

ARANSAS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

Aransas County, Texas  
 Comprehensive Annual Financial Report  
 For The Year Ended December 31, 2012

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## Introductory Section

# Aransas County

Lezlie M. Kirk  
County Auditor  
lkirk@aransascounty.org

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Rockport, Texas 78382  
Phone (361) 790-0124  
Fax (361) 790-0125

June 27, 2013

Honorable District Judges  
Honorable County Judge  
Honorable County Commissioners  
Aransas County  
Rockport, Texas 78382

Ladies and Gentlemen:

Conforming to statutory requirements of the duties of the County Auditor, submitted herewith is the comprehensive annual financial report for Aransas County, Texas, for the year ended December 31, 2012. This report is issued by the County Auditor's office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included. The report consists of three parts:

- 1) Introductory section
- 2) Financial section, including financial statements and supplemental data of the government accompanied by our independent auditor's opinion
- 3) Statistical section, including a number of tables of unaudited data depicting the financial history of the government for the past 10 years, and other miscellaneous information

## ACCOUNTING METHODS AND REPORT

The Governmental Accounting and Standards Board require various other entities and activities to be reviewed for possible inclusion in the reporting entity. Accordingly, it has been determined that the reporting entity for Aransas County, Texas, includes all of the funds of the County. The County received an unqualified, or a clean, opinion on the financial statements for 2012. In years prior to 2004, a qualified opinion had been received because of the lack of fixed asset records.

Your attention is particularly directed to the Statement of Net Assets and Statement of Activities in this report which provides an overview of the financial position and results of operations for the County as a whole, and to the "Notes to Financial Statements" which include additional descriptive information necessary for a full understanding of the County's financial condition. The more detailed financial statements comprising the remainder of the report describe the specific activities of each fund and group of accounts used in accounting for the County's financial transactions.

## FINANCIAL ADMINISTRATION

The officials having responsibility for the financial administration of the County are the County Judge and four County Commissioners (the Commissioners Court), the Tax Assessor-Collector, and the County Treasurer, all of whom are elected for four-year terms, and the County Auditor who is appointed for a two-year term by the State District Judges having jurisdiction within the County. The governing body of the County is the Commissioners Court. It has only powers expressly granted to it by the legislature and powers necessarily implied from such grant. Among other duties, it prepares and approves the County budget, determines the County tax rates, approves contracts in the name of the County, determines whether a proposition to issue bonds should be submitted to the voters, and appoints certain County officials.

The County Judge is the presiding officer of the Commissioners Court and is elected for a four-year term by the voters of the County. Each Commissioner represents one of the four Commissioner precincts into which the County is divided and is elected by the voters of his precinct for a four-year term. The Commissioners Court oversees road and bridge maintenance and construction, which is performed out of one central field office and staff, with one set of road and bridge equipment.

The Tax Assessor-Collector is responsible for collecting ad valorem taxes, collecting certain State and County fees and other taxes, including taxes collected for other local entities.

The County Treasurer's responsibilities include depositing monies received by the County in the depository selected by the Commissioners Court and signing all the County's checks. In addition, the Treasurer serves as the County's investment officer and administers the Indigent Health Care and County Assistance Programs.

The County Auditor is the chief financial officer of Aransas County. She is appointed for a two-year term by and is accountable to the State District Judges. The County Auditor is responsible for substantially all County finance and accounting functions. Her responsibilities include those for accounting, auditing, accounting systems design, assisting with financial planning, financial operations, insurance and payroll. Her signature is also required on the County's checks.

## INTERNAL CONTROL

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## BUDGETING

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. He accumulates departmental requests and works with the County Auditor in compiling estimates of revenue and departmental expenditures.

The Commissioners Court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, the Commissioners Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available cash. Unused appropriations lapse at year end.

When the budget has been adopted by the Commissioners Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners Court advised of the condition of the various funds and accounts.

Each fund is budgeted on an annual basis with no carryovers into the next year. If a fund has or shows a balance at the end of the year, the balance is included in making computation of available cash for next year's budget.

The Agency Funds are not budgeted as they are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Various other smaller funds were not budgeted for various reasons.

#### CASH MANAGEMENT

With the approval of Commissioners Court, cash temporarily idle in the various funds is invested in time deposits, money market certificates, and various securities as allowed by law. Interest rates on time deposits are governed by the County depository contract which, by law, is awarded for a two or four year period to the best bidder. The interest rates paid on County time deposits during the year ended December 31, 2012, vary with Treasury Bill rates and the period of time the money is invested.

#### INDEPENDENT AUDIT

Aransas County has followed the policy of having annual independent audits of all its funds during the last several years. This policy has been continued for year 2012 and the independent auditor's report has been included in this report.

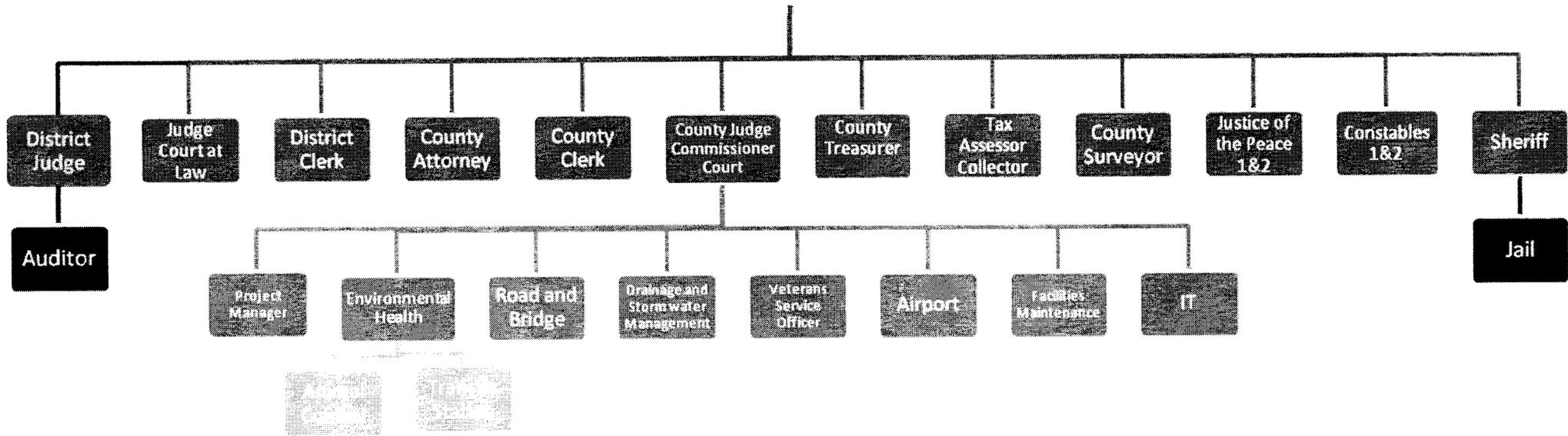
#### GENERAL REVIEW AND OUTLOOK

The County is in a sound financial condition as of December 31, 2012. The significant progress that Aransas County has made in keeping county facilities and operations in step with the economic development and growth of the County, in updating its financial records and record keeping, in the preparation of this report, and in the sound financial administration of the County could not have been accomplished without the cooperation of the various County officials and the Commissioners Court. I wish to thank them all.

Respectfully submitted,

Lezlie M. Kirk  
County Auditor

# Aransas County Organizational Chart



# ARANSAS COUNTY, TEXAS

## LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2012

### Elected Officials

<u>Name</u>	<u>Office</u>
<u>District Courts</u>	
Michael Welborn	Judge, 36th Judicial District
Joel B. Johnson	Judge, 156th Judicial District
Janna Whatley	Judge, 343rd, Judicial District
Patrick Flanigan	District Attorney
Pam Heard	District Clerk
<u>Commissioners Court</u>	
C.H. (Burt) Mills	County Judge
Jack Chaney	Commissioner, Precinct 1
Leslie (Bubba) Casterline	Commissioner, Precinct 2
Charles Smith	Commissioner, Precinct 3
Betty Stiles	Commissioner, Precinct 4
<u>Other County Officials</u>	
William Adams	Judge, County Court at Law
William Mills	Sheriff
Alma Cartwright	County Treasurer
Peggy L. Friebele	County Clerk
Jeri Cox	Tax Assessor-Collector
Richard Bianchi	County Attorney
Diane Dupnik	Justice of the Peace, Precinct 1
Dinana McGinnis	Justice of the Peace, Precinct 2
Harry "Doc" Thomas	Constable, Precinct 1
Michael Gregg	Constable, Precinct 2
Jerald L. Brundrett	County Surveyor

### Appointed Officials

<u>Name</u>	<u>Position</u>
Lezlie Kirk	County Auditor
David Vyoral	Road Administrator
Gene Johnson	Airport Manager
James Jackson	Environmental Health
David J. Reid	Drainage Engineer
Justin Cook	IT Director

## Financial Section

# ***Michael A. Arnold, PLLC***

501 E. MARKET

CERTIFIED PUBLIC ACCOUNTANT

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ROCKPORT, TEXAS 78381-1266

## **Independent Auditor's Report**

To the Commissioners' Court  
Aransas County, Texas  
301 N. Live Oak  
Rockport, Texas 78382

### **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 Aransas County, Texas as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Aransas County, Texas as of December 31, 2012, 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 budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Aransas County, Texas's basic financial statements. not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013, on our consideration of Aransas County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Aransas County, Texas's internal control over financial reporting and compliance.

Respectfully submitted,



Michael A. Arnold, PLLC

Rockport, Texas  
June 27, 2013

## Management's Discussion and Analysis

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Our discussion and analysis of Aransas County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the transmittal letter on page i and the County's financial statements, which begin on page 12.

### **FINANCIAL HIGHLIGHTS**

#### *County's Change in Net Assets – Governmental and Business-Type Activities*

Total government-wide net assets increased \$1,721,809 as a result of this year's operations. Governmental activities contributed \$1,681,551 with the balance of \$40,258 resulting from business-type activities.

#### *General Fund Performance*

As a result of this year's operations, the General fund reported a \$513,715 increase to fund balance.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 12 and 13) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund finance statements start on page 40. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

### **Reporting the County as a Whole**

#### **The Statement of Net Assets and the Statement of Activities**

One of the central concerns in assessing any County's finances is summarized in the question, "Is the County as a whole better off or worse off as a result of the year's activities?" Our analysis addressing this question begins on page 5. The analysis includes a condensed summary of the government-wide financial statements – The Statement of Net Assets and the Statement of Activities, which present information about the County in a way that facilitates answering this question. These statements are presented much

like the private-sector companies – including all assets and liabilities using the accrual basis of accounting. All revenues and expenses for the current year are reported without regard to when cash is received or paid.

These government-wide financial statements report both net assets and changes thereto. Net assets are reported in the Statement of Net Assets. The County’s net assets, which is the difference between assets and liabilities, is one indicator of the County’s financial well-being or financial position at one point in time. Increases or decreases to net assets over a period of time is an indication of whether its financial well-being is improving or deteriorating. Of course, other non-financial considerations enter into the determination of the County’s overall health, which would include such things as changes in the County’s property tax base and the condition of its streets.

Changes to net assets are reported in the Statement of Activities, which divides all County functions into two categories:

Governmental activities – Most of the County’s basic services are reported in this category, which includes judicial, public safety, roads, health and welfare, culture and recreation and general administration. These activities are primarily supported by sales taxes, property taxes, fines and official fees.

Business-type activities – Services provided at the County Airport and Inmate Commissary are paid for from fees that are charged to customers. These two funds are reported in this category.

## **Reporting the County’s Most Significant Funds**

### **Fund Financial Statements**

Our analysis of the County’s major funds commences on page 40. The fund financial statements are presented on pages 40 through 77. These statements present detailed information about the County’s more significant funds as opposed to the County as a whole. Funds are established for various reasons – some are required by state law; others, by bond covenants. The County has two categories of funds, which can be used for public purpose – governmental and proprietary. Each category uses a different accounting approach.

Governmental funds – Most of the County’s basic services are reported in governmental funds. These funds focus on the flow of money into and out of the funds and the balance left over at the end of the year that is available for future spending. Governmental funds use a method of accounting called modified accrual. The purpose of this method is to measure cash and other financial assets that can readily be converted to cash. This approach provides a detailed short-term perspective of the County’s general government operations and the basic services it provides. This view of the County’s operations provides information that helps to determine the extent to which financial resources are available to spend in the near future to finance County programs. The relationship

between these governmental fund financial statements and the governmental activities column shown in the government-wide financial statements is shown in the form of a reconciliation presented on the page following each governmental fund financial statement.

Proprietary funds- Services provided to either outside customers or to another unit of the County, where a fee is charged, are generally reported in proprietary funds. Proprietary funds are reported the same way that is used in the government-wide financial statements. The County's enterprise funds (a component of proprietary funds) are the same as the business-type activities column of the government-wide financial statements but provides more detail including cash flows. The County has no internal service funds.

## THE COUNTY AS A WHOLE

The County's Condensed Statement of Net Assets is presented in Table 1.

**Table 1**  
**Net Assets**  
**(in Millions)**

	Governmental Activities		Business type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Current and other assets</b>	<b>34.6</b>	<b>33.0</b>	<b>0.9</b>	<b>0.8</b>	<b>35.5</b>	<b>33.8</b>
<b>Capital Assets</b>	<b>23.7</b>	<b>23.1</b>	<b>10.2</b>	<b>10.3</b>	<b>33.9</b>	<b>33.4</b>
<b>Total Assets</b>	<b>58.3</b>	<b>56.1</b>	<b>11.1</b>	<b>11.1</b>	<b>69.4</b>	<b>67.2</b>
<b>Long-term debt outstanding</b>	<b>24.4</b>	<b>23.0</b>	<b>1.0</b>	<b>1.0</b>	<b>25.4</b>	<b>24.0</b>
<b>Other liabilities</b>	<b>10.8</b>	<b>11.8</b>	<b>0.1</b>	<b>0.1</b>	<b>10.9</b>	<b>11.9</b>
<b>Total liabilities</b>	<b>35.2</b>	<b>34.8</b>	<b>1.1</b>	<b>1.1</b>	<b>36.3</b>	<b>35.9</b>
<b>Net assets:</b>	<b>23.1</b>	<b>21.3</b>	<b>10.0</b>	<b>10.0</b>	<b>33.1</b>	<b>31.3</b>
<b>Invested in capital assets,</b>	<b>9.5</b>	<b>8.7</b>	<b>9.2</b>	<b>9.2</b>	<b>18.7</b>	<b>17.9</b>
<b>Net of debt</b>						
<b>Restricted</b>	<b>9.9</b>	<b>8.7</b>	<b>-</b>	<b>-</b>	<b>9.9</b>	<b>8.7</b>
<b>Unrestricted (deficit)</b>	<b>3.7</b>	<b>3.9</b>	<b>0.8</b>	<b>0.7</b>	<b>4.5</b>	<b>4.6</b>
<b>Total net assets</b>	<b>23.1</b>	<b>21.3</b>	<b>10.0</b>	<b>10.0</b>	<b>33.1</b>	<b>31.3</b>

Net assets of the County's governmental activities increased \$1,681,551. This increase is primarily due to budgeting expenditures based upon a conservative estimate of revenues, strong performance of revenues and control over expenditures – all of which will be discussed in greater detail below.

The net assets of the County's business-type activities increased \$40,258.

**Table 2**  
**Changes in Net Assets**  
**(in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	5.1	5.4	1.2	1.3	6.3	6.7
Grants	3.4	1.5	0.6	0.1	4.0	1.6
<b>General revenues:</b>						
Property taxes	10.2	9.6			10.2	9.6
Sales tax	2.4	2.2			2.4	2.2
Other taxes	0.7	0.7			0.7	0.1
Investment income	0.1	0.5			0.1	0.5
Other general revenues	0.2	-			0.2	-
<b>Total revenues</b>	<b>22.1</b>	<b>19.9</b>	<b>1.8</b>	<b>1.4</b>	<b>23.9</b>	<b>21.3</b>
<b>Program expenses</b>						
General government	1.7	1.3			1.7	1.3
Judicial	1.4	1.3			1.4	1.3
Legal	0.5	0.6			0.5	0.6
Elections	0.1	0.1			0.1	0.1
Financial admin.	1.0	1.0			1.0	1.0
Public facilities	0.5	0.5			0.5	0.5
Public safety	7.2	6.9			7.2	6.9
Environmental	1.0	0.6			1.0	0.6
Public Transportation	2.5	2.5			2.5	2.5
Flood Control	0.2	0.2			0.2	0.2
Health & Welfare	1.7	1.8			1.7	1.8
Culture and recreation	0.5	0.7			0.5	0.8
Conservation	0.1	0.1			0.1	0.1
Contributions	1.2	0.6			1.2	0.6
Interest on long-term debt	0.8	0.8			0.8	0.8
County Airport			1.6	1.7	1.6	1.7
Inmate Commissary			0.1	0.1	0.1	0.1
<b>Total expenses</b>	<b>20.4</b>	<b>19.0</b>	<b>1.7</b>	<b>1.8</b>	<b>22.1</b>	<b>20.8</b>
<b>Excess (deficiency)</b>						
<b>Before special items</b>						
And transfers	-	-	-	-	-	-
Transfers						
<b>Increase (decrease)</b>						
<b>In net assets</b>	<b>1.7</b>	<b>0.9</b>	<b>0.1</b>	<b>(.4)</b>	<b>1.8</b>	<b>0.5</b>

Total revenues generated from both governmental and business-type activities this year amounted to \$23.9 million.

### **Governmental Activities**

Total revenues generated from governmental activities this year amounted to \$22.1 million. Expenses came in at \$20.4 million.

The cost of all governmental activities this year was \$20.4 million. However, as shown on the Statement of Activities on pages 13 and 14, the amount that our taxpayers ultimately financed for these activities through taxes and other general revenues was \$13.7 million. \$5.1 million to finance these programs was paid by those who directly benefited from them, \$3.4 was financed through contributions and grants.

