

FINANCIAL SECTION

Independent Auditor's Report

To the Honorable Mayor and
Members of the Village Council
Village of Vinton, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Vinton, Texas, (Village) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Vinton, Texas, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 5 through 12, and 54 through 56, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The schedule of revenues, expenditures and changes in fund balance - budget and actual for the capital projects fund and debt service fund are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of revenues, expenditures and changes in fund balance - budget and actual for the capital projects fund and debt service fund 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 schedule of revenues, expenditures and changes in fund balance - budget and actual for the capital projects fund and debt service fund are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019 on our consideration of the Village of Vinton, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Vinton, Texas' internal control over financial reporting and compliance.

Gibson Ruddock Patterson LLC

Gibson Ruddock Patterson LLC
El Paso, Texas
November 19, 2019

**VILLAGE OF VINTON, TEXAS MANAGEMENT'S
DISCUSSION AND ANALYSIS FOR THE YEAR
ENDED SEPTEMBER 30, 2018**

The following is an overview of the financial condition for the Village of Vinton, Texas, (the Village) for the fiscal year ended September 30, 2018. This document is designed to:

- Provide a concise overview of the Village's financial activity, comparing current year to prior year and identifying specific economic factors contributing to changes;
- Help users of the financial statements understand the relationship of the results reported in the government-wide financial statements related to governmental activities and the results reported in the major governmental funds financial statements;
- Help the reader focus on the Village's financial condition as a whole, describing currently known facts, decisions or conditions expected to impact the Village's financial condition and the availability of fund resources for future years; and
- Identify significant variances between the adopted budget, final budget and actual expenditures, discussing the impact of these variances on future liquidity.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities and resulting changes, it should be considered in conjunction with the other sections of this audit report.

Financial Highlights

On a government-wide basis, the total assets exceeded its liabilities at September 30, 2018 by \$3,680,098. There is a \$536,101 unrestricted balance in net position.

The total net position increased by \$1,400,541. Governmental activities increased net position by \$1,400,059 and increase from business-type activities totaled \$482. Overall, during the fiscal year that ran from October 1, 2017 to September 30, 2018, the Village's total net position increased by 62%.

In the Statement of Activities, which reports both governmental and business-type activities, general revenues largely comprised of franchise fees, sales taxes, and property taxes, totaled \$2,576,780. Program revenues for Governmental Activities, including charge for services, operating grants & contributions, and capital grants totaled \$210,510. The \$2,787,290 sum of general and program revenues less total expenses of \$1,435,957 produced an overall \$1,351,333 increase in net position for the year ended September 30, 2018.

Sanitation services earned revenue of \$100,039, while accumulating operating expenses of \$99,557, producing a net income of \$482. The overall change in net position totaled \$482.

As of September 30, 2018, governmental funds reported combined ending fund balances of \$18,646,050. Of the current combined fund balance, \$466,685 is unassigned and available for the purpose of the general fund. On a government-wide basis, cash and cash equivalents at September 30, 2018, totaled \$665,532 compared to \$133,546 in the prior year. Total receivables equaled \$220,203 in the current year versus \$99,549.

Total current liabilities equaled \$541,483 at fiscal year-end compared to \$910,003 in the prior year. Long term liabilities totaled \$18,733,673 compared to \$3,109,842 in the prior year. The Village issued \$5,085,000 revenue certifications of obligations series 2017 and received a forgivable loan of \$11,646,454 from the Texas Water Development Board. The proceeds from the new debt will be used for Phase I of the village wide wastewater collection system project.

Investment in capital assets, net of related debt, equaled \$3,004,222, an increase of 49% compared to the prior year. These capital assets net of accumulated depreciation include land, building & improvements, machinery & equipment, street improvements and flood & drainage facilities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the Village'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 Village is improving or deteriorating. The statement of activities presents information showing how the Village's net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all of a significant portion of their costs through user fees and charges (business type activities).

The governmental activities of the Village include general government, administration, public safety, public works, and community outreach. There is one business type activity of the Village, which is the solid waste collection.

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 Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the Village's funds can be divided into three categories: governmental, 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 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 Village's 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 of governmental funds and governmental activities.

In addition to the general fund, the Village maintains the special revenue fund, the debt service fund, and the capital projects fund. Information for each fund is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The Village did adopt an annual appropriated budget for 2018. The governmental fund financial statements can be found on exhibits C-1 through C-4 of this report.

Proprietary Funds

The Village maintains one proprietary fund in the form of an enterprise fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its solid waste services provided to the citizens.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provides information regarding the solid waste fund. The proprietary fund statements can be found on exhibits D-1 through D-3 of this report.

Fiduciary Funds

The Village accounts for resources held for others in a custodial capacity in agency funds. The Village's Agency Fund is Keep Vinton Beautiful, Inc. The statement of fiduciary net position can be found on exhibit E-1 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 the fund financial statements. The notes to the financial statements can be found on pages 29 through 51 of this report.

Government-Wide Financial Analysis

Net position figures serve as a useful indicator of a government's financial position. The Village's assets exceeded liabilities by \$3,680,098 at the close of Fiscal Year 2018. Eighty one percent of the Village's total net position, or \$3,004,222, are composed of investment in capital assets (e.g. land, buildings, machinery and equipment) deducted by long-term liabilities. The Village uses these assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this outstanding debt are restricted funds that must be provided by other sources.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	9/30/18	9/30/17	9/30/18	9/30/17	9/30/18	9/30/17
ASSETS:						
Current assets	\$ 863,983	\$ 233,576	\$ 21,752	\$ 14,274	\$ 885,735	\$ 247,850
Noncurrent assets	18,030,009	2,087,720	-	-	18,030,009	2,087,720
Capital assets	<u>4,038,753</u>	<u>3,962,886</u>	<u>757</u>	<u>946</u>	<u>4,039,510</u>	<u>3,963,832</u>
Total assets	<u>22,932,745</u>	<u>6,284,182</u>	<u>22,509</u>	<u>15,220</u>	<u>22,955,254</u>	<u>6,299,402</u>
LIABILITIES:						
Current liabilities	529,178	904,505	12,305	5,498	541,483	910,003
Long-term liabilities	<u>18,733,673</u>	<u>3,109,842</u>	<u>-</u>	<u>-</u>	<u>18,733,673</u>	<u>3,109,842</u>
Total liabilities	<u>19,262,851</u>	<u>4,014,347</u>	<u>12,305</u>	<u>5,498</u>	<u>19,275,156</u>	<u>4,019,845</u>
NET POSITION						
Invested in capital assets, net of related debt	3,003,465	2,015,767	757	946	3,004,222	2,016,713
Restricted for debt service	137,840	48,407	-	-	137,840	48,407
Restricted for community outreach	1,935	-	-	-	1,935	-
Unrestricted	<u>526,654</u>	<u>205,661</u>	<u>9,447</u>	<u>8,776</u>	<u>536,101</u>	<u>214,437</u>
Total net position	<u>\$ 3,669,894</u>	<u>\$ 2,269,835</u>	<u>\$ 10,204</u>	<u>\$ 9,722</u>	<u>\$ 3,680,098</u>	<u>\$ 2,279,557</u>

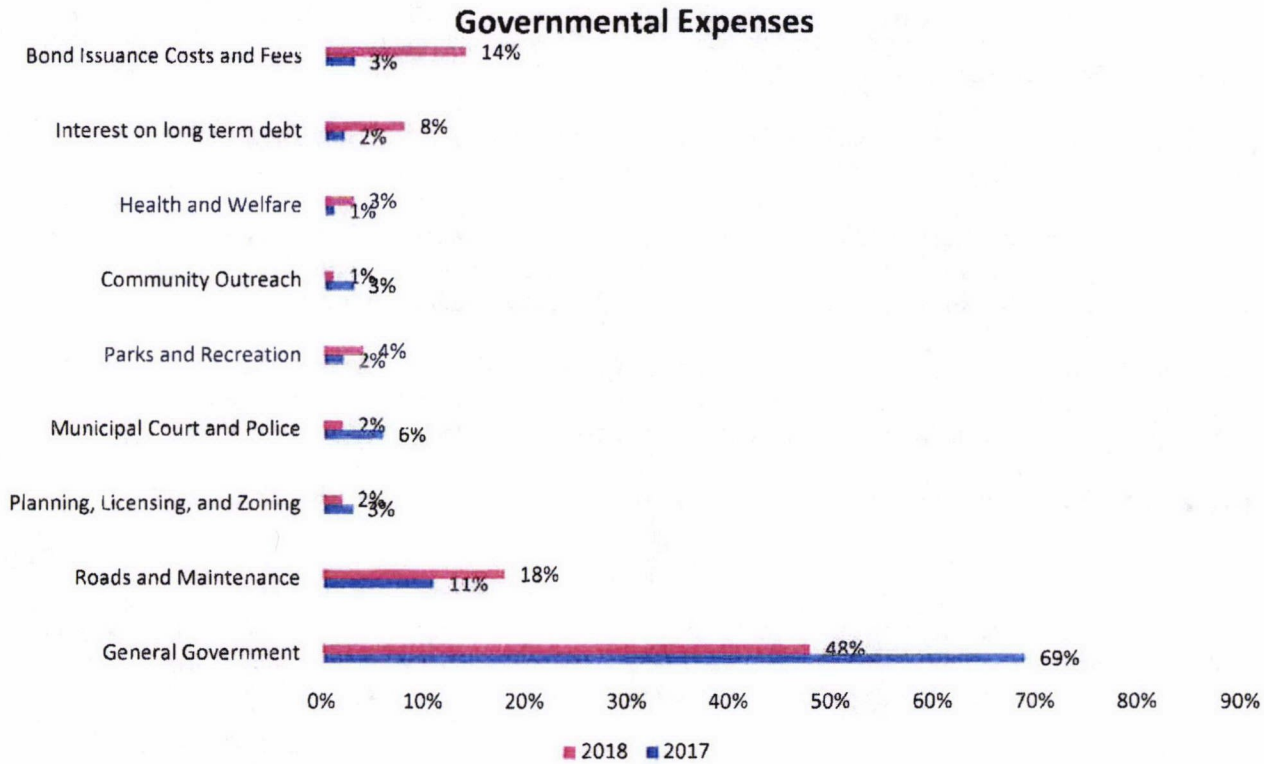
To summarize, total assets increased from \$6,299,402 in 2017 to \$22,955,254 in 2018, an increase of \$16,655,852 due to increase in restricted cash and cash equivalents in the capital projects fund.

Current liabilities consist of accounts payable, accrued interest and accrued compensated absences due within one year, and payables related debt due within one year. During fiscal year 2018, current liabilities decreased from \$910,003 to \$541,483. Long-term debt increased from \$3,109,842 to \$18,733,673. Total liabilities increased by \$15,255,311; from \$4,019,845 to \$19,275,156 at fiscal year-end due to the certificate of obligations issued in current year and the new forgivable loan received from the Texas Water Development Board.

A condensed comparative statement of activities is as follows:

	CONDENSED STATEMENT OF ACTIVITIES					
	Governmental Activities		Business-Type Activities		Total	
	9/30/18	9/30/17	9/30/18	9/30/17	9/30/18	9/30/17
Revenues:						
Program revenues:						
Charges for services	\$ 56,400	\$ 22,106	\$ 100,039	\$ 102,023	\$ 156,439	\$ 124,129
Operating grants and contributions	61,539	15,212	-	-	61,539	15,212
Capital Grants and contributions	92,571	-	-	-	92,571	-
General revenues:						
Franchise fees	336,360	276,445	-	-	336,360	276,445
Sales taxes	423,644	312,684	-	-	423,644	312,684
Property taxes	756,914	524,240	-	-	756,914	524,240
Investment	247,424	5,517	-	-	247,424	5,517
Other	15,335	1,776	-	-	15,335	1,776
Loan forgiveness	797,103	-	-	-	797,103	-
Total revenue	\$2,787,290	\$1,157,980	\$ 100,039	\$ 102,023	\$2,887,329	\$1,260,003
EXPENSES:						
General government	\$ 680,279	\$1,049,501	\$ -	\$ -	\$ 680,279	\$ 1,049,501
Roads and maintenance	255,534	169,657	-	-	255,534	169,657
Planning, licensing, and zoning	43,000	46,976	-	-	43,000	46,976
Sanitation services	-	-	99,557	94,010	99,557	94,010
Municipal court	18,478	98,867	-	-	18,478	98,867
Parks and recreation	49,795	32,375	-	-	49,795	32,375
Community outreach	10,011	43,220	-	-	10,011	43,220
Health and welfare	51,439	15,212	-	-	51,439	15,212
Interest on long-term debt	114,055	34,463	-	-	114,055	34,463
Bond issuance costs and fees	213,366	55,837	-	-	213,366	55,837
Total expenses	1,435,957	1,546,108	99,557	94,010	1,535,514	1,640,118
Increase (decrease) before special items and transfers	1,351,333	(388,128)	482	8,013	1,315,815	(380,115)
Special item and transfers	-	539,669	-	-	-	539,669
Increase (decrease) in net position	1,351,333	151,541	482	8,013	1,351,815	159,554
Beginning net position	2,269,835	2,118,294	9,722	1,709	2,279,557	2,120,003
Prior period adjustment	48,726	-	-	-	48,726	-
Ending net position	\$ 3,669,894	\$2,269,835	\$ 10,204	\$ 9,722	\$3,680,098	\$2,279,557

In the current year, total expenses for governmental activities totaled \$1,435,957. Governmental activities earned revenues totaling \$2,787,290, mostly from general revenues: property taxes, sales taxes, and franchise fees. The allocation breakdown of governmental expenses is as follows:



Financial Analysis of the Village's Funds

Governmental Funds

The focus of the Village's governmental funds is to provide information on near term inflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Village's governmental funds reported a combined ending fund balance of \$18,646,050. General fund revenues totaled \$1,272,440 for the fiscal year, while expenditures were \$955,938. The special revenue fund reported \$51,439 in state and federal grant revenue while expenditures were \$51,439 for health and welfare. The capital projects fund reported \$92,571 in federal and state grants and \$247,424 in investment earnings while expenditures were \$395,721 for capital outlay and issuance costs. The debt service fund reported \$326,674, mostly from property taxes while expenditures were \$237,363 for principal and interest payments related to outstanding debt.

Proprietary Funds

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

Regarding the September 30, 2018 balance sheet for proprietary funds, solid waste collection (sanitation services) posted total net position of \$10,204, which is a 5% increase from the previous year figure of \$9,722. Regarding the

statement of revenues, expenses, and changes in net position, total proprietary funds operating revenues were \$100,039 while operating expenses were \$99,557 producing net operating income of \$482.

General Fund and Special Revenue Fund Budgetary Highlights

The discussion that follows summarizes the budgetary comparison schedules of both the general fund and special revenue fund for the year ended September 30, 2018.

During the 2018 fiscal year, the Village budgeted for general fund revenues of \$1,037,550. The actual revenues for the fiscal year were \$1,272,440, a \$234,890 favorable variance mainly due to an increase in sales tax revenue.

For the fiscal year ended September 30, 2018, the Village anticipated that general fund revenues would not exceed expenditures by \$126,740. Actual revenues were \$316,502 more than expenditures resulting in a positive variance of \$443,242. Administration expenses were under budget mainly due to personnel turnover.

The special revenue fund was budgeted \$4,486,600 for state and federal grant revenue which was \$4,435,161 under the actual revenue of \$51,439. There was \$4,486,600 budgeted for expenditures but due to less activity, there were only \$51,439 of expenditures. This left a positive variance of \$4,435,161.

Capital Assets and Debt Administration

Capital Assets

The Village of Vinton's investment in capital assets includes land, buildings & improvements, machinery & equipment, street improvements and flood drainage facilities. The carrying value of these capital assets equaled \$4,038,753 (net of accumulated depreciation) at fiscal year-end, up by \$75,867 from the previous year total of \$3,962,886.

CAPITAL ASSETS NET OF ACCUMULATED DEPRECIATION

	Governmental Activities		Business-Type Activities		Total	
	9/30/18	9/30/17	9/30/18	9/30/17	9/30/18	9/30/17
Land	\$ 392,276	\$ 293,334	\$ -	\$ -	\$ 392,276	\$ 293,334
Buildings and improvements	281,194	301,033	757	946	281,951	301,979
Machinery and equipment	123,717	152,666	-	-	123,717	152,666
Furniture and fixtures	341	1,252	-	-	341	1,252
Flood/drainage facilities	1,789,673	1,852,215	-	-	1,789,673	1,852,215
Work in progress	1,451,552	1,362,386	-	-	1,451,552	1,362,386
Total assets	\$4,038,753	\$3,962,886	\$ 757	\$ 946	\$4,039,510	\$3,963,832

Long-Term Debt

At the end of the current year, the Village had total debt outstanding of \$19,275,156, which consists of \$18,953,173 related to bonds, certificates of obligations, and forgivable loans, \$41,286 related to capital lease, and \$37,215 for compensated absences.

Currently Known Facts, Decisions, or Conditions

In fiscal year 2017-2018, the Village continued with much needed infrastructure projects including water, wastewater and storm water to reduce risk to the health and property of the Village.

The Village of Vinton, saw a 22% increase in FY 17-18 Franchise Fee income.

The Village council and administration continue to monitor the national economy and its effects on local businesses and the city's budget. One indicator of the condition of local business is Sales Tax Revenue, which had an increase compared to prior year. In FY 17-18 Sales Tax revenue totaled \$423,644, a 36% increase compared to \$312,684 in the prior year.

In previous fiscal years, the Village Council had been proactively working to meet the basic quality of life needs of the citizens of Vinton. As with any city, changes to the council through the election process can affect the direction of the administration or slow down the rate of progress in one area over another.

The administration of the Village continues to collaborate with other entities such as El Paso County, El Paso Water Utilities/PSB, Texas Water Development Board and the Texas Department of Rural Affairs to reduce the future financial burden on Vinton residents in the pursuance of municipal water and wastewater systems. The Village is identified as a Disadvantaged Community, making the potential of larger grant awards possible and is resolute in its endeavor to seek cost effective solutions. This commitment is evident in its ongoing efforts to establish partnerships that provide cost free or low cost programs in order to address the health, welfare and prosperity of its families and entrepreneurs of Vinton, Texas.

Request for Information

This financial report is designed to provide a general overview of the Village's finances and to show the Village's accountability for the money it receives. Questions concerning any of the information provided in the report or request for additional information should be addressed to the Village Administrator, 436 E. Vinton Rd., Vinton, TX 79821.

BASIC FINANCIAL STATEMENTS

STATE OF TEXAS
Village of Vinton
Statement of Net Position
September 30, 2018

	Primary Government		
	Governmental Activities	Business- type Activities	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 640,874	\$ 24,658	\$ 665,532
Receivables:			
Property Taxes Receivable, Net	39,287	-	39,287
Other Taxes	85,857	-	85,857
Due from Other Governments	94,853	-	94,853
Charges for Services, Net	-	206	206
Internal Balances	3,112	(3,112)	-
Total Current Assets	863,983	21,752	885,735
Noncurrent Assets			
Restricted Cash and Cash Equivalents	18,030,009	-	18,030,009
Land	392,276	-	392,276
Construction in Progress	1,451,552	-	1,451,552
Capital Assets, Net	2,194,925	757	2,195,682
Total Noncurrent Assets	22,068,762	757	22,069,519
Total Assets	\$ 22,932,745	\$ 22,509	\$ 22,955,254

The accompanying notes are an integral part of these financial statements.

