is provided in the annual financial and budget reports and bond representations.

III. BUDGETING

3.01 The County budgets resources on a fiscal year which begins October 1 and ends on the following September 30th.

3.02 Bexar County prepares and maintains a long range five year financial forecast which: a) develops a local, regional, state and national economic outlook and describes the potential impact on Bexar County; b) updates reserve and expenditure projections for the next five years; c) projects capital improvement requirements over the five-year period, including future operating costs associated with all projects; d) updates revenue and expenses for each year in the period; and e) describes the strategic issues that present the County with challenges and opportunities for the future and, in some cases, assesses their fiscal impact.

3.03 Budget manuals for annual preparation, which include forms and instructions as necessary, shall be distributed to County offices and departments no later than April 30 in each year. All offices and departments must return their proposals no later than June 15 in that year.

3.04 The proposed budget shall be prepared and distributed to all of the Commissioners Court members on or before August 30 of the preceding fiscal year.

3.05 The proposed budget shall be presented in the following format:

a. Fund balance schedules;

b. Revenue estimates;

c. Operating and maintenance expenditures by office or department and major expense categories;

d. Capital projects' funding;

e. Debt service summarized by issues by fund.

3.06 The proposed budget shall also contain:

a. Program summaries for each office and department;

b. Performance indicators that include workload, efficiency and effectiveness measures for each office and department;

c. Descriptions and detailed cost analysis of proposed program changes;

d. A discussion of capital projects proposed for funding;

e. A list of proposed authorized positions, by section where appropriate, for each office and department;

f. Any additional information, data, or analysis requested of management by the Commissioners Court.

3.07 The proposed budget submitted by August 30 shall be balanced.

3.08 The initial proposed budgeted revenues are provided by the County Auditor's Office no later than June 15. Revenue projections are revised by the County Auditor's Office by August 10 thereafter to reflect the certified tax roll data.

3.09 Commissioners Court shall adopt the tax rate and the budget by Court Order before September 23 to allow sufficient time to send out property tax statements to the citizens.

3.10 The Budget Division will prepare a report on the budget status and trends and submit it to Commissioners Court quarterly.

3.11 The County budgeting procedures attempt to identify distinct functions and activities performed by the County, and to allocate budget resources adequate to perform these functions and activities at a specified level of service. The budget process will be coordinated with the County wide strategic planning process and will reflect the goals and objectives developed through this process.

3.12 The County will continue to integrate performance measurement and productivity indicators with the budget process where appropriate. The County will use efficiency and effectiveness measures.

3.13 The County will continually strive to improve the budget development and monitoring process and will evaluate and utilize when appropriate innovative, alternative approaches to costing and budgeting.

3.14 Appropriations as approved by the Commissioners Court, are set upon the books of the County by the County Auditor.

a. The following general categories are used to appropriate funds annually:

1. Personnel Services
2. Travel and Remunerations
3. Operational Costs
4. Supplies and Materials
5. Capital Expenditures
6. Debt Retirement
7. Contingencies
8. Interfund Transfers

Detailed expenditures in each of these categories are maintained by the County Auditor.

b. Annually, the budget will be developed for each office and department *at the division and/or section level* to better represent their organization structures. However, the budget document will appropriate funds at the office and department level and fiscal control shall occur at this level.

c. Exceptions to this are budgets that are controlled at the division level and which are: the Sheriff's Office as Law Enforcement, Adult Detention, and Support Services; and the Juvenile Office as Detention, Probation, Family Support Services - Probation, Family Support Services-Domestic Relations Office (a separate fund); Parks and Facilities Management as Facilities Maintenance - Adult Detention, Facilities Maintenance - County Buildings, Facilities Maintenance - Juvenile Detention, Parks. Public Works as Road and Bridge Fund, Parking Facilities Fund and Fleet Maintenance Fund; Community Resources as Veterans Services, Community Programs, Direct Client Services, and Dispute Resolution (a separate fund); and Judicial Services and APDO, Pre-trial Services, and Criminal Investigation Laboratory, Medical Examiner's Office and Administration; Economic Development as Administration, Agricultural Extension Services, and SMWBE.

d. Appropriations in the Capital Projects Funds are made on a project basis across multiple fiscal years rather than on a single fiscal year basis and are carried forward until the projects are completed.

e. Appropriations in the Grant Funds are made on a grant year basis by project rather than on a County fiscal year basis.

3.15 Except for capital project, grant and federal entitlement appropriations, or for encumbrances outstanding in any fund, unused appropriations lapse at the end of each fiscal year.

3.16 Commissioners Court shall approve all budget transfer in amounts over $100,000. The County Manager/Budget Officer shall approve all budget transfers in amounts up to $100,000.

3.17 For budget transfers taking funds from Appropriated Fund Balance, and for budget transfer amounts over the $100,000, Commissioners Court approval is required

3.18 Under the more flexible, higher level of budgetary control in effect, offices and departments are accountable for not exceeding their annual budgetary appropriations.

3.19 Bexar County will, during the annual budget process, identify areas for performance reviews to judge the effectiveness and efficiencies of County services. Annually, the Commissioners Court will adopt a work plan for the performance reviews that will be completed during the fiscal year.

3.20 Cost/benefit studies will be conducted, where appropriate and applicable, on non-recurring expenditures, capital projects and operational alternatives.

IV. REVENUES AND TRANSFERS

4.01 Bexar County will maintain a diversified and stable revenue base to shelter it from short term fluctuations in any one revenue source by doing the following:

a. Establishing user charges and fees as permitted by law at a level related to the cost of providing that service including indirect costs when appropriate;

b. Pursuing legislative change, where necessary, to permit increases in user charges and fees to allow the County to recover the full cost of services;

c. Aggressively collecting property tax revenues, including the filing of suit where appropriate and necessary, as authorized by the Texas Property Tax Code.

d. Aggressively collecting all other fines, fees and revenues due the County.

4.02 Bexar County will set as a goal minimizing its reliance on non-recurring sources of revenue including the use of prior year fund balances for recurring expenditures.

4.03 Bexar County will actively pursue intergovernmental grant funding to fund programs that have been identified as important to meet the County’s mission, vision, goals and objectives.

V. RESERVES

5.01 The County will maintain an operating reserve for use in the event of unanticipated, extraordinary expenditures and/or the loss of a major revenue source. The operating reserve and specified contingencies shall be established at a minimum of one tenth operating expenditures for any year. These funds can only be appropriated by an affirmative vote of four of the five Commissioners Court members.