Table 3 presents the cost of each of the County's four largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

**Table 3  
Governmental Activities  
(in Millions)**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Public Safety</b>	7.2	6.9	3.6	3.8
<b>General Government</b>	1.7	1.3	1.4	1.2
<b>Public Transportation</b>	2.5	2.5	1.0	1.3
<b>Health and Welfare</b>	1.7	1.7	1.4	1.4
<b>Total</b>	13.1	12.4	7.4	7.7

### **Business-type Activities**

Total revenues generated from business-type activities this year amounted to \$1.8 million. Expenses came in at \$1.7 million, leaving a \$0.1 million increase to net assets before transfers.

More details will be provided about governmental and business-type activities' operations later in this discussion and analysis.

## THE COUNTY'S FUNDS

As a result of this year's operation, governmental funds (as reflected in the balance sheet) increased combined fund balance to \$20.2 million, an increase of \$2.1 million from last year.

### Governmental Funds - A Detailed Discussion

#### Revenues

The following table presents a summary of total governmental funds for the years ended December 31, 2012 and 2011.

**Table 4**  
**Revenues**

<b>Revenues and Transfers- In</b>	<b>2012 Amount</b>	<b>% of Total</b>	<b>2011 Amount</b>	<b>Amount of Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
Taxes	13,377,123	60.6	12,504,443	872,680	7.0
Licenses & Permits	105,365	0.5	621,393	(516,028)	(83.0)
Intergovernmental	3,513,238	15.9	1,647,835	1,865,403	113.2
Charges for services	4,109,936	18.6	3,978,628	131,308	3.3
Fines and Forfeitures	730,050	3.3	788,589	(58,539)	(7.4)
Investment Income	62,305	0.3	25,905	36,400	140.5
Miscellaneous	192,345	0.8	451,110	(258,765)	(57.4)
Total	22,090,362		20,017,903	2,072,459	10.3

#### Taxes

The tax rate for fiscal year ending December 31, 2012 was .38107 compared to .37025 for 2011. Income from the 2012 tax roll will be recognized in 2013.

### *Growth in Taxable Assessed Value*

Taxable assessed values increased by \$24,370,786 or .75% over last year.

### *Collection Rate*

This year's collection rate of current property taxes on the current adjusted tax levy amounted to 98%, the same as last year.

These factors resulted in the increase in property tax revenues.

The following table presents a summary of governmental funds' expenditures, operating transfers-out and other financing uses for the years ended December 31, 2012 and 2011.

**Table 5**  
**Expenditures and Transfers-Out**

<b>Expenditures and Transfers- Out</b>	<b>2012 Amount</b>	<b>Percent of Total</b>	<b>2011 Amount</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent of Increase (Decrease)</b>
<b>General government</b>	<b>\$1,710,745</b>	<b>8.3</b>	<b>\$1,287,075</b>	<b>423,670</b>	<b>32.9</b>
<b>Judicial</b>	<b>1,442,283</b>	<b>7.0</b>	<b>1,348,882</b>	<b>93,401</b>	<b>6.9</b>
<b>Legal</b>	<b>539,433</b>	<b>2.6</b>	<b>577,008</b>	<b>(37,575)</b>	<b>(6.5)</b>
<b>Elections</b>	<b>98,537</b>	<b>0.5</b>	<b>97,032</b>	<b>1,505</b>	<b>1.6</b>
<b>Financial Adm.</b>	<b>1,028,042</b>	<b>5.0</b>	<b>1,015,339</b>	<b>12,703</b>	<b>1.3</b>
<b>Public Facilities</b>	<b>507,037</b>	<b>2.5</b>	<b>525,684</b>	<b>(18,647)</b>	<b>(3.5)</b>
<b>Public safety</b>	<b>7,231,075</b>	<b>35.3</b>	<b>6,904,439</b>	<b>326,636</b>	<b>4.7</b>
<b>Environmental</b>	<b>957,202</b>	<b>4.7</b>	<b>613,945</b>	<b>343,257</b>	<b>55.9</b>
<b>Public transportation</b>	<b>2,455,428</b>	<b>12.0</b>	<b>2,521,181</b>	<b>(65,753)</b>	<b>(2.6)</b>
<b>Flood Control</b>	<b>159,160</b>	<b>0.8</b>	<b>210,974</b>	<b>(51,814)</b>	<b>(24.6)</b>
<b>Health and welfare</b>	<b>1,747,570</b>	<b>8.5</b>	<b>1,722,701</b>	<b>24,869</b>	<b>1.4</b>
<b>Culture and recreation</b>	<b>460,458</b>	<b>2.2</b>	<b>718,408</b>	<b>(257,950)</b>	<b>(35.9)</b>
<b>Conservation</b>	<b>96,648</b>	<b>0.5</b>	<b>72,812</b>	<b>23,836</b>	<b>32.7</b>
<b>Contributions</b>	<b>1,221,757</b>	<b>6.0</b>	<b>585,844</b>	<b>635,913</b>	<b>108.5</b>
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debt Service</b>	<b>846,128</b>	<b>4.1</b>	<b>755,641</b>	<b>90,487</b>	<b>12.0</b>
<b>Total</b>	<b>20,501,503</b>		<b>18,956,965</b>	<b>1,544,538</b>	

**Government Fund Expenditures**

Total Governmental Fund expenditures were approximately the same as last year.

**General Fund**

Revenues and transfers-in generated \$12,379,471 and 642,261, respectively, aggregating \$13,021,732. Expenditures and transfers-out amounted to \$12,249,368 and \$258,649, respectively, aggregating \$12,508,017. The resulting effect on fund balance represented an increase of \$513,715.

**PROPRIETARY FUNDS**

**Enterprise Funds**

The County's enterprise operations consist of the County Airport and the Inmate Commissary. Net operating gain for the County Airport was \$40,258 compared to a loss of \$437,626 in 2011. The \$40,258 gain includes depreciation expense of \$672,380.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets*

At the end of the fiscal year, the County had \$33,357,829 in capital assets.

**Table 8  
Capital Assets at Year-end  
(Net of Depreciation,)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Land</b>	2,103,725	2,103,725	125,710	125,710	2,229,435	2,229,435
<b>Construction in progress</b>	1,032,507	1,031,117	-	-	1,032,507	1,031,117
<b>Buildings and improvements</b>	12,251,455	12,003,046	9,405,859	10,040,294	21,657,314	22,043,340
<b>Equipment</b>	2,831,024	2,534,142	95,186	111,964	2,926,210	2,646,106
<b>Infrastructure</b>	5,512,363	5,450,774	-	-	5,512,363	5,450,774
<b>Totals</b>	23,731,074	23,122,804	9,626,755	10,277,968	33,357,829	33,400,772

## **Debt Administration**

The County is authorized to issue bonds, for any purpose for which a County may issue bonds under the constitution and laws of the State of Texas. State law precludes the use of bond proceeds for any other purpose other than that for which the bonds were sold.

The County had two bond issues during the fiscal year for a total of \$9,460,000.

### *Bond Ratings*

The County's bond rating as of last issue from Standards & Poor's is AAA.

### *Bonds Outstanding*

At the end of the fiscal year, the County had \$25,430,521 in bonds outstanding.

At December 31, 2012 the County was in compliance with all bond covenants.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

During the budget process for fiscal year 2012-13 the elected and appointed officials considered many factors including the forces driving the economy in their budget decisions.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to inform the citizens, taxpayers and customers of the County of Aransas as well as its investors and creditors about the County's finances and to provide accountability for the public support that it receives. If you have any questions about the report or need additional financial information, contact the County Auditor's office at 301 N. Live Oak, Rockport, Texas 78382.

## Basic Financial Statements

**ARANSAS COUNTY, TEXAS**

## STATEMENT OF NET POSITION

DECEMBER 31, 2012

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 24,740,653	\$ 753,823	\$ 25,494,476
Receivables ( net of allowances for uncollectibles):			
Property taxes	5,334,331	--	5,334,331
Interest	10,888	--	10,888
Intergovernmental	600,622	--	600,622
Accounts	--	55,157	55,157
Sundry	9,934	--	9,934
Leases	1,110,000	--	1,110,000
Fines and fees	1,750,379	--	1,750,379
Inventories	62,264	48,448	110,712
Cash and investments - restricted	202,720	--	202,720
Bond issue costs	585,503	22,424	607,927
Capital assets, net of accumulated depreciation			
Land	2,103,725	125,710	2,229,435
Buildings, facilities and improvements	12,251,455	7,409,163	19,660,618
Machinery and equipment	2,831,024	2,070,716	4,901,740
Infrastructure	5,512,363	--	5,512,363
Construction in progress	1,032,507	584,359	1,616,866
<b>Total Assets</b>	<b>58,138,368</b>	<b>11,069,800</b>	<b>69,208,168</b>
<b>LIABILITIES</b>			
Accounts payable	701,658	29,267	730,925
Due to others	18,731	8,903	27,634
Accrued wages payable	156,734	--	156,734
Accrued interest payable	277,672	16,141	293,813
Unearned revenue	5,016,685	--	5,016,685
Advance tax collections	4,522,441	--	4,522,441
Long-term liabilities:			
Due within one year	1,238,007	44,798	1,282,805
Due in more than one year	23,192,978	954,735	24,147,713
<b>Total Liabilities</b>	<b>35,124,906</b>	<b>1,053,844</b>	<b>36,178,750</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,472,338	9,194,958	18,667,296
Restricted For:			
Legislative	3,594,489	--	3,594,489
Debt Service	1,135,259	--	1,135,259
Capital Projects	4,441,464	--	4,441,464
Health Care	(114,612)	--	(114,612)
Public Safety	348,977	--	348,977
Tourism	474,786	--	474,786
Unrestricted	3,660,761	820,998	4,481,759
<b>Total Net Position</b>	<b>\$ 23,013,462</b>	<b>\$ 10,015,956</b>	<b>\$ 33,029,418</b>

The accompanying notes are an integral part of this statement.

**ARANSAS COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General government	\$ 1,710,745	\$ 283,180	\$ 3,019	\$ --
Judicial	1,442,283	699,972	34,246	--
Legal	539,433	31,478	1,110	--
Elections	98,537	--	173	--
Financial administration	1,028,042	90,652	2,231	--
Public facilities	507,037	--	1,107	--
Public safety	7,231,475	2,447,702	1,005,344	128,132
Environmental protection	957,202	477,012	203,966	--
Public Transportation	2,455,428	921,184	573,345	--
Flood Control	159,160	--	--	--
Health and welfare	1,747,570	112,365	216,496	--
Culture and recreation	460,458	7,887	114	--
Conservation	96,648	--	170	--
Contributions to other governments:				
Water and sewer system	717,668	--	--	--
Coastal restoration	504,089	--	--	1,222,965
Capital outlay	--	82	--	--
Interest and fiscal charges	846,128	50,820	--	--
Total expenditures	<u>20,501,903</u>	<u>5,122,334</u>	<u>2,041,321</u>	<u>1,351,097</u>
<b>Business-type Activities:</b>				
County Airport	1,624,888	1,057,253	21,377	584,359
Inmate Commissary	119,117	120,697	--	--
Total Business-type Activities	<u>1,744,005</u>	<u>1,177,950</u>	<u>21,377</u>	<u>584,359</u>
<b>Total Primary Government</b>	<u>\$ 22,245,908</u>	<u>\$ 6,300,284</u>	<u>\$ 2,062,698</u>	<u>\$ 1,935,456</u>

General Revenues:  
 Property taxes  
 Sales taxes  
 Occupancy taxes  
 Other taxes  
 Investment earnings  
 Other income  
 Transfers  
 Total General Revenues and Transfers  
 Change in Net Assets  
 Net Assets - Beginning  
 Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,424,546)		\$ (1,424,546)
(708,065)		(708,065)
(506,845)		(506,845)
(98,364)		(98,364)
(935,159)		(935,159)
(505,930)		(505,930)
(3,650,297)		(3,650,297)
(276,224)		(276,224)
(960,899)		(960,899)
(159,160)		(159,160)
(1,418,709)		(1,418,709)
(452,457)		(452,457)
(96,478)		(96,478)
(717,668)		(717,668)
718,876		718,876
82		82
(795,308)		(795,308)
<u>(11,987,151)</u>		<u>(11,987,151)</u>
--	\$ 38,101	38,101
--	1,580	1,580
--	<u>39,681</u>	<u>39,681</u>
<u>(11,987,151)</u>	<u>39,681</u>	<u>(11,947,470)</u>
10,192,514	--	10,192,514
2,439,776	--	2,439,776
668,087	--	668,087
79,262	--	79,262
80,503	577	81,080
192,345	--	192,345
--	--	--
<u>13,652,487</u>	<u>577</u>	<u>13,653,064</u>
1,665,336	40,258	1,705,594
21,348,126	9,975,698	31,323,824
<u>\$ 23,013,462</u>	<u>\$ 10,015,956</u>	<u>\$ 33,029,418</u>

**ARANSAS COUNTY, TEXAS**  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2012

	General Fund	Road and Bridge	Debt Service Fund
<b>ASSETS</b>			
Cash and investments	\$ 7,612,600	\$ 2,048,376	\$ 2,052,907
Receivables ( net of allowances for uncollectibles):			
Property taxes	3,214,760	787,731	1,136,504
Interest	6,929	--	--
Intergovernmental	379,840	--	--
Sundry	9,934	--	--
Leases	--	--	1,110,000
Due from other funds	310,581	--	--
Inventories	17,985	32,093	--
Cash and investments - restricted	--	--	--
Total Assets	<u>\$ 11,552,629</u>	<u>\$ 2,868,200</u>	<u>\$ 4,299,411</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 311,121	\$ 66,462	\$ --
Due to others	--	--	18,731
Accrued wages payable	143,456	13,278	--
Due to other funds	--	--	--
Deferred revenues	3,214,760	787,731	2,246,504
Advance tax collections	2,808,345	518,081	917,648
Total Liabilities	<u>6,477,682</u>	<u>1,385,552</u>	<u>3,182,883</u>
<b>FUND BALANCES</b>			
Nonspendable	17,985	32,093	--
Restricted	--	1,450,555	1,116,528
Committed	--	--	--
Unassigned	5,056,962	--	--
Total Fund Balances	<u>5,074,947</u>	<u>1,482,648</u>	<u>1,116,528</u>
Total Liabilities and Fund Balances	<u>\$ 11,552,629</u>	<u>\$ 2,868,200</u>	<u>\$ 4,299,411</u>

The accompanying notes are an integral part of this statement.

Grant Construction	2011 Flood Control C.O.	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 5,275,134	\$ 7,751,636	\$ 24,740,653
--	--	195,336	5,334,331
--	3,959	--	10,888
121,280	--	99,502	600,622
--	--	--	9,934
--	--	--	1,110,000
--	--	--	310,581
--	--	12,186	62,264
--	--	202,720	202,720
<u>\$ 121,280</u>	<u>\$ 5,279,093</u>	<u>\$ 8,261,380</u>	<u>\$ 32,381,993</u>
\$ 144,318	\$ 10,530	\$ 169,227	\$ 701,658
--	--	--	18,731
--	--	--	156,734
242,813	--	67,768	310,581
--	--	207,522	6,456,517
--	--	278,367	4,522,441
<u>387,131</u>	<u>10,530</u>	<u>722,884</u>	<u>12,166,662</u>
--	--	--	50,078
--	5,268,563	7,446,061	15,281,707
(265,851)	--	92,435	(173,416)
--	--	--	5,056,962
<u>(265,851)</u>	<u>5,268,563</u>	<u>7,538,496</u>	<u>20,215,331</u>
<u>\$ 121,280</u>	<u>\$ 5,279,093</u>	<u>\$ 8,261,380</u>	<u>\$ 32,381,993</u>

**ARANSAS COUNTY, TEXAS**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2012

Total fund balances - governmental funds balance sheet	\$ 20,215,331
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	23,731,074
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	329,832
Payables for bond principal which are not due in the current period are not reported in the funds.	(24,271,088)
Payables for bond interest which are not due in the current period are not reported in the funds.	(277,672)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(159,897)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	585,503
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	1,750,379
Leases receivable unavailable to pay for current period expenditures are not accrued in the funds.	<u>1,110,000</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 23,013,462</u>

The accompanying notes are an integral part of this statement.

# ARANSAS COUNTY, TEXAS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Road and Bridge	Debt Service Fund
<b>Revenue:</b>			
Taxes	\$ 8,109,549	\$ 1,080,887	\$ 2,101,375
Licenses and permits	105,365	--	--
Intergovernmental	84,479	572,495	120,820
Charges for services	3,410,653	494,846	--
Fines and forfeitures	462,506	196,091	--
Investment earnings	24,352	2,740	1,742
Miscellaneous	182,567	--	--
Total revenues	<u>12,379,471</u>	<u>2,347,059</u>	<u>2,223,937</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	1,382,096	--	--
Judicial	1,371,634	--	--
Legal	508,051	--	--
Elections	79,375	--	--
Financial administration	1,021,326	--	--
Public facilities	507,037	--	--
Public safety	5,587,820	--	--
Environmental protection	485,534	--	--
Public Transportation	389,210	1,748,760	--
Flood Control	--	--	--
Health and welfare	517,720	--	--
Culture and recreation	52,365	--	--
Conservation	78,057	--	--
Capital outlay	269,143	129,604	--
<b>Debt service:</b>			
Principal	--	--	1,044,334
Interest and fiscal charges	--	--	897,586
Bond issuance costs	--	--	154,178
Total expenditures	<u>12,249,368</u>	<u>1,878,364</u>	<u>2,096,098</u>
Excess (deficiency) of revenues (under) expenditures	130,103	468,695	127,839
<b>Other financing sources (uses):</b>			
Transfers in	642,261	--	158,900
Transfers out	(258,649)	(589,638)	--
Proceeds from bonds	--	--	7,255,000
Premium on bonds sold	--	--	389,594
Interest from bond sale	--	--	18,198
Payment to refunding escrow agent	--	--	(7,492,727)
Total other financing sources (uses)	<u>383,612</u>	<u>(589,638)</u>	<u>328,965</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	513,715	(120,943)	456,804
Fund balances, January 1	4,561,232	1,603,591	659,724
Fund balances, December 31	<u>\$ 5,074,947</u>	<u>\$ 1,482,648</u>	<u>\$ 1,116,528</u>

The accompanying notes are an integral part of this statement.

