

ARANSAS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

Aransas County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2010

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Introductory Section

ARANSAS COUNTY

Lezlie M. Kirk
County Auditor
lkirk@aransascounty.org

301 N. Live Oak
Rockport, Texas 78382
Phone (361) 790-0124
Fax (361) 790-0125

June 23, 2011

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, 2010. 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 2010. 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, 2010, vary with Treasury Bill rates and the period of time the money is invested.

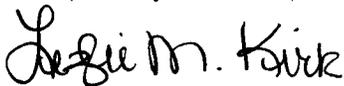
INDEPENDENT AUDIT

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 2010 and the independent auditor's report has been included in this report.

GENERAL REVIEW AND OUTLOOK

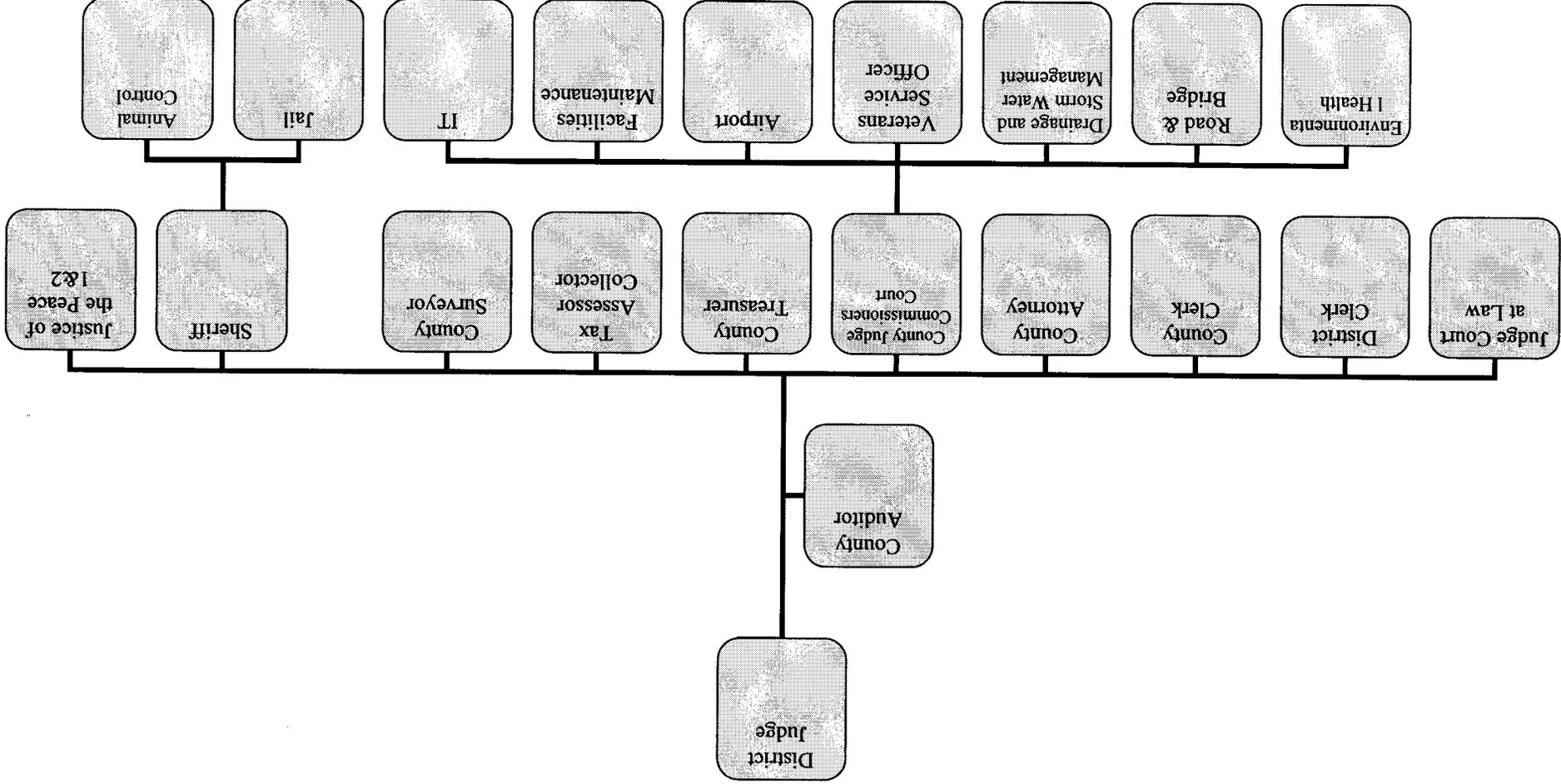
The County is in a sound financial condition as of December 31, 2010. The significant progress that Aransas County has made in keeping county facilities and operations in step with the economic development and growth of the County, in updating its financial records and record keeping, in the preparation 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,



Leslie M. Kirk
County Auditor

ARANSAS COUNTY ORGANIZATION CHART



ARANSAS COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2010

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
C. Howard Murph	Commissioner, Precinct 4
<u>Other County Officials</u>	
William Adams	Judge, County Court at Law
William Mills	Sheriff
Dee Oliver	County Treasurer
Peggy L. Friebele	County Clerk
Jeri Cox	Tax Assessor-Collector
Richard Bianchi	County Attorney
Diane Dupnik	Justice of the Peace, Precinct 1
Patrick J. Daly	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

Financial Section

Michael A. Arnold, PLLC

501 E. MARKET

CERTIFIED PUBLIC ACCOUNTANT

PHONE (361) 729-3545

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FAX (361) 790-9692

ROCKPORT, TEXAS 78381-1266

Independent Auditor's Report on Financial Statements

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

Members of the Commissioners' Court:

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, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Aransas County, Texas's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011, 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* and should be considered in assessing the results of our audit.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Aransas County, Texas's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

June 23, 2011

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Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2010. 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 \$1,624,140 as a result of this year's operations. Governmental activities contributed \$2,020,996 with the balance of (\$396,856) resulting from business-type activities.

General Fund Performance

As a result of this year's operations, the General fund reported a \$1,189,645 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	
	2010	2009	2010	2009	2010	2009
Current and other assets	24.0	24.1	0.7	1.1	24.7	25.2
Capital Assets	22.3	21.1	10.8	10.9	33.1	32.0
Total Assets	46.3	45.2	11.5	12.0	57.8	57.2
Long-term debt outstanding	15.3	15.8	1.1	1.0	16.4	16.8
Other liabilities	10.6	11.1	-	.2	10.6	11.3
Total liabilities	25.9	26.9	1.1	1.2	27.0	28.1
Net assets:	20.4	18.4	10.4	10.8	30.8	29.2
Invested in capital assets,	7.1	5.4	9.7	9.8	16.8	15.2
Net of debt						
Restricted	3.4	4.8	-	-	3.4	4.8
Unrestricted (deficit)	9.9	8.2	0.7	1.0	10.6	9.2
Total net assets	20.4	18.4	10.4	10.8	30.8	29.2

Net assets of the County's governmental activities increased \$2,020,996. 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 decreased \$396,856. This decrease was due primarily to depreciation of assets acquired by TXDOT grants at the County Airport.

Table 2
Changes in Net Assets
(in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	5.5	5.3	.9	.9	6.4	6.2
Grants	2.2	.9	.3	3.2	2.5	4.1
General revenues:						
Property taxes	9.7	8.6			9.7	8.6
Sales tax	2.1	2.1			2.1	2.1
Other taxes	0.3	.3			.3	.3
Investment income	-	.1			-	.1
Other general revenues	0.3	.3			.3	.3
Total revenues	20.1	17.6	1.2	4.1	21.3	21.7
Program expenses						
General government	1.2	1.3			1.2	1.3
Judicial	1.3	1.4			1.3	1.4
Legal	.5	.6			.5	.6
Elections	.1	.1			.1	.1
Financial admin.	1.0	1.0			1.0	1.0
Public facilities	.5	.6			.5	.6
Public safety	6.8	6.3			6.8	6.3
Environmental	.6	.6			.6	.6
Public Transportation	2.4	2.5			2.4	2.5
Flood Control	.2	-			.2	-
Health & Welfare	1.8	1.8			1.8	1.8
Culture and recreation	.4	.4			.4	.4
Conservation	.1	.1			.1	.1
Contributions	.6	.1			.6	.1
Interest on long-term debt	.6	.6			.6	.6
County Airport						
Inmate Commissary			1.6	1.4	1.6	1.4
Total expenses	18.1	17.4	1.6	1.5	19.7	18.9
Excess (deficiency)						
Before special items						

And transfers	2.0	.2	(.4)	2.6	1.6	2.8
Transfers	-	.1	-	-.1	-	-
Increase (decrease)						
In net assets	2.0	.3	(.4)	2.5	1.6	2.8

Total revenues generated from both governmental and business-type activities this year amounted to \$21.3 million.

Governmental Activities

Total revenues generated from governmental activities this year amounted to \$20.1 million. Expenses came in at \$18.1 million.

The cost of all governmental activities this year was \$18.1 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 \$12.4 million \$5.5 million to finance these programs was paid by those who directly benefited from them, \$2.2 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)**

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Public Safety	6.8	6.3	3.3	3.7
General Government	1.2	1.3	1.1	1.0
Public Transportation	2.4	2.5	1.3	1.2
Health and Welfare	1.8	1.8	1.3	1.4
Total	12.2	11.9	7.0	8.0

Business-type Activities

Total revenues generated from business-type activities this year amounted to \$1.2 million. Expenses came in at \$1.6 million, leaving a \$0.4 million decrease 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 \$10.2 million, an increase of \$0.2 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, 2010 and 2009.

Table 4
Revenues

Revenues and Transfers- In	2010 Amount	% of Total	2009 Amount	Amount of Increase (Decrease)	% Increase (Decrease)
Taxes	12,097,215	59.9	\$10,936,630	1,160,585	10.6
Licenses & Permits	625,631	3.1	614,411	11,220	18.3
Intergovernmental	2,326,132	11.5	932,135	1,393,997	149.5
Charges for services	3,911,143	19.4	3,808,008	103,135	2.7
Fines and Forfeitures	899,541	4.5	901,946	(2,405)	(.3)
Investment Income	47,203	.2	111,140	(63,937)	(57.5)
Miscellaneous	296,730	1.4	245,826	50,904	20.7
Total	20,203,595		\$17,550,096	2,653,499	

Taxes

The substantial increase in taxes is primarily attributable to property tax receipts. Assessments on the 2009 roll increased along with an increase in the tax rate of approximately 4 cents. Income from the 2010 tax roll will be recognized in 2011.

Growth in Taxable Assessed Value

Taxable assessed values increased by \$88,745,704 or 3% 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, 2010 and 2009.

Table 5
Expenditures and Transfers-Out

Expenditures and Transfers- Out	2010 Amount	Percent of Total	2009 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General government	\$1,193,056	6.6	\$1,261,273	(68,217)	(5.4)
Judicial	1,325,709	7.3	1,346,163	(20,454)	(1.5)
Legal	552,067	3.0	547,730	4,337	.8
Elections	87,415	.5	61,898	25,517	41.2
Financial Adm.	1,006,588	5.5	968,677	37,911	3.9
Public Facilities	493,412	2.7	605,145	(111,733)	(18.5)
Public safety	6,785,792	37.4	5,871,887	913,905	15.6
Environmental	591,681	3.3	561,718	29,963	5.3
Public transportation	2,366,571	13.0	2,189,711	176,860	8.1
Flood Control	218,225	1.2	105,544	112,681	106.8
Health and welfare	1,875,452	10.3	1,782,069	93,383	5.2
Culture and recreation	358,062	2.0	331,821	26,241	7.9
Conservation	96,809	.5	66,097	30,712	46.5
Contributions	564,108	3.1	-	564,108	-
Capital Outlay	-	-	1,823,472	(1,823,472)	(100.0)
Debt Service	649,725	3.6	1,140,440	(490,715)	(43.0)
Total	18,164,672		18,663,645	(498,973)	

Government Fund Expenditures

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

General Fund

Revenues and transfers-in generated \$12,269,760 and 721,438, respectively, aggregating \$12,991,198. Expenditures and transfers-out amounted to \$11,503,345 and \$298,208, respectively, aggregating \$11,801,553. The resulting effect on fund balance represented an increase of \$1,189,645.