Therefore, it will be necessary for officials and department heads to review and control expenditures such that the rate of expenditure does not exceed the approved budget.

5.02 The County will maintain a reserve requirement of not less than 10 percent of annual Debt Service. The Debt Service reserve funds can only be appropriated by an affirmative vote of four of the five Commissioners Court members.

5.03 Insurance reserves are established at a level, which, together with purchased insurance policies, adequately cover the County and its officers against loss.

VI. PERSONNEL

6.01 At no time shall the number of regular employees on the payroll in each office or department exceed the total number of positions authorized by the Commissioners Court when approved as part of the annual budget or authorized by the County Manager outside of the annual budget process. All personnel actions shall at all times be in strict conformance with applicable federal, state, and County policies.

6.02 Compensation for overtime worked will be given in the form of compensatory time. No overtime compensation shall be paid unless Commissioners Court specifically approves an exception and authorizes payment in advance. All employees, regardless of the source of funding for the position, accrue compensatory time at the rate of one hour for every hour for exempt employees and at the rate of one and one half hour for every hour actually worked over 40 in a regular work week for non-exempt employees.

6.03 Deletions and/or downgrades of positions may occur at any time during the fiscal year at the department head or official's request or if a review of workload statistics indicates that a reduction in force is practical in an office or department. All funds appropriated for such deleted positions will be returned to the appropriate fund in the Contingencies - Undesignated Funds account.

6.04 Additions, position reclassifications, reorganizations, etc., are prepared by the requesting office or department and reviewed by Budget and Grants Department. The Budget and Grants Department will work with the initiating office or department to bring the proposal for Commissioners Court consideration or to the County Manager if the request is made outside of the County’s annual budget process.

6.05 The County Manager has the authority to add, delete, hire, fire, discipline, demote, promote, compensate, direct, and supervise all functions and staff that report to the County Manager.

6.06 The Court may institute a freeze during the fiscal year on hiring, promotions, transfers, and capital equipment purchases. Such action will not be used arbitrarily and will allow for exceptions in appropriate areas to comply with emergency needs such as natural disasters and/or loss of major revenue sources.

6.07 Commissioners Court shall approve all authorized positions and changes to them (this does not include actions affecting the actual employees holding these positions) as part of the annual budget process. The County Manager has the authority to review and, if appropriate, approve all authorized positions, including adding and deleting positions, and changes to them, including reclassifications and compensation changes, if a request is made outside of the annual budget process by a County office or department.

6.08 Offices and departments may hire temporary help if:

a. Funds are available in the Salary, Temporary Help line item in the office or department's adopted budget appropriations (organization level one); or

b. The adopted budget authorizes a temporary position(s).

In all other cases, Commissioners Court shall approve hiring temporary help.

6.09 The County maintains written Personnel Rules adopted by Commissioners Court and available from the Human Resources Department.

VII. PURCHASING & FIXED ASSETS

7.01 All capital expenditure purchases will be initiated prior to August 15 each fiscal year; all non-capital expenditure purchases will be initiated prior to September 10 each fiscal year. Exceptions can occur at the Purchasing Agent's and County Auditor's discretion. Capital projects and grant funded purchases are exempt from these deadlines.

a. Prior to adoption of the annual budget, the Purchasing Office will annually provide a list of purchases that are not anticipated to be delivered until the next fiscal year. The list of capital expenditures should be completed by August 31 or as soon as possible thereafter and non-capital expenditures by September 15 or as soon as possible thereafter.

7.02 All purchases of fixed assets with a value of $5,000 or more will be placed on the County inventory.

7.03 Each County office and department will protect the County's investment in capital assets by performing and reporting to the County Purchasing Agent and County Auditor a complete inventory at least once annually.

7.04 Capital expenditures for projects are budgeted by project and must be spent accordingly. Any request for unbudgeted capital projects throughout the fiscal year must be submitted to the Budget and Financial Services Division and approved by Commissioners Court.

7.05 Where possible, items in good, safe, useable condition placed in surplus will be used:

a. To supplement expenditure for new budgeted capital purchases;

b. To supplement expenditure for replacement/budgeted capital purchases;

c. To supply needed unbudgeted new and replacement equipment.

The Purchasing Agent transfers surplus supplies, materials and equipment.

7.06 Offices and departments will make every effort to use furniture refurbished through the Sheriff's Office Jail Industries Program.

7.07 Prior to submission of the requisition, the executive in charge of the Information Services Division shall approve all purchases of information and communication technology including but not limited to: all mainframe and microcomputer software; all mainframe hardware and peripherals; all microcomputer hardware and peripherals; all telecommunications and data systems hardware and software.

VIII. DEBT MANAGEMENT

8.01 The County maintains a written Debt Management Policy adopted by Commissioners Court and include in the Administrative Policies book.

IX. INVESTMENT AND CASH MANAGEMENT

9.01 The County maintains a written Investment Policy adopted by Commissioners Court and included in the Administrative Policies book.

BEXAR COUNTY

DEBT MANAGEMENT POLICY

Adopted by Commissioners Court on August 14, 2007
Revised October 7, 2008
Revised February 3, 2015

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TITLE: DEBT MANAGEMENT POLICY

EFFECTIVE DATE: February 3, 2015

Section 1: PURPOSE AND OBJECTIVES

1.1 Purpose

The purpose of this policy is to provide guidance regarding the issuance, management, continuing evaluation and reporting on all debt obligations issued by Bexar County, Texas (the "County"). The Bexar County Commissioners Court recognizes there are no absolute rules or easy formulas that can substitute for a thorough review of all information affecting the County's debt position. Debt decisions should be the result of deliberative consideration of all factors involved. This policy is intended to augment the deliberation process by addressing the methods, procedures and practices to be utilized to ensure effective and judicious fiscal management of County funds.

The terms of this Debt Management Policy (the "Policy") are intended to comply with all Texas and Federal Law governing debt, including, but not limited to, Texas law, Internal Revenue Service rules and regulations, United States Securities and Exchange Commission "(SEC)" regulations, Municipal Securities Rulemaking Board "(MSRB)" regulations, court rulings, and existing County debt covenants.

1.2 Objectives

Debt Management shall be conducted with the primary objectives of:

a. Maintain and/or improve the County's existing credit rating;
b. Maintain access to capital; and
c. Minimize borrowing costs.