Grant Construction	2011 Flood Control C.O.	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 2,085,312	\$ 13,377,123
--	--	--	105,365
2,527,141	--	208,303	3,513,238
--	--	204,437	4,109,936
--	--	71,453	730,050
--	26,167	7,304	62,305
--	--	9,778	192,345
<u>2,527,141</u>	<u>26,167</u>	<u>2,586,587</u>	<u>22,090,362</u>
--	--	174,671	1,556,767
--	--	69,459	1,441,093
--	--	31,382	539,433
2,101	--	--	81,476
--	--	--	1,021,326
--	--	--	507,037
964,756	--	193,953	6,746,529
318,520	--	104,773	908,827
--	--	--	2,137,970
--	--	139,527	139,527
--	--	1,224,236	1,741,956
--	--	358,271	410,636
--	--	--	78,057
1,347,632	257,773	949,058	2,953,210
--	--	--	1,044,334
--	--	--	897,586
--	--	82,657	236,835
<u>2,633,009</u>	<u>257,773</u>	<u>3,327,987</u>	<u>22,442,599</u>
(105,868)	(231,606)	(741,400)	(352,237)
--	--	1,222,628	2,023,789
--	--	(1,175,502)	(2,023,789)
--	--	2,205,000	9,460,000
--	--	127,657	517,251
--	--	--	18,198
--	--	--	(7,492,727)
<u>--</u>	<u>--</u>	<u>2,379,783</u>	<u>2,502,722</u>
(105,868)	(231,606)	1,638,383	2,150,485
(159,983)	5,500,169	5,900,113	18,064,846
<u>\$ (265,851)</u>	<u>\$ 5,268,563</u>	<u>\$ 7,538,496</u>	<u>\$ 20,215,331</u>

**ARANSAS COUNTY, TEXAS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Net change in fund balances - total governmental funds	\$ 2,150,485
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,731,453
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,123,183)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	2,516
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,044,334
Payment to bond refunding escrow agent recorded in funds but not in SOA.	7,492,727
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(21,146)
The amortization of bond premiums is not reported in the funds.	15,228
(Increase) decrease in accrued interest from beginning of period to end of period.	57,376
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(201)
Uncollected court fines are not recorded as revenue in the funds.	126,163
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(9,460,000)
Bond premiums are reported in the funds but not in the SOA.	(517,251)
Bond issue costs are reported in the funds but not in the SOA.	236,835
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(70,000)</u>
'Change in net position of governmental activities - Statement of Activities	<u>\$ 1,665,336</u>

The accompanying notes are an integral part of this statement.

**ARANSAS COUNTY, TEXAS**

## STATEMENT OF NET POSITION

## ENTERPRISE FUNDS

DECEMBER 31, 2012

	Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
	County Airport	Inmate Commissary	
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 590,266	\$ 163,557	\$ 753,823
Receivables ( net of allowances for uncollectibles):			
Accounts	55,157	--	55,157
Inventories	48,448	--	48,448
Total Current Assets	<u>693,871</u>	<u>163,557</u>	<u>857,428</u>
<b>Noncurrent Assets:</b>			
Bond issue costs	22,424	--	22,424
<b>Capital assets, net of accumulated depreciation</b>			
Land	125,710	--	125,710
Construction in Progress	584,359	--	584,359
Buildings, facilities and improvements	7,409,163	--	7,409,163
Machinery and equipment	2,070,716	--	2,070,716
Total Capital Assets	<u>10,189,948</u>	<u>--</u>	<u>10,189,948</u>
<b>Total Assets</b>	<u>\$ 10,906,243</u>	<u>\$ 163,557</u>	<u>\$ 11,069,800</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 29,267	\$ --	\$ 29,267
Due to others	--	8,903	8,903
Accrued interest payable	16,141	--	16,141
Current portion of long-term debt	44,798	--	44,798
Total Current Liabilities	<u>90,206</u>	<u>8,903</u>	<u>99,109</u>
<b>Noncurrent Liabilities:</b>			
Compensated absences payable	4,543	--	4,543
Bonds payable	950,192	--	950,192
Total Noncurrent Liabilities	<u>954,735</u>	<u>--</u>	<u>954,735</u>
<b>Total Liabilities</b>	<u>1,044,941</u>	<u>8,903</u>	<u>1,053,844</u>
<b>NET ASSETS</b>			
Invested in Capital Assets	9,194,958	--	9,194,958
Unrestricted	666,344	154,654	820,998
Total Net Assets	<u>9,861,302</u>	<u>154,654</u>	<u>10,015,956</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 10,906,243</u>	<u>\$ 163,557</u>	<u>\$ 11,069,800</u>

The accompanying notes are an integral part of this statement.

**ARANSAS COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS - ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
	County Airport	Inmate Commissary	
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 1,057,253	\$ 120,697	\$ 1,177,950
Total Operating Revenues	<u>1,057,253</u>	<u>120,697</u>	<u>1,177,950</u>
<b>OPERATING EXPENSES:</b>			
Cost of services	515,589	--	515,589
Personal services	217,793	--	217,793
Contractual services	94,157	--	94,157
Supplies	9,445	119,117	128,562
Repairs and maintenance	73,736	--	73,736
Depreciation and amortization	672,380	--	672,380
Total Operating Expenses	<u>1,583,100</u>	<u>119,117</u>	<u>1,702,217</u>
Operating Income (Loss)	<u>(525,847)</u>	<u>1,580</u>	<u>(524,267)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Intergovernmental revenue	21,377	--	21,377
Interest revenue	577	--	577
Interest expense	(41,788)	--	(41,788)
Total Non-operating Revenues (Expenses)	<u>(19,834)</u>	<u>--</u>	<u>(19,834)</u>
Income (Loss) before Capital Contributions and Transfers	<u>(545,681)</u>	<u>1,580</u>	<u>(544,101)</u>
<b>TRANSFERS:</b>			
Capital Contributions	584,359	--	584,359
Transfers in	--	--	--
Transfers out	--	--	--
Change in Net Assets	<u>38,678</u>	<u>1,580</u>	<u>40,258</u>
Net Assets, beginning of year	9,822,624	153,074	9,975,698
Net Assets, end of year	<u>\$ 9,861,302</u>	<u>\$ 154,654</u>	<u>\$ 10,015,956</u>

The accompanying notes are an integral part of this statement.

**ARANSAS COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Enterprise Funds		
	County Airport	Inmate Commissary	Totals
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$ 1,076,170	\$ 119,111	\$ 1,195,281
Cash Payments to Employees for Services	(217,602)	--	(217,602)
Cash Payments to Other Suppliers for Goods and Services	(704,648)	(119,117)	(823,765)
Net Cash Provided (Used) by Operating Activities	<u>153,920</u>	<u>(6)</u>	<u>153,914</u>
<b>Cash Flows from Non-capital Financing Activities:</b>			
Repayment of loans from other funds	--	--	--
Deposits from others	--	--	--
Transfers to other funds	--	--	--
Operating Grants Received	21,377	--	21,377
Net Cash Provided (Used) by Non-capital Financing Activities	<u>21,377</u>	<u>--</u>	<u>21,377</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Debt service payments	(85,400)	--	(85,400)
Acquisition or Construction of Capital Assets	--	--	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(85,400)</u>	<u>--</u>	<u>(85,400)</u>
<b>Cash Flows from Investing Activities:</b>			
Oil and gas royalties	--	--	--
Interest and Dividends on Investments	577	--	577
Net Cash Provided (Used) for Investing Activities	<u>577</u>	<u>--</u>	<u>577</u>
Net Increase (Decrease) in Cash and Cash Equivalents	90,474	(6)	90,468
Cash and Cash Equivalents at Beginning of Year	499,792	163,563	663,355
Cash and Cash Equivalents at End of Year	<u>\$ 590,266</u>	<u>\$ 163,557</u>	<u>\$ 753,823</u>
<b>Reconciliation of Operating Income to Net Cash</b>			
<b>Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ (525,847)	\$ 1,580	\$ (524,267)
Adjustments to Reconcile Operating Income to Net Cash			
Provided by Operating Activities			
Depreciation and Amortization	672,380	--	672,380
Change in Assets and Liabilities:			
Decrease (Increase) in Receivables	18,917	--	18,917
Decrease (Increase) in Inventories	(12,903)	--	(12,903)
Increase (Decrease) in Accounts Payable	1,182	--	1,182
Increase (Decrease) in Due to Others	--	(1,586)	--
Increase (Decrease) in Wages Payable	191	--	191
Total Adjustments	<u>679,767</u>	<u>(1,586)</u>	<u>678,181</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 153,920</u>	<u>\$ (6)</u>	<u>\$ 153,914</u>
Significant noncash transactions:			
Construction paid by Texas Department of Transportation Grants	\$ 584,359	\$ --	\$ 584,359

The accompanying notes are an integral part of this statement.

**ARANSAS COUNTY, TEXAS**  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2012

	<u>Agency Funds</u>
<b>ASSETS</b>	
Assets:	
Cash and investments	\$ 3,697,981
Total Assets	<u>\$ 3,697,981</u>
<b>LIABILITIES AND EQUITY</b>	
Liabilities:	
Due to others	\$ 3,697,981
Total Liabilities	<u>3,697,981</u>
Equity:	
Total equity	<u>--</u>
Total Liabilities and Equity	<u>\$ 3,697,981</u>

The accompanying notes are an integral part of this statement.

**ARANSAS COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

A. Summary of Significant Accounting Policies

The combined financial statements of Aransas County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

Aransas County, Texas, (the "County") was organized in 1871. The County operates under a County Judge-Commissioners Court type of government and provides the following services throughout the County: public safety, public transportation (highways, roads and airport), health and welfare, culture-recreation, conservation, public facilities, environmental protection, judicial and legal, election functions, and general administrative services.

The financial statements of the County include all governmental activities, organizations and functions of the County for which the Commissioners Court has oversight responsibility. The financial statements include all funds and account groups of the County. There are no component units applicable to the County. Therefore, the primary government (Aransas County) is the same as the reporting entity. The County is not a component unit of any other entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

**Government-wide Statements:** The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

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

**ARANSAS COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Road and Bridge Fund. This fund is used to account for monies provided by ad valorem taxes, registration fees and various other revenue sources for maintenance of county roads.

Debt Service Fund. This fund is used to account for the accumulation of resources and payment of bond principal.

2011 Flood Control C.O. Fund. This fund is used to account for the receipt and use of the funds pertaining to the 2011 C.O. issue.

Grant Construction Fund. This fund is used to account for proceeds and disbursements related to grant projects.

The County reports the following major enterprise funds:

County Airport Fund. This fund is used to account for the operations of the County Airport.

In addition, the County reports the following fund types:

Agency Funds: These funds are used to account for assets held by the County as agent for individuals, private organizations and other governmental units. Agency funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are not available to support County programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The County has chosen not to apply future FASB standards.

**3. Budgets and Budgetary Accounting**

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to the beginning of the fiscal year, the County prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Commissioners' Court is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the Commissioners' Court.

Once a budget is approved, it can be amended only by approval of a majority of the members of the Commissioners' Court. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Commissioners' Court and are not made after fiscal year end. During the year, the budget was amended as necessary.

Annual budgets are legally adopted for the general fund, most special revenue funds and the debt service fund. Budgets are adopted on a basis consistent with GAAP with the following exception:

Assistance Department Special Revenue Fund - revenues and expenditures recognized as the result of receipt and distribution of federal commodities are not budgeted.

Encumbrance accounting is not utilized by the County.

Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

The legal level of budgetary control is at the fund level.

Formal budgets are not adopted in the Capital Projects Funds. Effective budgetary control in these funds is achieved through individual project budgeting in conformance with the provisions of bond orders, grant awards and other sources.

**4. Financial Statement Amounts**

**a. Cash and Cash Equivalents**

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

**b. Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Tax collections budgeted for the subsequent fiscal year begin in October. These advance tax collections are reported as a liability in the financial statements.

Allowances for uncollectible tax receivables within the General, Special Revenue and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

The County's Tax Assessor-Collector acts as agent in the billing and collecting of taxes for the Aransas County Independent School District, the City of Rockport, the Aransas County Navigation District No.1, the Town of Fulton and the Aransas County MUD No.1. These transactions are accounted for in the Tax Collector-Assessor Agency Fund.

c. Inventories and Prepaid Items

The County records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Buildings, Improvements and Facilities	20-40
Machinery and Equipment	5-10

e. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

Except for the lease receivable, there are no significant receivables which are not scheduled for collection within one year of year end.

f. Compensated Absences

Vacation, sick leave benefits and compensatory time are accrued by County employees according to guidelines set in the County's personnel policy. All full-time employees with one year service accrue vacation with pay. The amount of vacation earned depends upon the length of service with the County. Unused vacation leave over 40 hours will be lost at the end of each fiscal year.

Sick leave accrues at the rate of one day per month while an employee is actually employed by the County on a full-time basis. Part-time employees do not receive the benefit of sick leave. The maximum

**ARANSAS COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

number of days which shall accrue to the individual can not exceed one hundred-twenty days at any one time. Sick leave will not be paid upon termination of employment.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. 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 or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

i. Fund Balances - Governmental Funds

Fund balances are classified as described below:

**Nonspendable Fund Balance** - represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

**Restricted Fund Balance** - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

**Committed Fund Balance** - represents amounts that can only be used for a specific purpose because of a formal action by the Commissioners' Court. Committed amounts cannot be used for any other purpose unless the Courtl removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Court. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**Assigned Fund Balance** - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners' Court or by an official or body to which the Courtl delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

**Unassigned Fund Balance** - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

j. Use of Estimates

The paration of financial statements in conformity with GAAP requies the use of managment estimates.

B. Compliance and Accountability

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Indigent Health	\$ (155,462)	To be funded by Health Care Sales Tax Fund.
Grant Construction Fund	(265,851)	To be funded by the General Fund.
Courthouse Security Fund	(273)	To be funded by the General Fund.

C. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County 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.

Cash Deposits:

At December 31, 2012, the carrying amount of the County's deposits in its depository bank was \$5,758,340 and the bank balance was \$6,819,210. The County's cash deposits at December 31, 2012 and during the year ended December 31, 2012, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

The County also invests in certificates of deposit at other financial institutions which are fully covered by FDIC insurance. The term of these certificates varies between 3 months to 2 years. The certificates of deposit are shown below as investments and are fully covered by FDIC insurance.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County's investments at December 31, 2012 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average To Maturity (Days)</u>	<u>Fair Value</u>
Investment Pools:		
TexPool	34	\$ 2,224,162
Funds Management Group	40	2,111,753
TexStar	49	3,517,629
Texas Class	40	9,484,889
		<u>17,338,433</u>
Certificates of Deposit	480	5,736,000
Total Investments		<u>\$ 23,074,433</u>

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

At December 31, 2012, the County's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

<u>Investment</u>	<u>Rating</u>	<u>Agency</u>
TexPool	AAAm	Standards & Poors
Funds Management Group	AAAm	Standards & Poors
TexStar	AAAm	Standards & Poors
Texas Class	AAAm	Standards & Poors

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

**ARANSAS COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
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c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County uses a wide range of pools and financial institutions and was not significantly exposed to concentration of credit risk at year end.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The County's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Lease Receivable

During 2003, the County issued Certificates of Obligation in the amount of \$11,400,000 for construction of a new jail and law enforcement center. The City of Rockport (the City) agreed to occupy and share the cost of the law enforcement center. The City entered into a lease purchase agreement with the County to share the cost of the law enforcement center of \$3,300,010. The City contributed real estate valued at \$54,216 as a partial payment. The City and County share the facility on a 50/50 basis. Both parties agreed that the City's remaining cost for the project (after credit for the real estate contribution) to be \$1,607,000. The City's payments have been calculated by prorating the debt service requirements due on the Certificate issue over 20 years. Payments began in 2004. As soon as the City has met its payment requirements, the City will own an undivided interest of approximately 50% in the law enforcement center.

The City has agreed to pay 50% of the annual operating costs, including repair and maintenance, of the center.

The lease receivable of \$1,110,000 has been recorded in the Debt Service Fund.

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Year Ending December 31,	Principal	Interest	Total
2013	\$ 73,000	\$ 48,137	\$ 121,137
2014	75,000	45,222	120,222
2015	78,000	42,162	120,162
2016	82,000	38,911	120,911
2017	85,000	35,414	120,414
2018-2022	487,000	116,028	603,028
2023-2024	230,000	11,942	241,942
Totals	\$ 1,110,000	\$ 337,816	\$ 1,447,816

The effective interest rate on the lease is 4.394%.