	Primary Government		
	Governmental	Business-	
	Activities	type	Total
		Activities	
Liabilities			
Current Liabilities			
Accounts Payable	\$ 180,335	\$ 6,520	\$ 186,855
Accrued Payroll	19,073	667	19,740
Accrued Expenses	622	1,872	2,494
Accrued Interest	14,651	-	14,651
Due to Agency Fund	16,496	-	16,496
Accrued Compensated Absences	22,352	-	22,352
Bonds, Certificates of Obligation, Leases and Loans Payable	275,649	-	275,649
Unearned Revenue	-	3,246	3,246
Total Current Liabilities	529,178	12,305	541,483
Noncurrent Liabilities			
Accrued Compensated Absences	14,863	-	14,863
Bonds, Certificates of Obligation, Leases and Loans Payable	18,718,810	-	18,718,810
Total Noncurrent Liabilities	18,733,673	-	18,733,673
Net Position			
Net Investment in Capital Assets	3,003,465	757	3,004,222
Restricted for:			
Debt Service	137,840	-	137,840
Community Outreach	1,935	-	1,935
Unrestricted	526,654	9,447	536,101
Total Net Position	3,669,894	10,204	3,680,098
Total Liabilities and Net Position	\$ 22,932,745	\$ 22,509	\$ 22,955,254

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS
Village of Vinton
Statement of Activities
For the Year Ended September 30, 2018

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Primary Government				
General Government	\$ 680,279	\$ -	\$ -	\$ -
Roads and Maintenance	255,534	-	-	-
Planning, Licensing, and Zoning	43,000	56,400	-	-
Municipal Court	18,478	-	-	-
Parks and Recreation	49,795	-	-	-
Community Outreach	10,011	-	10,100	-
Health and Welfare	51,439	-	51,439	-
Capital Outlay	-	-	-	92,571
Interest on Debt	114,055	-	-	-
Bond Issuance Costs and Fees	213,366	-	-	-
Total Governmental Activities	1,435,957	56,400	61,539	92,571
Business-Type Activity:				
Sanitation Services	99,557	100,039	-	-
Total Business-Type Activity	99,557	100,039	-	-
Total Primary Government	\$ 1,535,514	\$ 156,439	\$ 61,539	\$ 92,571

General Revenues and Special Items:

Taxes:

Property Taxes, Levied for General Purpose

Property Taxes, Levied for Debt Service

General Sales and Use Taxes

Franchise Tax

Investment Earnings

Miscellaneous Revenue

Loan Forgiveness

Total General Revenues

Change in Net Position

Net Position - Beginning

Prior Period Adjustment

Net Position - Ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities		Business-Type Activity	Total
\$	(680,279)	\$ -	\$ (680,279)
	(255,534)	-	(255,534)
	13,400	-	13,400
	(18,478)	-	(18,478)
	(49,795)	-	(49,795)
	89	-	89
	-	-	-
	92,571	-	92,571
	(114,055)	-	(114,055)
	(213,366)	-	(213,366)
	(1,225,447)	-	(1,225,447)
	-	482	482
	-	482	482
\$	(1,225,447)	\$ 482	\$ (1,224,965)
	443,908	-	443,908
	313,006	-	313,006
	423,644	-	423,644
	336,360	-	336,360
	247,424	-	247,424
	15,335	-	15,335
	797,103	-	797,103
	2,576,780	-	2,576,780
	1,351,333	482	1,351,815
	2,269,835	9,722	2,279,557
	48,726	-	48,726
\$	3,669,894	\$ 10,204	\$ 3,680,098

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS
Village of Vinton
Balance Sheet
Governmental Funds
September 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund
Assets			
Cash and Cash Equivalents	\$ 424,703	\$ 75,387	\$ -
Restricted Cash and Cash Equivalents	-	-	18,030,009
Receivables:			
Property Taxes, Net	27,525	-	-
Other Taxes	85,857	-	-
Due from Other Governments	-	50,000	17,184
Other Receivables	-	-	27,669
Due from Other Funds	94,973	-	75,840
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 633,058	\$ 125,387	\$ 18,150,702
	<hr/>	<hr/>	<hr/>
Liabilities			
Liabilities			
Accounts Payable	\$ 30,610	\$ -	\$ 149,725
Accrued Payroll	19,073	-	-
Accrued Expenses	622	-	-
Due to Other Funds	16,949	125,387	41,806
	<hr/>	<hr/>	<hr/>
Total Liabilities	67,254	125,387	191,531
	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	22,637	-	-
	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	22,637	-	-
	<hr/>	<hr/>	<hr/>
Fund balances			
Restricted for:			
Capital Projects	-	-	17,959,171
Debt Service	-	-	-
Community Outreach	1,935	-	-
Assigned for:			
Capital Projects	74,547	-	-
Unassigned	466,685	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances	543,167	-	17,959,171
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 633,058	\$ 125,387	\$ 18,150,702
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

Debt		Total	
Service Fund			
\$	140,784	\$	640,874
	-		18,030,009
	11,762		39,287
	-		85,857
	-		67,184
	-		27,669
	-		170,813
<hr/>		<hr/>	
\$	152,546	\$	19,061,693
<hr/>		<hr/>	
	-		180,335
	-		19,073
	-		622
	55		184,197
<hr/>		<hr/>	
	55		384,227
<hr/>		<hr/>	
	8,779		31,416
<hr/>		<hr/>	
	8,779		31,416
<hr/>		<hr/>	
	-		17,959,171
	143,712		143,712
	-		1,935
	-		74,547
	-		466,685
<hr/>		<hr/>	
	143,712		18,646,050
<hr/>		<hr/>	
\$	152,546	\$	19,061,693
<hr/>		<hr/>	

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS
Village of Vinton
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
September 30, 2018

Total Fund Balances - Governmental Funds	\$ 18,646,050
1. Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$5,466,117 and the accumulated depreciation was (\$1,503,231). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	725,427
2. Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the 2018 capital outlays is to increase net position.	188,108
3. Current year long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as reductions in long-term debt in the government-wide financial statements. In addition, current year long-term debt issued is other financial sources in the fund financial statements, but they should be shown as increases in long-term debt in the government-wide financial statements. The net effect of including the 2018 debt principal payments and debt issuances is to decrease net position.	(15,808,866)
4. The 2018 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(112,241)
5. Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue and eliminating interfund activities. The net effect of these reclassifications and recognitions is to increase net position.	31,416
Net Position of Governmental Activities	<u>\$ 3,669,894</u>

The accompanying notes are an integral part of these financial statements.

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STATE OF TEXAS
Village of Vinton
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund
Revenues			
Taxes:			
Property	\$ 438,685	\$ -	\$ -
Franchise	336,360	-	-
Sales	423,644	-	-
Planning, Licenses, and Zoning Fees	56,400	-	-
Intergovernmental:			
Federal Operating Grants	-	48,729	92,118
State Operating Grants	-	2,710	453
Investment Earnings	-	-	247,424
Miscellaneous	17,351	-	-
Total Revenue	1,272,440	51,439	339,995
Expenditures			
Current:			
General Government	661,921	-	-
Roads and Maintenance	187,230	-	-
Planning, Licenses, and Zoning	43,000	-	-
Municipal Court	18,317	-	-
Parks and Recreation	29,706	-	-
Community Outreach	10,011	-	-
Health and Welfare	-	51,439	-
Capital Outlay	5,753	-	182,355
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Issuance Costs	-	-	213,366
Total Expenditures	955,938	51,439	395,721
Excess (Deficiency) of Revenues Over Expenditures	316,502	-	(55,726)
Other Financing Sources (Uses)			
Proceeds from Long-Term Debt	-	-	16,731,454
Transfers In	-	-	453
Transfers Out (Use)	(453)	-	-
Total Other Financing Sources (Uses)	(453)	-	16,731,907
Net Change in Fund Balances	316,049	-	16,676,181
Fund Balance - Beginning	223,376	-	1,238,006
Prior Period Adjustment	3,742	-	44,984
Fund Balances - Ending	\$ 543,167	\$ -	\$ 17,959,171

The accompanying notes are an integral part of these financial statements.

Debt			
Service Fund		Total	
\$	318,590	\$	757,275
	-		336,360
	-		423,644
	-		56,400
	-		140,847
	-		3,163
	-		247,424
	8,084		25,435
<hr/>		<hr/>	
	326,674		1,990,548
<hr/>		<hr/>	
	403		662,324
	-		187,230
	-		43,000
	-		18,317
	-		29,706
	-		10,011
	-		51,439
	-		188,108
	125,017		125,017
	111,943		111,943
	-		213,366
<hr/>		<hr/>	
	237,363		1,640,461
<hr/>		<hr/>	
	89,311		350,087
<hr/>		<hr/>	
	-		16,731,454
	-		453
	-		(453)
<hr/>		<hr/>	
	-		16,731,454
<hr/>		<hr/>	
	89,311		17,081,541
	54,401		1,515,783
	-		48,726
<hr/>		<hr/>	
\$	143,712	\$	18,646,050

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS
Village of Vinton
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended September 30, 2018

Total Net change in Fund Balances - Governmental Funds	\$ 17,081,541
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2018 capital outlays is to increase net position.	188,108
Current year long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as reductions in long-term debt in the government-wide financial statements. In addition, current year long-term debt issued is other financial sources in the fund financial statements, but they should be shown as increases in long-term debt in the government-wide financial statements. The net effect of removing the 2018 debt principal payments and debt issuances is to decrease net position.	(15,796,327)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(112,241)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue and adjusting current year revenue to show the revenue earned from the current year's tax levy. The net effect of these reclassifications and recognitions is to decrease net position.	(9,748)
Change in Net Position of Governmental Activities	<u>\$ 1,351,333</u>

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS
Village of Vinton
Statement of Net Position
Proprietary Fund
September 30, 2018

	Sanitation Services Fund
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 24,658
Receivables, Net	<u>206</u>
Total Current Assets	<u>24,864</u>
Noncurrent Assets	
Capital Assets	1,702
Less: Accumulated Depreciation	<u>(945)</u>
Total Noncurrent Assets	<u>757</u>
Total Assets	<u><u>\$ 25,621</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$ 6,520
Accrued Payroll	667
Accrued Other Liabilities	1,872
Due to Other Funds	3,112
Unearned Revenue	<u>3,246</u>
Total Current Liabilities	<u>15,417</u>
Total Liabilities	<u>15,417</u>
Net Position	
Net Investment in Capital Assets	757
Unrestricted	<u>9,447</u>
Total Net Position	<u>10,204</u>
Total Liabilities and Net Position	<u><u>\$ 25,621</u></u>

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS
Village of Vinton
Statement of Revenues, Expenses, and Change in Net Position
Proprietary Fund
For the Year Ended September 30, 2018

	Sanitation Services Fund
Operating Revenues	
Charges for Services	<u>\$ 100,039</u>
Total Operating Revenues	<u>100,039</u>
Operating Expenses	
Personnel Services	20,966
Supplies	203
Sanitation Fees	75,208
Depreciation	189
Other Operating Expenses	<u>2,991</u>
Total Operating Expenses	<u>99,557</u>
Operating Income (Loss)	<u>482</u>
Change in Net Position	482
Net position - Beginning of Year (October 1)	<u>9,722</u>
Net position - End of Year (September 30)	<u><u>\$ 10,204</u></u>

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS
Village of Vinton
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2018

	Sanitation Services Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 100,364
Cash Paid to Employees for Services	(20,406)
Cash Paid for Supplies and Services	<u>(67,762)</u>
Net Cash Provided (Used) by Operating Activities	<u>12,196</u>
Net Increase in Cash and Cash Equivalents	12,196
Cash and Cash Equivalents - Beginning of Year	<u>12,462</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 24,658</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 482
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation	189
Changes in Assets and Liabilities	
Accounts Receivable	490
Prepaid Expenses	916
Due from Other Funds	200
Accounts Payable	6,412
Accrued Payroll	560
Accrued Other Liabilities	(407)
Unearned Revenue	242
Due to Other Funds	<u>3,112</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 12,196</u></u>

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS
Village of Vinton
Statement of Net Position
Fiduciary Funds
September 30, 2018

	<u>Agency Fund</u>
Assets	
Due from Other Funds	<u>\$ 16,496</u>
Total Assets	<u><u>\$ 16,496</u></u>
Liabilities	
Due to Keep Vinton Beautiful	<u>\$ 16,496</u>
Total Liabilities	<u><u>\$ 16,496</u></u>

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Vinton, Texas (the "Village") was incorporated under the provisions of Article 1139 of the Revised Civil Statutes of the State of Texas on August 8, 1961. It operates under the Mayor/alderman form of government. The Mayor and five alderpersons are selected by the citizens of the Village. They are compensated for their services. The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, conduct and convenience of its inhabitants.

The Village is situated in El Paso County, Texas; it is approximately 1,800 acres in size with a population of approximately 1,892 people. The Village maintains roads within the municipality boundaries and is currently servicing approximately 350 sanitation customers.

This summary of significant accounting policies of the Village is presented to assist in the understanding of the Village's financial statements. The financial statements and notes are the representation of the Village's management who is responsible for their integrity and objectivity. The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

A. Financial Reporting Entity

The financial reporting entity consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significant of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the Village for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61 and GASB Statement No. 80. Blended component units, although legally separate entities, are in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, Keep Vinton Beautiful, Inc. (a 501(c)(3) nonprofit) was determined to meet the definition of a component unit but is neither blended nor discretely presented. It is included in the Village as a fiduciary fund (agency fund) as the Village has fiduciary responsibility for the organization. Keep Vinton Beautiful, Inc. was formed in February 2017 and is organized to educate and engage the citizens of Vinton to take responsibility for improving their community and environment through programs and education. The activities and events related to this community outreach are now administered by Keep Vinton Beautiful, Inc. instead of the Village of Vinton.

The Village is not a component unit of another governmental agency.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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 charged to external customers.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers 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.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Separate financial statements are provided for governmental funds and proprietary funds.

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 and generally include the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are 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 as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, licenses and fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Village's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of Village facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Unavailable revenue from property taxes arises only under the modified accrual basis of accounting. The governmental funds report this unavailable revenue as a deferred inflow of resources and recognize revenue in the period that the amounts become available.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the Village to refund all or part of the unused amount.

The proprietary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the fund Statement of Net Position. Net position is segregated into net investment in capital assets, restricted, and unrestricted. For the purpose of the statement of cash flows for the proprietary fund, the Village considers highly liquid investments to be cash equivalent if they have a maturity of three months or less when purchased.

The Village reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Village does not currently employ indirect cost allocation systems.

Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues include activities that have the characteristics of an exchange transaction, such as a) sales and services and b) contracts and grants. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as a) investment income and b) miscellaneous.

Operating expenses include activities that have the characteristics of an exchange transaction, such as a) employee salaries, benefits, and related expenses; b) utilities, supplies, and other services; c) professional fees; d) repairs and maintenance; and e) depreciation expenses related to Village capital assets and long-term debt. Nonoperating expenses include activities that have the characteristics of nonexchange transactions, such as interest on capital assets-related debt that are defined as nonoperating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The net position of the Village is reported in three categories: 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. Restricted net assets results from constraints placed on the use of net position when externally imposed by creditors, grantors, laws and regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Village is required to present certain governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following:

1. General Fund - is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
2. Special Revenue Fund - is used to account for federal and state resources restricted for specific purposes by a grantor for purposes other than capital projects. Unused balances must be returned to the grantor at the close of specified project periods. The Village accounts for the revenue and expenditures of the Bulk Waste Grant Program and the Home Investing Partnership Program in this fund.
3. Capital Projects Fund - is used to account for and report financial resources that are restricted for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
4. Debt Service Fund - is used to account for and report financial resources that are restricted for principal and interest. The Debt Service Fund is used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in the future years are also reported in the debt service fund.

The Village reports the following major enterprise fund:

5. Sanitation Services Fund - is used to accounts for operations that are financed and operated in a manner similar to private business enterprises, where the stated intent of the governing body is that the costs (expenses, including depreciation) of solid waste services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Village reports the following fiduciary fund:

6. Agency Fund - The Village accounts for resources held for others in a custodial capacity in agency funds. The Village's Agency Fund is Keep Vinton Beautiful, Inc.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Other Accounting Policies

1. **Deposits and Investments:** The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Restricted cash represents certain unexpended long-term debt funding restricted for specific capital projects.

The funds of the Village must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the Village's agent bank in an amount sufficient to protect Village funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

The Village is not in full compliance with the Depository Contract Law; see the Schedule of Findings and Responses item 2018-002.

The Village is required by Governmental Code Chapter 2256, **Public Funds Investment Act** (PFIA), to adopt, implement, and publicize an investment policy. That policy must address safety of principal and liquidity, portfolio diversification, allowable investments, acceptable risk levels, expected rates of return, maximum allowable stated maturity of portfolio investments, maximum average dollar weighted maturity allowed based on the stated maturity date for the portfolio, investment staff quality and capabilities, and bid solicitation preferences for Certificate of Deposit. Statutes authorize the Village to invest in (1) obligations of the U.S. Government, its agencies and instrumentalities, and government sponsoring enterprises, (2) fully insured or collateralized certificates of deposit, (3) repurchase agreement and reverse repurchase agreements, (4) no-load, SEC registered money market funds, (5) and constant dollar Texas Local Government Investment Pools. The Act also requires the Village to have independent auditors perform test procedures related to investment practices as provided by the Act. The Village adopted an investment policy in April 2018.

The Village is not in full compliance with the Public Funds Investment Act; see the Schedule of Findings and Responses item 2018-001.

Additional policies and contractual provisions governing deposits and investments for the Village are specified below:

Restricted cash - Certain debt proceeds of the Village's capital project fund are classified as restricted cash on the balance sheet because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custodial Credit Risk:

Deposits - Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Village's will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Investments - Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty to a transaction, the Village will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Interest Rate Risk:

Deposits - The Village is not exposed to interest rate risk.

Investments - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. For example, a bond or other security is guaranteed only as to the timely payment of interest and principal; its market price is not guaranteed. Bonds issued by the United States government and corporations will fluctuate in value as interest rates change. In general, the market value of a bond varies inversely with interest rates. If interest rates rise, prices generally fall; if interest rates fall, prices generally rise. In addition, for a given change in interest rates, longer-maturity bonds typically fluctuate more in price (gaining or losing more in value) than short-maturity bonds. To compensate investors for this risk, longer-maturity bonds generally offer higher yields than shorter-maturity bonds, all other factors, including credit quality, being equal.

Credit Risk:

Deposits - The Village is not exposed to credit risk.

Investments - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the greater the credit risk, the higher the yield, all other factors being equal. Direct United States Treasury obligations are generally considered to have the lowest credit risk among securities.

Concentration of Credit Risk:

Deposits - The Village is not exposed to concentration of credit risk.

Investments - The risk of loss attributed to the magnitude of a government's investment in a single issuer. It is the policy of the Village to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. Concentration of credit risk is not applicable to investment pools since the purpose of these pools is to diversify the investment portfolio.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currency Risk:

Deposits- The risk that changes in exchange rates will adversely affect the fair value of a deposit. The Village does not have any deposits in foreign currency and as such, is not exposed to foreign currency risk.

Investments - The risk that changes in exchange rates will adversely affect the fair value of an investment. The Village does not have any investments in foreign currency and as such, is not exposed to foreign currency risk.

2. **Interfund Receivables and Payables:** Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.
3. **Receivables:** All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded as revenue when levied net of estimated refunds and uncollectible amounts.
4. **Property Taxes:** Property taxes are levied on October 1st in conformity with the Texas Property Tax Code. Property taxes uncollected after February 1st are considered delinquent. The taxes attach as an enforceable lien on property as of January 31st of the next year to secure the payment of all taxes, penalties, and interest ultimately imposed. The City of El Paso Tax Assessor Collector assesses and collects property taxes for the Village. The Village is permitted by the Texas Property Code to levy taxes for general services, permanent improvements, water works, sewers, and roads, streets, and bridges. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.
5. **Capital Assets:** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an estimated useful life in excess of three years and \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of the receipt. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Impairment of assets takes place when the fair value of the long-term asset is below its book (carrying) value. The impairment loss is recorded only when the carrying value of the asset is not recoverable and exceeds its fair value. The Village does not have any impaired assets as of September 30, 2018.

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

Assets	Years
Building and improvements	30
Machinery and equipment	40
Furniture and fixtures	4-15
Street improvements	4-15
Flood/drainage facilities	7-10

6. **Deferred outflows of resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Village does not have an item that qualifies for reporting in this category.
7. **Accrued Expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through September 30, 2018, along with applicable related payroll taxes and benefits.
8. **Compensated Absences:** The Village provides its employees compensated absences for annual leave and sick leave. Employees are entitled to request leave pay out in June and December of each year. Eligible employees must have 280 or more vacation or compensatory time accrued hours. Accrued sick leave is not eligible for pay out. Pay out of accrued vacation or compensatory time will be processed in up to 40 hours of leave time. Request must be submitted in writing to the Village Administrator two weeks before the 1st day of June and December. Annual leave is compensated based on the length of employment, from 0 to 3 years 1.77 hours per work week, from 4 to 7 years 2.31 hours per work week, from 8 to 11 years 3.47 hours per work week, 12 years or more 5.20 hours per work week. Sick leave is earned at the rate of 0.77 hours per work week, 40 hours per year - up to 240 maximum accrual. Employees leaving employment are compensated for accumulated annual leave but not for accumulated sick leave. The Village allows compensatory time for employees for time worked over 5 hours of overtime per week and accrued at one and one-half. As of September 30, 2018, employees had approximately 1,582 hours of accumulated vacation leave, totaling \$34,380 and 187 hours of deferred compensation totaling \$2,835.