PROPRIETARY FUNDS

Enterprise Funds

The County's enterprise operations consist of the County Airport and the Inmate Commissary. Net operating loss for the County Airport was \$416,330 compared to a loss of \$484,862 in 2009. The \$416,330 loss includes depreciation expense of \$675,321.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the County had \$33,091,387 in capital assets.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	1,716,963	\$895,290	125,710	\$125,710	1,842,673	\$1,021,000
Construction in progress	154,943	576,079	-	25,637	154,943	601,716
Buildings and improvements	12,437,749	12,509,463	10,520,698	10,618,324	22,958,447	23,127,787
Equipment	2,581,235	2,114,345	130,606	143,176	2,711,841	2,257,521
Infrastructure	5,423,483	5,019,902			5,423,483	5,019,902
Totals	22,314,373	\$21,115,079	10,777,014	\$10,912,847	33,091,387	\$32,027,926

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.

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 \$16,085,000 in bonds outstanding.

At December 31, 2010 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 2010-11 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.

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Basic Financial Statements

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ARANSAS COUNTY, TEXAS

STATEMENT OF NET ASSETS

DECEMBER 31, 2010

EXHIBIT A-1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 14,391,162	\$ 655,781	\$ 15,046,943
Receivables (net of allowances for uncollectibles):			
Property taxes	5,615,736	--	5,615,736
Interest	6,922	--	6,922
Intergovernmental	869,365	--	869,365
Accounts	--	60,526	60,526
Sundry	7,377	--	7,377
Leases	1,247,000	--	1,247,000
Fines and fees	1,707,563	--	1,707,563
Inventories	79,431	32,874	112,305
Bond issue costs	147,980	25,478	173,458
Capital assets, net of accumulated depreciation			
Land	1,716,963	125,710	1,842,673
Buildings, facilities and improvements	12,437,749	10,520,698	22,958,447
Machinery and equipment	2,581,235	130,608	2,711,843
Infrastructure	5,423,483	--	5,423,483
Construction in progress	154,943	--	154,943
Total Assets	<u><u>46,386,909</u></u>	<u><u>11,551,675</u></u>	<u><u>57,938,584</u></u>
LIABILITIES			
Accounts payable	538,577	15,946	554,523
Accrued wages payable	104,455	2,995	107,450
Accrued interest payable	228,090	35,065	263,155
Unearned revenue	5,333,676	--	5,333,676
Advance tax collections	4,441,675	--	4,441,675
Long-term liabilities:			
Due within one year	731,352	42,465	773,817
Due in more than one year	14,613,793	1,041,880	15,655,673
Total Liabilities	<u><u>25,991,618</u></u>	<u><u>1,138,351</u></u>	<u><u>27,129,969</u></u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,135,009	9,697,930	16,832,939
Restricted For:			
Debt Service	1,886,313	--	1,886,313
Capital Projects	1,465,605	--	1,465,605
Unrestricted	9,908,364	715,394	10,623,758
Total Net Assets	<u><u>\$ 20,395,291</u></u>	<u><u>\$ 10,413,324</u></u>	<u><u>\$ 30,808,615</u></u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,193,056	\$ 80,143	\$ --	\$ --
Judicial	1,325,709	1,157,096	38,097	--
Legal	552,067	51,806	--	--
Elections	87,415	--	--	6,390
Financial administration	1,006,588	86,640	--	--
Public facilities	493,412	900	--	--
Public safety	6,785,792	2,633,319	623,559	198,666
Environmental protection	591,681	324,446	570	--
Public Transportation	2,366,571	1,064,133	35,788	--
Flood Control	218,225	--	--	--
Health and welfare	1,875,452	80,982	432,205	--
Culture and recreation	358,062	9,647	35,413	--
Conservation	96,809	--	762	291,060
Contributions to other governments:				
Water and sewer system	564,108	--	--	543,008
Capital outlay	--	114	--	--
Interest and fiscal charges	649,725	55,614	--	--
Total expenditures	<u>18,164,672</u>	<u>5,544,840</u>	<u>1,166,394</u>	<u>1,039,124</u>
Business-type Activities:				
County Airport	1,554,724	879,086	50,180	207,904
Inmate Commissary	36,987	56,461	--	--
Total Business-type Activities	<u>1,591,711</u>	<u>935,547</u>	<u>50,180</u>	<u>207,904</u>
Total Primary Government	<u>\$ 19,756,383</u>	<u>\$ 6,480,387</u>	<u>\$ 1,216,574</u>	<u>\$ 1,247,028</u>

General Revenues:
 Property taxes
 Sales taxes
 Other taxes
 Investment earnings
 Other income
 Transfers
 Total General Revenues
 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 Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,112,913)		\$ (1,112,913)
(130,516)		(130,516)
(500,261)		(500,261)
(81,025)		(81,025)
(919,948)		(919,948)
(492,512)		(492,512)
(3,330,248)		(3,330,248)
(266,665)		(266,665)
(1,266,650)		(1,266,650)
(218,225)		(218,225)
(1,362,265)		(1,362,265)
(313,002)		(313,002)
195,013		195,013
(21,100)		(21,100)
114		114
(594,111)		(594,111)
<u>(10,414,314)</u>		<u>(10,414,314)</u>
--	\$ (417,554)	(417,554)
--	19,474	19,474
--	<u>(398,080)</u>	<u>(398,080)</u>
<u>(10,414,314)</u>	<u>(398,080)</u>	<u>(10,812,394)</u>
9,701,695	--	9,701,695
2,077,489	--	2,077,489
312,193	--	312,193
47,203	534	47,737
296,730	690	297,420
--	--	--
<u>12,435,310</u>	<u>1,224</u>	<u>12,436,534</u>
2,020,996	(396,856)	1,624,140
18,374,295	10,810,180	29,184,475
<u>\$ 20,395,291</u>	<u>\$ 10,413,324</u>	<u>\$ 30,808,615</u>

ARANSAS COUNTY, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2010

	General Fund	Road and Bridge
ASSETS		
Cash and investments	\$ 6,305,392	\$ 2,075,913
Receivables (net of allowances for uncollectibles):		
Property taxes	3,781,893	637,145
Interest	4,045	2,877
Intergovernmental	500,569	--
Sundry	7,377	--
Leases	--	--
Due from other funds	480,955	--
Inventories	17,985	41,512
Total Assets	<u>\$ 11,098,216</u>	<u>\$ 2,757,447</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 270,130	\$ 17,046
Accrued wages payable	93,773	10,682
Due to other funds	--	--
Deferred revenues	3,781,893	651,515
Advance tax collections	2,979,924	505,180
Total Liabilities	<u>7,125,720</u>	<u>1,184,423</u>
FUND BALANCES		
Reserved for debt service	--	--
Reserved for capital outlay	--	--
Reserved for inventory	17,985	41,512
Unreserved, designated for:		
Emergencies	500,000	--
Hurricane Preparedness	259,672	966,470
Unreserved, undesignated reported in:		
General fund	3,194,839	--
Special revenue funds	--	565,042
Total Fund Balances	<u>3,972,496</u>	<u>1,573,024</u>
Total Liabilities and Fund Balances	<u>\$ 11,098,216</u>	<u>\$ 2,757,447</u>

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,293,963	\$ 4,715,894	\$ 14,391,162
823,891	372,807	5,615,736
--	--	6,922
--	368,796	869,365
--	--	7,377
1,247,000	--	1,247,000
--	--	480,955
--	19,934	79,431
<u>\$ 3,364,854</u>	<u>\$ 5,477,431</u>	<u>\$ 22,697,948</u>
\$ --	\$ 251,401	\$ 538,577
--	--	104,455
--	480,955	480,955
2,070,891	392,741	6,897,040
654,650	301,921	4,441,675
<u>2,725,541</u>	<u>1,427,018</u>	<u>12,462,702</u>
639,313	--	639,313
--	1,465,605	1,465,605
--	--	59,497
--	--	500,000
--	--	1,226,142
--	--	3,194,839
--	2,584,808	3,149,850
<u>639,313</u>	<u>4,050,413</u>	<u>10,235,246</u>
<u>\$ 3,364,854</u>	<u>\$ 5,477,431</u>	<u>\$ 22,697,948</u>

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ARANSAS COUNTY, TEXAS

EXHIBIT A-4

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total fund balances - governmental funds balance sheet	\$ 10,235,246
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	22,314,373
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	316,364
Payables for bond principal which are not due in the current period are not reported in the funds.	(15,179,364)
Payables for bond interest which are not due in the current period are not reported in the funds.	(228,090)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(165,781)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	147,980
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	1,707,563
Assessments receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>1,247,000</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 20,395,291</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, 2010

	General Fund	Road and Bridge
Revenue:		
Taxes	\$ 7,732,160	\$ 1,104,055
Licenses and permits	79,157	546,474
Intergovernmental	105,722	12,047
Charges for services	3,385,155	305,869
Fines and forfeitures	652,684	191,677
Investment earnings	38,402	5,823
Miscellaneous	276,480	14,453
Total revenues	<u>12,269,760</u>	<u>2,180,398</u>
Expenditures:		
Current:		
General government	1,080,847	--
Judicial	1,277,656	--
Legal	514,449	--
Elections	71,153	--
Financial administration	976,973	--
Public facilities	493,412	--
Public safety	5,386,841	--
Environmental protection	410,938	--
Public Transportation	472,805	1,572,829
Flood Control	--	--
Health and welfare	429,332	--
Culture and recreation	49,908	--
Conservation	75,516	--
Capital outlay	263,515	70,864
Debt service:		
Principal	--	--
Interest and fiscal charges	--	--
Total expenditures	<u>11,503,345</u>	<u>1,643,693</u>
Excess (deficiency) of revenues (under) expenditures	766,415	536,705
Other financing sources (uses):		
Transfers in	721,438	--
Transfers out	(298,208)	(576,564)
Total other financing sources (uses)	<u>423,230</u>	<u>(576,564)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,189,645	(39,859)
Fund balances, January 1	2,782,851	1,612,883
Fund balances, December 31	<u>\$ 3,972,496</u>	<u>\$ 1,573,024</u>

The accompanying notes are an integral part of this statement.

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,362,205	\$ 1,898,795	\$ 12,097,215
--	--	625,631
120,614	2,087,749	2,326,132
--	220,119	3,911,143
--	55,180	899,541
457	2,521	47,203
--	5,797	296,730
<u>1,483,276</u>	<u>4,270,161</u>	<u>20,203,595</u>
--	44,277	1,125,124
--	46,863	1,324,519
--	37,618	552,067
--	--	71,153
--	--	976,973
--	--	493,412
--	901,192	6,288,033
--	124,523	535,461
--	--	2,045,634
--	208,402	208,402
--	1,435,331	1,864,663
--	258,332	308,240
--	19,551	95,067
--	2,483,488	2,817,867
536,687	--	536,687
737,520	--	737,520
<u>1,274,207</u>	<u>5,559,577</u>	<u>19,980,822</u>
209,069	(1,289,416)	222,773
--	1,054,934	1,776,372
--	(901,600)	(1,776,372)
<u>--</u>	<u>153,334</u>	<u>--</u>
209,069	(1,136,082)	222,773
430,244	5,186,495	10,012,473
<u>\$ 639,313</u>	<u>\$ 4,050,413</u>	<u>\$ 10,235,246</u>

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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, 2010

Net change in fund balances - total governmental funds	\$ 222,773
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,247,250
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,047,956)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(5,838)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	536,687
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(20,451)
(Increase) decrease in accrued interest from beginning of period to end of period.	100,394
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(7,626)
Uncollected court fines are not recorded as revenue in the funds.	52,911
Bond premiums are reported in the funds but not in the SOA.	7,852
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(65,000)</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ 2,020,996</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXASSTATEMENT OF NET ASSETS
ENTERPRISE FUNDS
DECEMBER 31, 2010