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2012, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 2,103,725	\$ --	\$ --	\$ 2,103,725
Construction in progress	1,031,117	597,641	596,251	1,032,507
Total capital assets not being depreciated	3,134,842	597,641	596,251	3,136,232
<b>Capital assets being depreciated:</b>				
Infrastructure	9,209,024	237,425	--	9,446,449
Buildings, improvements and facilities	16,120,882	696,754	--	16,817,636
Machinery and equipment	7,261,556	795,885	--	8,057,441
Total capital assets being depreciated	32,591,462	1,730,064	--	34,321,526
Less accumulated depreciation for:				
Infrastructure	(3,758,250)	(175,836)	--	(3,934,086)
Buildings, improvements and facilities	(4,117,836)	(448,345)	--	(4,566,181)
Machinery and equipment	(4,727,415)	(499,002)	--	(5,226,417)
Total accumulated depreciation	(12,603,501)	(1,123,183)	--	(13,726,684)
Total capital assets being depreciated, net	19,987,961	606,881	--	20,594,842
Governmental activities capital assets, net	\$ 23,122,803	\$ 1,204,522	\$ 596,251	\$ 23,731,074
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 125,710	\$ --	\$ --	\$ 125,710
Construction in progress	--	--	--	--
Total capital assets not being depreciated	125,710	--	--	125,710
<b>Capital assets being depreciated:</b>				
Buildings, improvements and facilities	14,822,841	21,167	--	14,844,008
Machinery and equipment	544,181	--	--	544,181
Total capital assets being depreciated	15,367,022	21,167	--	15,388,189
Less accumulated depreciation for:				
Buildings, improvements and facilities	(4,782,547)	(655,602)	--	(5,438,149)
Machinery and equipment	(432,217)	(16,778)	--	(448,995)
Total accumulated depreciation	(5,214,764)	(672,380)	--	(5,887,144)
Total capital assets being depreciated, net	10,152,258	(651,213)	--	9,501,045
Business-type activities capital assets, net	\$ 10,277,968	\$ (651,213)	\$ --	\$ 9,626,755

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Depreciation was charged to functions as follows:

<u>Governmental activities:</u>	
General Government	\$ 153,777
Judicial	1,190
Elections	17,061
Financial administration	6,716
Public safety	484,946
Flood control	19,663
Environmental protection	48,375
Public transportation	317,428
Health and welfare	5,614
Culture and recreation	49,822
Conservation	18,591
	<u>\$ 1,123,183</u>
 <u>Business-type activities:</u>	
Airport	<u>\$ 672,380</u>

F. Interfund Balances and Activity

1. Due To and From Other Funds

The County had no interfund receivables or payables at December 31, 2012.

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2012, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Other Governmental Funds	\$ 258,649	Supplement other funds sources
Road and Bridge Fund	General Fund	402,420	Supplement other funds sources
Other Governmental Funds	General Fund	239,841	Supplement other funds sources
Other Governmental Funds	Other Governmental Funds	1,122,879	Supplement other funds sources
	Total	<u>\$ 2,023,789</u>	

G. Deferred Revenues

Deferred revenue at year end consisted of the following:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
<u>General Fund</u>			
Property taxes	\$ 3,016,455	\$ 198,305	\$ 3,214,760
	<u>3,016,455</u>	<u>198,305</u>	<u>3,214,760</u>
 <u>Special Revenue Funds</u>			
Road and Bridge			
Property taxes	739,894	47,837	787,731
Flood Control			
Property taxes	166,894	16,215	183,109
Moquito Control			

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Property taxes	11,403	824	12,227
Aransas County Assistance Dept. Commodity inventory	12,186	--	12,186
	<u>930,377</u>	<u>64,876</u>	<u>995,253</u>
<b>Debt Service</b>			
Lease receivable	--	1,110,000	1,110,000
Property taxes	1,069,853	66,651	1,136,504
	<u>1,069,853</u>	<u>1,176,651</u>	<u>2,246,504</u>
<b>Total Deferred Revenue</b>	<b>\$ 5,016,685</b>	<b>\$ 1,439,832</b>	<b>\$ 6,456,517</b>

**H. Short-Term Debt Activity**

There was no short-term debt activity for the year ended December 31, 2012.

**I. Long-Term Obligations**

**1. Long-Term Obligation**

Long-term debt consisted of the following at December 31, 2012:

	Interest Rate	General Long-Term Debt	Enterprise Fund Debt
Certificates of Obligation, Series 2003	3.00-5.125%	\$ 545,000	\$ --
Certificates of Obligation, Series 2007	4.10-5.00%	1,951,172	593,828
Certificates of Obligation, Series 2009	2.50-5.00%	3,760,000	375,000
Certificates of Obligation, Series 2011	2.00-4.00%	5,280,000	--
Venue Project Revenue Bonds, Series 2011	2.00-4.00%	2,660,000	--
Limited Tax Refunding Bonds, Series 2012	2.00-3.00%	7,255,000	--
Certificates of Obligation, Series 2012	2.00-3.00%	2,205,000	--
<b>Total Bonded Debt</b>		<b>23,656,172</b>	<b>968,828</b>
Unamortized bond premium		777,645	26,163
Deferred loss on refunding		(162,727)	--
Compensated absences		159,897	4,543
<b>Total Long-Term Debt</b>		<b>\$ 24,430,987</b>	<b>\$ 999,534</b>

Changes in long-term obligations for the year ended December 31, 2012, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
Certificates of Obligation	\$ 19,800,506	\$ 9,460,000	\$ 8,264,334	\$ 20,996,172	1,088,167

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Revenue Bonds	2,770,000	--	110,000	2,660,000	105,000
Bond Premium	275,620	517,251	15,226	777,645	52,420
Deferred loss on refunding	--	(162,727)	--	(162,727)	(13,580)
Compensated absences *	159,696	201	--	159,897	6,000
Total governmental activities	\$ 23,005,822	\$ 9,814,725	\$ 8,389,560	\$ 24,430,987	\$ 1,238,007

**Business activities**

Certificates of Obligation	\$ 1,009,494	\$ --	\$ 40,666	\$ 968,828	\$ 41,833
Bond Premium	28,128	--	1,965	26,163	1,965
Compensated absences *	4,352 **	191	--	4,543	1,000
Total business activities	\$ 1,041,974	\$ 191	\$ 42,631	\$ 999,534	\$ 44,798

\* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General
Compensated absences	Business	Airport

2. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2012, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2013	\$ 1,193,167	\$ 740,459	\$ 1,933,626
2014	1,205,834	726,583	1,932,417
2015	1,234,667	697,271	1,931,938
2016	1,268,500	665,955	1,934,455
2017	1,301,167	632,101	1,933,268
2018-2022	7,085,169	2,583,930	9,669,099
2023-2027	6,887,668	1,357,299	8,244,967
2026-2031	3,480,000	252,825	3,732,825
Totals	\$ 23,656,172	\$ 7,656,423	\$ 31,312,595

Year Ending December 31,	Business Activities		
	Principal	Interest	Total
2013	\$ 41,833	\$ 43,043	\$ 84,876
2014	44,166	41,232	85,398
2015	45,333	39,294	84,627
2016	51,500	37,173	88,673
2017	53,833	34,840	88,673
2018-2022	294,831	134,983	429,814
2023-2027	377,332	58,078	435,410
2028-2029	60,000	3,000	63,000
Totals	\$ 968,828	\$ 391,643	\$ 1,360,471

3. In September 2012, the County issued \$7,255,000 of limited refunding bonds. The Bonds were used to provide funds to establish an irrevocable trust escrow to advance refund \$7,330,000 of the County's outstanding debt. The cost of the refunding exceeded the net carrying amount of the old debt by \$162,727. This will be amortized over the remaining life of the new debt. With the interest rate on the new debt (2-3%) as opposed to the old debt (3-5.125%), the County will recognize decreased interest and principal payments over the life of the new bonds resulting in a net present value savings of \$1,168,770.

4. Advance Refunding

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

At December 31, 2012, the County had \$7,330,000 in legally defeased debt outstanding. The debt was paid by the Escrow Trustee in 2013.

5. Continuing Disclosure

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

J. Fund Balances

Fund Balances at December 31, 2012 consisted of the following:

Nonspendable:

General Fund	\$	17,985
Road and Bridge Fund		32,093
		<u>50,078</u>

Restricted:

Legislative:

Road and Bridge	1,450,555
County Attorney Hot Check	6,272
Mosquito Control	7,312
Special Contingency	90,963
Records Management County Clerk	110,391
Law Library	46,146
Courthouse Security	(273)
Records Management - Countywide	174,416
Justice of the Peace Technology	90,169
Title IV-D Child Support	10,511
Out of County Juvenile Detention	349
Road and Bridge I&S	98
Court Reporter Service Fee	69,593
TECLOSE Training	18,794
Flood Control	904,061
Records Management-District Clerk	22,244
Records Archive	112,297
Appellate Judicial System	2,311
Child Abuse Prevention	708
County & District Court Technology	2,428
Court Records Preservation	16,723
District Court Technology	2,889
Pretrial Intervention	18,866
Juvenile Case Management	22,124
	<u>3,179,947</u>

Public Safety

County Forfeiture	6,137
Local Border Security	20,003
Sheriff's Forfeiture	8,545
DEA Forfeiture	67,525
	<u>102,210</u>

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Health:	
Indigent Health	(155,462)
Health Care Sales Tax	299,749
	<u>144,287</u>
Tourism	
Hotel/Motel Occupancy Tax Fund	377,043
Waterway Restoration	97,743
Venue Tax	347,086
	<u>821,872</u>
Capital Outlay:	
2011 Flood Control C.O.	5,268,563
2009 C.O. Fund	205,754
2012 Capital Projects C.O.	2,250,469
Venue Projects Fund	206,836
2011 C.O. Venue Capital Projects	1,985,241
	<u>9,916,863</u>
Debt Service:	
Debt Service Fund	1,116,528
	<u>1,116,528</u>
Total Restricted	<u>15,281,707</u>
Committed:	
Grant Construction Fund	(265,851)
County Library	41,922
Aransas County Assistance Department	50,513
	<u>(173,416)</u>
Unassigned:	
General Fund	5,056,962
	<u>5,056,962</u>
Total Fund Balances	\$ <u>20,215,331</u>
	20,215,331
	--

**K. Commitments Under Noncapitalized Leases**

The County has no material commitments under noncapitalized leases at December 31, 2012.

**L. Risk Management**

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2012, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Association of Counties Risk Management Pool. The Pool is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to the Pool for its above insurance coverage. The agreement for the formation of the Pool provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**M. Pension Plan**

**1. Plan Description**

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 618 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78766-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

**2. Funding Policy**

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 7.67% for calendar year 2011. The contribution rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

For the employer's accounting year ending December 31, 2012, the annual pension cost for the TCDRS Plan for its employees was \$568,023, and the actual contributions were \$568,023.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2010, the basis for determining the contribution rate for calendar year 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

**Actuarial Information**

	12/31/09	12/31/10	12/31/11
Actuarial valuation date	Entry Age	Entry Age	Entry Age
Actuarial cost method	Level percent.	Level percent.	Level percent.
Amortization method	of payroll, cls.	of payroll, cls.	of payroll, cls.
Amortization period	20.00	20.00	20.00
Asset valuation method	SAF: 10yr smoothed value ESF: Fund Val.	SAF: 10yr smoothed value ESF: Fund Val.	SAF: 10yr smoothed value ESF: Fund Val.

**ARANSAS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Actuarial Assumptions:

Investment return	8.0%	8.0%	8.0%
Projected salary increases*	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	--	--	--

\*Includes inflation at the stated rate

Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 554,001	100%	\$-0-
12/31/10	\$ 523,044	100%	\$-0-
12/31/11	\$ 568,023	100%	\$-0-

It was determined in accordance with GASB Statement No. 27 that the pension liability was zero at the transition to that statement effective January 1, 1998, because all actuarially required contributions for the accounting years for the period January 1, 1988 through December 31, 2011 have been paid. There was no previously reported pension liability before the transition. Therefore, the difference between the pension liability at transition and the previously reported pension liability is zero.

Schedule of Funding Progress for the Retirement Plan for the Employees of Aransas County

Actuarial Valuation Date	Actuarial Value of Assests (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	11,515,187 \$	12,694,313 \$	1,179,126 \$	90.71% \$	6,822,207	17.28%
12/31/10	12,281,947	13,753,468	1,471,521	89.30%	7,066,358	20.82%
12/31/11	12,934,040	14,490,433	1,556,393	89.26%	6,819,354	22.82%

**N. Other Employee Benefits**

Post Employment Benefits

The County provides health care benefits as required by the Federal government under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA requires employers that sponsor group health plans to provide continuation of group coverage to terminated employees and their dependents in circumstances where coverage would normally end. The election to be covered is at the request of the employee. The employee is then required to pay the premium costs for themselves and their dependents. Expenditures are recognized as claims are submitted. COBRA participants are reimbursed at the same levels as active employees. At December 31, 2012, the County had been fully reimbursed for costs related to COBRA participants.

Deferred Compensation

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

**ARANSAS COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
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The plan is held in an independent trust for the exclusive benefit of participating employees and not be accessible by the government or its creditors. The plan is not accounted for in the County's financial statements.

O. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, 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 basic financial statements for such contingencies.

2. Litigation

The County was involved in various matters of litigation at December 31, 2012. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the financial position of the County. The accompanying financial statements do not reflect any accrual for contingent liabilities as of December 31, 2012.

## Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**ARANSAS COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 7,837,212	\$ 7,956,713	\$ 8,109,549	\$ 152,836
Licenses and permits	68,000	98,787	105,365	6,578
Intergovernmental	99,250	85,250	84,479	(771)
Charges for services	3,260,208	3,500,289	3,410,653	(89,636)
Fines and forfeitures	627,330	632,884	462,506	(170,378)
Investment earnings	40,000	40,000	24,352	(15,648)
Miscellaneous	171,073	171,116	182,567	11,451
Total revenues	<u>12,103,073</u>	<u>12,485,039</u>	<u>12,379,471</u>	<u>(105,568)</u>
Expenditures:				
Current:				
General government	1,363,921	1,487,844	1,382,096	105,748
Judicial	1,412,896	1,464,566	1,371,634	92,932
Legal	551,079	551,079	508,051	43,028
Elections	123,911	123,911	79,375	44,536
Financial administration	1,048,334	1,044,780	1,021,326	23,454
Public facilities	554,005	554,005	507,037	46,968
Public safety	5,777,788	5,838,790	5,587,820	250,970
Environmental protection	450,523	510,385	485,534	24,851
Public Transportation	495,158	497,953	389,210	108,743
Health and welfare	536,356	561,356	517,720	43,636
Culture and recreation	52,500	54,100	52,365	1,735
Conservation	91,204	91,204	78,057	13,147
Capital outlay	231,080	285,748	269,143	16,605
Total expenditures	<u>12,688,755</u>	<u>13,065,721</u>	<u>12,249,368</u>	<u>816,353</u>
Excess (deficiency) of revenues (under) expenditures	(585,682)	(580,682)	130,103	710,785
Other financing sources (uses):				
Transfers in	662,662	662,662	642,261	(20,401)
Transfers out	(257,111)	(257,111)	(258,649)	1,538
Total other financing sources (uses)	<u>405,551</u>	<u>405,551</u>	<u>383,612</u>	<u>21,939</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(180,131)	(175,131)	513,715	688,846
Fund balances, January 1	4,467,585	4,467,585	4,561,232	93,647
Fund balances, December 31	<u>\$ 4,287,454</u>	<u>\$ 4,292,454</u>	<u>\$ 5,074,947</u>	<u>\$ 782,493</u>

**ARANSAS COUNTY, TEXAS**  
ROAD AND BRIDGE  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 1,131,986	\$ 1,131,986	\$ 1,080,887	\$ (51,099)
Intergovernmental	540,000	540,000	572,495	32,495
Charges for services	301,000	376,000	494,846	118,846
Fines and forfeitures	226,000	226,000	196,091	(29,909)
Investment earnings	10,000	10,000	2,740	(7,260)
Total revenues	<u>2,208,986</u>	<u>2,283,986</u>	<u>2,347,059</u>	<u>63,073</u>
Expenditures:				
Current:				
Public Transportation	1,828,990	1,903,990	1,748,760	155,230
Capital outlay	150,000	150,000	129,604	20,396
Total expenditures	<u>1,978,990</u>	<u>2,053,990</u>	<u>1,878,364</u>	<u>175,626</u>
Excess (deficiency) of revenues (under) expenditures	229,996	229,996	468,695	238,699
Other financing sources (uses):				
Transfers out	(622,420)	(622,420)	(589,638)	(32,782)
Total other financing sources (uses)	<u>(622,420)</u>	<u>(622,420)</u>	<u>(589,638)</u>	<u>(32,782)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(392,424)	(392,424)	(120,943)	271,481
Fund balances, January 1	1,603,591	1,603,591	1,603,591	--
Fund balances, December 31	<u>\$ 1,211,167</u>	<u>\$ 1,211,167</u>	<u>\$ 1,482,648</u>	<u>\$ 271,481</u>

## Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

**ARANSAS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2012

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>			
Cash and investments	\$ 3,464,366	\$ 4,287,270	\$ 7,751,636
Receivables ( net of allowances for uncollectibles):			
Property taxes	195,336	--	195,336
Intergovernmental	99,502	--	99,502
Inventories	12,186	--	12,186
Cash and investments - restricted	--	202,720	202,720
<b>Total Assets</b>	<b><u>\$ 3,771,390</u></b>	<b><u>\$ 4,489,990</u></b>	<b><u>\$ 8,261,380</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 120,701	\$ 48,526	\$ 169,227
Due to other funds	67,768	--	67,768
Deferred revenues	207,522	--	207,522
Advance tax collections	278,367	--	278,367
<b>Total Liabilities</b>	<b><u>674,358</u></b>	<b><u>48,526</u></b>	<b><u>722,884</u></b>
<b>FUND BALANCES</b>			
Restricted	3,004,597	4,441,464	7,446,061
Committed	92,435	--	92,435
<b>Total Fund Balances</b>	<b><u>3,097,032</u></b>	<b><u>4,441,464</u></b>	<b><u>7,538,496</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 3,771,390</u></b>	<b><u>\$ 4,489,990</u></b>	<b><u>\$ 8,261,380</u></b>