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. **Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. For bonds issued after GASB 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. For fund financial reporting, bond premiums and discounts are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.
10. **Deferred inflow of resources:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The only item the Village has in this category is unavailable revenue related to property taxes. This amount is deferred and will be recognized in future periods when the amounts become available. The Village has recorded \$31,416 related to unearned property taxes.
11. **Fund Balance Classification Policies and Procedures:** In the fund financial statements, governmental fund balances are classified as follows:

Nonspendable Fund Balance - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) 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 and prepaid amounts. It also includes amounts to be held in perpetuity. At September 30, 2018, the Village did not have any nonspendable fund balance.

Restricted Fund Balance - Represents amounts reported when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Enabling legislation, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary-to use resources created by enabling legislation only for the purposes specified by the legislation.

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed Fund Balance - Represents amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision-making authority which the Village Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Village Council. At September 30, 2018, the Village did not have any committed fund balance.

Assigned Fund Balance - Represents amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Village Council or the Village Administrator is authorized to assign amounts to a specific purpose. At September 30, 2018, the Village did not have any assigned fund balance.

Unassigned fund balance - Represents amounts that are available for any purpose and have not been restricted, committed, or assigned for specific purposes.

For the classification of fund balances, the Village considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, the Village considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Minimum Unassigned Fund Balance: The Village's goal is to achieve and maintain a general fund balance equal to three months (25%) of average operating expenditures.

At September 30, 2018, the unassigned fund balance for the general fund is \$466,685, which is 49% of annual expenditures of the general fund.

12. Net Position: Net position is classified and displayed in the three components:

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - Consists of the net amount of assets, liabilities, deferred outflows of resources, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Village consider restricted resources to have been spent.

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. **Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant estimates presented in the Village's financial statements are the allowances for uncollectible receivables and the remaining useful lives on capital assets.

II. STEWARD, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Village is required by the Texas Constitution to adopt an annual balanced budget. The Village officially adopts the annual budget ordinance and all project ordinances and has the authority to amend such ordinances. All budgets are prepared on the modified accrual basis of accounting as required by Texas Law.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Village maintains unrestricted cash at one financial institution, Inter National Bank in El Paso, Texas. At September 30, 2018, the carrying amount of the Village's deposits was \$665,532 and the bank balance was \$662,570. The Village's cash deposits at September 30, 2018 were entirely covered by FDIC insurance or pledged collateral held by the Village's agent bank in the Village's name.

Investment (cash equivalent) - The deposits at Amergy Bank represent four escrow accounts that are invested in Fidelity Investments Money Market Treasury Portfolio - Class I (FISXX) (S&P rating AAAM). Due to the immediate availability of the funds, these escrow accounts are presented as cash and cash equivalents as of September 30, 2018.

Amergy Bank's pledged collateral is for all escrow accounts of the bank in total. There is not a specific amount pledged for the Village. However, as of September 30, 2018, the bank confirmed that the total of pledged collateral exceeded all escrow accounts.

The types of collateral are limited to direct obligations of the United States Government and all bonds issued by any agency, Village, or political subdivision of the State of Texas.

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

	Inter National Bank	Amergy Bank	Total
Amount of deposits	\$ 662,570	\$ 18,030,009	\$ 18,692,579
FDIC coverage	(250,000)	(250,000)	(500,000)
Total uninsured public funds	412,570	17,780,009	18,192,579
Collateralized by securities held by pledging institutions' trust department	902,394	813,344,651	814,247,045
Funds over collateralized	\$ 489,824	\$ 795,564,642	\$ 796,054,466

B. Receivables

Governmental fund receivables as of September 30, 2018, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Activities
Property taxes	\$ 32,202	\$ -	\$ -	\$ 13,245	\$ 45,447
Less: Allowance for uncollectable taxes	(4,677)	-	-	(1,483)	(6,160)
Total Property taxes receivable	27,525	-	-	11,762	39,287
Other taxes:					
Sales taxes	80,249	-	-	-	80,249
Franchise taxes	5,608	-	-	-	5,608
Total other taxes receivable	85,857	-	-	-	85,857
Due from other governments	-	50,000	17,184	-	67,184
Other receivables:					
Interest receivable	-	-	27,669	-	27,669
Municipal court warrants	220,547	-	-	-	220,547
Less: Allowance for doubtful accounts related to Municipal court fines and warrants	(220,547)	-	-	-	(220,547)
Total other receivables	-	-	27,669	-	27,669
Total net receivables	\$ 113,382	\$ 50,000	\$ 44,853	\$ 11,762	\$ 219,997

Property tax revenues in the amount of \$31,416 that were not collected within the period of availability have been reclassified as deferred inflows in the governmental fund financial statements.

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Receivables and Payables

Interfund balances are the result of normal operations and are cleared out periodically. Management intend to pay out these balances within one year. The composition of interfund balances during the year ended September 30, 2018 is as follows:

	Due From Other Funds	Due to Other Funds
General Fund:		
Special revenue fund	\$ 50,000	\$ -
Capital projects fund	41,806	453
Debt service fund	55	-
Sanitation services fund	3,112	-
Agency fund	-	16,496
Total General Fund	<u>94,973</u>	<u>16,949</u>
Special Revenue Fund:		
General fund	-	50,000
Capital projects fund	-	75,387
Total Special Revenue Fund	<u>-</u>	<u>125,387</u>
Capital Projects Fund:		
General fund	453	41,806
Special revenue fund	75,387	-
Total Capital Projects Fund	<u>75,840</u>	<u>41,806</u>
Debt Service Fund:		
General fund	-	55
Enterprise (Sanitation Services) Fund:		
General fund	-	3,112
Agency Fund:		
General fund	16,496	-
Total	<u><u>\$ 187,309</u></u>	<u><u>\$ 187,309</u></u>

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers generally fall within two categories: (1) transfers to cover debt service payments to comply with debt covenants, and (2) transfers to charge other funds fees or a permanent reallocation of resources. Transfers during the year ended September 30, 2018 were as follows:

	Transfers In	Transfers Out
General Fund:		
Capital projects fund	\$ -	\$ 453
Capital Projects Fund:		
General fund	453	-
Total	<u>\$ 453</u>	<u>\$ 453</u>

The general fund transferred \$453 to the capital projects fund as matching funds required by a state grant.

D. Capital Asset Activity

The following is a summary of capital assets and changes occurring during the year ended September 30, 2018. Land and construction in progress are not subject to depreciation.

Governmental Activities:	Balance September 30, 2017	Additions	Deletions/ Reclassification	Balance September 30, 2018
Capital assets not being depreciated:				
Land	\$ 293,334	\$ -	\$ 98,942	\$ 392,276
Construction in progress	1,362,386	188,108	(98,942)	1,451,552
Total capital assets not being depreciated	<u>1,655,720</u>	<u>188,108</u>	<u>-</u>	<u>1,843,828</u>
Capital assets being depreciated:				
Building and improvements	729,615	-	-	729,615
Machinery and equipment	535,496	-	-	535,496
Furniture and fixtures	43,609	-	-	43,609
Infrastructure	2,501,677	-	-	2,501,677
Total capital assets being depreciated	<u>3,810,397</u>	<u>-</u>	<u>-</u>	<u>3,810,397</u>
Total capital assets	<u>5,466,117</u>	<u>188,108</u>	<u>-</u>	<u>5,654,225</u>
Less accumulated depreciation:				
Building and improvements	428,582	19,839	-	448,421
Machinery and equipment	382,830	28,949	-	411,779
Furniture and fixtures	42,357	911	-	43,268
Infrastructure	649,462	62,542	-	712,004
Total accumulated depreciation	<u>1,503,231</u>	<u>112,241</u>	<u>-</u>	<u>1,615,472</u>
Total capital assets, net of depreciation	<u>\$ 3,962,886</u>	<u>\$ 75,867</u>	<u>\$ -</u>	<u>\$ 4,038,753</u>

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

Included in machinery and equipment is leased equipment in the amount of \$121,151 with the related accumulated depreciation in the amount of \$44,856. Current year depreciation was \$12,115.

Depreciation expense for the year ended September 30, 2018 was charged to the functions of the governmental activities as follows:

General Government	\$ 23,687
Roads and maintenance	68,304
Municipal court	161
Parks and recreation	20,089
Total depreciation expense	<u>\$ 112,241</u>

<i>Business-Type Activities:</i>	Balance September 30, 2017	Additions	Deletions/ Reclassification	Balance September 30, 2018
Capital assets being depreciated:				
Building and improvements	\$ 1,702	\$ -	\$ -	\$ 1,702
Total capital assets being depreciated	1,702	-	-	1,702
Total capital assets	1,702	-	-	1,702
Less accumulated depreciation:				
Building and improvements	756	189	-	945
Total accumulated depreciation	756	189	-	945
Total capital assets, net of depreciation	<u>\$ 946</u>	<u>\$ (189)</u>	<u>\$ -</u>	<u>\$ 757</u>

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt

During the year ended September 30, 2018, the following changes occurred in the liabilities reported in the government-wide statement of net position:

<i>Governmental Activities:</i>	<i>Funded by:</i>	Balance September 30, 2017	Additions	Retirements	Balance September 30, 2018	Due Within One Year
Bonds, Certificates of Obligations, Leases and Loans:						
Combination Tax and Solid Waste System Surplus Revenue Certificates of Obligations Series 2016	Debt Service	\$ 802,000	\$ -	\$ 25,000	\$ 777,000	\$ 25,000
Forgivable loan LF1000503	-	1,356,822	-	797,103	559,719	-
Capital lease	Debt Service	61,303	-	20,017	41,286	20,649
General Obligation Refunding Bonds Series 2017	Debt Service	965,000	-	80,000	885,000	85,000
Combination Tax and Sewer System Surplus Revenue Certificates of Obligation Series 2017	Debt Service	-	5,085,000	-	5,085,000	145,000
Forgivable loan LF1000664	Debt Service	-	11,646,454	-	11,646,454	-
Total Bonds, Certificates of Obligation, Leases and Loans:		3,185,125	16,731,454	922,120	18,994,459	275,649
Other Liabilities:						
Compensated absences	General fund	52,334	28,106	43,225	37,215	22,352
Total Governmental Long-term Liabilities		\$ 3,237,459	\$ 16,759,560	\$ 965,345	\$ 19,031,674	\$ 298,001

Long-term debt outstanding at September 30, 2018 consisted of the following:

Capital Leases - On June 29, 2015, the Village entered into a long term capital lease for equipment costing \$121,151 with interest at 3.2% and maturing July 2020. The lessor has a first security interest in the equipment. The lease requires annual payments of \$21,868. The lease is payable from the proceeds of an ad valorem tax levied.

Combination Tax and Solid Waste System Surplus Revenue Certificates of Obligation Series 2016 - On June 28, 2016, the Village issued \$825,000 of revenue certificates at interest rates ranging from 0.11% to 1.71%, payable twice a year on February 15 and August 15, commencing on February 15, 2017 and ending August 15, 2046. Certificates with maturities on or after August 15, 2027 are redeemable at the redemption price of par plus accrued interest to the date of redemption. The proceeds from the certificates are to be used to finance the planning, acquisition, and design of wastewater system improvements. The certificates are payable from the proceeds of an ad valorem tax levied and are additionally payable from and secured by a lien on and pledge of the net revenues of the Village's solid waste disposal system.

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

Forgivable Loan LF1000503 - In May 2016, the Village executed a loan forgiveness agreement in the amount of \$1,885,860 with the Texas Water Development Board ("TWDB"), funded by the Clean Water State Revolving Fund, to finance wastewater system improvements. Loan proceeds are maintained in escrow as required by the loan forgiveness agreement. The loan is considered forgiven as the TWDB releases the money. The amount released and forgiven during the year ended September 30, 2018 was \$797,103.

General Obligation Refunding Bond Series 2017 - On June 15, 2017, the Town of Vinton issued a \$965,000 General Obligations Refunding Bond (Series 2017) with an interest rate of 3.382% payable twice a year on February 15 and August 15, commencing on February 15, 2018 and ending August 15, 2027 to refund \$900,000 of outstanding 2010 Tax Notes. As a result, the 2010 Tax Notes are considered to be defeased and not presented in these financial statements. There are no amounts of defeased debt still outstanding at September 30, 2018.

Combination Tax and Sewer System Surplus Revenue Certificates of Obligation Series 2017 - On October 17, 2017, the Village issued \$5,085,000 of revenue certificates at interest rates ranging from 0.02% to 2.03%, payable twice a year on February 15 and August 15, commencing on August 15, 2018 and ending August 15, 2048. The proceeds from the certificates are to be used to finance the planning, acquisition, and design of wastewater system improvements. The certificates are payable from the proceeds of an ad valorem tax levied and surplus net revenues of the sewer system.

Forgivable Loan LF1000664 - On October 3, 2017, the Village executed a loan forgiveness agreement in the amount of \$11,646,454 with the Texas Water Development Board ("TWDB"), funded by the Clean Water State Revolving Fund, to finance wastewater system improvements. Loan proceeds are maintained in escrow as required by the loan forgiveness agreement. The loan is considered forgiven as the TWDB releases the money. There were no amounts released and forgiven during the year ended September 30, 2018.

Debt service requirements for the long-term debt are as follows:

Year Ending September 30,	Principal	Interest	Total Requirements
2019	\$ 275,649	\$ 116,301	\$ 391,950
2020	280,637	112,769	393,406
2021	260,000	109,035	369,035
2022	265,000	105,703	370,703
2023	270,000	101,961	371,961
2024-2028	1,291,000	439,005	1,730,005
2029-2033	922,000	347,544	1,269,544
2034-2038	997,000	270,178	1,267,178
2039-2043	1,094,000	176,258	1,270,258
2044-2048	1,133,000	66,894	1,199,894
	<u>\$ 6,788,286</u>	<u>\$ 1,845,648</u>	<u>\$ 8,633,934</u>

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Debt Service Coverage

Combination Tax and Solid Waste System Surplus Revenue Certificates of Obligation Series 2016: The Village has pledged a first lien on the tax and surplus revenues of the solid waste system to repay \$825,000 in certificates of obligation issued in June 2016. The proceeds from the notes are to be used to finance the planning, acquisition, and design of wastewater system improvements. The certificates are solely payable from the proceeds of an ad valorem tax levied and the net revenues of the Village's solid waste disposal system and are payable through 2046. The total principal and interest remaining to be paid on the certificates as of September 30, 2018 is \$952,312, with payments expected to require 99% of net revenues.

The Bond ordinance of the Tax and Solid Waste System Surplus Revenue Certificates of Obligation, Series 2016, requires the Village to maintain and collect sufficient rates and charges for services in conjunction with any other legally available funds that, after payment of the costs of operating and maintaining the solid waste system, it produces net revenues in an amount not less than 1.10 times the debt service payments for all outstanding solid waste system revenue certificates of the Village, or the Village must provide documentation which evidences the levy of an ad valorem tax rate dedicated to the payment of the Certificates, in conjunction with any other legally available funds other than revenues of the solid waste system, sufficient for the repayment of solid waste system debt service requirements.

The computation of this ratio is summarized below for the year ended September 30, 2018:

Revenues available for debt service	\$ 34,844
Current year debt service requirements	<u>34,362</u>
Debt Service Ratio	<u><u>1.01</u></u>
Revenues available for debt service are determined as follows:	
Solid waste system revenue	100,039
Interest and sinking tax revenues assessed	34,362
Operating revenue deductions	<u>(99,557)</u>
Net water and wastewater revenue	<u><u>\$ 34,844</u></u>

The Village debt service ratio does not meet the required 1.10 times the debt service payments. However, taxes levied were sufficient for the repayment of the current year debt payments. Principal and interest paid for the current year and total customer net revenues plus interest and sinking tax revenue assessed were \$34,362 and \$34,844, respectively.

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STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

Combination Tax and Sewer System Surplus Revenue Certificates of Obligation Series 2017: The Village has pledged a first lien on the tax and net revenues derived from the operation of the Village's sewer system to repay \$5,085,000 in certificates of obligation issued in October 2017. The proceeds from the certificates are to be used to finance the planning, acquisition, and design of wastewater system improvements. The certificates are solely payable from the proceeds of an ad valorem tax levied and surplus net revenues of the sewer system and are payable through 2048. The total principal and interest remaining to be paid on the certificates is \$6,597,108. The Village sewer system is in progress; therefore, no revenue was generated from the sewer system in fiscal year 2018.

The Bond ordinance of the Tax and Sewer System Surplus Revenue Certificates of Obligation, Series 2017, requires the Village to maintain and collect sufficient rates and charges for services in conjunction with any other legally available funds that, after payment of the costs of operating and maintaining the sewer system, it produces net revenues in an amount not less than 1.10 times the debt service payments for all outstanding sewer system revenue certificates of the Village, or the Village must provide documentation which evidences the levy of an ad valorem tax rate dedicated to the payment of the Certificates, in conjunction with any other legally available funds other than revenues of the sewer system, sufficient for the repayment of sewer system debt service requirements.

The computation of this ratio is summarized below for the year ended September 30, 2018:

Revenues available for debt service	<u>\$ 165,263</u>
Current year debt service requirements	<u>62,654</u>
Debt Service Ratio	<u>2.64</u>
Revenues available for debt service are determined as follows:	
Sewer system revenue	\$ -
Interest and sinking tax revenues assessed	165,263
Operating revenue deductions	<u>-</u>
Net sewer system revenue	<u>\$ 165,263</u>

The Village debt service ratio is over the required 1.10 times the debt service payments. Principal and interest paid for the current year and total interest and sinking tax revenue assessed were \$62,654 and \$165,263, respectively.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. 457 Deferred Compensation Plan

All Village employees are eligible to participate in the Village's Deferred Compensation Plan (the "Plan") adopted under the provisions of the Internal Revenue Code 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The Plan is administered by Nationwide Retirement Solutions and is a defined contribution plan. Under the terms of the plan, employees may contribute up to \$18,500 of their earnings if under the age of 50 or \$24,500 if over the age of 50. The Village matches 3% of earnings on all participating employees that contribute a minimum of \$25 per pay period. For the year ended September 30, 2018, the Village's contribution was \$7,181 and there were approximately 11 employees participating in the 457 deferred compensation plan. Total assets of the 457 deferred compensation plan at September 30, 2018 were \$195,629.

The Village does not have control over the funds nor can they access the funds, and therefore management believes the Village does not have fiduciary accountability for the Plan and does not hold these assets in a trust capacity. As such, the Plan assets are not included in a trust fund in the Village's financial statements.

H. Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. The Village is a participant in an intergovernmental risk pool for its worker's compensation, liability, and property insurance. Participants in this pool are required to pay "premiums" on the insurance selected. Should a loss occur, the Village is liable only for the deductible. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage.

I. Health Insurance

The Village offers health insurance to its full-time employees with an option to have payroll deductions for additional coverage for family members.

J. Related Party Transactions

From time to time, the Village may enter into transactions with related parties through the normal course of business. If a Council member has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter.

During fiscal year 2018, the Village contracted engineering and design services from a company at which a family member of the Mayor is employed. The Village paid this vendor \$831,549 for its services for the year ended September 30, 2018.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

K. Contingent Liabilities

During the normal course of business, the Village is subject to various legal claims. As of September 30, 2018, management is not aware of any such claim which would have a material adverse effect on the financial statements, and, therefore, no liability was accrued at September 30, 2018. However, the Village is in the process of having an environmental assessment performed on land they own to determine what type of cleanup, if any, is required. Since the assessment is in process and a determination has not yet been made, no amounts have been accrued in the September 30, 2018 financial statements related to any contingent liability.

The Village participates in federal, state, and local grants which are subject to additional audit work by the granting agencies. These grants have complex compliance requirements and should federal, state, or local audits discover areas of material noncompliance, those funds may be subject to refund if so determined by the grantor. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statement for such contingencies.

L. Commitments

The Village has received construction funds for wastewater system improvements, water distribution, and park improvements; however, the Village has not yet executed contracts related to the construction of any of these projects.

The Village entered into a grant agreement with the Texas Parks and Wildlife during fiscal year 2017-2018 to acquire and develop 0.520 acre Mariposa Park II. The grant award is for \$75,000 and it requires the Village to match \$75,000 for a total project cost of \$150,000.