	Enterprise Fund	Nonmajor Enterprise Fund	
	County Airport	Inmate Commissary	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 502,387	\$ 153,394	\$ 655,781
Receivables (net of allowances for uncollectibles):			
Accounts	60,526	--	60,526
Inventories	32,874	--	32,874
Total Current Assets	<u>595,787</u>	<u>153,394</u>	<u>749,181</u>
Noncurrent Assets:			
Bond issue costs	25,478	--	25,478
Capital assets, net of accumulated depreciation			
Land	125,710	--	125,710
Buildings, facilities and improvements	10,520,698	--	10,520,698
Machinery and equipment	130,608	--	130,608
Total Capital Assets	<u>10,777,016</u>	<u>--</u>	<u>10,777,016</u>
Total Assets	<u>\$ 11,398,281</u>	<u>\$ 153,394</u>	<u>\$ 11,551,675</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 15,803	\$ 143	\$ 15,946
Accrued wages payable	2,995	--	2,995
Accrued interest payable	35,065	--	35,065
Current portion of long-term debt	42,465	--	42,465
Total Current Liabilities	<u>96,328</u>	<u>143</u>	<u>96,471</u>
Noncurrent Liabilities:			
Compensated absences payable	5,259	--	5,259
Bonds payable	1,036,621	--	1,036,621
Total Noncurrent Liabilities	<u>1,041,880</u>	<u>--</u>	<u>1,041,880</u>
Total Liabilities	<u>1,138,208</u>	<u>143</u>	<u>1,138,351</u>
NET ASSETS			
Invested in Capital Assets	9,697,930	--	9,697,930
Unrestricted	562,143	153,251	715,394
Total Net Assets	<u>10,260,073</u>	<u>153,251</u>	<u>10,413,324</u>
Total Liabilities and Net Assets	<u>\$ 11,398,281</u>	<u>\$ 153,394</u>	<u>\$ 11,551,675</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXASSTATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
	County Airport	Inmate Commissary	
OPERATING REVENUES:			
Charges for services	\$ 879,086	\$ 56,461	\$ 935,547
Total Operating Revenues	<u>879,086</u>	<u>56,461</u>	<u>935,547</u>
OPERATING EXPENSES:			
Cost of services	429,607	--	429,607
Personal services	210,154	--	210,154
Contractual services	102,198	--	102,198
Supplies	2,664	36,987	39,651
Repairs and maintenance	75,737	--	75,737
Depreciation and amortization	675,321	--	675,321
Total Operating Expenses	<u>1,495,681</u>	<u>36,987</u>	<u>1,532,668</u>
Operating Income (Loss)	<u>(616,595)</u>	<u>19,474</u>	<u>(597,121)</u>
NON-OPERATING REVENUES (EXPENSES):			
Intergovernmental revenue	50,180	--	50,180
Interest revenue	534	--	534
Oil and gas royalties	690	--	690
Interest expense	(59,043)	--	(59,043)
Total Non-operating Revenues (Expenses)	<u>(7,639)</u>	<u>--</u>	<u>(7,639)</u>
Income (Loss) before Capital Contributions and Transfers	<u>(624,234)</u>	<u>19,474</u>	<u>(604,760)</u>
TRANSFERS:			
Capital Contributions	207,904	--	207,904
Transfers in	--	--	--
Transfers out	--	--	--
Change in Net Assets	<u>(416,330)</u>	<u>19,474</u>	<u>(396,856)</u>
Net Assets, beginning of year	10,676,403	133,777	10,810,180
Net Assets, end of year	<u>\$ 10,260,073</u>	<u>\$ 153,251</u>	<u>\$ 10,413,324</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, 2010

	Enterprise Funds		
	County Airport	Inmate Commissary	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 870,693	\$ 56,461	\$ 927,154
Cash Payments to Employees for Services	(214,854)	--	(214,854)
Cash Payments to Other Suppliers for Goods and Services	(645,460)	(37,281)	(682,741)
Net Cash Provided (Used) by Operating Activities	<u>10,379</u>	<u>19,180</u>	<u>29,559</u>
Cash Flows from Non-capital Financing Activities:			
Repayment of loans from other funds	382,868	--	382,868
Loans to other funds	--	--	--
Transfers to other funds	--	--	--
Operating Grants Received	50,180	--	50,180
Net Cash Provided (Used) by Non-capital Financing Activities	<u>433,048</u>	<u>--</u>	<u>433,048</u>
Cash Flows from Capital and Related Financing Activities:			
Debt service payments	(77,373)	--	(77,373)
Acquisition or Construction of Capital Assets	(331,584)	--	(331,584)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(408,957)</u>	<u>--</u>	<u>(408,957)</u>
Cash Flows from Investing Activities:			
Oil and gas royalties	690	--	690
Interest and Dividends on Investments	534	--	534
Net Cash Provided (Used) for Investing Activities	<u>1,224</u>	<u>--</u>	<u>1,224</u>
Net Increase (Decrease) in Cash and Cash Equivalents	35,694	19,180	54,874
Cash and Cash Equivalents at Beginning of Year	466,693	134,214	600,907
Cash and Cash Equivalents at End of Year	<u>\$ 502,387</u>	<u>\$ 153,394</u>	<u>\$ 655,781</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (616,595)	\$ 19,474	\$ (597,121)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation and Amortization	675,321	--	675,321
Change in Assets and Liabilities:			
Decrease (Increase) in Receivables	(8,393)	--	(8,393)
Decrease (Increase) in Inventories	333	--	333
Increase (Decrease) in Accounts Payable	(35,587)	(294)	(35,881)
Increase (Decrease) in Wages Payable	(4,700)	--	(4,700)
Total Adjustments	<u>626,974</u>	<u>(294)</u>	<u>626,680</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 10,379</u>	<u>\$ 19,180</u>	<u>\$ 29,559</u>
Significant noncash transactions:			
Construction paid by Texas Department of Transportation Grants	\$ 207,904	--	\$ 207,904

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2010

	<u>Agency Funds</u>
ASSETS	
Assets:	
Cash and investments	\$ 7,359,755
Total Assets	<u>\$ 7,359,755</u>
LIABILITIES AND EQUITY	
Liabilities:	
Due to others	\$ 7,359,755
Total Liabilities	<u>7,359,755</u>
Equity:	
Total equity	<u>--</u>
Total Liabilities and Equity	<u>\$ 7,359,755</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, 2010

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, 2010

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.

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 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.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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.

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

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 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.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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.

h. **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

B. **Compliance and Accountability**

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. **Budgeted expenditures exceed appropriations for the following funds;**

<u>Fund</u>	<u>Expenditures over Budget</u>
Indigent Health Care Fund	\$ (62,943)

3. **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>
Grant Construction Fund	\$ 308,411	To be funded by General Fund.
Indigent Health	40,854	To be funded by Health Care Sales Tax 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, 2010, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$5,840,913 and the bank balance was \$6,484,034. The County's cash deposits at December 31, 2010 and during the year ended December 31, 2010, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

The County's investments at December 31, 2010 are shown below.

<u>Investment or Investment Type</u>	<u>(Days)</u>	<u>Fair Value</u>
Investment Pools:		
TexPool	1	\$ 2,510,257
Funds Management Group	1	14,055,528
Total Investments		<u>\$ 16,565,785</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, 2010, 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

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

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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.

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

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.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

The lease receivable of \$1,247,000 has been recorded in the Debt Service Fund.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 67,000	\$ 53,303	\$ 120,303
2012	70,000	50,820	120,820
2013	73,000	48,137	121,137
2014	75,000	45,222	120,222
2015	78,000	42,162	120,162
2016-2020	446,000	157,129	603,129
2021-2024	438,000	45,166	483,166
Totals	\$ 1,247,000	\$ 441,939	\$ 1,688,939

The effective interest rate on the lease is 4.394%.

E. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 895,290	\$ 821,673	\$ --	\$ 1,716,963
Construction in progress	576,079	--	421,136	154,943
Total capital assets not being depreciated	1,471,369	821,673	421,136	1,871,906
Capital assets being depreciated:				
Infrastructure	8,436,218	573,666	--	9,009,884
Buildings, improvements and facilities	15,754,129	366,753	--	16,120,882
Machinery and equipment	5,932,895	906,294	--	6,839,189
Total capital assets being depreciated	30,123,242	1,846,713	--	31,969,955
Less accumulated depreciation for:				
Infrastructure	(3,416,316)	(170,085)	--	(3,586,401)
Buildings, improvements and facilities	(3,244,666)	(438,467)	--	(3,683,133)
Machinery and equipment	(3,818,550)	(439,404)	--	(4,257,954)
Total accumulated depreciation	(10,479,532)	(1,047,956)	--	(11,527,488)
Total capital assets being depreciated, net	19,643,710	798,757	--	20,442,467
Governmental activities capital assets, net	\$ 21,115,079	\$ 1,620,430	\$ 421,136	\$ 22,314,373
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 125,710	\$ --	\$ --	\$ 125,710
Construction in progress	25,637	--	25,637	--
Total capital assets not being depreciated	151,347	--	25,637	125,710
Capital assets being depreciated:				
Buildings, improvements and facilities	14,098,198	555,965	--	14,654,163
Machinery and equipment	535,021	9,160	--	544,181
Total capital assets being depreciated	14,633,219	565,125	--	15,198,344
Less accumulated depreciation for:				
Buildings, improvements and facilities	(3,479,874)	(653,591)	--	(4,133,465)

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Machinery and equipment	(391,845)	(21,730)	--	(413,575)
Total accumulated depreciation	(3,871,719)	(675,321)	--	(4,547,040)
Total capital assets being depreciated, net	10,761,500	(110,196)	--	10,651,304
Business-type activities capital assets, net	<u>\$ 10,912,847</u>	<u>\$ (110,196)</u>	<u>\$ 25,637</u>	<u>\$ 10,777,014</u>

Depreciation was charged to functions as follows:

Governmental activities:

General Government	\$ 60,306
Judicial	1,190
Elections	16,262
Financial administration	29,615
Public safety	491,250
Flood control	9,823
Environmental protection	56,220
Public transportation	320,937
Health and welfare	10,789
Culture and recreation	49,822
Conservation	1,742
	<u>\$ 1,047,956</u>

Business-type activities:

Airport	<u>\$ 675,321</u>
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F. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at December 31, 2010, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 480,955	Short-term loan
	Total	<u>\$ 480,955</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2010, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Other Governmental Funds	\$ 298,208	Supplement other funds sources
Road and Bridge Fund	General Fund	576,564	Supplement other funds sources
Other Governmental Funds	General Fund	144,874	Supplement other funds sources
Other Governmental Funds	Other Governmental Funds	898,302	Supplement other funds sources
	Total	<u>\$ 1,917,948</u>	

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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	\$ 3,563,631	\$ 218,262	\$ 3,781,893
	<u>3,563,631</u>	<u>218,262</u>	<u>3,781,893</u>
<u>Special Revenue Funds</u>			
Road and Bridge			
Property taxes	598,730	38,415	637,145
Prepaid services	14,370	--	14,370
	<u>613,100</u>	<u>38,415</u>	<u>651,515</u>
Flood Control			
Property taxes	342,688	15,909	358,597
Moquito Control			
Property taxes	13,290	920	14,210
Aransas County Assistance Dept.			
Commodity inventory	19,934	--	19,934
	<u>989,012</u>	<u>55,244</u>	<u>1,044,256</u>
Debt Service			
Lease receivable	--	1,247,000	1,247,000
Property taxes	781,033	42,858	823,891
	<u>781,033</u>	<u>1,289,858</u>	<u>2,070,891</u>
 Total Deferred Revenue	 <u>\$ 5,333,676</u>	 <u>\$ 1,563,364</u>	 <u>\$ 6,897,040</u>

H. Short-Term Debt Activity

There was no short-term debt activity for the year ended December 31, 2010.

I. Long-Term Obligations

1. Long-Term Obligation

Long-term debt consisted of the following at December 31, 2010:

	<u>Interest Rate</u>	<u>General Long-Term Debt</u>	<u>Enterprise Fund Debt</u>
Certificates of Obligation, Serices 2003	3.00-5.125%	\$ 8,850,000	\$ --
Certificates of Obligation, Serices 2007	4.10-5.00%	2,116,006	643,994
Certificates of Obligation, Serices 2009	2.50-5.00%	4,070,000	405,000
Total Bonded Debt		<u>15,036,006</u>	<u>1,048,994</u>
Unamortized bond premium		143,358	30,093
Compensated absences		<u>165,781</u>	<u>5,259</u>
Total Long-Term Debt		<u>\$ 15,345,145</u>	<u>\$ 1,084,346</u>

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Changes in long-term obligations for the year ended December 31, 2010, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificates of Obligation	\$ 15,572,673	\$ --	\$ 536,667	\$ 15,036,006	715,500
Bond Premium	151,210	--	7,852	143,358	7,852
Compensated absences *	158,155	7,626	--	165,781	8,000
Total governmental activities	\$ 15,882,038	\$ 7,626	\$ 544,519	\$ 15,345,145	\$ 731,352
Business activities					
Certificates of Obligation	\$ 1,072,327	\$ --	\$ 23,333	\$ 1,048,994	\$ 39,500
Bond Premium	32,058	--	1,965	30,093	1,965
Compensated absences *	6,593	--	1,334	5,259	1,000
Total business activities	\$ 1,110,978	\$ --	\$ 26,632	\$ 1,084,346	\$ 42,465

* 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, 2010, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2011	\$ 715,500	\$ 641,936	\$ 1,357,436
2012	734,334	616,267	1,350,601
2013	763,167	589,069	1,352,236
2014	795,834	559,314	1,355,148
2015	824,667	527,602	1,352,269
2016-2020	4,688,834	2,079,204	6,768,038
2021-2025	5,013,669	905,453	5,919,122
2026-2029	1,500,001	133,353	1,633,354
Totals	\$ 15,036,006	\$ 6,052,198	\$ 21,088,204

Year Ending December 31,	Business Activities		
	Principal	Interest	Total
2011	\$ 39,500	\$ 46,360	\$ 85,860
2012	40,666	44,732	85,398
2013	41,833	43,043	84,876
2014	44,166	41,232	85,398
2015	45,333	39,294	84,627
2016-2020	276,166	161,332	437,498
2021-2025	341,331	90,462	431,793
2026-2029	219,999	16,280	236,279
Totals	\$ 1,048,994	\$ 482,735	\$ 1,531,729

3. Continuing Disclosure

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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. Designated Fund Balances

Designated Fund Balances at December 31, 2010 consisted of the following:

General Fund

Designated Emergency Operating	\$ 500,000
Designated Hurricane Preparedness	259,672
	<u>759,672</u>

Road and Bridge Fund

Designated Hurricane Road Repair	966,470
	<u>\$ 1,726,142</u>

K. Commitments Under Noncapitalized Leases

The County has no material commitments under noncapitalized leases at December 31, 2010. future rental payments as of December 31, 2010, as follows:

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 2010, 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 Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML 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.