**ARANSAS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
Taxes	\$ 2,085,312	\$ --	\$ 2,085,312
Intergovernmental	208,303	--	208,303
Charges for services	204,437	--	204,437
Fines and forfeitures	71,453	--	71,453
Investment earnings	1,636	5,668	7,304
Miscellaneous	9,778	--	9,778
Total revenues	<u>2,580,919</u>	<u>5,668</u>	<u>2,586,587</u>
Expenditures:			
Current:			
General government	174,610	61	174,671
Judicial	69,459	--	69,459
Legal	31,382	--	31,382
Public safety	193,953	--	193,953
Environmental protection	104,773	--	104,773
Flood Control	139,527	--	139,527
Health and welfare	1,224,236	--	1,224,236
Culture and recreation	358,271	--	358,271
Capital outlay	210,285	738,773	949,058
Bond issuance costs	--	82,657	82,657
Total expenditures	<u>2,506,496</u>	<u>821,491</u>	<u>3,327,987</u>
Excess (deficiency) of revenues (under) expenditures	74,423	(815,823)	(741,400)
Other financing sources (uses):			
Transfers in	1,222,628	--	1,222,628
Transfers out	(1,175,502)	--	(1,175,502)
Proceeds from bonds	--	2,205,000	2,205,000
Premium on bonds sold	--	127,657	127,657
Total other financing sources (uses)	<u>47,126</u>	<u>2,332,657</u>	<u>2,379,783</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	121,549	1,516,834	1,638,383
Fund balances, January 1	2,975,483	2,924,630	5,900,113
Fund balances, December 31	<u>\$ 3,097,032</u>	<u>\$ 4,441,464</u>	<u>\$ 7,538,496</u>

**ARANSAS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2012

	Hotel/Motel Occupancy Tax Fund	County Attorney Hot Check	Mosquito Control	County Library
<b>ASSETS</b>				
Cash and investments	\$ 382,115	\$ 7,067	\$ 19,058	\$ 57,059
Receivables ( net of allowances for uncollectibles):				
Property taxes	--	--	12,227	--
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
<b>Total Assets</b>	<b><u>\$ 382,115</u></b>	<b><u>\$ 7,067</u></b>	<b><u>\$ 31,285</u></b>	<b><u>\$ 57,059</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 5,072	\$ 458	\$ 33	\$ 15,137
Due to other funds	--	--	--	--
Deferred revenues	--	--	12,227	--
Advance tax collections	--	--	11,713	--
<b>Total Liabilities</b>	<b><u>5,072</u></b>	<b><u>458</u></b>	<b><u>23,973</u></b>	<b><u>15,137</u></b>
<b>FUND BALANCES</b>				
Restricted	377,043	6,609	7,312	--
Committed	--	--	--	41,922
<b>Total Fund Balances</b>	<b><u>377,043</u></b>	<b><u>6,609</u></b>	<b><u>7,312</u></b>	<b><u>41,922</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 382,115</u></b>	<b><u>\$ 7,067</u></b>	<b><u>\$ 31,285</u></b>	<b><u>\$ 57,059</u></b>

<u>Local Border Security</u>	<u>Special Contingency</u>	<u>Records Management - County Clerk</u>	<u>Law Library</u>	<u>Courthouse Security</u>
\$ 20,003	\$ 90,963	\$ 111,188	\$ 46,146	\$ 21
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 20,003</u>	<u>\$ 90,963</u>	<u>\$ 111,188</u>	<u>\$ 46,146</u>	<u>\$ 21</u>
\$ --	\$ --	\$ 797	\$ --	\$ 294
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>797</u>	<u>--</u>	<u>294</u>
20,003	90,963	110,391	46,146	(273)
--	--	--	--	--
<u>20,003</u>	<u>90,963</u>	<u>110,391</u>	<u>46,146</u>	<u>(273)</u>
<u>\$ 20,003</u>	<u>\$ 90,963</u>	<u>\$ 111,188</u>	<u>\$ 46,146</u>	<u>\$ 21</u>

**ARANSAS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2012

	Records Managment - Countywide	Indigent Health Care	Aransas County Assistance Department	Health Care Sales Tax
<b>ASSETS</b>				
Cash and investments	\$ 174,416	\$ --	\$ 45,611	\$ 213,427
Receivables ( net of allowances for uncollectibles):				
Property taxes	--	--	--	--
Intergovernmental	--	--	8,566	90,936
Inventories	--	--	12,186	--
<b>Total Assets</b>	<b>\$ 174,416</b>	<b>\$ --</b>	<b>\$ 66,363</b>	<b>\$ 304,363</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ --	\$ 87,694	\$ 3,664	\$ 4,614
Due to other funds	--	67,768	--	--
Deferred revenues	--	--	12,186	--
Advance tax collections	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>155,462</b>	<b>15,850</b>	<b>4,614</b>
<b>FUND BALANCES</b>				
Restricted	174,416	(155,462)	--	299,749
Committed	--	--	50,513	--
<b>Total Fund Balances</b>	<b>174,416</b>	<b>(155,462)</b>	<b>50,513</b>	<b>299,749</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 174,416</b>	<b>\$ --</b>	<b>\$ 66,363</b>	<b>\$ 304,363</b>

Justice of the Peace Technology	Title IV-D Child Support	Out-of-County Juvenile Detention	Road Bond Interest & Sinking	Court Reporter Service Fee
\$ 90,169	\$ 10,511	\$ 349	\$ 98	\$ 69,593
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 90,169</u>	<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 98</u>	<u>\$ 69,593</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
90,169	10,511	349	98	69,593
--	--	--	--	--
<u>90,169</u>	<u>10,511</u>	<u>349</u>	<u>98</u>	<u>69,593</u>
<u>\$ 90,169</u>	<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 98</u>	<u>\$ 69,593</u>

**ARANSAS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2012

	Fire Department Project	County Forfeiture	TECLOSE Training	Sheriff's Forfeiture
<b>ASSETS</b>				
Cash and investments	\$ --	\$ 6,137	\$ 18,794	\$ 8,545
Receivables ( net of allowances for uncollectibles):				
Property taxes	--	--	--	--
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
<b>Total Assets</b>	<b>\$ --</b>	<b>\$ 6,137</b>	<b>\$ 18,794</b>	<b>\$ 8,545</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Deferred revenues	--	--	--	--
Advance tax collections	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES</b>				
Restricted	--	6,137	18,794	8,545
Committed	--	--	--	--
<b>Total Fund Balances</b>	<b>--</b>	<b>6,137</b>	<b>18,794</b>	<b>8,545</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ --</b>	<b>\$ 6,137</b>	<b>\$ 18,794</b>	<b>\$ 8,545</b>

Waterway Restoration Fund	Flood Control	Records Management - District Clerk	Records Archive	DEA Forfeiture
\$ 97,743	\$ 1,172,087	\$ 22,244	\$ 112,297	\$ 67,525
--	183,109	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 97,743</u>	<u>\$ 1,355,196</u>	<u>\$ 22,244</u>	<u>\$ 112,297</u>	<u>\$ 67,525</u>
\$ --	\$ 1,372	\$ --	\$ --	\$ --
--	--	--	--	--
--	183,109	--	--	--
--	266,654	--	--	--
<u>--</u>	<u>451,135</u>	<u>--</u>	<u>--</u>	<u>--</u>
97,743	904,061	22,244	112,297	67,525
--	--	--	--	--
<u>97,743</u>	<u>904,061</u>	<u>22,244</u>	<u>112,297</u>	<u>67,525</u>
<u>\$ 97,743</u>	<u>\$ 1,355,196</u>	<u>\$ 22,244</u>	<u>\$ 112,297</u>	<u>\$ 67,525</u>

**ARANSAS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2012

	Appellate Judicial System	ARRA Grant Fund	Venue Tax	Child Abuse Prevention
<b>ASSETS</b>				
Cash and investments	\$ 2,311	\$ --	\$ 347,186	\$ 708
Receivables ( net of allowances for uncollectibles):				
Property taxes	--	--	--	--
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
<b>Total Assets</b>	<b><u>\$ 2,311</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 347,186</u></b>	<b><u>\$ 708</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ --	\$ --	\$ 100	\$ --
Due to other funds	--	--	--	--
Deferred revenues	--	--	--	--
Advance tax collections	--	--	--	--
<b>Total Liabilities</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>100</u></b>	<b><u>--</u></b>
<b>FUND BALANCES</b>				
Restricted	2,311	--	347,086	708
Committed	--	--	--	--
<b>Total Fund Balances</b>	<b><u>2,311</u></b>	<b><u>--</u></b>	<b><u>347,086</u></b>	<b><u>708</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,311</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 347,186</u></b>	<b><u>\$ 708</u></b>

County & District Court Technology	Court Records Preservation	District Court Technology	Venue Projects Fund	Pretrial Intervention
\$ 2,428	\$ 16,723	\$ 2,889	\$ 206,836	\$ 19,302
--	--	--	--	--
--	--	--	--	--
<u>2,428</u>	<u>16,723</u>	<u>2,889</u>	<u>206,836</u>	<u>19,302</u>
\$ --	\$ --	\$ --	\$ --	\$ 436
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>436</u>
2,428	16,723	2,889	206,836	18,866
--	--	--	--	--
<u>2,428</u>	<u>16,723</u>	<u>2,889</u>	<u>206,836</u>	<u>18,866</u>
<u>\$ 2,428</u>	<u>\$ 16,723</u>	<u>\$ 2,889</u>	<u>\$ 206,836</u>	<u>\$ 19,302</u>

**ARANSAS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2012

	<u>Voter Registration</u>	<u>Juvenile Case Management</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit C-1)</u>
<b>ASSETS</b>			
Cash and investments	\$ --	\$ 22,817	\$ 3,464,366
Receivables ( net of allowances for uncollectibles):			
Property taxes	--	--	195,336
Intergovernmental	--	--	99,502
Inventories	--	--	12,186
<b>Total Assets</b>	<u>\$ --</u>	<u>\$ 22,817</u>	<u>\$ 3,771,390</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ --	\$ 1,030	\$ 120,701
Due to other funds	--	--	67,768
Deferred revenues	--	--	207,522
Advance tax collections	--	--	278,367
<b>Total Liabilities</b>	<u>--</u>	<u>1,030</u>	<u>674,358</u>
<b>FUND BALANCES</b>			
Restricted	--	21,787	3,004,597
Committed	--	--	92,435
<b>Total Fund Balances</b>	<u>--</u>	<u>21,787</u>	<u>3,097,032</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ --</u>	<u>\$ 22,817</u>	<u>\$ 3,771,390</u>

# ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Hotel/Motel Occupancy Tax Fund	County Attorney Hot Check	Mosquito Control	County Library
<b>Revenue:</b>				
Taxes	\$ 259,966	\$ --	\$ 16,600	\$ --
Intergovernmental	--	--	--	--
Charges for services	--	19,848	--	2,168
Fines and forfeitures	--	--	--	5,719
Investment earnings	--	--	120	27
Miscellaneous	--	--	--	1,855
<b>Total revenues</b>	<u>259,966</u>	<u>19,848</u>	<u>16,720</u>	<u>9,769</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	19,511	--	--
Public safety	--	--	--	--
Environmental protection	--	--	104,773	--
Flood Control	--	--	--	--
Health and welfare	--	--	--	--
Culture and recreation	132,329	--	--	177,088
Capital outlay	--	--	25,682	--
<b>Total expenditures</b>	<u>132,329</u>	<u>19,511</u>	<u>130,455</u>	<u>177,088</u>
<b>Excess (deficiency) of revenues (under) expenditures</b>	127,637	337	(113,735)	(167,319)
<b>Other financing sources (uses):</b>				
Transfers in	--	--	--	137,282
Transfers out	(150,000)	--	(40,242)	--
<b>Total other financing sources (uses)</b>	<u>(150,000)</u>	<u>--</u>	<u>(40,242)</u>	<u>137,282</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	(22,363)	337	(153,977)	(30,037)
<b>Fund balances, January 1</b>	399,406	6,272	161,289	71,959
<b>Fund balances, December 31</b>	<u>\$ 377,043</u>	<u>\$ 6,609</u>	<u>\$ 7,312</u>	<u>\$ 41,922</u>

Local Border Security	Special Contingency	Records Management - County Clerk	Law Library	Courthouse Security
\$ --	\$ --	\$ --	\$ --	\$ --
20,000	--	--	--	--
--	2,693	34,212	11,630	21,914
--	--	--	--	--
3	--	--	--	--
--	--	--	--	--
<u>20,003</u>	<u>2,693</u>	<u>34,212</u>	<u>11,630</u>	<u>21,914</u>
--	--	42,787	--	--
--	--	--	--	--
--	--	--	11,871	--
--	--	--	--	30,345
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>42,787</u>	<u>11,871</u>	<u>30,345</u>
20,003	2,693	(8,575)	(241)	(8,431)
--	--	--	--	1,538
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,538</u>
20,003	2,693	(8,575)	(241)	(6,893)
--	88,270	118,966	46,387	6,620
<u>\$ 20,003</u>	<u>\$ 90,963</u>	<u>\$ 110,391</u>	<u>\$ 46,146</u>	<u>\$ (273)</u>

# ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Records Managment - Countywide	Indigent Health Care	Aransas County Assistance Department	Health Care Sales Tax
<b>Revenue:</b>				
Taxes	\$ --	\$ --	\$ --	\$ 1,207,535
Intergovernmental	--	--	183,303	--
Charges for services	9,675	--	--	7,000
Fines and forfeitures	--	--	--	--
Investment earnings	--	--	--	--
Miscellaneous	--	--	4,762	--
<b>Total revenues</b>	<u>9,675</u>	<u>--</u>	<u>188,065</u>	<u>1,214,535</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public safety	--	--	--	--
Environmental protection	--	--	--	--
Flood Control	--	--	--	--
Health and welfare	--	619,812	331,485	267,939
Culture and recreation	--	--	--	--
Capital outlay	--	--	--	--
<b>Total expenditures</b>	<u>--</u>	<u>619,812</u>	<u>331,485</u>	<u>267,939</u>
<b>Excess (deficiency) of revenues (under) expenditures</b>	9,675	(619,812)	(143,420)	946,596
<b>Other financing sources (uses):</b>				
Transfers in	--	505,200	153,779	--
Transfers out	--	--	--	(658,979)
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>505,200</u>	<u>153,779</u>	<u>(658,979)</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	9,675	(114,612)	10,359	287,617
<b>Fund balances, January 1</b>	164,741	(40,850)	40,154	12,132
<b>Fund balances, December 31</b>	<u>\$ 174,416</u>	<u>\$ (155,462)</u>	<u>\$ 50,513</u>	<u>\$ 299,749</u>

Justice of the Peace Technology	Title IV-D Child Support	Out-of-County Juvenile Detention	Road Bond Interest & Sinking	Court Reporter Service Fee
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
11,605	--	--	--	7,017
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>11,605</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,017</u>
--	--	--	--	--
16,089	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>16,089</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(4,484)	--	--	--	7,017
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(4,484)	--	--	--	7,017
94,653	10,511	349	98	62,576
<u>\$ 90,169</u>	<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 98</u>	<u>\$ 69,593</u>

# ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Fire Department Project	County Forfeiture	TECLOSE Training	Sheriff's Forfeiture
<b>Revenue:</b>				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeitures	--	18,155	--	21,607
Investment earnings	--	--	--	--
Miscellaneous	--	--	--	--
<b>Total revenues</b>	<u>--</u>	<u>18,155</u>	<u>--</u>	<u>21,607</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public safety	119,829	18,472	2,608	22,299
Environmental protection	--	--	--	--
Flood Control	--	--	--	--
Health and welfare	--	--	--	--
Culture and recreation	--	--	--	--
Capital outlay	--	--	--	--
<b>Total expenditures</b>	<u>119,829</u>	<u>18,472</u>	<u>2,608</u>	<u>22,299</u>
<b>Excess (deficiency) of revenues (under) expenditures</b>	<b>(119,829)</b>	<b>(317)</b>	<b>(2,608)</b>	<b>(692)</b>
<b>Other financing sources (uses):</b>				
Transfers in	119,829	--	--	--
Transfers out	--	--	--	--
<b>Total other financing sources (uses)</b>	<u>119,829</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>--</b>	<b>(317)</b>	<b>(2,608)</b>	<b>(692)</b>
Fund balances, January 1	--	6,454	21,402	9,237
<b>Fund balances, December 31</b>	<u>\$ --</u>	<u>\$ 6,137</u>	<u>\$ 18,794</u>	<u>\$ 8,545</u>

Waterway Restoration Fund	Flood Control	Records Management - District Clerk	Records Archive	DEA Forfeiture
\$ --	\$ 193,090	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	1,952	33,384	--
--	--	--	--	--
--	705	--	388	--
--	1,325	--	--	--
<u>--</u>	<u>195,120</u>	<u>1,952</u>	<u>33,772</u>	<u>--</u>
--	--	--	128,500	--
--	--	--	--	--
--	--	--	--	400
--	--	--	--	--
--	139,527	--	--	--
--	--	--	--	--
--	--	--	--	--
2,257	182,346	--	--	--
<u>2,257</u>	<u>321,873</u>	<u>--</u>	<u>128,500</u>	<u>400</u>
(2,257)	(126,753)	1,952	(94,728)	(400)
100,000	--	--	--	--
--	--	--	--	--
<u>100,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
97,743	(126,753)	1,952	(94,728)	(400)
--	1,030,814	20,292	207,025	67,925
<u>\$ 97,743</u>	<u>\$ 904,061</u>	<u>\$ 22,244</u>	<u>\$ 112,297</u>	<u>\$ 67,525</u>

# ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Appellate Judicial System	ARRA Grant Fund	Venue Tax	Child Abuse Prevention
<b>Revenue:</b>				
Taxes	\$ --	\$ --	\$ 408,121	\$ --
Intergovernmental	--	5,000	--	--
Charges for services	--	--	--	--
Fines and forfeitures	2,311	--	--	82
Investment earnings	--	--	393	--
Miscellaneous	--	--	--	--
<b>Total revenues</b>	<u>2,311</u>	<u>5,000</u>	<u>408,514</u>	<u>82</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	--	--	--
Judicial	9,930	--	--	--
Legal	--	--	--	--
Public safety	--	--	--	--
Environmental protection	--	--	--	--
Flood Control	--	--	--	--
Health and welfare	--	5,000	--	--
Culture and recreation	--	--	48,854	--
Capital outlay	--	--	--	--
<b>Total expenditures</b>	<u>9,930</u>	<u>5,000</u>	<u>48,854</u>	<u>--</u>
<b>Excess (deficiency) of revenues (under) expenditures</b>	<b>(7,619)</b>	<b>--</b>	<b>359,660</b>	<b>82</b>
<b>Other financing sources (uses):</b>				
Transfers in	--	--	--	--
Transfers out	--	--	(313,900)	--
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>--</u>	<u>(313,900)</u>	<u>--</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(7,619)</b>	<b>--</b>	<b>45,760</b>	<b>82</b>
Fund balances, January 1	9,930	--	301,326	626
<b>Fund balances, December 31</b>	<u>\$ 2,311</u>	<u>\$ --</u>	<u>\$ 347,086</u>	<u>\$ 708</u>

<u>County &amp; District Court Technology</u>	<u>Court Records Preservation</u>	<u>District Court Technology</u>	<u>Venue Projects Fund</u>	<u>Pretrial Intervention</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
1,018	5,813	998	--	15,750
--	--	--	--	--
--	--	--	1,836	--
<u>1,018</u>	<u>5,813</u>	<u>998</u>	<u>1,836</u>	<u>15,750</u>
--	--	--	--	--
--	--	--	--	5,922
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,922</u>
1,018	5,813	998	1,836	9,828
--	--	--	205,000	--
--	--	--	--	(12,381)
<u>--</u>	<u>--</u>	<u>--</u>	<u>205,000</u>	<u>(12,381)</u>
1,018	5,813	998	206,836	(2,553)
1,410	10,910	1,891	--	21,419
<u>\$ 2,428</u>	<u>\$ 16,723</u>	<u>\$ 2,889</u>	<u>\$ 206,836</u>	<u>\$ 18,866</u>

**ARANSAS COUNTY, TEXAS**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Voter Registration	Juvenile Case Management	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
Taxes	\$ --	\$ --	\$ 2,085,312
Intergovernmental	--	--	208,303
Charges for services	3,231	38,108	204,437
Fines and forfeitures	--	--	71,453
Investment earnings	--	--	1,636
Miscellaneous	--	--	9,778
Total revenues	<u>3,231</u>	<u>38,108</u>	<u>2,580,919</u>
Expenditures:			
Current:			
General government	3,323	--	174,610
Judicial	--	37,518	69,459
Legal	--	--	31,382
Public safety	--	--	193,953
Environmental protection	--	--	104,773
Flood Control	--	--	139,527
Health and welfare	--	--	1,224,236
Culture and recreation	--	--	358,271
Capital outlay	--	--	210,285
Total expenditures	<u>3,323</u>	<u>37,518</u>	<u>2,506,496</u>
Excess (deficiency) of revenues (under) expenditures	(92)	590	74,423
Other financing sources (uses):			
Transfers in	--	--	1,222,628
Transfers out	--	--	(1,175,502)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>47,126</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(92)	590	121,549
Fund balances, January 1	92	21,197	2,975,483
Fund balances, December 31	<u>\$ --</u>	<u>\$ 21,787</u>	<u>\$ 3,097,032</u>

**ARANSAS COUNTY, TEXAS**  
HOTEL/MOTEL OCCUPANCY TAX FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

**EXHIBIT C-5**

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 201,471	\$ 259,966	\$ 58,495
Total revenues	<u>201,471</u>	<u>259,966</u>	<u>58,495</u>
Expenditures:			
Current:			
Culture and recreation	136,423	132,329	4,094
Total expenditures	<u>136,423</u>	<u>132,329</u>	<u>4,094</u>
Excess (deficiency) of revenues (under) expenditures	65,048	127,637	62,589
Other financing sources (uses):			
Transfers out	(150,000)	(150,000)	--
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(84,952)	(22,363)	62,589
Fund balances, January 1	399,406	399,406	--
Fund balances, December 31	<u>\$ 314,454</u>	<u>\$ 377,043</u>	<u>\$ 62,589</u>

**ARANSAS COUNTY, TEXAS**  
**MOSQUITO CONTROL**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**EXHIBIT C-6**

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 24,172	\$ 16,600	\$ (7,572)
Investment earnings	--	120	120
Total revenues	<u>24,172</u>	<u>16,720</u>	<u>(7,452)</u>
Expenditures:			
Current:			
Environmental protection	126,696	104,773	21,923
Capital outlay	27,000	25,682	1,318
Total expenditures	<u>153,696</u>	<u>130,455</u>	<u>23,241</u>
Excess (deficiency) of revenues (under) expenditures	(129,524)	(113,735)	15,789
Other financing sources (uses):			
Transfers in	94,087	--	(94,087)
Transfers out	(40,242)	(40,242)	--
Total other financing sources (uses)	<u>53,845</u>	<u>(40,242)</u>	<u>94,087</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(75,679)	(153,977)	(78,298)
Fund balances, January 1	161,289	161,289	--
Fund balances, December 31	<u>\$ 85,610</u>	<u>\$ 7,312</u>	<u>\$ (78,298)</u>

**ARANSAS COUNTY, TEXAS**  
COUNTY LIBRARY  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 2,500	\$ 2,168	\$ (332)
Fines and forfeitures	6,700	5,719	(981)
Investment earnings	--	27	27
Miscellaneous	4,500	1,855	(2,645)
Total revenues	<u>13,700</u>	<u>9,769</u>	<u>(3,931)</u>
Expenditures:			
Current:			
Culture and recreation	183,971	177,088	6,883
Total expenditures	<u>183,971</u>	<u>177,088</u>	<u>6,883</u>
Excess (deficiency) of revenues (under) expenditures	(170,271)	(167,319)	2,952
Other financing sources (uses):			
Transfers in	137,282	137,282	--
Total other financing sources (uses)	<u>137,282</u>	<u>137,282</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(32,989)	(30,037)	2,952
Fund balances, January 1	71,959	71,959	--
Fund balances, December 31	<u>\$ 38,970</u>	<u>\$ 41,922</u>	<u>\$ 2,952</u>

**ARANSAS COUNTY, TEXAS**  
 LOCAL BORDER SECURITY  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Intergovernmental	\$ --	\$ 20,000	\$ 20,000
Investment earnings	--	3	3
Total revenues	<u>          --</u>	<u>          20,003</u>	<u>          20,003</u>
Expenditures:			
Total expenditures	<u>          --</u>	<u>          --</u>	<u>          --</u>
Excess (deficiency) of revenues (under) expenditures	--	20,003	20,003
Other financing sources (uses):			
Total other financing sources (uses)	<u>          --</u>	<u>          --</u>	<u>          --</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	20,003	20,003
Fund balances, January 1	--	--	--
Fund balances, December 31	<u>          \$ --</u>	<u>          \$ 20,003</u>	<u>          \$ 20,003</u>

**ARANSAS COUNTY, TEXAS**  
**SPECIAL CONTINGENCY**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**EXHIBIT C-9**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Charges for services	\$ 2,800	\$ 2,693	\$ (107)
Total revenues	<u>2,800</u>	<u>2,693</u>	<u>(107)</u>
Expenditures:			
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	2,800	2,693	(107)
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,800	2,693	(107)
Fund balances, January 1	88,270	88,270	--
Fund balances, December 31	<u>\$ 91,070</u>	<u>\$ 90,963</u>	<u>\$ (107)</u>

**ARANSAS COUNTY, TEXAS**  
RECORDS MANAGEMENT - COUNTY CLERK  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 36,000	\$ 34,212	\$ (1,788)
Total revenues	<u>36,000</u>	<u>34,212</u>	<u>(1,788)</u>
Expenditures:			
General government	43,788	42,787	1,001
Total expenditures	<u>43,788</u>	<u>42,787</u>	<u>1,001</u>
Excess (deficiency) of revenues (under) expenditures	(7,788)	(8,575)	(787)
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(7,788)	(8,575)	(787)
Fund balances, January 1	118,966	118,966	--
Fund balances, December 31	<u>\$ 111,178</u>	<u>\$ 110,391</u>	<u>\$ (787)</u>

**ARANSAS COUNTY, TEXAS**  
LAW LIBRARY  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 13,300	\$ 11,630	\$ (1,670)
Total revenues	<u>13,300</u>	<u>11,630</u>	<u>(1,670)</u>
Expenditures:			
Current:			
Legal	13,300	11,871	1,429
Total expenditures	<u>13,300</u>	<u>11,871</u>	<u>1,429</u>
Excess (deficiency) of revenues (under) expenditures	--	(241)	(241)
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	(241)	(241)
Fund balances, January 1	46,387	46,387	--
Fund balances, December 31	<u>\$ 46,387</u>	<u>\$ 46,146</u>	<u>\$ (241)</u>

**ARANSAS COUNTY, TEXAS**  
**COURTHOUSE SECURITY**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**EXHIBIT C-12**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Charges for services	\$ 23,566	\$ 21,914	\$ (1,652)
Total revenues	<u>23,566</u>	<u>21,914</u>	<u>(1,652)</u>
Expenditures:			
Current:			
Public safety	31,271	30,345	926
Total expenditures	<u>31,271</u>	<u>30,345</u>	<u>926</u>
Excess (deficiency) of revenues (under) expenditures	(7,705)	(8,431)	(726)
Other financing sources (uses):			
Transfers in	--	1,538	1,538
Total other financing sources (uses)	<u>--</u>	<u>1,538</u>	<u>(1,538)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(7,705)	(6,893)	812
Fund balances, January 1	6,620	6,620	--
Fund balances, December 31	<u>\$ (1,085)</u>	<u>\$ (273)</u>	<u>\$ 812</u>

**ARANSAS COUNTY, TEXAS**  
 RECORDS MANAGEMENT - COUNTYWIDE  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
<b>Revenue:</b>			
Charges for services	\$ 12,500	\$ 9,675	\$ (2,825)
Total revenues	<u>12,500</u>	<u>9,675</u>	<u>(2,825)</u>
<b>Expenditures:</b>			
General government	12,500	--	12,500
Total expenditures	<u>12,500</u>	<u>--</u>	<u>12,500</u>
Excess (deficiency) of revenues (under) expenditures	--	9,675	9,675
<b>Other financing sources (uses):</b>			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	9,675	9,675
Fund balances, January 1	164,741	164,741	--
Fund balances, December 31	<u>\$ 164,741</u>	<u>\$ 174,416</u>	<u>\$ 9,675</u>

**ARANSAS COUNTY, TEXAS**  
 INDIGENT HEALTH CARE  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-14

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Total revenues	\$ --	\$ --	\$ --
Expenditures:			
Current:			
Health and welfare	630,430	619,812	10,618
Total expenditures	630,430	619,812	10,618
Excess (deficiency) of revenues (under) expenditures	(630,430)	(619,812)	10,618
Other financing sources (uses):			
Transfers in	630,430	505,200	(125,230)
Total other financing sources (uses)	630,430	505,200	125,230
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	(114,612)	(114,612)
Fund balances, January 1	(40,850)	(40,850)	--
Fund balances, December 31	\$ (40,850)	\$ (155,462)	\$ (114,612)

**ARANSAS COUNTY, TEXAS**

ARANSAS COUNTY ASSISTANCE DEPARTMENT

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-15

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Intergovernmental	\$ 44,305	\$ 42,122	\$ (2,183)
Miscellaneous	2,000	4,762	2,762
Total revenues	<u>46,305</u>	<u>46,884</u>	<u>579</u>
Expenditures:			
Current:			
Health and welfare	204,059	190,304	13,755
Total expenditures	<u>204,059</u>	<u>190,304</u>	<u>13,755</u>
Excess (deficiency) of revenues (under) expenditures	(157,754)	(143,420)	14,334
Other financing sources (uses):			
Transfers in	153,779	153,779	--
Total other financing sources (uses)	<u>153,779</u>	<u>153,779</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(3,975)	10,359	14,334
Fund balances, January 1	40,154	40,154	--
Fund balances, December 31	<u>\$ 36,179</u>	<u>\$ 50,513</u>	<u>\$ 14,334</u>

**ARANSAS COUNTY, TEXAS**  
 HEALTH CARE SALES TAX  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-16

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 1,200,230	\$ 1,207,535	\$ 7,305
Charges for services	--	7,000	7,000
Total revenues	<u>1,200,230</u>	<u>1,214,535</u>	<u>14,305</u>
Expenditures:			
Current:			
Health and welfare	343,708	267,939	75,769
Total expenditures	<u>343,708</u>	<u>267,939</u>	<u>75,769</u>
Excess (deficiency) of revenues (under) expenditures	856,522	946,596	90,074
Other financing sources (uses):			
Transfers out	(878,296)	(658,979)	(219,317)
Total other financing sources (uses)	<u>(878,296)</u>	<u>(658,979)</u>	<u>(219,317)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(21,774)	287,617	309,391
Fund balances, January 1	12,132	12,132	--
Fund balances, December 31	<u>\$ (9,642)</u>	<u>\$ 299,749</u>	<u>\$ 309,391</u>

**ARANSAS COUNTY, TEXAS**  
**COURT REPORTER SERVICE FEE**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**EXHIBIT C-17**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Charges for services	\$ 8,000	\$ 7,017	\$ (983)
Total revenues	<u>8,000</u>	<u>7,017</u>	<u>(983)</u>
Expenditures:			
Current:			
Judicial	8,000	--	8,000
Total expenditures	<u>8,000</u>	<u>--</u>	<u>8,000</u>
Excess (deficiency) of revenues (under) expenditures	--	7,017	7,017
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	7,017	7,017
Fund balances, January 1	62,576	62,576	--
Fund balances, December 31	<u>\$ 62,576</u>	<u>\$ 69,593</u>	<u>\$ 7,017</u>

**ARANSAS COUNTY, TEXAS**  
 FIRE DEPARTMENT PROJECT  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-18

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Total revenues	\$ --	\$ --	\$ --
Expenditures:			
Current:			
Public safety	119,829	119,829	--
Total expenditures	119,829	119,829	--
Excess (deficiency) of revenues (under) expenditures	(119,829)	(119,829)	--
Other financing sources (uses):			
Transfers in	119,829	119,829	--
Total other financing sources (uses)	119,829	119,829	--
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	--	--
Fund balances, January 1	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --

**ARANSAS COUNTY, TEXAS**  
 RECORDS MANAGEMENT - DISTRICT CLERK  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2012

**EXHIBIT C-19**

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 2,500	\$ 1,952	\$ (548)
Total revenues	<u>2,500</u>	<u>1,952</u>	<u>(548)</u>
Expenditures:			
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	2,500	1,952	(548)
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,500	1,952	(548)
Fund balances, January 1	--	20,292	20,292
Fund balances, December 31	<u>\$ 2,500</u>	<u>\$ 22,244</u>	<u>\$ 19,744</u>

**ARANSAS COUNTY, TEXAS**  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT C-20

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ --	\$ 2,101,375	\$ 2,101,375
Intergovernmental	--	120,820	120,820
Investment earnings	--	1,742	1,742
Total revenues	<u>--</u>	<u>2,223,937</u>	<u>2,223,937</u>
Expenditures:			
Debt service:			
Principal	--	1,044,334	(1,044,334)
Interest and fiscal charges	--	897,586	(897,586)
Bond issuance costs	--	154,178	(154,178)
Total expenditures	<u>--</u>	<u>2,096,098</u>	<u>(2,096,098)</u>
Excess (deficiency) of revenues (under) expenditures	--	127,839	127,839
Other financing sources (uses):			
Transfers in	--	158,900	158,900
Proceeds from bonds	--	7,255,000	7,255,000
Premium on bonds sold	--	389,594	389,594
Interest from bond sale	--	18,198	18,198
Payment to refunding escrow agent	--	(7,492,727)	7,492,727
Total other financing sources (uses)	<u>--</u>	<u>328,965</u>	<u>(328,965)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	456,804	456,804
Fund balances, January 1	--	659,724	659,724
Fund balances, December 31	<u>\$ --</u>	<u>\$ 1,116,528</u>	<u>\$ 1,116,528</u>

**ARANSAS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2012

	2009 Certificate of Obligation	2012 Capital Projects C.O. Fund	2011 C.O. Venue Capital Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
<b>ASSETS</b>				
Cash and investments	\$ 243,530	\$ 2,250,469	\$ 1,793,271	\$ 4,287,270
Cash and investments - restricted	--	--	202,720	202,720
<b>Total Assets</b>	<u>\$ 243,530</u>	<u>\$ 2,250,469</u>	<u>\$ 1,995,991</u>	<u>\$ 4,489,990</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 37,776	\$ --	\$ 10,750	\$ 48,526
<b>Total Liabilities</b>	<u>37,776</u>	<u>--</u>	<u>10,750</u>	<u>48,526</u>
<b>FUND BALANCES</b>				
Restricted	205,754	2,250,469	1,985,241	4,441,464
<b>Total Fund Balances</b>	<u>205,754</u>	<u>2,250,469</u>	<u>1,985,241</u>	<u>4,441,464</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 243,530</u>	<u>\$ 2,250,469</u>	<u>\$ 1,995,991</u>	<u>\$ 4,489,990</u>