M. Concentrations and Major Customer

The Village depends on financial resources flowing from, or associated with, the constituents of the Village, El Paso County, and the State of Texas. Because of this dependency, the Village is subject to changes in the specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

The El Paso Electric company accounted for approximately 93% of the Village's 2018 franchise revenue.

N. Subsequent Events

On October 15, 2019, Council approved and authorized the publication of notice of intention to issue Certificates of Obligation Series 2019 in the amount not to exceed \$2,909,000.

Management has evaluated events through November 19, 2019, the date the financial statements were available to be issued.

(Continued)

STATE OF TEXAS
Village of Vinton
Notes to the Basic Financial Statements
September 30, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

O. New Accounting Pronouncements

The Village has not completed the process of evaluating the impact on its financial position that will result from adopting the following Governmental Accounting Standards Board (GASB) Statements:

1. GASB No. 83, *Certain Asset Retirement Obligations*, effective for fiscal years beginning after June 15, 2018. GASB No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs).
2. GASB No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018. GASB No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.
3. GASB No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. GASB No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.

P. Prior Period Adjustment

During fiscal year 2018, the Village received funds from a capital projects grant that should have been recognized in prior year. A prior period adjustment was recorded to increase fund balance in the general fund and the capital projects fund in the amount of \$3,742 and \$44,984 respectively.

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REQUIRED SUPPLEMENTARY INFORMATION

STATE OF TEXAS
Village of Vinton
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (GAAP Basis)</u>	<u>Variance With Final Budget Positive or (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property	\$ 426,645	\$ 425,295	\$ 438,685	\$ 13,390
Franchise	280,000	318,079	336,360	18,281
Sales	260,000	243,209	423,644	180,435
Planning, licenses, and zoning fees	33,000	16,634	56,400	39,766
Municipal court	15,350	-	-	-
Miscellaneous	85,700	34,333	17,351	(16,982)
Total revenues	1,100,695	1,037,550	1,272,440	234,890
Expenditures				
Current:				
Administration	772,570	798,886	661,921	136,965
Roads and maintenance	190,638	193,131	187,230	5,901
Planning and zoning	45,668	40,914	43,000	(2,086)
Municipal court	21,585	19,899	18,317	1,582
Parks and recreation	16,868	40,911	29,706	11,205
Community outreach	69,000	27,142	10,011	17,131
Capital outlay	30,000	43,407	5,753	37,654
Total expenditures	1,146,329	1,164,290	955,938	208,352
Excess of revenues over expenditures	(45,634)	(126,740)	316,502	443,242
Other financing sources (uses)				
Transfers in	-	79,937	-	(79,937)
Transfers (out)	-	-	(453)	(453)
Total other financing sources (uses)	-	79,937	(453)	(80,390)
Net change in fund balance	(45,634)	(46,803)	316,049	362,852
Fund balance - beginning	223,376	223,376	223,376	-
Prior period adjustment	-	-	3,742	3,742
Fund balance - end of year	\$ 177,742	\$ 176,573	\$ 543,167	\$ 366,594

See independent auditor's report.

STATE OF TEXAS
Village of Vinton
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Special Revenue Fund
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (GAAP Basis)</u>	<u>Variance With Final Budget Positive or (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental:				
Federal operating grants	\$ 4,476,600	\$ 4,476,600	\$ 48,729	\$ (4,427,871)
State operating grants	10,000	10,000	2,710	(7,290)
Total revenues	4,486,600	4,486,600	51,439	(4,435,161)
Expenditures				
Health and welfare	10,000	10,000	51,439	(41,439)
Capital outlay	4,476,600	4,476,600	-	4,476,600
Total expenditures	4,486,600	4,486,600	51,439	4,435,161
Excess of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

STATE OF TEXAS
Village of Vinton
Notes to the Required Supplementary Information
For the Year Ended September 30, 2018

Budgeting and Budgetary Control

The Village of Vinton adopts an annual operating budget that includes a complete financial plan for the fiscal year. A proposed budget is presented to the Village Council on or by September 30. The Village Council adopts the final budget by this date, after a series of public workshops and public hearings have been held. Once adopted, the budget can be amended requested by a department, only after presented and approved by the Village Council through an ordinance. One budget amendment was approved during the year ended September 30, 2018.

The Village of Vinton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements, and ensure budgetary control over expenditures.

Budgetary Basis of Accounting

The Village budget is prepared on a modified accrual basis of accounting.

Excess Expenditures Over Appropriations

Both the general fund and the special revenue fund incurred excess expenditures over appropriations at the function level for the year ended September 30, 2018 but overall expenditures did not exceed appropriations.

SUPPLEMENTARY INFORMATION

STATE OF TEXAS
Village of Vinton
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Projects Fund
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
	Original	Final		
Revenues				
Federal operating grants	\$ -	\$ -	\$ 92,118	\$ 92,118
State operating grants	-	-	453	453
Investment income (loss)	-	-	247,424	247,424
Total revenues	-	-	339,995	339,995
Expenditures				
General government	-	5,668	-	5,668
Capital outlay	9,618,789	9,613,121	182,355	9,430,766
Issuance costs	-	-	213,366	(213,366)
Total expenditures	9,618,789	9,618,789	395,721	9,223,068
Excess of revenues over expenditures	(9,618,789)	(9,618,789)	(55,726)	9,563,063
Other financing sources (uses)				
Proceeds from Certificates of Obligation	9,618,789	9,618,789	16,731,454	7,112,665
Transfers in	-	-	453	453
Transfers (out)	-	-	-	-
Total other financing sources (uses)	9,618,789	9,618,789	16,731,907	7,113,118
Net change in fund balance	-	-	16,676,181	16,676,181
Fund balance - beginning	1,238,006	1,238,006	1,238,006	-
Prior period adjustment	-	-	44,984	44,984
Fund balance - end of year	\$ 1,238,006	\$ 1,238,006	\$ 17,959,171	\$ 16,721,165

See independent auditor's report.

STATE OF TEXAS
Village of Vinton
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Debt Service Fund
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (GAAP Basis)</u>	<u>Variance With Final Budget Positive or (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 359,568	\$ 359,568	\$ 318,590	\$ (40,978)
Miscellaneous	-	-	8,084	8,084
Total revenues	359,568	359,568	326,674	(32,894)
Expenditures				
Principal payments	124,287	124,290	125,017	(727)
Interest payments	235,279	235,279	111,943	123,336
Administration	420	417	403	14
Total expenditures	359,986	359,986	237,363	122,623
Excess of revenues over expenditures	(418)	(418)	89,311	89,729
Other financing sources (uses)				
Transfers in	4,000	4,000	-	(4,000)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	4,000	4,000	-	(4,000)
Net change in fund balance	3,582	3,582	89,311	85,729
Fund balance - beginning	54,401	54,401	54,401	-
Fund balance - end of year	\$ 57,983	\$ 57,983	\$ 143,712	\$ 85,729

See independent auditor's report.

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

To the Honorable Mayor and
Members of the Village Council
Village of Vinton, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Vinton, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Village of Vinton, Texas' basic financial statements and have issued our report thereon dated November 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Vinton, 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 the Village of Vinton, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Vinton, Texas' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Vinton, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2018-001, 2018-002, and 2018-003.

Village of Vinton, Texas' Response to Findings

The Village of Vinton's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Village of Vinton's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Gibson Ruddock Patterson LLC

Gibson Ruddock Patterson LLC
El Paso, Texas
November 19, 2019

VILLAGE OF VINTON, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Were significant deficiencies in internal control disclosed?

None reported

- Were material weaknesses in internal control disclosed?

No

Was any noncompliance disclosed that is material to the financial statements of the auditee, which would be required to be reported in accordance with Government Auditing Standards?

Yes, 2018-01, 2018-02, and 2018-03.

VILLAGE OF VINTON, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL STATEMENT FINDING

2018-001 - State Compliance: Public Funds Investment Act (PFIA)

Criteria: The Village of Vinton, Texas (Village) is required to comply with the Public Funds Investment Act, Government Code 2256.

Condition Found: No letters were requested from the brokers acknowledging receipt and review of the Village's investment policy and a list of qualified brokers authorized to engage in investment transactions with the Village was not reviewed and adopted during 2018. In addition, quarterly investment reports were not presented to Council.

Effect: The Village is not in full compliance with the Public Funds Investment Act, Government Code 2256 and; therefore, not fulfilling its fiduciary duty in its entirety.

Cause: The funds subject to the Public Funds Investment Act relate to the money in escrow that the Village received from Texas Water Development Board for the wastewater construction project. The Village Administrator was appointed the designated Investment Officer in April 2019 and she is in the process of learning the requirements.

Recommendation: The investment policy and list of qualified brokers authorized to engage in investment transactions with the Village needs to be reviewed and adopted by Council annually. The investment officer will need to prepare quarterly investment reports with all the required elements, and obtain acknowledgment from the authorized brokers that they have received, reviewed, and will comply with the policy.

View of responsible officials: See Corrective Action Plan.

2018-002 - State Compliance: Depository Contract

Criteria: The Village of Vinton, Texas (Village) is required to comply with Texas Government Code Section 105 - Depositories for Municipal Funds.

Condition Found: The Village did not give notice to banks, credit unions, and savings associations requesting the submission or applications for the performance of depository services when its current depository contract expired on March 31, 2018.

Effect: The Village is not in compliance with Texas Government Code Section 105.

Cause: The Village has experienced turnover, and current management was unaware of the requirement.

Recommendation: We recommend that the Village properly procure the depository services.

View of responsible officials: See Corrective Action Plan.

(Continued)

VILLAGE OF VINTON, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL STATEMENT FINDING (Continued)

2018-003 - Grant Compliance

Criteria: For municipalities receiving funding from the Texas Water Development Board (TWDB), annual audited financial reports are required to be submitted within 180 days of year end.

Condition Found: The Village of Vinton, Texas, did not submit its 2018 annual audited financial report within the allotted time frame.

Effect: The Village is not in compliance with the grant agreement with TWDB.

Cause: Due to turnover in personnel at the Village of Vinton, Texas, the audit was not completed before the deadline.

Recommendation: We recommend the Village of Vinton, Texas, hire the necessary personnel to oversee the finances of the Village to ensure compliance with reporting deadlines.

View of responsible officials: See Corrective Action Plan.

VILLAGE OF VINTON, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FINANCIAL STATEMENT FINDING

2017-001 - State Compliance: Public Funds Investment Act (PFIA)

Condition: The Village was not in full compliance with all aspects of the PFIA.

Status: This condition still exists. See finding 2018-001



Manuel Leos, Mayor
City Council:
Victor Carrejo, Place 1
Alfredo Lopez, Place 2
Sonia Arceo, Place 3
Lourdes Cloud, Place 4
Santos Lucero, Place 5

The following is the Village of Vinton's 2018 Corrective Action Plan:

2018-001 – State Compliance: Public Funds Investment Act (PFIA)

Finding: The Village is not full compliance with the Public Funds Investment Act, Government Code 2256 and; therefore, not fulfilling its fiduciary duty in it's entirety.

Correction Action: Quarterly investment reports will be presented to Council every quarter during a council meeting.

Responsible Parties: Village Administrator and Accounting Department.

Anticipated Completion Date: January 2020

2018-002 – State Compliance: Depository Contract

Finding: The Village is not in compliance with Texas Government Code Section 105.

Correction Action: The Village of Vinton will go out for bids on Depository Services.

Responsible Parties: Village Administrator, Mayor, Council

Anticipated Completion Date: February 2020

2018-003 – Grant Compliance

Finding: The Village is not in compliance with the grant agreement with TWDB.

Correction Action: The Village will complete its 2018 audit in November 2019. TWDB has been notified on the progress. Next year it will work towards timely completion.

Responsible Parties: Mayor, Council, Administrator, Accounting Department.

Anticipated Completion Date: November 2019

Exhibit F

Village of Vinton Fiscal Year Budget

ADOPTED

THE VILLAGE OF **VINTON, TX**



2019 - 2020 FISCAL YEAR

BUDGET GUIDE

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VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

SB656 STATEMENT

This budget will raise less revenue from property taxes than last year's budget by an amount \$-1,211, which is a -0.14% decrease from last year's budget. The property tax revenue to be raised from new property to be added to the tax roll this year is \$16,560.

On September 23, 2019, at a City Council meeting, a record vote was taken of each member of City Council on the proposed FY 19-20 budget.

<u>City Council Members</u>	<u>Vote</u>
Victor Carrejo, Place 1	in Favor
Alfredo Lopez, Place 2	in Favor
Sonia Arceo, Place 3	in Favor
Lourdes Cloud, Place 4	in Favor
Santos Lucero, Place 5	in Favor

Property Tax Rate Comparison			
<u>Tax Rate Information</u>	<u>Adopted FY18-19</u>		<u>Adopted FY19-20</u>
Property Tax Rate	0.752445/100		0.752445/100
Effective Tax Rate	0.658264/100		0.767923/100
Effective M&O Tax Rate	0.378741/100		0.417464/100
Rollback Rate	0.752445/100		0.823280/100
Debt Tax Rate	0.343405/100		0.372419/100

Municipal Debt Obligation		
-	<u>FY18-19</u>	<u>FY19-20</u>
Municipal Debt Obligation	\$ 391,236	\$ 434,615

Total debt obligation for Village of Vinton secured by property taxes: \$8,940,150.58.

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Elected Officials, Staff and Support

Mayor Manuel Leos

Council Members Victor Carrejo, Place 1
Alfredo Lopez, Place 2
Sonia Arceo, Place 3
Lourdes Cloud, Place 4
Santos Lucero, Place 5

Vinton Staff

Administration	Andrea Carrillo	Administrator/City Secretary
	Vacant	Deputy City Secretary
	Vacant	Accounting & Budget Supervisor
	Enrique Medina	Accounting & Budget Specialist
	Josh Luna	Media Specialist & Community Outreach
	Jannette Monrreal	Administrative Assistant
	Norma Gomez	Receptionist/Sanitation Clerk
	Alex Esparza	Building Inspector
	Nellie Avalos	Code Enforcer
Public Works	Perfecto Valdez	Director
	Francisco Ruiz	Assistant
	Juan Cano	Assistant
	Juan Gonzalez	Assistant
Support	Shane English	City Attorney
	Parkhill, Smith & Cooper	City Engineer

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

MISSION STATEMENT

The mission of the Village of Vinton is to provide the means for development, growth, and sustainability with proper planning and resources.



VISION STATEMENT

The vision of the Village of Vinton is to be a city of economic opportunity with cultural pride and civic engagement achieving a high quality of life for today and the future.

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Budget Message

To: City Council and Residents of the Village of Vinton

At this time last year, preparing a balanced budget for FY 2018-2019 was a challenge, key factors included:

1. Revenue estimates for FY 2018-2019 are coming in higher than previous years due to increasing property values but still not at the rate needed to meet the day to day cost of services provided to the Village.

New personnel positions that had been on hold were approved to continue moving toward successful infrastructure applications. The task at this time last year was to balance the revenue and expenditures in order to secure state and federal funds for the water and sewer projects. The City is experiencing increases in property values and projected Sales Tax revenues, but not enough to curtail the continuing increase in operating cost.

In preparing the proposed FY 2019-2020 Budget, the following steps have been taken:

1. Department heads were directed to submit a budget with minimal increase in overall appropriations for individual departments.
2. All training for staff and council were reduced to the minimum required for the individual position.

General Fund

You will observe the above efforts reflected in the proposed FY 2019-2020 Budget, the combined annual operating and debt service expenditures do not to exceed new annual revenues. A tax rate increase is not necessary to maintain a balanced budget and therefore avoiding the transfer of General Fund Reserve to cover the day to day expenditures. Unrestricted Fund Balance Reserve will be used only for Capital Improvement Projects that are not with in the regular maintenance and operation costs.

The Fiscal Policy approved by council dedicates 5% of General Fund Revenue to Capital Improvement Projects and with the transfer of \$446,927.00 from the Fund Balance Reserve, it will leave a remaining Fund Balance of \$1,683,735.00. This represents 17% of the Fund Balance and new General Fund Revenue, which is above acceptable standards and represents more than three (3) months of expenditures.

Assessed property values increased this year but growth in Vinton is stagnant at less than 1%. Any new properties annexed would not appear on the tax rolls until 2020. For the City's long-term financial stability, I recommend City Council continue moving forward with guidelines of the "Imagine Vinton 2035" master plan.

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Debt Service

Debt Service for 2019-2020 increased to \$434,615.00 due to the repayment of the Texas Water Development Board funds for the wastewater project. The Interest & Sinking fund rate increased from 0.34 to 0.37.

Enterprise Fund

The Enterprise Fund revenues will be adequate to cover both cost of service and administrative expenses. The administrative fees for sanitation services were not increased, in accordance with our El Paso Disposal contract the monthly service will stay at the current rate up to July 31st of 2020. However, the continuing year of the contract the rate will be increased by 50 cents per bin per month beginning on August 1, 2020.

Special Revenue Funds

The Special Revenue Funds are legally limited to specific expenditures. These Funds include any federal, state or foundation funds for water, sewer, housing and solid waste.

Closing Comments

While the FY 2019-2020 Budget faces many challenges, it is adequate to maintain current City services and to continue addressing long-term needs for future infrastructure. The City continues to overcome some of the past management and financial decisions. Working together City Council and City staff will have to discuss available options to increase general fund revenue for 2019-2020.

The City's greatest asset is its dedicated employees who make sure the day-to-day services are provided to our citizens. The current FY 2019-2020 Budget allows for adequate compensation increases above a minimum cost of living increase for the City employees. Since Vinton is located in a competitive employment market, maintaining a qualified workforce has always been a challenge that we have overcome, as the workforce is the heart of City Hall.

As you review the proposed FY 2019-2020 Budget, I wish to recognize the efforts of our department heads in preparing their budget and maintaining the expenditures levels. Secondly, I wish to recognize all of the staff and consultants that participated in the research and analysis necessary to prepare the proposed FY 2019-2020 Budget. And to our council members that I am honored by your professionalism and dedication provided to the citizens of the Village of Vinton. I thank each and every one of you.

Respectively yours,



Manuel "Manny" Leos

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

VINTON CITY LIMITS

The Village of Vinton, Texas, is located in Northwest El Paso County, along U.S. I-10. The Village lies between the foothills of the Franklin Mountains and the Rio Grande. The city is 34 minutes from the El Paso International Airport, approximately 17 miles northwest of downtown El Paso and 29 miles from downtown Las Cruces. As part of the El Paso/Las Cruces border region, Vinton is strategically located for future growth at Exit 2.

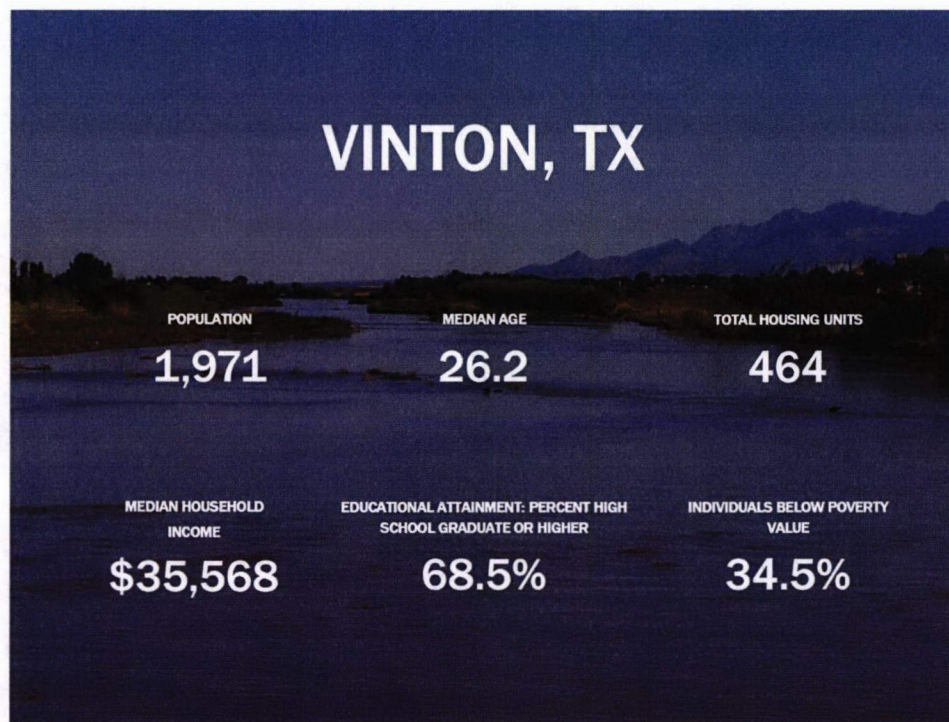


VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

The Community

COMMUNITY BACKGROUND

Vinton has a population of 1,971. Residents enjoy a natural and scenic geographical location with access to numerous parks and trails for hiking and biking all within the city limits. Vinton emerged in the late 1800's along the historic Camino Real and later was a mail drop location for the railroad. The City was incorporated in 1961 and has remained a relatively quiet town and unchanged despite the urban growth of the nearby City of El Paso.



factfinder.census.gov

The Village of Vinton shares the northwest position of El Paso County with the City of El Paso to the south and the Town of Anthony to the north. It maintains its own ETJ and continues to accept voluntary annexation petitions. The population has been relatively stable for the last 20 years; however, the potential exists for up to 5,000 additional permanent residents to locate in Vinton within the next 5-10 years with the future water and wastewater improvement project.