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 602 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.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 7.84% for calendar year 2010. 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, 2010, the annual pension cost for the TCDRS Plan for its employees was \$554,001, and the actual contributions were \$554,001.

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, 2009, the basis for determining the contribution rate for calendar year 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

Actuarial Information

	12/31/07	12/31/08	12/31/09
Actuarial valuation date	Entry Age	Entry Age	Entry Age
Actuarial cost method	Level percentage of payroll, open	Level percent. of payroll, cls.	Level percent. of payroll, cls.
Amortization method	15.00	20.00	20.00
Amortization period	SAF: 10yr smoothed value	SAF: 10yr smoothed value	SAF: 10yr smoothed value
Asset valuation method	ESF: Fund Value	ESF: Fund Val.	ESF: Fund Val.
Actuarial Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases*	5.5%	5.3%	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
12/31/08	\$ 377,614	100%	\$-0-
12/31/09	\$ 449,583	100%	\$-0-
12/31/10	\$ 554,001	100%	\$-0-

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010 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)
12/31/07	11,092,178 \$	11,189,752 \$	97,574 \$	98.24% \$	5,049,596	3.93%
12/31/08	10,376,499	11,594,034	1,217,535	89.50%	5,909,423	20.60%
12/31/09	11,515,187	12,694,313	1,179,126	89.50%	6,822,207	17.28%

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, 2010, 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.

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.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

2. Litigation

The County was involved in various matters of litigation at December 31, 2010. 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, 2010.

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, 2010

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 7,673,379	\$ 7,673,379	\$ 7,732,160	\$ 58,781
Licenses and permits	78,600	78,600	79,157	557
Intergovernmental	71,250	71,250	105,722	34,472
Charges for services	3,084,735	3,084,735	3,385,155	300,420
Fines and forfeitures	854,700	854,700	652,684	(202,016)
Investment earnings	44,000	44,000	38,402	(5,598)
Miscellaneous	236,000	240,800	276,480	35,680
Total revenues	<u>12,042,664</u>	<u>12,047,464</u>	<u>12,269,760</u>	<u>222,296</u>
Expenditures:				
Current:				
General government	1,248,034	1,242,918	1,080,847	162,071
Judicial	1,345,027	1,391,474	1,277,656	113,818
Legal	552,712	546,644	514,449	32,195
Elections	99,586	79,012	71,153	7,859
Financial administration	1,014,884	1,018,315	976,973	41,342
Public facilities	524,149	529,926	493,412	36,514
Public safety	6,047,157	6,013,583	5,386,841	626,742
Environmental protection	546,437	500,172	410,938	89,234
Public Transportation	500,718	523,529	472,805	50,724
Health and welfare	458,740	463,700	429,332	34,368
Culture and recreation	48,800	50,300	49,908	392
Conservation	82,253	82,507	75,516	6,991
Capital outlay	238,053	264,720	263,515	1,205
Total expenditures	<u>12,706,550</u>	<u>12,706,800</u>	<u>11,503,345</u>	<u>1,203,455</u>
Excess (deficiency) of revenues (under) expenditures	(663,886)	(659,336)	766,415	1,425,751
Other financing sources (uses):				
Transfers in	744,201	744,201	721,438	(22,763)
Transfers out	(272,971)	(272,971)	(298,208)	25,237
Total other financing sources (uses)	<u>471,230</u>	<u>471,230</u>	<u>423,230</u>	<u>48,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(192,656)	(188,106)	1,189,645	1,377,751
Fund balances, January 1	2,782,851	2,782,851	2,782,851	--
Fund balances, December 31	<u>\$ 2,590,195</u>	<u>\$ 2,594,745</u>	<u>\$ 3,972,496</u>	<u>\$ 1,377,751</u>

ARANSAS COUNTY, TEXAS
ROAD AND BRIDGE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 1,089,952	\$ 1,089,952	\$ 1,104,055	\$ 14,103
Licenses and permits	538,000	538,000	546,474	8,474
Intergovernmental	10,000	10,000	12,047	2,047
Charges for services	180,000	180,000	305,869	125,869
Fines and forfeitures	201,000	201,000	191,677	(9,323)
Investment earnings	23,000	23,000	5,823	(17,177)
Miscellaneous	42,000	42,000	14,453	(27,547)
Total revenues	<u>2,083,952</u>	<u>2,083,952</u>	<u>2,180,398</u>	<u>96,446</u>
Expenditures:				
Current:				
Public Transportation	1,937,941	1,937,191	1,572,829	364,362
Capital outlay	84,000	84,000	70,864	13,136
Total expenditures	<u>2,021,941</u>	<u>2,021,191</u>	<u>1,643,693</u>	<u>377,498</u>
Excess (deficiency) of revenues (under) expenditures	62,011	62,761	536,705	473,944
Other financing sources (uses):				
Transfers out	(587,564)	(587,564)	(576,564)	(11,000)
Total other financing sources (uses)	<u>(587,564)</u>	<u>(587,564)</u>	<u>(576,564)</u>	<u>(11,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(525,553)	(524,803)	(39,859)	484,944
Fund balances, January 1	1,612,883	1,612,883	1,612,883	--
Fund balances, December 31	<u>\$ 1,087,330</u>	<u>\$ 1,088,080</u>	<u>\$ 1,573,024</u>	<u>\$ 484,944</u>

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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, 2010

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and investments	\$ 2,941,878	\$ 1,774,016	\$ 4,715,894
Receivables (net of allowances for uncollectibles):			
Property taxes	372,807	--	372,807
Intergovernmental	77,736	291,060	368,796
Inventories	19,934	--	19,934
Total Assets	<u>\$ 3,412,355</u>	<u>\$ 2,065,076</u>	<u>\$ 5,477,431</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 126,685	\$ 124,716	\$ 251,401
Due to other funds	6,200	474,755	480,955
Deferred revenues	392,741	--	392,741
Advance tax collections	301,921	--	301,921
Total Liabilities	<u>827,547</u>	<u>599,471</u>	<u>1,427,018</u>
FUND BALANCES			
Reserved for capital outlay	--	1,465,605	1,465,605
Unreserved, undesignated	2,584,808	--	2,584,808
Total Fund Balances	<u>2,584,808</u>	<u>1,465,605</u>	<u>4,050,413</u>
Total Liabilities and Fund Balances	<u>\$ 3,412,355</u>	<u>\$ 2,065,076</u>	<u>\$ 5,477,431</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
Taxes	\$ 1,898,795	\$ --	\$ 1,898,795
Intergovernmental	417,300	1,670,449	2,087,749
Charges for services	220,119	--	220,119
Fines and forfeitures	55,180	--	55,180
Investment earnings	705	1,816	2,521
Miscellaneous	5,797	--	5,797
Total revenues	<u>2,597,896</u>	<u>1,672,265</u>	<u>4,270,161</u>
Expenditures:			
Current:			
General government	44,277	--	44,277
Judicial	46,863	--	46,863
Legal	37,618	--	37,618
Public safety	183,096	718,096	901,192
Environmental protection	99,973	24,550	124,523
Flood Control	208,402	--	208,402
Health and welfare	1,435,331	--	1,435,331
Culture and recreation	251,898	6,434	258,332
Conservation	--	19,551	19,551
Capital outlay	--	2,483,488	2,483,488
Total expenditures	<u>2,307,458</u>	<u>3,252,119</u>	<u>5,559,577</u>
Excess (deficiency) of revenues (under) expenditures	290,438	(1,579,854)	(1,289,416)
Other financing sources (uses):			
Transfers in	1,029,697	25,237	1,054,934
Transfers out	(901,600)	--	(901,600)
Total other financing sources (uses)	<u>128,097</u>	<u>25,237</u>	<u>153,334</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	418,535	(1,554,617)	(1,136,082)
Fund balances, January 1	2,166,273	3,020,222	5,186,495
Fund balances, December 31	<u>\$ 2,584,808</u>	<u>\$ 1,465,605</u>	<u>\$ 4,050,413</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2010

	<u>Hotel/Motel Occupancy Tax Fund</u>	<u>County Attorney Hot Check</u>	<u>Mosquito Control</u>	<u>County Library</u>
ASSETS				
Cash and investments	\$ 556,123	\$ 5,615	\$ 137,448	\$ 69,068
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	14,210	--
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
Total Assets	<u>\$ 556,123</u>	<u>\$ 5,615</u>	<u>\$ 151,658</u>	<u>\$ 69,068</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 200	\$ 465	\$ 98	\$ 2,654
Due to other funds	--	--	--	--
Deferred revenues	--	--	14,210	--
Advance tax collections	--	--	12,781	--
Total Liabilities	<u>200</u>	<u>465</u>	<u>27,089</u>	<u>2,654</u>
FUND BALANCES				
Unreserved, undesignated	555,923	5,150	124,569	66,414
Total Fund Balances	<u>555,923</u>	<u>5,150</u>	<u>124,569</u>	<u>66,414</u>
Total Liabilities and Fund Balances	<u>\$ 556,123</u>	<u>\$ 5,615</u>	<u>\$ 151,658</u>	<u>\$ 69,068</u>

<u>Special Contingency</u>	<u>Records Management - County Clerk</u>	<u>Law Library</u>	<u>Courthouse Security</u>	<u>Records Managment - Countywide</u>
\$ 85,060	\$ 138,320	\$ 47,502	\$ 7,320	\$ 153,656
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 85,060</u>	<u>\$ 138,320</u>	<u>\$ 47,502</u>	<u>\$ 7,320</u>	<u>\$ 153,656</u>
\$ --	\$ 797	\$ --	\$ 275	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>797</u>	<u>--</u>	<u>275</u>	<u>--</u>
85,060	137,523	47,502	7,045	153,656
<u>85,060</u>	<u>137,523</u>	<u>47,502</u>	<u>7,045</u>	<u>153,656</u>
<u>\$ 85,060</u>	<u>\$ 138,320</u>	<u>\$ 47,502</u>	<u>\$ 7,320</u>	<u>\$ 153,656</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2010

	<u>Indigent Health Care</u>	<u>Aransas County Assistance Department</u>	<u>Health Care Sales Tax</u>	<u>Justice of the Peace Technology</u>
ASSETS				
Cash and investments	\$ 24,308	\$ 31,402	\$ 804	\$ 94,042
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	--	--
Intergovernmental	--	--	77,736	--
Inventories	--	19,934	--	--
Total Assets	<u>\$ 24,308</u>	<u>\$ 51,336</u>	<u>\$ 78,540</u>	<u>\$ 94,042</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 65,162	\$ 3,163	\$ 8,058	\$ --
Due to other funds	--	--	--	--
Deferred revenues	--	19,934	--	--
Advance tax collections	--	--	--	--
Total Liabilities	<u>65,162</u>	<u>23,097</u>	<u>8,058</u>	<u>--</u>
FUND BALANCES				
Unreserved, undesignated	<u>(40,854)</u>	<u>28,239</u>	<u>70,482</u>	<u>94,042</u>
Total Fund Balances	<u>(40,854)</u>	<u>28,239</u>	<u>70,482</u>	<u>94,042</u>
Total Liabilities and Fund Balances	<u>\$ 24,308</u>	<u>\$ 51,336</u>	<u>\$ 78,540</u>	<u>\$ 94,042</u>