**ARANSAS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	2009 Certificate of Obligation	2012 Capital Projects C.O. Fund	2011 C.O. Venue Capital Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
<b>Revenue:</b>				
Investment earnings	\$ 121	\$ 530	\$ 5,017	\$ 5,668
Total revenues	<u>121</u>	<u>530</u>	<u>5,017</u>	<u>5,668</u>
<b>Expenditures:</b>				
General government	--	61	--	61
Capital outlay	398,905	--	339,868	738,773
Bond issuance costs	--	82,657	--	82,657
Total expenditures	<u>398,905</u>	<u>82,718</u>	<u>339,868</u>	<u>821,491</u>
Excess (deficiency) of revenues (under) expenditures	(398,784)	(82,188)	(334,851)	(815,823)
<b>Other financing sources (uses):</b>				
Proceeds from bonds	--	2,205,000	--	2,205,000
Premium on bonds sold	--	127,657	--	127,657
Total other financing sources (uses)	<u>--</u>	<u>2,332,657</u>	<u>--</u>	<u>2,332,657</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(398,784)	2,250,469	(334,851)	1,516,834
Fund balances, January 1	604,538	--	2,320,092	2,924,630
Fund balances, December 31	<u>\$ 205,754</u>	<u>\$ 2,250,469</u>	<u>\$ 1,985,241</u>	<u>\$ 4,441,464</u>

**ARANSAS COUNTY, TEXAS**

## COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

## AGENCY FUNDS

DECEMBER 31, 2012

	<u>Court Costs and Fees</u>	<u>Tax Collector</u>	<u>County Clerk</u>
<b>ASSETS</b>			
<b>Assets:</b>			
Cash and investments	\$ 90,191	\$ 1,336,881	\$ 185,946
<b>Total Assets</b>	<u>\$ 90,191</u>	<u>\$ 1,336,881</u>	<u>\$ 185,946</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities:</b>			
Due to others	\$ 90,191	\$ 1,336,881	\$ 185,946
<b>Total Liabilities</b>	<u>90,191</u>	<u>1,336,881</u>	<u>185,946</u>
<b>Equity:</b>			
<b>Total equity</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Liabilities and Equity</b>	<u>\$ 90,191</u>	<u>\$ 1,336,881</u>	<u>\$ 185,946</u>

District Clerk	Justice of the Peace	Aransas County Navigation District No.1	Total Agency Funds (See Exhibit A-10)
\$ 170,651	\$ 2,858	\$ 1,911,454	\$ 3,697,981
<u>\$ 170,651</u>	<u>\$ 2,858</u>	<u>\$ 1,911,454</u>	<u>\$ 3,697,981</u>
\$ 170,651	\$ 2,858	\$ 1,911,454	\$ 3,697,981
<u>170,651</u>	<u>2,858</u>	<u>1,911,454</u>	<u>3,697,981</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 170,651</u>	<u>\$ 2,858</u>	<u>\$ 1,911,454</u>	<u>\$ 3,697,981</u>

## Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

# *Michael A. Arnold, PLLC*

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ROCKPORT, TEXAS 78381-1266

CERTIFIED PUBLIC ACCOUNTANT

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## Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards

Commissioners' Court  
Aransas County, Texas  
301 N. Live Oak  
Rockport, Texas 78382

Members of the Commissioners' Court:

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 Aransas County, Texas, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Aransas County, Texas's basic financial statements, and have issued our report thereon dated June 27, 2013.

### **Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

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

## 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.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael A. Arnold, PLLC". The signature is written in a cursive, flowing style.

Michael A. Arnold, PLLC

Rockport, Texas  
June 27, 2013

# *Michael A. Arnold, PLLC*

501 E. MARKET

CERTIFIED PUBLIC ACCOUNTANT

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ROCKPORT, TEXAS 78381-1266

## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

Commissioners' Court  
Aransas County, Texas  
301 N. Live Oak  
Rockport, Texas 78382

Members of the Commissioners' Court:

### **Report on Compliance for Each Major Federal Program**

We have audited Aransas County, Texas's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Aransas County, Texas's major federal programs for the year ended December 31, 2012. Aransas County, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Aransas County, Texas's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Aransas County, Texas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Aransas County, Texas's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Aransas County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2012.

## Report on Internal Control Over Compliance

Management of Aransas County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Aransas County, Texas's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Aransas County, Texas's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Michael A. Arnold, PLLC

Rockport, Texas  
June 27, 2013

**ARANSAS COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**A. Summary of Auditor's Results**

**1. Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?        Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None Reported

Noncompliance material to financial statements noted?        Yes   X   No

**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified?        Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.460	Nonpoint Source Water Implementation Grant
20.106	Airport Improvement Program
14.228	Community Development Block Grant

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

Auditee qualified as low-risk auditee?   X   Yes        No

**B. Financial Statement Findings**

NONE

**C. Federal Award Findings and Questioned Costs**

NONE

**ARANSAS COUNTY, TEXAS**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
NONE		

**ARANSAS COUNTY, TEXAS**  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2012

N/A

**ARANSAS COUNTY, TEXAS**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT D-1  
 Page 1 of 2

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through Texas Division of Emergency Management:			
Operation Stonegarden(OPSG) *	97.067	2009-SJ-T9-0011	\$ 199,912
Operation Stonegarden(OPSG) *	97.067	2010-SS-TO-0008	78,913
Operation Stonegarden (OPSG) *	97.067	2011-SS-TO-008	659,324
Total Passed Through Texas Division of Emergency Management			938,149
Passed Through Texas Department of Public Safety:			
State Homeland Security Program	97.073	2010-SS-TO-008	118,132
Total U.S. Department of Homeland Security			1,056,281
<b>U. S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Passed Through Texas Commission on Environmental Quality:			
Nonpoint Source Water Implementation Grant	66.460	582-10-90462	176,487
Nonpoint Source Water Implementation Grant	66.460	582-12-10077	24,294
Total Passed Through Texas Commission on Environmental Quality			200,781
Total U. S. Environmental Protection Agency			200,781
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through Texas Department of Transportation:			
Airport Improvement Program	20.106	1116ROCKP	584,359
Total U. S. Department of Transportation			584,359
<b>U. S. DEPARTMENT OF THE INTERIOR</b>			
Direct Programs:			
Coastal Impact Assistance Program	15.668	M10AF20116	95,473
Coastal Impact Assistance Program	15.668	M11AF00181	31,545
Coastal Impact Assistance Program	15.668	M11AF00188	6,250
Coastal Impact Assistance Program	15.668	F12AF70246	29,920
Coastal Impact Assistance Program	15.668	F12AF00504	63,338
Coastal Impact Assistance Program	15.668	F12AF00932	298,721
Total Direct Programs			525,247
Total U. S. Department of the Interior			525,247
<b>U. S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			
Passed Through Texas Department of Agriculture:			
Community Development Block Grant *	14.228	710019	230,298
Community Development Block Grant *	14.228	710205	409,070
Community Development Block Grant *	14.228	711215	73,800
Total Passed Through Texas Department of Agriculture			713,168
Total U. S. Department of Housing & Urban Development			713,168
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Texas Department of Human Services and Bee County Community Action Agency:			
Community Services Block Grant *	93.569	61120001290-A	8,280
Passed Through Texas Department of Human Services and Bee Community Action Agency:			
Community Services Block Grant	93.031	61100000840.2	35,000
Community Services Block Grant (CSBG) ARRA	93.091	11090000525.2	5,000
Community Services Block Grant *	93.569	61000001419-A	2,386
Total Passed Through Texas Department of Human Services and Bee Community Action Agency			42,386
Total U. S. Department of Health and Human Services			\$ 50,666

**ARANSAS COUNTY, TEXAS**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through State Department of Education: Commodity Supplemental Food Program	10.565	None	\$ 141,181
Total U. S. Department of Agriculture			<u>141,181</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>3,271,683</u></u>

\* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

**ARANSAS COUNTY, TEXAS**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Aransas County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

2. Subrecipients

Of the federal expenditures presented in the schedule, Aransas County, Texas provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Operation Stonegarden (OPSG)	97.067	\$ 363,843

**ARANSAS COUNTY, TEXAS**  
**SCHEDULE OF GRANT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**For the Year Ended December 31, 2012**

EXHIBIT D-2

FEDERAL FINANCIAL ASSISTANCE  
GRANTOR: TDA - OFFICE OF RURAL AFFAIRS  
CONTRACT NUMBER 710019 - Sewer Facilities - Terry & Doughty  
CONTRACT PERIOD: September 15, 2010 to September 14, 2012

	Budget	State		Match		Total
		Prior Years	Current Year	Prior Years	Current Year	
<b>Revenues:</b>						
Federal	\$300,000	\$39,500	\$230,298	\$ -	\$ -	\$269,798
Local	15,000	-	-	-	15,000	15,000
<b>Total revenues</b>	<b>315,000</b>	<b>-</b>	<b>230,298</b>	<b>-</b>	<b>15,000</b>	<b>284,798</b>
<b>Expenditures:</b>						
<b>Federal:</b>						
Sewer Facilities	183,500	-	152,137	-	-	152,137
Rehab. Single Unit	37,500	-	38,661	-	-	38,661
Engineering	48,000	24,000	24,000	-	-	48,000
Administration	31,000	15,500	15,500	-	-	31,000
<b>Local:</b>						
Sewer Facilities	15,000	-	-	-	15,000	15,000
<b>Total expenditures</b>	<b>315,000</b>	<b>39,500</b>	<b>230,298</b>	<b>-</b>	<b>15,000</b>	<b>284,798</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ARANSAS COUNTY, TEXAS**  
**SCHEDULE OF GRANT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**For the Year Ended December 31, 2012**

EXHIBIT D-3

FEDERAL FINANCIAL ASSISTANCE  
GRANTOR:TDA- OFFICE OF RURAL AFFAIRS  
CONTRACT NUMBER 710205 - Sewer Facilities  
CONTRACT PERIOD: October 22, 2010 to October 21, 2012

	Budget	State		Match		Total
		Prior Years	Current Year	Prior Years	Current Year	
<b>Revenues:</b>						
Federal	\$500,000	\$52,000	\$409,070	\$ -	\$ -	\$461,070
Local	25,000	-	-	-	25,000	25,000
<b>Total revenues</b>	<b>525,000</b>	<b>-</b>	<b>409,070</b>	<b>-</b>	<b>25,000</b>	<b>486,070</b>
<b>Expenditures:</b>						
<b>Federal:</b>						
Sewer Facilities	261,000	-	234,813	-	-	234,813
Rehab. Single Unit	135,000	-	126,757	-	-	126,757
Engineering	59,000	29,500	29,500	-	-	59,000
Administration	45,000	22,500	18,000	-	-	40,500
<b>Local:</b>						
Sewer Facilities	10,000	-	-	-	10,000	10,000
Rehab. Single Unit	15,000	-	-	-	15,000	15,000
<b>Total expenditures</b>	<b>525,000</b>	<b>52,000</b>	<b>409,070</b>	<b>-</b>	<b>25,000</b>	<b>486,070</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ARANSAS COUNTY, TEXAS**  
**SCHEDULE OF GRANT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**For the Year Ended December 31, 2012**

**EXHIBIT D-4**

FEDERAL FINANCIAL ASSISTANCE  
GRANTOR: OFFICE OF RURAL AFFAIRS  
CONTRACT NUMBER 711215 - Sewer Facilities - Smith and Wood  
CONTRACT PERIOD: October 1, 2011 to September 30, 2013

	Budget	State		Match		Total
		Prior Years	Current Year	Prior Years	Current Year	
<b>Revenues:</b>						
Federal	\$500,000	\$ -	\$73,800	\$ -	\$ -	\$73,800
Local	25,000	-	-	-	-	-
<b>Total revenues</b>	<b>525,000</b>	<b>-</b>	<b>73,800</b>	<b>-</b>	<b>-</b>	<b>73,800</b>
<b>Expenditures:</b>						
<b>Federal:</b>						
Sewer Facilities	310,546	-	-	-	-	-
Rehab. Single Unit	93,454	-	-	-	-	-
Engineering	57,000	-	48,450	-	-	48,450
Administration	39,000	-	25,350	-	-	25,350
<b>Local:</b>						
Sewer Facilities	25,000	-	-	-	-	-
<b>Total expenditures</b>	<b>525,000</b>	<b>-</b>	<b>73,800</b>	<b>-</b>	<b>-</b>	<b>73,800</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Statistical Section

**ARANSAS COUNTY, TEXAS**

NET ASSETS BY COMPONENT  
 LAST NINE FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>									
Invested in Capital Assets,									
Net of Related Debt	\$ 7,641,649	\$ 8,438,953	\$ 7,237,796	\$ 5,493,231	\$ 8,240,280	\$ 5,391,176	\$ 7,135,009	\$ 8,700,419	\$ 9,472,338
Restricted	843,573	2,018,191	2,590,621	4,009,304	1,682,645	4,797,989	3,351,918	8,771,839	9,880,363
Unrestricted	5,754,819	5,428,050	7,239,112	8,256,952	8,255,996	8,185,130	9,908,364	3,875,867	3,660,761
<b>Total Governmental Activities Net Assets</b>	<b>\$ 14,240,041</b>	<b>\$ 15,885,194</b>	<b>\$ 17,067,529</b>	<b>\$ 17,759,487</b>	<b>\$ 18,178,921</b>	<b>\$ 18,374,295</b>	<b>\$ 20,395,291</b>	<b>\$ 21,348,125</b>	<b>\$ 23,013,462</b>
<b>Business-type Activities</b>									
Invested in Capital Assets,									
Net of Related Debt	\$ 4,063,473	\$ 3,838,200	\$ 5,697,213	\$ 6,282,722	\$ 7,577,282	\$ 9,808,462	\$ 9,697,930	\$ 9,240,346	\$ 9,194,958
Restricted	--	--	--	--	--	--	--	--	--
Unrestricted	11,268	99,665	(127,651)	425,883	708,388	1,001,718	715,394	735,352	820,998
<b>Total Business-type Activities Net Assets</b>	<b>\$ 4,074,741</b>	<b>\$ 3,937,865</b>	<b>\$ 5,569,562</b>	<b>\$ 6,708,605</b>	<b>\$ 8,285,670</b>	<b>\$ 10,810,180</b>	<b>\$ 10,413,324</b>	<b>\$ 9,975,698</b>	<b>\$ 10,015,956</b>
<b>Primary Government</b>									
Invested in Capital Assets,									
Net of Related Debt	\$ 11,705,122	\$ 12,277,153	\$ 12,935,009	\$ 11,775,953	\$ 15,817,562	\$ 15,199,638	\$ 16,832,939	\$ 17,940,765	\$ 18,667,296
Restricted	843,573	2,018,191	2,590,621	4,009,304	1,682,645	4,797,989	3,351,918	8,771,839	9,880,363
Unrestricted	5,766,087	5,527,715	7,111,461	8,682,835	8,964,384	9,186,848	10,623,758	4,611,219	4,481,759
<b>Total Primary Government Net Assets</b>	<b>\$ 18,314,782</b>	<b>\$ 19,823,059</b>	<b>\$ 22,637,091</b>	<b>\$ 24,468,092</b>	<b>\$ 26,464,591</b>	<b>\$ 29,184,475</b>	<b>\$ 30,808,615</b>	<b>\$ 31,323,823</b>	<b>\$ 33,029,418</b>