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Economic development possibilities exist within the Vinton limits, including the development of a downtown district. Available parcels along I-10 and Texas State Highway 20 present opportunities for retail, quality-of-life, commercial, and some manufacturing and distribution activities.

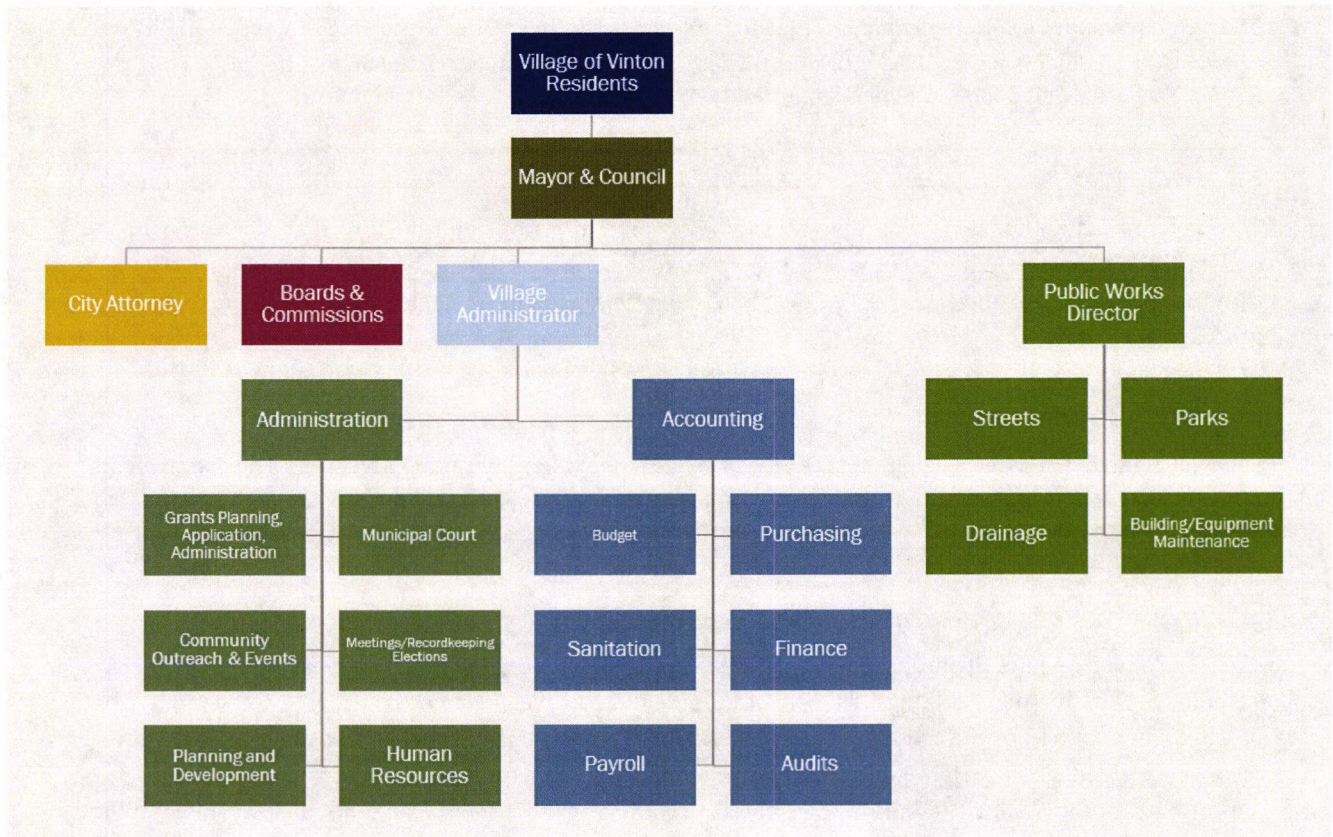
The City maintains and operates two parks. The first, Dr. Howard Applegate Park, is fully ADA accessible and features an amphitheater for live outdoor performances, picnic shelters, playground equipment, and a mile walking path. Area recreational and leisure amenities include a walk and bike trail along the Rio Grande, Franklin Mountain State Park, Keystone Heritage Park, historic Old Mesilla, NM, Sunland Park Racetrack and Casino, as well as New Mexico vineyards and pecan orchards.

Canutillo ISD is a growing district for families seeking a close family environment for their children. Canutillo ISD students thrive and grow by enriching their lives through academics, arts, athletics, career preparation, service-learning, and school sponsored social activities.

Vinton has a median household income of \$35,568 and a median home value of \$83,862. The ad valorem tax rate is \$0.752445 per \$100 of assessed valuation.

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

ORGANIZATION CHART



VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Financial Structure, Policy & Process

BUDGET PROCESS

The Local Government Code §102.002 requires the Village of Vinton to prepare and adopt an annual City budget that includes a complete financial plan for the fiscal year. To achieve this goal, the Mayor and City Council, City Departments, and the public participate during various stages of the budget process. The budget process is divided into the following:

DRAFTING THE CITY BUDGET

The Mayor provides the City's Department Heads with policy direction in formulating their department budgets. The department budgets are then presented to the Mayor and discussed with City Council. The prior fiscal year budget and expenses are distributed in order to establish guidelines through the budget process.

PROPOSED DEPARTMENT BUDGETS

Each department prepares and submits its budget requirements for the coming fiscal year. The departments compile their requested budget, which include appropriations for operation and maintenance, capital equipment, and construction.

PUBLIC INPUT

The City Council reviews the proposed budget over a series of public workshops that have been posted in accordance with the Open Meetings Act. The proposed budget is then filed with the City Secretary and prepared for adoption by the City Council (LGC §102.005). A copy of the Proposed Budget is available for review by residents at City Hall (LGC §102.006). The review sessions and public hearings provide an opportunity for City Council and the Citizens to ask questions, make recommendations, and gain a better understanding of the operations of each department.

BUDGET ADOPTION

Any changes made to the Proposed Budget after it is filed, are included with the final Adopted Budget Ordinance, which is voted upon by City Council (LGC §102.007). The ordinance and budget are distributed to the department heads and filed in the city's records to be viewed through the Texas Public Information Act procedures.

TAX LEVY

In accordance with the laws of Texas (LGC §102.009), City Council passes the tax levy ordinance as soon as possible after the tax roll is completed and by September 30 of each year. The Council also holds posted public hearings regarding the property tax rate and sets the rate as prescribed by the State Property Tax Code.

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

BALANCED BUDGET

The budget for each of its funds must always be balanced in that the appropriations from each fund for the fiscal year not to exceed the resources available to that fund for the year; including estimated revenues and any unreserved balance in the fund at the beginning of the year. This policy assures that the city does not spend beyond its means. If necessary, with the approval of the City Council, a plan is implemented, to either reduce the rate of expenditures or increase revenues.

AMENDING THE ADOPTED BUDGET

The responsibility for amending the adopted budget originates in the department requesting the change prior to incurring the additional expense. Department Heads must present their request to City Council for approval. Changes within the same fund and department require an agenda item approval. A budget transfer from one department into another requires the Council's approval of an amendment to the Budget Ordinance. Transfers that increase an appropriation from capital improvements, new revenue, or re-appropriation of a fund balance, and/or change the scope of a program also requires Council approval of the Budget Ordinance.

ANNUAL AUDIT

Each year the city is required to undergo an audit (LCG §103.002). A certified public accounting firm is contracted to provide this service. The auditor reviews revenue and expenses for the prior fiscal year according the adopted budget. The audit findings may reveal weaknesses and strengths of the city's day to day accounting practices and provide annual financial statements. The auditor is required to file his report within 180 days of the last day of the fiscal year (LCG§103.003).

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

BUDGET CALENDAR

Village of Vinton 2020 Budget Calendar

All dates of local meetings are subject to progress made during workshops. Meetings and adoption dates are subject to change.

May 7	Budget amendment to be completed
May 20	Deliver itemized department budgets to department heads.
May 27-June 7	Council "Wish List" due to Mayor (LGC 102.001)
June 10-June 21	Review of Department Budgets with Mayor. City staff prepares Year-To-Date spreadsheets of the budget and Mayor conducts meetings with department heads on budget items (LGC 102.003).
June 21	Department budgets due (LGC 102.004).
June 28	72 hour notice for meeting (Open Meeting Notice)
July 1	72 hour notice for Special Meeting (Open Meeting Notice)
July 2, 3, 5	Regular Council Meeting; City Council Budget workshop (Workshop Meeting City Hall, 6:30 p.m.) for General Fund, Enterprise Fund, Special Revenue Fund and Debt Service Fund
July 17	Certification of anticipated collection rate by collector (Tax Code 26.06)
July 19	Calculation of effective and rollback tax rates (Tax Code 26.04)
July 25	Deadline for chief appraiser to certify rolls to taxing units (Tax Code 26.01)
July 29	Special Council meeting to discuss budget and discuss tax rate. Possibly hold meeting on next day.
August 1	Draft complete. File Budget with City Secretary (LGC 102.005, before 30 th day before adoption of tax levy) and post to website (LGC 102.005 (c)).
August 2	Special Council Meeting budget workshop.
August 9	Send <i>Notice of 2020 Tax Year Proposed Property Tax Rate</i> to newspaper (Tax Code 26.052 (c)) 72 hour notice for meeting (Open Meetings Notice)

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

- August 15** Publish: *Notice of 2020 Tax Year Proposed Property Tax Rate. For Public Hearings on August 22 (and September 3rd). Note: 2 public hearings are required if proposed rate exceeds the lower of the effective or rollback rate It will for in the newspaper and website at least 7 days before the first hearing. It contains the hearing dates, rates.*
- August 19** * 72 hour notice for **first public hearing** if required (*Open Meetings Notice*) **and notice of Tax Revenue Increase on Website.**
- August 21** Final budget filed with City Secretary and posted on website (LGC 102.008)
- August 22** **First Public Hearing** on the Tax Rate (Regular Council Meeting, City Hall, 6:30 p.m.); **Council will have the first vote of the tax rate.** (LGC 102.007 and 102.007 (c.) if applicable) schedule and announce meeting to adopt the tax rate
- August 30** * 72 hour notice for second **public hearing** if required (*Open Meetings Notice*)
- September 3** **Second Public Hearing** on the Tax Rate (Regular Council Meeting, City Hall, 6:30 p.m.)Taxing unit must adopt the tax rate by September 29 or 60 days after receiving certified appraisal roll, whichever is later (Tax Code 26.05) meeting to adopt the tax rate 3-14 days from this date. Final workshop on the budget.
- September 12** Publish: *Notice of Adoption of the Fiscal Year 2019-2020 Budget. For Public Hearing on September 23rd.*
- September 17** Additional budget workshop.
- September 19** 72 hour notice for the meeting at which the governing body will adopt the budget and the tax rate (*Open Meeting Notice*).
- September 23** Special Council Meeting for the adoption of the budget and tax rate.

Property Tax Code Section 26.06 (d) may be interpreted as requiring one or two more notices of tax revenue increase. Either interpretation is reasonable, or advice of taxing until legal counsel should be sought to determine which approach to take in notifying the public of the meeting at which the governing body will have vote on the tax rate.

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

FUND DESCRIPTIONS & FUND STRUCTURE

Governmental Funds

Most government functions are funded through governmental funds or general funds. The acquisition, use, and balances of the City's expendable financial resources and related current liabilities are accounted for through governmental funds. Long-term liabilities and fixed assets are not accounted for through governmental funds.

Proprietary Funds (Enterprise Funds)

Proprietary funds are used for the ongoing activities of the City that are similar to those found in the private sector. These funds include all assets, liabilities, equities, revenues, expenses, and transfers relating to the City's business and quasi-business activities. These funds are financed through user charges to recover costs for services provided. Proprietary funds use accrual accounting, which means that revenues are recognized when earned by the City and expenses are recognized when incurred. Enterprise Funds are considered proprietary funds and are used to account for operations for rental properties and sanitation services.

Fiduciary Funds

Fiduciary funds are restricted funds used to account for assets held by the City in a special capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds and are not part of the annual M&O budget. Restricted and Agency Funds include expendable funds, private purpose trusts, pensions funds, and agency funds. Examples include community outreach donations, State Comptroller payments.

Debt Service Funds

Debt Service Funds account for the payment of long-term principal and interest, as well as the accumulation of money for the repayment of debt payable in installments. For the General Debt Service Fund, the revenue sources are general taxes. Accounting records and budgeting for the Debt Service Funds are maintained on the modified accrual basis.

Capital Project Funds

The Capital Project Funds are used to account for the construction of major capital projects. The City has undertaken a major prioritization process for its Capital Improvements Program (CIP) projects. This budget reflects that prioritization. Accounting records and budgeting for the Capital Project Funds are maintained on the modified accrual basis.

Special Revenue Fund

The Special Revenue Fund accounts for projects and programs funded by "Grants" awarded by other federal and state agencies, and private foundations. Accounting records and budgeting for the Special Revenue Fund may include administration, planning, construction and are maintained on the modified accrual basis. Unreimbursed expenses related to Special Fund projects or required as a "match" are budgeted through the Administration Department.

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

FUND BALANCE DEFINITIONS

By policy, the Village maintains fund balances to ensure the financial and economic stability of the Village. Fund balance helps to mitigate financial risk due to unforeseen revenue fluctuations and unanticipated expenditures. Fund balance also provides cash flow liquidity for the Village's general operations. The Government Accounting Standards Board (GASB Statement 54) established new guidelines for the accounting distinctions between the portions of fund equity that are spendable and non-spendable.

1. Non-spendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or permanent funds.
2. Restricted fund balance – amounts constrained to specific purposes by their providers through constitutional provision or by enable legislation. Examples of providers are grantors, bondholders and higher levels of government.
3. Committed fund balance – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint initially.
4. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
5. Unassigned fund balance – amounts that are available for any purpose; these amounts are reported only in the General Fund.

PROPERTY TAXES AND TAX RATE COMPARISON

Property taxes in Vinton are divided into two parts. The Maintenance & Operation (M&O) portion is utilized to maintain the services of the city. The Interest & Sinking (I&S) portion is utilized to pay the principal and interest on debt owed by the city (LGC§101.005). These two portions make up the Total Tax Rate which appears on the property tax bill. I&S is set aside and can only be utilized to pay down the debt of the city and is the taxing mechanism that allows municipalities to leverage future tax collections to complete capital improvement projects or purchase large equipment at present market rates.

Each year the city determines its Effective Tax Rate. The effective tax rate establishes a relationship between taxes from the prior year compared to the current year, based on a tax rate that would generate the same amount of taxes if applied to the same properties taxed in both years. The City of El Paso's Tax Office receives the property values from the El Paso Central Appraisal Office and calculates the rate based on the State Comptroller's formula:

$\frac{\text{Prior Year's Taxes} - \text{Taxes on Property Lost this Year}}{\text{Current Value of Property Taxed in the Prior Year}} \times \$100 = \text{Effective Tax Rate}$
<small>Source: Texas Comptroller of Public Accounts, 2010.</small>

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

The Rollback Rate contains two separate components – a maintenance and operations (M&O) rate and a debt service rate (I&S). The M&O portion of the rollback rate is the rate necessary to raise the same amount of tax revenue as the prior year plus 8%. The remainder is the I&S rate necessary for the current year's debt payments. The I&S portion increases based on the amount of debt the city is carrying and does not have a maximum threshold, as does the M&O portion.

The City of El Paso's Tax Office provides a consolidated property tax bill for El Paso County and collects taxes for Village of Vinton along with 30 other taxing jurisdictions within the county. Vinton utilizes a third party law

PLANNING PROCESS

Basis of Budgeting

Fund budgets are prepared on a modified accrual accounting basis for governmental funds and full accrual accounting basis for enterprise funds, with exceptions. These exceptions include the following items which are not budgeted:

- Uncollectible accounts
- Post-retirement benefits
- Depreciation
- Amortized bond costs and charges

In addition, capital purchases are budgeted in the year of purchase and debt principal is budgeted in the year it is paid. Budget emphasis is on cash transactions and focus is on the net change in working capital.

Budget Amendments

The legal level of budgetary control is the fund level. The budget must be amended for any budget revisions that increase or decrease revenues or expenditures. Since the budget is originally enacted by ordinance, any amendments to the budget must be made by ordinance and presented during a formal session at a regular meeting of the City Council.

Budget Funds

The Village of Vinton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Budgeted funds for the City can be divided into two categories: governmental funds and proprietary funds. The chart on the following page, "All Funds FY 17-18 Budget," shows all the funds included in this budget. Fund descriptions are included in each funds specific section.