Section 2: SCOPE

2.1 This Policy shall govern debt obligations issued by the County that finance the construction or acquisition of infrastructure and other assets or to refinance existing debt. The County may also desire to issue debt obligations on behalf of external agencies, non-profit corporations, or other authorities for the purpose of construction or acquisition of infrastructure or other assets that further the goals and objectives of County government. In that case, the County shall take reasonable steps to confirm the financial feasibility of the project and the financing solvency of any necessary borrower; and shall take all reasonable precautions to ensure the public purpose and financial viability of such transactions. This policy does not apply to the County's Capital Lease Program.

Section 3: ROLES AND RESPONSIBILITIES

3.1 As provided by the Texas Local Government Code, each member of Commissioners Court has a fiduciary responsibility in the management of the County's indebtedness. All debt programs are to be made in accordance with applicable Texas and federal regulations. The Commissioners Court will approve all County indebtedness.

3.2 The County Manager has the primary responsibility for making debt-financing recommendations to the Commissioners Court.

3.3 The County Manager, or his designee, will coordinate all activities necessary to issue debt, including, but not limited to:

a. Review of resolutions provided by bond counsel;
b. Review of offering memoranda provided by financial advisors; and
c. Review of all related financial analyses.

3.4 The County Manager and the Auditor's Office will report to the Commissioners Court:

a. A projected list of expected capital needs for the year;
b. An annual debt issuance schedule for capital projects;
c. An updated five-year capital improvement plan as part of the budget;
d. Ensure that the County is current on all debt service payments; and
e. Disclosure of any bond covenant violations or defaults over the past year.

3.5 The County Manager, or his designee, will implement and oversee the Capital Project Process for County offices and departments pursuant to Section 20 of this policy.

3.6 The County Manager, or his designee, will recommend to the Commissioners Court a financing team consisting of bond counsel, financial advisors, and underwriters.

3.7 The Office of the County Auditor is responsible for reporting monthly in its financial report a schedule that includes outstanding debt requirements as well as commercial paper activity. These reports will include principal and interest requirements, dates for each and related interest rates.

3.8 The Office of the County Auditor is responsible for assuring that all debt service payments are made in a timely manner to the appropriate trustee/paying agents.

3.9 The Office of the County Auditor is responsible for preparing the annual continuing disclosure and the County's bond counsel is responsible for reviewing, approving, and submitting the continuing disclosure pursuant to SEC Rule 15c2-12.

3.10 The Office of the County Auditor is responsible for the annual estimation of the cumulative rebate amount (arbitrage) for each debt issuance as defined in Section 148(f) (2) of the Code. These annual estimates are for both external and internal reporting purposes.

3.11 The Office of the County Auditor is responsible for ensuring compliance with the filing requirements with the Internal Revenue Service related to arbitrage and rebate set forth in Section 19 of this policy.

3.12 Offices and Departments administering projects financed with debt funding are responsible to comply with Section 17 of this Policy relating to private business use and with Section 6 relating to project expenditures.

3.13 The Office of the County Auditor is responsible for general recordkeeping and will maintain a copy of the following documents on file at all times, to include but not limited to:

a. Annual Financial Statements
b. Reports of any examinations by the Internal Revenue Service of Bexar County's financings
c. Documentation of allocation of bond proceeds to expenditures
d. Copies of contracts
e. Records of expenditures of bond proceeds
f. List or schedule of all bond-financed county owned facilities or equipment with depreciation schedules.

Such records will be maintained for the life of the related bonds (including any refunding bonds) for the life of the bond plus three years.

3.14 The Office of the County Auditor and the County Manager, or his designee, has general oversight of the post-issuance compliance of bond financings and will review compliance matters on a regular basis. To that end, the County will endeavor to identify training opportunities and educational materials regarding post-issuance compliance.

3.15 The County Manager, or his designee, will prepare material events disclosure, as needed.

Section 4: REPORTING

4.1 The County Manager, or his designee, will report to the Commissioners Court:

a. A projected list of expected capital needs for the year;
b. An annual debt issuance schedule for capital projects;
c. An updated five-year capital improvement plan as part of the budget;
d. Certification that the County is current on all debt service payments; and
e. Disclosure of any bond covenant violations or defaults over the past year.

4.2 The Office of the County Auditor is responsible for reporting monthly in its financial report a schedule that includes outstanding debt requirements as well as commercial paper activity. These reports will include principal and interest requirements, dates for each and related interest rates.

4.3 The Office of the County Auditor is responsible for preparing the annual continuing disclosure and the County's bond counsel is responsible for reviewing, approving, and submitting the continuing disclosure pursuant to SEC Rule 15c2-12.

4.4 The Office of the County Auditor is responsible for the annual estimation of the cumulative rebate amount (arbitrage) for each debt issuance as defined in Section 148(f) (2) of the Internal Revenue code. These annual estimates are for informational and internal reporting purposes only.

4.5 The Office of the County Auditor is responsible for ensuring compliance with the filing requirements with the Internal Revenue Service related to arbitrage and rebate set forth in Section 19 of this policy.

4.6 Offices and Departments administering projects financed with debt funding are responsible to comply with Section 17 of this Policy relating to private business use and with Section 6 relating to project expenditures.

Section 5: ORGANIZATIONS AFFECTED

5.1 All County offices and departments must comply with the guidelines and procedures set forth in this Policy.

Section 6: USE OF DEBT INSTRUMENTS

6.1 Debt financing will not generally be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The County will use debt financing for the acquisition of capital assets and capital improvement projects which may include certain operating expenditures required to implement the projects under the following circumstances:

a. The acquisition of all debt funded assets and debt funded projects must be approved by Commissioners Court;
b. The capital asset or a project's useful life will be equal to or exceed the term of the financing;
c. Revenues sufficient to service the debt, whether from future property taxes, user fees, or other specified and reserved resources will be available;
d. Review and approval of the total project budget, including personnel services, travel and remunerations, operational costs, supplies and materials and capital expenditures, by the County Manager's Office; and
e. Compliance with the appropriate provisions of Texas Law and the Internal Revenue Code of 1986, as amended.

6.2 Operating expenditures required to implement capital improvement projects will be funded using debt financing in accordance with Chapter 1201, as amended Texas Government Code and Chapter 1431, as amended Texas Government Code. These expenses could include but not be limited to ancillary charges necessary to put the project in place in its intended location and ancillary charges necessary to place the asset in its intended condition for use.

6.3 Debt financing will not generally be used for maintenance expenses, training, feasibility studies or any current operating expenditure.