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

**ARANSAS COUNTY, TEXAS****EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**

LAST NINE FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(UNAUDITED)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>									
Governmental Activities:									
General government	\$ 926,218	\$ 963,613	1,149,048	\$ 1,157,196	\$ 1,509,232	\$ 1,297,185	\$ 1,193,056	\$ 1,287,075	1,710,745
Judicial	859,663	892,437	1,049,066	1,144,928	1,209,863	1,347,353	1,325,709	1,348,882	1,442,283
Legal	445,277	447,869	443,201	498,377	493,739	547,730	552,067	577,008	539,433
Elections	60,614	55,328	74,904	76,440	87,656	78,160	87,415	97,032	98,537
Financial administration	643,653	738,865	814,511	827,452	931,388	1,008,414	1,006,588	1,015,339	1,028,042
Public facilities	419,744	404,801	528,935	532,849	608,949	605,145	493,412	525,684	507,037
Public safety	3,066,166	3,895,041	4,226,953	4,539,254	5,388,500	6,322,329	6,785,792	6,904,439	7,231,475
Environmental protection	517,720	599,972	649,443	543,533	766,771	598,758	591,681	613,945	957,202
Public transportation	1,720,487	1,950,355	2,389,403	2,293,716	2,318,482	2,491,334	2,366,571	2,521,181	2,455,428
Flood Control	--	--	--	--	12,101	109,868	218,225	210,974	159,160
Health and Welfare	1,355,509	1,205,129	1,358,738	1,394,376	1,425,240	1,787,683	1,875,452	1,722,701	1,747,570
Culture and recreation	230,842	253,923	290,310	305,313	377,451	381,643	358,062	718,408	460,458
Conservation	37,868	56,555	45,564	57,302	71,979	66,097	96,809	72,812	96,648
Contributions to other governments:									
Water and sewer systems	159,623	386,176	638,860	119,284	105,500	144,037	564,108	95,000	717,668
Coastal restoration	116,058	--	--	--	--	--	--	490,844	504,089
Interest and fiscal charges	469,725	459,360	449,599	543,018	601,284	618,057	649,725	755,641	846,128
Total Governmental Activities Expenses	<u>11,029,167</u>	<u>12,309,424</u>	<u>14,108,535</u>	<u>14,033,038</u>	<u>15,908,135</u>	<u>17,403,793</u>	<u>18,164,672</u>	<u>18,956,965</u>	<u>20,501,903</u>
Business-type Activities									
County airport	709,141	898,074	1,023,598	1,127,386	1,436,497	1,362,764	1,554,724	1,685,816	1,624,888
Inmate commissary	3,900	47,099	74,530	80,752	49,999	66,279	36,987	133,963	119,117
Total Business-type Activities Expenses	<u>713,041</u>	<u>945,173</u>	<u>1,098,128</u>	<u>1,208,138</u>	<u>1,486,496</u>	<u>1,429,043</u>	<u>1,591,711</u>	<u>1,819,779</u>	<u>1,744,005</u>
Total Primary Government Expenses	<u>\$ 11,742,208</u>	<u>\$ 13,254,597</u>	<u>15,206,663</u>	<u>\$ 15,241,176</u>	<u>\$ 17,394,631</u>	<u>\$ 18,832,836</u>	<u>\$ 19,756,383</u>	<u>\$ 20,776,744</u>	<u>\$ 22,245,908</u>
<b>Program Revenues</b>									
Governmental Activities:									
Charges for Services	\$ 2,976,068	\$ 3,870,580	4,837,003	\$ 4,224,749	\$ 5,347,126	\$ 5,306,772	\$ 5,544,840	\$ 5,358,566	5,122,334
Operating Grants and Contributions	667,117	655,944	415,259	329,757	509,747	613,638	1,166,394	977,774	2,041,321
Capital Grants and Contributions	275,681	517,624	665,353	399,002	409,301	197,841	1,039,124	549,758	1,351,097
Total Governmental Activities Program Revenues	<u>3,918,866</u>	<u>5,044,148</u>	<u>5,917,615</u>	<u>4,953,508</u>	<u>6,266,174</u>	<u>6,118,251</u>	<u>7,750,358</u>	<u>6,886,098</u>	<u>8,514,752</u>
Business-type Activities:									
Charges for Services:									
County airport	560,017	678,162	861,459	881,674	1,112,777	818,325	879,086	1,130,896	1,057,253
Inmate commissary	8,627	58,025	87,482	117,763	104,891	52,293	56,461	133,786	120,697
Operating Grants and Contributions	24,045	30,090	16,613	26,701	37,669	51,524	50,180	31,267	21,377
Capital Grants and Contributions	16,808	30,032	1,754,787	1,267,696	1,482,351	3,125,600	207,904	85,356	584,359
Total Business-type Activities Program Revenues	<u>609,497</u>	<u>796,309</u>	<u>2,720,341</u>	<u>2,293,834</u>	<u>2,737,688</u>	<u>4,047,742</u>	<u>1,193,631</u>	<u>1,381,305</u>	<u>1,783,686</u>
Total Primary Government Program Revenues	<u>\$ 4,528,363</u>	<u>\$ 5,840,457</u>	<u>8,637,956</u>	<u>\$ 7,247,342</u>	<u>\$ 9,003,862</u>	<u>\$ 10,165,993</u>	<u>\$ 8,943,989</u>	<u>\$ 8,267,403</u>	<u>\$ 10,298,438</u>
<b>Net (Expense)/Revenue</b>									
Governmental Activities	\$ (7,110,301)	\$ (7,265,276)	(8,190,920)	\$ (9,079,530)	(9,641,961)	(11,285,542)	(10,414,314)	(12,070,867)	(11,987,151)
Business-type Activities	(103,544)	(148,864)	1,622,213	1,085,696	1,251,192	2,618,699	(398,080)	(438,474)	39,681
Total Primary Government Net Expense	<u>\$ (7,213,845)</u>	<u>\$ (7,414,140)</u>	<u>(6,568,707)</u>	<u>\$ (7,993,834)</u>	<u>(8,390,769)</u>	<u>(8,666,843)</u>	<u>(10,812,394)</u>	<u>(12,509,341)</u>	<u>(11,947,470)</u>

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

**ARANSAS COUNTY, TEXAS**

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS  
 LAST NINE FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Net (Expense)/Revenue</b>									
Governmental Activities	\$ (7,110,301)	\$ (7,265,276)	\$ (8,190,920)	\$ (9,079,530)	\$ (9,641,961)	\$ (11,285,542)	\$ (10,414,314)	\$ (12,070,867)	\$ (11,987,151)
Business-type Activities	(103,544)	(148,864)	1,622,213	1,085,696	1,251,192	2,618,699	(398,080)	(438,474)	39,681
Total Primary Government Net Expense	\$ (7,213,845)	\$ (7,414,140)	\$ (6,568,707)	\$ (7,993,834)	\$ (8,390,769)	\$ (8,666,843)	\$ (10,812,394)	\$ (12,509,341)	\$ (11,947,470)
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental Activities:									
Taxes									
Property Taxes	\$ 5,595,679	\$ 6,211,289	\$ 6,328,484	\$ 6,530,358	\$ 7,016,997	\$ 8,606,599	\$ 9,701,695	\$ 9,596,760	\$ 10,192,514
Sales Taxes	1,761,862	2,032,956	2,212,387	2,284,388	2,306,607	2,131,130	2,077,489	2,238,415	2,439,776
Other Taxes	143,909	141,793	186,810	225,077	247,844	277,967	312,193	680,220	747,349
Investment Earnings	244,242	295,906	495,941	639,534	322,622	123,435	47,203	57,196	80,503
Miscellaneous	7,235	111,250	140,820	118,021	157,655	245,826	296,730	451,110	192,345
Gain on sale of capital assets	--	117,235	8,810	14,841	11,722	--	--	--	--
Total Governmental Activities	\$ 7,752,927	\$ 8,910,429	\$ 9,373,252	\$ 9,812,219	\$ 10,063,447	\$ 11,384,957	\$ 12,435,310	\$ 13,023,701	\$ 13,652,487
Business-type Activities:									
Investment Earnings	4,400	11,298	8,794	11,926	6,499	1,021	534	848	577
Miscellaneous	791	690	690	690	723	749	690	--	--
Gain on sale of capital assets	210,806	--	--	--	316,594	--	--	--	--
Total Business-type Activities	215,997	11,988	9,484	12,616	323,816	1,770	1,224	848	577
Total Primary Government	\$ 7,968,924	\$ 8,922,417	\$ 9,382,736	\$ 9,824,835	\$ 10,387,263	\$ 11,386,727	\$ 12,436,534	\$ 13,024,549	\$ 13,653,064
<b>Change in Net Assets</b>									
Governmental Activities	\$ 642,626	\$ 1,645,153	\$ 1,182,332	\$ 732,689	\$ 421,486	\$ 99,415	\$ 2,020,996	\$ 952,834	\$ 1,665,336
Business-type Activities	112,453	(136,876)	1,631,697	1,098,312	1,575,008	2,620,469	(396,856)	(437,626)	40,258
Total Primary Government	\$ 755,079	\$ 1,508,277	\$ 2,814,029	\$ 1,831,001	\$ 1,996,494	\$ 2,719,884	\$ 1,624,140	\$ 515,208	\$ 1,705,594

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

**ARANSAS COUNTY, TEXAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**UNAUDITED**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Reserved/Nonspendable	\$ 441,426	\$ 467,406	\$ 509,872	\$ 508,247	\$ 496,292	\$ 17,984	\$ 17,984	\$ 17,985	\$ 17,985	\$ 17,985
Unassigned	1,121,879	1,450,273	2,303,471	2,846,088	3,042,325	2,992,202	2,764,867	3,954,511	4,543,247	5,056,962
<b>Total General Fund</b>	<b>\$ 1,563,305</b>	<b>\$ 1,917,679</b>	<b>\$ 2,813,343</b>	<b>\$ 3,354,335</b>	<b>\$ 3,538,617</b>	<b>\$ 3,010,186</b>	<b>\$ 2,782,851</b>	<b>\$ 3,972,496</b>	<b>\$ 4,561,232</b>	<b>\$ 5,074,947</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ --	\$ 67,682	\$ 62,267	\$ 62,267	\$ 41,512	\$ 41,512	\$ 41,512	\$ 41,512	\$ 41,512	\$ 32,093
Restricted/Committed										
Special Revenue Funds	2,587,979	2,525,934	2,576,851	2,697,698	3,220,274	3,559,819	3,737,644	3,149,850	4,537,561	9,287,587
Capital Projects Funds	9,246,905	792,547	399,360	284,361	2,189,725	35,338	3,020,222	2,432,075	8,264,816	4,704,176
Debt Service Funds	40,894	60,599	69,375	207,900	384,311	260,096	430,244	639,313	659,724	1,116,528
<b>Total All Other Governmental Funds</b>	<b>\$ 11,875,778</b>	<b>\$ 3,446,762</b>	<b>\$ 3,107,853</b>	<b>\$ 3,252,226</b>	<b>\$ 5,835,822</b>	<b>\$ 3,896,765</b>	<b>\$ 7,229,622</b>	<b>\$ 6,262,750</b>	<b>\$ 13,503,613</b>	<b>\$ 15,140,384</b>

TABLE E-5

## ARANSAS COUNTY, TEXAS

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

## (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

## UNAUDITED

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 6,362,870	\$ 7,535,864	\$ 8,408,211	\$ 8,719,695	\$ 9,052,441	\$ 9,546,432	\$ 10,936,630	\$ 12,097,215	\$ 12,504,443	\$ 13,377,123
Licenses, Fees and Permits	638,297	659,650	625,148	657,970	642,309	629,140	614,411	625,631	621,393	105,365
Intergovernmental	850,463	942,798	1,228,568	1,136,972	849,008	1,039,869	932,135	2,326,132	1,647,835	3,513,238
Charges for Services	1,322,037	1,489,202	2,153,939	3,072,454	2,805,737	3,275,298	3,808,008	3,911,143	3,978,628	4,109,936
Fines and Penalties	499,113	623,806	794,813	910,404	912,412	1,237,543	901,946	899,541	788,589	730,050
Investment Earnings	129,517	244,242	295,906	495,941	625,126	322,622	111,140	47,203	25,905	62,305
Other Revenues	36,102	7,235	240,485	161,463	118,021	157,655	245,826	296,730	451,110	192,345
<b>Total Revenues</b>	<b>9,838,399</b>	<b>11,502,797</b>	<b>13,747,070</b>	<b>15,154,899</b>	<b>15,005,054</b>	<b>16,208,559</b>	<b>17,550,096</b>	<b>20,203,595</b>	<b>20,017,903</b>	<b>22,090,362</b>
<b>Expenditures</b>										
General Government	771,256	820,889	864,274	1,036,788	1,104,241	1,451,854	1,261,273	1,125,124	1,236,618	1,556,767
Judicial	831,475	859,663	889,480	1,035,976	1,143,511	1,196,905	1,346,163	1,324,519	1,347,692	1,441,093
Legal	468,072	445,277	446,187	441,852	498,377	493,739	547,730	552,067	577,008	539,433
Elections	42,334	60,614	45,173	57,247	57,081	70,512	61,898	71,153	79,971	81,476
Financial Administration	601,292	630,934	695,264	746,674	778,705	881,308	968,677	976,973	989,346	1,021,326
Public Facilities	377,734	419,744	393,375	489,320	532,849	557,275	605,145	493,412	525,684	507,037
Public Safety	2,477,886	2,767,544	3,514,799	3,824,210	4,097,631	4,955,561	5,871,887	6,288,033	6,400,400	6,746,529
Environmental Protection	482,484	513,081	585,339	628,191	523,349	739,031	561,718	535,461	537,635	908,827
Public Transportation	1,543,857	1,659,133	1,692,280	2,158,841	2,009,868	2,039,414	2,189,711	2,045,634	2,203,954	2,137,970
Flood Control	--	--	--	--	--	12,101	105,544	208,402	195,677	139,527
Health and Welfare	1,491,223	1,344,930	1,186,536	1,350,620	1,387,693	1,408,423	1,782,069	1,864,663	1,711,912	1,741,956
Culture and Recreation	156,148	182,580	205,538	258,915	261,008	322,716	331,821	308,240	668,586	410,636
Conservation	37,442	37,868	46,852	45,564	57,302	71,979	66,097	95,067	71,070	78,057
Capital Outlay	2,478,785	9,293,425	1,766,414	1,517,701	1,214,829	3,388,586	1,823,472	2,817,867	2,470,287	2,953,210
Debt Service										
Interest and bond costs	--	626,194	463,804	423,479	434,369	449,754	621,973	536,687	885,743	1,134,421
Principal	--	--	395,000	454,155	506,612	646,559	518,467	737,520	715,500	1,044,334
<b>Total Expenditures</b>	<b>11,759,988</b>	<b>19,661,876</b>	<b>13,190,315</b>	<b>14,469,533</b>	<b>14,607,425</b>	<b>18,685,717</b>	<b>18,663,645</b>	<b>19,980,822</b>	<b>20,617,083</b>	<b>22,442,599</b>
<b>Excess of Revenues</b>										
Over (Under) Expenditures	(1,921,589)	(8,159,079)	556,755	685,366	397,629	(2,477,158)	(1,113,549)	222,773	(599,180)	(352,237)
<b>Other Financing Sources (Uses)</b>										
Bonds Proceeds	11,246,104	--	--	--	2,396,139	--	4,070,000	--	8,250,000	9,460,000
Other Proceeds	--	--	--	--	14,841	11,722	53,112	--	178,779	535,449
Payment to refunding escrow ag	--	--	--	--	--	--	--	--	--	(7,492,727)
Transfers In	1,524,588	1,422,082	1,610,024	1,586,698	1,703,503	1,849,331	2,000,376	1,776,372	1,830,337	2,023,789
Transfers Out	(1,524,588)	(1,422,082)	(1,610,024)	(1,586,698)	(1,744,234)	(1,851,388)	(1,904,417)	(1,776,372)	(1,830,337)	(2,023,789)
<b>Total Other Financing Sources (Uses)</b>	<b>11,246,104</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,370,249</b>	<b>9,665</b>	<b>4,219,071</b>	<b>--</b>	<b>8,428,779</b>	<b>2,502,722</b>
Prior period adjustments	5,379	--	--	--	--	--	--	--	--	--
<b>Net Change in Fund Balances</b>	<b>\$ 9,329,894</b>	<b>\$ (8,159,079)</b>	<b>\$ 556,755</b>	<b>\$ 685,366</b>	<b>\$ 2,767,878</b>	<b>\$ (2,467,493)</b>	<b>\$ 3,105,522</b>	<b>\$ 222,773</b>	<b>\$ 7,829,599</b>	<b>\$ 2,502,722</b>
Debt Service As A Percentage Of Noncapital Expenditures	--	6.0%	7.5%	6.8%	7.0%	7.2%	6.8%	7.4%	8.8%	11.2%

**ARANSAS COUNTY, TEXAS**

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

UNAUDITED

<u>Fiscal Year</u>	<u>Land</u>	<u>Personal Property</u>	<u>Minerals</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
2003	\$ 1,791,097,019	\$ 41,873,917	\$ 95,702,090	\$ 1,928,673,026	\$ 1,928,673,026	\$ 100.00%
2004	1,924,729,499	45,098,637	136,414,380	2,106,242,516	2,106,242,516	100.00%
2005	2,112,812,529	53,382,346	120,835,530	2,287,030,405	2,287,030,405	100.00%
2006	2,143,550,620	56,007,822	103,163,510	2,302,721,952	2,302,721,952	100.00%
2007	2,502,792,053	56,471,618	138,541,806	2,697,805,477	2,697,805,477	100.00%
2008	3,105,763,236	56,190,007	181,887,950	3,343,841,193	3,343,841,193	100.00%
2009	3,193,468,529	57,481,518	181,636,850	3,432,586,897	3,432,586,897	100.00%
2010	3,118,071,600	54,332,616	126,429,070	3,298,833,286	3,298,833,286	100.00%
2011	3,128,848,664	53,416,235	84,354,390	3,266,619,289	3,266,619,289	100.00%
2012	3,145,237,788	56,899,777	88,852,510	3,290,990,075	3,290,990,075	100.00%

Source: Aransas County Appraisal District

**ARANSAS COUNTY, TEXAS**  
 PRINCIPAL PROPERTY TAX PAYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cabot Oil & Gas Corp	\$ 16,101,320	1	0.57%	\$ 11,893,790	2	0.75%
AEP Texas Central Co	15,568,060	2	0.55%	11,332,084	3	0.72%
H E Butt Grocery	9,999,271	3	0.35%			
Chaparrel Energy, LLC	8,536,710	4	0.30%			
Oaks at Bentwater LP	7,663,740	5	0.27%			
Waterfront Land Inv. Fund I	7,495,380	6	0.27%			
Wal-Mart Real Estate Trust	7,132,010	7	0.25%			
Rockport Harbor Front LP	6,954,274	8	0.25%			
C H Marina and Drystack LP	6,688,885	9	0.24%			
Lamar Oil & Gas	5,513,770	10	0.20%			
Walter Oil & Gas Corp				15,147,780	1	0.96%
Gryphon Exploration Co.				10,648,140	4	0.67%
Southwestern Bell Tele.				7,845,790	5	0.50%
Degussa Carbon Black				7,124,180	6	0.45%
Sherwin Alumina				5,442,410	7	0.45%
Rockport Harborfront LP				3,166,462	8	0.34%
Investo LP				2,826,510	9	0.18%
Charlotte Plummers Seafare				2,792,914	10	0.18%
<b>Total</b>	<b>\$ 91,653,420</b>		<b>3.25%</b>	<b>\$ 78,220,060</b>		<b>5.18%</b>

Source: Aransas County Appraisal District

**ARANSAS COUNTY, TEXAS**  
 PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN FISCAL YEARS  
 GAR Roll  
 UNAUDITED

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 4,721,790	\$ 4,504,200	95.39%	\$ 189,677	\$ 4,693,877	99.41%
2004	5,148,009	4,934,915	95.86%	181,604	5,116,519	99.39%
2005	5,375,639	5,229,778	97.29%	111,762	5,341,540	99.37%
2006	5,401,809	5,273,741	97.63%	92,685	5,366,426	99.34%
2007	5,693,032	5,550,730	97.50%	104,626	5,655,356	99.34%
2008	6,582,987	6,434,381	97.74%	93,003	6,527,384	99.16%
2009	7,915,385	7,738,901	97.77%	92,021	7,830,922	98.93%
2010	8,008,996	7,755,431	96.83%	146,535	7,852,367	98.04%
2011	8,140,287	7,913,227	97.21%	60,431	7,973,658	97.95%
2012	8,194,317	3,526,108	43.03%			

\* Current collections on the 2012 roll continue to July 1, 2013