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Budget Overview

All Funds

	General Fund	Enterprise Fund	Special Revenue Fund	Project Fund	Debt Service Fund	Grand Total
Revenues						
General Property Taxes	444,408				438,703	883,111
Permits Fees and Licenses	32,000					32,000
Donations	8,900					8,900
Franchise Fees	286,000					286,000
Sales Tax	275,000					275,000
Fines & Forfeitures	0					0
Charges for Services		105,800				105,800
Federal/State Grant Income			73,547			73,547
Certificates of Obligation				17,904,136		17,904,136
Other	190,500				0	190,500
Fund Balance	446,927					446,927
Total Revenues	1,683,735	105,800	73,547	17,904,136	438,703	20,205,921
Expenditures - By Function						
Administration	373,713					373,713
Unreimbursed Grants	77,153					77,153
Economic Development	6,161					6,161
Library	4,436					4,436
Public Works	265,277					265,277
Facilities	22,234					22,234
Equipment & Machinery	9,133					9,133
Storm water	4,578					4,578
Streets	15,543					15,543
Parks	8,283					8,283
Planning & Zoning	106,954					106,954
Municipal Court	28,937					28,937
Communication and Information Office	56,588					56,588
General Government	445,345					445,345
Community Outreach	22,280					22,280
Capital Improvements	95,000					95,000
Enterprise		105,800				105,800
Grants			73,548			73,548
Capital Projects				17,741,795		17,741,795
Debt Service					434,615	434,615
Total Expenditures	1,541,613	105,800	73,548	17,741,795	434,615	19,897,371
Expenditures - By Category						
Salaries & Fringe Benefits	758,505	24,117				782,622
Operating Expenditures	688,108	81,683			640	770,431
Principal Payment					280,544	280,544
Interest Payment					153,431	153,431
Capital Improvements	95,000		73,548	17,741,795		17,910,343
Total Expenditures	1,541,613	105,800	73,548	17,741,795	434,615	19,897,371
Total Revenue over Expenditures	142,121	0	0	162,341	4,088	308,550

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

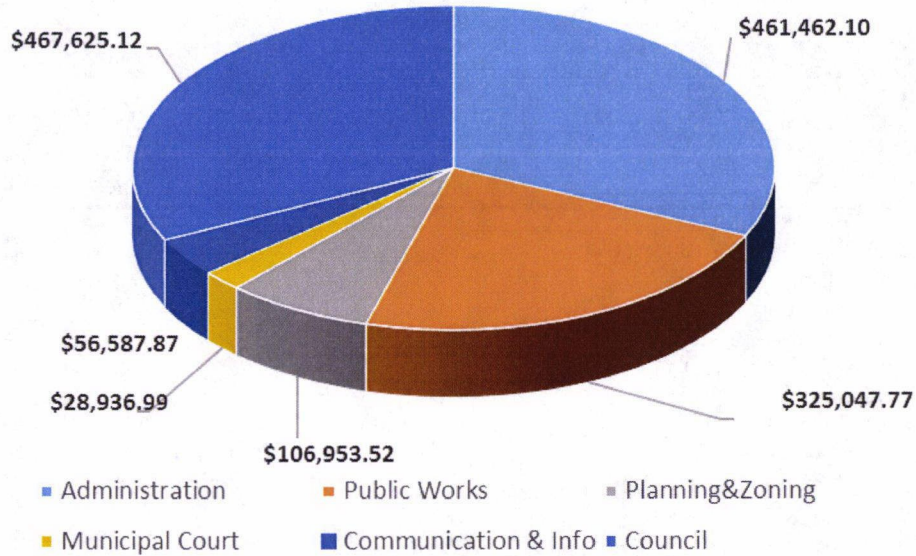
2.1 General Fund Overview

2.2 GENERAL FUND SUMMARY

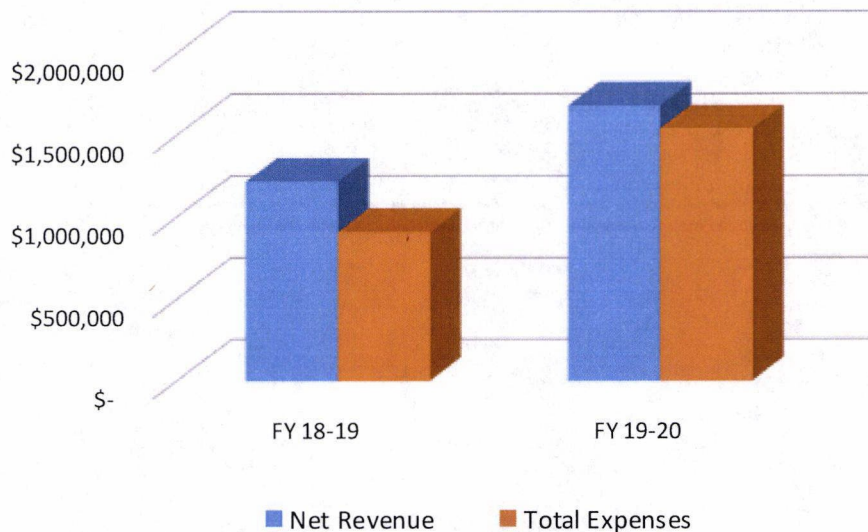
General Fund (01)		
	FY 18-19	FY 19-20
Anticipated GF Revenue	\$ 1,176,252	\$ 1,227,908
5% Capital Improvement	-	-
Restricted GF Revenue	-	8,900
9-30-19 Est. Fund Balance-		\$ 689,064
GF Reserve at 17% of Operating expenses		(242,137)
Net Unrestricted Cash Transfer In	\$ 43,295	\$ 446,927
Net Revenue	\$ 1,219,547	\$ 1,683,735
Expenses By Department		
10 Administration	\$ 279,027	\$ 373,713
11 Grants Unreimb.	2	77,153
15 Economic Dev.	-	6,161
16 Library	-	4,436
20 Public Works	189,012	265,277
21 Facilities	14,489	22,234
22 Equip & Mach	7,440	9,133
23 Stormwater	200	4,578
24 Streets	12,222	15,543
25 Parks	20,070	8,283
30 Planning&Zoning	41,146	106,954
40 Municipal Court	-	28,937
50 Communication & Info	44,646	56,588
60 General Government	282,228	445,345
61 Community Outreach	18,803	22,280
70 Capital Improvement	3,000	95,000
Total Expenses	\$ 909,285	\$ 1,541,613
Revenue over Expenditures 17-18		\$ 142,121
Net Balance of Unrestricted Cash		\$ 142,121

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Pie Chart of GF Expenses by Department



General Fund (01)



VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.3 GENERAL FUND REVENUES

~ Fund 01

Revenue	2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019- 20
01.00.4980 Transfer In	79,937	106,137	24,374	24,374	52,672
01.00.4999 Available Funds Prior FY (Budget Use)	47,344	0	43,295	43,295	446,927
01.10.4075 Collections Revenue	0	0	43	43	0
01.11.4202 Federal/State Grant Contracts	0	0	456	456	0
01.15.4060 Business Licenses	11,396	16,402	15,000	14,275	12,000
01.30.4050 Planning & Zoning	5,238	39,998	36,057	36,121	20,000
01.40.4080 Interest Income	0	0	0	0	0
01.60.4010 Franchise Fees	318,079	336,360	260,000	260,000	286,000
01.60.4020 Sales/Beverages Taxes	243,209	423,644	250,000	250,000	275,000
01.60.4022 Prior Year Property Taxes M&O	8,150	11,614	8,320	8,320	9,931
01.60.4024 Current Year Property Taxes M&O	417,145	419,495	466,011	466,011	434,477
01.60.4070 Other Income	8,852	19,086	104,000	104,733	3,000
01.60.4080 Interest Income	200	0	0	100	0
01.60.4700 Sale of Equipment Property	0	0	0	0	187,500
01.40.4800 Municipal Court/Law Enforcement	0	-1,828	0	0	0
Restricted Revenue					
01.40.4801 Municipal Court Restricted-Technology	0	0	0	0	0
01.40.4802 Municipal Court Restricted-Building	0	0	0	0	0
01.40.4803 Municipal Court Restricted	0	0	0	0	0
01.40.4804 Municipal Court Restricted-Traffic	0	0	0	0	0
01.16.4087 Cash Donation Restricted-Little Libraries	0	0	19	19	0
01.61.4081 Cash Donations Restricted-Health Fair	1,500	600	3,000	3,000	3,000
01.61.4085 Cash Donations Restricted-Christmas in the Village	6,250	6,250	8,800	8,800	5,000
01.61.4088 Cash Donation - Cultural Pride Events	0	0	0	0	900
Total	1,147,300	1,377,756	1,219,375	1,219,547	1,736,407

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4 EXPENDITURES BY DEPARTMENT

2.4.1 Administration

The Administration Department Staff coordinates the operational aspects of the City and facilitates the efforts of the Mayor, City Council, and support roles in responding to the needs of the residents. The Village Administrator also serves as the City Secretary and is responsible for the administration of City elections, the city-wide Records Management program, and the annual Boards and Commissions appointment process. Administration budget reflects the change from part-time to full-time position of the Accounting Supervisor.

10 ~ Administration

Expenditures Summary	2018	2018	2019	2019	2019
	Amended Budget	Actuals	Amended Budget	Projected EOY	Proposed Budget 2019-20
01.10.5010 Salaries - Administration	246,085	188,898	241,567	201,493	277,673
01.10.5020 Payroll Taxes	23,926	16,917	24,157	15,528	27,767
01.10.5030 Deferred Compensation Costs	8,407	3,335	7,247	3,405	8,330
01.10.5040 Employee Group Health Ins. - Admin.	19,560	12,545	17,356	6,148	17,303
01.10.5050 Workers Comp. Ins.	979	415	844	334	970
01.10.5101 Water - Admin.	354	344	400	240	400
01.10.5102 Internet	2,712	2,719	3,000	2,266	2,720
01.10.5103 Telephone - Admin.	7,274	7,708	10,000	9,984	7,518
01.10.5104 Natural Gas	1,256	972	1,700	1,344	876
01.10.5105 Electricity-Admin.	3,091	2,695	3,140	1,576	3,000
01.10.5301 General Supplies - Admin.	1,226	866	4,100	3,864	3,000
01.10.5302 Postage & Delivery - Admin.	103	247	500	500	300
01.10.5303 Printing	664	682	1,862	1,862	1,977
01.10.5304 Office Software/Equipment	242	1,492	15,500	15,500	2,700
01.10.5403 Equip. Repairs & Maint.	0	0	0	0	0
01.10.5409 Equipment Lease/Rental- Admin.	1,910	1,190	2,400	2,400	2,700
01.10.5510 Other Contractual Fees	0	0	0	0	0
01.10.5601 Legal Notices - Admin.	1,555	2,665	2,200	1,547	3,000
01.10.5602 Dues & Subscriptions	628	-396	1,000	854	1,022
01.10.5603 Miscellaneous	0	2,650	100	0	0
01.10.5605 Uniforms	0	0	0	0	300
01.10.5701 Education & training - Admin	1,806	1,827	3,945	3,580	3,685
01.10.5702 Lodging- Admin	2,656	2,525	3,000	2,849	2,595
01.10.5703 Air Fare - Admin.	2,512	2,484	2,225	1,874	2,978
01.10.5704 Meals - Admin.	673	971	1,280	956	1,820
01.10.5705 Rental Car & Fuel - Admin.	639	560	1,103	923	0
01.10.5801 Bank & CC Service Charges	0	0	0	0	1,080
Total	328,258	254,310	348,626	279,027	373,713

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.1.1 Un-Reimbursable Grant Expenses

The preparation of various grant applications is not always reimbursed by the funding agency when a grant is awarded. Those expenses are allocated to this budget for the purpose of improved public transparency. There are no personnel assigned to this budget, all activities are performed by personnel budgeted to other cost centers.

11 ~ Unreimbursable Grant Expenses

		2018		2019	2019	Proposed
		Amended	2018	Amended	Projected	Budget
Expenditures Summary		Budget	Actuals	Budget	EOY	2019-20
01.11.5301	General Supplies - Grants	2	2	-	-	0
01.11.5302	Postage & Delivery	-	-	50	-	55
01.11.5303	Printing	-	-	50	2	50
01.11.5304	Office Software/Equipment -Grants	-	-	-	-	0
01.11.5503	Engineering Fees - Grants	11,725	9,449	7,500	-	7,440
01.11.5601	Legal Notices - Grants	1,690	1,690	1,859	-	1,500
01.11.5603	Miscellaneous	-	(0)	-	-	0
01.11.5999	Village Match - GRANTS	-	-	51,626	-	68,108
Total		13,417	11,140	61,085	2	77,153

2.4.1.2 Economic Development

Economic Development falls under the Administration of the city and all activities are performed by Administrative personnel. Various activities and outreach is conducted through the year to encourage new business development and retain existing business and industry in the city.

15 ~ Economic Development

		2018		2019	2019	Proposed
		Amended	2018	Amended	Projected	Budget
Expenditures Summary		Budget	Actuals	Budget	EOY	2019-20
01.15.5301	General Supplies - Econ. Dev.	98	2	-	-	0
01.15.5302	Postage & Delivery- Econ Dev.	-	-	150	-	100
01.15.5303	Printing - Econ.Dev.	-	0	50	-	100
01.15.5701	Education & training - Econ.Dev.	-	-	-	-	850
01.15.5702	Lodging- Econ.Dev.	-	-	-	-	1,350
01.15.5703	Air Fare - Econ.Dev.	-	-	-	-	1,486
01.15.5704	Meals - Econ.Dev.	-	-	-	-	1,035
01.15.5705	Rental Car & Fuel - Econ.Dev.	-	5	-	-	740
01.15.5905	Hospitality	-	-	-	-	500
Total		98	7	200	-	6,161

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.1.3 Library

The Library Department was created for the maintenance of the Little Free Library Program established in 2015. The program works on an honor system which encourages residents to take book on and returning it once finished or donating other books. Donations are always accepted in City Hall, the Village of Vinton's goal for this program is to place a Little Free Library on each street.

16 ~ Library

		2018		2019	2019	Proposed
		Amended	2018	Amended	Projected	Budget
Expenditures Summary		Budget	Actuals	Budget	EOY	2019-20
01.16.5301	General Supplies	317	-	4,436	-	4,436
Total		-	-	4,436	-	4,436



VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.2 Public Works

Public Works Department has several sub-departments which includes, streets, drainage, and building maintenance. Public Works budget reflects an additional 1 part-time position and line item/categorical increases reflect the maintenance of the services currently offered. Department budgets were created Facilities, Equipment & Machinery, Streets, and Stormwater in 2016 so that expenses were more transparent to the public.

20 ~ Public Works

Expenditures Summary		2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019-20
01.20.5010	Salaries	130,376	126,174	140,758	137,546	182,306
01.20.5020	Payroll Taxes	13,038	9,689	14,037	10,577	18,231
01.20.5030	Deferred Compensation Costs	3,911	2,918	4,224	3,065	5,044
01.20.5040	Employee Group Health Ins.	19,521	19,618	14,529	18,240	27,988
01.20.5050	Workers Comp. Ins.	8,685	7,768	9,293	5,316	11,962
01.20.5103	Telephone	1,072	1,240	1,239	680	950
01.20.5104	Natural Gas	2,974	1,458	1,100	952	1,351
01.20.5105	Electricity	974	868	1,065	734	911
01.20.5202	Auto Liability	1,883	1,883	1,896	950	2,067
01.20.5203	Auto Physical Damage	699	699	743	384	846
01.20.5204	Mobile Equipment	557	835	278	556	1,190
01.20.5301	General Supplies	148	229	1,100	296	1,205
01.20.5303	Printing	27	27	75	18	30
01.20.5406	Maintenance Tools	900	866	1,500	1,500	2,057
01.20.5408	Gasoline & Diesel	4,330	5,077	3,230	2,358	2,800
01.20.5412	Contract Labor	900	900	1,000	-	0
01.20.5602	Dues & Subscriptions	220	220	260	260	464
01.20.5603	Miscellaneous	-	-	250	-	0
01.20.5605	Uniforms	-	207	800	800	900
01.20.5701	Education & training	940	940	600	600	675
01.20.5702	Lodging	700	522	1,000	1,000	1,500
01.20.5703	Air Fare	890	829	1,000	1,000	1,500
01.20.5704	Meals	136	136	480	480	550
01.20.5705	Rental Car & Fuel	250	211	400	400	450
01.20.5913	CERT- Comm. Emer. Readiness	-	-	1,300	1,300	300
Total		193,131	183,313	202,157	189,012	265,277

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.2.1 Facilities

A new department in 2016, the table reflects expected expenses for the maintenance and repair of City Hall and the Public Works buildings.

21 ~ Facilities

		2018		2019	2019	Proposed
		Amended	2018	Amended	Projected	Budget
Expenditures Summary		Budget	Actuals	Budget	EOY	2019-20
01.21.5402	Bldg. Repairs & Maint.	2,132	3,069	10,300	10,300	18,000
01.21.5405	Signs	100	165	100	100	100
01.21.5407	Bldg. Maintenance Supplies	947	1,066	1,212	1,212	1,000
01.21.5503	Engineering Fees	-	-	-	-	0
01.21.5603	Miscellaneous	-	69	27	27	0
01.21.7001	Sanitation Payments	2,573	2,614	3,408	2,850	3,134
Total		5,752	6,984	15,047	14,489	22,234

2.4.2.2 Equipment & Machinery

A new department in 2016, the table reflects expected expenses for the maintenance and repair of Public Works equipment & machinery.

22 ~ Equipment /Machinery

		2018		2019	2019	Proposed
		Amended	2018	Amended	Projected	Budget
Expenditures Summary		Budget	Actuals	Budget	EOY	2019-20
01.22.5204	Mobile Equipment	556	288	1,000	-	1,000
01.22.5403	Equip. Repairs & Maint.	3,092	3,528	3,000	940	8,133
01.22.5409	Equipment Lease/Rental	-	-	6,500	6,500	0
01.22.5603	Miscellaneous	100	-	-	-	0
Total		3,748	3,816	10,500	7,440	9,133

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.2.3 Stormwater

A new department in 2016, the table reflects expected expenses related to stormwater and signage for natural waterways.

23 ~ Stormwater

	2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019-20
Expenditures Summary					
01.23.5405 Signs	-	-	300	300	400
01.23.5503 Engineering Fees	2,000	1,146	-	-	3,878
01.23.5603 Miscellaneous	2,430	1,953	100	(100)	300
Total	4,430	3,099	400	200	4,578

2.4.2.4 Streets

A new department in 2016, the table reflects expected expenses for the maintenance and repair of public streets and right of ways.

24 ~ Streets

	2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019-20
Expenditures Summary					
01.24.5106 Street Lights	11,614	9,243	12,780	8,222	9,643
01.24.5401 Road Maintenance & Repairs	180	180	2,000	2,000	3,000
01.24.5405 Street Signs	229	229	750	-	900
01.24.5503 Engineering Fees	1,532	490	-	-	0
01.24.5603 Miscellaneous	-	-	-	-	0
01.24.5800 Disaster Recovery	-	-	2,000	2,000	2,000
Total	13,555	10,142	17,530	12,222	15,543



VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.2.5 Parks

The Park expenditures are a sub-department of the Public Works Department and includes the maintenance of grounds, playground equipment, and city recreation facilities. The overall Parks budget reflects no change in the personnel schedule and line item/categorical increases reflect the maintenance of the current parks in Vinton.

25 ~ Parks

		2018		2019	2019	Proposed
		Amended	2018	Amended	Projected	Budget
Expenditures Summary		Budget	Actuals	Budget	EOY	2019-20
01.25.5106	Lights	2,865	2,304	3,332	1,870	4,133
01.25.5301	General Supplies - Parks	27	13	50	18	150
01.25.5303	Printing	1	1	-	-	0
01.25.5404	Park Maint. & Repairs	1,165	614	5,182	5,182	2,000
01.25.5405	Signs	-	-	2,000	2,000	2,000
01.25.5412	Contract Labor	23,044	22,814	-	-	0
01.25.5503	Engineering Fees	13,809	3,960	6,000	6,000	0
01.25.5603	Miscellaneous	-	-	-	-	0
01.25.6001	Equipment Purchases - Parks	-	-	5,000	5,000	0
Total		40,911	29,706	21,564	20,070	8,283



VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.3 Development Services

Description

Development Services falls under Administration and is budgeted as a separate department. The development Services Department is comprised of Planning & Zoning, Engineering, Building & Code Enforcement. The Department is responsible for the development of a healthy Village, multiple types of commercial areas, and a diversified housing. Each division of the department does its part to ensure development occurs in a proper manner by providing technical assistance through the permitting and construction process.

The Planning Division of the Development services oversees development by working with residents, planners and engineers. Performs the review of all development applications.

The Inspections and Code Enforcement Division performs and coordinates the review of site plans and building applications to ensure code compliance by upholding the laws established by the Village of Vinton and the State of Texas. Issue construction and business permits and site inspections.

The proposed budget reflects the change to full-time of the Code Compliance Officer.

30 ~ Development Services

		2018		2019	2019	Proposed
		Amended	2018	Amended	Projected	Budget
		Budget	Actuals	Budget	EOY	2019-20
Expenditures Summary						
01.30.5010	Salaries	27,036	22,627	27,035	23,785	52,317
01.30.5020	Payroll Taxes	2,654	1,750	2,703	1,841	5,232
01.30.5030	Deferred Compensation	-	-	-	-	1,129
01.30.5040	Employee Health Ins.	-	-	-	-	3,936
01.30.5050	Workers Comp. Ins.	224	156	174	90	334
01.30.5103	Telephone - P&Z	450	495	507	452	470
01.30.5202	Auto Liability - P&Z	391	391	422	198	400
01.30.5203	Auto Physical Damage - P&Z	141	141	155	78	155
01.30.5301	General Supplies - P&Z	260	88	608	608	1,000
01.30.5302	Postage & Delivery - P&Z	-	50	700	700	1,300
01.30.5303	Printing	45	101	600	600	900
01.30.5304	Office Software/Equipment	-	-	-	-	0
01.30.5403	Equip. Repairs & Maint.	-	-	-	-	0
01.30.5408	Gasoline & Diesel - P&Z	473	472	500	286	520
01.30.5503	Engineering Fees - P&Z	9,000	15,279	10,500	6,138	24,200
01.30.5601	Legal Notices - P&Z	240	480	2,120	2,120	3,500
01.30.5602	Dues & Subscriptions - P & Z	-	-	4,250	4,250	5,784
01.30.5603	Miscellaneous/Uniforms	-	4	-	-	0
01.30.5605	Uniforms	-	-	-	-	300
01.30.5701	Education & training - P & Z	-	-	-	-	725
01.30.5702	Lodging- P & Z	-	-	-	-	1,350
01.30.5703	Air Fare - P & Z	-	-	-	-	1,486
01.30.5704	Meals - P & Z	-	-	-	-	1,035
01.30.5705	Rental Car & Fuel - P & Z	-	-	-	-	880
Total		40,914	42,033	50,274	41,146	106,954

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.4 Municipal Court

The Municipal Court also falls under Administration and is responsible for the judicial processing of Class C misdemeanors that originate from traffic citations, citizen complaints, and code violations occurring within the jurisdiction of the Village of Vinton. Municipal Court processing is governed by the Texas Code of Criminal Procedure and the Code of Judicial Conduct. The Court prepares dockets, schedules trials, records and collects fine payments and issues warrants for Violation of Promise to Appear and Failure to Appear. The Municipal Court Judge is appointed by the City Council and is responsible for holding arraignments, show cause and trial dockets.