6.4 Debt financing will not generally be used for functional consulting. Functional consulting includes activities such as training, troubleshooting, and running reports during training.

6.5 Per Governmental Accounting Standards Board (GASB) guidelines, activities associated with developing and installing computer software projects will be divided into three stages of project development:

a. Preliminary project stage, which includes the conceptual formulation and evaluation of alternatives, the determination of the existence of needed technology, and the final selection of alternatives;
b. Application development stage, which includes the design of the chosen path, including software configuration and software interfaces, coding, installation of hardware and testing, including the parallel processing phases and data conversion phases; and
c. Post-implementation/operation stage, which includes training and application maintenance.

Only activities associated with the application development stage will be debt financed.

6.6 Direct costs of materials and services consumed in developing or obtaining internal-use computer software, including payroll-related costs devoted directly to the project, may be financed with debt.

6.7 Generally, personnel required to implement a project should be contract employees or temporary employees. However, with prior approval of Commissioners Court and for projects with a total cost greater than $5 million, County Subject Matter Experts (regular County employees) may be employed for implementation of a project and those costs may be debt financed during the application development stage. The cost of these personnel (regular County employees) expenditures will not exceed 5 percent of the project amount to be financed.

Section 7: STRUCTURE AND TYPE OF DEBT

7.1 Debt service will be structured to match projected cash flows and minimize the impact on future property tax levies.

7.2 The term of the debt issuance should equal the lesser of the useful life of the asset being financed or the maximum of 40 years in accordance with Chapter 1201, as amended Texas Government Code.

7.3 The types of debt instruments to be issued by the County include:
   a. General Obligation Bonds;
   b. Certificates of Obligation;
   c. Revenue Bonds
   d. Refunding Bonds;
   e. Commercial Paper;
   f. Tax Anticipation Notes; and
   g. Any other debt instrument authorized for issuance by a County in accordance with the Texas Government Code or other applicable law

7.4 Individual revenue streams considered for proposed debt service should meet a minimum debt service coverage ratio test of 1.10 along with any appropriate revenue or contingency funds. Debt coverage is defined as total revenue divided by total debt service.

7.5 Generally, tax-exempt debt will be issued. However, when appropriate and when the cost of a project is greater than $5 million, no more than 10 percent of the amount to be financed may be issued in the form of taxable debt.

Section 8: DEBT LIMITS

8.1 The County will not exceed the debt issuance limits described in Article 3, Section 52 of the Texas Constitution and Chapter 1301 of the Texas Government Code.

8.2 The County shall use economic ratios as a tool to assist in providing an objective analytical approach to determine debt capacity for new projects. These ratios may include:
   a. Debt per capita;
   b. Debt as a percent of statutory debt limit;

c. Debt as a percent of appraised valuation;
d. Debt service payments as a percent of governmental expenditures; or
e. Level of overlapping net debt of all local taxing jurisdictions.

8.3 The County will maintain a debt service fund balance of at least 10 percent of the annual debt service requirement for the fiscal year; provided; however, that this requirement shall comply with the provisions of the Internal Revenue Code of 1986, as amended.

Section 9: METHOD OF SALE

9.1 The County may use competitive sales, negotiated sales, or private placements. When considering the method of sale, the County will take into consideration:
a. Financial conditions;
b. Market conditions;
c. Transaction-specific conditions;
d. County-related conditions; and
e. Risks associated with each method.

9.2 Competitive sales are the preferred method under the following circumstances:
a. A general obligation pledge or annual appropriation of general revenue;
b. Simple structure and financial analysis;
c. Stable financial market; and
d. Moderate par amount.

9.3 Negotiated sales are the preferred method under the following circumstances:
a. Complex transactions that require extensive financial modeling, credit analysis, pre-marketing effort, or that are interest rate sensitive; and
b. Volatile financial markets.

9.4 Private Placement is the preferred method under the following circumstances:
a. Small issue size;
b. Questionable security for the issue; and
c. Overall cost savings to the County.

Section 10: REIMBURSEMENT RESOLUTION

10.1 As provided in the Texas Government Code, Section 1201.042, as amended, Department of the Treasury Regulation, Section 1.150-2 of the Internal Revenue Code of 1986 as amended, Commissioners Court may decide that it is in the County's best interest to pass a reimbursement resolution prior to the formal issuance of debt. The purpose of the resolution would be to announce the intent to reimburse itself for expenditures related to capital programs for which debt will be issued and the General Fund could then be reimbursed once the debt is sold. The County will intend to reimburse itself within 18 months from the later of date of the original expenditure or the date the property financed is placed into service (but in no event more than 3 years after the original expenditure is paid).

Section 11: REFUNDING OF DEBT

11.1 The County may elect to refund existing debt for reasons including, but not limited to, the following:

a. To achieve Net Present Value (NPV) savings generally of at least 3 percent;

b. To update bond covenants on outstanding debt which impair efficient operations or prohibit necessary or desirable activities;

c. To restructure the debt service schedules associated with outstanding bond issues; or

d. To alter bond characteristics such as call provisions or payment dates.

11.2 If a refunding is undertaken, the County will evaluate:

a. Issuance costs that will be incurred;
b. Interest rate at which the refunding bonds can be issued;
c. Maturity dates of the refunded bonds;
d. Call date (if any) on the refunded bonds; and
e. Call premium (if any) on the refunded bonds

Section 12: VARIABLE RATE EXPOSURE

12.1 The County may use variable rate debt (including commercial paper) to lower the cost of borrowing and provide a hedge against interest rate risk.

12.2 The County should establish a target of not to exceed 20 percent of its total outstanding debt in a variable rate mode.

12.3 Variable rate debt should be converted to fixed rate debt as necessary to maintain the 20 percent target, to meet the particular needs of a financing program, or to lock in low long term fixed interest rates.

12.4 When issuing variable rate debt, the County will have appropriate contingency plans in place, such as reserves or hedging instruments, to mitigate the risk associated with rising interest rate environments.

Section 13: INTEREST RATE SWAP AGREEMENTS

13.1 The County will consider the use of interest rate swap agreements on a case-by-case basis and consistent with Texas law and financial prudence.

13.2 Interest rate swap agreements may be used for the following purposes:

a. To achieve significant savings as compared to other, non-derivative type products available in the bond market;
b. To prudently hedge risk in the context of a particular financing or the overall asset/liability management of the County;
c. To incur variable rate exposure within prudent financial guidelines;
d. To achieve more flexibility in meeting overall financial objectives than available in conventional markets; or
e. To accomplish a financial objective not otherwise obtainable using traditional financing methods.