Title IV-D Child Support	Out-of-County Juvenile Detention	Road Bond Interest & Sinking	Court Reporter Service Fee	Fire Department Project
\$ 10,511	\$ 349	\$ 98	\$ 56,575	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 98</u>	<u>\$ 56,575</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
10,511	349	98	56,575	--
<u>10,511</u>	<u>349</u>	<u>98</u>	<u>56,575</u>	<u>--</u>
<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 98</u>	<u>\$ 56,575</u>	<u>\$ --</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2010

	<u>County Forfeiture</u>	<u>TECLOSE Training</u>	<u>Sheriff's Forfeiture</u>	<u>Flood Control</u>
ASSETS				
Cash and investments	\$ 3,477	\$ 26,780	\$ 4,476	\$ 1,122,157
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	--	358,597
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
Total Assets	<u>\$ 3,477</u>	<u>\$ 26,780</u>	<u>\$ 4,476</u>	<u>\$ 1,480,754</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ --	\$ --	\$ --	\$ 45,441
Due to other funds	--	6,200	--	--
Deferred revenues	--	--	--	358,597
Advance tax collections	--	--	--	289,140
Total Liabilities	<u>--</u>	<u>6,200</u>	<u>--</u>	<u>693,178</u>
FUND BALANCES				
Unreserved, undesignated	<u>3,477</u>	<u>20,580</u>	<u>4,476</u>	<u>787,576</u>
Total Fund Balances	<u>3,477</u>	<u>20,580</u>	<u>4,476</u>	<u>787,576</u>
Total Liabilities and Fund Balances	<u>\$ 3,477</u>	<u>\$ 26,780</u>	<u>\$ 4,476</u>	<u>\$ 1,480,754</u>

Records Management - District Clerk	Records Archive	DEA Forfeiture	Appellate Judicial System	ARRA Grant Fund
\$ 17,976	\$ 207,059	\$ 86,907	\$ 8,920	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 17,976</u>	<u>\$ 207,059</u>	<u>\$ 86,907</u>	<u>\$ 8,920</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
17,976	207,059	86,907	8,920	--
<u>17,976</u>	<u>207,059</u>	<u>86,907</u>	<u>8,920</u>	<u>--</u>
<u>\$ 17,976</u>	<u>\$ 207,059</u>	<u>\$ 86,907</u>	<u>\$ 8,920</u>	<u>\$ --</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2010

	<u>Venue Tax</u>	<u>Child Abuse Prevention</u>	<u>County & District Court Technology</u>	<u>Court Records Preservation</u>
ASSETS				
Cash and investments	\$ 15,233	\$ 498	\$ 494	\$ 5,125
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	--	--
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
Total Assets	<u>\$ 15,233</u>	<u>\$ 498</u>	<u>\$ 494</u>	<u>\$ 5,125</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Deferred revenues	--	--	--	--
Advance tax collections	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES				
Unreserved, undesignated	15,233	498	494	5,125
Total Fund Balances	<u>15,233</u>	<u>498</u>	<u>494</u>	<u>5,125</u>
Total Liabilities and Fund Balances	<u>\$ 15,233</u>	<u>\$ 498</u>	<u>\$ 494</u>	<u>\$ 5,125</u>

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<u>District Court Technology</u>	<u>Pretrial Intervention</u>	<u>Voter Registration</u>	<u>Juvenile Case Management</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit C-1)</u>
\$ 916	\$ 1,000	\$ 889	\$ 21,770	\$ 2,941,878
--	--	--	--	372,807
--	--	--	--	77,736
--	--	--	--	19,934
<u>\$ 916</u>	<u>\$ 1,000</u>	<u>\$ 889</u>	<u>\$ 21,770</u>	<u>\$ 3,412,355</u>
\$ --	\$ --	\$ --	\$ 372	\$ 126,685
--	--	--	--	6,200
--	--	--	--	392,741
--	--	--	--	301,921
<u>--</u>	<u>--</u>	<u>--</u>	<u>372</u>	<u>827,547</u>
916	1,000	889	21,398	2,584,808
<u>916</u>	<u>1,000</u>	<u>889</u>	<u>21,398</u>	<u>2,584,808</u>
<u>\$ 916</u>	<u>\$ 1,000</u>	<u>\$ 889</u>	<u>\$ 21,770</u>	<u>\$ 3,412,355</u>

ARANSAS COUNTY, TEXASCOMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Hotel/Motel Occupancy Tax Fund	County Attorney Hot Check	Mosquito Control	County Library
Revenue:				
Taxes	\$ 202,909	\$ --	\$ 30,634	\$ --
Intergovernmental	--	--	--	--
Charges for services	--	32,397	--	2,595
Fines and forfeitures	--	--	--	7,052
Investment earnings	--	--	140	61
Miscellaneous	--	--	612	2,325
Total revenues	<u>202,909</u>	<u>32,397</u>	<u>31,386</u>	<u>12,033</u>
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	28,560	--	--
Public safety	--	--	--	--
Environmental protection	--	--	99,973	--
Flood Control	--	--	--	--
Health and welfare	--	--	--	--
Culture and recreation	86,934	--	--	164,964
Total expenditures	<u>86,934</u>	<u>28,560</u>	<u>99,973</u>	<u>164,964</u>
Excess (deficiency) of revenues (under) expenditures	115,975	3,837	(68,587)	(152,931)
Other financing sources (uses):				
Transfers in	--	--	125,000	156,632
Transfers out	--	--	(41,874)	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>83,126</u>	<u>156,632</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	115,975	3,837	14,539	3,701
Fund balances, January 1	439,948	1,313	110,030	62,713
Fund balances, December 31	<u>\$ 555,923</u>	<u>\$ 5,150</u>	<u>\$ 124,569</u>	<u>\$ 66,414</u>

<u>Special Contingency</u>	<u>Records Management - County Clerk</u>	<u>Law Library</u>	<u>Courthouse Security</u>	<u>Records Management - Countywide</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
3,229	31,594	13,077	25,285	10,504
--	--	--	--	--
--	--	--	--	--
<u>3,229</u>	<u>31,594</u>	<u>13,077</u>	<u>25,285</u>	<u>10,504</u>
--	41,026	--	--	--
--	--	--	--	--
--	--	9,058	--	--
--	--	--	23,759	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>41,026</u>	<u>9,058</u>	<u>23,759</u>	<u>--</u>
3,229	(9,432)	4,019	1,526	10,504
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>(12,000)</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>(12,000)</u>	<u>--</u>
3,229	(9,432)	4,019	(10,474)	10,504
81,831	146,955	43,483	17,519	143,152
<u>\$ 85,060</u>	<u>\$ 137,523</u>	<u>\$ 47,502</u>	<u>\$ 7,045</u>	<u>\$ 153,656</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Indigent Health Care	Aransas County Assistance Department	Health Care Sales Tax	Justice of the Peace Technology
Revenue:				
Taxes	\$ --	\$ --	\$ 1,022,868	\$ --
Intergovernmental	178,900	182,792	--	--
Charges for services	--	--	--	14,825
Fines and forfeitures	--	--	--	--
Investment earnings	--	--	--	--
Miscellaneous	--	2,860	--	--
Total revenues	<u>178,900</u>	<u>185,652</u>	<u>1,022,868</u>	<u>14,825</u>
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	6,395
Legal	--	--	--	--
Public safety	--	--	--	--
Environmental protection	--	--	--	--
Flood Control	--	--	--	--
Health and welfare	747,043	327,262	312,272	--
Culture and recreation	--	--	--	--
Total expenditures	<u>747,043</u>	<u>327,262</u>	<u>312,272</u>	<u>6,395</u>
Excess (deficiency) of revenues (under) expenditures	(568,143)	(141,610)	710,596	8,430
Other financing sources (uses):				
Transfers in	482,000	149,726	--	--
Transfers out	--	--	(847,726)	--
Total other financing sources (uses)	<u>482,000</u>	<u>149,726</u>	<u>(847,726)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(86,143)	8,116	(137,130)	8,430
Fund balances, January 1	45,289	20,123	207,612	85,612
Fund balances, December 31	<u>\$ (40,854)</u>	<u>\$ 28,239</u>	<u>\$ 70,482</u>	<u>\$ 94,042</u>

Title IV-D Child Support	Out-of-County Juvenile Detention	Road Bond Interest & Sinking	Court Reporter Service Fee	Fire Department Project
\$ --	\$ --	\$ 27	\$ --	\$ --
--	--	--	--	--
--	--	--	7,980	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>27</u>	<u>7,980</u>	<u>--</u>
--	--	--	--	--
--	--	--	277	--
--	--	--	--	--
--	--	--	--	116,339
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>277</u>	<u>116,339</u>
--	--	27	7,703	(116,339)
--	--	--	--	116,339
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>116,339</u>
--	--	27	7,703	--
10,511	349	71	48,872	--
<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 98</u>	<u>\$ 56,575</u>	<u>\$ --</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	County Forfeiture	TECLOSE Training	Sheriff's Forfeiture	Flood Control
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ 627,124
Intergovernmental	--	6,847	--	--
Charges for services	--	--	--	--
Fines and forfeitures	5,543	--	7,089	--
Investment earnings	--	--	--	497
Miscellaneous	--	--	--	--
Total revenues	<u>5,543</u>	<u>6,847</u>	<u>7,089</u>	<u>627,621</u>
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public safety	2,647	18,524	13,827	--
Environmental protection	--	--	--	--
Flood Control	--	--	--	208,402
Health and welfare	--	--	--	--
Culture and recreation	--	--	--	--
Total expenditures	<u>2,647</u>	<u>18,524</u>	<u>13,827</u>	<u>208,402</u>
Excess (deficiency) of revenues (under) expenditures	2,896	(11,677)	(6,738)	419,219
Other financing sources (uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,896	(11,677)	(6,738)	419,219
Fund balances, January 1	581	32,257	11,214	368,357
Fund balances, December 31	<u>\$ 3,477</u>	<u>\$ 20,580</u>	<u>\$ 4,476</u>	<u>\$ 787,576</u>

Records Management - District Clerk	Records Archive	DEA Forfeiture	Appellate Judicial System	ARRA Grant Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	48,761
2,341	30,576	--	--	--
--	--	25,257	2,590	--
--	--	7	--	--
--	--	--	--	--
<u>2,341</u>	<u>30,576</u>	<u>25,264</u>	<u>2,590</u>	<u>48,761</u>
--	--	--	--	--
--	--	--	1,727	--
--	--	--	--	--
--	--	8,000	--	--
--	--	--	--	--
--	--	--	--	48,754
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>8,000</u>	<u>1,727</u>	<u>48,754</u>
2,341	30,576	17,264	863	7
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
2,341	30,576	17,264	863	7
15,635	176,483	69,643	8,057	(7)
<u>\$ 17,976</u>	<u>\$ 207,059</u>	<u>\$ 86,907</u>	<u>\$ 8,920</u>	<u>\$ --</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Venue Tax	Child Abuse Prevention	County & District Court Technology	Court Records Preservation
Revenue:				
Taxes	\$ 15,233	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeitures	--	114	494	5,125
Investment earnings	--	--	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>15,233</u>	<u>114</u>	<u>494</u>	<u>5,125</u>
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public safety	--	--	--	--
Environmental protection	--	--	--	--
Flood Control	--	--	--	--
Health and welfare	--	--	--	--
Culture and recreation	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	15,233	114	494	5,125
Other financing sources (uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	15,233	114	494	5,125
Fund balances, January 1	--	384	--	--
Fund balances, December 31	<u>\$ 15,233</u>	<u>\$ 498</u>	<u>\$ 494</u>	<u>\$ 5,125</u>

District Court Technology	Pretrial Intervention	Voter Registration	Juvenile Case Management	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ --	\$ 1,898,795
--	--	--	--	417,300
--	--	4,240	41,476	220,119
916	1,000	--	--	55,180
--	--	--	--	705
--	--	--	--	5,797
<u>916</u>	<u>1,000</u>	<u>4,240</u>	<u>41,476</u>	<u>2,597,896</u>
--	--	3,251	--	44,277
--	--	--	38,464	46,863
--	--	--	--	37,618
--	--	--	--	183,096
--	--	--	--	99,973
--	--	--	--	208,402
--	--	--	--	1,435,331
--	--	--	--	251,898
<u>--</u>	<u>--</u>	<u>3,251</u>	<u>38,464</u>	<u>2,307,458</u>
916	1,000	989	3,012	290,438
--	--	--	--	1,029,697
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(901,600)</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>128,097</u>
916	1,000	989	3,012	418,535
--	--	(100)	18,386	2,166,273
<u>\$ 916</u>	<u>\$ 1,000</u>	<u>\$ 889</u>	<u>\$ 21,398</u>	<u>\$ 2,584,808</u>