40 ~ Municipal Court

		2018		2019	2019	Proposed
		Amended	2018	Amended	Projected	Budget
Expenditures Summary		Budget	Actuals	Budget	EOY	2019-20
01.40.5004	Bad Debt Expense- Muni. Court	-	(12,855)	-	-	-
01.40.5010	Salaries	15,791	14,867	-	-	17,997
01.40.5020	Payroll Taxes	1,579	1,142	-	-	1,800
01.40.5030	Deferred Compensation Costs	474	450	-	-	540
01.40.5040	Employee Group Health Ins.	1,901	1,092	-	-	1,566
01.40.5050	Workers Comp. Ins.	92	46	-	-	63
01.40.5301	General Supplies - Muni.Court	2	1	-	-	110
01.40.5302	Postage & Delivery - Municipal Court	-	-	-	-	0
01.40.5303	Printing	-	0	-	-	50
01.40.5304	Office Software/Equipment - Muni. Court	-	-	-	-	0
01.40.5508	Municipal Judge Fees	-	-	-	-	2,000
01.40.5602	Dues & Subscriptions - Muni. Court	60	60	-	-	371
	TMCCA					0
	USTI					0
01.40.5603	Miscellaneous	-	-	-	-	0
01.40.5605	Uniforms	-	-	-	-	100
01.40.5701	Education & training	-	-	-	-	700
01.40.5702	Lodging	-	-	-	-	1,700
01.40.5703	Air Fare & Other Trans.	-	-	-	-	860
01.40.5704	Meals	-	-	-	-	640
01.40.5705	Rental Car & Fuel	-	-	-	-	440
Total		19,899	4,803	-	-	28,937

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.5 Communication and Information

This department was created to separate the community outreach and media services and extend its services to all departments.

50 ~ Communication and Information Office

Expenditures Summary	2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019-20
01.50.5010 Salaries	35,469	-	29,251	28,677	32,033
01.50.5020 Payroll Taxes	6,734	-	2,925	2,168	3,203
01.50.5030 Deferred Compensation Costs	844	-	439	439	961
01.50.5040 Employee Group Health Ins.	4,288	281	4,010	3,338	4,091
01.50.5050 Workers Comp. Ins.	98	-	102	102	112
01.50.5103 Telephone	-	-	-	-	500
01.50.5301 General Supplies	200	135	389	220	750
01.50.5302 Postage & Delivery	1,236	1,268	2,126	1,808	2,345
01.50.5303 Printing	7,000	7,303	10,420	5,832	7,745
01.50.5304 Office Software/Equipment	-	-	-	-	1,200
01.50.5602 Dues & Subscriptions	710	1,725	1,974	2,062	1,908
01.50.5603 Miscellaneous	-	-	-	-	250
01.50.5605 Uniforms	-	-	-	-	200
01.50.5701 Education & training	435	435	-	-	330
01.50.5702 Lodging	359	359	-	-	280
01.50.5703 Air Fare & Other Trans.	282	282	-	-	280
01.50.5704 Meals	98	98	-	-	150
01.50.5705 Rental Car & Fuel	254	226	-	-	250
Total	58,007	12,112	51,636	44,646	56,588



VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.7 General Government

The General Fund is one of the most utilized funds for the day-to-day operations. Many items found on the list cover overhead costs for services utilized by the Mayor, Council and staff. Services that are covered in this fund include: electricity, gas, water, insurance, supplies, postage, printing, gasoline, legal, engineering, elections, grant writing, IT, and Dues & Subscriptions.

60 ~ General Government

Expenditures Summary	2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019-20
01.60.5010 Salaries	50,400	45,933	50,400	50,400	50,400
01.60.5020 Payroll Taxes	5,040	3,655	5,040	3,899	5,040
01.60.5050 Workers Comp. Ins.	1,024	789	176	512	176
01.60.5103 Telephone - GenGovt	2,499	3,325	3,002	3,002	3,142
01.60.5201 Liability Insurance	1,515	1,515	1,670	746	1,434
01.60.5202 Auto Liability - Gen.Gov.	391	391	430	198	435
01.60.5203 Auto Physical Damage - Gen.Gov.	179	179	200	98	216
01.60.5205 Errors & Omissions	1,613	1,613	1,775	746	1,653
01.60.5206 Crime & Fidelity	100	100	130	50	110
01.60.5207 Real & Personal Property	1,072	1,072	1,180	596	1,309
01.60.5301 General Supplies - Gen.Gov't	505	601	250	96	1,000
01.60.5302 Postage & Delivery - Gen. Gov't	294	147	1,200	1,200	1,000
01.60.5303 Printing - Gen.Gov.	450	(17)	596	596	550
01.60.5304 Office Software/Equipment - Gen.Govt.	-	-	-	-	0
01.60.5403 Equip. Repairs & Maint.	-	-	-	-	0
01.60.5408 Gasoline & Diesel - GenGovt	300	281	300	292	300
01.60.5501 Legal Fees	65,426	66,162	73,008	73,008	83,959
01.60.5502 Accounting Fees	34,136	34,136	42,000	38,500	75,900
01.60.5503 Engineering Fees - Gen. Gov't	11,000	13,674	15,000	14,798	24,000
01.60.5504 Audit Fees	30,000	20,255	30,000	30,000	34,500
01.60.5505 Election Costs	24,751	24,751	13,500	13,500	15,000
01.60.5509 Housing Grant Writing	24,200	15,000	6,000	6,000	15,000
01.60.5510 Information Technology Services	10,260	10,260	10,860	10,860	12,500
01.60.5511 Tax Collection	941	1,172	2,400	2,378	3,000
01.60.5512 Central Appraisal District	6,936	10,258	10,632	10,632	10,000
01.60.5513 Health Services	78,405	17,390	80,020	4,104	53,818
El Paso County Animal Control					
City of El Paso Animal Shelter					
City of El Paso Health Services					
01.60.5602 Dues & Subscriptions	5,065	9,139	7,210	7,210	8,527
01.60.5603 Miscellaneous	500	500	300	70	0
01.60.5605 Uniforms	-	-	300	300	800
01.60.5701 Education & training - Council	725	163	875	875	5,376
01.60.5702 Lodging- Gen Govt	3,066	2,466	2,041	2,041	10,765
01.60.5703 Air Fare - Gen Govt	572	-	896	896	9,871
01.60.5704 Meals - GenGovt	354	192	792	792	4,962
01.60.5705 Rental Car & Fuel - Gen Govt	253	127	836	836	2,210
01.60.5715 Parking	50	-	100	100	200
01.60.5801 Bank & CC Service Charges	2,775	2,373	2,800	2,044	2,500
01.60.5803 Finance Charge	725	833	498	296	634
01.60.5805 Penalties & Interest	5,779	1,512	3,357	557	5,057
01.60.5805 Principle Payments	-	(18)	-	-	0
01.60.5980 Transfer Out	-	31,229	-	-	-
Total	371,301	321,157	369,774	282,228	445,345

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.7.1 Community Outreach

The goal of Community Outreach is to address inequities, improve general quality of life, and build a tighter knit community by providing programming that address economic development, community capacity building, sustainable environments, individual empowerment, participation and educational opportunities. Coordination of Community Outreach falls under the Village Administrator.

- Programs are offered to address inequities, specifically in housing through various programs and levels of eligibility.
- Services provide educational opportunities to improve personal skills to encourage civic participation, build neighborhood pride and provide education to empower the residents at the individual level.
- Outreach serves two basic purposes: to provide information and provide services. Outreach comes in different forms to serve different purposes and includes newsletters, mail insert, press releases and bulletins.

61 ~ Community Outreach

		2018		2019	2019	Proposed
		Amended	2018	Amended	Projected	Budget
Expenditures Summary		Budget	Actuals	Budget	EOY	2019-20
01.61.5302	Postage & Delivery - Community Outreach	-	-	-	-	-
01.61.5303	Printing - Community Outreach	300	251	474	474	200
01.61.5904	Parades	-	-	300	300	300
01.61.5905	Hospitality	670	833	5,244	5,244	7,200
01.61.5915	Civic Engagement		513	3,200	3,200	1,800
01.61.7001	Sanitation Payments - Community	7,416	145	-	-	3,880
Funded by Donation (amounts equal to restricted revenue)						
01.61.5901	Health Fair	1,660	3,955	1,800	1,800	3,000
01.61.5902	Christmas in the Village	5,106	5,122	5,785	5,785	5,000
01.61.5903	Keep Vinton Beautiful	11,990	724	-	-	0
01.61.5914	Cultural Pride Events		-	2,000	2,000	900
Total		27,142	11,543	18,803	18,803	22,280



VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

2.4.8 General Fund Capital Improvement Projects

This department budget identifies capital improvement projects funded by the general fund and are not annual or recurring expenses. Funding for this department is established through general fund unrestricted balances, one-time supplemental revenue received in the General Fund and a fiscal policy which allocates 5% of general fund revenue to be used to make progress on smaller projects listed in the Capital Improvement Plan.

70 ~ Capital Improvement Projects

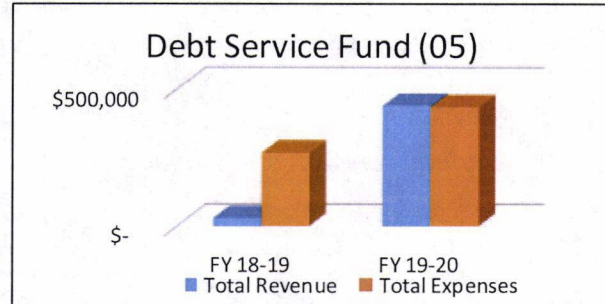
Expenditures Summary		2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019-20
01.70.5501	Legal Fees	-	-	-	-	
01.70.5503	Engineering Fees - Capital Improv.	15,554	7,777	-	-	
01.70.5506	Survey/Appraisal Services	2,000	-	-	-	
01.70.5603	Miscellaneous	3,579	3,579	-	-	
01.70.6004	Land Acquisition	222	222	-	-	
01.70.6005	Water System Development	5,509	25,666	3,000	3,000	
01.70.6006	Park Improvements	16,240	28,310	-	-	
01.70.6007	Street improvements	-	-	-	-	25,000
01.70.6009	Multi-Purpose Center (Dev.)	303	3,253	12,140	-	
01.70.6010	Storm Water Improvements	-	-	-	-	70,000
Total		43,407	68,807	15,140	3,000	95,000



VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Debt Service Fund

Debt Service Fund (05)		
	FY 18-19	FY 19-20
Fund Balance	\$ -	\$ -
Revenue	\$ 28,979	\$ 438,703
Total Revenue	\$ 28,979	\$ 438,703
Total Expenses	\$ 267,792	\$ 434,615
Net Revenue	\$ (238,813)	\$ 4,088



Fund ~ 05

Expenditures Summary	2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019-20
Revenues					
05.60.4021 Prior Year Property Taxes I&S	49,000	3,359	8,019	5,979	4,727
05.60.4023 Current Year Property Taxes I&S	310,568	312,385	414,236	23,000	433,976
05.60.4051 P&I Tax Revenue	-	1,483	-	-	0
05.60.4080 Interest Income	-	5,766	-	-	0
05.60.4980 Transfer In	4,000	-	-	-	0
05.60.8100 Proceeds From Tax Note	-	-	-	-	-
Total	363,568	322,993	422,255	28,979	438,703
Expenditures					
05.00.5801	-	-	70	70	
05.60.5801 Bank & CC Service Charges	417	210	220	89	140
05.60.5804 Loan Interest	235,279	143,670	116,944	114,982	153,431
Cat Lease 2015					1,325
TWDB Series 2016					9,362
GO Refunding 2017					27,056
TWDB Series 2017					75,690
USDA Sereis 2017					
USDA Series 2019					39,999
05.60.5806 Principle Payments - GO Refunding 2017	80,000	25,000	85,000	85,000	90,000
05.60.5808 Principal Payments -TWDB Series 2016	25,000	-	25,000	25,000	25,000
05.60.5810 Principal Payments - Cat Lease 2015	19,290	21,868	19,291	19,291	20,544
05.60.5811 Issuance Cost	-	-	-	-	
05.60.5813 Principal Payment - TWDB Series 2017	-	80,000	145,000	23,000	145,000
05.60.5814 Agent/Escrow Fees Series 2017	-	-	430	430	500
05.60.5980 Transfer Out	-	-	-	-	
Total	359,986	270,749	391,885	267,792	434,615
Revenues Over Expenses	3,582	52,245	30,370	(238,813)	4,088

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Other Governmental Funds

ENTERPRISE FUND- SANITATION SERVICES

Description

The Utility Billing Department bills and collects for all City sanitation services. The Department processes request for new service connections, service disconnects and bills customers on a monthly basis. Utility Billing works in partnership with El Paso Disposal to ensure the timely and accurate billing of accounts and responds to customer requests for information and issues quickly and fairly.

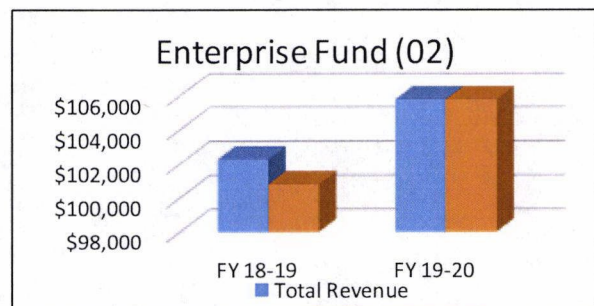
Goals

- Seek opportunity to utilize and implement technology in work processes to enhance billing and customer service.
- Implement a more accurate retention system to avoid accounts cancellations for non-payment as well as try to recover accounts that have been closed by following up with customers.
- To be able to implement a software where we are able to accept credit card payments and where customers can make a payment on line.

FY 2019 Objectives

- Continue to improve customer service and communication with customers as well as with El Paso Disposal personnel.
- To be able to find option for software to accept credit card payments.
- Continue to work with third party collection service to achieve 50% collection.
- Enhance and promote all events happening in the Village.

Enterprise Fund (02)			
	FY 18-19		FY 19-20
Fund Balance	\$	-	\$ -
Revenue	\$	102,300	\$ 105,800
Total Revenue	\$	102,300	\$ 105,800
Total Expenses	\$	100,815	\$ 105,800
Net Revenue	\$	1,485	\$ (0)



VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

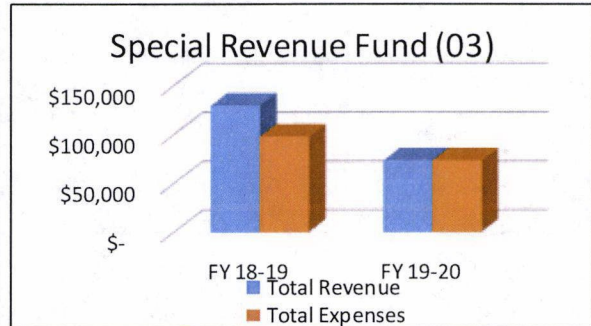
Fund ~ 02

Revenue	2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019-20
Revenues					
02.80.4075 Collection Revenue	-	11	227	(227)	90
02.80.4080 Interest Income	-	-	-	-	-
02.80.4301 Sanitation Fees	76,398	74,896	76,000	64,190	79,200
02.80.4302 Late Payment Fees	4,577	4,113	4,500	3,710	4,500
02.80.4303 New Service/Reinstatement Fee	1,775	12,180	1,800	1,060	1,700
02.80.4304 Administration Fee	20,520	19,739	20,000	16,510	20,400
02.80.4900 Cash Over/Short	-	-	-	-	0
02.80.4921 Transfer In	-	-	-	-	-
Total	103,270	110,928	102,300	85,470	105,890
Expenses					
02.00.6110 Depreciation - Machinery and Equipment	-	189	-	-	-
02.80.5010 Salaries	15,726	14,930	16,502	16,322	18,074
02.80.5020 Payroll Taxes	1,573	1,093	1,650	1,256	1,807
02.80.5030 Deferred Compensation Costs	1,008	478	495	495	542
02.80.5040 Employee Group Health Ins. - Enterprise	3,343	3,386	3,574	2,378	3,631
02.80.5050 Workers Comp. Ins.	132	661	76	76	63
02.80.5301 General Supplies - Sanitation	500	204	649	418	730
02.80.5302 Postage & Delivery	2,504	2,028	2,268	2,150	2,310
02.80.5303 Printing	500	273	350	342	220
02.80.5304 Office Software/Equipment	1,401	824	-	-	0
02.80.5600 Bad Debt Expense - Sanitation	-	194	-	-	0
02.80.5603 Miscellaneous	-	48	-	-	0
02.80.5605 Uniforms	200	-	-	-	50
02.80.5701 Education & training	-	-	-	-	0
02.80.5702 Lodging	-	-	-	-	0
02.80.5703 Air Fare & Other Trans.	-	-	-	-	0
02.80.5704 Meals	-	-	-	-	0
02.80.5705 Rental Car & Fuel	-	-	-	-	0
02.80.5801 Bank & CC Service Charges	-	409	500	500	410
02.80.5980 Transfer Out	-	-	-	-	0
02.80.7001 Sanitation Payment - COGS	76,393	75,208	76,878	76,878	77,963
Total	103,280	99,736	102,942	100,815	105,800
Revenues Over Expenses	(10)	11,193	(642)	(15,345)	90

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

SPECIAL REVENUE FUND

Special Revenue Fund (03)			
	FY 18-19	FY 19-20	
Total Revenue	\$ 129,628	\$ 73,547	
Total Expenses	\$ 98,053	\$ 73,548	
Net Revenue	\$ 31,575	\$ (0)	

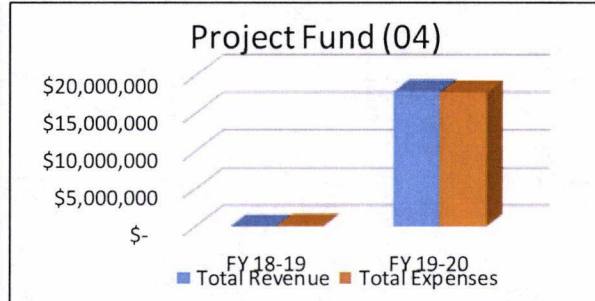


Fund ~ 03

Expenditures Summary	2018 Amended Budget	2018 Actuals	2019 Amended Budget	2019 Projected EOY	Proposed Budget 2019- 20
Revenue					
03.11.4202 Federal/State Grant Contracts	4,486,600	51,439	-	-	73,547
03.11.4980 Transfer In	-	921,217	129,628	129,628	
Total	4,486,600	972,656	129,628	129,628	73,547
Expense					
03.11.5301 General Supplies	-	-	-	-	0
03.11.5503 Engineering Fees	4,476,600	-	7,500	7,500	20,440
03.11.5601 Legal Notices - Grants	-	-	-	-	0
03.11.5801 Bank & CC Service Charges	-	-	72	72	0
03.11.5911 Spec.Prog. Grant	-	2,710	67,500	67,500	53,108
03.11.5980 Transfer Out	-	847,772	22,981	22,981	
03.11.5991 Home Program Expenses	10,000	48,567	-	-	0
USDA- Water					
BECC-Wastewater					
BECC- Water					
Total	4,486,600	899,049	98,053	98,053	73,548
Revenues Over Expenses	-	73,606	31,575	31,575	(0)

VILLAGE OF VINTON PROPOSED 2019-2020 ANNUAL BUDGET

Project Fund (04)		
	FY 18-19	FY 19-20
Fund Balance	\$ -	\$ -
Revenue	\$ -	\$ 17,904,136
Total Revenue	\$ -	\$ 17,904,136
Total Expenses	\$ 66,995	\$ 17,741,795
Net Revenue	\$ (66,995)	\$ 162,341