13.3 The County will not enter into an interest rate swap agreement without advice of an independent advisor and bond counsel.

13.4 The County may enter into an interest rate swap agreement if the counterparty has at least two long term unsecured credit ratings of at least equal to the County's long term general obligation rating from Fitch Ratings, Moody's Investors Service or Standard & Poor's Ratings Services and the party has demonstrated experience in successfully executing interest rate swap agreements.

13.5 The County will select counterparties utilizing one of the Methods of Sale as outlined in Section 9 of this policy.

13.6 Before entering into an interest rate swap agreement, the County shall evaluate all the risks inherent in the transaction including counterparty risk, termination risk, rollover risk, basis risk, tax event risk, credit risk and amortization risk. Evaluation of risk will also include the following considerations:

a. Uncertainty with respect to the County's future debt obligations;
b. Effect on the County's credit quality;
c. Cumulative exposure to all risk factors identified;
d. Difficulty and costs associated with terminations; and
e. Limitations on the ability to refund the swap's underlying bonds.

13.7 The County will monitor interest rate swap agreements on a quarterly basis to ensure compliance with corresponding swap documentation.

Section 14: CONTINUING DISCLOSURE

14.1 The County will periodically review the requirements of the Municipal Securities Rulemaking Board (MSRB) and the recommendations of the Government Finance Officers Association (GFOA), including the GFOA recommendation that financial statements be prepared and presented according to generally accepted accounting principles.

14.2 The County will remain in compliance with SEC Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within six months after the end of each fiscal year.

Section 15: MATERIAL EVENTS

15.1 Material Events are defined as those events, which are considered likely to reflect on the credit supporting the securities.

15.2 The County will issue a material event notice in accordance with the provisions of SEC Rule 15c2-12.

15.3 The events Bexar County will consider material are:

a. Principal and interest payment delinquencies;
b. Non-payment related defaults;
c. Unscheduled draw on debt service reserves reflecting financial difficulties;
d. Unscheduled draw on credit enhancements;
e. Substitution of credit or liquidity providers, or their failure to perform;
f. Adverse tax opinions or events affecting the tax-exempt status of the security;
g. Modification to rights of the security holders;
h. Bond calls;

i. Defeasances;
j. Release substitution, or sale of property securing repayment of the securities;
k. Rating changes; and
l. Any change in the County's fiscal year.

Section 16: EXPENDITURE OF BOND PROCEEEDS

16.1 A list of projects will be developed to ensure compliance with Federal and State laws.

16.2 The County Manager and the Auditor's Office will monitor the expenditure of bond proceeds, to ensure expenditures are made in a timely manner for the purposes for which the bonds were authorized.

16.3 With respect to the reimbursement of any expenditure paid prior to the date of issue of the bonds, the County Manager and the Auditor's Office will monitor compliance with the requirement of the Regulations that such reimbursement allocation to bond proceeds is made not later than 18 months after the later of (i) the date the original expenditure is made or (ii) the date the project is placed in service, but in no event more than three years after the original expenditure is paid. Furthermore, the County Manager and the Auditor's Office will monitor compliance with the requirement of the Regulations that such reimbursement allocation is for the reimbursement of the expenditures paid on or after 60 days prior to the date of a reimbursement resolution (including for this purpose a bond order).

Section 17: PRIVATE BUSINESS USE

17.1 Private business use exists if proceeds of the issue or the property to be financed by the bond proceeds are used directly or indirectly by any nongovernmental person in that person's trade or business. Private business use may occur due to arrangements (typically contractual) that give nongovernmental persons special legal entitlements with respect to the use of bond-financed property (including a sale or other transfer of bond-financed property to a nongovernmental person). Further, a bond issue is considered to have private security or payments if the payment of the debt service of an issue is either (a) secured directly or indirectly by property or payments derived from private business use or (b) to be derived from payments for a private business use. The tax-exempt status of governmental bonds may be jeopardized if both (a) the private business use associated with an issue of bonds exceeds five percent (and, in certain circumstances, ten percent) of the proceeds of an issue and (b) the private security or payments associated with an issue exceeds five percent (and, in certain circumstances, ten percent) of the proceeds of such issue.

17.2 If any action will create private business use or private payments as outlined above, Bexar County will take measures designed to preserve the intended federal income tax status of that issue of Bonds. Such measures may include ensuring that such agreement falls into an applicable exception under the private business use rules, making a determination that private use will not exceed the applicable limit or such other action as may be recommended by bond counsel, including taking remedial actions with respect to the issue of Bonds whose federal tax status is implicated.

It is recognized that certain of the County's bond issues (e.g. bonds that finance certain venue projects) were structured to take into account projected private business use of the facilities being financed with such issue. For such issues, the County will monitor any changes relating to the type or amount private business use of such facilities and, if necessary, will take measured designed to preserve the intended federal income tax status of that issue of Bonds as described above.

17.3 No more than five percent of the proceeds of an issue of bonds may be used to make loans or arrangements that allow a nongovernmental party to defer payments that it is obligated to make with respect to the financed property or the bonds.

Section 18: INVESTMENT OF DEBT PROCEEDS

18.1 Debt proceeds will be invested in accordance with the County's Investment Policy 3.10 or as otherwise permitted in the order or resolution authorizing the issuance of the debt.

18.2 Interest earned on proceeds from bonds, certificates of obligation, commercial or other short-term or long-term debt proceeds (excluding capital lease proceeds) is generally allocated to the Debt Service Fund.

18.3 Interest earned on proceeds from bonds, certificates of obligations, or other short-term or long-term debt proceeds (excluding capital lease proceeds) allocated to the Debt Service Fund shall be used solely to pay current and future debt service payments, as well as all related issuance cost.

Section 19: ARBITRAGE/REBATE

19.1 The County will follow a policy of full compliance with all arbitrage rebate requirements of the Code and will perform (via contract consultant) arbitrage calculations for each debt issue subject to rebate on an annual basis. All necessary rebate liability will be filed and paid when due.

19.2 Additionally, the Office of the County Auditor may choose to hire a rebate analyst to monitor compliance with rebate and yield restriction rules on an annual basis.