ARANSAS COUNTY, TEXAS
HOTEL/MOTEL OCCUPANCY TAX FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 127,545	\$ 202,909	\$ 75,364
Total revenues	<u>127,545</u>	<u>202,909</u>	<u>75,364</u>
Expenditures:			
Current:			
Culture and recreation	100,300	86,934	13,366
Total expenditures	<u>100,300</u>	<u>86,934</u>	<u>13,366</u>
Excess (deficiency) of revenues (under) expenditures	27,245	115,975	88,730
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	27,245	115,975	88,730
Fund balances, January 1	439,948	439,948	--
Fund balances, December 31	<u>\$ 467,193</u>	<u>\$ 555,923</u>	<u>\$ 88,730</u>

ARANSAS COUNTY, TEXAS
MOSQUITO CONTROL
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 27,762	\$ 30,634	\$ 2,872
Investment earnings	--	140	140
Miscellaneous	--	612	612
Total revenues	<u>27,762</u>	<u>31,386</u>	<u>3,624</u>
Expenditures:			
Current:			
Environmental protection	120,154	99,973	20,181
Capital outlay	7,500	--	7,500
Total expenditures	<u>127,654</u>	<u>99,973</u>	<u>27,681</u>
Excess (deficiency) of revenues (under) expenditures	(99,892)	(68,587)	31,305
Other financing sources (uses):			
Transfers in	137,916	125,000	(12,916)
Transfers out	(41,874)	(41,874)	--
Total other financing sources (uses)	<u>96,042</u>	<u>83,126</u>	<u>12,916</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(3,850)	14,539	18,389
Fund balances, January 1	110,030	110,030	--
Fund balances, December 31	<u>\$ 106,180</u>	<u>\$ 124,569</u>	<u>\$ 18,389</u>

ARANSAS COUNTY, TEXAS
COUNTY LIBRARY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Intergovernmental	\$ 5,000	\$ --	\$ (5,000)
Charges for services	3,500	2,595	(905)
Fines and forfeitures	6,000	7,052	1,052
Investment earnings	--	61	61
Miscellaneous	5,000	2,325	(2,675)
Total revenues	<u>19,500</u>	<u>12,033</u>	<u>(7,467)</u>
Expenditures:			
Current:			
Culture and recreation	176,132	164,964	11,168
Total expenditures	<u>176,132</u>	<u>164,964</u>	<u>11,168</u>
Excess (deficiency) of revenues (under) expenditures	(156,632)	(152,931)	3,701
Other financing sources (uses):			
Transfers in	156,632	156,632	--
Total other financing sources (uses)	<u>156,632</u>	<u>156,632</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	3,701	3,701
Fund balances, January 1	62,713	62,713	--
Fund balances, December 31	<u>\$ 62,713</u>	<u>\$ 66,414</u>	<u>\$ 3,701</u>

ARANSAS COUNTY, TEXAS
 SPECIAL CONTINGENCY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 3,000	\$ 3,229	\$ 229
Total revenues	<u>3,000</u>	<u>3,229</u>	<u>229</u>
Expenditures:			
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	3,000	3,229	229
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	3,000	3,229	229
Fund balances, January 1	81,831	81,831	--
Fund balances, December 31	<u>\$ 84,831</u>	<u>\$ 85,060</u>	<u>\$ 229</u>

ARANSAS COUNTY, TEXAS
 RECORDS MANAGEMENT - COUNTY CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 36,000	\$ 31,594	\$ (4,406)
Total revenues	<u>36,000</u>	<u>31,594</u>	<u>(4,406)</u>
Expenditures:			
General government	40,476	41,026	(550)
Total expenditures	<u>40,476</u>	<u>41,026</u>	<u>(550)</u>
Excess (deficiency) of revenues (under) expenditures	(4,476)	(9,432)	(4,956)
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	(4,476)	(9,432)	(4,956)
Fund balances, January 1	146,955	146,955	--
Fund balances, December 31	<u>\$ 142,479</u>	<u>\$ 137,523</u>	<u>\$ (4,956)</u>

ARANSAS COUNTY, TEXAS
LAW LIBRARY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 14,000	\$ 13,077	\$ (923)
Total revenues	<u>14,000</u>	<u>13,077</u>	<u>(923)</u>
Expenditures:			
Current:			
Legal	14,000	9,058	4,942
Total expenditures	<u>14,000</u>	<u>9,058</u>	<u>4,942</u>
Excess (deficiency) of revenues (under) expenditures	--	4,019	4,019
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	--	4,019	4,019
Fund balances, January 1	43,483	43,483	--
Fund balances, December 31	<u>\$ 43,483</u>	<u>\$ 47,502</u>	<u>\$ 4,019</u>

ARANSAS COUNTY, TEXAS
 COURTHOUSE SECURITY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 26,000	\$ 25,285	\$ (715)
Total revenues	<u>26,000</u>	<u>25,285</u>	<u>(715)</u>
Expenditures:			
Current:			
Public safety	46,103	23,759	22,344
Total expenditures	<u>46,103</u>	<u>23,759</u>	<u>22,344</u>
Excess (deficiency) of revenues (under) expenditures	(20,103)	1,526	21,629
Other financing sources (uses):			
Transfers out	(12,000)	(12,000)	--
Total other financing sources (uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(32,103)	(10,474)	21,629
Fund balances, January 1	17,519	17,519	--
Fund balances, December 31	<u>\$ (14,584)</u>	<u>\$ 7,045</u>	<u>\$ 21,629</u>

ARANSAS COUNTY, TEXAS
 RECORDS MANAGEMENT - COUNTYWIDE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 10,500	\$ 10,504	\$ 4
Total revenues	<u>10,500</u>	<u>10,504</u>	<u>4</u>
Expenditures:			
General government	10,500	--	10,500
Total expenditures	<u>10,500</u>	<u>--</u>	<u>10,500</u>
Excess (deficiency) of revenues (under) expenditures	--	10,504	10,504
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	--	10,504	10,504
Fund balances, January 1	143,152	143,152	--
Fund balances, December 31	<u>\$ 143,152</u>	<u>\$ 153,656</u>	<u>\$ 10,504</u>

ARANSAS COUNTY, TEXAS
INDIGENT HEALTH CARE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Intergovernmental	\$ 178,900	\$ 178,900	\$ --
Total revenues	<u>178,900</u>	<u>178,900</u>	<u>--</u>
Expenditures:			
Current:			
Health and welfare	684,100	747,043	(62,943)
Total expenditures	<u>684,100</u>	<u>747,043</u>	<u>(62,943)</u>
Excess (deficiency) of revenues (under) expenditures	(505,200)	(568,143)	(62,943)
Other financing sources (uses):			
Transfers in	505,200	482,000	(23,200)
Total other financing sources (uses)	<u>505,200</u>	<u>482,000</u>	<u>23,200</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	(86,143)	(86,143)
Fund balances, January 1	45,289	45,289	--
Fund balances, December 31	<u>\$ 45,289</u>	<u>\$ (40,854)</u>	<u>\$ (86,143)</u>

ARANSAS COUNTY, TEXAS

ARANSAS COUNTY ASSISTANCE DEPARTMENT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-14

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Intergovernmental	\$ 43,000	\$ 45,038	\$ 2,038
Miscellaneous	4,200	2,860	(1,340)
Total revenues	<u>47,200</u>	<u>47,898</u>	<u>698</u>
Expenditures:			
Current:			
Health and welfare	196,926	189,508	7,418
Total expenditures	<u>196,926</u>	<u>189,508</u>	<u>7,418</u>
Excess (deficiency) of revenues (under) expenditures	(149,726)	(141,610)	8,116
Other financing sources (uses):			
Transfers in	149,726	149,726	--
Total other financing sources (uses)	<u>149,726</u>	<u>149,726</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	8,116	8,116
Fund balances, January 1	20,123	20,123	--
Fund balances, December 31	<u>\$ 20,123</u>	<u>\$ 28,239</u>	<u>\$ 8,116</u>

ARANSAS COUNTY, TEXAS
 HEALTH CARE SALES TAX
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-15

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenue:			
Taxes	\$ 1,079,000	\$ 1,022,868	\$ (56,132)
Total revenues	<u>1,079,000</u>	<u>1,022,868</u>	<u>(56,132)</u>
Expenditures:			
Current:			
Health and welfare	345,391	312,272	33,119
Total expenditures	<u>345,391</u>	<u>312,272</u>	<u>33,119</u>
Excess (deficiency) of revenues (under) expenditures	733,609	710,596	(23,013)
Other financing sources (uses):			
Transfers out	(895,605)	(847,726)	47,879
Total other financing sources (uses)	<u>(895,605)</u>	<u>(847,726)</u>	<u>47,879</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(161,996)	(137,130)	24,866
Fund balances, January 1	207,612	207,612	--
Fund balances, December 31	<u>\$ 45,616</u>	<u>\$ 70,482</u>	<u>\$ 24,866</u>

ARANSAS COUNTY, TEXAS
 COURT REPORTER SERVICE FEE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-16

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 8,000	\$ 7,980	\$ (20)
Total revenues	<u>8,000</u>	<u>7,980</u>	<u>(20)</u>
Expenditures:			
Current:			
Judicial	8,000	277	7,723
Total expenditures	<u>8,000</u>	<u>277</u>	<u>7,723</u>
Excess (deficiency) of revenues (under) expenditures	--	7,703	7,703
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	--	7,703	7,703
Fund balances, January 1	48,872	48,872	--
Fund balances, December 31	<u>\$ 48,872</u>	<u>\$ 56,575</u>	<u>\$ 7,703</u>

ARANSAS COUNTY, TEXAS
 FIRE DEPARTMENT PROJECT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-17

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Total revenues	\$ --	\$ --	\$ --
Expenditures:			
Current:			
Public safety	116,339	116,339	--
Total expenditures	116,339	116,339	--
Excess (deficiency) of revenues (under) expenditures	(116,339)	(116,339)	--
Other financing sources (uses):			
Transfers in	116,339	116,339	--
Total other financing sources (uses)	116,339	116,339	--
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, 2010

EXHIBIT C-18

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 2,500	\$ 2,341	\$ (159)
Total revenues	<u>2,500</u>	<u>2,341</u>	<u>(159)</u>
Expenditures:			
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	2,500	2,341	(159)
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	2,341	(159)
Fund balances, January 1	15,635	15,635	--
Fund balances, December 31	<u>\$ 18,135</u>	<u>\$ 17,976</u>	<u>\$ (159)</u>

ARANSAS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-19

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 1,336,380	\$ 1,362,205	\$ 25,825
Intergovernmental	120,614	120,614	--
Investment earnings	11,500	457	(11,043)
Total revenues	<u>1,468,494</u>	<u>1,483,276</u>	<u>14,782</u>
Expenditures:			
Debt service:			
Principal	536,687	536,687	--
Interest and fiscal charges	765,791	737,520	28,271
Total expenditures	<u>1,302,478</u>	<u>1,274,207</u>	<u>28,271</u>
Excess (deficiency) of revenues (under) expenditures	166,016	209,069	43,053
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	166,016	209,069	43,053
Fund balances, January 1	430,244	430,244	--
Fund balances, December 31	<u>\$ 596,260</u>	<u>\$ 639,313</u>	<u>\$ 43,053</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2010

	Grant Construction	2009 Certificate of Obligation	2007 Certificate of Obligation	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS				
Cash and investments	\$ --	\$ 1,774,016	\$ --	\$ 1,774,016
Receivables (net of allowances for uncollectibles):				
Intergovernmental	291,060	--	--	291,060
Total Assets	<u>\$ 291,060</u>	<u>\$ 1,774,016</u>	<u>\$ --</u>	<u>\$ 2,065,076</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 124,716	\$ --	\$ --	\$ 124,716
Due to other funds	474,755	--	--	474,755
Total Liabilities	<u>599,471</u>	<u>--</u>	<u>--</u>	<u>599,471</u>
FUND BALANCES				
Reserved for capital outlay	(308,411)	1,774,016	--	1,465,605
Total Fund Balances	<u>(308,411)</u>	<u>1,774,016</u>	<u>--</u>	<u>1,465,605</u>
Total Liabilities and Fund Balances	<u>\$ 291,060</u>	<u>\$ 1,774,016</u>	<u>\$ --</u>	<u>\$ 2,065,076</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Grant Construction	2009 Certificate of Obligation	2007 Certificate of Obligation	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
Intergovernmental	\$ 1,670,449	\$ --	\$ --	\$ 1,670,449
Investment earnings	--	1,816	--	1,816
Total revenues	<u>1,670,449</u>	<u>1,816</u>	<u>--</u>	<u>1,672,265</u>
Expenditures:				
Current:				
Public safety	718,096	--	--	718,096
Environmental protection	24,550	--	--	24,550
Culture and recreation	6,434	--	--	6,434
Conservation	19,551	--	--	19,551
Capital outlay	1,223,342	1,228,540	31,606	2,483,488
Total expenditures	<u>1,991,973</u>	<u>1,228,540</u>	<u>31,606</u>	<u>3,252,119</u>
Excess (deficiency) of revenues (under) expenditures	(321,524)	(1,226,724)	(31,606)	(1,579,854)
Other financing sources (uses):				
Transfers in	--	--	25,237	25,237
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>25,237</u>	<u>25,237</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(321,524)	(1,226,724)	(6,369)	(1,554,617)
Fund balances, January 1	13,113	3,000,740	6,369	3,020,222
Fund balances, December 31	<u>\$ (308,411)</u>	<u>\$ 1,774,016</u>	<u>\$ --</u>	<u>\$ 1,465,605</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2010