Fund ~ 04

		2018	2018	2019	2019	Proposed
		Amended	Actuals	Amended	Projected	Budget 2019-
Expenditures Summary		Budget		Budget	EOY	20
Revenues						
04.70.4080	Interest Income	-	247,424	11,371	11,371	162,341
04.70.4921	Transfer In	-	-	-	-	
04.70.8105	Proceeds From Cert.of Obligation	3,306,000	-	-	-	8,437,000
	TWDB					5,528,000
	USDA					2,909,000
04.70.8106	Proceeds From Loan Forgiveness	6,312,789	11,646,454	-	7,097,830	9,304,795
	TWDB				-	3,694,157
	NADBANK					2,580,245
	USDA					3,030,393
04.70.8101	Proceeds From CO's	-	4,871,634	7,097,830	-	
	Total:	9,618,789	16,765,512	7,109,201	7,109,201	17,904,136
Expenditures						
04.70.5501	Legal Fees - Capital Improvement	-	-	-	-	
04.70.5503	Engineering Fees - Capital Impr.	-	-	-	-	
04.70.5506	Survey/Appraisal Services - Capital Impr.	5,668	5,668	-	-	
04.70.5801	Bank & CC Service Charges	-	-	-	-	
01.70.5811	Issuance Cost-Cert. of Obligations	-	-			
04.70.5921	Transfer Out	-	0	-	-	
04.70.6005	Water System- USDA Loan	2,909,000	-	-	-	2,909,000
04.70.6007	Street improvements - Capital Impr.	-	-	-	-	
04.70.6009	Multi-Purpose Center (Dev.) - Cap.Impr.	-	-	-	-	
04.70.6011	Waste Water System - Loan	391,332	-	-	-	5,528,000
	CWSRF- 2016					
	CWSRF- 2017					
04.70.6012	Waste Water System - Loan Forgiveness	6,312,789	180,036	66,995	66,995	9,304,795
	CWSRF- 2016					
	CWSRF- 2017					
Total		9,618,789	185,704	66,995	66,995	17,741,795
Revenues Over Expenses		-	16,579,807	7,042,206	7,042,206	162,341

Exhibit G

TCEQ Compliance Documentation

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/Site Name	V ^{SP} Vinton Village Estates	TCEQ Add. ID No. RN No. (optional)	
Investigation Type	PWS Contact Made In-House (Y/N) 4	Purpose of Investigation	Compliance
Regulated Entity Contact	Karl Schneider	Telephone No.	915-637-1438
Title	Manager	Fax No.	
		Date Contacted	08/30/18
		Date Faxed	

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and *does not represent final TCEQ findings related to violations*. Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: Identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type ¹	Rule Citation (if known)	Description of Issue
1	AV		Failure to maintain well, at time of investigation threads of the bottom of the well valve was leaking
2	AV		Failure to maintain storage tanks, the storage tank was leaking from the side of the tank
3	RR		Update Monitoring plan & Operations Manual, submit records by October 02, 2018
4			Violations may change or occur after receiving Records Request

¹Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.			
 Tessa D. Lusk Jr. Investigator Name (Signed & Printed)	09/18/18 Date	 KARL SCHNEIDER Regulated Entity Representative Name (Signed & Printed)	9-18-18 Date

If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Toby Baker, *Executive Director*

Rec'd
12-27-18

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 28, 2018

Mr. Karl Schneider, Manager
Vinton Hills Alegre, LLC
P.O. Box 428
Anthony, NM 88021

Re: Notice of Compliance with Notice of Violation (NOV) dated *November 7, 2018*:
Vinton Village Estates, Kiely Rd., Vinton, El Paso County, Texas
Regulated Entity No.: 102682986, TCEQ ID No.: TX0710151

Dear Mr. Schneider:

This letter is to inform you that the Texas Commission on Environmental Quality (TCEQ) El Paso Regional Office has received adequate compliance documentation on November 6, 2018, to resolve the alleged violations documented during the investigation of the above-referenced regulated entity conducted on September 18, 2018. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Jose Pineda at the El Paso Regional Office at (915) 834-4969.

Sincerely,



Kent Waggoner, P.G., Section Manager
El Paso Regional Office
Texas Commission on Environmental Quality

KW/jp

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/Site Name	Villa Alegre Estates			TCEQ Add. ID No. RN No. (optional)	TX0710169	
Investigation Type	CP	Contact Made In-House (Y/N)	N	Purpose of Investigation	PWS	
Regulated Entity Contact	Mr. Schneider			Telephone No.	(915) 637-1438	Date Contacted
Title	Owner			Fax No.		Date Faxed



NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and *does not represent final TCEQ findings related to violations*. Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type ¹	Rule Citation (if known)	Description of Issue
1	RR	provided on-site OK	One years worth of monthly reports (Please provide them by 1/12/15) ^{add} OK
2	PV		Failure to rotate Sampling Samples in accordance to the monitoring Plan.
3	AV		Failure to provide vent casing facing down & covered w/ 16'-mesh screen ✓
4	AV		Failure to meet the minimum Requirements for the fence structure fence ✓ Specifically the north side of the fence
5	AV		Failure to have adequate Disinfection Equipment for transfer of hypo

¹Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.

 Investigator Name (Signed & Printed)	1/12/15 Date	 Regulated Entity Representative Name (Signed & Printed)	1-12-15 Date
--	-----------------	--	-----------------

If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.

Rec'd 5-14-18

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 4, 2018

Mr. Bruce Bonestroo, Managing Member
Villa Alegre Estates
PO Box 428
Anthony, NM 88021

Re: Notice of Compliance with Notice of Violation (NOV) dated February 28, 2017 at:
Villa Alegre Estates, Vinton (El Paso County), Texas
Regulated Entity No.: 102315488, TCEQ ID No.: TX0710169

Dear Mr. Bonestroo:

This letter is to inform you that the Texas Commission on Environmental Quality (TCEQ) El Paso Regional Office has received adequate compliance documentation to resolve the alleged violation documented during the investigation of the above-referenced regulated entity conducted on January 12, 2018. No further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Ms. Alma Duarte at the El Paso Regional Office at (915) 834-4964.

Sincerely,

A handwritten signature in black ink that reads "Kent Waggoner".

Kent Waggoner, P.G.
Section Manager
El Paso Regional Office

KW/ad

Enclosure: Summary of Investigation Findings

cc: Mr. Karl Schneider, Manager
Villa Alegre Estates
8001 Kiely Rd.
Vinton, TX 79821

TCEQ Region 6 • 401 E. Franklin Ave., Ste. 560 • El Paso, Texas 79901-1212 • 915-834-4949 • Fax 915-834-4940

Austin Headquarters: 512-239-1000 • tceq.texas.gov • How is our customer service? tceq.texas.gov/customersurvey

Printed on recycled paper using vegetable-based ink

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

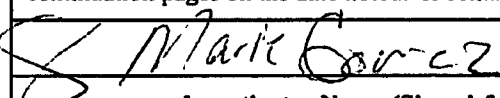
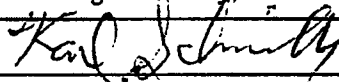
Regulated Entity/Site Name	Vinton Hills subdivision	TCEQ Add. ID No. RN No. (optional)	070172
Investigation Type	AVS	Contact Made In-House (Y/N)	Y
Regulated Entity Contact	Karl Schneider	Purpose of Investigation	CCI
Title	Manager	Telephone No.	915 637-1438
		Fax No.	
		Date Contacted	
		Date Faxed	

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type ¹	Rule Citation (if known)	Description of Issue
1	AV		Failure to receive pre authorization for tank modifications
2	RR		Plant Operations Manual (POM)
3	RR		Updated Monitoring plan
			* Violations may change due to further investigation
			Documentation must be provided by Oct 2 2018

¹Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.			
	9/18/18		KARL SCHNEIDER 9-18-18
Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date

If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Toby Baker, *Executive Director*



*Rec'd + Filed
11-16-18*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 09, 2018

Mr. Karl Schneider, Manager
Vinton Hills Alegre, LLC
P.O. Box 428
Anthony, New Mexico 88021

Re: Compliance Evaluation Investigation at:
Vinton Hills Subdivision, Vinton (El Paso County) Texas
Regulated Entity No.: 102682408, TCEQ ID No: 0710172

Dear Mr. Schneider:

On September 18, 2018, Ms. Marie Gomez of the Texas Commission on Environmental Quality (TCEQ) El Paso Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Gomez in the El Paso Region Office at (915)834-4952.

Sincerely,

A handwritten signature in black ink that reads "Kent Waggoner".

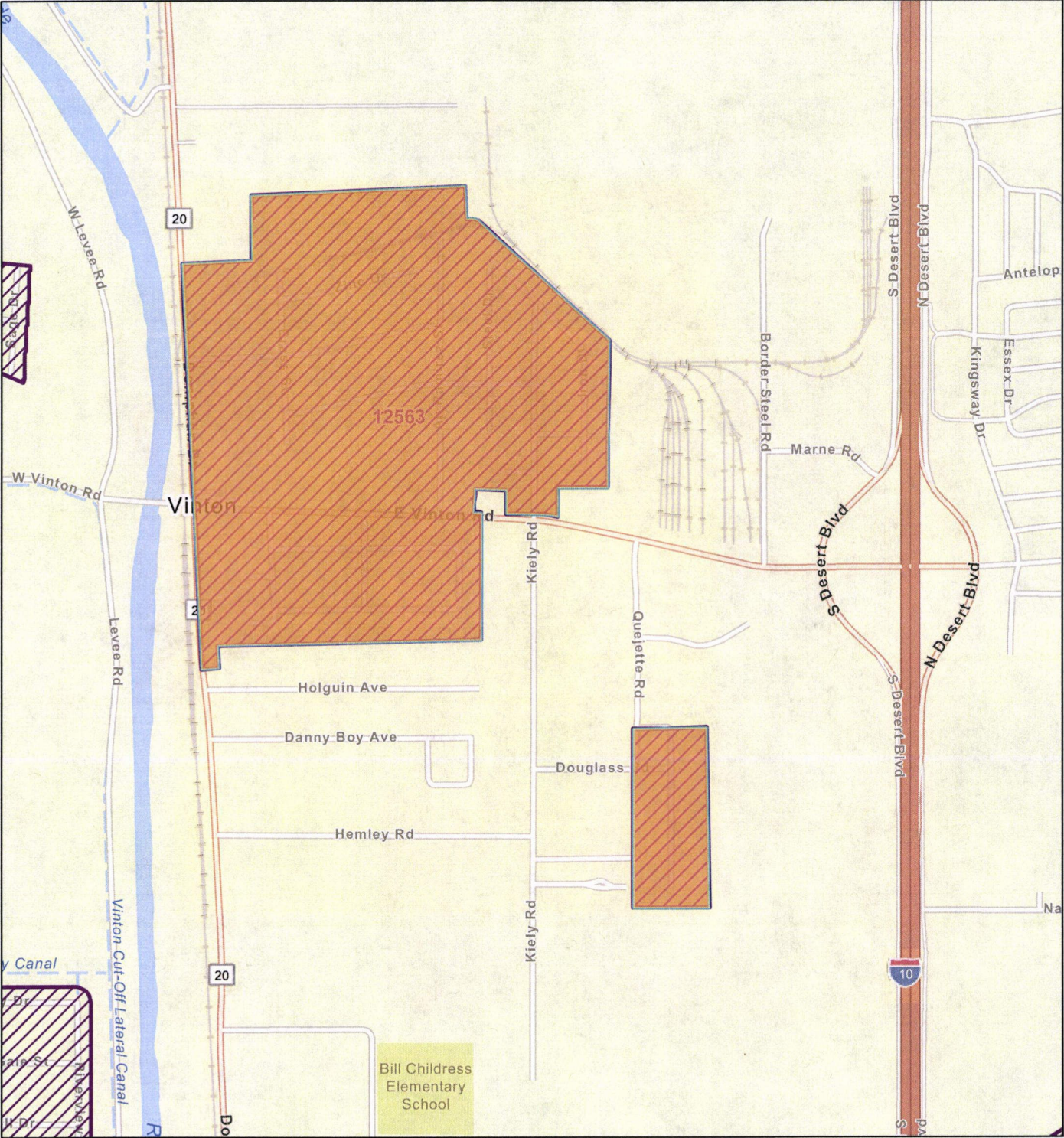
Kent Waggoner, P.G.
Section Manager
El Paso Region Office

KW/mg

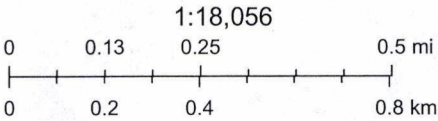
Exhibit H

Large and Small Scale Maps of Water CCN Area to be Transferred

Vinton of Village CCN No. 12563 - General Location (Small Scale) Map

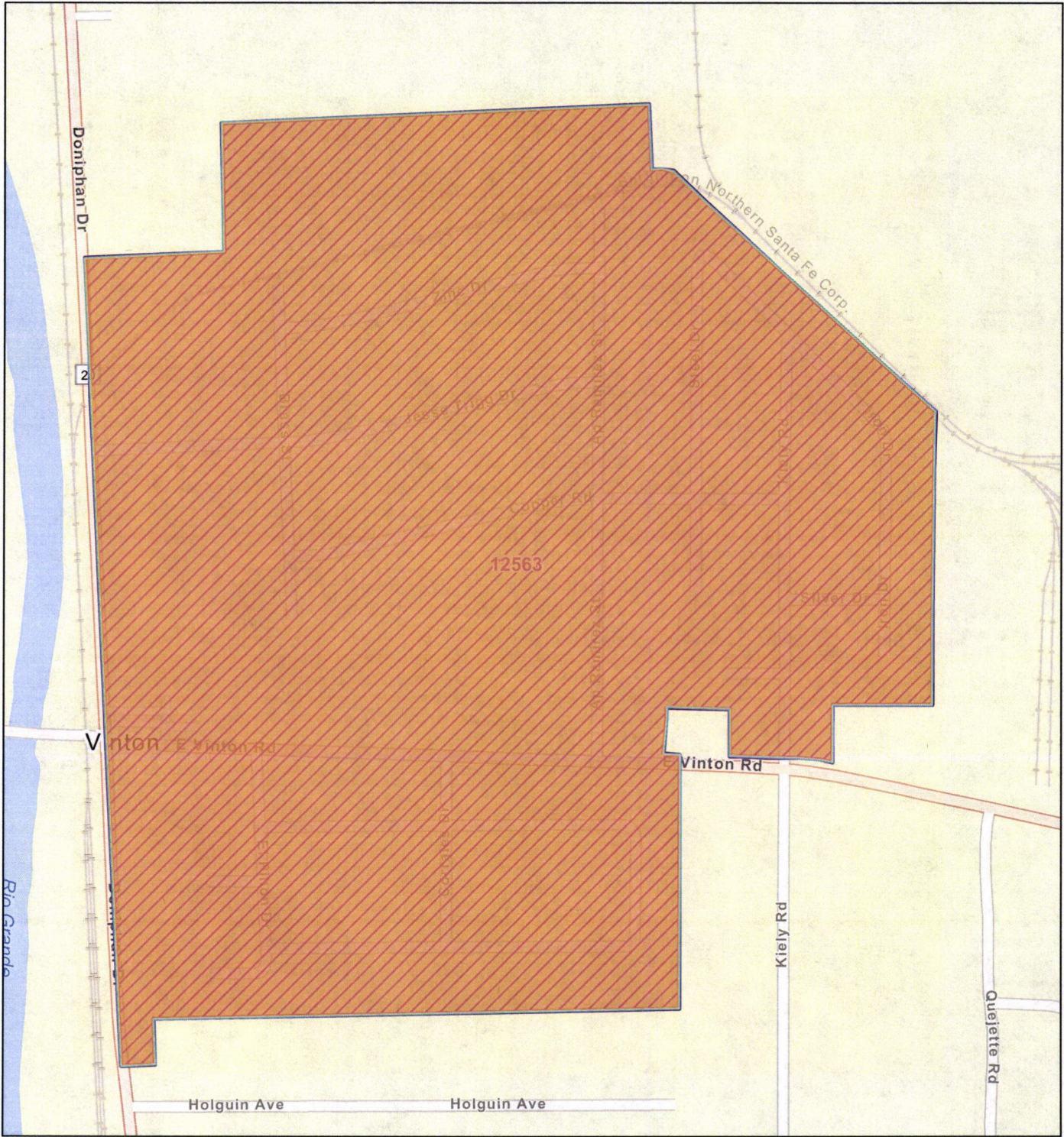


April 21, 2020

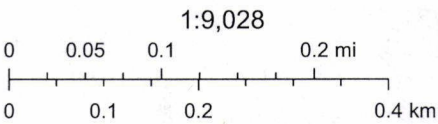


Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Vinton of Village CCN No. 12563 - Detailed (Large Scale) Map 1 of 2

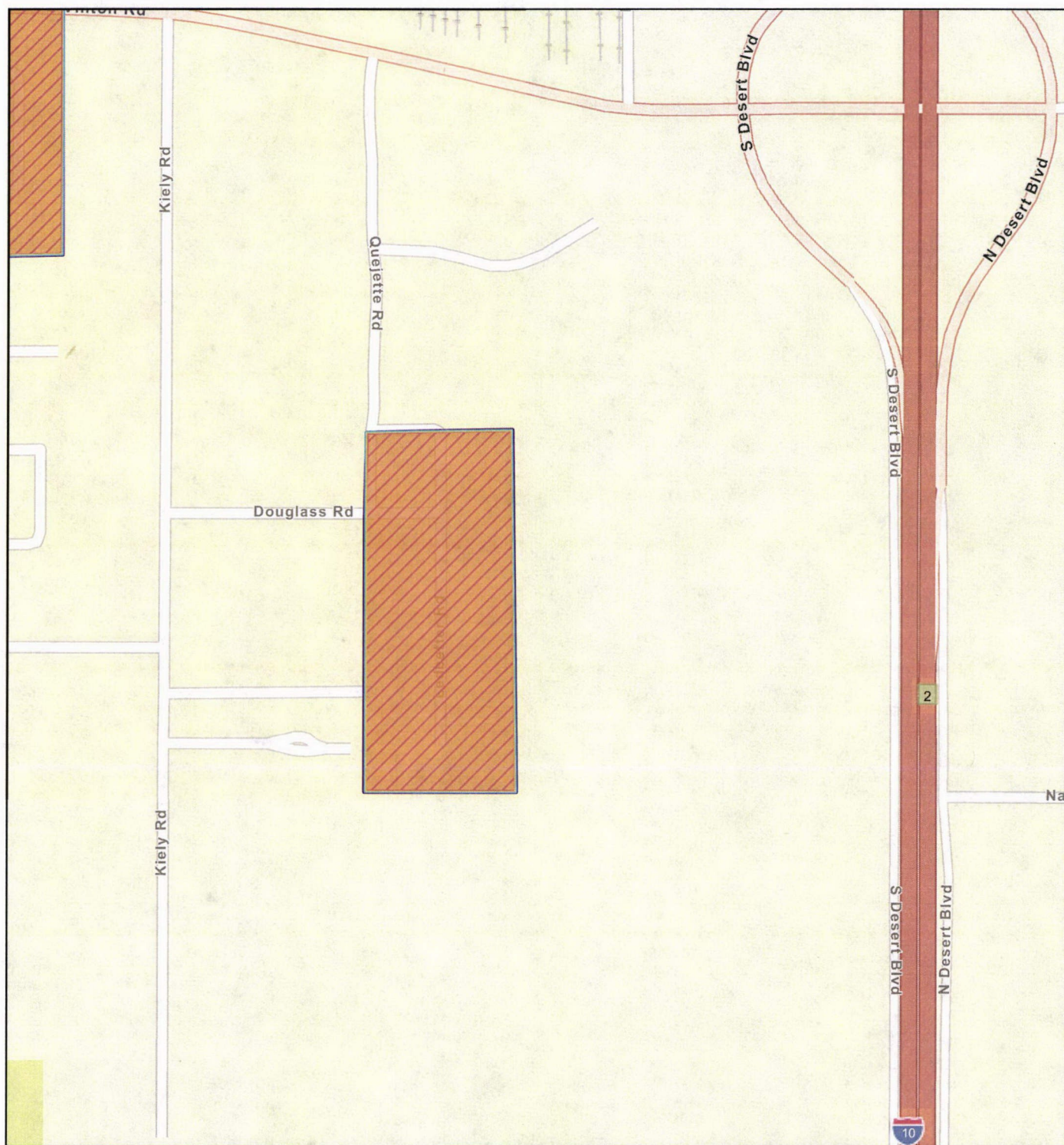


April 21, 2020

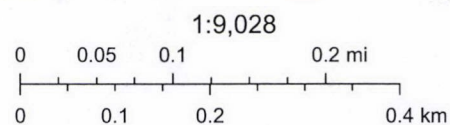


Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Vinton of Village CCN No. 12563 - Detailed (Large Scale) Map 2 of 2



April 21, 2020



Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community