Section 20: CAPITAL PROJECT PROCESS

20.1 As set forth in Section 3 of this policy, the County Manager is responsible for making debt-financing recommendations to the Commissioners Court. In order to ensure sufficient cash flow is available to meet capital improvement project cash requirements, an annual debt issuance schedule is required. The Capital Project Process will provide the basis for the annual debt issuance schedule.

20.2 During the annual budget process, each office or department will complete the Capital Request Form for each project to be considered for adoption by Commissioners Court. The form requires offices and departments to detail the different phases of the project, a timeline for each phase, and cost per phase.

20.3 Upon approval of a new capital project, the information provided on the Capital Request Form will be used to develop the annual debt issuance schedule to meet the cash requirements of each project.

Section 21: POST-ISSUANCE COMPLIANCE

21.1 Bexar County acknowledges that as the issuer of debt obligations subject to the Code, it is responsible for post-issuance compliance with respect to such debt obligations.

21.2 After the debt is issued, and as project expenses are incurred, the County Auditor's Office and County Manager will periodically ensure continued compliance with aforementioned laws and guidelines.

21.3 Corrective action may be required if, for example, it is determined that bond proceeds were not properly expended, Bexar County is not in compliance with the arbitrage requirements imposed by the Code or Bexar County has taken a deliberate action (e.g., sale of bond-financed property) that results in impermissible levels of private business use.

21.4 If Bexar County determines or is advised that corrective action is necessary with respect to any issue of its obligations, Bexar County will, as may be applicable, in a timely manner:

- Seek to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31 (or any successor notice thereto)
- Take remedial action described under Section 1.141-12 of the Code
- Take such other action as recommended by Bond Counsel

21.5 Any issues of non-compliance will be resolved by the County Manager and the County Auditor's Office with the assistance of the County's Bond Counsel and Financial Advisors.

Section 22: DEFINITIONS

a. Arbitrage - Arbitrage is the profit that results from investing tax-exempt proceeds in higher-yielding taxable securities. In general, Internal Revenue Service (IRS) Regulations require that positive arbitrage earnings be rebated back to the government.

b. Bond Indenture - The contract that sets forth the promises of a bond issuer and the rights of investors in the bond.

c. Bond Covenant - A clause in a bond indenture that either requires or forbids some act by, and the issuer is obligated to comply with the covenant by virtue of issuing its bonds.

d. Call Dates - The date, prior to maturity, on which a callable bond may be redeemed.

e. Call Premium - The price, as established in the bond covenant, at which bonds will be redeemed.

f. Certificate of Obligation - The Certificate of Act of 1971 (as amended) permits a County to issue certificates of obligations for the purpose of paying contractual obligations incurred in the construction of public works and the purchase of materials, supplies, equipment, buildings, professional services and real property. Certificates of obligation are normally secured by ad valorem tax revenue and there is no requirement for voter approval.

g. Call Provisions - A clause in a bond contract granting the issuer the right to buy back all or part of an issue prior to the maturity date.

h. Capital Lease - A contract for the purchase of capital equipment through installment payments.

i. Code - The Internal Revenue Code of 1986, as amended.

j. Commercial Paper - Short-term, unsecured promissory notes usually backed by a line of credit with a bank. Maturities do not exceed 270 days.

k. Competitive Sales - A sale whereby the issuer determines the bond structure and solicits bids. The bonds are then awarded to the underwriting firm that submits the lowest interest costs for the debt.

l. Continuing Disclosure - The principal that accurate and complete information material to the transaction, which potential investors would be likely to consider material in making investment decisions with respect to the securities, be made available on an ongoing basis.

DEFINITIONS (cont.)

m. General Obligation - Bonds backed by the annual levy of an ad valorem tax as necessary, within the limits prescribed by law (if any), to pay off the bonds. Bonds are issued upon approval by the public in an election.

n. Interest Rate Management Agreement - An agreement entered into in connection with the issuance of debt by an issuer or in connection with debt already outstanding, with a counterparty to provide for an exchange of payments based upon fixed and/or variable interest rates.

o. Issuance Costs - The expenses associated with the sale of new securities, including such items as underwriter's spread, printing, legal fees and rating costs.

p. Negotiated Sales - A sale whereby the issuer selects an underwriter in advance so that the underwriter can assist with determining the appropriate structure of the bonds.

q. Private Placement - A sale whereby the issuer sells the bonds directly to an institutional investor.

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

s. Refunding Bonds - Bonds issued to retire a bond already outstanding that may be sold for cash and outstanding bonds redeemed with cash or exchanged with holders of outstanding bonds.

t. Revenue Bonds - Bonds issued where the money raised to pay off the bonds comes from a non-tax revenue source or a special/specific enterprise fund.

u. Tax Anticipation Notes - Short-term notes issued in anticipation of collections of taxes. Short-term notes issued by the county to finance current operations, with repayment from anticipated tax receipts. Also called tax anticipation warrant. These notes are issued at a discount, and must have a maturity of thirteen months or less, and mature either at a specific future date or when property and other taxes are collected. Tax anticipation notes hold first claim on tax receipts when collected.

v. Variable Rate Debt - Bonds with interest rates that fluctuate based upon an index or pricing procedure. These bonds often offer lower interest rates and have short maturities.

Glossary of Terms

Account: An individual 5 digit code in the County's financial system which corresponds to a line-item in any given appropriation. It is the most detailed unit in the accounting string. For example, in the appropriation Personnel Service, account 50200 is the defined line-item for Social Security expenditures.

Accounting System: The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

Accounting Unit: A 4-digit code in the County's financial system. The code represents an Office and/or Department or a division within an Office and/or Department.

Accrual: Accrual accounting/budgeting refers to a method of accounting/budgeting in which revenues are recorded when earned and outlays are recorded when goods are received or services are performed, even though the actual receipts and disbursements of cash may occur, in whole or in part, in a different fiscal period.

Activity: A county financial system code designating funding for a capital project or grant.

Adult Detention Center: Commonly referred to as ADC, is a County building used for the incarceration of people awaiting trial or transfer to another facility.

Appropriated Fund Balance: The excess of an entity's revenues over its appropriations for a specific period of time that is appropriated as part of the adopted budget. This fund balance is available for emergencies or unforeseen expenditures.

Appropriation: (1) An authorization made by the Commissioners Court, which allows officials to incur obligations and make expenditures of governmental resources. An appropriation is typically granted for periods of one year and specified for fixed amounts. (2) Appropriations within a budget include a group of accounts, such as the Personnel Appropriation.

Assessed Valuation: An estimated value placed upon real and personal property by the appraisal district as the basis for levying property taxes.