	<u>Court Costs and Fees</u>	<u>Tax Collector</u>	<u>County Clerk</u>	<u>District Clerk</u>
ASSETS				
Assets:				
Cash and investments	\$ 10,555	\$ 1,555,185	\$ 234,848	\$ 215,400
Total Assets	<u>\$ 10,555</u>	<u>\$ 1,555,185</u>	<u>\$ 234,848</u>	<u>\$ 215,400</u>
LIABILITIES AND EQUITY				
Liabilities:				
Due to others	\$ 10,555	\$ 1,555,185	\$ 234,848	\$ 215,400
Total Liabilities	<u>10,555</u>	<u>1,555,185</u>	<u>234,848</u>	<u>215,400</u>
Equity:				
Total equity	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Equity	<u>\$ 10,555</u>	<u>\$ 1,555,185</u>	<u>\$ 234,848</u>	<u>\$ 215,400</u>

<u>Justice of the Peace</u>	<u>Escheat</u>	<u>Inmate Trust</u>	<u>Aransas County Navigation District No.1</u>	<u>Total Agency Funds (See Exhibit A-10)</u>
\$ 2,858	\$ 894	\$ 3,058	\$ 5,336,957	\$ 7,359,755
<u>\$ 2,858</u>	<u>\$ 894</u>	<u>\$ 3,058</u>	<u>\$ 5,336,957</u>	<u>\$ 7,359,755</u>
\$ 2,858	\$ 894	\$ 3,058	\$ 5,336,957	\$ 7,359,755
<u>2,858</u>	<u>894</u>	<u>3,058</u>	<u>5,336,957</u>	<u>7,359,755</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 2,858</u>	<u>\$ 894</u>	<u>\$ 3,058</u>	<u>\$ 5,336,957</u>	<u>\$ 7,359,755</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

501 E. MARKET

CERTIFIED PUBLIC ACCOUNTANT

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ROCKPORT, TEXAS 78381-1266

Independent Auditor's Report

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 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, 2010, which collectively comprise the Aransas County, Texas's basic financial statements and have issued our report thereon dated June 23, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Aransas County, Texas's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Aransas County, Texas's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Aransas County, Texas's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Aransas County, Texas's financial statements are free of 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*.

This report is intended solely for the information and use of management, others within the entity, the Commissioners' Court, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael A. Arnold, PLLC". The signature is written in a cursive, slightly stylized font.

Michael A. Arnold, PLLC

June 23, 2011

Michael A. Arnold, PLLC

501 E. MARKET

CERTIFIED PUBLIC ACCOUNTANT

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ROCKPORT, TEXAS 78381-1266

Independent Auditor's Report

Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control Over Compliance In Accordance With OMB Circular A-133

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

Members of the Commissioners' Court:

Compliance

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, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Aransas County, Texas's management. Our responsibility is to express an opinion on Aransas County, Texas's compliance based on our audit.

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. Our audit does not provide a legal determination of Aransas County, Texas's compliance with those requirements.

In our opinion, Aransas County, Texas complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of Aransas County, Texas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Aransas County, Texas's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, the Commissioners' Court, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

June 23, 2011

ARANSAS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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>
14.218 97.067	Community Development Block Grant Operation Stonegarden (OPSG)

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

Auditee qualified as low-risk auditee? Yes X 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, 2010

<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, 2010

N/A

ARANSAS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT D-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U. S. ELECTION ASSISTANCE COMMISSION</u>			
Passed Through Office of the Secretary of State of Texas:			
Help America Vote Act	90.401	None	\$ 6,071
Total U.S. Election Assistance Commission			<u>6,071</u>
<u>U. S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Passed Through Texas Commission on Environmental Quality:			
Nonpoint Source Water Implementation Grant	66.460	582-10-90462	2,340
Total U. S. Environmental Protection Agency			<u>2,340</u>
<u>U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
Passed Through Texas Office of Rural Community Affairs:			
Community Development Block Grant *	14.218	728025	363,951
Community Development Block Grant *	14.218	728011	179,059
Total Passed Through Texas Office of Rural Community Affairs			<u>543,010</u>
Total U. S. Department of Housing & Urban Development			<u>543,010</u>
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through Texas Department of Human Services and Bee County Community Action Agency:			
Community Services Block Grant (CSBG) ARRA	93.091	11090000525.2	48,753
Passed Through Texas Department of Housing and Community Affairs and Bee Community Action Agency:			
Community Services Block Grant	93.031	616005.2	45,038
Total U. S. Department of Health and Human Services			<u>93,791</u>
<u>U. S. DEPARTMENT OF COMMERCE</u>			
Passed Through Texas General Land Office:			
Coastal Zone Management Awards	11.419	NA10NOS4190207	291,061
Total U. S. Department of Commerce			<u>291,061</u>
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through Texas Department of Human Resources and Food Bank of Corpus Christi:			
Commodity Supplemental Food Program (Non-Cash)	10.565	None	137,754
Total U. S. Department of Agriculture			<u>137,754</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Passed Through Texas Division of Emergency Management:			
Disaster Assistance	97.036	None	12,372
Operation Stonegarden (OPSG) *	97.067	09-GA-48007-02	814,478
Total Passed Through Texas Division of Emergency Management			<u>826,850</u>
Total Department of Homeland Security			<u>826,850</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,900,877</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, 2010**

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	\$ 404,022
Disaster Assistance	97.036	12,372
Total Provided to Subrecipients		<u>\$ 416,394</u>

ARANSAS COUNTY, TEXAS
SCHEDULE OF GRANT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended December 31, 2010

EXHIBIT D-2

FEDERAL FINANCIAL ASSISTANCE

GRANTOR: OFFICE OF RURAL COMMUNITY AFFAIRS

CONTRACT NUMBER 728011 - Sewer Facilities - N. Hood

CONTRACT PERIOD: June 22, 2008 to December 21, 2010

	Budget	State		Match		Total
		Prior Years	Current Year	Prior Years	Current Year	
Revenues:						
Federal	\$300,000	\$115,806	\$179,059	\$ -	\$ -	\$294,865
Local	15,000	-	-	-	15,000	15,000
Total revenues	<u>315,000</u>	<u>115,806</u>	<u>179,059</u>	<u>-</u>	<u>15,000</u>	<u>309,865</u>
Expenditures:						
Federal:						
Sewer Facilities	175,549	61,606	113,943	-	-	175,549
Rehab. Private Prop	39,701	-	36,066	-	-	36,066
Engineering	52,500	31,700	20,800	-	-	52,500
Administration	32,250	22,500	8,250	-	-	30,750
Local:						
Sewer Facilities	7,500	-	-	-	7,500	7,500
Engineering	7,500	-	-	-	7,500	7,500
Total expenditures	<u>315,000</u>	<u>115,806</u>	<u>179,059</u>	<u>-</u>	<u>15,000</u>	<u>309,865</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ARANSAS COUNTY, TEXAS
SCHEDULE OF GRANT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended December 31, 2010

EXHIBIT D-3

FEDERAL FINANCIAL ASSISTANCE

GRANTOR: OFFICE OF RURAL COMMUNITY AFFAIRS

CONTRACT NUMBER 728025 - Sewer Facilities N. Hood

CONTRACT PERIOD: June 22, 2008 to December 21, 2010

	Budget	State		Match		Total
		Prior Years	Current Year	Prior Years	Current Year	
Revenues:						
Federal	\$500,000	\$133,730	\$363,951	\$ -	\$ -	\$497,681
Local	25,000	-	-	-	25,000	25,000
Total revenues	525,000	-	363,951	-	25,000	522,681
Expenditures:						
Federal:						
Sewer Facilities	321,262	53,930	267,332	-	-	321,262
Rehab. Private Prop	69,738	-	69,419	-	-	69,419
Engineering	66,000	49,800	16,200	-	-	66,000
Administration	43,000	30,000	11,000	-	-	41,000
Local:						
Sewer Facilities	15,000	-	-	-	15,000	15,000
Engineering	10,000	-	-	-	10,000	10,000
Total expenditures	525,000	133,730	363,951	-	25,000	522,681
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

ARANSAS COUNTY, TEXAS

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

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2009
Governmental Activities							
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
Restricted	843,573	2,018,191	2,590,621	4,009,304	1,682,645	4,797,989	3,351,918
Unrestricted	5,754,819	5,428,050	7,239,112	8,256,952	8,255,996	8,185,130	9,908,364
Total Governmental							
Activities Net Assets	<u>\$ 14,240,041</u>	<u>\$ 15,885,194</u>	<u>\$ 17,067,529</u>	<u>\$ 17,759,487</u>	<u>\$ 18,178,921</u>	<u>\$ 18,374,295</u>	<u>\$ 20,395,291</u>
Business-type Activities							
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
Restricted	--	--	--	--	--	--	--
Unrestricted	11,268	99,665	(127,651)	425,883	708,388	1,001,718	715,394
Total Business-type							
Activities Net Assets	<u>\$ 4,074,741</u>	<u>\$ 3,937,865</u>	<u>\$ 5,569,562</u>	<u>\$ 6,708,605</u>	<u>\$ 8,285,670</u>	<u>\$ 10,810,180</u>	<u>\$ 10,413,324</u>
Primary Government							
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
Restricted	843,573	2,018,191	2,590,621	4,009,304	1,682,645	4,797,989	3,351,918
Unrestricted	5,766,087	5,527,715	7,111,461	8,682,835	8,964,384	9,186,848	10,623,758
Total Primary							
Government Net Assets	<u>\$ 18,314,782</u>	<u>\$ 19,823,059</u>	<u>\$ 22,637,091</u>	<u>\$ 24,468,092</u>	<u>\$ 26,464,591</u>	<u>\$ 29,184,475</u>	<u>\$ 30,808,615</u>