Assets: Property owned by the County, which has monetary value.

Audit: A systematic examination of resource utilization. The audit is a test of management's internal accounting controls and is intended to verify financial positions and the legality of transactions; to identify improvements in accounting systems and accuracy and consistency of transactions; and to certify the stewardship of officials responsible for governmental funds.

Authorized Positions: These are positions authorized by Commissioners Court for each Office and Department. This includes both full-time and part-time, permanent positions. The numbers shown under authorized positions for FY 2016-17 represent the full-time equivalents.

Balance Sheet: A statement purporting to present the financial position of an entity by disclosing the cost of its assets, liabilities, and equities as of a specified date.

Balanced Budget: When planned expenditures on goods, services, and debt income is equal to income from taxation and other governmental receipts.

Baseline Budget: Ongoing expenses for personnel, contractual services, supplies, and equipment required to maintain service levels previously authorized by the Commissioners Court.

Bond: Bonds are used as long-term debt instruments to pay for capital expenditures. A bond is a written promise to pay a specified sum of money (principal) at a specified future date (maturity date), as well as periodic interest paid at a specified percentage of the principal (interest rate).

Bond Rating: The credit-worthiness of a government as evaluated by independent agencies.

Budget (Operating): A financial operation plan consisting of proposed estimated expenditures for a fiscal year and an estimate of proposed revenues. The term is also used to identify the officially approved expenditure levels under which the County and its Offices and Departments operate.

Budget Calendar: The schedule of key or target dates that the County follows in the preparation and adoption of the budget.

Budget Document: The instrument used by the Budget Officer to present a comprehensive financial program to the Commissioners Court.

Budget Transfer: Budget transfers shift previously budgeted funds from within an appropriation to another. Transfers may occur throughout the course of the fiscal year as needed for County government operations.

Capital Assets (Fixed Assets): Assets of significant value that have a useful life of several years.

Capital Budget: A plan of proposed capital expenditures and the means of financing the proposals. The capital budget is established as part of the County's budget, which includes both operating and capital expenditures. The capital budget is based on the Capital Improvement Program.

Capital Expenditures: An expenditure group used to fund capital outlay purchases such as furniture, computers, vehicles and kitchen and laundry equipment. Purchases made from the capital expenditures group become fixed assets of the County.

Capital Improvement Program: A multi-year plan for capital expenditures, which sets forth each proposed capital project, identifies the expected beginning and ending date for each project, the amount to be expended each year, and the method of financing each capital project.

Capital Improvements Project Activity: A Capital Improvements Project Activity is one of the following groups of actions usually undertaken in a capital improvements project: planning and engineering, right-of-way acquisition, utility relocation, construction, and other costs for initial capital equipment.

Capital Outlays: Expenditures for the acquisition of capital assets. This includes the cost of land, buildings, permanent improvements, machinery, large tools, furniture, and equipment.

Carry Forward Balance: The amount of excess revenues over expenditures within the same fund that are transferred from one fiscal year to the next.

Cash Management: Cash management refers to the activities of forecasting the inflows and the outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds to achieve the highest interest and return available for temporary cash balances.

Central Magistration: a building located at 401 South Frio Street that provides Bexar County law enforcement agencies to transport their arrested persons for processing.

Certificate of Deposit: A negotiable or non-negotiable receipt for monies deposited in a bank or financial institution for a specified period at a specified rate of interest.

Charge-Back System: A system designed for expenditures to be expensed to the individual Offices and Departments. This will help to appropriately charge the expenditures to the Offices and Departments for services provided by County Offices and Departments.

Commodities: Items of expenditure which, after use, are consumed or show a material change in their physical condition. Commodities are generally of limited value and are characterized by rapid depreciation (i.e. office supplies, motor fuel, etc.).

Comprehensive Annual Financial Report (CAFR): This official annual report, prepared by the County's Auditors Office, presents the status of the County's finances in a standardized format. The CAFR is organized by fund and contains two basic types of information: (1) a balance sheet that compares assets with liabilities and fund balance, and (2) an operating statement that compares revenues and expenditures.

Community Infrastructure and Economic Development (CIED): A fund established by the San Antonio City Public Service Board of Trustees.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures.

Contractual Services: Services the County receives from an internal service fund or an outside entity that is bound by a legal contract.

Current Taxes: Taxes that are levied and due within a calendar year. FY 2016-17 taxes are levied on property valued in calendar year 2016.

Debt Service: The obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes: Taxes unpaid after the due date, in which a penalty is assessed for non-payment.
Department: A major administrative division of the County that reports to Commissioners Court and provides management responsibility for a group of related functions.

Depreciation: Expiration in the service life of capital assets attributable to wear and tear, deterioration, physical elements, inadequacy, or obsolescence. Depreciation is also the portion of the cost of a capital asset which is charged as an expense during a particular accounting period.

Effective Tax Rate: That tax rate which will generate the same amount of tax revenue on the same tax base in the next fiscal year as in the current fiscal year. This is determined by the Tax Assessor-Collector.

Effectiveness (Outcome) Indicator: The extent to which the service provided meets the objectives and/or expectations of the organization and/or constituent.

Efficiency (Output) Indicator: The ratio of inputs used per unit of output (or outputs per input).

Encumbrances: Obligations in the form of purchase orders, contracts, or salary commitments reserved in specified appropriations. Encumbrances cease to exist when paid or when an actual liability is established.

Enterprise Fund: A fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is to recover the cost of providing goods through fees. Rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures.

Estimate: The estimated expenditures and revenues for the fiscal year prior to the new budget fiscal year. This is used to determine the Carry Forward Balance.

Expenditure Group: A grouping of similar expenditures used to exercise budgetary control. For example, the Personnel Services expenditure group includes salaries, Social Security, Medicare, retirement, group health insurance, group life insurance and workers compensation premiums. An Office or Department can over run an individual line item as long as the expenditure group budget amount is not exceeded. This is also referred to as an Appropriation.

Expenditure: The cost of goods and services rendered.

Fiduciary Fund: A fund that contain resources held by a government but belonging to individuals or entities other than the government.

Fiscal Year: The time period designated by the County signifying the beginning and ending periods for recording financial transactions. Bexar County has designated October 1 to September 30 as its fiscal year.

FTE: Full-time equivalent. A measure of hours paid to employees on the government's payroll. One person working full-time for a year uses one FTE, including vacation and sick leave. It does not include overtime and other "premium" pay. An FTE works at least 80 hours per pay period.

Frozen Position: A authorized position that is vacant, which cannot be filled without approval of Commissioners Court and/or the Budget Department.

Full Faith and Credit: A pledge of the County's taxing power to repay debt obligations.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, identifiable revenue sources and expenditures. Funds are segregated for the purpose of completing specific activities or attaining certain objectives.

Fund Balance: When an entity's revenues exceed expenditures/encumbrances within a specific period of time. This is the excess cash at the end of a fiscal year. This is also referred to as an Appropriated Fund Balance.
General Fund: The largest cash fund within the County. The General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose.

General Obligation Bond: General Obligation Bonds must be authorized by public referenda. Bonds become General Obligation Bonds when the County pledges its full faith and credit to the repayment of the issued bonds.

Generally Accepted Accounting Principles (GAAP): The basic accounting principles and guidelines; the detailed standards and other rules issued by the Financial Accounting Standards Board and its predecessor the Accounting Principles Board; and generally accepted industry practices.

Grants: Gifts from the Federal and/or State government to entities or persons designed by laws.

Grant Project Activity: A grant activity is one of the following groups of actions usually undertaken in a grant project: planning new programs and/or services, filling gaps in services, construction, and other costs for services for the community.

Governmental Accounting Standards Board (GASB): The current source of generally accepted accounting principles used by State and Local governments in the United States of America. GASB is a private, non-governmental organization.

Governmental Fund: Resources held in trust for the benefit of Bexar County's own programs or Bexar County citizenry.

Infrastructure: The basic physical and organizational structures and facilities (e.g. buildings, roads, power supplies) needed for the operation of a society or enterprise.

Interfund Transfers: The expenditure group used to account for transfers between funds. This group also includes cash matches budgeted for both anticipated and awarded grants.

Intergovernmental Grant: A contribution of assets by one governmental unit to another. In most cases the grants are made to local governments from the State and/or Federal Governments. Intergovernmental grants are usually made for specified purposes.

Intergovernmental Revenue: Revenue received from another government for a specified purpose. In Bexar County, intergovernmental revenue is received from the City of San Antonio, the State of Texas, the Federal Government, and other indirect sources.

Internal Service Fund (Enterprise Fund): Funds utilized to account for the financing of goods or services provided by one Office or Department to other Offices or Departments within a government.

Investment: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals, or base payments received.

Liability: Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. A liability does not include encumbrances.

Long-Term Debt: Debt with maturity of more than one year after the date of issuance.

Maturities: The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

Mission Statement: A written and concise statement of an Office or Department's core purpose that normally remains unchanged over time.

Office: A major administrative division of the County headed by an elected or appointed official that assumes overall management responsibility for the operation of a group of related functions.
Operating Funds: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and "pay-as-you-go" capital projects.

Operational Expenses: The expenditure group that includes all payments for services, including those provided through County internal service funds. Examples of expenses included in this group are: postage, utilities, medical and legal services, architectural and engineering services, printing, microfilming, vehicle and radio repair and maintenance and contributions to other agencies.

Performance Indicators: Specific quantitative measures of work performed within an activity or program (i.e. total number of investigations conducted by the Sheriff's Office). Types of performance indicators include workload, efficiency (output) and effectiveness (outcome) indicators.

Personnel Services: An expenditure group that includes all personnel related costs such as salaries, social security and Medicare, retirement, group health insurance, group life insurance and workers compensation premiums.

Program Budget: A budget that focuses upon the goals and objectives of an agency or jurisdiction rather than upon its organizational budget units or object classes of expenditure.

Program Change: Request from Offices and Departments for additional resources, including personnel. This may also take the form of program reductions or eliminations.

Property Tax: Property taxes are local taxes that provide a source of money local governments use to pay for schools, streets, roads, police, fire protection and many other services. Texas law establishes the process followed by local officials in determining the value for property, ensuring that values are equal and uniform, setting tax rates and collecting taxes.

Proposed Budget: A budget proposal presented to Commissioners Court by the appointed County Budget Officer. The proposed budget includes future costs, revenues, and resources for the new fiscal year for Commissioners Court to determine

Proprietary Funds: Accounts for government activities that are similar to the commercial sector, where goods and services are provided to the general public through user charges.

Reconciliation: A detailed summary of increases and decreases in departmental expenditures from one budget year to another.

Reserve: An account used to indicate that part of a fund's assets is legally reserved for a specific purpose.

Resources: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

Revenue: The funds collected by a government.

Revenue Bonds: Government-issued bonds which do not pledge the full faith and credit of the jurisdiction and must therefore rely on operating revenues other than property taxes to repay the debt.

Revenue Estimate: A formal estimate of the amount of revenue that will be earned from a specific revenue source for some future period.

Risk Management: An organized attempt to protect a government's assets against accidental loss.

RFP: Request for Proposal. A formal solicitation created by a procurement action from the County's Purchasing Department. RFPs specify what the government wants to procure and the conditions that must be met by the persons that are to provide what the government is seeking.

Shortfall: The excess of expenditures over revenues during a single accounting period.

Special Revenue Fund: Required to account for the use of revenue earmarked by law for a particular purpose. This is also referred to as an Other Operating Fund.

Supplies and Materials: The expenditure group that includes all payments for commodities. Examples of line items in this group include office supplies, small tools, ammunition, software, fuel and oil, clothing and bedding and uniforms.

Tax Levy: The total amount raised by general property taxes for operating and debt service purposes.

Tax Rate: The amount of tax levied for each $100 of assessed valuation.

Tax Rate Limit: The maximum legal property tax rate at which a county may levy a tax. The limit may apply to taxes raised for a particular purpose or for a general purpose.

Third-Party Administration: An organization that processes insurance claims or certain aspects of employee benefits plans for a separate entity.

Travel and Remunerations: An expenditure group that includes travel, professional training, payments to staff for extradition services, payment of wages to election workers, and stipends paid to jurors.

Unincorporated: Refers to a region of land that is not governed by its own local municipality but is administered as part of a larger administrative division, such as a township, parish, county, city or state.

Unit Cost: The cost required to produce a specific product or unit of service.

User Charges (Fees): The payment of a fee for direct receipt of a public service by the party benefiting from the service.

VIA Metropolitan Transit: A bus service that provides transportation services to Bexar County.

Workload (Input) Indicator: The resources used to produce an output.

Yield: The rate earned on an investment based on the price paid for the investment.