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

TABLE E-2

ARANSAS COUNTY, TEXAS

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
 LAST SEVEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental Activities:							
General government	\$ 926,218	\$ 963,613	1,149,048	\$ 1,157,196	\$ 1,509,232	\$ 1,297,185	1,193,056
Judicial	859,663	892,437	1,049,066	1,144,928	1,209,863	1,347,353	1,325,709
Legal	445,277	447,869	443,201	498,377	493,739	547,730	552,067
Elections	60,614	55,328	74,904	76,440	87,656	78,160	87,415
Financial administration	643,653	738,865	814,511	827,452	931,388	1,008,414	1,006,588
Public facilities	419,744	404,801	528,935	532,849	608,949	605,145	493,412
Public safety	3,066,166	3,895,041	4,226,953	4,539,254	5,388,500	6,322,329	6,785,792
Environmental protection	517,720	599,972	649,443	543,533	766,771	598,758	591,681
Public transportation	1,720,487	1,950,355	2,389,403	2,293,716	2,318,482	2,491,334	2,366,571
Flood Control	--	--	--	--	12,101	109,868	218,225
Health and Welfare	1,355,509	1,205,129	1,358,738	1,394,376	1,425,240	1,787,683	1,875,452
Culture and recreation	230,842	253,923	290,310	305,313	377,451	381,643	358,062
Conservation	37,868	56,555	45,564	57,302	71,979	66,097	96,809
Contributions to other governments:							
Water and sewer systems	159,623	386,176	638,860	119,284	105,500	144,037	564,108
Coastal restoration	116,058	--	--	--	--	--	--
Interest and fiscal charges	469,725	459,360	449,599	543,018	601,284	618,057	649,725
Total Governmental Activities Expenses	11,029,167	12,309,424	14,108,535	14,033,038	15,908,135	17,403,793	18,164,672
Business-type Activities							
County airport	709,141	898,074	1,023,598	1,127,386	1,436,497	1,362,764	1,554,724
Inmate commissary	3,900	47,099	74,530	80,752	49,999	66,279	36,987
Total Business-type Activities Expenses	713,041	945,173	1,098,128	1,208,138	1,486,496	1,429,043	1,591,711
Total Primary Government Expenses	\$ 11,742,208	\$ 13,254,597	15,206,663	\$ 15,241,176	\$ 17,394,631	\$ 18,832,836	19,756,383
Program Revenues							
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
Operating Grants and Contributions	667,117	655,944	415,259	329,757	509,747	613,638	1,166,394
Capital Grants and Contributions	275,681	517,624	665,353	399,002	409,301	197,841	1,039,124
Total Governmental Activities Program Revenues	3,918,866	5,044,148	5,917,615	4,953,508	6,266,174	6,118,251	7,750,358
Business-type Activities:							
Charges for Services:							
County airport	560,017	678,162	861,459	881,674	1,112,777	818,325	879,086
Inmate commissary	8,627	58,025	87,482	117,763	104,891	52,293	56,461
Operating Grants and Contributions	24,045	30,090	16,613	26,701	37,669	51,524	50,180
Capital Grants and Contributions	16,808	30,032	1,754,787	1,267,696	1,482,351	3,125,600	207,904
Total Business-type Activities Program Revenues	609,497	796,309	2,720,341	2,293,834	2,737,688	4,047,742	1,193,631
Total Primary Government Program Revenues	\$ 4,528,363	\$ 5,840,457	8,637,956	\$ 7,247,342	\$ 9,003,862	\$ 10,165,993	8,943,989
Net (Expense)/Revenue							
Governmental Activities	\$ (7,110,301)	\$ (7,265,276)	(8,190,920)	\$ (9,079,530)	\$ (9,641,961)	(11,285,542)	(10,414,314)
Business-type Activities	(103,544)	(148,864)	1,622,213	1,085,696	1,251,192	2,618,699	(398,080)
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)

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 SEVEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue							
Governmental Activities	\$ (7,110,301)	\$ (7,265,276)	\$ (8,190,920)	\$ (9,079,530)	\$ (9,641,961)	\$ (11,285,542)	\$ (10,414,314)
Business-type Activities	(103,544)	(148,864)	1,622,213	1,085,696	1,251,192	2,618,699	(398,080)
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)
General Revenues and Other Changes in Net Assets							
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
Sales Taxes	1,761,862	2,032,956	2,212,387	2,284,388	2,306,607	2,131,130	2,077,489
Other Taxes	143,909	141,793	186,810	225,077	247,844	277,967	312,193
Investment Earnings	244,242	295,906	495,941	639,534	322,622	123,435	47,203
Miscellaneous	7,235	111,250	140,820	118,021	157,655	245,826	296,730
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
Business-type Activities:							
Investment Earnings	4,400	11,298	8,794	11,926	6,499	1,021	534
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
Total Primary Government	\$ 7,968,924	\$ 8,922,417	\$ 9,382,736	\$ 9,824,835	\$ 10,387,263	\$ 11,386,727	\$ 12,436,534
Change in Net Assets							
Governmental Activities	\$ 642,626	\$ 1,645,153	\$ 1,182,332	\$ 732,689	\$ 421,486	\$ 99,415	\$ 2,020,996
Business-type Activities	112,453	(136,876)	1,631,697	1,098,312	1,575,008	2,620,469	(396,856)
Total Primary Government	\$ 755,079	\$ 1,508,277	\$ 2,814,029	\$ 1,831,001	\$ 1,996,494	\$ 2,719,884	\$ 1,624,140

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)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 291,000	\$ 480,000	\$ 441,426	\$ 467,406	\$ 509,872	\$ 508,247	\$ 496,292	\$ 17,984	\$ 17,984	\$ 17,985
Unreserved	1,217,811	759,672	1,121,879	1,450,273	2,303,471	2,846,088	3,042,325	2,992,202	2,992,202	3,954,511
Total General Fund	\$ 1,508,811	\$ 1,239,672	\$ 1,563,305	\$ 1,917,679	\$ 2,813,343	\$ 3,354,335	\$ 3,538,617	\$ 3,010,186	\$ 3,010,186	\$ 3,972,496
All Other Governmental Funds										
Reserved	\$ --	\$ --	\$ --	\$ 67,682	\$ 62,267	\$ 62,267	\$ 41,512	\$ 41,512	\$ 41,512	\$ 41,512
Unreserved, Reported In:										
Special Revenue Funds	2,970,922	2,848,875	2,587,979	2,525,934	2,576,851	2,697,698	3,220,274	3,559,819	3,559,819	3,149,850
Capital Projects Funds	21,016	20,642	9,246,905	792,547	399,360	284,361	2,189,725	35,338	35,338	2,432,075
Debt Service Funds	--	--	40,894	60,599	69,375	207,900	384,311	260,096	260,096	639,313
Total All Other Governmental Funds	\$ 2,991,938	\$ 2,869,517	\$ 11,875,778	\$ 3,446,762	\$ 3,107,853	\$ 3,252,226	\$ 5,835,822	\$ 3,896,765	\$ 3,896,765	\$ 6,262,750

ARANSAS COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

UNAUDITED

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 5,471,421	\$ 5,754,465	\$ 6,362,870	\$ 7,535,864	\$ 8,408,211	\$ 8,719,695	\$ 9,052,441	\$ 9,546,432	\$ 10,936,630	\$ 12,097,215
Licenses, Fees and Permits	583,672	593,559	638,297	659,650	625,148	657,970	642,309	629,140	614,411	625,631
Intergovernmental	810,486	859,872	850,463	942,798	1,228,568	1,136,972	849,008	1,039,869	932,135	2,326,132
Charges for Services	1,039,107	1,245,093	1,322,037	1,489,202	2,153,939	3,072,454	2,805,737	3,275,298	3,808,008	3,911,143
Fines and Penalties	307,858	309,227	499,113	623,806	794,813	910,404	912,412	1,237,543	901,946	899,541
Investment Earnings	321,772	111,717	129,517	244,242	295,906	495,941	625,126	322,622	111,140	47,203
Other Revenues	39,528	48,817	36,102	7,235	240,485	161,463	118,021	157,655	245,826	296,730
Total Revenues	8,573,844	8,922,750	9,838,399	11,502,797	13,747,070	15,154,899	15,005,054	16,208,559	17,550,096	20,203,595
Expenditures										
General Government	664,869	703,742	771,256	820,889	864,274	1,036,788	1,104,241	1,451,854	1,261,273	1,125,124
Judicial	706,415	826,851	831,475	859,663	889,480	1,035,976	1,143,511	1,196,905	1,346,163	1,324,519
Legal	362,839	471,662	468,072	445,277	446,187	441,852	498,377	493,739	547,730	552,067
Elections	40,902	57,810	42,334	60,614	45,173	57,247	57,081	70,512	61,898	71,153
Financial Administration	540,466	583,779	601,292	630,934	695,264	746,674	778,705	881,308	968,677	976,973
Public Facilities	364,229	376,313	377,734	419,744	393,375	489,320	532,849	557,275	605,145	493,412
Public Safety	2,097,134	2,294,307	2,477,886	2,767,544	3,514,799	3,824,210	4,097,631	4,955,561	5,871,887	6,288,033
Environmental Protection	511,919	482,734	482,484	513,081	585,339	628,191	523,349	739,031	561,718	535,461
Public Transportation	1,434,210	1,553,940	1,543,857	1,659,133	1,692,280	2,158,841	2,009,868	2,039,414	2,189,711	2,045,634
Flood Control	--	--	--	--	--	--	--	12,101	105,544	208,402
Health and Welfare	1,118,275	1,174,364	1,491,223	1,344,930	1,186,536	1,350,620	1,387,693	1,408,423	1,782,069	1,864,663
Culture and Recreation	270,447	198,094	156,148	182,580	205,538	258,915	261,008	322,716	331,821	308,240
Conservation	49,471	34,226	37,442	37,868	46,852	45,564	57,302	71,979	66,097	95,067
Capital Outlay	601,716	433,068	2,478,785	9,293,425	1,766,414	1,517,701	1,214,829	3,388,586	1,823,472	2,817,867
Debt Service										
Interest	6,581	848	--	626,194	463,804	423,479	434,369	449,754	621,973	536,687
Principal	15,979	122,572	--	--	395,000	454,155	506,612	646,559	518,467	737,520
Total Expenditures	8,785,452	9,314,310	11,759,988	19,661,876	13,190,315	14,469,533	14,607,425	18,685,717	18,663,645	19,980,822
Excess of Revenues										
Over (Under) Expenditures	(211,608)	(391,560)	(1,921,589)	(8,159,079)	556,755	685,366	397,629	(2,477,158)	(1,113,549)	222,773
Other Financing Sources (Uses)										
Bonds Proceeds	--	--	11,246,104	--	--	--	2,396,139	--	4,070,000	--
Other Proceeds	138,551	--	--	--	--	--	14,841	11,722	53,112	--
Transfers In	1,144,450	1,259,809	1,524,588	1,422,082	1,610,024	1,586,698	1,703,503	1,849,331	2,000,376	1,776,372
Transfers Out	(1,158,450)	(1,259,809)	(1,524,588)	(1,422,082)	(1,610,024)	(1,586,698)	(1,744,234)	(1,851,388)	(1,904,417)	(1,776,372)
Total Other Financing										
Sources (Uses)	124,551	--	11,246,104	--	--	--	2,370,249	9,665	4,219,071	--
Prior period adjustments	--	--	5,379	--	--	--	--	--	--	--
Net Change in Fund Balances	\$(87,057)	\$(391,560)	9,329,894	\$(8,159,079)	556,755	685,366	2,767,878	\$(2,467,493)	3,105,522	222,773
Debt Service As A Percentage Of Noncapital Expenditures	0.3%	1.4%	--	6.0%	7.5%	6.8%	7.0%	7.2%	6.8%	7.4%

ARANSAS COUNTY, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED

Fiscal Year	Land	Personal Property	Minerals	Total Taxable Assessed Value	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2001	\$ 1,406,493,227	\$ 41,087,338	\$ 88,012,415	\$ 1,535,592,980	\$ 1,535,592,980	100.00%
2002	1,589,834,481	40,407,001	77,030,725	1,707,272,207	1,707,272,207	100.00%
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%

Source: Aransas County Appraisal District

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

Taxpayer	2010			2001		
	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	\$ 34,330,280	1	1.04%	\$		
AEP Texas Central Co	16,826,600	2	0.51%	7,823,400	4	0.63%
Waterfront Land Inv. Fund I	10,446,020	3	0.32%			
H E Butt Grocery	9,888,653	4	0.30%	5,748,947	5	0.46%
Lamar Oil & Gas Inc.	9,448,030	5	0.29%			
EOG Resources	9,032,200	6	0.27%			
Boardwalk at St Charles Bay	8,000,810	7	0.24%			
Oaks at Bentwater LP	7,663,730	8	0.23%			
Rockport Harbor Front LP	9,106,830	9	0.28%			
Wal-Mart Real Estate	7,132,010	10	0.22%			
Walter Oil & Gas Corp				12,234,590	1	0.98%
Degussa Carbon Black				8,785,750	2	0.71%
Southwestern Bell Tele.				8,674,520	3	0.70%
Mitchell Energy Corp				4,274,440	6	0.34%
Forrest Oil Corp				3,674,100	7	0.30%
Conoco Inc				3,368,470	8	0.27%
Bass, Perry R Inc				3,155,967	9	0.25%
Grey Wolf Inc				3,000,000	10	0.24%
Total	\$ 121,875,163		3.69%	\$ 60,740,184		4.88%

Source: Aransas County Appraisal District

ARANSAS COUNTY, TEXAS
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS
 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
2001	\$ 3,962,560	\$ 3,602,608	90.92%	\$ 343,921	\$ 3,946,529	99.60%
2002	4,433,324	3,922,012	88.47%	489,373	4,411,385	99.51%
2003	4,721,790	4,504,200	95.39%	187,895	4,692,095	99.37%
2004	5,148,009	4,934,915	95.86%	178,688	5,113,603	99.33%
2005	5,375,639	5,229,778	97.29%	103,119	5,332,897	99.20%
2006	5,401,809	5,273,741	97.63%	85,106	5,358,847	99.20%
2007	5,693,032	5,550,730	97.50%	87,283	5,638,013	99.03%
2008	6,582,987	6,434,381	97.74%	93,587	6,527,968	99.16%
2009	7,915,385	7,738,901	97.77%			
2010						

* Current collections on the 2010 roll continue to July 1, 2011